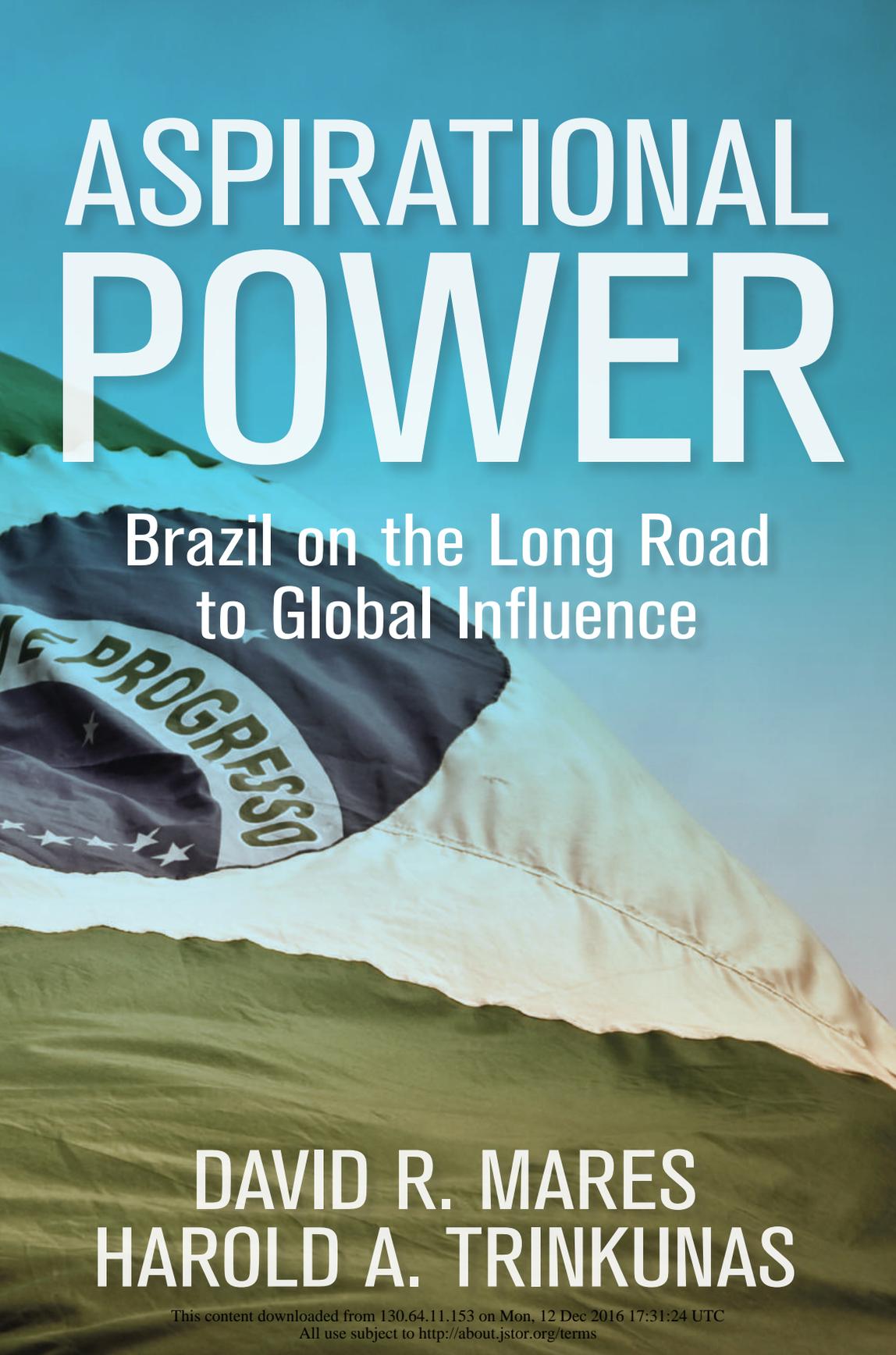


# ASPIRATIONAL POWER

The background of the cover is a close-up, slightly blurred image of the Brazilian national flag. The green and gold colors are prominent, and a white banner with the word 'PROGRESSO' in black capital letters is visible. The flag appears to be waving against a clear blue sky.

Brazil on the Long Road  
to Global Influence

DAVID R. MARES  
HAROLD A. TRINKUNAS

# B

razil has long aspired to *grandeza*—greatness—and to take its place among the major powers that influence and shape the international order. It has served more times on the United Nations Security Council than any other country except for the permanent members, and it seeks a permanent seat of its own. Since the founding of the UN in 1945, the Brazilian military has participated in forty-six of sixty-five UN peacekeeping missions, and Brazilian officers currently lead UN operations in three countries. During the 2008 global financial crisis, Brazil's role in the G-20 contributed to reforming the International Monetary Fund. And together with its partners in the BRICS, Brazil has proposed alternative models for managing global order such as the New Development Bank.

By history and by design, Brazil emphasizes soft power in pursuit of a more democratic international order based on sovereign equality among nations. Soft power is based on the attraction of a country's domestic institutions. Between 2000 and 2014, Brazil had a great story to tell: its economy grew to become the seventh largest in the world. The middle class grew by 50 percent, and poverty fell by half.

Yet, in 2015, Brazil was rocked by a major corruption scandal involving the national oil company and entered its worst recession in eighty years. In 2016 its president, Dilma Rousseff, was impeached. Brazil's effort to consolidate its claim to great power status fell short. *Aspirational Power*, examines the domestic sources of Brazil's international influence and how it attempts to use its particular set of capabilities to influence the global order. It explains how periodic domestic crises undermine Brazil's aspirations to major power status, and it makes concrete recommendations on how Brazil can better develop and deploy its power to achieve its aspirations.

# **ASPIRATIONAL POWER**



## GEOPOLITICS IN THE 21ST CENTURY

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# **ASPIRATIONAL POWER**

**BRAZIL ON THE LONG ROAD  
TO GLOBAL INFLUENCE**

**DAVID R. MARES  
HAROLD A. TRINKUNAS**

**BROOKINGS INSTITUTION PRESS**  
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# **ASPIRATIONAL POWER**



## CHAPTER ONE

# *Brazil, the Emerging Powers, and the Future of the International Order*

IT IS DIFFICULT IN 2016 to remember the optimism that Brazilians once shared about their country's climb up the ranks of international standings. Already the fifth largest country in terms of landmass and demography, it grew to become the seventh largest economy in the world, powered by a major increase in commodity exports. It won bids to host the 2014 World Cup and the 2016 Summer Olympics. It greatly increased its diplomatic representation, opening embassies across Africa and the Caribbean. It led peacekeeping operations in Haiti and the Democratic Republic of Congo, and a Brazilian rear admiral commanded UN naval forces off the coast of Lebanon. It aspired to find a peaceful solution to the international controversy generated by Iran's nuclear program. It hosted and led major conferences such as Rio+20 on the global environment in 2012 and NETmundial on global Internet governance in 2014. Together with its partners in the BRICS group (Brazil, Russia, India, China, and South Africa), Brazil launched proposals for new multilateral institutions—BRICS New Development Bank and Contingent Reserve Arrangement (paralleling the role of the International Monetary Fund [IMF])—designed to give a greater voice to the Global South. In 2009, the newsmagazine *The Economist* celebrated Brazil's rise with a controversial cover that depicted the famous statue of Christ Redeemer rising like a rocket from its perch on Corcovado Mountain high above Rio de

Janeiro's bay.<sup>1</sup> For a few years, it seemed that Brazil would finally fulfill its long-held aspirations to become a major power.<sup>2</sup>

By contrast, in 2015 the news from Brazil was mainly dominated by economic turmoil and the possibility of a presidential impeachment. Impeachment proceedings against Brazil's president, Dilma Rousseff, began in December 2015, just one year after she had been reelected. A major scandal at the national oil company Petrobras landed major politicians and top executives in jail, paralyzing an industry that constituted almost 10 percent of the economy. A prolonged economic recession, a significant fiscal deficit, and rising inflation eventually produced a downgrade of its international credit to junk bond status. In the World Economic Forum's 2015 Global Competitiveness report, Brazil slipped eighteen places to seventy-fifth (out of 140).<sup>3</sup> And it increasingly found itself left out of the major international debates of the day, such as those concerning Russia's annexation of Crimea or the civil war in Syria. In light of such severe domestic setbacks, its recent international aspirations seemed to rapidly recede into historical memory.

Yet even in the midst of Brazil's troubles, Brazil is still a power with the aspiration to become globally influential. And it is a power that other major powers recognize as potentially important and a possible key to solving major crises in global governance. In June 2015 U.S. president Barack Obama made these points forcefully at a joint press conference with Brazilian president Rousseff, stating that the United States regards Brazil as a global power, rather than a regional power as a Brazilian reporter had suggested.<sup>4</sup> Although this statement may have been a diplomatic way to score points with a visiting foreign leader, it also reflects the hopes of the United States for Brazil to play a constructive role in global governance.

Brazil's efforts to emerge as a global power are particularly important now that international politics are in flux. The unipolar moment that followed the end of the Cold War seems to be slipping away in the face of the Chinese economic and military surge of the past decade and Russia's desire to contest U.S. leadership along its periphery. In this context, some developing nations such as Brazil and India have increased their military, economic, and political capacities to the point that they appear to be on the brink of emerging out of the classification of a middle power and into a second tier of major power rankings.

Although it is common to speak of "rising" countries, the emerging powers are important not just because they have accumulated more

material resources or military might but also because of their aspirations to influence the way global governance works. Emerging powers such as India and Brazil are more capable than middle or regional powers such as South Korea, Indonesia, or Mexico—but they are not (yet) great powers.

These emerging states are increasingly clamoring for a larger role in global politics and demanding that the governance structures of the international system take greater account of their interests. They are seeking recognition of both their economic importance and their political influence in the international organizations that structure economic, political, and security global governance. It is important to note that although they seek a greater say, states such as Brazil and India do not seek to overthrow the present order.<sup>5</sup> In particular, Brazil sees both reform and revision as attainable and beneficial, both for its growth as a major power and for the stability of the international order.

From the perspective of U.S. leaders, these questions are primary: What do emerging powers want, and are their intentions generally benign or potentially harmful to global order? The United States has to consider whether the interests of emerging powers can be incorporated into present international governance structures without long-term damage to the global order it put in place after World War II. The growing power of new actors such as India and Brazil has objective ramifications for the functioning of the international order. But their growing economic, military, and diplomatic power implies little about what these states might do with their expanded capabilities.

The next important question we should ask is this: Why have today's emerging powers so far stopped short of attempting to overthrow the present system that they so often criticize? To answer this question it is essential to understand the underlying phenomena that shape the behavior of newly influential and capable states such as Brazil in the realm of global governance. In this book, we use Brazil as a case study for understanding how emerging powers seek to shape the international order. We argue that as an emerging power Brazil seeks inclusion, not the overthrow of global governance structures.<sup>6</sup> But inclusion as an influential participant does not mean simply accepting the rules of the existing international order. Emerging powers are not strong enough to be "rule makers" in the traditional sense—and frankly, even the United States is no longer strong enough to be a rule maker in isolation from other powers. But emerging powers no longer wish to be "rule takers" either. Instead,

they seek the opportunity to be part of the club of major powers that act as “rule shapers” in the international order.<sup>7</sup>

The third set of questions revolve around the capabilities that emerging powers may use to influence the international order, particularly in a system where war between the major powers has become vanishingly rare. The traditional route to influence through the accumulation of “hard” military and economic power is no longer the only way that emerging states can influence global governance. We examine the combinations of soft and hard power that Brazil uses to seek influence within the liberal international order and its governance structures. The domestic and international determinants of those combinations are distinct, and we note how and why those sources change over time.

This book seeks to answer these questions by examining the key arenas where states seek influence over the governance of the contemporary order—security, economics, and the global commons—and then evaluating the extent of Brazil’s impact on each area. We seek to understand why Brazil is critical of the present order (although it does not seek its overthrow) and argue that its repeated failures to both significantly revise and reform global governance are caused by its inability to develop the combination of hard and soft power that would make success possible. Because of its emphasis on the use of soft power, Brazil is a particularly good case study of emerging powers’ attempt to balance the use of different kinds of power. Given that soft power is based on the success of a country’s institutions, achieving influence requires both a favorable international context and successful governance at home. To date, theories of international relations have not incorporated the possibility of a developing country rising to a prominent position in international governance largely through the use of soft power.\*

In this chapter, we first examine the foundational principles that guide the contemporary liberal international order. We note that, among the emerging powers, Brazil is most in accord with many of the principles, but it also critically considers a myth the claim that the major powers adhere sufficiently to the principles of the order they lead. The second section examines what emerging powers want from the international

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\*The discussions in the 1980s that Japan might become number one via a soft power approach dealt with a country that already possessed a developed economy.

order; we argue that emerging powers are neither followers nor revolutionaries, but rather are reformers, revisionists, or a combination of the two. Emerging states may seek changes to the present order that would stabilize existing governance arrangements even as an emergent power's rise alters the distribution of power. Or they may follow a more revisionist strategy, seeking to change the principles underlying the international order. The third section discusses hard and soft power and postulates why Brazil is attracted to the latter, without denying the value of the former as a last resort. In the fourth section we justify the use of Brazil as a case study that helps us think about emergence and the requirements to succeed in moving from an emerging power to a major one. The final section explains how the structure of the book illustrates our argument about the choice and challenges of using soft power through the evaluation of Brazil's current efforts to rise in the ranks of international standing.

#### **EMERGING POWERS AND THE GLOBAL ORDER: FOUR FOUNDING PRINCIPLES AND ONE MYTH**

Emergence is the process by which states are recognized by other state and nonstate actors as legitimately influential within international governance—either because their growing capabilities are potentially disruptive or because they offer the promise of contributing to the successful operation of the present order.\* We avoid the use of the once-popular term “rising” to describe states such as Brazil and India. “Rising” implies a positive change in a set of state capabilities—GDP, military force, technological development—whereas “emergence” implies legitimacy for a rising power's participation in shaping the rules of global order. Emergence requires both vertical and horizontal legitimacy. Vertical legitimacy is achieved when elites and/or public opinion supports efforts by an emerging power to play an influential role in global governance. Horizontal legitimacy is extended by the incumbent great powers when they recognize that an emerging power should be accommodated or consulted on global governance, either because it has enough hard power that it cannot be ignored or because it has enough soft power that it is attractive to

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\*A leadership role in a multilateral institution that has little impact on the behavior of the major players in the international order—for example, being elected president of the Non-Aligned Movement—is not, however, an indication of emergence.

include as part of the solution to major challenges confronting the international order. A major question thus becomes how the process of emergence (which has both objective and subjective components, unlike “rising”) affects foreign policy.

When emerging powers confront a global order made by others that came before them, the question is whether they seek to reform or revise it. *Reform* is focused on the design of global governance institutions and the procedures under which the order is implemented; for example, gaining a permanent seat at the UN Security Council or influence in the multilateral institutions that design the guidelines by which international behavior is judged. *Revision* entails promoting reforms of the governance structures in conjunction with a revision of the *foundational principles* of the order. Although the academic literature in international relations tends to consider “revisionist powers” as those that would create a completely new order, we find it more useful to group those states as “revolutionary.” This additional category allows for a more nuanced analysis of the revisionist aspects of the foreign policy of emerging powers, while at the same time allowing for the possibility that revolutionary major powers may seek to overturn the international order, as Napoleonic France, Nazi Germany, and the Soviet Union each attempted.

Principles play important roles in international governance, particularly given the anarchic character of the international system, which has no central government to enforce binding outcomes. Principles can be used to judge whether the behavior of states is legitimate,<sup>8</sup> as well as to justify and legitimize action taken by the states powerful enough to create these foundational principles.<sup>9</sup> Foundational principles define what state behavior is proper and not proper (and therefore what kinds of behavior should be punished by the leading states in the international order). These principles may or may not be accepted by other actors in the system, even if they do not necessarily challenge the present order. A state may accept the order while disagreeing with the underlying principles if it finds the existing order advantageous or is unwilling to bear the costs of opposing the foundational principles. In the current international order, four foundational principles—two adopted from earlier Western orders and two developed under U.S. leadership in the post–World War II liberal international order—stand out.

*First Foundational Principle*

The first foundational principle defines the nature of the members of the order. The fundamental starting point for all modern international orders—a product of the series of treaties commonly referred to under the rubric “Peace of Westphalia”—is that states in the system are “sovereign,” meaning that the government of a political unit has governance rights over that unit. Although sovereignty does not mean that a state is free to do whatever it desires, the concept implies that governments decide how their state will respond to the opportunities and constraints presented by the international situation and at home. Sovereignty is violated when one state makes a decision in the name of another or replaces a government of another state. In practice, sovereignty has always been a relative concept. Although minor powers have found that right constrained, the major powers have not seen their internal affairs as subject to outside intervention.<sup>10</sup>

*Second Foundational Principle*

Although the principle of sovereignty became an important part of international relations discussions during the eighteenth century,<sup>11</sup> only with the Second Hague International Peace Conference in 1907 did members of the Western international order accept the second foundational principle that all states are equally sovereign. This claim to sovereign equality has nevertheless been constantly challenged since then, not because states try to influence the choices that other state leaders make but by the consistent attempts of states (sometimes successfully) to coerce or overthrow governments of other states that are behaving in ways with which they disagree.<sup>12</sup>

*Third and Fourth Foundational Principles*

In addition to the foundational principles regarding sovereignty and sovereign equality, the modern post-World War II liberal international order is guided by two other overarching principles. The third principle relates to the system’s efforts to safeguard the world from military aggression, in particular nuclear war. The UN Security Council and the Non-Proliferation Treaty (NPT) are the key elements in this regime. A fourth principle of the liberal international order is promoting

a market-based global economic order, not only in trade but also in finance and development assistance. An emphasis on free market principles as the basis for the global economy is seen as the best path toward development and prosperity of all states, particularly after the end of the Cold War.

**BUT THE INTERNATIONAL ORDER** is also founded on a myth, which holds that its foundational principles are equally adhered to by all powers, great and small. The emerging powers have questioned this myth, claiming that the five nations with veto power in the UN Security Council—the United States, Russia, Great Britain, France, and China—do not behave as if they are fully bound by Security Council decisions regarding the appropriate use of military force. They also do not behave as if they are fully bound by the NPT commitment toward nuclear disarmament, nor do they support the sanctioning of nuclear proliferators that they consider to be their important partners, such as India in the 1970s for the Soviet Union, India today or Israel for the United States, or North Korea for China. Similarly, countries such as Brazil regularly accuse the major powers of violating the global market-based economy principle to promote the competitiveness of their national economies, either through the use of nontariff barriers or of preferential treatment for some of their domestic industries (notoriously agriculture in Europe and the United States). From the perspective of countries in the Global South, it appears paradoxical to promote a global free market in capital but to regulate labor flows across national boundaries, regularly placing obstacles to external migration to developed economies—given that labor is as much a factor of production as capital and there is no a priori reason why it should not flow equally freely in a global economy based on free market principles. Finally, for countries such as Brazil that have been historically forced to accede to IMF conditions in return for financial assistance, the status of the U.S. dollar as the de facto global reserve currency is galling because it allows the United States to ignore many of the recommendations that international financial institutions regularly impose on other states to ensure smoothly functioning global capital markets.

The incongruence between great power behavior and the principles on which the order is based was not fully apparent until after World War II. Before then, the international system, which became global as a consequence of nineteenth-century European imperialism, operated under a thinly institutionalized governance structure built around the

balance of power among a few large states in the Global North. Parallel governance structures operated across subsets of the international system: the League of Nations was relevant for some nations, European imperialism governed others, and in the Western Hemisphere, the dominant U.S. power structured relations among states to varying degrees. Imperial European states did not accept the notion of sovereign equality of the polities of Africa, the Middle East, and Asia. The Pan-American Union, which included the Latin American states, was usually incapable of raising the costs to the United States of its intervening against regional governments perceived as detrimental to U.S. interests.<sup>13</sup>

As a result of decolonization in the mid-twentieth century, national rather than imperial states became the basic building block of the international order, and the international system became truly global. The liberal international order created by the United States and its European allies after World War II needed to address the incongruence between the actions of major powers, which treated some states as more equal than others, and the principles of sovereignty and sovereign equality preferred by the middle and smaller powers, the numbers of which were rapidly growing as decolonization proceeded. This incongruence, however, was not a problem confronted by the Soviet Union within its sphere. Its international order was based on the foundational principle that the Soviet Union provided the correct interpretation of Marxism and had the historical responsibility to lead and to intervene when necessary to protect socialism. But the United States, even though it believed that it understood how to best achieve security and prosperity for all, made no such claims of an inherent right to impose its interpretations on friend and foe alike.

### *Foundational Myth*

Therefore the United States needed a foundational myth that it felt justified its occasional violations of the principles undergirding the liberal international order. This myth would also need to indicate to the other major powers that U.S. actions running counter to the system's founding principles were intended to provide public goods, such as international security or international trade, not to overturn the global order. This myth has been referred to in many ways—all emphasizing the "exceptional" nature of the United States and both its ability and its willingness to provide public goods to the world, such as freedom,

security, and democracy.<sup>14</sup> It holds that, when confronted by norms violators, the United States sees the need (and therefore has the right) to defend the prevailing order unilaterally and in ways that, in the short term, contradict acceptable behavior in a system characterized by sovereign equality.<sup>15</sup>

The reason we label this a myth rather than a principle is that many states, including emerging powers such as Brazil, do not support episodic U.S. violations of the principles of the international order as legitimate. Yet, because they perceive the costs of opposing such unilateral behavior as outweighing its benefits, they thus accept it *de facto* without granting it legitimacy.<sup>16</sup> For example, the UN Security Council did not support the U.S. decision to invade Iraq in 2003. The subsequent U.S. invasion of Iraq and the lack of a condemnation of it by the Security Council did not indicate the other major powers' acceptance of the U.S. action as correct behavior, but rather their inability to prevent such behavior. When the United States invaded Panama in 1989, Latin American states did not believe that the United States had the right to punish Panama for transgressions of rules about the drug trade that it had unilaterally defined. The Organization of American States (of which the United States is a member) condemned the invasion as a violation of international law, yet the Latin American members took no further action to force the U.S. to desist.<sup>17</sup> This open criticism of U.S. unilateral behavior implies disagreement, not acceptance of its legitimacy.

Much of the international relations literature revolves around the choices made by great powers in maintaining the global order. It has long been preoccupied with what happens when a dominant power is overtaken by a rising power, such as when Germany twice tried to become a hegemon. Recent discussions of the implications of the rise of China for the liberal international order fall into this category.<sup>18</sup>

In contrast, this book focuses on choices made by emerging states, the second-tier great powers. These are the states that have the resources to potentially affect the international system: they have more resources than middle powers, but not enough to rival the system's great powers. At this stage, emerging powers can either become followers or seek revisions and reforms of the present order's foundational myths and principles. In this book, we show that Brazil seeks revisions and reforms that would make the four principles undergirding international order more salient and more effective in fully constraining U.S. unilateral behavior. The question for dominant powers such as the United States is whether

emerging powers such as Brazil can play a constructive role in supporting the prevailing global order and can become more effective in doing so if their interests can be accommodated or whether these states' demands and behavior will corrode global governance.

### **EMERGING POWERS: WHO, WHAT, AND WHY?**

Emerging power status is determined by the accumulation of power that spans military, economic, political, and social arenas. For example, North Korea may have a large army and a few nuclear weapons, but because of its economic weakness, totalitarian governance, and repulsive social policies, it has no ability to influence anything beyond its own security; the North Korean government knows that and does not seek to become a player in discussions about the future of the international order. We argue that as states develop their power across domains relevant to the governance of the prevailing international order, they will reach a point where they will seek to "emerge" into global leadership positions. Emerging powers are identified as such because they are on a path that will move them from the middle ranks to great power ranks. No one (except their neighbors) is particularly interested in the small power that rises to a middle power position, but those countries that rise to the top rungs are watched closely.

All decisions regarding international behavior carry some costs, domestic as well as international, and international behavior of consequence will require that states pay the costs of cooperation or of confrontation.<sup>19</sup> These costs are inversely related to capabilities; therefore weaker states face greater costs than more powerful states and have a more limited range of choices available to them. All existing theories of international relations contain some argument about how costs influence choices, even those theories that postulate that costs are not always calculated rationally.<sup>20</sup>

Emerging powers face a set of choices that guide their international behavior that are unavailable to middle and small powers. These choices provide opportunities to promote their interests, and we expect them to seek out those opportunities. We can thus postulate that an emerging power has three goals as it rises in the international order. The first is to gain influence. A second corollary goal is to reduce the costs to itself of different foreign policies. A third goal is to open up new opportunities within the international system. The fundamental means of achieving

these goals is by building up its hard and soft power resources in a balance that has resonance with the interests of the major powers in the international order and is sustainable at home over the medium to long term.

Emerging powers have the same interests of other states—the defense of their sovereignty and the pursuit of national goals at minimal cost. Security against invasion or coercion is implied in defending one's sovereignty. Developing the national economy is also a strategy for defending sovereignty, because the wealthier a state is and the more diversified its economy, the less vulnerable it is to sanctions, the more costs it can absorb in pursuing its interests, and the more options it has.

But these states' behavior is fundamentally affected by the fact of emergence—a position that provides both increased vulnerabilities and increased opportunities. These powers face a high cost if they overtly challenge the prevailing order, because they have not yet achieved the levels of hard and soft power to rival the status quo major powers and thus are vulnerable to retaliation.<sup>21</sup> Note that even Brazil, which is critical of the rights of great powers to act in ways that violate the rules, does not advocate for the elimination of the permanent seats on the UN Security Council or of weighted voting at the IMF. Brazil's perspective is that some states count more than others in drawing up the international order, but once the rules are in place, all states, even the leaders of the prevailing order, must follow them. Brazil opposes an unequal distribution of influence, but argues that the inequality can be mitigated if representatives of the currently excluded states are included.

So how does an emerging power actually behave as it accumulates newfound influence? One would not expect it to be a "rule follower" because the rules, which determine the costs and benefits of behavior, were formulated by the leading powers and therefore bias those costs and benefits in their favor. Hence a new player would want to at least tweak the rules to take more account of its specific situation.

Emerging powers thus seek to revise or reform the international order to achieve greater recognition of their economic importance and political significance, as well as an influential role in international organizations that underpin global governance. But only a state that has the potential to develop into a superpower to rival the United States (or to replace it were it to decline) can conceive of replacing the existing international order; we leave it to others to discern when, if ever, the Chinese might decide that those costs are worth the expected benefits. All other

emerging powers today can at most aspire to (merely) major power status. Because being a “follower” or a “revolutionary” is not a rational strategy for emerging powers, their goals are either to reform the governing structures of that order or revise its foundational myths or both. We expect the choice to reform or revise to be determined by how much an emerging power would benefit from either approach. We argue that Brazil sees both reform and revision as attainable and beneficial for its continued development along the path to major power status.

### **SEEKING INFLUENCE: HARD AND SOFT POWER**

Joseph Nye argues that the currency of international influence lies in the use of both hard power—the use of military, political, and economic coercion or wealth to purchase allegiance—and of soft power: “the ability to get what you want through attraction rather than coercion or payments.”<sup>22</sup> We claim that the combination of hard and soft power approaches that emerging states use to seek influence in global governance varies according to those states’ geostrategic significance for the international order. An emphasis on hard power will be attractive for emerging states that are strategically valuable and relevant to leading powers. India, for example, borders both China, a U.S. rival, and Pakistan, a nuclear-armed country that is a major focus of U.S. security concerns about international Islamist terrorism. Turkey’s strategic position also makes its hard power of significance to leading states. Among the reasons that Turkey is valuable to the United States are its geostrategic position bordering Eurasia and the Middle East and its ability to project hard power along its borders into these regions. Turkey’s soft power, either in the form of cultural influence over Turkish peoples in Central Asia or religious influence in the Islamic world, is viewed much more ambivalently by leading powers.

Other emerging powers without such traditional geostrategic assets—such as Brazil and South Africa—will find it necessary to convince the existing great powers that their emergence will have a stabilizing effect on the international order because of their ability to exert soft power. This approach has the potential to convince leading powers of the value of incorporating emerging states into the existing order because of their ability to lower the costs of order maintenance. Soft power will be the preferred option for emerging countries such as Brazil and South Africa because it will generate less resistance from those at the top than pursuing

hard power. Great powers are reluctant to accept the proliferation of hard power unless it contributes to their needs, and in the absence of their strategic value, these emerging states lack that justification.

Yet neither the hard nor soft power of emerging states is likely to have a meaningful or existential impact on the security of the creators of the international order. The choice of targets of emerging states' power—which are largely either other emerging states or developing nations—reflects the fact that these emerging states have insufficient resources to aspire to be rivals of the great powers that created the international order. Using both hard and soft power for these states is a means to get “buy-in” from the leading powers for a more influential role in system governance.

However, having sufficient military power to keep great powers respectful and cautious in their behavior toward the goals and aspirations of emerging powers remains important. This perspective is captured in the Brazilian view on nuclear capabilities: they want to gain, as Japan and Germany have, the capability to produce nuclear weapons, although they promise never to develop them in normal circumstances.\*

Therefore, the most successful combinations of hard and soft power by emerging powers are often determined by great power needs. The use of hard power by emerging states is acceptable if it is oriented toward deterring systemic challengers at a lower price. From a great power perspective, emerging states' soft power should be focused on the unrepresented states in the Global South that the emerging powers claim to represent, offering great powers a less costly means to restrain minor rule breakers and expand the reach of the international order.

In the last decade, analysts have examined whether it may be possible for states to follow both hard and soft power paths to emergence. India and Brazil seem to represent differing routes to leadership positions in the international order, although both are critical of certain aspects of the prevailing international order. India has accumulated hard power, including developing nuclear weapons and a long-range strike capability. In addition, its accelerating economic development and broad global cultural influence have given India both hard and soft power capabilities, which it has used to increasingly align with the United States while

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\*Brazil's constitution prohibits the production of nuclear weapons, but the constitution can be amended or even replaced—Brazil has had six constitutions since replacing its empire with a republic in 1889.

keeping a wary eye on China's rising capabilities. Brazil, in contrast, is geostrategically secure and has deemphasized hard power and relied predominantly on soft power, seeking to emerge through its diplomatic leadership of the Global South.<sup>23</sup>

Analysts, policymakers, and the public are familiar with the hard power route to emergence and rivalry, the path that India appears to be pursuing. But the soft power route undertaken by Brazil is uncharted territory, and Japan's failure to become "number one" in the 1980s reinforces skepticism about soft power's ultimate potential. Jonathan McClory, an expert on soft power, summarizes the pro-soft power agenda well:

The ability of a state to drive change in international affairs in the 21st century will rest on shaping narratives, setting international norms, mobilizing transnational networks, and winning the battle for global public opinion. This is not to say that soft power alone will always win the day—far from it—but its relative strategic importance will continue to grow.

He also points out that

more research is needed on understanding and measuring soft power from the perspective of individual states, and how it is deployed. This could help researchers move towards outcome attribution in the use of soft power. . . . [F]uture research is needed to better understand how soft power can be leveraged to meet objectives; how soft power strategies can be evaluated; and how causal links between soft power and policy outcomes might be established.<sup>24</sup>

Brazil's extensive experience with soft power and its repeated failure to emerge to major power status make the country a particularly useful case for this research agenda.

### **WHY BRAZIL?**

We use Brazil as a case study to examine the possibility that states can pursue a soft power path to emergence. Brazil has some historical constants that allow us to discuss its national aspirations for international standing without detailed attention to variations in domestic policy or

politics. Yet this does not mean that the country is a black box internally: domestic politics do play a key role in developing Brazil's hard and soft power, and when these politics lead to internal disarray, they fundamentally undermine Brazil's international influence.

Whether as an empire or republic, dictatorship or democracy, or left, right, or center, Brazilian governments have shared a key aspiration to seek an influential global role for their country. And they have done so even in the face of a lack of interest or opposition from their own citizens. A recent but emblematic example can be seen in the opening speech by President Dilma Rousseff to the UN General Assembly in 2013; in that speech she staked out Brazil's leadership claim to the global Internet freedom agenda and blasted the United States for abrogating to itself the right to use the Internet to spy on governments and citizens of countries posing no threat to it. She delivered that speech even after weathering a summer of protest by Brazilians tired of government spending on international vanity projects such as the 2014 World Football Cup and the 2016 Summer Olympics.<sup>25</sup>

Another reason to use Brazil as a case study is that it has aspired to great power status for more than a century, permitting us to observe Brazil's efforts to use hard and soft power to emerge, as well as the reactions of status quo powers to its efforts and designs. Brazil has always supported the liberal status quo during its ascendant periods and been on the winning side in the major confrontations against revolutionary powers that sought to overthrow that global order (in both World Wars I and II and in the Cold War). Brazil believes that it should be accepted in the leadership councils because of its geographic and economic size and because of its peaceful and responsible (from its point of view) international behavior, as evidenced by its consistent support for the liberal international order in moments of great international crisis. Moreover, Brazil has not instigated any major international crisis, preferring to pursue diplomatic avenues for the resolution of conflict.<sup>26</sup>

Even when external constraints placed on Brazil have hindered its international goals, the country has not fought to undermine the international system. In 1926, for example, the League of Nations granted Germany, the defeated country in World War I, a permanent seat at its council, but not Brazil, a state on the winning side. Brazil withdrew from the organization in protest, but did not seek to demonstrate its power through pursuit of an aggressive foreign policy. Similarly, in the creation of the United Nations, Brazil, whose troops participated in the Allied

victory in Italy, aspired to a permanent seat on the Security Council, but the Soviet Union and Great Britain vetoed that arrangement. Brazil, however, accepted recognition of its status as an important but not major international player, instead establishing the tradition of being the first country to speak at the annual General Debates of the UN General Assembly.<sup>27</sup> Brazil is also tied with Japan for the most times a country has been elected to the UN Security Council as a nonpermanent member: both have been elected ten times.

However, this approach has meant that Brazil generally has not held much strategic importance for the incumbent great powers in recent decades, reinforcing the role of soft power in Brazil's attempts to influence global order. Brazil perceives these efforts as reflections of its commitment to a politically democratic and basically capitalist world. Its vision of capitalism, however, falls more along the lines of European social democracy than the U.S. advocacy of liberal market economics. In fact Brazil seeks not only the welfare state of the Europeans but also more "guidance" by the state over the economy than even West Europeans are willing to accept these days.

Brazil is an important case for the analysis of soft power. According to the Soft Power Index developed by the Institute for Government and *Monocle Magazine*, in 2012 Brazil ranked seventeenth in potential influence. This position put Brazil at the top of developing countries, with Turkey at twenty, South Africa at thirty-four, India at number thirty-six, and China at twenty-two. The authors of the study cautioned, "Many states routinely undermine their own soft power with poorly-conceived policies, short-sighted spending decisions, domestic actions, or clumsy messaging."<sup>28</sup> Brazil has been vulnerable to domestic turmoil, as occurred in the 1980s when the military regime was unable to confront inflation and once again today. The country is therefore a poster child for learning about soft power: one needs both the appropriate international context for it to be relevant and domestic successes in order to wield it.

This history does not mean that Brazil sees no place for hard power. Although Brazil has no major territorial disputes with its neighbors,\* Brazilian governments have been concerned with preventing anyone

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\*A small demarcation issue exists with Uruguay, but this does not threaten to become a major complication.

from either seizing the Amazon in the name of preserving biodiversity or the environment or the pre-salt hydrocarbon basins in the Brazilian Atlantic Ocean.<sup>29</sup> The country also believes that having a modern and effective military will significantly enhance its respect and reputation and will provide it influence internationally. Baron Rio Branco, Brazil's foreign minister from 1902–10 and the father of Brazilian diplomacy, expressed this sentiment after his sole loss in international arbitration in 1903.<sup>30</sup> In 2012 his views were echoed by a rear admiral at the Seventh Annual Conference on National Security at the Naval War College, when he linked “equipped, trained and credible” military force to the good image a country must have to exercise soft power.<sup>31</sup>

Brazil has accepted systemic constraints, even when they present obstacles to the achievement of its international goals, and its efforts to reform the system to accommodate its growing power could well be achieved without overthrowing the global order. But Brazil has also articulated the need to revise some aspects of the global order to more adequately reflect the interests of developing nations. It has tried to revise current norms to favor developing states more explicitly, such as reinforcing the norm of sovereign equality or making demands that great powers follow the rules. These revisionist aspects of Brazil's foreign policy therefore have posed challenges to incumbent great power preferences. Clearly the incumbent great powers do not all share the same allegiance to liberal security and political, economic, and social principles: witness the contrasting approaches of the United States, France, Great Britain, and China. But they all oppose Brazil's demands that sovereign equality be an effective, not merely a symbolic, norm. We see in the following chapters how opposition from incumbent powers has influenced Brazilian behavior as it is emerging and how the combination of opposition by great powers and strategic mistakes by Brazil both accounts for its past failure to emerge and for the difficulties it faces in emerging today.

### **CHARTING BRAZIL'S PATH TO EMERGENCE**

In 2016, it seems clear that Brazil's efforts to emerge during the past two decades once again stalled before enabling it to achieve major power status.<sup>32</sup> During this period, Brazil sought to play a role across the key domains that the present international order purports to regulate: international security, international economy, and the global commons. Brazil's

aspirations to secure a more influential role in international security were thwarted by the failure to secure a permanent seat on the UN Security Council. Even when Brazil gains a seat at the major power table on issues such as global trade, it is not powerful enough to prevent other major powers from shifting discussions to entirely different institutional settings; for example, from the World Trade Organization—where Brazil has a major leadership role—to the Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership negotiations, from which Brazil is excluded.

As we show in this book, Brazil's attempt to rise and its failure to emerge at the beginning of the twenty-first century reflect a historical pattern: periodically, favorable international and/or domestic conditions materialize that—in combination—give Brazil's leaders the hope that attaining great power status is once again possible. Brazil sought to emerge during periods of great challenge to the liberal international order—after both World War I and World War II—when it believed that its marginal contribution of hard power and soft power would have an outside importance to the winners of these global struggles. It also sought to emerge during periods where the liberal international order appeared open to reform and revision, such as after the U.S. defeat in Vietnam in the 1970s and the U.S. retrenchment following the Iraq war in the 2000s.

However, Brazil's leaders have found repeatedly that they lack sufficient power, or even the right combination of power, to compel and attract incumbent great powers to accept them as one of their own or to incorporate Brazil's revisionist proposals into a new international order. For example, Brazil's efforts to build up its hard power during the 1970s by developing a large defense industry and a covert nuclear program were met with opposition and hostility from the United States. Brazil's efforts to use soft power to intervene in the security and economic domains in the 2000s, even in combination with other emerging powers such as China and India, came to naught. And when international conditions become less favorable for Brazil's exercise of power, the weakness of its domestic institutions, which have been historically prone to economic and political crisis, become more salient and further undercut the hard and soft power needed to power its emergence.

And now, the international system is changing in ways that are less “friendly” to the use of soft power, as indicated by Russia's militarized conflicts with Georgia and Ukraine and China's saber rattling in the

South and East China Seas. In addition, Brazil's own store of soft power may be at risk—its great economic achievements of the past decade, which led to marked reductions in inequality and poverty and a great expansion of the middle class, have been tarnished by a vast corruption scandal that has engulfed the Brazilian political and economic elite.

Brazil's aspirations, attempts, and failures to emerge—and particularly its latest try, which relied almost entirely on soft power—have important implications for international relations theory. In each of the cases examined in this book, it is clear that Brazil's leaders never accepted the legitimacy of an international order in which leading powers could violate norms and rules without facing consequences. We suggest that, although a soft power path to great power status may be possible, it is actually the more difficult path for emerging powers to pursue. Major powers may have highly unattractive domestic policies and serious economic weaknesses, but if they have the right kind of hard power, they remain globally influential. Contemporary Russia under Putin is a case in point: its economy is increasingly strained, its politics more and more illiberal, yet with a full arsenal of nuclear weapons and a reviving conventional military capability, no one would deny that Russia remains an influential power. Soft power, which is all too often misunderstood by governments as diplomacy, is actually based on the attraction of a state's domestic model. And this means that until a country like Brazil achieves a stable, rather than episodically attractive, model for its domestic political, economic, and social order, its use of soft power will be prisoner to the ebb and flow of its internal situation.

This book examines Brazil's efforts to emerge across time and across the various domains most relevant to the liberal international order: security, economics, and the global commons. Chapter 2 reviews Brazil's history of attempting to emerge and failing to do so during the twentieth century, examining closely its foreign policy during World War I, World War II, and the height of the Cold War in the 1970s. Chapter 3 analyzes the rise and stall of Brazilian foreign policy during the past twenty years, beginning with the presidency of Fernando Henrique Cardoso, through the peak of Brazil's latest rise under Luis "Lula" Inacio da Silva, and up until the doldrums of Dilma Rousseff's second term in office. In chapter 4, we turn to Brazil's efforts to influence order making and international security during its most recent attempt to emerge. Chapter 5 considers Brazil's efforts to reform global economic governance during the same period. Chapter 6 focuses on Brazil's role in proposing and

maintaining international regimes to regulate the global commons, examining two proposals that became globally significant during its most recent attempt to emerge: climate change and global Internet governance. We conclude with a chapter that reviews how Brazil has attempted to influence global order across time and why it so often has failed, and consider three scenarios for how Brazil might attempt to emerge once again in the future.



## CHAPTER TWO

# *Interpreting Brazil's Attempts to Emerge in Historical Perspective*

**BRAZIL'S LONG-HELD ASPIRATION FOR** greatness is captured in a quote by Joaquim Nabuco, Brazil's first ambassador to the United States (1905–10): “Brazil has always been conscious of its size, and it has been governed by a prophetic sense with regard to its future.”<sup>1</sup> As the largest country in South America by landmass and population, Brazil has been marked since independence by its citizens' widely shared belief that it has the potential to be more than merely a very large country. Set apart from the rest of the Western Hemisphere by culture, language, and history, Brazil has also been viewed by its neighbors as a potential great power and, at times, as a threat. Its “large country” status in South America has historically made Brazil a focus of diplomatic and economic attention of the incumbent great powers.

But even though domestic aspirations and foreign perceptions held out the prospect of Brazil's becoming a major power, it has lacked the capabilities—particularly along military and economic dimensions—to pursue a traditional path to greatness. Brazil is a developing country on the periphery, and its economy has traditionally focused on commodity exports rather than on production that might contribute to military might. Technologically, Brazil has lagged behind developed states, particularly in the production of scientific knowledge that might enhance its power. Militarily, Brazil has been only episodically consequential, and less so as

we approach the present. Given South America's remoteness from the geopolitical centers of global conflict, Brazil has faced little pressure to improve its modest security capabilities beyond what was necessary to fend off its smaller neighbors. Brazil's efforts to advance through partnerships with other states have been hobbled by a historical reluctance to pool its sovereignty. In addition, turbulent domestic politics and major economic crises have periodically undermined Brazil's credibility and capabilities, halting its emergence.

Yet Brazil has been very conscious of its vulnerability to outside pressure since gaining its independence in the nineteenth century, and this has increased its desire for autonomy within the international system.<sup>2</sup> Shortly after it gained its independence, Brazil felt pressured by European powers to develop commercial arrangements favorable to them and to grant special privileges for foreign residents. During the nineteenth century Great Britain was a particularly significant source of pressure on Brazil on issues ranging from disagreements over its southern border to the slave trade. Brazil's rubber boom of the late nineteenth and early twentieth centuries was cut short by new production undertaken by European colonial empires in Asia and Africa.<sup>3</sup> Brazil's efforts to extend its coffee boom in the early twentieth century, when coffee accounted for approximately half of export earnings, were opposed by the U.S. government.<sup>4</sup> Since then, Brazil has been vulnerable to shifts in the terms of trade for its commodity exports and has become all too familiar with the conditions imposed by foreign financial institutions in return for assistance during economic crises. Its modest economic and military capabilities have made it difficult for it to fend off international pressure, particularly when applied at times of domestic crisis.

How has Brazil sought to overcome the gap between its ambitions and its capabilities? It has seized opportunities provided by crises in the international order to amplify the impact of its diplomacy. Even before Joseph Nye formulated the concept of soft power, Brazil was a prominent exponent of the practice. It has positioned itself internationally as a proponent of equality among nations, of international law, and of the peaceful resolution of conflicts. To its advocacy for these principles, Brazil has added a formidable cultural output and, most recently, set an example of democracy, prosperity, and social inclusion at home. This is an attractive package, particularly for other developing countries that want to attain a similar status. Brazil has attempted to parlay this approach into gaining a say in shaping the rules governing the international order. Yet

as a potential rule shaper, rather than a rule follower, Brazil has found acceptable only those rules in the international system that tread lightly on the sovereignty of states.<sup>5</sup>

This chapter describes Brazil's past attempts to emerge in the international system. It first examines Brazil's aspirations to great power status during the formative period of the Brazilian Empire (1819–89). It then focuses on three episodes in which Brazil made concrete attempts to emerge and establish itself as a state that contributes to shaping the international order: supporting the status quo as an ally of the United States in World War I and again in World War II, and attempting to become a leader in the Global South—that group of developing countries, largely located in the Southern Hemisphere, that have been critical of the superpowers since the 1960s. Each attempt fell short. Even when faced with particularly favorable moments in the international system, Brazil's strategies and capabilities were not sufficient to establish itself as a major power, and in one case, Brazil's emergence was cut short by domestic turmoil.

### **THE FORMATION OF BRAZIL'S GREAT POWER ASPIRATIONS: FROM THE EMPIRE TO THE REPUBLIC**

Even before Brazil aspired to great power status, its role in South America was shaped by the many differences that separated it from its neighbors. Colonized by the Portuguese, Brazil historically experienced rivalry with its Spanish-speaking neighbors. On attaining independence, Brazil peacefully established itself as an empire governed by one supreme authority—a contrast with the large number of republics and their elected officials or dictators that surrounded it. Spanish America, meanwhile, experienced two decades of wars for independence and a consequent fragmentation of authority. Brazilian elites contrasted their own status as a stable and civilized nation with that of neighboring states, which they viewed as violent and ungovernable republics. A large united imperial Brazil that shared borders with ten neighbors was inevitably consequential in regional affairs, sparking mutual suspicion. Brazil had a particularly intense rivalry with Argentina, which saw itself as an alternative continental leader. This rivalry persisted for 150 years in the form of competition for influence in bordering countries, for foreign investment, for modern military capabilities, and for regional ascendancy.<sup>6</sup>

Brazil's neighbors hardly agreed with its self-perception as a civilized and peaceful power, and some post-independence leaders of those countries raised the prospect that Brazil's monarchical government was a bridgehead for a possible return of European absolutism.<sup>7</sup> Brazil's economy during the nineteenth century was based on slavery long after the Spanish-speaking states had banned the practice, another black mark in the eyes of South America. Brazil's sheer size strengthened the perception that it posed a threat to the Spanish-speaking republics, one borne out by wars with its southern neighbors, Uruguay and Argentina (1825) and Paraguay (1866–70). Mutual mistrust was difficult to overcome during the nineteenth century.

Yet, compared to the rest of South America, Brazil's domestic stability during that time was enviable. Brazil's relative stability was an important factor in ensuring its territorial integrity; in contrast, Gran Colombia fragmented into Colombia, Ecuador, and Venezuela in 1831, and the Peruvian-Bolivian confederation only lasted from 1836 to 1839. Brazil's territorial stability was the product of a colonization process that was more gradual and less socially exclusive than the Spanish experiences, and its independence was gained through a largely consensual process. The Portuguese court had fled to Brazil in 1807 in the face of the threat from Napoleon's invading armies. Dom Pedro I declared independence in 1822 after his father, King João VI of Portugal, returned to the metropole. In contrast to the experience in the Spanish-speaking parts of the continent, Brazil's independence faced little resistance from its colonizer. This ensured continuity between colonial and post-independence elites, as well as continuing strong ties to metropolitan Portugal. The Brazilian Empire evolved into a form of constitutional monarchy during the nineteenth century, and even when it was replaced by a republic in 1889, political change proceeded with little violence compared to Spanish American transitions. This initial period of political stability proved to be important for ensuring that Brazil retained its vast territory and potential to become a major power.<sup>8</sup>

A combination of its size, difference, and vulnerability shaped Brazilian elite and diplomatic perceptions of their country's place in the world. They saw Brazil as large but vulnerable, with a relatively small population (4 million at independence) and a thinly populated hinterland. Brazilian elites saw themselves as part of European civilization, not of Latin America, and they looked to the old world for culture, science, and education. Brazilian diplomats during the nineteenth and early twentieth

eth centuries were largely drawn from the traditional elites and reflected their values.<sup>9</sup> This encouraged Brazil's diplomats to focus on Brazil's European trading partners—Great Britain, France, and Germany—in their foreign policy.

These trading powers were vital to Brazil's integration into the global economy, which occurred on terms that discouraged development of the technologies and industries associated with great powers. Brazil had an agricultural economy focused largely on commodity exports, with successive waves of primary products—sugar, rubber, and coffee, for example—favoring different parts of the country. This pattern of economic development absorbed most of the capital available to Brazil and left little available for investment in industrialization and science. Thus Brazil remained underdeveloped with a very uneven pattern of economic activity. Infrastructure spending was largely focused on the regions where commodity exporters were located, and it was designed to move products to ports where they could be exported, rather than to tie different regions of the country together.<sup>10</sup> Almost all intermediate and finished goods, including military equipment, had to be imported until well into the twentieth century. This need for imports made Brazil particularly vulnerable to the great powers, especially the United Kingdom, which could easily affect its international trade and its economy.

The European powers—key foreign investors and trading partners—were thus perceived as both a source of opportunity and a threat to Brazil's sovereignty and autonomy.<sup>11</sup> For example, Great Britain's economic interest in trade with Brazil was balanced by the two countries' continuous friction surrounding slavery. Brazil's plantation economy generated a continuing demand for enslaved persons from Africa, and the British Navy clashed frequently with Brazilian slave traders in the South Atlantic in the latter half of the nineteenth century as Britain worked to abolish the practice.<sup>12</sup> Great Britain intervened notably in Brazil's politics to press both for an end to slavery and for commercial advantage, and there was little that Brazil could do to resist.<sup>13</sup>

How to protect Brazil's identity and territorial integrity from Europe was difficult given the country's limited capabilities. Brazil initially addressed this dilemma by seeking a close relationship with the United States. The connection with the United States was based on three main factors during the nineteenth century. First, Brazil believed that the two countries shared an identity as outsiders both in the Americas, because neither was part of the Spanish-speaking world, and in the European-centric world

order. Because both countries were outsiders in both spheres, Brazil perceived that a relationship with the United States could help it become the leader of Latin America and be recognized as an equal by European powers that were beginning to recognize the increased standing of the United States.<sup>14</sup> Second, economic complementarities between the industrializing United States and Brazil's primary-commodity-focused economy provided strong material incentives for close relations. Third, both countries shared a suspicion of Europe's intentions toward the hemisphere. As a result, Brazil was one of the only countries in the Western Hemisphere to support the U.S. Monroe Doctrine to exclude European powers from the hemisphere. The two countries continued to pursue close relations, including exchanging ambassadors in 1905 at a time when embassies were reserved for relations among the most developed countries.<sup>15</sup> Brazil's most famous foreign minister, Baron Rio Branco (1902–10), made building a solid relationship with the United States a cornerstone of his foreign policy, and this orientation persisted in Brazil's diplomacy for the next five decades.

As Brazil shaped its international identity, it also shifted its strategy for combating regional disputes. Early in its history, Brazil relied on its military to secure its borders. Brazil initially intervened militarily to block the independence of Uruguay in 1825, an attempt that was foiled by Argentina with British support. Brazil also used military force to defend its borders and Uruguay from Paraguayan invasion in 1866 during the War of the Triple Alliance, a draining and terrible total war that lasted four years.<sup>16</sup> From the perspective of Brazil's elite, that war imposed dangerous stresses on Brazilian society and state finances, and some have argued that it was a formative experience that engendered nationalism in the military and led the officer corps to eventually support the overthrow of the empire in 1889.<sup>17</sup>

Drawing from these negative experiences, Brazil began to focus on diplomatic means to mitigate regional tensions. However, at the end of the nineteenth century Brazil's opportunities and its capacity to build on its diplomatic successes were limited. Its transition from empire to republic was rocky, which prompted its leaders to turn inward and focus on restoring domestic stability between 1889 and the end of the nineteenth century. The coup against Emperor Dom Pedro II revealed tensions between civilian and military elites, and the writing of a new constitution led to political turmoil between those who sought an authoritarian military-led republic and those civilians who had a more radical view of

republicanism and democracy. The birth of the new republic also came at a time of strong tensions between the national government and the states, resulting in rebellions in the southern states of Paraná, Santa Catarina, and Rio Grande do Sul. There were also clashes between mutinous naval units and the national authorities in Rio de Janeiro in 1894. Brazil was eventually able to arrive at a workable post-empire arrangement, known as the “politics of the Governors”; this name was an indication of the strength of the states vis-à-vis the federal government.<sup>18</sup> But even so, Brazil did not participate in important international diplomatic conferences, such as the first international peace conference at The Hague in 1899, because it did not want to contribute to legitimizing a global order that it still had no power to shape because of its own domestic turmoil.<sup>19</sup>

Economic growth was also uneven at the end of the nineteenth century, both in terms of how fast Brazil developed and how growth was internally distributed. Brazil was still a largely rural country, with only 10 percent of the population living in cities. As the economy made the transition from slavery to free labor, Brazilian elites supported high levels of foreign immigration from Europe and Asia in an effort to hold down labor costs. Exports, although a smaller proportion of GDP than in Argentina and Chile, were a very important component of the economy and of government tariff revenue.<sup>20</sup> The amount of exports fluctuated as part of the commodity boom-and-bust cycles in rubber and coffee, which together constituted nearly 80 percent of Brazil’s exports in 1913–14.<sup>21</sup> The failure of Brazil to secure U.S. and European support for its “valorization” schemes for coffee beginning in 1906, which would have limited and regulated production in pursuit of higher prices, starkly demonstrated to the coffee elite the importance of having international influence. International trade and foreign investment linked Brazil to the United Kingdom, France, and Germany. Foreign investment in the railroads, the key to further export growth, remained important for economic development, but accentuated Brazil’s dependency on external powers for capital, technology, and knowledge.<sup>22</sup>

It was not until the early 1900s that Brazil was able to cement a tradition of peaceful diplomacy to settle international disputes.\* In Brazil,

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\*Only once in this period did Brazil resort to coercion: in the “Acre War” of 1906 Brazil sent its troops into disputed territory and forced Bolivia to recognize its de facto possession of that area.

Baron Rio Branco, the father of Brazilian diplomacy, is best remembered for securing Brazil's borders through diplomacy, enabling Brazil to peacefully acquire territory that exceeded metropolitan France in size. He worked closely with the United States and with European powers to submit Brazil's boundary disputes for international arbitration. Brazil did not accept Spanish colonial borders, arguing for the norm of *uti possidetis de facto* and against the existing norm of *uti possidetis juris*—pushing for resolutions of border disputes that focused not on inherited colonial borders but on who was in physical control of the territory.<sup>23</sup> Brazil contributed to international law by convincing international arbitrators to accept this version of the norm. This diplomatic success is embedded in Brazil's international DNA and has been transmitted to successive generations of diplomats at the Foreign Ministry, housed in the Palace of Itamaraty in Brasilia; it forms the basis for Brazil's predilection for diplomacy today. The desire for international standing was admittedly created within a closed political system in which the elite and the military determined domestic and foreign policy.<sup>24</sup> Nevertheless, the idea of Brazilian *grandeza* did become implanted in society over time and thus became accepted as a desirable goal even in later democratic periods.<sup>25</sup>

These elements of Brazil's identity—its self-perception as a large country, as part of the Western world, and as vulnerable to European intervention and the changing world economy, but as successful in defending itself through diplomacy—all contributed to shaping its aspirations in the international domain. In essence, participation in the councils of the great powers was seen as a means by which Brazil could secure a world order that was more favorable to its interests. Its advocacy for international law, equitable relations among nations, and nonintervention was an attempt to push for a world order that would minimize its vulnerability to interventionist Western powers and favor its preferred approach to managing international politics: diplomacy.

### **BRAZIL, WORLD WAR I, AND THE LEAGUE OF NATIONS**

World War I and the negotiations that followed to create a new world order provided Brazil's first opportunity to make the case that it should be considered a major power. The war shook up European diplomacy, temporarily halted Germany's ascendancy, and confirmed the United States as an influential global actor. Postwar diplomacy, particularly around the formation and operation of the League of Nations, provided

a venue in which Brazil could advance its preferred approach to global politics: nonintervention and equitable relations among nations.

Brazil's choice of approach stemmed from its experience as a target of pressure from the incumbent great powers, particularly the United Kingdom, during the nineteenth century. The British had intervened repeatedly in Brazil's history; one notable example was formation of the country of Uruguay in 1828 from territory disputed by Brazil, Argentina, and the local inhabitants. European powers, particularly the United Kingdom, repeatedly pressured Brazil on the issues of slavery, trade, and preferential access to its markets. It is not surprising then that, from the Brazilian perspective, embedding the principle of sovereign equality and nonintervention in the new international order was therefore an important objective. Although great powers would still have enough power to intervene in Brazil and other developing countries, by embedding this principle, it would at least be recognized that such intervention was a deviation from the rules of international order, rather than a right claimed by European imperial powers. It is worth noting that the United States made similar arguments when in 1899 Secretary of State John Hays called for an "Open Door" policy toward China that allowed all countries access to Chinese markets, rather than Europe's preferred approach of carving out zones of influence. But unlike Brazil, the United States was quite willing to intervene against weaker powers, such as Spain in 1898 and repeatedly in Central America and the Caribbean in the twentieth century.

Before World War I, Brazil had benefited from the consolidation of a new political system and a resumption of economic growth. Having recovered from the turmoil of the late nineteenth century, Brazil, with its newly stable domestic order, was positioned to participate once again in global diplomacy. At the subnational level, the state governments increasingly came to hold the key to stability. The Brazilian Army remained small and underfunded, particularly relative to the National Guard (comprising members of the economic elite) and the state police of the wealthier parts of the federation, such as São Paulo.<sup>26</sup> The army focused on improving military training and education and national defense, although it continued to play a role in restoring and maintaining domestic order. Growing wealth did finance an expansion of naval power, and the Brazilian Navy acquired two of the largest and most modern dreadnoughts in service during this period. Brazil also felt confident enough in its domestic stability to begin to participate in European diplomacy, most notably in the second Hague Peace Conference in 1907.

Brazil remained neutral from the outbreak of World War I in August 1914 until 1917. It maintained this stance both because of its reluctance to engage in military conflict and because of the important role the war's adversaries played in Brazilian domestic politics. On the one hand, Brazil had strong ties with Germany. Southern Brazil had a considerable population of German immigrants. The German Army was also quite influential in the Brazilian military because of its role in hosting and training Brazilian officers. The Brazilian Army was facing a prolonged civil insurrection in Santa Catarina, a conflict called the *Contestado*, that highlighted just how poorly equipped it actually was. International and domestic security crises therefore placed Brazil's civil-military relations under stress, which made the role of German training and weapons especially important.<sup>27</sup> On the other hand, Brazil also depended heavily on the British to finance international trade and provide more than 50 percent of its foreign direct investment, both of which were very significant factors for its export-focused economy.

This dependence on both the Germans and the British put the Brazilians in an awkward position between the major powers at war, which in turn had negative effects on its economy. The Allies considered Brazil an important source of food security, particularly for the United Kingdom. Brazil continued to be a major supplier of refrigerated beef exports. Unfortunately for Brazil, coffee—its largest export—was not considered an essential good, and its exports suffered as a result.<sup>28</sup> The British assigned low shipping quotas to coffee imported from Brazil in an effort to minimize unnecessary imports, and they banned exports of coffee to Germany, one of Brazil's key markets. Meanwhile, the Germans increasingly subjected Brazilian ships to submarine attack in the Atlantic. Thus both British and German policies were detrimental to Brazil's export economy.

In 1917, Brazil decided it could no longer tolerate German attacks on its merchant vessels, and it declared war on the Central powers in 1917, not long after the U.S. declaration of war for similar reasons. However, Brazil soon found that its military capabilities provided few options with which to make a contribution to the Allied war effort. It had no military industry to speak of, and given its adversary in the conflict, it was particularly unfortunate that most of its military was equipped with German weapons and that a group of highly influential officers had received military training from Germany before the war.<sup>29</sup> Thus, joining

the Allies meant losing access to military supplies, spare parts, and training previously provided by its new enemy, Germany.

Overall, the Brazilian military was poorly organized, overly bureaucratic, and fragmented: this proved to be an almost insurmountable obstacle to effective participation on the Allied side. Brazil eventually organized a medical detachment for service on the Western front, dispatched officers to serve with the French army in preparation for organizing its own expeditionary force, and deployed a naval squadron in the South Atlantic as part of the anti-submarine effort, operating under British command. The war ended too soon for Brazil to make a meaningful contribution to the land war, and the Brazilian naval squadron was heavily affected by the Spanish flu epidemic, losing 100 sailors in less than a month after docking at Freeport in what is now Sierra Leone.<sup>30</sup>

The limits of Brazil's military contributions would prove significant during the peace talks that followed. However, Brazil found the negotiations for the Treaty of Versailles and the League of Nations, the postwar collective security body formed by the Allies, to be initially positive. As a member of the victorious side, Brazil was allowed a large representation at the peace negotiations at Versailles. In addition, Brazil was selected to serve on the first Council of the League of Nations.

Brazil's ambition was to secure a permanent seat on the Council of the League of Nations, which was reserved initially for the victorious major powers. Although Brazil hoped to parlay its military and economic support for the Allies into such a seat, its diplomats instead found that other powers did not recognize it as a major power. Nor did South America recognize Brazil as a leader or representative of the region, and Brazil's capabilities were insufficient to force that recognition.<sup>31</sup>

Brazil soon found that the great powers blocked Brazil's role in making the key decisions about the Versailles treaty and the postwar environment. It had limited participation in discussions both of the postwar order in Europe, where many newly independent states were being formed and boundary disputes abounded, and globally regarding sovereignty and self-determination of peoples. Brazil also found that its claims for reparations from Germany were disregarded. Brazil was eventually forced to address these claims in direct negotiations with Germany and to seize prewar German investments in railways and communications as reparations.<sup>32</sup> Similarly, Brazil viewed the postwar disarmament agenda, particularly the arms limitations treaties negotiated at the Washington

Naval Conference of 1922, as designed principally to keep the emerging powers in a permanently subordinate position.

But Brazil was also suspicious of the smaller powers on its own continent. It believed that its Spanish-speaking neighbors were working continuously to undermine its claim for a permanent seat on the Council of the League of Nations.<sup>33</sup> It was particularly concerned by Argentina's intentions, which it perceived as having an expansionist bent; Brazilian diplomats and military officers pointed to Argentina's greatly expanded military spending in the 1920s to back up their claims.<sup>34</sup>

Brazil continued to agitate for a permanent seat at the table. However, reflecting the great powers' assessment that it was a minor power, Brazil was excluded from all deliberations regarding its status in the League of Nations. A League committee headed by Swiss foreign minister Giuseppe Motta recommended the creation of semi-permanent member status for Poland, Brazil, and Spain, with the proviso that they would have to secure a two-thirds vote in the General Assembly every three years to retain their status. In 1926, when defeated Germany, rather than Brazil, was offered a permanent seat at the council, Brazil became one of the first states to withdraw from the League of Nations. This was the final blow to Brazil's aspirations to make itself relevant as a major power in the European-dominated League of Nations.<sup>35</sup>

In retrospect, Brazil's first attempt to emerge as a major power was premature. In the hard power domain, Brazil remained quite weak throughout this period. Not only was its military barely capable of any deployment outside of its borders but its economy also remained highly dependent on exports to Europe and was easily disrupted by war. Even more worrisome was the simultaneous emergence of Argentina, which many outside observers, including the Brazilians, reckoned as a more significant military power.<sup>36</sup> Yet, Brazil did recognize that there was an opportunity to emerge amid the upheaval of the global conflict. Great powers such as Germany, Austria-Hungary, and Russia had lost power, and others such as the United States had emerged. In such an environment, Brazil's diplomacy had a very narrow opening to parlay its support for the Allies into an improved standing in the international community.

It is also important to remember that when the great powers offered Brazil a compromise at the League of Nations in 1926, it responded by rejecting subordinate status as a semi-permanent member, because accepting that status would have meant officially acknowledging it was not

a great power. Although symbolic, this act captured the conviction held by Brazil's elites that their country should aspire to equal standing with the major powers. It also represented a real cost to Brazil, insofar as even a semi-permanent seat on the council would have indicated an increase in status in the international order. Yet Brazil's all-or-nothing stance on council membership may have been made on more than principle, because its diplomats also realized that, once Brazil accepted a semi-permanent status, it would be very difficult to reopen the question of permanent membership. Its claim for permanent membership was based on its Allied status during World War I, so presumably moving from semi-permanent to permanent membership in the future would require some new increment of power or some other shock to the system advantageous to Brazil that could not then have been foreseen. In addition, the rejection of Brazil's candidacy for a permanent seat strengthened the trend in Brazilian foreign policy toward closer collaboration with the United States, another country that was not a League of Nations member and had also become disillusioned with European diplomacy after World War I.

### THE INTERWAR PERIOD: DOMESTIC LIMITS TO BRAZIL'S EMERGENCE

Brazil's first attempt to emerge was forestalled not only by the League of Nations but also by domestic turmoil. Traditional elites felt threatened by the growing strength of a workers' movement in the cities and increasing immigration to Brazil before and after World War I, especially from new sources such as Eastern Europe and the Middle East. The labor threat and the immigrant threat were seen as interconnected, leading to the adoption of increasingly restrictive measures against both, including exiling or deporting undesirables.<sup>37</sup>

In addition, tensions in the military between young professional officers and the establishment boiled over into rebellions in Rio de Janeiro in 1922 and São Paulo in 1924, leading to a junior officer movement known as the *tenentistas*. Largely drawn from the remnants of the landed oligarchy of the northeast and from second-generation immigrants from southern Brazil, the officer corps was not representative of the country as a whole, nor was it internally cohesive. Attempts to reform the army—first with German assistance before World War I and then with French assistance afterward—resulted in a new generation of young officers who were much better educated and more professional than the senior officers

and had aspirations to transform Brazil's army and the nation. But they found their promotions and prospects blocked by senior officers who had been selected for their social connections rather than their skills. Senior officers also faced poor prospects in retirement, so they refused to make way for junior officers, holding onto their positions as long as possible.<sup>38</sup>

Rebels in the *tenentista* movement conducted a long march through the interior of Brazil, hoping to instigate a civilian insurrection against the government. Their experience in the vast underdeveloped interior of Brazil led them to formulate aspirations for a "middle class" revolution in favor of social and economic change. The rebel column finally laid down its arms in 1927, but by then it had established significant connections to civilian critics of the regime. This set the stage for revolution.<sup>39</sup>

Political unrest finally brought about the downfall of the old republic in the 1930 Revolution. After Getulio Vargas, a politician associated with the *tenentista* movement, lost that year's election, he led a rebellion against the victorious candidate—whom he accused of election fraud. Vargas's movement brought together a heterogeneous group of traditional critics of the republic based in the southern states with the members of the *tenentista* movement, the *tenentes*. They attacked the patronage-based politics of the *coroneis* (coronels) or local strongmen, and they sought reforms that were appealing to the emerging middle class. The rebellion ended when the regular army in October 1930 revolted in favor of Vargas.<sup>40</sup> Domestic turmoil in Brazil not only made it effectively impossible for it to emerge, but it also made Brazil particularly vulnerable to the ideologically driven international competition among the great powers during the 1930s.

As Brazil's dictator from 1930 to 1945, Vargas is best known for consolidating an authoritarian regime known as the *Estado Novo* that centralized federal government authority and reduced the clout of regional strongmen. However, it took Vargas nearly ten years to tame Brazil's political turmoil as he navigated the increasingly contentious politics of the Left and the Right. Vargas initially gave the *tenentes* their head to pursue their revolutionary objectives. However, the youth and inexperience of the former military rebels and their allies quickly alienated many among Brazil's elite, leading to a revolt in 1932 in São Paulo, Brazil's wealthiest and most powerful state. Vargas was able to defeat this rebellion, and to forestall further threats, he shifted toward the right politi-

cally, focusing on state-led development and reform that appealed to the middle class.<sup>41</sup>

However, this shift brought Vargas into increasing conflict with the labor movement and the Communist Party. Street violence between left- and right-wing activists increasingly affected major Brazilian cities. The Left came together under the banner of the Aliança Nacional Libertadora (ANL) in 1935 and faced off against the fascist-inspired movement Ação Integralista Brasileiro (Integralistas) that had formed in 1932. In response to turmoil in the streets, Vargas violently repressed the ANL, which included some of his early supporters among the *tenentes*. But the Integralistas soon posed a threat of their own to Vargas, particularly because of their suspected connections to European fascists. In addition, Nazi Germany had infiltrated a substantial number of Brazilian-German civil society organizations in the south of the country, which had memberships in the hundreds of thousands. Vargas responded by banning the Nazi Party in Brazil and its affiliates in 1937, and then the Integralista movement in 1938. The final chapter in the left-right conflict was a coup attempt by Integralistas against Vargas in May 1938.<sup>42</sup> Vargas took advantage of it to pass laws imposing the death penalty for attempts on the president's (his) life and giving him the power to fire any civilian or military government official, thus cementing his hold on power.<sup>43</sup>

Yet the troubled international politics of the Great Depression era and the 1930s also offered opportunities for Brazil to play the United States and Germany, both emerging powers, and the incumbent Great Britain off against each other, all of which competed vigorously for influence in Brazil during the 1930s. Brazil was a major exporter of commodities, particularly coffee, to Germany.<sup>44</sup> Germany sought to extend its influence through the numerous Brazilians of German descent living in southern Brazil and its commercial power as a major importer of Brazilian products. Great Britain struggled to maintain its economic ascendancy in Brazil and worried that the country would fall under the influence of either of its rivals. As a consequence of the Depression and of German and U.S. competition, Britain no longer had the dominant economic influence that it had established during the nineteenth century. In addition to the German threat, the United Kingdom also was concerned by the possibility of pan-American autarchy arising from a shared U.S.-Brazilian desire to distance themselves from the looming European war.<sup>45</sup> Indeed, as the prospects for conflict in Europe increased during the 1930s the United

States saw Brazil as geopolitically important and a potential ally in the Americas. It viewed the Vargas government sympathetically, but did not initiate closer ties because U.S. diplomats believed that too much support for Brazil might be counterproductive in the broader Latin American context, particularly in light of Brazil's rivalry with Argentina. And both the United Kingdom and the United States were gravely concerned by the possibility of Brazil siding with the fascist powers in Europe, particularly given the pro-German sympathies of the armed forces and Brazilian efforts to purchase military equipment from Nazi Germany.<sup>46</sup> Vargas understood this concern, and he managed policy toward his domestic opposition, from the Left and from the Right, and his international relations with Germany to signal to the United States both his interest in collaboration and his impatience with the pace of U.S. assistance to Brazil.

Vargas aspired to a more nationalist Brazilian foreign policy designed to build up his country's capabilities.<sup>47</sup> He had two primary aims: finding support for the industrialization of Brazil and building up the Brazilian military. The Great Depression had limited Brazil's ability to export commodities. Coffee prices had fallen to one third of pre-depression levels, reducing Brazil's capacity to pay for imports and leading it to restructure its external debt.<sup>48</sup> The shortages of imports provided the initial impetus for limited industrialization based around import substitution, but Brazil was not able to develop its heavy industry, particularly steel, without external support and technology. Thus, even though the industrial sector expanded, commodity exports still remained a far more important sector of economic activity.<sup>49</sup> Brazil continued to lack any serious military industry throughout the 1930s, relying on imported weapons to equip its armed forces. Brazil struggled even regionally to maintain a strong military presence. Though the Brazilian army was twice the size of that of Argentina, the latter's military was better trained, equipped, and prepared. The Brazilian Navy was also unable to compete with that of Argentina. Table 2-1 indicates the significant weakness of Brazil's navy relative to Argentina's in 1939.

The Brazilian military during the 1930s was riven by internal dissent, underfunded, and lacking in modern military equipment. It was characterized by professional militarism, a belief system that privileged the military above other societal actors and justified its repeated intervention in domestic politics, rather than military professionalism, which exists when the armed forces focus on improving their military proficiency

**Table 2-1.** Naval Forces, 1939

Country	Battleships	Cruisers	Destroyers
Argentina	2 modern	3	16
Brazil	2 old	1	1

Source: Glen St. John Barclay, *Struggle for a Continent: A Diplomatic History of South America, 1917–1945* (New York University Press, 1972), p. 96.

rather than on politics.<sup>50</sup> Brazilian elites perceived themselves as highly vulnerable, and they consistently sought additional support for the Brazilian military, which was difficult to obtain considering the economic constraints of the Great Depression. Brazil also sought arms from the United States, but as mentioned earlier, the Roosevelt administration was reluctant to fulfill these requests because of concerns over Argentine sensitivities. This in turn drove Brazil to seek military arms from Germany in the late 1930s.<sup>51</sup>

The armed forces were well aware of their weakness, and they pressed Vargas to industrialize, set up training programs in key armaments-related technologies, and negotiate for the construction of an integrated steel manufacturing facility, a cornerstone for a national defense industry.<sup>52</sup> Vargas recognized the need to enter into steel production, but he also sought to foster domestic private sector involvement in equipping the armed forces wherever possible.<sup>53</sup> But neither industrialization nor improved military capabilities could be achieved without the support of the great powers. Brazil did not have the technology or the trained scientific and engineering workforce at this time to produce self-sustaining industrialization, and given the military realities of the mid-twentieth century, it was unable to produce modern military technology without a strong industrial base. In addition to these shortcomings in hard power, Brazil's soft power during the pre-World War II period was very weak. Getulio Vargas's Estado Novo was clearly an authoritarian regime, and even though it was not particularly repressive, it did not benefit from an association with the democratic powers of the globe. Domestic political instability during the 1930s did not help Brazil's international image.<sup>54</sup> It was not industrialized, and it remained highly dependent on coffee exports, so it was not seen internationally as an economic success story. Within South America, it did not hold a clear leadership position, and even many Brazilians considered Argentina to be the stronger power.<sup>55</sup>

**BRAZIL, WORLD WAR II, AND THE FOUNDING  
OF THE UNITED NATIONS**

As war drew closer at the end of the 1930s, Brazil found itself both valued and not valued by the great powers. The United States and Great Britain came to view Brazil as a geostrategic prize because its landmass in South America protruded into the Atlantic, representing an excellent base for air operations in a future global conflict. It also produced strategically significant minerals and agricultural products, both rubber and beef, which were essential for modern warfare. However, the United States and Great Britain did not particularly value Brazil's contributions to international relations, and they worried that Brazil was so penetrated by fascist sympathizers that it would collaborate with the Axis. Nazi Germany, although it valued the German community in southern Brazil, clearly thought very little of the Brazilian government or the rest of Brazilian society. After a series of very undiplomatic statements and actions by the German Embassy in Brazil, the relationship was on rocky grounds as early as 1938.<sup>56</sup> Brazil evaluated relationships with the European powers according to their potential commercial value. However, it also used its diplomacy toward Germany and Great Britain to remind the Roosevelt administration of the value of Brazil to U.S. interests and to extract assistance, particularly on the military dimension.

The outbreak of war in Europe in 1939 sharpened the debate in Brazil over what role it should play internationally. The British blockade of Nazi-held areas of Europe cut off Brazil once again from an important market, and in this case it also held up the transfer of the arms Brazil had recently acquired from Germany. The British and the United States continued to pressure Brazil over the active presence of Nazi sympathizers in its domestic politics; both governments believed that the military high command was dominated by such officers.<sup>57</sup>

Brazil remained cautious in its dealings with the European powers in 1939 and 1940, while at the same time pressing for a closer relationship to the United States. Much like the United States, Brazil initially avoided participation in the global war. As the prospects for U.S. entry into the war grew, the Roosevelt administration pressed Brazil to allow the United States a greater role in defending its northeastern bulge, closest to Europe and Africa. Vargas, conscious of Brazil's military weakness, responded by asking for increased military assistance to allow the country to defend

itself. The Roosevelt administration slowly came around to the Brazilian position as U.S.-Argentine relations worsened and the likelihood of war increased.<sup>58</sup>

*Brazil Joins the Allies: Implications for Hard and Soft Power*

It was Brazil's decision to participate in World War II on the Allied side that provided an avenue to remedy some of its shortcomings in hard and soft power. The entry of the United States into the global conflict led Brazil to sever ties with Germany, Italy, and Japan on January 28, 1942. Following the sinking of several Brazilian merchant ships by German U-boats in the Atlantic, resulting in more than six hundred deaths, Brazil declared war on Germany in August 1942, just seven months after severing relations. This decisive break with the Axis powers opened the door for closer U.S.-Brazil collaboration. The United States eventually built one of its largest airbases in northeast Brazil to ferry aircraft to Europe, and Brazil received 70 percent of all U.S. Lend-Lease military assistance given to Latin America after 1941.<sup>59</sup>

Brazil played a much more extensive role on the Allied side in World War II than it did in World War I because Getulio Vargas decided to commit both air and ground forces to the conflict. Brazil contributed an expeditionary force consisting of an infantry division of 25,000 personnel organized according to U.S. doctrine, as well as a fighter-bomber squadron. Both operated as part of U.S.-led military forces in Italy between 1944 and 1945. The performance of these forces revealed the significant weaknesses of the Brazilian military, which had to draw on units from across the country to fill out the formations of a single division and to rely on U.S. training and equipment provided after the expeditionary force arrived in Italy. Yet Brazilian units progressively improved during the conflict, and Brazilian forces engaged extensively in combat, suffering well over a thousand casualties.<sup>60</sup>

Brazil served as a major source of commodity exports for the Allied powers, but it also benefited from an expansion of industrial capacity required by the war effort. It successfully negotiated for U.S. assistance to build an integrated steel manufacturing facility during the war. Vargas oversaw the initial development of an aviation industry and domestic manufacturing of engines, electrical equipment, munitions, textiles, and other war-related products.<sup>61</sup> However, the dominance of commodity exports in Brazil's economy continued throughout the war.<sup>62</sup>

*Brazil: Seeking an Influential Role in the Postwar Order*

Brazil attempted to parlay its supporting role among the Allies into a key position in the Bretton Woods institutions of the postwar era. As the United Nations system began to take shape, Brazil participated in the UN Conference on Food and Agriculture and the UN Relief and Rehabilitation Committee, as well as in the preparation and conduct of the 1945 meeting of the United Nations in San Francisco. Brazil also cooperated extensively with the United States in the establishment of the Organization of American States in 1947, and it joined the International Atomic Energy Agency.

Brazil believed that its wartime participation provided justification and legitimacy for its role in postwar global governance institutions. It had participated much more extensively in combat operations during this war, providing ground combat and air units and not just medical doctors as it did in World War I. It had also been more involved in Allied diplomacy at all levels during the last two years of the war. However, its search for an expanded postwar role faced the opposition of two of the major powers, the Soviet Union and the United Kingdom. Both were interested in minimizing Brazil's role in the postwar order and felt it should not have a role in international reconstruction efforts in Europe. Essentially, both powers were concerned that Brazil was entirely too close to the United States and would effectively represent a second U.S. vote on the UN Security Council.

Yet the United States under President Roosevelt was ambivalent about Brazil's postwar role. The U.S. State Department bureaucracy opposed a major Brazilian role based on their prewar experience, which informed their understanding that Brazil was not as reliable a U.S. ally as the Soviets and British believed. In contrast, President Roosevelt himself advocated a permanent seat for Brazil on the UN Security Council, believing that he could politically manage the relationship with Vargas and Brazil to produce positive results for the United States.<sup>63</sup> Getulio Vargas was initially quite excited by the possibility of a permanent seat, although Brazil's foreign policy establishment was more doubtful. Nonetheless, this ambition came to naught once President Truman took office. Truman concurred with Soviet and UK opposition to Brazil's permanent seat, and in the face of united opposition from the great powers, Brazil had to be satisfied with a nonpermanent seat.

Brazil's experiences in the 1930s and 1940s had highlighted the continuing gap between its aspirations and capabilities. The Vargas

administration clearly sought to extract maximum advantage from its (temporary) strategic value for the international system by playing off Germany, the United Kingdom, and the United States. When this game was no longer viable, Brazil chose to ally with the United States in the hopes of translating this relationship into a role in managing the post-war international order. However, the effort to prepare for and participate in the war had highlighted Brazil's complete dependence on the Allies for achieving military effectiveness. Even limited industrialization during the war was not sufficient to bring Brazil to a level of economic capability that would support an expansion of its hard power. And in the diplomatic meetings that accompanied the end of the war and the birth of the new world order, Brazil did not have sufficient soft power to attract the support of enough countries in what remained a largely European-centered international system.

One of the early casualties of the post-World War II period was Brazil's elite consensus on the best policy to pursue to ensure its emergence as a major power. With the removal of President Vargas from power in 1945, the military reaffirmed its position as a key power broker in Brazil, one with an increasing interest in foreign policy. It emerged from its participation in the war convinced of the value of a continuing close alliance with the United States. In the context of the emerging Cold War, this stance acquired an anticommunist dimension. Thus the armed forces initially perceived Brazil's role as being that of a U.S. ally in the global struggle against communism and their own role as ensuring the defeat of communist sympathizers internally. They shared this point of view with the business and intellectual elites who preferred a liberal economic order.

By contrast, a growing number of nationalistic technocrats, economists, and politicians became convinced that relying on foreign capital and traditional partners would leave Brazil in a permanently subordinate position in the international order. Influenced by research conducted by economist Raul Prebisch at the UN Economic Commission for Latin America and the Caribbean (ECLAC), nationalist economists advocated industrialization aimed at the domestic market, protected by high tariff walls. This was a marked departure from Brazil's traditional growth strategy based around agricultural exports.<sup>64</sup> They also called for a larger state role in fostering national development and autonomy and controlling foreign capital in Brazil. These policy preferences tended to coincide with a more skeptical viewpoint on the role of the United States in the international system.<sup>65</sup>

Brazil began a process of democratization when the military forced Vargas to retire in 1945 and set elections for 1946. Vargas supported his minister of war, General Eurico Gaspar Dutra, in the elections. Dutra won and then served as president until 1951, but turned out to have less of a nationalist focus on development issues than promised. Vargas then ran successfully for president in the 1951 elections on a platform that for the first time appealed to the poor. As president he adopted many of the perspectives of the ECLAC team regarding import substitution industrialization. When his policies were opposed by important elite and military groups, he committed suicide. His successor, Juscelino Kubitschek (1956–61), focused on developing Brazil internally, but with an eye to its international standing. His administration built a new national capital, Brasilia, in the interior, with the most modern architecture of the day designed by the internationally renowned Brazilian architect Oscar Niemeyer. In 1958, President Kubitschek proposed *Operação Pan-Americana*, conceived of as a regional multilateral development plan featuring development and technical assistance from the United States; however, the idea gained no traction with the Eisenhower administration. Contributing to frustration among Brazilian leaders were high levels of U.S. assistance to Japan and Germany, its two recent enemies, rather than to its wartime allies. In addition, the United States rejected Brazilian efforts to improve its military capabilities, refusing to sell or transfer modern weapons systems on the grounds of maintaining a balance of power between Brazil and Argentina. The Brazilians found U.S. efforts at equilibration in the Southern Cone galling, considering Argentina's affinity for the fascist powers during the recent global conflict.<sup>66</sup>

Democratic politics appeared on the verge of remaking Brazilian domestic politics when Janio Quadros (1961) from the center Left was overwhelmingly elected president in 1960, with leftist Joao Goulart as his vice president. Quadros resigned within the year, perhaps in a power play to gain more power from Congress. But Congress instead reformed the constitution to create a parliamentary system of government that reduced the powers of the president and permitted Goulart (1961–64) to assume power.

Since World War II the shift toward import substitution policies had produced a notable industrialization of the Brazilian economy that was oriented towards domestic consumers. But this shift had not been accompanied by an increase in value-added industrial exports. Without the additional revenues that would be generated by these new exports,

Brazil found itself short of the foreign exchange needed to pay for imports of inputs into its new industries, leading to growing indebtedness. By the 1960s, payments on foreign debt were taking up a considerable proportion of Brazil's export earnings, further diminishing the availability of foreign exchange to pay for industrial inputs. As a result, these new industries experienced production bottlenecks, undermining their productivity. Higher costs were passed along to consumers, slowing economic growth and contributing to dramatic inflation, which reached 60 percent in 1964.

In parallel with the shift in Brazil's economy, its civilian leadership increasingly reflected nationalist economic views and sought a more autonomous position in the international system. Nationalist economic policies were appealing to governments that had a historical memory of the difficulties of importing essential supplies during World War II. Presidents Quadros and Goulart continued an increasingly independent approach to foreign policy that had begun under Vargas and deemphasized Brazil's alignment with the United States.<sup>67</sup> The United States contributed to this shift in foreign policy by actions that made it clear that no special relationship existed between the two countries. Brazil's increasing distance from the United States was signaled by restored trade relations with the Soviet Union and by opposition to U.S. policy toward the Cuban revolution after 1959. Under both Quadros and Goulart, Brazil moved away from diplomatic policies that accepted the division of the world between U.S.- and Soviet-led alliances and spheres of influence. Quadros opened relations with the Soviet bloc and sent his vice president on a visit to the People's Republic of China.

However, new thinking on economic development did not produce political stability. The Goulart administration attempted to pursue an economic stabilization program, but in the face of high levels of labor unrest, it had little success. Goulart responded by trying to shift to the Left politically to attract support from labor, but this raised the ire of traditional elites and the armed forces. Efforts to secure support from the United States for his economic reforms also failed.<sup>68</sup> Brazilian elites, the military, and the U.S. government were threatened by these populist moves at home and abroad, and Brazil's experiment with democracy ended in the 1964 military coup.

**THE BRAZILIAN MIRACLE (1964–85): GOING IT ALONE**

Brazil's disappointment with its harvest from the World War II experience set the stage for postwar governments, first civilian and then military, to pursue a more autonomous foreign policy designed to improve Brazil's capabilities and increase its independence in the international system. Despite the bipolar nature of the Cold War international system, Brazil, until the 1964 military coup, was able to find new opportunities to demonstrate its autonomy by assuming international leadership among the newly decolonized states in Africa and Asia. The withdrawal of European powers from Africa, Asia, and the Middle East brought several dozen new countries into the international system during the 1950s and 1960s. These new states were led by relatively inexperienced leaders, who were attracted by Brazil's relatively greater capabilities, wealth, and diplomatic experience. In concert with Brazil, many of the newly independent states viewed the rules of the international order devised by the victorious powers as inequitable. In response, Brazil's post-World War II civilian presidents—Vargas, Quadros, and Goulart—pursued a foreign policy that cultivated solidarity among newly decolonized developing countries in Africa and Asia.<sup>69</sup> This more independent foreign policy was based on the principles of decolonization, disarmament, and development, an appealing combination for newly independent states.<sup>70</sup> Once Brazil's armed forces took power in 1964, they also increasingly focused on improving Brazil's economic position and on improving its defense industrial capacity, backing up Brazil's foreign policy orientation towards the Global South with growing hard power.

*Brazil's Military Takes Power: No Return to the Special  
Relationship with the United States*

The Brazilian armed forces came to power in 1964 with the dual aims of restoring political order and economic growth domestically and an alliance with the United States internationally. They succeeded, at great social and human cost, in achieving the former objective, but the alliance with the United States proved to be a mirage. The armed forces leaders supporting the president installed in the military coup, General Castelo Branco (1964–67), saw global communism as the greatest threat to Brazil and pursued a close alignment with the United States. Brazil supported the U.S.-led intervention in the Dominican Republic in 1965,

even to the extent of contributing troops and leadership to the intervention force; the government even engaged in secret discussions with the Johnson administration about contributing Brazilian troops on the U.S. side in the Vietnam War. But alignment with the United States did not produce the desired influx of technology, loans, and investment that Brazil's military sought.<sup>71</sup> The armed forces leaders, many of whom had served alongside U.S. forces as junior officers during World War II, had overestimated the degree to which close military-to-military relations would be translated into closer state-to-state relations.

The dynamics driving the two countries apart reasserted themselves under the administration of General Artur de Costa e Silva (1967–69), who represented the pro-autonomy military hardline position, and they persisted throughout the rest of the military regime (1967–85). The military administrations after 1967 assumed an ecumenical foreign policy orientation that sought to improve Brazil's position among the developing world. Brazil's military recognized and established relations with Marxist revolutionary regimes in Angola, Mozambique, and Guinea-Bissau after the collapse of Portugal's African empire in 1974. Although this policy irritated Washington, Brazil saw an opportunity for leadership in Portuguese-speaking Africa that would enhance its soft power. Brazil's policy of refusing to follow Washington's lead in the East–West confrontation continued into the 1980s, when the military governments disagreed diplomatically with U.S. policies toward the Nicaraguan revolution and El Salvador's Marxist insurgency.<sup>72</sup>

Brazilian military doctrine linked economic development to security. The military regime consequently adopted economic policies designed to spur rapid growth in industrialization and an increase in autonomy from the developed world, including the United States. Brazil's economy grew rapidly between 1969 and 1972, reaching annual GDP growth rates as high as 11 percent in what became known as the "Brazilian Miracle." Brazil expanded its exports to the developing world and Europe, particularly of industrial products such as consumer goods. Trade with the United States, which had accounted for more than half of Brazil's exports (largely coffee) during World War II, dropped below 20 percent after 1972.

The military regime also greatly expanded Brazil's defense industries in the face of increasing restrictions on international arms transfers, particularly those imposed by the United States.<sup>73</sup> Brazil succeeded in becoming a major exporter of inexpensive armored vehicles and light aircraft during the 1980s, particularly to conflict-ridden parts of the Middle East and Africa. Its arms exports increased from zero in 1970

to nearly 1 billion U.S. dollars (in constant 1979 terms), although with great year-to-year variability.<sup>74</sup> Remarkably, the burgeoning defense industrial base did not translate into greatly increased military capabilities, particularly after the 1974 oil crisis and the resulting economic difficulties caused by greatly increased costs for fuel imports. Preserving political legitimacy and regime stability through domestic spending took priority over rearmament, and Brazil's military expenditures, which peaked at 2 percent of GDP in 1975, dropped to below 1 percent by 1980.<sup>75</sup>

*Increasing Friction with the United States: Brazil  
and Nuclear Development*

The relative decline of U.S. power globally during the 1970s provided Brazil with new opportunities to stake out a more independent position in the international order, and nowhere was this more evident than in the field of nuclear proliferation. Brazil was one of a handful of large states (including India) that refused to sign the Non-Proliferation Treaty (NPT) in 1968. Brazil's leaders argued that acquiring nuclear technology provided a shortcut to development and major power status in the world. Brazil's president, Marshal Artur da Costa e Silva, articulated this policy in 1967:

We repudiate nuclear armament and are fully aware of the serious risks that its spread could bring to mankind. Nevertheless, it is imperative that no immediate or potential obstacles be created that might in any way present hindrance to the full utilization of nuclear energy for peaceful purposes.

Otherwise, it would mean our acceptance of a new form of dependence surely incompatible with our aspirations for development.<sup>76</sup>

In line with their desire for scientific and technological development, Brazil's leaders rejected the notion that international inspectors should limit what nuclear technologies Brazil could develop autonomously. They also rejected the unequal structure of the NPT that allowed existing nuclear weapons states to keep their arsenals while prohibiting them to the rest of the treaty signatories.<sup>77</sup>

Brazil went a step further in 1974, signing an agreement with West Germany for the construction of two large nuclear power plants, nuclear

fuel cycle facilities, and for the transfer of nuclear technology. Brazil entered into partnership with West Germany after its deal with Westinghouse, a U.S. corporation, to build the Angra I reactor ran afoul of increasing U.S. restrictions on nuclear technology exports. The United States had imposed those restrictions in response to the Indian nuclear test in 1974 and a growing perception that U.S. nuclear fuel production would be insufficient to meet its international obligations. This created the perception in Brazil that the United States was at best unreliable and at worst deliberately trying to entrap Brazil into a position of permanent dependency.<sup>78</sup>

Despite vigorous diplomatic pressure, the United States was unable to dissuade either Brazil or even West Germany, a close ally, from going through with a comprehensive nuclear agreement.<sup>79</sup> The Brazilian military regime viewed nuclear technology acquisition as a development objective, a building block toward greater technological autonomy, and a prestige project. The U.S. Congress also grew increasingly assertive in pushing for action against human rights violators such as the Brazilian military regime, and after taking office in 1977, the Carter administration was similarly critical of the Brazilian government. In addition, U.S. suspicion of Brazil's nuclear and missile programs led to restrictions on export of dual-use technologies, with the first set of sanctions coming into force in 1977.<sup>80</sup> U.S. sanctions on Brazil began to hurt the Brazilian economy, particularly after the U.S. Nuclear Non-Proliferation Act passed in 1978.

Brazil's reaction to this economic and diplomatic pressure was not to come into compliance with the NPT or the U.S. human rights agenda, but instead to pursue development of its autonomous nuclear capabilities.<sup>81</sup> It decided that the development of a parallel covert nuclear program operating without outside visibility or accountability was the best approach to build an explosive nuclear device.<sup>82</sup> Organized under the auspices of the Brazilian Navy, this covert program had the initial goal of enriching uranium and building small reactors suitable for use on naval vessels. The Army and Air Force soon followed with their own (less successful) nuclear reactor development programs.<sup>83</sup> During this period, Brazil also began a conventional missile development program under military auspices that further raised alarms in the United States about Brazil's intentions.

Despite Brazil's emphasis on developing new nuclear and non-nuclear military capabilities, this did not lead to an arms race with its neighbors,

particularly with its longstanding rival Argentina. In response to increasing pressure from the Carter administration and the U.S. Congress, the two military regimes began a process of quiet collaboration on a range of economic and security issues. An early product of this rapprochement was an agreement on how to handle the impact of the massive dam and hydroelectric project proposed for the Itaipú region, where the two countries share a border with Paraguay. Surprisingly, consultations on their respective nuclear agendas also became part of the improved relationship between the two states. Brazil also sympathized with Argentina after its defeat in the Falklands-Malvinas war, drawing two lessons from the course of that brief conflict. First, U.S. support for the United Kingdom, rather than for Argentina, was viewed as evidence that the inter-American system of defense treaties was no longer viable or an effective source of security for Brazil. Second, the military leadership interpreted the victory of the United Kingdom over its military peer-rival Argentina as evidence that Brazil was not ready militarily to defend its sovereignty from major powers, further justifying Brazil's nuclear and missile programs.<sup>84</sup> Though Brazilians might have also drawn the lesson that the Argentine military was an unreliable partner because it seized the disputed islands by force, its decimation in the democratization process that followed military defeat meant it could no longer rival Brazil militarily.

### *The End of the Miracle*

Brazil's third attempt to increase its standing in the international order ended with the transition to democracy and the debt crisis in the mid-1980s. The military regime's aspirations during the "Brazilian Miracle" were clear: (1) to establish Brazil as a major power and a leader in the developing world, and (2) to do so by achieving industrial and technological autonomy. In the 1980s, domestic instability on both the political and economic fronts undermined Brazil's claims to major power status; other powers—developing or major—could not view Brazil as a contender while its internal affairs were in disorder. Brazil's vulnerability to the international economy, policy failures at home, and a growing reputation as a rogue state on issues of human rights and proliferation all undermined its soft power even as it was attempting to build up its hard power.

The Brazilian Miracle of the 1970s imploded after the 1974 oil crisis, which had a disproportionate effect on the country because of its great

reliance on energy imports. Labor unrest grew, spurred on by the organization of a new working-class party, the Partido dos Trabalhadores. The decision by the U.S. Federal Reserve Board to raise interest rates in 1982 triggered a region-wide debt crisis in Latin America that affected Brazil with particular severity. To secure loans from the IMF, the military regime had to impose an austerity plan, leading to further civilian discontent. Key advisors to the military regime recognized that more open elections were necessary; in the relatively fair elections in 1982, the civilian opposition gained power in key states and in the legislature. Social and political protests against the Brazilian military regime gathered strength, leading to a widespread popular movement, *Diretas Ja!* which called for immediate and direct popular elections for the presidency in 1985. In the end, the military regime became increasingly unpopular even with its own supporters and within the armed forces themselves, and as a result the civilian Tancredo Neves was elected president in 1985. Although Neves succumbed to ill health before becoming president, his vice president, José Sarney, succeeded him and assumed office as Brazil's first civilian leader in twenty-one years.

The hard power capabilities—defense, nuclear, and missile technologies—that Brazil had acquired during the period of the Brazilian Miracle were either dismantled or brought under civilian oversight in Brazil's new democracy. Brazil's civilian leaders worked with their Argentine counterparts to bring their respective nuclear programs under the auspices of a bilateral inspection and control regime, the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials. President Collor de Mello (1990–92) also asserted control over the parallel covert nuclear programs, acting particularly decisively to forestall a nuclear explosive option for Brazil. Other aspects of the defense technology program, such as Brazil's nuclear submarine program, lost funding or were postponed. Brazil's burgeoning defense industry, once a leading exporter to the developing world, collapsed after it was privatized and lost state subsidies during the Collor government.

### **CONCLUSION: WHAT CAN WE LEARN FROM BRAZIL'S THREE HISTORIC ATTEMPTS TO EMERGE?**

Brazil's experience during the twentieth century can be understood as the story of a large country attempting to become a great power, but falling short on each attempt. During World War I, during World War II,

and then during the 1970s, Brazilian governments reached for membership in great power clubs: a seat on the permanent council of the League of Nations, permanent membership in the UN Security Council, and the acquisition of nuclear and missile technology on par with that of the great powers, respectively. These attempts were made in different periods in Brazil's development, across different regime types, and using different strategies. However, in all three attempts, diplomatic, economic, and military elites had a shared ambition for Brazil to be considered a great power.

Brazil invested more than rhetoric in its aspirations to join the ranks of major powers: its attempts to join the ranks of great powers incurred real costs. It deployed naval forces during World War I and an expeditionary force to Italy during World War II, and lost access to traditional markets in the Central powers because of its wartime involvement. Brazil also incurred costs in terms of loss of access to a key global multilateral institution when it refused to accept second-class status in the League of Nations in 1926. Brazil funded very expensive efforts to acquire nuclear and missile capabilities during the 1970s. The Non-Proliferation Treaty led to significant restrictions on technology transfers from the world's leading economic power, the United States.

Despite its aspirations, Brazil's capabilities consistently fell short along both the hard and soft power dimensions during the twentieth century. It was not able to translate its potential strengths as a large, resource-endowed, populous country into the kind of hard power—economic or military—that would lead major powers to reckon with Brazil as one of their own. Brazil also lacked strategic relevance to the great powers in the twentieth century, except for a brief period during World War II. Brazil was highly dependent on the international system for its economic well-being, capital investment, and technology transfers, which translated into a vulnerability to pressure from external actors. Even though it was increasingly secure in its own neighborhood, in South America, it lacked the capabilities necessary to influence other regional states to follow its lead internationally. Brazil also lacked a compelling and attractive narrative that would attract other states, even less developed states, to follow it.

During the first part of the twentieth century, Brazil followed the lead of the United States in international relations, but always ambivalently. Its foreign policy effort was neither sufficiently strong to endear Brazil

to the U.S. leadership as an object of a special or enduring relationship nor to build a relationship with the Spanish-speaking republics that were concerned by U.S. interventionism in the Americas. During the 1960s and 1970s, Brazil's economic model proved to be successful and attractive, but its less than stellar reputation on human rights weakened its ability to project soft power vis-à-vis Western democracies. In addition, its increasingly troubled economy, particularly during the 1980s, removed a great deal of luster from Brazil's "Miracle" decade.

Brazil's leaders have astutely realized that moments of upheaval in the international order provide opportunities to make the case for major power status. World War I and World War II were both times when the status of major powers and the alliances among them were shifting rapidly. In a time of global crisis, every increment of power, even relatively limited contributions in the case of Brazil, might make a difference to the great alliances. In fact, in the interwar period and immediately after World War II, Brazil was able to participate to a greater extent in international rule shaping than immediately before both world wars, playing key roles in the formation of the League of Nations and the United Nations. However, once the conflicts ended, Brazil's limited hard and soft power made it less consequential in major power diplomacy, and it was unable to sustain its claims to be a leading voice in shaping the international order.

Finally, Brazil's domestic political order (or disorder) was a persistent obstacle to its claims to major power status. During the end of the old republic and the transition to the Estado Novo in the 1930s, Brazil played a peripheral role in global politics as Vargas sought to secure his rule against challenges from both the Left and the Right. Brazil's political and economic crises from the 1940s to the early 1960s also threatened its claims to major power status and opened the door to external interference in Brazilian politics—with the United States, United Kingdom, and Germany vying for influence before World War II, and the United States attempting to pressure Brazil to adopt positions more closely aligned with its own interests during the Cold War, most clearly in the case of nuclear nonproliferation during the 1970s.

Even though Brazil did not succeed in claiming major power status during the twentieth century, an analysis of this period makes it possible to discern how Brazil would approach the exercise of such power in the future. Shifting from an alignment with major powers such as the United States to the pursuit of its own autonomy, Brazil increasingly

positioned itself as a critic of power politics in the liberal international order. In sum, Brazil ended the twentieth century seeking major power status, not for the sake of asserting its authority, but so that it might shape the international system to prevent others from doing the same to Brazil.

## CHAPTER THREE

### *Selling Brazil's Rise*

#### **Brazilian Foreign Policy from Cardoso to Rousseff**

**WHEN FERNANDO HENRIQUE CARDOSO** took office as president on January 1, 1995, few would have predicted that Brazil was poised to make another attempt to reach major power status. Cardoso had gained fame for taming Brazil's volatile economy and restoring growth as minister of finance in the preceding Franco administration, and Brazilians elected him to the presidency in the belief that he could deliver on a brighter more stable future. Cardoso took office as Brazil was very tentatively emerging from a decade of turmoil that had begun with the transition to democracy in 1985. During this decade, Brazil experienced the death of its first post-dictatorship civilian president, Tancredo Neves, and the impeachment of its first directly elected president, Fernando Collor de Mello (1990–92). It had gone through a lengthy debate about its political future, which in the end produced a highly complex new constitution adopted in 1988. It experienced repeated bouts of hyperinflation, reaching as high as 200 percent in 1985 and 400 percent in 1987.<sup>1</sup> It is no wonder that both Brazilians and outside observers had some real questions about the country's future.

Yet just twenty years after Cardoso's inauguration, the progress Brazil had made was enough to evoke wonder. By 2015, Brazil had become the seventh largest economy in the world, its troops participated in peacekeeping operations as far away as Lebanon and the Democratic

**Table 3-1.** Brazil's Relative Global Ranking on Selected Indicators during the Cardoso, Da Silva, and Rousseff Administrations

	1994	2002	2010	2014
Population	6	6	6	5
GDP	10	14	8	7
Gross value added by manufacturing	7	11	5	7
International currency reserves	13	17	8	7
Defense spending	11	9	11	10
Citable academic papers produced	21	16	13	13

*Sources:* Population drawn from [www.nationmaster.com/country-info/stats/People/Population](http://www.nationmaster.com/country-info/stats/People/Population); GDP, gross value added by manufacturing, and international currency reserves drawn from World Bank DataBank ([data.worldbank.org](http://data.worldbank.org)); defense spending data drawn from Stockholm International Peace Research Institute (SIPRI) military expenditures database ([www.sipri.org/research/armaments/milex/milex\\_database](http://www.sipri.org/research/armaments/milex/milex_database)).

For a ranking of countries in terms of scientific production for each year, see [www.scimagojr.com/countryrank.php?area=0&category=0&region=all&year=all&order=it&min=0&min\\_type=it](http://www.scimagojr.com/countryrank.php?area=0&category=0&region=all&year=all&order=it&min=0&min_type=it).

Republic of Congo, and it was a key player in a range of critical global governance debates, from climate change to nuclear proliferation. Domestically, its democratic institutions had strengthened, Brazil's middle class had vastly expanded, and critical poverty and hunger had been nearly wiped out. Table 3-1 demonstrates the relative increase in Brazil's ranking on some important indicators of international standing: population, size of the economy, value added by manufacturing, holder of international currencies in reserve, defense spending, and scientific production.<sup>2</sup>

But other objective indicators of international standing told a different story. Brazil was spending a higher proportion of its military budget on personnel costs than the United States, Europe, Japan, or China, so its rank as number 10 in defense spending is misleading. The growing size of Brazil's economy did not necessarily translate into an increase in its ranking in the international trading system: it actually fell over time from being the nineteenth largest exporter in 1985 to the twenty-third in 2010. Data from the World Bank Knowledge Assessment Methodology program indicated that Brazil trailed Argentina significantly in the number of researchers engaged in research and development per million inhabitants, with the gap increasing between 2002 and 2010.<sup>3</sup> Tables 3-2 and 3-3 indicate that in terms of technological innovation (as measured

**Table 3-2.** Patents Granted by USPTO to Latin America Residents per million people, average 2005–09

Argentina	1.12	Mexico	0.82
Bolivia	0.04	Paraguay	0.03
Brazil	0.68	Peru	0.11
Chile	1.19	Uruguay	0.84
Colombia	0.20	Venezuela, RB	0.50
Ecuador	0.27		

*Source:* World Bank, Knowledge Assessment Methodology ([www.worldbank.org/kam](http://www.worldbank.org/kam)) shows the number of U.S. patent documents (i.e., utility patents, design patents, plant patents, reissue patents, defensive publications, and statutory invention registrations) granted; the variable is weighted by million population.

**Table 3-3.** Patents Granted by USPTO to BRICS Residents per million people, average 2005–09

Brazil	0.68	Russia	1.28
China	1.05	South Africa	2.51
India	0.51		

*Source:* World Bank, Knowledge Assessment Methodology ([www.worldbank.org/kam](http://www.worldbank.org/kam)) shows the number of U.S. patent documents (i.e., utility patents, design patents, plant patents, reissue patents, defensive publications, and statutory invention registrations) granted; the variable is weighted by million population.

by patents granted by the U.S. Patent and Trade Office per million inhabitants), Brazil lagged significantly behind four of its Latin American neighbors and three of its BRICS partners. The country's soft power ranking in the Anholt-GFK Nation Brand Index fell over the first decade of the twenty-first century, from fifteenth in 2005 to twenty-first for 2006–08 and improving only slightly to twentieth in 2009.<sup>4</sup>

Nor were Brazil's citizens particularly interested in their country's place in the world, focusing instead closer to home. The newly expanded middle class wanted good jobs, good schools, better infrastructure, and cleaner politics. By 2015, Brazilians could also read every day about corruption at the highest levels of government as a result of the scandal in the national oil company, Petrobras; about epidemic rates of homicide per capita; and slowing economic growth and high consumer prices. Many Brazilians grew skeptical of the international prestige projects that their presidents

had sought as part of their global ambitions, such as hosting the 2014 World Cup and the Summer Olympics in 2016.

Thus, a more comprehensive look at Brazil's performance over the past ten to twenty years suggests that objectively Brazil's emergence from 1995 to 2015 is questionable: its record does not clearly indicate that it became an indispensable player on the world scene. Clearly, the international indicators showed improvement and strengths, but Brazil would not have "emerged" on the basis of them alone. To understand how Brazil parlayed its strengths into perceptions of emergence within the international order, we need to look at the role of its political leadership in shaping foreign policy. There was continuity among the administrations of Fernando Henrique Cardoso (1995–2002), Luis Inacio Lula da Silva (2003–10) and Dilma Rousseff (2011–) on foreign policy objectives. The way in which these presidents both promoted certain strengths and the positions their administrations took increased the positive attention the country received, beyond what being named a BRIC by Wall Street would have provided. This chapter is thus about how each president promoted a narrative of Brazil's rise and for what purposes.

An important part of the (soft) power of this narrative lay in impressive improvements in social and economic conditions in Brazil during the first decade of the twenty-first century. The "Brasilia Consensus" held out the promise that developing countries in the Global South could achieve economic growth, social inclusion, and democracy simultaneously, contributing to Brazil's prestige and international standing. It also stood in stark contrast to both the neoliberal Washington Consensus prescribed by the international financial institutions in the previous decade and China's authoritarian model of development.

Between 1995 and 2015, Brazil sought to parlay success at home into leadership roles in global institutions and to contribute—on its own terms—to international security, economic governance, and regimes regulating the global commons. It sought a permanent seat on the UN Security Council, not only to ensure that Brazil would participate in shaping the rules but also as a recognition that it was indispensable to the global order. During this two-decade window, each president had to address the question of Brazil's place in the world. Regardless of many Brazilians' lack of interest in foreign policy, Brazil's sheer size—demographically, territorially, economically—made it potentially consequential in global politics. And each president in turn had the aspiration, to a greater or lesser extent, to achieve major power status for Brazil.

Yet each president also faced constraints—in some cases posed by the international environment and in others by Brazil's domestic capabilities and institutions. In essence, Brazil's leaders between 1995 and 2015 were confronted by three strategic choices: to not compete for major power status and focus instead solely on development, to pursue Brazil's interests within the constraints of the prevailing global order, or to challenge the constraints in pursuit of a more significant role for Brazil in writing the rules. This chapter focuses on each presidential administration in turn, analyzing each leader's aspirations and the international and domestic constraints that each faced. It examines the capabilities that each president had available to pursue foreign policy objectives and what capabilities each leader thought were needed. It then shows how the combination of constraints and capabilities influenced each president's strategy to facilitate Brazil's emergence.

**FERNANDO HENRIQUE CARDOSO:  
"BORN ON A CATAPULT TO POWER"**

Of the three presidents, Fernando Henrique Cardoso clearly experienced the greatest constraints, yet he still chose to compete for global status (although in his memoir, he later regrets this ambition).<sup>5</sup> He came to power at a time when the United States still enjoyed unrivaled dominance in the wake of the collapse of the Soviet Union and the end of the Cold War. He also inherited a Brazil that was still very much in transition politically and economically, was still vulnerable to the impact of international economic crises, and was still not a fully consolidated democracy. Under the circumstances, it would have been reasonable for Cardoso to focus on development and postpone engaging in global politics until more favorable circumstances arose. Although he did not neglect domestic politics or development, Cardoso nevertheless pursued a number of international policies designed to ensure that Brazil's foreign policy preferences were not sidelined by the emerging post-Cold War world order.

Given the domestic situation in the early 1990s, Brazil's current political stability and ability to achieve social inclusion seemed very unlikely. The instability stemming from a recent presidential impeachment and the country's economic crises raised real doubts about the viability of Brazil's democracy. Yet addressing Brazil's domestic problems provided Cardoso with the legitimacy and political capital to implement a series of liberalizing economic reforms. Positive movement on domestic priorities

also gave Cardoso the international credibility to pursue an active foreign policy that sought to preserve Brazil's autonomy and contribute to its development within the limits of the post-Cold War international order.

Cardoso arrived at the presidency unusually well prepared to direct Brazil's foreign policy. He was the product of a highly connected political family with deep ties to the civilian and military leadership of Brazil. In fact, Cardoso reportedly once said that he was "born on a catapult to power." He was the son and grandson of generals, and his great-grandfather had been one of the leaders of the civilian Conservative Party during the Brazilian Empire. Other relatives included former ministers of war, a president of the Bank of Brazil, congressmen, and the mayor of Rio de Janeiro. Cardoso himself had served as foreign minister before becoming the minister of finance and then president.<sup>6</sup> He was also a university professor, a sociologist of world renown, and part of a broad network of academics and policy experts who worked on issues of international relations in the developing world. Cardoso's most famous academic book, *Dependencia y Desarrollo en América Latina*, first published in 1969, made the argument that it was possible for peripheral countries such as Brazil to overcome structural barriers and achieve development, even within a highly constrained international environment.<sup>7</sup> Coincidentally, he would encounter a highly constrained global order on assuming the presidency in 1995.

In his inaugural speech to Congress after becoming president Cardoso stated that "Brazil has a place reserved among the successful countries of the planet."<sup>8</sup> But Cardoso was also well aware of Brazil's history as a poor and peripheral country, isolated from the world.<sup>9</sup> He did not seek hegemonic status for Brazil—or for any country. Rather, Cardoso envisioned a multipolar global order in which no single power was completely dominant as an essential condition for Brazil's success. Only such an international order would allow Brazil the latitude to pursue and protect its own interests.<sup>10</sup>

Yet when Cardoso assumed office, his ideal global order seemed to be unattainable. He was operating in the unipolar international system created by the collapse of the Soviet Union. The United States had moved quickly to reshape the global order in the wake of the Cold War and clearly had the upper hand. Brazil was not well positioned to counter U.S. efforts. Given the relative power differential, Cardoso thought that Brazil should bide its time and work quietly to influence the emerging international order so that it would become more conducive to Brazil's interests.<sup>11</sup>

Cardoso saw his country's emerging potential largely in economic rather than military terms. Given that Brazil had only recently made the transition from a military dictatorship and the armed forces remained autonomous and politically influential, the last thing that Cardoso wanted to do was pursue a strategy that would give the military more power and larger budgets. In fact, even if Cardoso had wanted to increase his country's military power, Brazil was ill positioned to afford the necessary investments, given the economic circumstances that it faced during his presidency.<sup>12</sup> Cardoso's approach to hard power instead focused on establishing civilian control of the military\* and providing compensation for the victims of Brazil's military dictatorship, achievements that would contribute to democratic consolidation.<sup>13</sup>

Becoming an economic powerhouse required adapting to the prevailing economic liberalism of the post-Cold War era as a means to attract foreign support and investment. Cardoso continued a program of privatization and liberalization at home that had begun under his predecessor, Collor de Mello. This was no easy feat. In addition to domestic hurdles, he also faced external economic shocks—the Tequila Crisis (so called because it originated with a currency crisis in Mexico in December 1994) and the Asian (1997) and Russian (1998) financial crises—that repeatedly afflicted the Brazilian economy during the 1990s. Addressing Brazil's international economic constraints required the assistance of the international community, particularly the International Monetary Fund. The need for Brazil to accept IMF conditions for assistance underscores Brazil's constrained autonomy during this period. Cardoso was ultimately unable to realize his ambitions to make Brazil into an economic power by the end of his two terms in office, but he laid the foundation on which his successors built their own economic strategies.

Cardoso valued soft power, understanding that Brazil had to resolve its troubles at home to present an attractive model abroad. Even after addressing the hyperinflation crisis, Cardoso still envisioned privatizing state industries, building economic confidence, reducing social inequality, and consolidating democracy as key steps toward improving Brazil's global standing.<sup>14</sup> He saw in Brazil's domestic tolerance and multiculturalism an example for more troubled regions of the world. He believed

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\*For example, Cardoso removed active-duty military officers from serving as government ministers. When he took office in 1995, there were six in office. In 1999, there were none.

that Brazil's diplomatic corps needed to reflect this multiculturalism to serve as a global model.<sup>15</sup>

*Brazil's International Strategy during the Cardoso Administration*

By the time the Soviet Union collapsed in the late 1980s, Brazil no longer had the luxury of remaining at a distance from world affairs.<sup>16</sup> But how best to adapt to new circumstances prompted a foreign policy debate that first came to a head during the Collor administration (1990–92). The debate pitted those who believed that Brazil needed to open itself to the world and engage more closely with world economic trends against those who believed that U.S.-led unipolarity would be short-lived and Brazil should do little to adjust its strategy. President Collor attempted to bridge the gap between the two sides by conducting a far-reaching liberalization and privatization program at home that shifted Brazil's economic policies away from import substitution industrialization and toward greater economic openness to international capital and competition. As part of this effort he began the process of privatizing much of Brazil's defense industry, which in the absence of state support largely collapsed, and ended Brazil's secret military nuclear program. In terms of foreign policy, the Collor administration still sought opportunities for autonomy in the international system by strengthening relations with South America by concluding the Mercosul customs union with its neighbors Uruguay, Paraguay, and Argentina.<sup>17</sup> Nevertheless, Brazilian leaders recognized that greater engagement with the global economy would inevitably translate into more interdependence and the placement of increasingly complex limits by the emerging international order on Brazil's policy options.<sup>18</sup>

Cardoso's foreign policy, which he initially shaped as foreign minister under Collor's successor Itamar Franco, and then as president in his own right, had three fundamental elements. The first was the recognition that Brazil still needed resources from the international system to support its efforts to get its economy back on track toward steady growth. This meant acknowledging the constraint implied by the prevailing trend toward political and economic liberalization deriving from the predominance of the United States in the global order. The second was the need to consolidate democracy in Brazil and the related realization that supporting democratization in the Americas cut off support for models provided by authoritarian alternatives. The third element of Cardoso's foreign

policy was an increased focus on South America as the region where Brazil had the best opportunity to preserve its relative autonomy in the international system.<sup>19</sup> Because of this focus on using resources from the international system and ensuring a hospitable immediate neighborhood, Fernando Henrique necessarily increased the role of the presidency in foreign policy beyond what had been the tradition in Brazil.<sup>20</sup>

Unlike his predecessors and his successors, Cardoso was more open to working constructively with the incumbent great powers, such as the United States and the European Union. One of his objectives was to reduce the reflexive South–South orientation of Brazil's foreign policy. He also wanted to communicate to the incumbent great powers that Brazil was willing to cooperate with them, both by assuming some of the constraints associated with a liberal international economic order and by taking advantage of its benefits. This redounded to Brazil's advantage during the 1998 Asian financial crisis. Brazil was hard hit, but it was able to secure a large aid package worth \$41.5 billion from the IMF in return for agreeing to run a fiscal surplus at home.<sup>21</sup> Although it was a sign of confidence from the international community in Cardoso's leadership, the IMF deal also highlighted the very real international (and now domestic) constraints that Brazil faced during this period.

Nevertheless, in line with Brazil's traditional diplomacy, Cardoso sought to preserve and strengthen multilateral institutions, using diplomacy and mediation as the means to resolve pressing international issues.<sup>22</sup> Brazil's support for multilateralism was actually a point of convergence with the United States during Cardoso's presidency, particularly in the area of global trade. Brazil supported the creation of the World Trade Organization (WTO), and it took great advantage of its dispute resolution mechanism to seek support for its interests. To signal its trustworthiness, Brazil also sought to participate in other multilateral treaties, notably the Non-Proliferation Treaty (NPT). Brazil had earlier rejected the NPT as unequal and discriminatory against non-nuclear powers, so signing it was an example of the important accommodations that Cardoso was willing to make to signal to the incumbent great powers that Brazil was a reliable partner.<sup>23</sup>

During the Cardoso administration Brazil also supported more openly international democracy promotion efforts and human rights. This was a departure from Brazil's traditionally absolute respect for sovereignty, but Cardoso judged that a region free of military dictatorships would be a more congenial environment in which to strengthen Brazil's democracy

at home. Brazil used diplomacy to resolve potential interruptions of democracy in Guatemala, Paraguay, Ecuador, and Venezuela, working actively to secure a similar diplomatic response from across the region. Cardoso supported the introduction of democracy clauses for membership in regional multilateral institutions, such as the Organization of American States (OAS), Mercosul, and the Rio Group, an international organization that complemented the OAS. He also supported the OAS's adoption of the Inter-American Democracy Charter in September 2001, a mechanism to coordinate regional responses to interruptions of democratic rule in the region.<sup>24</sup>

As mentioned earlier, President Cardoso viewed the rest of South America as important to developing Brazil's autonomy and contributing to Brazil's global influence. Because of its size, Brazil clearly had the potential to be the regional leader, but Cardoso was careful to avoid making this claim openly because he believed it would trigger resistance from Brazil's Spanish-speaking neighbors and accusations of "imperialism." For example, when democracy in Paraguay was threatened in 1996 by an insubordinate army commander, Brazilian diplomacy worked behind the scenes to mobilize a regional response rather than act overtly to intervene to resolve the crisis.<sup>25</sup> Cardoso viewed regional integration as the most promising vehicle for Brazil to exercise its influence, building on the experience of Mercosul.<sup>26</sup> In 2000, he convened the first summit of South American presidents to deepen regional cooperation, particularly on infrastructure development. Subsequent summits of the region's presidents eventually produced the Union of South American Nations (UNASUR), a multilateral entity that Cardoso's successor Lula da Silva promoted as an alternative dispute resolution and regional coordination mechanism to the OAS.<sup>27</sup>

The 1990s were a propitious time for Brazil to begin establishing a zone of relative influence and autonomy in South America. Argentina, its traditional rival for regional supremacy, had been defeated in the Falklands-Malvinas conflict by Great Britain, which effectively undermined the power of its military and brought to power a generation of Argentine politicians committed to peace and the promotion of democracy in the region. Argentina's new leaders supported Argentine-Brazilian agreements for greater security collaboration, including demilitarization of nuclear technology programs in each country and the establishment of an innovative nuclear arms control regime based around mutual inspections, the Brazilian-Argentine Agency for Accounting and Control

of Nuclear Materials. Building on earlier regional integration efforts, Argentina and Brazil also worked on incorporating a political dimension to the Mercosul customs union, patterning it on the European Union. The development of a new web of economic, political, and security ties bound Brazil and Argentina more closely together, but it also meant greater autonomy for Brazil in the region because Argentina would no longer act as a counterweight to its power.

In addition, Mexico, the other traditional Latin American power that rivaled Brazil for regional influence, was quickly becoming more closely tied to the United States economically after the enactment of the North American Free Trade Agreement in 1994. Politically, Mexico increasingly looked toward North America for its economic well-being and worked more closely with the United States in terms of security. These trends drew Mexico away from its traditional prominent role in Latin American diplomacy.

Paradoxically, the main challenge to Cardoso's strategy in the region was the United States, a country with which he desired closer cooperation. After the end of the Cold War, the U.S. international agenda emphasized free markets, free trade, and free elections. After helping to support a negotiated end to the conflicts that had afflicted Central America during the 1980s, the U.S. security agenda in the hemisphere focused on threats from nonstate actors, particularly drug trafficking. This led to a series of new hemispheric initiatives, including the Summit of the Americas, which brought together the heads of all the democratic states in the region; the Conference of Defense Ministers of the Americas; and the Free Trade Area of the Americas (FTAA).<sup>28</sup>

In response to these U.S.-led hemispheric initiatives, Brazil was relatively collaborative on the political front, but it maneuvered for greater autonomy on the economic front. This fit in with Cardoso's view that the economic axis of Brazil's capabilities was the most important contributor to its rise. So even though Brazil agreed to co-chair the FTAA negotiations, it quietly worked to make the case to the other South American states that Mercosul represented an opportunity for a more equal economic partnership. From the Brazilian perspective, an FTAA negotiation process in which the United States bargained with a united South America (preferably first united under Mercosul) was more likely to produce a fair deal, given the North-South power differential, than one in which the United States bargained bilaterally with each country.<sup>29</sup>

*Assessing the Foreign Policy Strategy of Cardoso's Presidency*

When Cardoso left office on January 1, 2003, Brazil was in a much-improved domestic position. Inflation was largely under control, the effect of international financial crises had been contained, and he had succeeded in implementing some policies designed to foster greater social inclusion, including conditional cash transfer programs.<sup>30</sup> Brazil's democracy was still a work in progress, but it was uncontestedly consolidated, as signaled by the peaceful transfer of power to the winner of the 2002 election, Luis Inacio "Lula" da Silva, the leader of the leftist Partido dos Trabalhadores and a politician whose potential victory had haunted the Right in Brazil for more than two decades.

Internationally, Brazil under Cardoso's tenure had been able to preserve a good deal of autonomy on the economic front by focusing on regional integration and the multilateral arena, particularly the WTO. Brazil did make concessions on political and security issues such as the NPT in the interest of promoting and improving the reputation of Brazil, which had been damaged by the military dictatorship and the economic crises of the 1990s. Cardoso maintained good relations with the United States even as he fended off U.S. efforts to advance its hemispheric agenda through the FTAA negotiations. His increased concerns about U.S. unilateral behavior led him to quietly strengthen ties with China, India, and South Africa.<sup>31</sup> Brazil's regional diplomacy in favor of democracy largely succeeded—promoting a peaceful regional environment while avoiding a backlash against Brazilian leadership.

So as the Lula administration began, Brazil had progressed significantly toward stabilizing its economy, and its democratic consolidation had laid the foundation for improved soft power. Although Brazil's military capabilities had not improved during this period, this objective had not been at the heart of Cardoso's foreign policy strategy. So the moment was ripe to press for a more salient role for Brazil in the global order, and incoming President Lula was poised to take full advantage of that opportunity.<sup>32</sup>

**THE DA SILVA PRESIDENCY**

Of the three presidents examined in this chapter, Lula da Silva had by far the most ambitious plans for Brazil's rise, seeking to influence rules governing the global order across multiple domains, including the inter-

national economy, international security, and governance of the global commons. Toward this end he benefited not only from Brazil's improving economic capabilities but also from the emergence of other powers—China, India, and Russia—at a time when the United States was increasingly distracted by two wars in Afghanistan and Iraq. He inherited macroeconomic stability and a consolidated democracy at home, which meant that Lula could pursue his international aspirations with few domestic constraints. And he made the most of this opportunity—overreaching it even, according to some.

Lula's origins differed strikingly from those of Fernando Henrique Cardoso. Lula was the child of poor *nordestinos* (northeasterners) who moved to the outskirts of São Paulo when he was a child: there were no generals or government ministers among his ancestors. He started working at a young age as a street vendor, before entering at age seventeen the occupation with which he was first associated—metalworker and lathe operator.

Lula became interested in politics only after entering adulthood, and this through experiences that shaped his views of the state and its power for good and evil. On the one hand, as a trained metalworker, Lula was part of a relatively privileged group of workers who had formal employment in a country where informal work accounted for more than 25 percent of all urban labor at that time.<sup>33</sup> Moreover, he had benefited from graduating from a state-sponsored technical education program that had prepared him to work in the formal sector. However, he also came of age during Brazil's military dictatorship. His older brother, who encouraged Lula to enter politics, was arrested and tortured by the armed forces for his leftist activism. Lula also tragically experienced a failure of the state to ensure that adequate health care was available to all when his wife died in childbirth as a result of poor medical care.<sup>34</sup>

These experiences drove Lula to become politically involved; he was particularly interested in how the state could use its power to alleviate poverty and also how to reform state institutions so as to prevent the excesses he had observed during Brazil's dictatorship. He first became a union activist, then a union leader in São Paulo, and then a founder of the Partido dos Trabalhadores (PT) in 1982, which brought together unionists, intellectuals, and leftist activists.<sup>35</sup> He participated with his new party in the *Diretas Já!* movement, which called for free and universal elections in 1982; this movement mobilized civil society so powerfully that it was able to push the military into acquiescing to a transition to democracy in 1985. In 1986, he was elected to the Constituent Assembly

with the largest popular vote total of any delegate. By the late 1980s, he was acknowledged as the national leftist leader in Brazil.<sup>36</sup>

As a leader of the PT, Lula formed strong connections to other leftist political parties around the world, but particularly in Latin America. The PT was a founding member of the Foro de São Paulo, an organization that brought together a broad spectrum of left-wing parties across the region, from Social Democrats in Chile to Cuban communists. Their annual meetings established a network of solidarity among regional politicians on the Left, including Lula, which became important once many of them came to power during the 2000s. In addition, the annual declarations emanating from the Foro highlighted regional integration as a component of foreign policy: this integration was an important dimension of Lula's foreign policy toward the Americas.

But for all his differences with Cardoso in terms of life experiences, Lula was just as much a nationalist; he was just as proud of Brazil and of its potential for making a difference in the global order. During his winning presidential campaign, Lula had had to reassure both Brazilians and foreign partners that he understood the domestic constraints he faced, including Brazil's democratic constitution, Brazil's market-based economy, and even the agreement that Cardoso had signed with the IMF. But in foreign policy, he was much less willing to accept constraints.<sup>37</sup> He believed that Brazil, by virtue of its sheer size, was already a major power and should be acknowledged as such. In a 2003 speech to Brazil's school for diplomats, the Rio Branco Institute, Lula stated, "We will no longer accept participating in international politics as if we were the poor little things of Latin America, a little third world country. . . . This country has greatness . . . it has everything to be the equal of any other country in the world. And on this we will not compromise."<sup>38</sup>

#### *Foreign Policy during the Lula Presidency: Opportunities and Capabilities*

Lula assumed the presidency at a time when Brazil benefited from new opportunities to rise in the international order. The first new opportunity was the nearly simultaneous appearance of several other emerging powers with aspirations to modify the prevailing international order. Although the acronym "BRIC" was part of a marketing slogan engineered by the Goldman Sachs financial firm to describe investment opportunities in Brazil, Russia, India, and China, it captured these emerg-

ing powers' rapid accumulation of wealth and capabilities. Despite having few interests in common, the constituent countries of BRIC shared an interest in loosening the grip of the United States, Japan, and Europe on the institutions that constituted the liberal international order. In addition, the rise of China, with its rapidly growing economy and voluminous appetite for raw materials, was a boon to Brazil's commodity exports, producing a decade-long economic boom that provided the financial resources to power Lula's domestic agenda.

The second new opportunity was provided when the United States became distracted by the global war on terrorism and the wars in Iraq and Afghanistan. Although Latin America was generally sympathetic toward the United States after the 9/11 attacks, there was widespread disagreement with some of the specific tactics that the United States later pursued, such as extraordinary rendition of terrorism suspects and detention without trial at the Guantanamo naval station. These actions belied norms on human rights and democracy that the United States had pursued so vigorously in Latin America during the previous decade, and they undermined U.S. leadership in the region. The countries in South America also generally disagreed with the decision to invade Iraq, which it saw as a violation of norms of nonintervention and sovereignty. Brazil shared these sentiments, and although Lula eventually developed a good working relationship with U.S. president George W. Bush, he used this second opportunity to expand Brazil's influence in South America.<sup>39</sup>

Brazil's third opportunity was the consolidation of a new Brasilia Consensus that held out the promise to other developing countries that it was possible to grow, reduce poverty, and increase social inclusion while also remaining a democracy committed to human rights. Strong growth in commodity exports to China of more than 1,000 percent between 2002 and 2010 contributed to above average economic growth during the Lula administration, which experienced only one year of negative growth (2009) when there was a mild recession of -0.3 percent of GDP. Brazil sustained this rate of growth along with historically low levels of inflation and an increasingly favorable public debt ratio as a percentage of GDP, which dropped from 76.7 percent in 2002 to 53.4 percent in 2010. Together with a remarkable increase in foreign reserves from less than \$37.6 billion in 2002 to more than \$252.5 billion in 2010, Brazil was able to easily weather the global financial crisis of 2008. And this economic growth was accompanied by substantial improvements in social inclusion, with the Gini coefficient dropping from .64 to .56 during

the Lula presidency driven by a robust expansion in the size of the middle class.<sup>40</sup> Brazil seemingly was now immune to the traditional source of its weakness—economic and political instability—that time and again had undercut its previous attempts to emerge.

Lula's foreign policy preferences aligned with his assessment of Brazil's capabilities: that its power lay in the strength of its diplomacy, in a growing economy, and in the attractiveness of the Brasilia Consensus to other developing countries.<sup>41</sup> In fact, various assessments of Brazil's soft power during this period showed that it ranked fairly consistently ahead of all developing nations and its partners in BRIC, but still behind the incumbent great powers and leading developed middle powers, such as Canada, Sweden, Italy, and Australia.<sup>42</sup>

Lula tended to downplay the importance of military power in foreign policy, although not to quite the same extent as Cardoso had. Perhaps because he took his authority for granted, Lula was less concerned about issues of civil-military relations and consolidation of democracy than his predecessor. He provided the armed forces with generous budget increases during his administration, increasing defense spending from \$29 billion in 2002 to more than \$38 billion in 2010.<sup>43</sup> Lula did issue a national defense strategy, the first for a civilian administration in Brazil, in 2008, but it outlined no enemies and its defense priorities focused almost entirely on the acquisition of new technological capabilities in the space, nuclear, and cyber domains.<sup>44</sup> He expanded Brazil's participation in international peacekeeping operations, particularly by having Brazil take command of MINUSTAH, the UN operation in Haiti, although he continued to avoid more controversial Title VII missions, which use coercive military action to enforce peace.<sup>45</sup> He largely saw investment in defense spending as part of his overall national development strategy.

### *Lula's Foreign Policy Strategy*

In some respects, Lula's foreign policy objectives were similar to those of Cardoso (and many of their predecessors): the pursuit of autonomy for Brazil in the international system and a preference for peaceful dialogue as a means to resolve international disputes. However, Lula placed an even greater emphasis on the importance of multilateralism and sought a role in multilateral institutions equal to that held by the incumbent major powers. Lula actively sought to build ties to other emerg-

ing powers, turning BRIC from a marketing ploy into the basis for an institutionalized relationship. He revived the South–South dimension of Brazilian foreign policy and made it a centerpiece of his foreign policy strategy. Building on his Foro de São Paulo experiences, Lula was much more explicitly interested in the political dimensions of regional integration, emphasizing the importance of South America in Brazil's foreign policy and quietly discouraging and undermining U.S. hemispheric initiatives that might negatively affect Brazil's own role. UNASUR, founded in 2008, eventually became the main vehicle for Lula's regional strategy. This multilateral forum excluded the United States and Canada (as well as Mexico, a traditional diplomatic rival of Brazil in the hemisphere), which in turn made Brazil the most important and influential actor in UNASUR. Although UNASUR never acquired significant institutional capabilities, it was able to provide diplomatic space to Brazil to maintain regional stability and peace, which not only benefited Brazil's security but also limited opportunities for the incumbent great powers, particularly the United States, to meddle in Brazil's back yard.<sup>46</sup>

Lula's overall approach was to challenge the constraints imposed by the international system and to reform the institutional underpinnings of the existing global order to make room for Brazil's emergence as a major power. In his inaugural speech delivered in January 2003, Lula put reform of the multilateral institutions front and center on his foreign policy agenda, stating, "We will value international organizations, especially the UN . . . we will advocate for the reform of the Security Council, which should be representative of the present reality, with both developed and developing countries as permanent members."<sup>47</sup> What this statement meant concretely was the pursuit of a permanent seat for Brazil on the UN Security Council<sup>48</sup> and a role in the leadership of key institutions, particularly the WTO and the Food and Agriculture Organization. Both of these multilateral bodies were important for Brazil's international trading strategy and to its position as one of the largest exporters of agricultural products in the world. Consequently, Brazil also played a very active role in the Doha round of the WTO. Lula also sought to reform the multilateral financial institutions, such as the IMF, to increase Brazil's voting weight in such venues.<sup>49</sup> And once the global financial crisis began in 2008, Brazil was one of the leaders in shifting the venue for responding to the crisis from the G-8 to the G-20, a more inclusive body that incorporated the larger developing countries together with the incumbent great powers.<sup>50</sup>

Lula believed that Brazil had arrived as a major power, and he took advantage of every opportunity to showcase the importance of Brazil. He pushed for and succeeded in securing the right to host the 2014 World Cup and the 2016 Summer Olympics. In the past, hosting these global sporting events had served as coming-out parties for other major powers, such as Japan in 1964. For Brazil, taking on this role in the global spotlight would showcase its achievements and contribute to its soft power.<sup>51</sup>

During the Lula administration, Brazil greatly increased its focus on collaborating with the other emerging powers on global governance reform. One of the earliest initiatives was the IBSA Dialogue Forum, which brought together three emerging democracies: India, Brazil, and South Africa. These countries shared an interest in promoting economic growth along with social inclusion and democracy. They also had a shared interest in reforming multilateral institutions, particularly the UN Security Council. In addition, Brazil also worked with India, Germany, and Japan to push for Security Council reform and with India and China in the G-20 in response to the 2008 global financial crisis. In 2009, Brazil helped establish the annual BRIC summits, bringing together the leaders of Russia, India, China, Brazil, and (starting in 2011) South Africa. Lula and his Foreign Minister Celso Amorim saw this proliferation of contacts with nontraditional partners as a way to add more voices to the calls for reform of the liberal international order.<sup>52</sup>

Lula was also firmly committed to pursuing South–South relations, identifying Africa as an area of special interest to Brazil for historical and demographic reasons. In the 1970s the military government had reached out to Africa, and now Lula sought to deepen those efforts. Afro-Brazilians made up a major part of Brazil's population, and the Lula administration saw many parallels between the development problems faced by Brazil and those experienced by sub-Saharan Africa. Officially, this effort was part of Lula's politics of solidarity with the developing world, but it also was an attempt to extend Brazil's soft power.<sup>53</sup> The strategy was to harness the support of large numbers of developing countries for Brazil's bid to reform multilateral institutions, and Africa had the advantage of having a very large number of votes in many multilateral venues. This pursuit of South–South relations translated into an increase in Brazilian overseas development assistance and the number of technical advisors in Africa; these advisors shared their positive experi-

ences in addressing rural poverty in the northeastern region of Brazil, which had similar socioeconomic issues to those faced by a number of African countries. In addition, Brazil made its pursuit of influence concrete by expanding the number of embassies and diplomatic missions it had by 33 to a total of 136, focusing particularly on Africa and the Caribbean, and increasing the size of its diplomatic corps from 1,000 to 1,400 members.<sup>54</sup>

The area where Lula most fully realized the PT's approach to foreign policy was in South America. Cardoso had worked closely with other South America states on economic and infrastructure issues, but Lula refocused this initiative on the political and social dimensions of integration. In addition, Lula's focus on South America had the advantage of excluding Mexico as a candidate to contest Brazil's leadership in the region. The nearly simultaneous election of a number of center-left and left leaders in the region, offered Lula an opportunity to advance more quickly on this agenda. This also contributed to the prominence of the PT's foreign policy guru Marco Aurelio Garcia, who benefited from long-established party-to-party relations between the PT and other newly elected leftist leaders in the region through the Foro de São Paulo. Garcia managed relations with Brazil's neighbors out of his office in Planalto, the presidential palace in Brasilia, often bypassing Itamaraty. Lula and his team worked to expand Mercosul, seeking to add Venezuela as the next new member. This option was initially blocked by the smaller Mercosul members, particularly Paraguay, but later succeeded during the presidency of Lula's successor, Dilma Rousseff. Lula faced a challenge for regional leadership from Hugo Chávez, president of Venezuela during this period, but Lula was able to successfully stymie Venezuelan efforts to corner Brazil into committing to a more state-centric model of regional integration.<sup>55</sup>

The challenge to Brazil from the U.S. agenda for the hemisphere lessened during this period for political and economic reasons. First, U.S. influence in South America lessened as it focused instead on the challenges of terrorism and war in the Middle East; in addition, Latin American states' disapproval of the war in Iraq itself and how the United States was conducting the war inhibited U.S. diplomacy. Second and more important, the general effect of the commodity boom on South America's economies was to make them more independent and autonomous from the United States and from multilateral institutions where the United States had great sway, such as the IMF. In fact, Lula was able to stall the FTAA

negotiations until their demise in 2005, which had been one of his explicit campaign promises.

### *Assessing Lula's Foreign Policy*

Celso Amorim, Lula's highly influential foreign minister, argued that his country should adopt an "independent attitude—fearless but not reckless—commensurate with Brazil's size and aspirations."<sup>56</sup> Certainly Lula's foreign policy could be characterized this way. In fact, some observers from the developed world were quite critical of its independent turn, labeling Brazil as an "irresponsible" power.<sup>57</sup> Lula certainly seized the opportunity to broaden Brazilian influence that this moment in world history offered. He spent more time abroad than any Brazilian president before or since.<sup>58</sup> He extended the global reach of Brazil's diplomacy to unprecedented levels. As we see in the following chapters, Brazil became engaged in the full range of global governance issues, ranging from the Iran nuclear negotiations, to the response to the 2008 global financial crisis, to climate change, and to trade and social inclusion. In these efforts Brazil consistently sought to revise the existing institutions—not to question their premises but to make room for its own interest and its own voice in shaping the rules of the global order.

But although Brazilian diplomacy achieved an almost hyperactive pace under Lula, its strategies did not match the realities of the international order nor did they contribute to achieving their objectives particularly well. Lula, much like his predecessors, essentially relied on Brazil's soft power to achieve its international objectives. Brazil's soft power was indeed strong during this period: economic growth combined with social inclusion, poverty reduction, and democracy was an attractive blend for both developed and developing countries. But Brazil sought to target this power primarily toward the developing world, aiming to build broad support for its candidacy in global institutions in pursuit of its ultimate objective: reforming the global multilateral institutions so as to give greater weight to its interests and its policy preferences. However, the reform process in the multilateral institutions is not determined by support simply from the Global South—rather, it is jealously guarded by the incumbent great powers. And Brazil's rapprochement with the authoritarian powers that had influence over reform—Russia and China—failed to secure their support for Brazil's emergence.

### THE ROUSSEFF PRESIDENCY

Dilma Rousseff took office on January 1, 2011, in the shadow of Lula's popularity and international prestige at a time when Brazil was still ascendant, having recovered more quickly from the 2008 global financial crisis than the developed countries. But Brazil under Lula had already experienced a couple of setbacks to its attempts to rise, particularly in the international security domain. And as the global commodities boom waned, Brazil's growth faltered, and domestic politics came to increasingly occupy President Rousseff. The pursuit of major power status has been muted during her administration and eventually overshadowed by growing domestic and international constraints.

Rousseff's campaign for the presidency on the PT ticket was her first for elected public office, reflecting her history as a technocrat rather than a politician. With a more subdued personality than that of her predecessor, Dilma did not play the highly visible role on the world stage that Lula had pursued. In fact, she has been criticized for lacking interest in foreign policy and diplomacy. However, she inherited a Brazil that no longer benefited from opportunities provided by a favorable international environment and would soon start to experience the limits of a domestic economic model focused on consumption. Even during a more expansive time Lula had fallen short of achieving his goals of reforming UN institutions, gaining a permanent seat on the UN Security Council, and securing the acceptance of the incumbent great powers for an expanded role for Brazil's shaping of the rules governing the global order. In the face of declining economic growth, rising inflation, and growing political unrest, Dilma hardly had the resources at her disposal to pursue Lula's ambitious international agenda. In addition, the weakening of the economy and rising political polarization, compounded by an enormous corruption scandal at the beginning of her second term as president, eroded Brazil's soft power, the central capability that the country had counted on to rise in the global order.

Like many of her generation who came of age during the 1960s, Rousseff was radicalized by the experience of military rule in Brazil (1964–85). The daughter of Bulgarian immigrants, she grew up as part of Brazil's upper middle class in the city of Belo Horizonte in the state of Minas Gerais during the 1950s and 1960s.<sup>59</sup> Shortly after completing high school, Rousseff joined *Política Operária* (POLOP), part of the Brazilian Socialist Party. At the end of the 1960s, POLOP was riven by

disputes over whether to pursue armed resistance to the military government, and Rousseff chose to follow those who took up guns against the dictatorship by joining COLINA (National Liberation Command), a group that later gained notoriety for kidnapping the U.S. ambassador to Brazil in 1969.<sup>60</sup> Prevented from participating in direct actions against the military because of her nearsightedness, Rousseff became known for her organizational skills. Arrested by the armed forces in 1970, she was imprisoned and underwent torture for the next two years. After her release from prison, Rousseff studied economics and joined the state government of Rio Grande do Sul.<sup>61</sup>

Active in leftist politics during the 1980s and 1990s, Rousseff joined the PT in 2000, where she came to the attention of Lula. He selected her to lead the Ministry of Energy and Mines in 2003 and came to rely on her as a tough and practical politician who could be counted on to manage difficult problems. Rousseff served as his presidential chief of staff after 2005.<sup>62</sup> But critically, all of her roles in government focused on domestic politics rather than foreign policy.

Rousseff's approach to foreign policy followed closely that of Lula. In her inaugural speech as president, she stated,

For the first time Brazil is faced with the real opportunity to become, to be, a developed nation. A nation with the inherent stamp of Brazilian culture and style—love, generosity, creativity and tolerance. . . . Our foreign policy will be based on the Brazilian diplomatic tradition's classic values: to foster peace, to respect the principle of non-intervention, to defend human rights and to strengthen multilateralism.<sup>63</sup>

In addition, Rousseff promised to continue the themes of the Lula administration: regional integration in South America, an expanded focus on assistance to and diplomacy in Africa, and solidarity with developing nations, particularly in the global struggle against hunger.

*Foreign Policy in a Time of Emerging Constraints  
and Diminishing Capabilities*

As we noted in the opening of chapter 1, the cover of the *Economist* magazine for November 12, 2009, famously depicted the statue of Christ Redeemer that stands on Corcovado Mountain in Rio de Janeiro as a

rocket ship veering out of control. The headline read, "Has Brazil Blown It?" This was only four years after the magazine's special report on Brazil titled "Brazil Takes Off." What had happened in this short period to merit such a reassessment, journalistic license aside?

Slowing growth in China and the end of a decade-long commodity boom were the primary external factors constraining Brazil's rise during this period. Both were related to the 2008 global financial crisis. Although Brazil (and China) initially weathered the crisis quite well because of their large foreign reserve balances, slow growth in Europe and the United States increasingly put a damper on economic growth. GDP growth in Brazil slowed from an annual average of 4.5 percent in 2006–10 to an annual average of 2.1 percent from 2011–14 and then 0.1 percent in 2014. After fourteen years with a positive trade balance, Brazil posted its first trade deficit in December 2014. This meant that Brazil was no longer able to rely on commodity exports to power its rise.<sup>64</sup>

In addition, the limits of the Brasilia Consensus became evident during the Rousseff administration. The PT had bet on the strategy of creating a consumer society to reduce poverty and expand the middle class and succeeded remarkably on this score. More than 30 million Brazilians had been lifted out of poverty, and the unemployment rate had fallen to 5 percent. However, the expanded middle class financed its new status through consumer credit, which soon grew to an average of nearly 50 percent of consumer income. Because Brazil's inflation rate began to exceed the macroeconomic targets set by the Central Bank, the benchmark interest rate rose as high as 12.75 percent in 2015, compounding the financial pressure on highly indebted consumers. And some of the enduring structural problems in Brazil's economy, including insufficient spending on ports, roads, and transportation and low labor productivity, meant that Brazil could no longer grow simply by adding more workers and more consumers to its economy. These long-term problems in education and infrastructure will continue to constrain Brazil's rise for the immediate future.<sup>65</sup>

Anxiety about Brazil's government performance became more prominent as Rousseff's first term progressed. Corruption scandals in 2011 had already soured some of the public on the integrity of the PT and led to the resignation of five government ministers. In 2013, increases in public transportation costs sparked public protests, which grew in size following unusually severe police repression of the first protestors. Reporting

about cost overruns related to the hosting of the 2014 World Cup and the prospects of similar costs associated with the 2016 Summer Olympics added fuel to the fire of social unrest.<sup>66</sup> But underlying the protests was the concern among many Brazilians that the government was spending too much money on prestige projects instead of on needed services. The growth of the middle class in Brazil had created an expanded base of users of public services such as universal health care, education, and policing, and these new users had higher standards. Increasing dissatisfaction among the citizenry made Rousseff's 2014 reelection a closely fought event.<sup>67</sup>

In 2014 and 2015, social unrest and a weakening economy were compounded by a major political corruption scandal involving the country's prestigious national oil company—Petrobras—estimated to affect 20 percent of Brazil's national economy through its subsidiaries, suppliers, and contractors. The scandal implicated politicians in the governing coalition, the executive branch, both branches of the legislature, and the executives of Petrobras and major construction companies.<sup>68</sup> As a result of the Petrobras scandal, Rousseff began her second term facing significant erosion in the most important capability Brazil had to advance its foreign policy interests: soft power.<sup>69</sup>

Under these constraints, Rousseff presided over a decline in Brazil's international capabilities. Not only was its soft power diminished but also the need to constrain government spending affected a range of international activities. Brazil stopped paying dues in full to key international organizations such as the UN, the OAS, and the International Atomic Energy Agency. It also cut back on overseas development activities.<sup>70</sup> The Ministry of Foreign Relations, after a significant expansion under Lula, faced serious budget cuts by the start of Rousseff's second term.<sup>71</sup> Although the armed forces were not a significant part of Brazil's international strategy, its capabilities were also negatively affected by slowing growth and later cuts in the defense budget. Taken together, Brazil under Rousseff had a diminishing capability to achieve the rise that Lula had charted eight years before.

### *Rousseff's Foreign Policy Strategy*

Officially, there was a great deal of continuity between Rousseff's and Lula's foreign policy objectives, but in practice, she was less concerned with international affairs. Lula's popularity as he left the presidency was

such, particularly relative to hers, that it made good sense for her to signal continuity in this area.<sup>72</sup> Brazil continued to seek a permanent seat on the UN Security Council, supported multilateralism, emphasized its deepening South–South engagement with Africa, and continued to work to eliminate hunger through its overseas assistance programs. But Rousseff did make a few key adjustments to Brazil's foreign policy initially, particularly seeking out improved relations with the United States and slowing down its regional integration strategy in South America. She also doubled down on strengthening relationships among the BRICS, favoring a closer relation with China and Russia even as these emerging powers adopted more confrontational stances toward the liberal international order.

Under Rousseff, Brazil continued to advocate for the use of diplomacy rather than force to resolve international disputes. In 2014, at the UN General Assembly, she stated, “The use of force is incapable of ending the root causes of conflicts. This is clear in the persistence of the Palestinian Question; in the systematic massacre of the Syrian people; in the tragic national disintegration of Iraq; in the severe insecurity in Libya; the conflicts of the Sahel; and the clashes in the Ukraine. Each military intervention does not move us towards peace, but rather witnesses the intensification of these conflicts.” As we discuss in chapter 4, the Arab Spring brought to the fore the responsibility of the international community to intervene in cases where internal disorder produced humanitarian catastrophes. Under Rousseff, Brazil initially reacted to the Arab Spring by being more willing to support international intervention in Libya as long as it was done with the approval and supervision of the UN multilateral process. NATO's role in regime change in Libya later soured Rousseff on this approach, and Brazil reverted to its previous blanket stance against intervention in sovereign nations, working behind the scenes to prevent a similar proposed intervention in Syria from being approved by the United Nations.<sup>73</sup>

During Rousseff's first term, much of the focus of South–South cooperation was on Latin America. Yet, instead of emphasizing the deepening of political integration through UNASUR, Rousseff was more interested in strengthening economic ties with Brazil's neighbors.<sup>74</sup> For example, Brazil took advantage of the temporary suspension of Paraguay in 2012 from Mercosul to add Venezuela (whose membership had been blocked by the Paraguayan Senate for years) formally to the trade union. Brazil also became more willing to pursue its own interests and less interested in

assuming the costs of regional leadership.<sup>75</sup> Still, during Rousseff's first term the Community of Latin American and Caribbean States (CELAC) was created; it was a regional organization that solved two problems for Brazilian regional diplomacy: bringing Mexico back in after it had been excluded from UNASUR and reintegrating Cuba into Latin America after the end of the Cold War. CELAC succeeded on these two counts, but much as with UNASUR, under Rousseff's leadership, Brazil was not interested in creating a powerful institution that might constrain its regional diplomacy.

During her first term, Rousseff also began to signal to the incumbent great powers the consequences of ignoring Brazil's requests for a greater voice in international institutions. Stymied on almost all fronts in its pursuit of reformed multilateral institutions, Brazil turned to the BRICS, and particularly China, to create new plurilateral institutions that better reflected its interests. At the 2014 BRICS Summit in Fortaleza, the assembled leaders announced the formation of a new BRICS development bank and a currency reserve arrangement among the member states. Essentially, these institutions functioned analogously to the traditional Bretton Woods institutions—the World Bank and the IMF—but with a prominent role for the emerging powers.<sup>76</sup> Their formation was intended to signal to the incumbent great powers that the emerging states comprising BRICS had the resources to shape the global order through their own initiatives, complementary though they were. So strong was Rousseff's interest in maintaining good relations with the BRICS that she overlooked fairly egregious international behavior by her partners. In particular, the Russian annexation of Crimea and intervention in Ukraine, both of which were deeply contrary to Brazil's expressed preference for the inviolability of international borders, were resolutely ignored by Brazilian diplomacy.<sup>77</sup>

The one area in which Brazil seemed to steer a new course during Rousseff's first term was in relations with the United States. Rousseff believed that the United States was a source of technology and education that were keys to improving Brazilian productivity and capacity to innovate.<sup>78</sup> The Obama administration recognized this new tack in Brazilian diplomacy by collaborating on a range of partnerships designed to foster greater cooperation on global governance, energy, education, science, and technology. This surge in bilateral engagement led to the 2011 state visit by President Obama to Brazil and an invitation from Obama for a state visit by Rousseff in 2013.<sup>79</sup>

However, tensions between the two countries remained, particularly in relation to hemispheric relations and Brazil's ambitions to achieve the reform of multilateral institutions.<sup>80</sup> This promising new course in bilateral relations came to a grinding halt with the revelations by U.S. National Security Agency contractor Edward Snowden of U.S. espionage targeting Brazil and President Rousseff herself. Rousseff reacted by canceling the 2013 state visit and denouncing U.S. espionage at that year's annual meeting of the UN General Assembly.<sup>81</sup> Relations remained largely frozen at the bilateral level during the following six months—only beginning to thaw on an unlikely front when the United States supported Brazil's initiative to play a larger role in global Internet governance at the NETmundial international conference in São Paulo in April 2014. Still, despite the importance Rousseff assigned to improving U.S. relations with Brazil, she turned the Snowden incident, coming as it did in an election year, from a crisis into an opportunity to score points with left-wing voters in Brazil by adopting a more critical attitude toward the Obama administration.

#### *Assessing Rousseff's Foreign Policy Strategy*

At the start of Rousseff's second term the many constraints that Brazil faced came to a head and, with that, came the decision to shift back toward foreign policy orthodoxy: toward a more liberal economic policy and a warmer relationship with the incumbent major powers. Brazil's entry into recession, with no prospect for a rapid return to growth given China's and Europe's slowing economies, led Rousseff to initially appoint a University of Chicago-trained economist, Joaquim Levy, to lead her economic team. Emphasizing trade promotion, Levy focused on trade facilitation with the United States, which he saw as an important export market for Brazil. Levy also spoke out in favor of facilitating foreign direct investment through auctioning off "concessions" to multinational corporations to build and operate infrastructure. A steady stream of Brazilian ministers—not only of the economy but also of trade, industry, agriculture, and foreign affairs—visited Washington, D.C., in preparation for a working visit by Rousseff to the United States in June 2015. In addition, the costs of realizing Brazil's ambitions to greatly expand its international presence in Africa and the Caribbean hit home after the Foreign Ministry's budget was slashed by half under pressure to reduce government expenditures.

Although Rousseff tried to pursue the basic lines of Lula's foreign policy strategy during her first term, she faced progressively greater domestic constraints that increasingly diminished Brazil's soft power during her second term. Given that Brazil's entire strategy for emergence was premised on soft power, the combination of economic stagnation and political scandal dimmed the attractiveness of Brazil's economic and social model for other states. Furthermore, with its domestic politics in disarray, Brazilians were even less interested in foreign policy and other states were less interested in supporting Brazil's ambitions.

Nevertheless, Brazil under Rousseff did make two potentially important contributions to the global order. The first was the concept of responsibility while protecting (RWP), which sought to protect the legitimacy of humanitarian intervention by decoupling it from the much more controversial policies of regime change pursued by NATO in Libya. Although rejected at the time by the major powers, the concept of RWP continues to reverberate in academic and diplomatic circles, ensuring that it will remain an important alternative criterion by which to judge the legitimacy of international intervention to address humanitarian crises. Second, Rousseff's reaction to the NSA espionage scandal—which not only highlighted the global right to privacy but also sought to shift Brazil closer to global civil society on Internet governance issues through the NETMundial conference and the process that followed—put distance between Brazil and the more authoritarian regimes in Russia and China. So even though she was highly critical of U.S. surveillance activities, she later moderated her response in a way that allowed Brazil to seize the moral high ground on Internet governance.

#### **PRESIDENTIAL STRATEGIES AND BRAZIL'S INFLUENCE IN KEY DOMAINS OF THE INTERNATIONAL ORDER**

The process of emergence is a complex one, especially for a country such as Brazil that is seeking to reform and revise the rules of the international order rather than simply accept them. Presidents matter because they transform historical aspirations into concrete foreign policy strategies to achieve international influence. During Brazil's most recent attempt, its leaders faced shifting opportunity structures. The transformation from the post-Cold War unipolar order to the incipient multipolarity of the post-9/11 international order offered different sets of constraints to Brazil's leaders. Brazil's own capabilities changed throughout this period,

from economic weakness and vulnerability when Cardoso took office to becoming the seventh largest economy in the world under Rousseff. Brazil's soft power rose as it made great strides at home in reducing poverty and expanding the middle class. But it was also exposed to criticism for its handling of many issues, including police violence, mass incarceration of drug addicts, and inadequate preparations for the 2014 World Cup.

There is not one single international order on which Brazil can focus its attempts to gain influence. Rather, the international order represents a bundle of rules, norms, "soft" laws, treaties, and practices covering multiple domains in which states interact. Brazil's leaders thus need to apply strategies across these domains, some of which are more favorable to soft power, and others to hard power. In the next three chapters, we examine how the strategies devised by each of Brazil's recent presidents actually translated into influence (or not) over three key domains: international security, global economic governance, and regulation of the global commons. We analyze the extent to which Brazil has actually been able to shape meaningful rules governing global order, and we focus on how other powers have reacted to Brazil's strategies, both in the Global South that Brazil claims to represent and in the Global North, which has traditionally shaped the rules that govern the present order.



## CHAPTER FOUR

# *Brazil, Order Making, and International Security*

**BRAZIL IS FORTUNATE TO** live in a regional neighborhood that, although not entirely free of tensions between countries, is predisposed to avoid escalating disputes into major military crises. This has made hard power less and less relevant to Brazil's management of its immediate regional environment.<sup>1</sup> However, because of its connections to the international system through global trade, investments, migration, and culture, Brazil remains vulnerable to the effects of disruptive conflicts taking place elsewhere in the world. Thus, Brazil has an interest in promoting order in the international system, including in the security domain.

The country recognizes that the international order faces security threats that originate from the use of hard power by state and nonstate actors. Russia, the declining major power, asserts its sphere of influence through the overt use of military force in Georgia and the implausibly deniable use of "little green men" and proxy militias in Ukraine. China, the rising superpower, has invested heavily in naval and air forces to back up its claims to the South China Sea and openly challenges the territorial claims of its neighbors. Ungoverned or undergoverned spaces, often coterminous with states and regimes short on internal legitimacy, are contested zones for radical jihadist forces in the Middle East, Africa, and Asia.<sup>2</sup>

Brazil seeks both to manage the systemic fallout from hard power threats and contribute to their peaceful resolution. This response, which

relies on a synthesis of hard and soft power, is based on its reading of history as well as its contemporary view that respect for sovereignty is fundamental for sustaining a stable international order. Brazilian leaders understand that some threats to international security may arise from efforts to generate legitimate domestic change, as most recently occurred during the Arab Spring. But Brazil is concerned that great powers often overemphasize the security component of internal disputes to justify the deployment of hard power, either to promote regime change or to pressure a government to alter policies unrelated to security matters. And it is particularly aware that taking sides in domestic disputes may in fact lengthen and deepen conflicts and exacerbate international security threats. Given these views, Brazil's leaders perceive hard power as a legitimate tool in international affairs only when used in self-defense or in support of international peacekeeping operations (PKOs) *in which all sides to the conflict agree* to have foreign forces involved in the process of resolving a militarized conflict.

Internationally, the challenge for countries such as Brazil that want to use soft power to influence outcomes in the security domain is not just "talking peace to power." The great powers in the system view their use of hard power as legitimate and believe that their hard power provides the underpinning for stability in the international system. None of the incumbent great powers has ever abandoned the use of hard power in favor of a focus on deploying soft power. This is true whether the great power is status quo oriented, as is the case for the United States, France, and Great Britain, or wants to challenge the status quo. For example, both Russia and China perceive that they should limit U.S. use of its hard power to maintain the status quo, but they reserve for themselves the option to use hard power to challenge the present system. So an emerging power that articulates a soft power approach to build and maintain international order and security faces skepticism by hard power leaders and their rivals. In addition, weaker states that are the victims of hard power may question whether it makes more sense to seek comfort and aid from a state that offers a potential long-term solution to aggression based on soft power or one that would mobilize its hard power in the victims' defense in the short term.

Hard power advocates emphasize the use of coercion (through military, economic, and covert means) to change domestic behavior or replace governments they consider problematic. Those favoring the use of soft power seek means to convince such governments that it is in their own

interest to change their behavior—or, at least, to persuade them to communicate more openly and credibly that their behavior is not threatening. Both hard and soft power approaches face the challenge of how to deal with a strategy that fails, especially when the result is worsening international security conditions. Under such circumstances, hard power advocates have a ready answer in their ultimate application of war. Yet, even though soft power supporters may end up agreeing with the use of force, they want to put that moment off as long as possible. For example, Brazil's defense does not depend merely on soft power, precisely because its use may not deter a military threat. Ultimately, the important issue is whether an emerging state that predominantly deploys soft power to address security issues is free riding on the order maintained by states favoring the use of hard power.

Hard power states are concerned that soft power advocates will free ride on the public goods they provide. In light of this, how does a soft power proponent pay “costs” if its preferred strategy is followed and fails? How is “failure” of the strategy defined? To put it in concrete terms, if Brazil is wrong about a solution to Iran's nuclear ambitions based solely on diplomacy, what course would it pursue instead? It has already demonstrated that it can criticize a nuclear proliferator (see the later discussion about North Korea), but its soft power simply has no influence on whether North Korea will give up its weapons or develop greater capabilities to use them. How does an emerging state such as Brazil that favors soft power deter norms violations and free riding by other states?

Persuading other states to give soft power a chance has been a persistent difficulty for Brazil in the international security domain. In earlier chapters, we described Brazil's aspirations for an international order based on hard sovereignty and in which soft power is the first choice to address security crises.<sup>3</sup> In this chapter, we illustrate the challenge Brazil faces in achieving these aspirations by examining its recent attempts to influence the international security order. First, we outline the role that hard power plays in Brazil's overall capabilities, observing that military force serves two purposes: providing minimal deterrence to interference from the incumbent great powers and enhancing Brazil's prestige and reputation through its contributions to its own scientific and technological national development.<sup>4</sup> Then, we turn to Brazil's efforts to achieve a more salient and influential role in the UN Security Council, the preeminent institution in the multilateral system for addressing international

security concerns. We then examine three main issue areas that Brazil has focused its attention on during its most recent attempt to emerge: the proliferation of weapons of mass destruction as a fundamental threat to international order, the role of UN peacekeepers as the most legitimate way of deploying hard power to bolster international security, and the responsibility of great powers to exercise restraint when using hard power to resolve international crises, particularly when acting in the name of the United Nations.

### **THE PLACE OF HARD POWER IN BRAZIL'S GRAND STRATEGY**

Brazil's 2008 National Defense Strategy sums up the country's international aspirations in this way:

Brazil is a peaceful country, by tradition and conviction. It lives in peace with its neighbors. It runs its international affairs, among other things, adopting the constitutional principles of non-intervention, defense of peace and peaceful resolution of conflicts. This pacifist trait is part of the national identity, and a value that should be preserved by the Brazilian people.

Brazil—a developing country—shall rise to the first stage in the world neither promoting hegemony nor domination. The Brazilian people are not willing to exert their power on other nations. They want Brazil to grow without reigning upon others.<sup>5</sup>

However, its focus on soft power does not mean that Brazil sees no place for hard power. Although it has no major territorial disputes with its neighbors, Brazil has been concerned with defending national sovereignty and keeping costs high for anyone contemplating either seizing the Amazon in the name of preserving biodiversity or safeguarding the environment; the most recent challenge is defending the pre-salt hydrocarbon basins in the Brazilian Atlantic Ocean.<sup>6</sup> As President Dilma Rousseff declared in 2013, “We are indeed a peaceful country, but no way will we be a defenseless country.”<sup>7</sup>

The country also believes that possessing a modern and capable military will enhance its respect and reputation, which will in turn improve its influence over international outcomes. Rear Admiral Guilherme Mattos de Abreu told attendees at the Seventh Academic Congress on National Defense that well-equipped, trained, and credible armed forces are

essential for a positive image of the country and the exercise of soft power.<sup>8</sup> In 2013 Defense Minister Amorim (2011–14) articulated this viewpoint most succinctly:

Yet no country can rely on soft power alone to defend its interests. Indeed, in an unpredictable world, where old threats are compounded by new challenges, policymakers cannot disregard hard power. By deterring threats to national sovereignty, military power supports peace; and, in Brazil's case, it underpins our country's constructive role in the pursuit of global stability. That role is more necessary than ever. Over the past two decades, unilateral actions in disregard of the UN Security Council's primary responsibility in matters of war and peace have led to greater uncertainty and instability. Likewise, little progress toward nuclear disarmament has been made, in disregard of the Nuclear Non-Proliferation Treaty.

Brazil's abundance of energy, food, water, and biodiversity increases its stake in a security environment characterized by rising competition for access to, or control of, natural resources. In order to meet the challenges of this complex reality, Brazil's peaceful foreign policy must be supported by a robust defense policy.

Brazil's National Defense Strategy, updated in 2012, states that the modernization of the Armed Forces is intrinsically linked to national development. Thus, it emphasizes the need to strengthen the domestic defense industry. In accordance with the Strategy, Brazil is enhancing its conventional deterrence capabilities, including by building a nuclear-propelled submarine as part of a naval program commensurate with its responsibilities in the South Atlantic.<sup>9</sup>

Brazil has significantly increased defense spending and weapons acquisitions during the past fifteen years, including purchasing the Russian IGLA-S manned portable anti-aircraft missile.<sup>10</sup> It is currently negotiating with Russia for the purchase of three batteries of the Pantsir-S1 truck-mounted air defense system, worth approximately \$1 billion,<sup>11</sup> and perhaps the supersonic BrahMos missile, co-developed by Russia and India.<sup>12</sup> Brazil has also purchased fifty helicopters from the European Aeronautic Defence and Space Company for \$2.6 billion.

Of course, the development of hard power capability has always been linked to spinoffs for the industrial and manufacturing sector, and thus perceived as contributing to national development. As the defense minister at the time the new fighter aircraft program was being discussed, Nelson Jobim (2007–11), remarked, “Whatever the final contract it must be closely linked to national development, to help advance in the creation of a strong defense industry and therefore the technological edge we are requesting.”<sup>13</sup> Both previous military governments and the contemporary democratic state in Brazil perceive that development of defense industries contributes to overall national development, as is explicitly stated in the 2012 Defense White Book.<sup>14</sup> Developing hard power thus provides a payoff for soft power: by increasing development and growth, hard power makes Brazil a more attractive model for developing countries. Or that is how Brazilian leaders theorize the association of defense with development and the attractiveness of the Brazilian model.<sup>15</sup>

#### **CONTRIBUTING TO SOFT POWER BY DEVELOPING A RESPECTABLE DEFENSE SECTOR**

Brazil purchases arms from a variety of countries for several reasons: to maintain a respected military establishment, minimize vulnerability to sanctions or technology transfer limitations (as arms sales involving U.S. defense technology potentially imply), and promote domestic content. Technology transfer and domestic content goals are embodied in many of these purchase agreements. For example, the Brazilian conglomerate Odebrecht partnered with Russian Helicopters, Inc., to create an in-country maintenance operation for the assembly, maintenance, repair, and overhaul operations on the 12 Mi-35 attack helicopters purchased from Russia, as part of a \$300 million series of deals between 2008 and 2014.<sup>16</sup> The army’s choice for developing its new personnel carrier, the Guaraní, was an Italian company, Iveco, that was already operating in Brazil producing trucks for the domestic market. This project draws on engineering expertise from the Brazilian automotive sector and is expected to provide forward linkages into the domestic electronics and communications industries.<sup>17</sup>

Brazil’s defense sector and their academic allies recognize the country’s weakness in science and technology and have been arguing for a national effort to overcome this problem.<sup>18</sup> The 2008 National De-

fense Strategy calls for increased strength in three areas of “strategic importance”: aerospace, cybernetics, and nuclear power. Brazil’s major arms purchases reflect this interest in technology transfer. Brazil signed a joint contract with France’s DCNS SA and Brazil’s Construtora Odebrecht SA to build five submarines, including one nuclear-powered sub.<sup>19</sup> Russia reportedly lost out on this deal because its technology transfer component was deemed insufficient,<sup>20</sup> and an influential congressman from the governing party, José Genoíno, expressed general concerns about Russia’s reliability: “Everyone knows the difficulties and we don’t know what is going to happen in ten years so that we will be able to guarantee our spare parts.”<sup>21</sup> Minister Amorim promoted a fifteen-year aircraft carrier development strategy in which technology would be transferred from the foreign partner to national industry while one new carrier would be built and an existing one refurbished. After years of debate, in 2013 the government finally decided on the purchase of thirty-six jet fighters in a \$4.5 billion deal with Saab AB that will transfer technology through a partnership with Embraer, a Brazilian aerospace company that is the third largest in the world; this deal also includes broader offset agreements, including compatibility with the A-Darter air-to-air heat-seeking missile that Brazilian companies Avibras, Mectron, and Opto produce with South Africa’s Denel Dynamics.<sup>22</sup>

Although Embraer, one of Brazil’s star companies, has been able to become part of the avionics industry’s global value chain, the technological gap between it and the major aircraft manufacturers has not decreased. A 2014 evaluation of Embraer is not encouraging: “Embraer’s military aircrafts are not at the technological frontier that rich developing countries and developed countries are looking for today, and Embraer’s civilian aircrafts face fierce competition from not only the traditional rival, Canadian Bombardier, but new regional jet producers from Japan, South Korea, China, and Singapore.”<sup>23</sup> Consequently Embraer’s overall contribution to the creation and development of globally competitive industries within Brazil, and thus to national development, is expected to be minimal.

Similarly the contribution of the military-industrial-scientific complex to Brazilian exports and via this to national development and soft power is likely to be minimal. As Nelson Altamirano’s study notes, the richer developing countries are unlikely to be attracted to Brazilian avionics. Although the Guarani’s state-of-the-art platform for protection and

**Table 4-1.** Brazil's Arms Exports by Type

	Aircraft	Armored vehicles	Artillery	Missiles	Sensors	Ships	<b>Total</b>
2002	...	2	17	...	8	...	26
2003	...	...	...	...	...	...	...
2004	36	...	...	...	...	10	46
2005	1	...	...	...	...	...	1
2006	44	...	...	...	...	...	44
2007	53	...	...	...	...	...	53
2008	92	...	...	...	...	...	92
2009	33	...	...	...	...	11	43
2010	126	...	17	...	8	...	151
2011	31	...	...	...	...	...	31
2012	32	...	...	1	...	...	33
2013	35	...	...	5	...	...	40
2014	20	...	17	8	3	...	47
<b>Total</b>	<b>502</b>	<b>2</b>	<b>51</b>	<b>13</b>	<b>18</b>	<b>21</b>	<b>607</b>

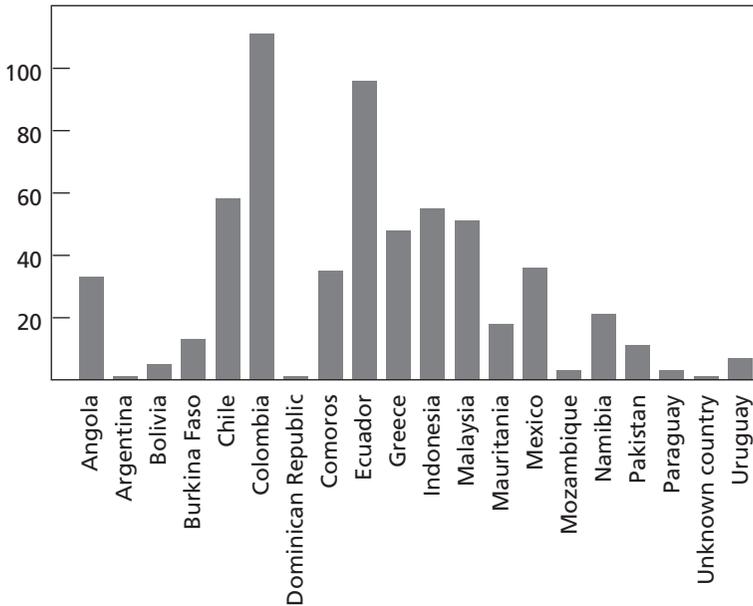
*Source:* SIPRI Arms Transfers Database (<http://www.sipri.org/databases/armstransfers/background>) [accessed May 5, 2015].

Figures are SIPRI Trend Indicator Values (TIVs) expressed in US\$ million at constant (1990) prices. Figures may not add up due to the conventions of rounding.

mobility should help increase future arms exports, Brazil is not a major arms exporter today, as it was during the military regime in the 1970s. Table 4-1 indicates that from 2002 to 2014 Brazilian exports of military aircraft, armored vehicles, artillery, missiles, sensors, and ships totaled only US\$607 million. Figure 4-1, which lists the recipient countries of those exports, does not suggest that arms exports could enhance Brazil's soft power: all twenty recipients are developing countries, but none has been a consistent client and one-third of the exports has gone to only two countries: Colombia and Ecuador. Because the closest U.S. ally in South America is Colombia, it is thus unlikely to support Brazil in most disagreements with the United States. So thus far, Brazil's defense sector is not a significant contributor to its soft power, and its technological sophistication is not yet great enough to contribute to its hard power in ways that are competitive with the weaponry produced by incumbent great powers.

**Figure 4-1.** Imports of Brazilian Armaments by Country

US\$millions,  
constant 1990 prices



Source: SIPRI Arms Transfers Database (<http://www.sipri.org/databases/armstransfers/background>) [accessed May 5, 2015].

Figures are SIPRI Trend Indicator Values (TIVs) expressed in US\$millions at constant (1990) prices.

### THE ROLE OF MULTILATERALISM AND THE UN SECURITY COUNCIL IN BRAZIL'S INTERNATIONAL SECURITY STRATEGY

Brazil's disappointing experience with the League of Nations did not deter it from participating in the creation and deliberations of the United Nations after World War II. Brazilian president and dictator Getulio Vargas was pleased when U.S. President Franklin Delano Roosevelt proposed Brazil for permanent member status in the Security Council. But FDR's untimely death, British and Soviet opposition, and the new U.S. president Harry S. Truman's lack of interest in Brazilian membership meant that Brazil needed to content itself with less: the ceremonial honor of being the first nation to speak at the General Assembly and repeated

rotations as a nonpermanent member of the Security Council. The country makes no secret of its continuing desire to attain permanent member status, although current president Dilma Rousseff has taken a lower profile on this position than did her predecessor Lula.<sup>24</sup>

A 1965 reform increased the number of nonpermanent seats on the Security Council from six to ten in recognition that decolonization had changed the world. In 1992 UN Secretary-General Boutros Boutros-Ghali called for further reforms to reflect new international realities, and Japan, Germany, India, and Brazil began caucusing for permanent member status as the G-4 group. In 2004 a panel created by Secretary-General Kofi Annan recommended 101 reforms to better reflect the geopolitical realities of the twenty-first century and make the Security Council more broadly representative, efficient, and transparent. This more favorable institutional context and changing world realities suggested that perhaps Brazil would finally be able to emerge in this domain of global governance. The G-4 aspirants, however, have been opposed by the Uniting for Consensus group, which since the 1990s has called for no new permanent members but an expansion of the number of nonpermanent seats; 120 member nations attended its meetings in 2011.

The constraints on the use of Brazil's soft power to gain permanent member status at the Security Council appear overwhelming, despite its receiving Russian support.<sup>25</sup> Brazil faces two principal problems in attracting support from the Global South. Within Latin America, Argentina, Colombia, and Mexico—three of the most influential countries in the region—are members of the Uniting for Consensus group and oppose a permanent seat for any one Latin American country. Any argument that Brazil represents the Global South and thus must be incorporated into the halls of power if the system is to be stable and representative in the post-unipolar world of today is virtually rendered moot in U.S. eyes (Britain and France support Brazilian aspirations<sup>26</sup>) by the opposition by major players in the developing world to Brazil's status as a permanent member.<sup>27</sup> But in the end, the veto of only one permanent member is needed to scuttle Security Council reforms, and China, a fellow BRICS nation, opposes an increase in the number of permanent seats.

Although President Barack Obama has publicly supported India's accession to such status, it does not support Brazil's. India is a salient member of the Global South for the United States, and from a developed world perspective, incorporating it into the Security Council may com-

municate a willingness to diversify security governance structures; in fact, Brazil does not dispute India's right to a permanent seat. More important, India shares two important geostrategic characteristics with Northern states: it possesses nuclear weapons and it has the potential to become involved in a war with two other nuclear weapons states, Pakistan and China. Such a war would have major systemic impacts. And though many Southern countries have been subject to terrorist attacks akin to those in India, no other Southern nation can fear that these attacks are supported by a nuclear-weapons–possessing state. These characteristics suggest that an India with a permanent seat on the Security Council would not address the issues that Brazil, fearful of egotistic great power perspectives, sees as most important to the interests of marginalized Southern states, itself included. Thus, we expect that Brazil, while welcoming a permanent seat on the UN Security Council for India, will continue to pursue its own search for that status, even in the face of long odds.

### NUCLEAR NONPROLIFERATION

Brazil has impressive nuclear credentials, but does not possess nuclear weapons. The country has the sixth largest uranium reserves in the world, four research reactors, and several fuel cycle facilities. It uses ultracentrifuge technology to enrich uranium, operates two nuclear power plants with a third planned, and seeks not only to achieve nuclear fuel independence but also to become a major exporter of the fuel itself. Combined with the country's secret nuclear weapons development program under the military government, its current nuclear-powered submarine project, and its refusal to sign the 1997 Additional Protocol to the Non-Proliferation Treaty (NPT), the country stands out as an important challenger to the preferred U.S. policy regime for nonnuclear weapons states.<sup>28</sup>

Brazil was a late and reluctant signatory to the NPT, and many Brazilian academic, defense, and nuclear experts still criticize the decision of the Cardoso administration to accede to the regime. Past military governments pursued a secret nuclear weapons program, and the succeeding democratic governments do not perceive that they "consented" to be governed by the NPT. Rather, many Brazilian experts in this area believe that President Cardoso was confronted by a series of costs imposed by bilateral pressures and international rules that it could not modify in its preferred direction and so acceded to an unequal treaty (unequal because nuclear weapons states face no pressure or sanctions to eliminate their

nuclear arsenals) that ran counter to Brazil's best interests and declared principles.<sup>29</sup>

It is *not* that Brazil believes it has been forced to forgo nuclear weapons: Brazilians have legally forsworn their possession or use, its 1988 constitution forbids them, it has a bilateral treaty with Argentina banning them, and no credible political figure has argued in favor of possessing them. Instead, Brazil's position on nuclear proliferation is that, in the absence of overt efforts to develop nuclear weapons, states should be trusted not to develop such weapons if that is their declared policy. Brazil seeks to develop an international context that encourages states to believe that they do not need such weapons and so forswear their use. Brazil thus supports the original intent of the nonproliferation regime—which was not only to prevent proliferation but also to ban all nuclear weapons—but believes that domestic commitments to nonproliferation are more credible than signing a flawed treaty like the NPT. In addition, Brazil's bilateral treaty with Argentina (under the auspices of the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials, ABACC) incorporates an inspection system, and Brazil sees no reason why a South-South agreement should not serve as an equally valuable contribution to global nonproliferation as the 1997 Additional Protocol, initiated by members of the Global North.

Brazilians thus resent that their word is not trusted by a country—the United States—that pledged to work toward nuclear disarmament when it promoted development of the NPT, but has not yet denuclearized and, most galling of all, has been inconsistent in promoting the nonproliferation regime by supporting other countries with nuclear weapons programs. Brazilian leaders are aware that Israel developed nuclear weapons capabilities without being sanctioned by the United States, which demonstrates that the U.S. concern is not with nuclear proliferation itself, but rather with who proliferates. In addition, Brazilians believe that India's nuclear weapons (combined with its geostrategic location) have led the U.S. government to accept India as the leading candidate among developing countries for inclusion as a permanent member of a revamped UN Security Council. From the Brazilian perspective, U.S. efforts to pressure Brazil, which has concretely contributed to global nonproliferation by ending its covert nuclear weapons program and developing the ABACC regime, are at best counterproductive when the United States weakens the global nonproliferation regime by looking the other way on regime-weakening policies by Israel and India.

Among the changes Brazil would like to see in the NPT regime is greater pressure placed on the original nuclear powers to eliminate nuclear weapons, as they committed to do when the NPT was proposed. Toward this end Brazil participates actively in the New Agenda Coalition, created in 1998 by Brazil, Egypt, Ireland, Mexico, New Zealand, Slovenia, South Africa, and Sweden to advocate for a greater focus on nuclear disarmament.<sup>30</sup> Brazil was a key driver in its thirteen-step process toward nuclear disarmament adopted at the 2000 NPT Review Conference. Brazil also chaired the 2000 and 2005 NPT Review Conferences. Brazilian nuclear experts have been making their presence known in international organizations: Ambassador Sergio de Queiroz Duarte was named the High Representative for Disarmament by UN Secretary-General Ban Ki-moon in 2007, and José Goldemberg co-chaired the International Panel on Fissile Materials for a number of years. Brazil is also a member of the Nuclear Suppliers Group and the Missile Technology Control Regime;<sup>31</sup> it supports the Comprehensive Nuclear Test Ban Treaty, which the United States has not yet ratified.

Despite U.S. insistence that the Additional Protocol to the NPT—which provides the International Atomic Energy Agency (IAEA) legal authority to verify nuclear safeguards—is a fundamental part of the non-proliferation regime, Brazil continues to refuse to sign it. That is because it wants an alternative to the Additional Protocol that is less intrusive than the U.S.-favored means. Brazil is one of the few countries to have mastered the complete nuclear fuel cycle and to be able to export significant nuclear technologies; it also defends all states' rights to enrich uranium for peaceful purposes.<sup>32</sup> Brazil continues to develop nuclear power as a national priority,<sup>33</sup> and in 2003–04 the Brazilian Navy's Technological Center that was working on the nuclear submarine project refused to allow the IAEA inspectors to see the interconnected centrifuges that enriched uranium, limiting them to an evaluation of the uranium as it entered and the enriched material extracted from the hidden process.<sup>34</sup> Brazil did manage to get the Nuclear Suppliers Group in June 2011 to accept the ABACC's provisions as sufficient to permit both Argentina and Brazil to enter the international market for sensitive nuclear material and technologies.<sup>35</sup>

Despite this acceptance of the ABACC, the United States fears that Brazil will exploit the "enrichment loophole" embodied in these rights regarding the peaceful use of nuclear energy and industrial secrets. For example, Brazil—with French assistance—is currently building a

nuclear-powered submarine, with some transfer of technology and some local content requirements. The United States worries that, without the safeguards provided by the Additional Protocol, knowledge—if not the transfer of actual nuclear material—may become available to Brazil to enable it to move toward achieving weapons-grade enrichment. Though Brazil is a clear proponent of nuclear nonproliferation, it has been unable to reassure the United States that it will not exploit this loophole. As Sébastien Philippe points out, Brazil could advocate a ban on the use of weapons-grade material for naval propulsion, thereby alleviating concerns about Brazil's nuclear-powered submarine and enhancing its nonproliferation credentials even without signing the Additional Protocol.<sup>36</sup> But ideological views within the Navy about sovereign rights to develop nuclear technology without international oversight and concerns about limiting scientific development within Brazil preclude a move in this direction, thus contributing to U.S. concerns.

Brazilian criticism of commitments to disarm has not been limited to the major nuclear powers and the NPT. In 1998, Brazil criticized India and Pakistan's nuclear tests, calling for them to accede to the NPT and commit to nuclear disarmament. In 2003, Brazil criticized North Korea's withdrawal from the NPT and asked it to rejoin the international agreement immediately.<sup>37</sup> Brazil supports Iran's right to develop peaceful nuclear technology, but also agrees that the international community should take steps to ensure that Iran's legitimate nuclear power interests are not diverted into nuclear weapons. However, it believes that the United States and its allies' application of hard, rather than soft, power on the issue will only convince the Iranians that becoming a nuclear weapons state is necessary to protect its security.

Brazil has attempted to convince Iran to forgo nuclear weapons and North Korea to renounce such weapons by engaging with their governments. Not only did Brazil join with Turkey in a controversial offer to negotiate limits on Iran's nuclear program but it has also hosted Iranian leaders' visits and supported the inclusion of Iran in talks regarding Middle Eastern security issues. President Lula visited Tehran in 2010, expanded trade with Iran (much of it indirectly via Dubai), and invested in the Iranian oil sector.<sup>38</sup> Relations between Iran and Brazil cooled under President Rousseff because of alleged human rights violations during Mahmoud Ahmadinejad's administration, but she sent her foreign minister to Tehran in August 2013 for the swearing-in of Iranian president-elect Hassan Rouhani; during that visit the foreign minister noted that

Brazil continued to consider cooperative relations with Iran important.<sup>39</sup> Similarly, Brazil has been concerned with North Korea's behavior in the international arena, but it has focused on using the soft power and positive incentives provided by trade and economic development assistance to influence that country. Lula opened an embassy in North Korea in 2008, expanding trade with North Korea to become its third largest commercial partner. In addition, Embrapa, Brazil's rural development agency, has provided agricultural assistance to North Korea.<sup>40</sup>

Brazil pursues these efforts not as a means to pressure Iran and North Korea into acceding to nonproliferation, but to convince them of the opportunities that they could enjoy were they to credibly forgo nuclear weapons state status—reflecting Brazil's use of soft power and diplomacy to support the nuclear nonproliferation regime. This approach stands in sharp contrast with the threat- and cost-based strategies of the United States and others, and the two opposing strategies likely diminish each other's effectiveness. The degree to which Brazil's soft power approach influences Iran and North Korea is unknown, but skepticism about its effectiveness has to be great. To date, there is no indication that Brazil has influenced either the manner in which the United States deals with Iran and North Korea, the development of an alternative to Additional Protocol to the NPT, or the legitimacy of the Additional Protocol itself. Though the NPT is widely criticized as an unequal treaty in the South, Brazil's principled stand does not attract many followers. Whether it is because nonpariah Southern states fear the sanctioning power of the North or the proliferation of the weapons themselves, Brazil's stand on the Additional Protocol costs it influence with the North while not bringing soft power benefits from the South.

### INTERNATIONAL PEACEKEEPING

Brazil has long recognized the importance of third-party contributions to the mitigation of conflict via peacekeeping operations (PKOs), but participation in these operations raises significant challenges for a foreign policy that places sovereign equality at the top of the agenda. In line with its general views on the use of force internationally, Brazil prefers to contribute forces when a UN mission is authorized under Chapter VI—which requires agreement by the parties in conflict before deploying a mission and specifies rules limiting engagement for the troops—rather than under Chapter VII, which authorizes the Security Council to create

a PKO without agreement by the parties involved.\* But, unfortunately, the complexity of militarized conflict creates challenges for Brazil's role in PKOs. Brazil under President Lula not only participated in but also led the UN PKO in Haiti after President Aristide was overthrown. This policy was criticized within Brazil because the Lula administration did not insist on Aristide's return to power as part of the mission, thus seemingly supporting the U.S. position and rewarding the anti-Aristide advocates.<sup>41</sup> In another case, Brazil voted with the majority in the Security Council to virtually close down the United Nations PKO mission in Rwanda just as the 1994 genocide was beginning. That vote can hardly be justified as championing the interests of the Global South given what ensued.

On the other hand, Brazil participated in the first United Nations PKO mission (First UN Emergency Force in the Sinai Peninsula) with an infantry battalion, and a Brazilian commanded the force twice during its mandate (1956–67).<sup>42</sup> After that mission came to an end, Brazilian participation in UN peacekeeping operations was purely symbolic, and under the military government its participation even ceased,\*\* only to begin anew with the return of democracy. From 1990–2002 Brazil not only participated in nearly half of all UN PKO missions but it also increasingly contributed higher skilled and higher ranking personnel. Brazilians headed the military contingents in Haiti (MINUSTAH, 2004–present), Mozambique (ONUMOZ, 1993–94), Angola (UNAVEM), and East Timor (UNTAET) and also served as the UN Secretary-General's Special Representative and transition manager in UNTAET. In addition, Brazil contributed substantial numbers of civilian police and experts to handle the tasks necessary to build a civil society that would provide the basis for lasting peace: election monitoring, judicial reform oversight, human rights support, and economic rehabilitation. Under Rouseff, the country became the first non-NATO nation to lead the maritime mission (UNIFIL) patrolling the Lebanese coast.<sup>43</sup>

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\*Article 42: "Should the Security Council consider that measures provided for in Article 41 would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade, and other operations by air, sea, or land forces of Members of the United Nations."

\*\*Brazil did assume command and participate in an OAS force in the Dominican Republic after the U.S. invasion in 1965.

Illustrative of Brazil's approach to international peacekeeping was Sergio Vieira de Mello's tenure as the UN High Commissioner for Refugees and the UN High Commissioner for Human Rights. He later led the UN administration in Kosovo, served as UN administrator of East Timor, and became the UN Secretary-General's Special Representative in Iraq. Vieira de Mello was frequently mentioned as a future UN secretary-general, but he was killed in a terrorist attack on the UN mission in Baghdad in 2003.<sup>44</sup> Yet equally characteristic of Brazil's approach to peacekeeping is its mixed record on the multilateral defense of human rights when the country's national interests are in play; this is evidenced by its withdrawal from the Inter-American Commission on Human Rights from 2011–13 over a dispute concerning the rights of indigenous peoples in an area of the Amazon in which Brazil is developing the world's third largest hydropower complex, Belo Monte.<sup>45</sup>

Brazil's interest in PKOs has been driven by both domestic and foreign policy interests. During the democratization process, finding a role for the military was an important objective for the civilian leadership. But the military was also interested in developing its international collaborations and capabilities in ways that could help it perform its domestic role of backing up police and state militias in the fight against organized crime in the favelas of the major cities.<sup>46</sup> With the consolidation of democracy by the early 2000s and the ascension of Lula to the presidency in 2003, foreign policy interests assumed more importance as a justification for Brazilian PKO participation. During Lula's two terms in office Brazil participated in eight of ten new UN PKOs, dramatically increased its deployment from 83 to 1,367 personnel,<sup>47</sup> created two training centers for peacekeepers, and made PKO participation part of the 2008 National Defense Strategy, including the proposal that the Army's Centro de Instrução de Operações de Paz become a regional training center for peace and humanitarian missions. Amorim, the foreign minister during Lula's tenure, was quite explicit about the new opportunities provided by participating in PKOs, declaring with respect to the Haitian PKO begun in 2004, "Hitherto, actions in Haiti had been led by the major powers, usually the United States. . . . But no Latin American country or specifically a South American country had ever led such an operation. The U.S. difficulty in engaging militarily created the opportunity for Brazil and other South American countries to participate."<sup>48</sup>

The Lula administration was aware, however, that it did not simply want to replace, nor could be perceived as replacing, developed country

leadership of UN-sanctioned interventions. The intent was to increase the PKOs' development and conflict mediation functions, thus reflecting Brazilian advocacy of Southern positions. Foreign Minister Amorim even created a concept to distinguish this new style of peacekeeping: "active solidarity." Rather than imposing Northern views of stability via armed intervention, these PKOs were to be undertaken in partnership with the conflicting parties because they promoted national development via poverty reduction, health care, agricultural development, and South–South cooperation.<sup>49</sup>

Lula attempted to take advantage of this opportunity to promote Brazil's soft power, but he may have inadvertently created a dilemma that has been difficult for Brazil to resolve: local actors have not always appreciated the PKOs. Haitian riots in 2005 and protests in 2010 against Brazilian and other MINUSTAH members rankled Brazilians at home and reinforced critics of the mission abroad. In 2011 Amorim, having switched ministries under Rousseff to serve as minister of defense, favored terminating Brazil's participation in MINUSTAH.<sup>50</sup> Given his advocacy of this mission when he served as foreign minister, his statement in 2011 suggested that he and the military were no longer optimistic about the benefits of significant PKO participation. Brazil stayed on in a leadership role, but the expectations that MINUSTAH would reform PKOs to better promote local, regional, and international stability are long gone. Brazil's continuing support for PKOs thus raises the question of whether it has moved from challenging to supporting the Northern view of PKOs. To even raise that question illustrates the dangers that taking a leading role in PKO reform pose to Brazil's soft power offensive in the South.

At home, Brazilians are questioning not only the purported good will that was supposed to have been generated by MINUSTAH but also its monetary costs.<sup>51</sup> In addition, some analysts have suggested that their earlier participation in the Haiti PKO may have encouraged the police and military to use more violent tactics in addressing organized crime at home.<sup>52</sup>

### THE "RESPONSIBLE" USE OF FORCE

Brazil is thus aware of the dilemma posed by its increased participation in peacekeeping efforts, but it is also critical of the alternative—Northern-proposed and supported UN interventions in the Global South,

frequently justified on humanitarian grounds but often producing regime change. At the UN, Brazilians advocated for the concept of “Responsibility while Protecting” (RwP) as a counter to the Northern-promoted “Responsibility to Protect” (R2P) principle: RwP not only offered a soft power constraint on the multilateral exercise of hard power but also appeared to offer Brazil an escape from its PKO dilemma. In this section, we focus on Brazil’s efforts to influence global responses to threats to human security that pose potential or actual spillover threats to system stability or violate collective norms such as human rights.

We should understand that this is an area in which Brazil perceives some vulnerability. For decades, it has been the target of claims from the Global North to preserve the Amazon in the name of protecting the “lungs” of the world. Its expansion of hydropower generation has been criticized for its impact on environmental groups and indigenous communities. And, even earlier, Brazil’s abysmal human rights record during military dictatorship made it a target of Northern “humanitarian criticisms,” which most Brazilian civilians would concur with but are still resented by the Brazilian military. The “humanitarian” justification for the use of force thus reverberates deeply with Brazilian threat perceptions. It is also one of the most challenging for Brazil and its relationship with the United States.

In recent years, the United States and Europe have focused on Russia’s military adventures in the Ukraine and Georgia and China’s saber rattling in the South and East China Seas as the major challenges to system stability because they undermine the norm of state territorial integrity. But being outside the region historically dominated by Russia or China and surrounded by friendly and weaker nations, Brazil has seen international land grabs as a theoretical challenge, rather than an existential threat. It also recognizes the hypocrisy of U.S. imposing sanctions against Russia for the Ukrainian actions while vetoing sanctions against Israel for grabbing land in the occupied territories for Israeli settlements. Brazil, as do most Southern countries, perceives that U.S.-led military interventions in Iraq, Libya, and Syria violate international rules, creating not only systemic instability, as do Russian efforts in the Ukraine, but also potential threats for the South itself, which Russian actions do not. Developing countries fear military intervention by one or more of the major powers in the name of self-declared and self-defined “responsibilities” vis-à-vis humanity more than border skirmishing between two developed states.<sup>53</sup>

Securing Security Council approval for the use of force to coerce one or more parties to behave according to internationally (Western) defined humanitarian norms is made difficult by the very nature of the veto structure within the Council. In most cases, one of the parties engaged in egregious behavior is usually either an ally of one of the veto-wielding members of the Security Council, or even if it has no dog in the fight, a veto-wielding state may fear that intervention will accrue to the advantage of one of its rivals among the great powers. Since the end of the Cold War, the Security Council has been more willing to authorize interventions,<sup>54</sup> but has refused to act in certain high-profile incidents. The gross violations of human rights on a huge scale in Rwanda (1994) and Srebrenica in Bosnia-Herzegovina (1995) generated a significant debate on the conditions under which international military intervention could be undertaken without a Security Council resolution. Though the United States had been reluctant to intervene in Rwanda, after the unilateral NATO intervention in Kosovo (1998), it became interested in legitimizing humanitarian interventions.

In 2005, because of concern by other powers that the United States might simply disregard the UN on these matters, and in line with the UN secretary-general's efforts to introduce major reforms at the UN, the United States was finally able to secure adoption of a resolution that member states may legitimately intervene militarily in specific circumstances even in the absence of a Security Council resolution.<sup>55</sup> Responsibility to Protect creates a moral imperative for UN member states to use military force to protect civilian populations from government-directed or inspired violence. "Sovereignty no longer exclusively protects States from foreign interference; it is a charge of responsibility where States are accountable for the welfare of their people." This principle is enshrined in Article 1 of the Genocide Convention and embodied in the principle of "sovereignty as responsibility" and in the concept of the Responsibility to Protect.<sup>56</sup> R2P was the justification ultimately used to legitimate (at least from the U.S. perspective) military intervention in Libya and sanctions against Syria, in the latter case despite Russian and Chinese opposition.

Brazil's concerns about national sovereignty have always made it reluctant to sanction outside intervention, so it was initially skeptical of these justifications. The increased instability and violence following external interventions in Libya and Syria, as well as subsequent revelations of the gross exaggerations of humanitarian violence attributed to the government in Libya,<sup>57</sup> provided a platform for Brazil to articulate an

alternative approach that would recognize humanitarian responsibilities but limit unilateral action by the great powers. Brazil seized this opportunity to demonstrate its leadership. President Rousseff opened the UN General Assembly in September 2011 with a speech promoting the concept of “Responsibility while Protecting” that would set up standards and procedures to be followed by any intervening forces.

Brazil had consulted with its BRICS partners in developing the rough outlines of RWP, but the basic document was formulated in the Brazilian Ministry of External Relations and presented by the Brazilian UN ambassador two months later to the Security Council. Reflecting the increased willingness of Brazil since Lula to participate in legitimate international operations in support of human rights, the document lays out very strict requirements for any such actions: all peaceful means of resolution must first be exhausted; only the Security Council (or in exceptional circumstances the General Assembly) can authorize the use of force; such use must be explicitly limited in legal, operational, and temporal terms, with no deviation from the “letter and the spirit” of the mandate; and the Security Council must exercise explicit and continuing monitoring of the missions to ensure the accountability of those authorized to use force.<sup>58</sup> These stipulations, in particular the last one, make it difficult to secure agreement to intervene.<sup>59</sup> The United States and a number of NATO countries were critical of RWP, interpreting it as an obstacle rather than a means to improve R2P implementation.

After introducing the concept in 2011, Brazil quickly backed off from assuming a leadership role in promoting RWP, and the initial flurry of debate regarding it has dissipated. Brazil officially claims that it simply wanted to put the issue on the agenda and that other members of the Security Council that would replace Brazil would need to carry on the fight. But RWP is a public good, and Brazil’s decision to back off from promoting it raises the question of how much effort and political costs vis-à-vis the United States (the chief proponent of R2P) it would be willing to pay to promote Southern agendas. The UN secretary-general’s ten-year report on R2P notes many challenges and the multiple meetings at the UN to make R2P a more effective instrument, but it does not even mention the concept of “Responsibility while Protecting,” indicating the complete failure of this Brazilian proposal to influence outcomes in this critical multilateral setting.<sup>60</sup>

This has to be a defeat for Brazil’s soft power strategy toward the South. On the one hand, developing countries do not see the RWP proposal, by

itself, as a concrete Brazilian contribution to their defense of sovereignty. On the other hand, societal forces in many parts of the Global South seek not only the overthrow of abusive governments but also Northern support to develop stable, democratic, and human rights-respecting governments. These movements have to be disappointed by Brazil's abandonment of an effort to commit the major powers to appropriate follow-through when they use R2P, especially to avoid the kinds of collapse witnessed in Libya and Syria after the Arab Spring. And ultimately, despite the initial fanfare, the RWP approach has been shunted aside by the United Nations as it seeks to improve R2P.

### **CONCLUSION: THE HARDER PATH—ORDER MAKING THROUGH SOFT POWER**

Brazil finds itself in a difficult position regarding order making in the international security domain. It has no strategic geopolitical role to play, given its peripheral position for systemic-threatening conflicts. Yet it also knows that being absent from that table fundamentally weakens its claims to be considered a major player in the international system, and not just a player in some domains. The challenge for Brazil is to make constructive contributions in the security domain without eroding domestic support for its policy of *grandeza* by assuming excessive costs or undermining its claims to speak for the abused South in the international order: it can do so by cooperating with developed countries in an effort to find effective solutions, for example through peacekeeping.

This strategy is not easy to implement. Brazilian efforts to harness its hard power to support its soft power have not (yet) paid dividends, so it must largely rely on its diplomacy and participation in peacekeeping to achieve influence. Fellow South American countries and its purported BRICS allies oppose its efforts to achieve a more consequential role at the Security Council by gaining a permanent seat. When it actually contributes hard power through PKOs, it becomes enmeshed in Northern agendas that compromise its principles and lead it to assume increasing costs, to the dismay of the Brazilian public. From the Brazilian perspective, efforts to positively contribute to international order through its own non-proliferation efforts are dismissed by the United States, which instead rewards states engaged in regime-weakening behavior such as Israel and India. And Brazilian initiatives to secure greater restraint in the use of force by the Global North, particularly RWP, are met with hostility by developed countries and a yawn by the developing world.

In addition, Brazil faces two new domestic challenges—one domestic and the other international—that may increasingly shape its aspirations toward the international security domain. Domestically, as Brazilian civil society becomes more engaged with politics (as reflected in the protests in 2013–15 against lavish spending on international sports prestige events such as the World Cup and the Summer Olympics), its impact on foreign policy may extend to the security domain. Brazilians recognize a role for force in international relations and the danger of nuclear proliferation. In a survey of public opinion, 47 percent of Brazilians supported the use of force against a nondemocratic country actively pursuing the development of nuclear weapons if the UN called for it. These Brazilians were able to think critically about the use even of UN-sanctioned force: if the proliferating country were a democracy, approval levels fell significantly to 38 percent. Even if the UN did not authorize an attack, 31 percent of Brazilians approved of a military strike against a nondemocratic proliferator, and 26 percent approved of it even against a democratic proliferator.<sup>61</sup> Though we do not have time series data to evaluate public opinion on international issues over time, the expansion of the Brazilian middle class and Brazilian society's progressive integration into the international system could generate domestic pressures to modify the traditional Brazilian stance on international order as it increasingly has on trade (see chapter 5) and on Internet governance (see chapter 6).

Brazil's current behavior in the international security domain, however, does suggest some positive outcomes. Brazil could be even more critical of U.S. foreign policy, particularly given its closer relations with China and Russia in recent decades, both of which seek deeper revisions to the global order. There is also a traditional anti-U.S. sentiment within Latin America that finds occasional echoes in Brazilian politics. Why Brazil is critical of the United States but not anti-United States is a revealing question. A useful hypothesis is that Brazilian national interests and global aspirations mean that it does not have the luxury of engaging in gratuitous (assuming that neither China nor Russia will confront the United States directly) or high-risk (if China and Russia do confront the United States directly) critiques of the system and that Brazil is mature enough to take a longer view of how it affects the international system and vice versa.<sup>62</sup>



## CHAPTER FIVE

# *Brazil and the Multilateral Structure of Economic Globalization*

## **Governance Reform for the International Economy**

**AS THE SEVENTH LARGEST** economy in the world as of 2015, Brazil has an interest in a stable international economic order that promotes secure trade among nations, gives it access to significant resources from international capital markets, enables it to attract foreign investment, and provides for protection of Brazil's increasingly significant investments abroad.<sup>1</sup> However, as a rising power seeking to emerge, Brazil also aspires to more voting power and more significant leadership positions in the established global economic governance institutions, particularly the multilateral financial institutions such as the International Monetary Fund and the World Bank. It has also promoted new international economic institutions such as the South American Bank of the South and the BRICS' New Development Bank and Contingent Reserve Arrangement, as well as bilateral and regional integration schemes designed to promote its influence in alternative venues that may one day contribute to global economic governance.

Scholars and policymakers debate whether Brazil poses a challenge to the existing international economic order or seeks incremental changes in the distribution of power within it.<sup>2</sup> As this chapter demonstrates, the evidence strongly supports the conclusion that Brazil aspires to reform current economic governance institutions such as the IMF rather than destroy them. It accepts global capitalism as the principle underlying

the international economic system, even while it argues that developed countries deviate from the norm in pursuit of their own domestic advantage, for example by limiting labor mobility. However, it also advocates in favor of an alternative development approach and new economic institutions. Yet these new institutions are designed to be complementary to the existing ones—not rivals to them. Thus there is a “soft” revisionism to Brazil’s global economic governance strategy in that the alternatives it proposes promote the norm of sovereign equality, even if they do not challenge global free market principles.

Brazilian diplomats, politicians, and scholars do advocate an alternative development philosophy—but the key question is to what is it an alternative. The governments of the advanced industrialized democracies in the Global North support an approach to development that enhances the security and prosperity of states and the welfare of their citizens. By this they mean that economic growth needs to be sustainable, and sustainability requires financial stability; infrastructure development; and investment flows via public, private, and multilateral sources (with private sources playing the dominant role)—all within a context in which the rule of law provides security for foreign investors and citizens alike. Brazil’s “alternative” differs in two respects: its emphasis on national sovereignty and its preference for a significantly larger proportion of the investment flows to come from public and multilateral sources.

The differences between the development philosophies of the advanced industrial democracies and the individual BRICS states are significant on paper, but become less so once we examine actual behavior. Financial stability, protection of its investments abroad, and providing an adequate climate for foreign investment are all certainly goals for Brazil as it pursues a more influential role in global governance. Just as in developed countries, mitigating corruption means increasing transparency, promoting the rule of law, and enhancing accountability to the citizenry, all courses of action that Brazil’s prosecutors and judges are pursuing as they investigate the massive corruption scandal in Brazil’s national oil company Petrobras. Brazil is not pursuing revolutionary change in the global economic governance structure, but is seeking revision and is willing to support the creation of new institutions when the old ones do not allow sufficient scope for its influence.

We therefore look past the diplomatic rhetoric to evaluate Brazil’s behavior in the areas of development promotion, trade, and international finance—examining how Brazil pursues its goals and what support it of-

fers for the key institutions governing each area. Brazil's active diplomacy and achievement of leadership positions in some of these institutions have led many analysts to claim that it has already gained significant influence in the global economic order.<sup>3</sup> But little analysis has been done evaluating these claims against empirical information regarding what Brazil wants these global economic institutions to do, which bargains it can broker and which it cannot, and how those institutions actually behave. This chapter examines the fit between Brazilian policy goals and actions and the performance of the international economic governance structures it participates in to gauge Brazil's effective influence.

Its focus is on Brazil's strategy to achieve influence in global economic governance so it can effectively articulate its views and needs as a developing country, which it also believes are representative of most developing countries and thus are not congruent with the advantages and benefits the current system provides to developed countries. We begin with Brazil's development diplomacy and funding, which determine its capabilities to project both global economic power and soft power. This section assesses Brazil's support for new funding institutions for regional infrastructure development in the Americas and its growing role in bilateral and regional development projects. The second and third sections examine the arenas of international trade and finance, respectively, assessing Brazilian influence over traditional governance institutions. We also analyze the degree of competition and complementarity between the traditional and the new institutions promoted by Brazil to provide governance in these arenas. In the conclusion we speculate on the implications for Brazil's emergence of its focus on attaining leadership positions in traditional governance institutions that are progressively being shunted aside as new governance schemes by the G-8 (now G-7) are developed, such as the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership. We also consider how dependent the effectiveness of Brazil's soft power diplomacy in international economic governance is on its economic performance at home.

## **DEVELOPMENT DIPLOMACY**

It was not that long ago that Brazil was a major recipient of international development assistance rather than one of the providers. The experience of being a recipient state, subject to the conditionality attached to loans from multilateral banks and developed countries, influenced Brazil's

foreign economic policy. Brazil's development diplomacy is aimed squarely at the Global South, and it is informed by its critique of the development model promoted by advanced industrialized nations. Its development discourse prefers to focus on solidarity rather than conditionality. It showcases Brazil's own successful domestic development successes—in other words, it uses soft power—in its provision of overseas development assistance. This reflects Brazil's aspirations to promote a revised international order based around sovereign equality and nonintervention.

Brazilian foreign economic policy builds on the strengths of Brazil's national development bank (Banco Nacional do Desenvolvimento, or BNDES), its export financing program PROEX, and its technological and social advances in the area of health care to demonstrate its commitment to partnering with developing nations. It has been a major force in promoting the idea that South–South cooperation can contribute to capacity development via knowledge exchange, including the provision of technical assistance that may be more appropriate to the context of a developing country than a transfer of knowledge from a developed context.<sup>4</sup> Brazil has built up its development soft power by showcasing its domestic successes in the areas of poverty reduction, HIV/AIDS treatment, and food security, arguing that these programs provide models for other developing countries. However, its efforts to promote energy integration, infrastructure integration, and alternative development banks have been much less successful, and its domestic models in these areas have been generally less attractive to others in the Global South.

### *Leveraging Domestic Success Abroad*

At the core of Brazil's developmental soft power is its great success during the past fourteen years in reducing critical poverty and in increasing the size of its middle class. The first domestic policy to gain international recognition was Brazil's conditional cash transfer program, Bolsa Familia. Brazil is a pioneer in the provision of small cash transfers to those families in need who keep their children in school and attend preventive health care visits. Bolsa Familia, which supports some 25 percent of Brazil's population (almost 14 million households), has contributed not only to a halving of extreme poverty (from 9.7 to 4.3 percent of the population) in the program's first decade (2003–12) but also to a 15 percent decrease in Brazil's Gini coefficient during that period (to 0.527 in 2012),<sup>5</sup> remarkable achievements for a country that has historically been one of

the most unequal societies in the world. The program should have long-term positive effects as well, increasing both school attendance and grade progression. It has had a particularly positive impact on the well-being of women (more than 90 percent of the beneficiaries) and for the sense of dignity and autonomy of the poor.<sup>6</sup>

The World Bank, which has supported Bolsa Familia since its inception in 2003, promotes it alongside the Brazilian government to the rest of the South and sees this type of program as key for its global goals of eradicating extreme poverty by 2030 and boosting shared prosperity. In 2012 alone, more than 120 international delegations visited Brazil to learn about the program. Brazil's Ministry of Social Development and the UN Development Program created the Learning Initiative for a World without Poverty to promote continued innovation and learning based on the Brazilian experience with Bolsa Familia.<sup>7</sup>

Public health is another area in which Brazil has pioneered solutions that are attractive to the Global South. Ill health is a major development bottleneck for developing countries because it negatively affects the labor force, productivity, government finances, and the well-being of families and citizens. HIV/AIDS has been especially devastating in sub-Saharan Africa and the Caribbean, and Brazil's domestic strategies for health care are widely perceived as successful and transferable.

One of the HIV/AIDS strategies that enhances Brazil's soft power in the South has been its confrontation with international pharmaceutical companies producing the patented drugs used in treating the disease. Brazil was the first Southern country to manufacture the AIDS drug AZT in generic form (1991), leading to clashes with large pharmaceutical companies that charged prices many times higher for the drugs.<sup>8</sup> Thailand and India soon followed. Intellectual property rights are a major issue in international trade, so contestation of these pharmaceutical patents by Brazil, South Africa, India, and Thailand amidst a major health crisis had major consequences for the governance of health care. These countries forced the companies to lower their prices by threatening to produce the drugs themselves under a declaration of national emergency. In the process, they were able to get the WTO to recognize the right of countries to produce these drugs if the patent owners did not supply them at a reasonable cost. For those countries that did not have the domestic capability to produce the drugs themselves, the WTO's Doha Declaration of 2003 permits them to import the drugs from countries producing them in the context of a national emergency.<sup>9</sup>

Brazil's public health successes at home and internationally quickly spread across the South as the World Health Organization (WHO) and thirty-one developing countries followed Brazil's lead on health policy. Brazil continues to donate medicines produced under these exceptions to Kenya and South Africa.<sup>10</sup> Brazil also partnered with UNAIDS to create the International Centre for Technical Cooperation (ICTC) to promote its domestic health strategies for dealing with HIV/AIDS abroad. In 2006, Brazil signed an agreement with the Caribbean Community's Pan-Caribbean Partnership against HIV/AIDS to transfer this knowledge to the Caribbean context.<sup>11</sup> The success of ICTC is reflected in its ability to attract support from the UN Population Fund, the World Bank, and other international partners.<sup>12</sup>

Brazil's success in developing its modern agricultural sector provides another basis for reaching out to the South. For example, the Empresa Brasileira de Pesquisa Agropecuária (Brazilian Agricultural Research Corporation) offers technical assistance to four African cotton-producing countries: Benin, Burkina Faso, Chad, and Mali. The "Cotton-4" project is designed to raise incomes, create new jobs, and mitigate food insecurity by increasing cotton productivity and production. Other government institutions promoting Brazil's development diplomacy include Serviço Nacional de Aprendizagem Industrial (SENAI National Service for Industrial Training), Fundação Oswaldo Cruz (Fiocruz, the Oswaldo Cruz Foundation), and the Africa-Brazil Cooperation Program on Social Development.<sup>13</sup>

BNDES has increased its lending in the Global South so much that Brazil is now one of the largest loan providers to poor countries.<sup>14</sup> BNDES loans abroad totaled three times more than those provided by the World Bank in 2011 and 1.5 times more than provided by existing international financial institutions as a whole in 2014. In 2014, BNDES was also the largest lender to South America. Though BNDES does not normally publish detailed accounts of its loans, a Brazilian judge recently ordered that this information be made public because it is currently implicated in corruption scandals; the information revealed that BNDES charged far lower interest rates on loans for foreign projects than for domestic programs.<sup>15</sup> Brazil also joined with the Paris Club to forgive debts to the Congo.<sup>16</sup> In total, President Rousseff forgave USD\$740 million in debts to Brazil from African countries.

But while Africans celebrated these loans and the debt forgiveness, within Brazil there were signs of potential obstacles to BNDES' overseas

activity. Charges were made that the debt was forgiven so that Brazilian contracting, mining, and agricultural companies with ties to the president could obtain BNDES financing for investments in Africa.<sup>17</sup> These controversies over the BNDES foreign loans and debt forgiveness efforts, especially in light of the current corruption scandals and economic slowdown, could make it difficult for the government to continue generating soft power through financial generosity.

Brazil lists \$923 million in official development aid for 2010 (a sizable increase over the \$369 million spent in 2009). However, the OECD calculated that only \$500 million of this amount qualified as official development aid (ODA).<sup>\*</sup> Brazil does not compare well with other ODA providers, whether developed or developing countries. The ODA assistance of the twenty-three Development Assistance Committee (DAC) countries of the OECD averaged 0.49 percent of gross national income (GNI) in 2010, with South Korea at the bottom with 0.12 percent,<sup>18</sup> far above Brazil's 0.02 percent. Of the eighteen non-DAC countries that report to the OECD (Brazil is not one of them) Brazil matches the generosity only of Thailand, which is at the bottom of the list.<sup>19</sup> Table 5-1, which shows data from the Global Humanitarian Assistance website, indicates that Brazil provides less foreign aid than the other BRICS countries, as well as Turkey and the major Arab oil nations.

In general South–South development aid remains small and fragmented, so its contribution to Brazilian soft power is limited. To date its cumulative effect on Brazil's soft power has not been analyzed. It may be that in places like the Caribbean, U.S. soft power is greater; if forced to choose, these states may prefer to side with the United States and not with Brazil. Were that to be the case, Brazil's claims to represent the

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<sup>\*</sup>“Brazil's development co-operation is significantly higher according to the official figures published by the Brazilian government. The OECD uses these data but, for the purposes of this analysis, only includes in its estimates: 1) activities in low and middle-income countries; and 2) contributions to multilateral agencies whose main aim is promoting economic development and welfare of developing countries (or a percentage of these contributions when a multilateral agency does not work exclusively on developmental activities in developing countries). The OECD also excludes bilateral peacekeeping activities. Brazil's official data may exclude some activities that would be included as development co-operation in DAC statistics, and so are also excluded from the OECD estimates that are based on Brazil's own data.” OECD, “Brazil's Development Co-Operation,” December 30, 2015 ([www.oecd.org/dac/dac-global-relations/brazil-development-co-operation.htm](http://www.oecd.org/dac/dac-global-relations/brazil-development-co-operation.htm)) [accessed December 30, 2015].

**Table 5-1.** Non-OECD ODA Contributions

Country	ODA and ODA-like concessional flows		Humanitarian assistance, 2013
	As percent of GNI, 2013	US\$millions (latest year available)	US\$millions
Brazil	0.02	500	15
China	0.03	3,009	54
India	0.06	1,257	13
Kuwait	0.35	495	342
Qatar	0.29	543	162
Russia	0.02	362	42
Saudi Arabia	0.73	5,530	755
South Africa	0.05	183	2
Turkey	0.38	3,157	16
United Arab Emirates	1.55	5,472	375

*Source:* “Global Humanitarian Assistance: Brazil,” using development initiatives based on OECD DAC, UN Office for the Coordination of Humanitarian Affairs, Financial Tracking Service (OCHA FTS), UN Central Emergency Response Fund (CERF), IMF, World Bank, and UN System Chief Executives Board (UNSCEB) data ([www.globalhumanitarianassistance.org/countryprofile/brazil#tab-donors](http://www.globalhumanitarianassistance.org/countryprofile/brazil#tab-donors)) [accessed December 30, 2015].

interests of these countries outside specific cooperation projects would not be credible to the incumbent great power.

#### *Brazil's Less Successful Contributions to South–South Development*

But there is another set of issues on Brazil's South-South development agenda where it has clearly been much less successful. These are issues that Brazilian leaders from all sides of the political spectrum find to be important: energy security and integration, infrastructure development and integration, and the construction of alternative multilateral development banks that reflect the experiences of the Global South and rising powers. Brazil's lack of success may be partly due to the fact that its goals relating to these issues sometimes conflict: it wants both to expand its influence internationally and to promote the principle of sovereign equality, but it also wants to prosper economically. More critically, these

are generally policy arenas in which Brazil's domestic record is much more mixed, and it does not always have an attractive model at home to showcase.

*Energy Development.* There are several Brazilian public and private companies that are internationally recognized and that specialize in infrastructure and energy development, thereby contributing to Brazil's soft power. Petrobras, Brazil's national oil company (NOC), was highly respected internationally in the first decade of the twenty-first century for its deep-water drilling skills, international expansion into the Gulf of Mexico and West Africa, and discovery of potentially vast reserves of oil and gas (estimated to be the equivalent of 50 billion barrels of oil) in the ultra-deep pre-salt layer in the Brazilian Atlantic Ocean. Reflecting the expectation of a bonanza from this discovery, Lula declared to the world, "God is a Brazilian."<sup>20</sup> Odebrecht Group is a conglomerate that specializes in engineering and energy projects and has a presence in twenty-three countries around the world, including in Africa and Latin America.<sup>21</sup> Vale S.A., a former state-owned enterprise that was privatized in 1997 and in which the Brazilian government still holds stock, is the world's fifth largest mining company, with investments across the globe.<sup>22</sup> OGX Petróleo e Gás Participações S.A. (OGX) became Brazil's largest private oil company, with operations in Colombia as well; its CEO Eike Batista made Forbes' list of wealthiest individuals in 2013, with a fortune of \$30 billion.<sup>23</sup> With the support of BNDES, these and other Brazilian companies seemed poised to play a major role in positioning Brazil as the Southern partner in development, one that is free of the criticisms made of Chinese infrastructure and energy promotion—that the Chinese funded enclave projects (those with minimal impact on the local economy) with a minimum use of domestic labor and then tied those exports directly to the Chinese market or Chinese firms.

But internationalization has been a difficult process for Brazilian firms and even BNDES. Though it seems that all Latin American countries promote the idea of energy integration, there is no agreed-on approach to achieving it, and Brazil has often found itself trapped into costly or dead-end efforts. In 2005, Hugo Chávez of Venezuela and Néstor Kirchner of Argentina promoted a natural gas pipeline from Venezuela to Argentina via Brazil that was both costly (its \$20 billion+ price tag was more expensive than a shipping route) and a threat to the Amazon. Although Petrobras was a reluctant partner, President Lula felt obliged to invest

time and energy in the project in order to maintain a positive political relationship with Venezuela.<sup>24</sup> Brazil's foreign policy toward South America, based around regional solidarity and integration, also forced Petrobras to involve Venezuela's NOC *Petróleos de Venezuela, S.A. (PDVSA)*, in constructing a major refinery in Pernambuco; after years of delay because of PDVSA's inability to collaborate, the Brazilian NOC eventually had to build it by itself.<sup>25</sup>

It is not only that Brazil's ostensible partners in integration are ineffective and uncommitted. As international investors and financiers, Brazilian public and private firms are subject to the twists and turns of host government policies. In contrast to Northern multinational corporations that can easily appeal to international law and home-country support to protect their contractual rights, Brazilian companies have been under pressure by the Brazilian government to respect the "sovereign rights" of host countries to set and alter the terms of engagement. In response to problems that developed in Ecuador's San Francisco hydroelectric plant built under Odebrecht's leadership for which the company was reluctant to accept blame, President Rafael Correa expelled the Brazilian firm from the country in 2008. In addition, he sent troops to occupy four projects—an airport, two hydroelectric plants, and a rural irrigation project, collectively worth \$800 million—on which the company was working. The ban lasted until 2010, despite the agreement by Odebrecht to accept international arbitration and post a bond. When Odebrecht finally returned to Ecuador in 2013, it maintained a low profile.<sup>26</sup> Correa also threatened not to repay a BNDES loan that financed an Odebrecht project. Brazil's government did react to this threat: Foreign Minister Amorim publicly stated that the loan was "irrevocable," and he recalled the Brazilian ambassador to Ecuador for consultations. Despite these actions, Ecuador's state-owned *Hidropastaza* took the case to arbitration at the International Chamber of Commerce, where BNDES was vindicated.<sup>27</sup>

Odebrecht is not the only company whose foreign operations have been affected by home-country politics. When Correa took control of the Ecuadorian energy sector in 2010, Petrobras' exploration and production contracts in the country were unilaterally turned into service contracts. Rather than accept the change, Petrobras decided to terminate these contracts. It remains in Ecuador as owner and operator of the *Oleoducto de Crudos Pesados (OCP)* pipeline, but has been losing some \$14 million a year and will not renew its contract in 2018.<sup>28</sup> Furthermore, Petrobras seemed to want to leave Bolivia after the Morales government took ma-

majority control of its projects, but again, Brazilian regional foreign policy interests forced the NOC to remain in Bolivia in this reduced capacity.<sup>29</sup>

Petrobras' reputation has also been undermined at home. In the euphoria of the pre-salt discoveries, Lula and the Congress passed legislation requiring that Petrobras be the operator of every pre-salt project and have a minimum of a 30 percent stake in each one. The human and financial capital demands created by these requirements have overwhelmed the NOC, forcing it to sell foreign assets while still falling behind a production schedule that was announced with great fanfare. Petrobras' net loss in 2014 further detracted from its ability to contribute to Brazil's soft power. The loss was influenced by a number of factors including a decline in oil prices, but Petrobras also had particularly difficult earnings situations in the United States, Japan, Bolivia, Venezuela, Ecuador, and Africa. These effects were partially offset by the sale of assets in Argentina, Colombia, Peru, and the United States and of its 44.5 percent stake in Transierra SA, a pipeline company in Bolivia, to YPF, Bolivia's state oil company. Petrobras' management plan for 2015–19 aims to reduce its debt, beginning by divesting \$15.1 billion in 2015–16.<sup>30</sup> But downsizing does not fit into Brazil's image of itself as a rising power. Petrobras workers went on strike on July 24, 2015, to protest the proposed sale of assets and the possibility that Congress would modify the pre-salt legislation to permit other companies to become operators and to drill without Petrobras' involvement.<sup>31</sup> Both the pullback of Petrobras from these international oil and gas development projects and its inability to meet the planned development of the pre-salt fields at home weaken Brazil's soft power in the area of development.

In addition, Petrobras and other companies have been embroiled in corruption scandals, raising questions about their exercise of social responsibility. In 2015, Petrobras became a major party in the corruption scandal that uncovered evidence of kickbacks to the ruling party, PT, to buy influence in Congress.<sup>32</sup> More than fifty top Brazilian politicians have been accused of corruption, and dozens of Brazil's top executives, including the head of Odebrecht, have been arrested. In 2012, Vale received an international "award" from Greenpeace and the German NGO *Erklärung von Bern* for being the company with the worst corporate social responsibility.<sup>33</sup> OGX went bankrupt as its drilling produced numerous dry wells, calling into question the criteria under which BNDES loans to OGX were made.<sup>34</sup> BNDES itself has been caught up in corruption scandals at home, and information revealed during judicial investigations

into the scandals threaten to make its support of Brazilian firms abroad more transparent and, consequently, less attractive.

*Infrastructure.* President Cardoso promoted the strategic importance of infrastructure for the development of Brazil and South America, and his successors Lula and Dilma have continued to focus on it. Brazil needs access to the resources and markets of its neighbors to support its sustainable development. Given the poor state of infrastructure linking its neighbors to Brazil, much work still needs to be done to develop the necessary highway, rail lines, and power matrices.\* The World Bank, the Inter-American Development Bank, and the public-private Corporación Andina de Fomento (CAF) are traditional sources for financing these projects, but their resources are dwarfed by the task. In addition, their approval processes provide opportunities for opposition and for lobbying by environmentalists and indigenous communities wishing regulatory oversight of these huge projects in the environmentally sensitive Amazon and Andes. Thus, Brazil is continually seeking additional funding from sources that are more able to be guided by Brazil's overall national priorities and not those of specific interest groups or other governments.

Such a funding source is China, and recently Brazil has been expanding its trade and investment relationship with this BRICS partner. In turn, China has been quite interested in promoting infrastructure development in the region for two reasons. First, China sees political benefit in developing infrastructure as a means of offsetting Latin American resentment both over their role as primary commodity exporters to China and the flood of Chinese manufactured imports into the region at prices below what is cost competitive for Latin American companies. Second, employing Chinese firms in overseas construction projects benefits China economically, particularly because China's domestic market for these projects is saturated. Premier Li Keqiang's visit to Latin America in May 2015 promised to increase Chinese participation in infrastructure projects by US\$50 billion.<sup>35</sup>

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\*The UN estimates that the region will need to more than double the share of GDP invested in infrastructure (from 2.0% in 2007–08 to 5.2% between 2006–20) to meet expected needs. But if the region wants to close the infrastructure gap with South Korea, Malaysia, Singapore, and Hong Kong, investments would need to reach 7.9% of annual GDP. "The Economic Infrastructure Gap in Latin America and the Caribbean," *Bulletin FAL* 293, no. 1 (2001), p. 6.

Brazil's partnership role in these Chinese efforts outside its borders is necessary to maintain its profile as a leader of the South, lest South Americans begin to see China as an alternative to Brazil. Brazil has been an important part of two efforts to close the infrastructure gap in South America: IIRSA and UNASUR. The first, *Iniciativa de Integração da Infra-estrutura Regional Sul-Americana* (IIRSA), tried to leverage traditional funding sources by stimulating regional planning and promoting more infrastructure development. President Cardoso launched the IIRSA initiative in 2000, building on some proposals promoted by the World Bank and CAF to facilitate regional integration. Among IIRSA's objectives are the coordination of projects and investments in transportation, energy, and telecommunications; efforts to enhance compatibility of regulatory and institutional aspects involved in cross-border infrastructure projects; and the creation of innovative mechanisms of public and private financing.<sup>36</sup>

Regional projects can be a plus for governments, but a negative from the perspective of environmentalists and local communities. Opposition to the projects can be mitigated by environmental and social impact statements, but they need to be credible. The World Bank and Inter-American Development Bank are relatively independent institutions, but even their impact statements detailing the benefits of projects can be controversial. IIRSA is not independent of South American governments, however, and thus faces a greater challenge in verifying its credibility. Its methodologies do not help its cause; IIRSA uses its own Environmental and Social Evaluation Methodology, which does not require an in-depth evaluation of alternative routes, open or formal public comment, or a community-based evaluation of project costs and benefits. Even national legislation regarding impact statements can be circumvented if desired. For example, the Interoceânica highway linking Brazil and Peru is being financed through revenue bonds amortized by highway tolls, and thus the project does not need to follow standard review channels for publicly funded projects.<sup>37</sup>

In 2010, IIRSA was incorporated into the UNASUR system that seeks to promote political, defense, energy, and infrastructure projects to generate regional cooperation. This incorporation had the effect of expanding regional efforts, with Brazilian private firms becoming more active players across the region via IIRSA projects. But while Brazil takes leadership in promoting this cooperation, it must also demonstrate that the UNASUR efforts do not favor the development of Brazilian hegemony

in the region. In addition, given Brazil's lower GDP per capita vis-à-vis Chile, Argentina, Uruguay, and (depending on oil prices) Venezuela, significant Brazilian public aid for projects in other Latin American countries would probably evoke domestic opposition.<sup>38</sup>

Brazil's interests in promoting regional cooperation are not sufficient to ensure that the region will effectively integrate economically. Its influence is significantly limited because the priority given to nationalism and sovereignty by other countries in the region either makes economic development strategies incompatible across borders or even blocks economically rational infrastructure projects or trade. For example, Bolivia, which lost territory to Chile in a war in the 1880s, needs markets for its natural gas, but refuses to ship to or through Chile, which needs natural gas. Brazil supports the primacy of sovereignty and so cannot propose subordinating it without undermining its soft power vis-à-vis its regional neighbors.

*Alternative Development Banks.* The primary strategy that Brazil has used to influence the international development order is the creation of alternative sources of multilateral funding to the World Bank and Inter-American Development Bank (IDB). Brazil's agenda here is to revise the international order, both to expand its own influence through alternative financial institutions and to promote its preferred principle of sovereign equality as its foundation. These new financial institutions are envisioned not only as embodying the principle of South–South solidarity but also as promoting national sovereignty by putting individual state interests at the top of the agenda, rather than allowing global civil society to influence the agenda. It is not that Brazil is opposed to improving the environment or protecting human rights and indigenous rights, all of which are goals that civil society organizations have tried to embed in the lending agendas of international financial institutions (IFIs). However, it views efforts by traditional IFIs to make such improvements a condition for receiving loans as a violation of national sovereignty. Because all stakeholders are continually making tradeoffs regarding the multiple goals of development, environment, human rights, and so on, Brazil wants to ensure that the priorities of Southern governments are not constantly losing out to those of Northern governments, civil society groups, and markets.

The first alternative institution that Brazil supported, the Bank of the South, has so far been a failure. Venezuela and Argentina began discussing its creation in 2006, and a year later Brazil and Ecuador joined the

negotiations. The bank's tagline is "Sovereignty and Integration." The primacy of sovereignty was supposed to distinguish the Bank of the South from traditional sources of development lending, and Chávez made claims about never again having to seek funds from the IMF and having to endure its conditionality programs.<sup>39</sup> Chávez even announced that Venezuela would leave the IMF (it did not, but did refuse to allow it to carry out formal reviews of the Venezuelan economy). Brazil's diplomatic rhetoric was less confrontational, but it also paid off its IMF loans early to sever the levers of influence and conditionality that the IMF might otherwise hold over Brazil and for the symbolism of independence that early payoff implied.<sup>40</sup>

The Bank of the South's scope was broadly defined as funding social programs and integration, and it was intended to begin with a capital base of \$20 billion, with Brazil, Venezuela, and Argentina each contributing \$5 billion and the rest made up of smaller amounts from other members. Some analysts claim that Brazil was ambivalent about the project, but joined when it appeared that the bank would in fact become a reality, given the booming economies of Venezuela and Argentina at the time; thus Brazil felt it needed to have a voice in the institution.<sup>41</sup> Although an initial document for the establishment of the bank was signed in December 2007, it took another two years to finalize the agreement creating it. Among the controversial points was the question of voting rights, with Venezuela arguing for "one country, one vote" on all matters, whereas Brazil and Argentina wanted weighted voting (based on the size of the financial contribution to the bank) on day-to-day business decisions and parity voting only on general policy decisions.<sup>42</sup>

The Bank of the South project, however, remains paralyzed six years after its ratification. President Maduro of Venezuela attempted to kick-start it with a unilateral announcement in April 2015 that it would become operational the next month.<sup>43</sup> However, with separate economic crises buffeting Brazil, Venezuela, and Argentina, it is no surprise that, as of this writing in February 2016, the Bank of the South is still not capitalized and thus not a means to support Brazil's soft power.

Although the Bank of the South has not gotten off the ground, Brazil is participating in other efforts to build alternative development banks, including becoming a founding member of the Asian Infrastructure Investment Bank (AIIB), which now includes fifty-seven countries and is operational as of January 16, 2016, and participating in the creation of the BRICS-led New Development Bank (NDB). Brazil's role in the New

Development Bank, which is not yet fully operational, is more substantial than is its involvement in the AIIB. In 2015, when ratifying Brazil's participation in the NDB, Senator Ana Amélia Lemos of the Partido Progressista argued that it was important for Brazil to seize this opportunity and take a leading geopolitical role, instead of being in the shadows of China and Russia.<sup>44</sup> The NDB is intended to support infrastructure projects among its member nations, and the BRICS nations see these projects as part of their soft power directed to other developing countries. They have been very cognizant of sharing the reputational advantages generated by the NDB: the headquarters will be in China, the first president is Indian, and the treaty establishing the NDB is housed in Brazil. The initial capital for the NDB is \$50 billion, divided equally among the five BRICS as \$10 billion in paid-in shares and \$40 billion in callable shares.

The NDB is supposed to offer loans, guarantees, other financial instruments, equity participation, and technical assistance for bank-supported projects to its emerging market and developing country members. Membership is open to all countries in the world, and weighted voting will reflect a country's ownership of shares in the NDB. Developed countries cannot borrow funds from it and are limited to a maximum of 20 percent of shares; the founding BRICS nations will maintain a minimum of 55 percent of shares. In line with BRICS' rhetoric about focusing more on developing country needs than do the institutions led by developed countries, it will require that goods and services for the projects be procured from NDB member countries, unless the NDB Board of Directors grants an exception. This requirement will not only benefit developing countries directly by stimulating their industrial and service sectors but also, if developed countries want to supply goods and services for these projects, they will need to become members of the NDB, thereby increasing the bank's capital.<sup>45</sup>

The NDB is intended to offer other benefits for Southern governments. It will not fund any projects that are opposed by the government of the country in which they are located. Because it does not have a staff to conduct analyses of environmental and social risks and, in line with BRICS views of sovereignty, the NDB will be likely to defer to nationally produced environment and social impact statements. Brazil's view of social and environmental impact assessments conducted by international institutions is negative, as is evidenced by its rejection on the grounds of national sovereignty of the Inter-American Commission on Human Rights'

decision that it had to permit significant input from indigenous tribes that would be affected by the Belo Monte dam project in the Amazon. Given that the World Bank and Inter-American Development Bank are quite active on these issues across the major phases of a project cycle—design/preparation, up-front environmental assessment, implementation/supervision, and monitoring and evaluation—the existence of alternative financing sources that are more likely to favor national government priorities will be attractive to most Southern countries.

However, the soft power generated by the New Development Bank toward developing countries will be lessened by the fact that it will still need to seek funding from the existing development institutions criticized by the South. Its rules stipulate it will “cooperate as the Bank may deem appropriate, within its mandate, with international organizations, as well as national entities whether public or private, in particular with international financial institutions and national development banks.”<sup>46</sup> This means that the NDB will still require a degree of economic and financial discipline that many Southern governments dislike because it limits their ability to use the projects for patronage and corruption.

#### *Brazil Development Agenda: A Mixed Contribution to Soft Power*

Moving from a major recipient to a major donor of development aid in two generations, Brazil has made growing contributions to international development, which are clearly a sign of its growing emergence. Increasingly, states in both the Global South and North recognize Brazil as a legitimate development power. Brazil has done exceptionally well when it showcases its remarkable domestic achievement in poverty reduction, middle class expansion, and food security. Unfortunately, it has been less effective in areas where its domestic record is mixed, such as infrastructure and energy development. And its efforts to promote alternative development funding agencies may one day pay off under the aegis of the New Development Bank, but so far have had a negative impact on its soft power.

### **BRAZIL AND THE INTERNATIONAL TRADING SYSTEM**

Remarkably, of the ten largest global economies, Brazil’s economy is the most closed. Trade constitutes a relatively low percentage of its GDP, and its manufacturing enterprises, with some notable exceptions such

as Embraer, are largely unconnected from global value chains. This is because Brazil has historically viewed the international economy as unfair, as stacked against late developers such as itself by the advanced industrialized economies. Brazil accepts the “infant industry” argument (see the later discussion) regarding the disadvantages of late development and thus favors a greater state role in regulating trade. Brazil’s two key strategies for improving the fairness of the international trading system have been to facilitate regional integration through the formation of a trade pact with its South America neighbors, known as Mercosul, and to achieve a leadership role in the World Trade Organization (WTO), the multilateral body that negotiates the rules that order the global trading system. Neither strategy has brought the expected benefits. The Mercosul market is too small relative to the rest of Brazil’s trade to significantly influence the competitiveness of Brazilian manufacturers. And the WTO has produced significant trade agreements only with the greatest difficulty in the past two decades, which is why the countries of the Global North are increasingly negotiating plurilateral trading “alliances of the willing” such as the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership.

*Mercosul.* Brazil has played a lead role in promoting the view that Latin American countries need to attain greater levels of industrial and service sector development before opening their economies (and not just their financial markets) to the global market. This reflects an economic tradition, rooted in the import substitution industrialization model Brazil adopted in the 1950s, that views industries in developing countries as unable to compete with those of developed countries unless they have access to protected markets at home or are part of regional trade pacts with other developing countries. Having protected markets would enable them to develop competitive companies and sectors over time (the infant industry argument). This perspective is also in line with Brazil’s preference for maintaining a predominant influence over regional affairs in South America.

To implement this perspective, as well as to promote a transition from rivalry to partnership with Argentina, the Common Market of the South (Mercosul) was created in 1991. Here again, Brazil was following a model first pioneered by the European Union rather than advocating for revolutionary change in the international system. It promoted Mercosul as a mechanism that would permit Argentina and Brazil to develop competi-

tive industrial and service enterprises through a customs union (not a free trade agreement) including Paraguay and Uruguay. Both Brazil and Argentina believed this platform would enhance their ability to influence global governance.<sup>47</sup>

But Mercosul as an economic integration project foundered because of the domestic economic instability in Brazil during the late 1990s and in Argentina in the early 2000s, as well as the pull exerted by the global commodity boom that followed. Mercosul was unable to work out appropriate adjustments to promote integration within this context. Trade among members grew, but it grew more slowly than did members' trade with non-Mercosul countries. Within a decade of its founding, Mercosul was considered by most analysts to be stagnating. Indeed, the level of intraregional trade among Mercosul partners in 2013 was only 15.5 percent of the total trade conducted by all member countries,<sup>48</sup> and Argentina was only a minor trade partner for Brazil (though fourth in rank after the EU, China, and the United States). Argentina's amount of Brazilian imports was half that of the United States and, as a destination for Brazilian exports, a quarter less than that of the United States.<sup>49</sup> In 2011, intraregional exports as a share of total exports had fallen below that of 1997 for each of the Mercosul members.<sup>50</sup> Rather than a means for economic integration, Mercosul has become a focus for political cooperation and cultural integration, a role that does not enable it to enhance Brazil's soft power or influence to any great extent outside its immediate neighbors.<sup>51</sup>

Brazil and Argentina, nevertheless, continue to see Mercosul as a platform for economic integration and sustainable industrial and service sector growth. They have sought to inject new life into it by negotiating a trade agreement with the European Union and by expanding its membership to include Venezuela (2013) and Bolivia (2015). Yet neither tactic will likely prove successful in injecting economic dynamism into the custom union. Despite years of negotiating with the EU (since 1999), an agreement has not been reached because the European countries will not accept the level of protectionism on which Argentina and Venezuela insist. Uruguay has threatened to sign its own bilateral agreement with the EU if negotiations remain stymied. Brazil's own desire to lower, but not eliminate, the level of protectionism falls victim to its need to keep Mercosul as a symbol of subregional unity and keep alive a dream of Latin America setting the terms of its integration into the global economy.

Venezuela's accession to Mercosul had been a contentious issue for years. Under Mercosul rules, unanimous approval was required for the

admission of new members, and Paraguay continued to oppose Venezuelan membership. Argentina took advantage of Paraguay's suspension from active membership in Mercosul, which occurred after its congress had rushed through an impeachment of President Fernando Lugo, to argue that all active members of Mercosul were then in favor of Venezuela's membership. Brazil supported this view, and Venezuela was admitted to Mercosul in 2013. Yet its membership has brought few benefits. Not only is the Venezuelan market physically disconnected from other Mercosul countries but also its economic complementarities are minimal now that the government's policies have virtually destroyed its economic infrastructure outside of the oil industry. The fact that Brazil and Argentina are expecting to become major oil producers by developing their pre-salt and shale oil reserves, respectively, further reduces complementarity.

*World Trade Organization.* It is at the international level that Brazil is argued to have had the most influence on the governance of international trade. Having joined the WTO in 1995 Brazil assumed an active role in 2003 when it served as midwife to the G-20. Brazil was instrumental in creating the "other," trade-focused G-20 (the financial G-20 is better known; see below) at the fifth ministerial meeting of the WTO in Cancun, Mexico, as a developing nation counterweight to the United States and the European Union within the WTO, not as a group that would leave the WTO and create a rival trade organization. Together with India and South Africa, Brazil argued that the developed world continued to protect its less competitive sectors and distort trade in multiple ways even while demanding that the developing nations open their markets. In addition, the North ignored its own decision that the Doha Round was intended to be a "Development Round." Amorim, Brazil's foreign minister at the time, noted that before the meeting in Cancun and the Brazilian-led development of the trade G-20, the majority of humankind had to accept whatever the major powers decided in the WTO; now they had a voice, he proclaimed.<sup>52</sup>

Brazil's role in the WTO, however, is more complex than just serving as a representative of the South. It has been able to bring together the interests of large export-oriented agribusiness, as found in Brazil and Argentina, and subsistence agriculture, as found in India and China—and in the process has been thrust into the center of decisionmaking at the WTO. Previously, China and India had not acted in concert with Brazil,

but Brazil made the compromises needed to bring the countries together. Brazil moved closer to India's position on food security and accepted India, China, and South Africa's desire to keep a protected domestic agricultural market for developing countries. These steps demonstrated Brazil's interest in freeing trade in agriculture, a sector in which it has a comparative advantage, thereby utilizing a logic based on Northern development philosophy. But, echoing globalization expert John Ruggie's description of "embedded liberalism,"<sup>53</sup> Brazil insisted on a proviso that special protections were merited as long as they were part of a process designed to eventually stimulate liberalization of markets and reduction of tariffs. In the 2008 Doha negotiations Brazil abandoned the position regarding the agricultural sector that was offered by the G-20 because its own agricultural exports could have been negatively affected, and it hoped that such a compromise could lead to a successful conclusion to the Doha Round.<sup>54</sup>

Brazil now ranks among the top users of the WTO dispute settlement mechanism, and the Foreign Ministry offers a course to other Latin American countries on how to develop and present cases.<sup>55</sup> Brazil has also pushed for the WTO to devote more attention to the relationship between trade and exchange rates.<sup>56</sup> With global trade negotiations stymied, Brazil undertook a major effort to attain the WTO's director generalship in 2013. Despite not being the preferred candidate of the United States, Britain, or Japan, Roberto Azevedo won, demonstrating the strength of Brazil's soft power in this arena.<sup>57</sup>

Brazil's behavior at the WTO has been criticized by analysts in the developed world who argue that, given Brazil's protected market, its active role in governance is not commensurate with its actual participation in international trade.<sup>58</sup> On the trade side, Brazil's market is significantly more closed than those of China, Russia, or India, with an average tariff level in 2010 of 13.4 percent, compared to 7.7, 8.1, and 11.5 percent, respectively. In addition, while the other BRICS have become more open in the past decade, Brazil has become slightly less so. The makeup of its trade also differs from that of China and India: manufactured exports fell by more than 50 percent between 2000 and 2011 to only 33 percent of total exports. The major stimulus to Brazil's exports in this period was not agricultural products, but rather commodities.<sup>59</sup> These trade figures not only reduce the legitimacy of Brazil's demand for more influence in trade governance but they also represent an increase in the sensitivity of the Brazilian economy to external events, as the last few years have

demonstrated. Both implications weaken Brazil's soft power strategy for global leadership.

Brazil also faces criticism regarding its efforts to reform governance of trade from the South. Brazil's abandonment of the Indian-led position at Doha is seen as the reason for the failure to end the round.<sup>60</sup> China has opposed Brazil's efforts to link exchange rates and trade at the WTO. There is also the suspicion that Brazil's use of the institution's norms to gain benefits for itself winds up legitimizing those institutional norms and socializing Brazil into the system, without yielding commensurate gains for the South. Brazil's use of soft power in the established regional and global trading institutions thus has to play a delicate balancing game.

Yet before concluding that Brazil's activities in the WTO are an indication of its significant influence in the global trading system, we need to consider how the governance structures of international trade have changed. The rise of significant cross-regional trading agreements such as the U.S.-led Trans-Pacific Partnership with their own membership and rules designed in response to Northern frustrations in advancing the liberalization process in the WTO raises questions about the future importance of the WTO. Within Latin America the development of the Alliance of the Pacific (Mexico, Colombia, Peru, and Chile, with Panama and Costa Rica waiting in the wings) to negotiate trade agreements with Asia Pacific countries, including China, raises a significant challenge to Brazil's leadership on trade. The diplomatic activity to link the Alliance and Mercosul is unlikely to yield results, given the openness of the Alliance countries and Mercosul's protectionism.

### **INTERNATIONAL FINANCIAL SYSTEM**

Brazil has become an active player in the international financial system, both on its own and in the multilateral institutions. Its views on the international financial governance system have been shaped by its financial crises, defaults on its international debts, and experience with IMF conditionality. As such, Brazil views the existing governance structures as stacked against the countries of the Global South, and the system as favoring private capital flows over the interests of sovereign states. It thus makes sense that Brazil seeks a more prominent leadership position in existing global financial governance structures such as the IMF. But given the resistance Brazil has encountered to its leadership role, it has also been open to developing alternative financial governance structures, such

as the Contingent Reserve Arrangement proposed at the 2014 BRICS Summit.

*Regulating Capital Flows.* Recent Brazilian governments have recognized that capital flows can stimulate economic growth, but have insisted on regulatory safeguards (including capital controls) to limit the ability of investors to shift the risks of generating profits to others. The decreased regulation of global financial flows and low U.S. interest rates in response to the financial shock of 2008 stimulated greater inflows of short-term debt, currency and stock market trading, and real estate speculation in the faster growing Southern economies, producing appreciations in currencies and asset bubbles. Brazil has criticized both the United States' and China's monetary policies that seek domestic advantages while negatively affecting the currencies of other nations. Brazil succeeded in getting the WTO trade organization to request that the IMF develop "surveillance reports" to track the relationship between exchange rates and trade.

Brazil, whose currency appreciated 40 percent between 2009 and 2011, has been a leader for the past decade in developing new strategies to manage its capital account. From a Brazilian perspective, governments have the responsibility to design regulations to limit the ability of private actors to distort markets by withholding or distorting information and then to flee the country with large profits while the country suffers from the effects of the market adjustment. To the standard practices of taxing nonresident equity and fixed income portfolio inflows, Brazil added two other strategies: taxing margin requirements of foreign exchange derivatives transactions and imposing noninterest reserve requirements on banks' short dollar positions in the foreign exchange spot markets. Brazil achieved some success in reducing exchange rate volatility, encouraging investors to look to longer term, more productive investments and thereby increasing its ability to manage domestic monetary policy.<sup>61</sup> Brazil was a leader in getting the IMF to consider a new framework to guide the use of capital controls, but opposed the resulting reforms, arguing that the recommendations continued to emphasize the benefits of the flows and reflected a bias against controlling them.<sup>62</sup>

*The IMF and International Payments Adjustments.* Since the establishment of the IMF, countries have argued over whether countries in deficit or surplus should take the brunt of the adjustment costs to rebalance

external accounts. As the main surplus country when IMF was created, the United States successfully negotiated its preferences for adjustments to be borne by the deficit countries; IMF programs reflect that perspective. Debtor countries, resentful of the fact that using IMF resources imposes difficult adjustment costs and vast surveillance rights over domestic economic policy, have looked for alternative means by which international payments adjustments could be provided.<sup>63</sup> The debt crisis of the 1980s was the result of multiple factors, but financing of deficits by institutions other than the IMF played an important role. In the 1970s period dominated by petrodollar recycling, some international banks stepped into this role and financed deficits. With their deficits thus financed, there was little need for countries that had been in debt to undertake reforms to ensure that deficits would not recur once the new money was gone.<sup>64</sup>

At the turn of the millennium, the IMF faced even greater challenges to its role in the international payments adjustment system. The IMF's prescriptions for dealing with the 1997–99 East Asian financial crisis were rejected by the Asian countries affected, with Japan even proposing the creation of an Asian Monetary Fund that, presumably, would impose less orthodox stabilization policies than those of the IMF. Brazil was affected too by the East Asian crisis and had to implement an IMF stabilization program in 1999. The IMF was thus facing criticism not only by developing countries that had a history of poor economic management (e.g., most Latin American countries) but also by Asian countries that had seemed to be successful in playing by the rules.

The increasing globalization of financial flows generated a broad consensus that reforms in the international payments adjustments mechanism were necessary. Because many developing countries had increased their relative weights in the global economy, it appeared that the challenge was bigger than could be addressed by the G-7. The finance ministers of the largest twenty economies came together in 1999 to informally discuss financial crises in this new context; Brazil was one of three Latin American countries included in this financial G-20, the others being Mexico and Argentina.<sup>65</sup>

The G-20, however, was unable to generate a united response. When seeking help after the East Asian financial crisis and the Brazilian and Argentine crises of the late 1990s, a number of emerging economies found that private capital markets and private commercial banks could meet their financing needs. The idea that it was the possession of sufficient liquidity to cover balance of payments deficits or to defend domestic cur-

rencies that was the problem, rather than the nature of economic policies in deficit countries, gained popularity after the East Asian financial crisis.<sup>66</sup> As Lula noted in 2008, “We know how to deal with the crisis, because we have taken preventive measures. . . . We made the homework at home when it was necessary and now we have reserves for this and other crises.”<sup>67</sup> Brazil’s foreign currency reserves grew from \$50 billion in 2006 to \$358 billion in May 2015,<sup>68</sup> signaling to the G-7 that Brazil was serious about pursuing the route of “self-insurance” rather than the traditional collective insurance provided by the IFIs.<sup>69</sup>

The IMF was once again left on the sidelines, with the financial crisis largely managed by emerging markets building their international reserves and paying back their IMF loans early. The success of the emerging markets in defusing this crisis produced its own irony. The G-20 lost importance as the G-7 approach to global financial governance regained its influence until the next crisis occurred in 2007–08.<sup>70</sup>

The next crisis developed in the North, triggered by the Lehman Bros. meltdown in the United States and segueing into the Euro crisis in Ireland, Spain, Portugal, Italy, and especially Greece. The magnitude of the crises swamped the resources of the IMF, World Bank, and European Central Bank, and new funds were needed immediately. The G-7 forum of developed countries recognized both that they and the IMF had insufficient resources to deal with the crisis and that if the South responded by increasing protectionism it would complicate global recovery. A number of Southern nations were then enjoying the benefits of high commodity prices, low inflation at home, and large international reserves. Their financial contributions and willingness to keep their markets open were necessary to weather the crisis, presenting the G-20 an opportunity to gain new influence.<sup>71</sup> Because the IMF needed their increased contributions, China, Brazil, Russia, and India were able to negotiate a collective veto over when the new credit lines they were financing were to be activated.<sup>72</sup>

Brazil was the most outspoken of the four in arguing that the increased contributions should be reflected in a redistribution of voting rights to reflect the decreased weight of the Euro area and the increased weight of the emerging economies.<sup>73</sup> At G-20 meetings in London in April 2009 and Toronto in June 2010, the divisions between North and South, as well as the disagreement between the United States and Europe over whether stimulus spending or deficit reduction was the appropriate response, limited the impact of the group on the IFIs. But the G-20 did endorse

reforms to increase the weight of developing countries in the World Bank by 4.59 percent over that of 2008.<sup>74</sup> Some countries—particularly the United Kingdom and France—lost voting influence with the initial reforms passed by the IMF, whereas India, Brazil, and Spain were awarded large gains. The United States' voting weight increased slightly, by 0.5 percent.<sup>75</sup>

Further IMF reforms, however, stalled until December 2015. Even Great Britain has argued that Brazil and other developing nations need to have a greater voice at the IMF. However, the U.S. Congress blocked reforms that would eliminate the U.S. veto power over major reforms at the IMF by making the Executive Board membership an elected position and increasing member contributions to provide funds that could be used in financial crises that posed a threat to international financial stability (so-called systemic exception) with only a majority vote of the Board (thus eliminating the U.S. veto in these cases).<sup>76</sup> The G-20, propelled by Brazil and Russia, argued that the IMF should proceed even without U.S. approval.<sup>77</sup> Congress finally relented in December to the reforms, but its approval required that the U.S. director at the IMF seek U.S. government approval for any vote authorizing systemic exception packages.<sup>78</sup> In light of Brazil's current economic recession, however, how much these reforms contribute to an increase in the country's influence at the IMF remains a question.

*BRICS Contingent Reserve Arrangement.* As part of the BRICS' move into major status in the international financial system, it created the Contingent Reserve Arrangement (CRA). The purpose of the fund is twofold: "to forestall short-term balance of payments pressures, provide mutual support and further strengthen financial stability" and to strengthen "the global financial safety net and complement existing international monetary and financial arrangements."<sup>79</sup> The fund was initially financed by China with \$41 billion; Brazil, Russia, and India with \$18 billion each; and South Africa with \$5 billion. Any signatory of the agreement may request up to 30 percent of the maximum amount subject only to the agreement of the providing parties. If a country wishes to access the remaining 70 percent, it needs not only the agreement of the providing parties but also "evidence of the existence of an on-track arrangement between the IMF and the Requesting Party."<sup>80</sup> The IMF agreement has to contain not only IMF conditionality stipulations but also evidence of compliance with those conditions by the requesting party. In short, the

CRA is a complement rather than a substitute for the IMF; by giving IMF conditionality such great weight in its own funding decisions, the CRA is not really a new approach to international payments financing that is more in line with Southern desires.

## CONCLUSION

Brazil seeks influence in the governance structure of the international economic order not only to better articulate its views and improve its development prospects but also to represent other developing countries' needs. The financial G-20 that responded to the 2007–08 financial crisis and includes both developed and developing states is an example of this approach. Brazil shares many of the goals of the developed countries—international stability, democracy, and growth—but contests its exclusion from real decisionmaking centers. It is not above using that exclusion to explain its inability to develop a modern, competitive economy.

Promoting its influence via the G-20 has not been an unmitigated plus for Brazil's soft power, however. Increasing the voting power of the South is in line with Brazil's general views about international relations, but it also makes Brazil a major player in existing international governance structures that are viewed with suspicion by the Global South. In pursuing greater influence, the G-20 not only had to ensure that the international financial institutions (IMF, World Bank, ECB, etc.) implemented their recommendations (the G-20 has no formal powers) but also that the G-20 itself developed the means for representativeness that would provide it with legitimacy and accountability in the eyes of the South. Twenty is a large number for everyone to have significant influence, so it is not self-evident that simply being a member of the G-20 is sufficient, especially because there are two other Latin American countries represented in the group, Mexico and Argentina. But even when Brazil does stand out, the next tier countries just below the emerging markets may not be induced to follow Brazil's lead; some, including Chile and Thailand, have complained about the G-20's nonrepresentativeness. Brazil thus gets caught once again (as occurred with its pursuit of a permanent seat on the UN Security Council) by the tension in its strategy between gaining influence and articulating a vision of sovereign equality as the principle for global governance.

In addition, the alternatives that Brazil proposes do not represent a radical philosophical departure from the existing international financial

governance structure or a challenge to the principle of global free markets that is part of the present international order. The New Development Bank and Contingent Reserve Arrangement will seek to partner with the World Bank, IMF, and other multilaterals, as well as to raise capital on the international market to finance its projects and fund its loans. That means that the creditworthiness of projects and national governments will be judged by market criteria, despite the rhetoric of an “alternative philosophy of development.” The NDB and CRA will be able to make a few commitments on the margins of creditworthiness (as the United States does to promote its foreign policy goals), but the belief that Southern countries will get funding for their development under significantly less stringent conditions than are currently required by the existing international economic regime is seriously mistaken. Nevertheless, Brazil does, at least rhetorically, frame its proposed alternatives as being more sensitive to the principle of sovereign equality.

Brazil’s experiences in the international economic arena suggest that soft power may be easy to squander, especially for an emerging economy that has not solved its structural economic and political problems. Its current difficulties with corruption, domestic stability, slowing economic growth, and development of an inefficient domestic manufacturing and service sector reduce the attractiveness of Brazil as a model for Southern countries to emulate and follow. If the “first source of Brazil’s attractiveness is the dynamism and performance of its economic model,”<sup>81</sup> Brazil’s rise could be in serious trouble. Its economic model has turned out to depend heavily on high commodity prices, because its manufacturing and service sectors are not competitive in global markets. How Brazil reforms its domestic economic governance and integrates into international markets will have a major impact on its ability to influence the global economic order.

## CHAPTER SIX

### *Brazil and the Global Commons*

**JUST AS GLOBAL ECONOMIC** and financial institutions have developed substantially over the past century, so too have truly global commons emerged during the same period as the products of globalization and technological development. Humans' effects on climate changed from being a matter in the nineteenth century of local waste produced by industrial activity to a human-generated impact on temperature and weather on a worldwide scale in the twenty-first. Technology has defined and made other commons accessible, such as deep-sea mining or geostationary satellite orbits around Earth, where the actions of any one state can degrade the ability of others to derive benefits.<sup>1</sup> The development of the Internet has created whole new virtual domains where the actions of individual states negatively affect every other country; for example, when Pakistan blocked YouTube.com in 2008 for hosting what it considered sacrilegious videos, it redirected web traffic away from the site. This change rapidly propagated through the global network and affected the ability of users worldwide to access the website.

John Vogler, an expert on global commons, defines them as “areas or resources that do not or cannot by their very nature fall under sovereign jurisdiction.”<sup>2</sup> The absence of a sovereign to regulate a common and unrestricted access to the common by all users creates an incentive for each user to consume as many resources as rapidly as possible, knowing that

all others face the same incentives. What often ensues is the so-called tragedy of the commons where resources are depleted at an unsustainable rate to the detriment of all. The alternative is to establish a regime that regulates the activities of participants in the commons to manage the rate of resource depletion and deter free riders who would use the commons without bearing the costs of adhering to the rules.<sup>3</sup>

Global commons traditionally include resources outside the control of states, such as global fisheries and the high seas. Some commons, such as Antarctica, are treated as such because states agree to do so. Access to other commons, such as outer space, is new, created by technology. Other resources are both new and treated as commons even if they do not meet the strict definition, such as the global Internet.<sup>4</sup> There has been a trend in recent years to treat other globally significant resources, such as atmospheric quality, the ozone layer, and tropical rainforests, which theoretically do fall under sovereign control, as part of the “Global Heritage of Humankind.”<sup>5</sup>

Of all the international domains where Brazil acts, policymaking around the global commons should provide its leaders the greatest opportunity to exert influence. Because global commons are nonexcludable, Brazil theoretically has the capacity to influence the domains in question, as does every other state in the international system. But because of the size of its population and economy, Brazil should have a particular interest in and a significant impact on the global commons. As such, other states should perceive it as an important actor to include in policymaking. And because protecting global commons from depletion requires the establishment of international regimes, Brazil’s preference for the use of soft power and multilateral diplomacy should provide greater prospects for successfully influencing outcomes, particularly in comparison to domains where hard power has traditionally been most relevant, such as international security.

In fact, Brazil does aspire to play an influential role in designing the international regimes regulating a range of global commons and, more broadly, global public goods. It has played a high-profile role in international diplomacy around issues such as climate change and global Internet governance. More broadly, it has also been an active participant in diplomacy around global public goods such as public health, nonproliferation of weapons of mass destruction, and international development.

Unsurprisingly, the principles that have historically guided Brazilian diplomacy are strongly reflected in its approach to global commons.

Sovereign equality among states is at the heart of this approach, and this principle has translated into a strong preference for multilateralism within the United Nations framework. Like most states, Brazil is concerned that the distribution of gains and losses imposed by international regimes benefits its self-interest. Brazil also tends to view negatively regimes that benefit the status quo powers more than others. This is especially clear in its diplomacy toward the global commons, where it is critical of regimes that have an unequal impact on developed and developing countries.

Brazilian diplomacy pushes for the maximum latitude for Brazil within international regimes governing global commons. This reflects its historic desire for autonomy and sovereignty, but it can also constrain its efforts to influence international regime formation. Seeking regimes that impose light burdens on participants, Brazilian proposals are less likely to identify and punish free riders, the perpetual problem in preserving global commons. Brazil is also reluctant to assume the costs of side payments to states that would encourage their adherence to a regime. So although Brazil has succeeded in gaining access to the multilateral forums where regimes are crafted, its proposed solutions are less likely to constrain the behavior of regime defectors and free riders.

Just as in other arenas, because of its reliance on soft power to influence regimes governing the global commons, Brazil's domestic institutions have an outsized impact on its capabilities to advance diplomacy. The credibility of a country's preferred approach to managing global commons are a reflection of whether a country is perceived as successfully managing local or national commons. As we see in this chapter, when its domestic policy was "unattractive," such as was the case with its environmental policies during the 1980s and 1990s, Brazil assumed a defensive role that focused on preserving its autonomy and shifting burdens onto others. Yet for Brazil to achieve influence in the global climate change negotiations, having its own environmental policy house in order proved to be essential during the late 2000s. As we saw in chapter 5, debates over the global development agenda were influenced by the success of Brazil's development model at home.<sup>6</sup> When Brazil has a positive domestic policy to demonstrate, it has proven to be more willing to work collaboratively with others, as has been the case in the past decade.

During its most recent rise, Brazil has focused its global commons strategy on building relationships with the BRICS and the rest of the developing world. In such an arena where so many of the debates take place in multilateral forums, this approach should theoretically have been

effective for Brazil. However, even in multilateral forums, the status quo powers such as the United States still hold great sway. In fact, the association of Brazil during its most recent rise with the authoritarian members of the BRICS—China and Russia—has raised suspicions among U.S. policymakers, spurred on by a segment of the policy community that labels Brazil as irresponsible.<sup>7</sup> Overcoming this negative perception is an important task for Brazilian diplomats if they are to press their advantages in multilateral settings.

In this chapter, we consider Brazil's policies on two key global commons: global environmental governance and global Internet governance. The impact of human activity on the global climate is a classic example of the tragedy of the commons. The scientific consensus holds that human activity has had a meaningful impact on global climate, reducing the benefits humans receive from existing climate patterns. In addition, because humans cannot be practically excluded from benefiting from and degrading global climate, many of the insights from theoretical discussions of how to manage commons are applicable.<sup>8</sup>

We acknowledge that it is controversial to consider the global Internet a commons. After all, the physical infrastructure of the global Internet is located in the sovereign territory of states.<sup>9</sup> And in some ways, the Internet is a club good, because only members (users) receive benefits and a certain level of technology and education is required to make effective use of it.<sup>10</sup> But it is also a network good, where benefits increase proportionally to the number of users. It is, in fact, in the interest of all to make the Internet user base as large as possible by creating incentives to include everyone. In an age where Internet usage has exploded, particularly through the use of smartphones in the developing world, and where the Internet is available in every sovereign state on the face of the planet, it is in practice a nonexcludable good. However, its usage can be rivalrous, either through actions by states to impose censorship, such as the "Great Firewall of China" that regulates access by inhabitants of mainland China to the global Internet, or through poor cybersecurity that enables actions that degrade the Internet experience for everyone (i.e., spam, identity theft, and distributed denial-of-service attacks).<sup>11</sup> Many major states, including the United States, treat the global Internet as a commons in their diplomatic and security strategies.<sup>12</sup>

Brazil has repeatedly declared its aspiration to influence the international regimes governing global climate change and the global Internet. These two domains are also particularly useful cases to study because

they became globally important and the object of sustained negotiations for emerging and status quo powers at the same time as Brazil's latest attempt to emerge (early 1990s to the present). This means that we can more clearly discern the impact of Brazil's current strategies and capabilities on two new international regimes from their inception. In addition, these cases illustrate the advantages and disadvantages to Brazil of relying on a soft power strategy during a time when the attractiveness of its domestic policies—not only in terms of its overall governance performance but also in its internal approach to each of these issue areas—fluctuated greatly.

### **BRAZIL AND GLOBAL ENVIRONMENTAL GOVERNANCE**

In preparation for the 2015 Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC) in Paris, the Intergovernmental Panel on Climate Change reported as follows:

Surface temperature is projected to rise over the 21st century under all assessed emission scenarios. It is very likely that heat waves will occur more often and last longer, and that extreme precipitation events will become more intense and frequent in many regions. The ocean will continue to warm and acidify, and global mean sea level to rise.<sup>13</sup>

In 2015 the U.S. Environmental Protection Agency similarly projected a rise of global mean temperatures of between 2 and 11.5 degrees by the end of the twenty-first century, depending on geographic location and actions taken to mitigate the impact of human activity.<sup>14</sup>

Since the 1970s, projections such as these have motivated states to address the issue of human impact on global climate, but thus far with limited success. As a global commons, an improved climate (or a reduced rate of deterioration) benefits all inhabitants of the planet, but individuals and states have an incentive to pass on the costs of climate change mitigation to others.<sup>15</sup> This incentive to free ride has shaped the debate around creating an international regime. Achieving a workable regime inevitably requires some pooling of sovereignty<sup>16</sup> or, as Garrett Hardin, famous for popularizing the concept of “the tragedy of the commons,” describes it, “mutual coercion mutually agreed upon.”<sup>17</sup>

Mitigating climate change has consequences in terms of the distribution of costs and benefits among states. These costs include both actual investments of public and private funds into mitigation strategies and also development opportunities foregone. The distribution of these costs is at the heart of the disagreements among states over the design of an international regime to mitigate climate change.<sup>18</sup>

Over time, agreements reached to govern the global climate also affect the distribution of power in the international system, since climate change mitigation has the potential to slow growth. Thus, if the bulk of costs are assigned to developed status quo powers, emerging powers could potentially catch up more quickly than otherwise. Thus it is in the interest of status quo powers to distribute the costs of change more equally, so that late developers also face a reduced rate of growth. But ultimately, because projections of the impact of global climate change are so dire, the largest contributors to the problem in the developing and developed world—the ones that can make a difference through their own actions—also have an incentive to act alone to mitigate climate change before it is too late. Calculating how much action they can push off onto others and how much they must do themselves before it is too late is part of the debate among emerging and status quo powers.<sup>19</sup>

The accumulation of greenhouse gases (GHGs) in the atmosphere is theorized to be a significant driver of climate change, which has introduced arguments about historical responsibility into the global debate. Essentially, late developers such as China, India, South Africa, and Brazil do not want to pay the cost, in terms of slower growth or direct mitigation expenses, for combating climate change that is actually the result of past human activities by leading industrial powers such as the United Kingdom and the United States. This coalition of late developers, known as BASIC (an acronym based on the initials of the Portuguese names of the members: Brasil, África do Sul, India, China), initially aligned itself with the larger group of late developers, represented by the G-77, to oppose binding limits on GHG emissions by developing countries.<sup>20</sup> However, some of the most important developed powers, particularly the United States, were not willing to accept a global allocation of costs that allowed the rapidly growing parts of the developing world, who were becoming major emitters in their own right, to continue to pollute completely unchecked.<sup>21</sup>

The issue of historical responsibility quickly became a North–South debate about equity, because the wealthiest states had contributed the

most to GHG accumulation, but the consequences of climate change were likely to have a disproportionate impact on poorer countries—both because of their geographical location and their proportionately fewer resources to compensate for the impact of adverse climate events, droughts, warming oceans, and rising temperatures.<sup>22</sup> To complicate the North–South split, coalitions have emerged that divide the developed countries (known as Annex 1 countries because of how they are identified in the UNFCCC) and that divide the G-77 internally—for example, pitting the oil-producing states against small island states (those most threatened by rising seas levels).<sup>23</sup> Thus, nuances to the global climate debate have emerged as states attempt to find allies that will help them secure their interests and push costs onto their adversaries.<sup>24</sup>

The parties to the UNFCCC attempted to resolve the debate over historical responsibility and equity by adopting the language of “common but differentiated responsibility and respective capabilities.”<sup>25</sup> This terminology reflected an understanding in which developed countries would take on a greater part of the costs of mitigating climate change and would transfer technology and resources to developing countries so that the latter could undertake voluntary actions to mitigate climate change. As part of the negotiations for the 1997 Kyoto Protocol, the participating states agreed to binding commitments that assigned the largest burden of reducing GHGs to what the proposed agreement listed as Annex 1 countries—namely, developed states. But in the end, the United States walked away. The U.S. Congress was simply not willing to accept a treaty that forced significant reductions in U.S. emissions without substantial cuts from large developing countries such as China and India; in 2001, the George W. Bush administration agreed with Congress to reject the agreement.

Nonstate, transnational, and subnational actors play a key role in climate change, and an international regime to mitigate climate change must reflect their important impact. The sources of human impact—agriculture, deforestation, power generation, and automobiles—on global climate are largely in private hands, and those industries’ lobbying of national governments affects state negotiating positions. Given the role of science in predicting how quickly adverse climate effects will affect the planet, universities, research institutes and scientists are also central to the debate. For example, the Intergovernmental Panel on Climate Change, which develops consensus forecasts on climate change under UN auspices, is supported by the voluntary work of scientists around the

world. In addition, because of the potentially devastating impact of climate change, the issue has become increasingly salient in the domestic politics of many countries as environmental activists lobby for more aggressive national regulations to limit human impact on the global climate.

To gain a sense of the scope of nonstate actor participation in global climate change negotiations, consider the makeup of the attendees of the 1992 Earth Summit held in Rio de Janeiro, which finalized the UN-FCCC. It brought together 117 heads of state and dozens of additional national delegations representative of almost all sovereign states then in existence.<sup>26</sup> However, there were approximately 20,000 people in attendance, either at the main event or the associated Global Forum, very few of whom were diplomats or government officials. The vast majority of those present at the 1992 Rio conference thus represented nonstate actors and interests.<sup>27</sup> This trend continues today.

Developing a regime to address global climate change has therefore become a highly complex enterprise, which has to address issues of distribution of costs, relative power, and equity among states. But its status as a global commons has also meant that states have to take into account the powerful impact of nonstate actors on the outcome they are trying to achieve: limiting the impact of human activity on global climate.

### *Brazil's Changing Role in Global Environmental Politics*

Brazil's approach to the global climate change debate has evolved in recent years, but it has always been a central actor in the debate both because of its role as a large developing economy that contributes significantly to GHG emissions and because of the vast natural resources located within its borders. Unlike other developing powers, Brazil has a relatively climate-friendly energy production matrix. One consequence of the oil crises of the 1970s was Brazil's shift toward the use of hydropower, nuclear, and biofuel energy sources, all of which have a lower impact on the environment than power generated from oil or coal. However, Brazil is a major food producer, especially of beef, and its large cattle ranching operations are associated with the production of methane. It is also sovereign over most of one of the world's largest natural carbon sinks, the Amazon rainforest. Historically, high rates of deforestation in Amazonia have made up the majority of Brazil's contributions to global warming.<sup>28</sup>

Environmental politics within Brazil itself have evolved over the past several decades, from an almost exclusive focus on development at the beginning of the 1980s to a much greater environmental consciousness among the general population in the 2000s. During the period of military dictatorship (1964–85), the government viewed economic development and protection of the environment as mutually exclusive, and it prioritized development above all. Driven by concern that the thinly populated Amazon region represented a potential security threat, it created laws, policies, and infrastructure to encourage the clearing of land for settlement, particularly for mining and agriculture.<sup>29</sup> The result was a rapid increase in deforestation, made worse by highly wasteful land use practices. These policies generated a good deal of international criticism, which along with human rights abuses committed by the military government such as torture and censorship, contributed to Brazil's pariah status.<sup>30</sup>

International criticism of Brazil's environmental policies put the military government on the defensive,<sup>31</sup> and in response, it made a few token concessions. In the wake of the 1972 UN Conference on the Human Environment in Stockholm, it established an agency to regulate natural resource and environmental issues, SEMA.<sup>32</sup> SEMA had little staff, and its actual enforcement of regulations was extremely weak. In 1981, Brazil enacted the National Environmental Policy law, which created the foundations for an integrated legal framework to approach the environment. Yet experts estimate that Brazil spent only .065 percent of GDP on actions to improve the environment during the 1970s.<sup>33</sup>

With the return to democracy in 1985, space opened up for a new environmental politics to emerge that emphasized sustainable development, a concept that began to reconcile environmental and growth priorities.<sup>34</sup> In spite of the dictatorship, the kernels of a civil society movement around environmental issues had emerged as early as the 1970s, connecting Brazilian activists and scientists to the wider global environmental movement. Democratization gave them greater latitude to influence public policy.<sup>35</sup> Yet, economic interests still prevailed over environmental concerns, both at the federal and state levels, during the initial decades of democratic rule.<sup>36</sup>

Several domestic crises in the 1980s highlighted Brazil's negative record on the environment, prompting its democratic leadership to seek a more positive image and role for the country internationally. With the end of media censorship, Brazilians became much more aware of the damage

that aggressive development policies during the 1960s and 1970s had done to the environment. The city of Cubatao, which had emphasized growth at all costs, became one of the most polluted cities on the planet by the 1980s. The costs of development were highlighted when a gas explosion killed 99 people in Cubatao in 1984, and a landslide there the next year, caused by deforestation, forced five thousand people to evacuate.<sup>37</sup> The 1988 assassination of Chico Mendes, a leader of Brazil's traditional rubber-tapper community, provoked international outrage. Mendes had become a global symbol of a more sustainable approach to using the resources of the Amazon.<sup>38</sup> In addition, satellite imagery became more widely available in the late 1980s, which highlighted the high rate of deforestation occurring in the Brazilian Amazon.<sup>39</sup>

During the 1980s concerns about the environment gained increasing prominence on the global agenda, leading to the 1985 Vienna Convention for the Protection of the Ozone Layer, the 1987 Montreal Protocol to that Convention, and the 1988 formation of the Intergovernmental Panel on Climate Change, which brought together thousands of scientific experts to advise governments on a global scale.<sup>40</sup> Brazilian scientists and activists were active in these international efforts. But the Brazilian government remained cautious in addressing international environmental concerns over its policies, particularly regarding the Amazon rainforest, for fear of the impact on its sovereignty.<sup>41</sup>

To minimize any such impact Brazil exerted significant diplomatic effort to ensure that global climate change negotiations would be held under the auspices of the UN General Assembly, the broadest and most representative multilateral body.<sup>42</sup> By hosting the 1992 Rio Earth Summit in which the UNFCCC was adopted, Brazil sought to burnish its image on environmental issues and insert itself more prominently into the global debate. In the negotiations leading up to the summit, Brazil promoted the concept of sustainable development, asking developed countries to help fund this approach in developing countries.<sup>43</sup> Its strategy was to align with the G-77 countries and support their claims that developing countries should not face constraints on emissions and developed countries should bear the bulk of the costs of mitigating climate change.<sup>44</sup>

During the global climate change negotiations that followed the Earth Summit, Brazil increasingly positioned itself as a bridge between the developed world and developing countries as a means to maximize its influence over the process. Its involvement turned out to be key to reaching

the agreement that produced the 1997 Kyoto Protocol.<sup>45</sup> Brazil was a major proponent of the concept of historical responsibility for GHG emissions, which meant that the developed world would have to bear most of the costs of reducing emissions, both within their own economies and through assistance to developing countries. Eventually, this position prevailed in the sense that developed countries (the thirty-eight countries listed in Annex 1 of the Protocol) agreed to accept binding emissions reduction targets.<sup>46</sup> Brazil also worked with the United States to propose the Clean Development Mechanism, by which developed countries would receive credit toward meeting their emission reduction targets by funding emission reductions in the developing world.<sup>47</sup> This had the advantage for developed countries of achieving climate mitigation through the provision of overseas development assistance and the multilateral banks rather than battling domestic lobbies unwilling to assume higher costs. Even after the United States walked away from the Kyoto Protocol, Brazil played a leading role in salvaging it by brokering the final deal between European and developing states.<sup>48</sup>

Inevitably, domestic and bureaucratic politics influenced Brazil's international negotiating positions. The strength of the domestic lobbies in forestry and agriculture was such that Brazilian negotiators resisted accepting binding targets for emission reductions or including deforestation in the global climate change negotiations. Its international climate negotiations were led by the Ministry of Science and Technology and the Ministry of Foreign Affairs, rather than the Ministry of the Environment. In particular, the Ministry of Foreign Affairs was more concerned with pursuing a strategy oriented toward achieving South–South solidarity than finding a solution to global warming. Brazil's commitment to mitigating climate change was further weakened when Lula won the 2002 presidential elections, bringing to power the Worker's Party, which was much less interested in environmental issues than in development.<sup>49</sup>

However, pro-environment actors slowly gained greater influence over Brazil's international negotiating stance in the latter half of the 2000s. A domestic scandal over deforestation in 2004 and the murder of an American missionary and activist against illegal logging, Dorothy Stang, led to the adoption of the 2006 Public Forest Management Law that greatly increased the proportion of Amazon rainforest that was federally protected. The Ministry of the Environment became stronger under the leadership of environmentalists Marina Silva and Carlos Minc.<sup>50</sup> In particular, Silva pursued enforcement of regulations more aggressively,

leading to fines and jail time for violators. Brazilian NGOs raised public awareness of the role of deforestation in climate change, and agricultural interests increasingly avoided using suppliers responsible for deforestation in their supply chains. By 2009, 90 percent of Brazilians surveyed considered global warming a very serious problem.<sup>51</sup> This trend was reflected in the corporate sector as well, as large mining and agricultural concerns oriented toward exports began to voice their support for greater environmental protection. They observed that a number of developed countries, such as the United States, that were significant markets for their products were considering providing advantageous treatment for imports from countries that were addressing climate change. Given that Brazil had a relatively green energy matrix and was increasingly making progress on slowing the rate of deforestation, it made sense for large exporters to publicly associate themselves with pro-environmental positions.<sup>52</sup>

As of 2013 more than 50 percent of the energy consumed in Brazil came from renewable sources. Thus Brazil has found it relatively easy to achieve emissions reductions by controlling deforestation and land use (such as agriculture or cattle ranching) that produces GHG emissions.<sup>53</sup> For example, Brazil achieved a 30 percent reduction in its GHG emissions between 2005 and 2009 by greatly reducing the rate of deforestation. And as Brazil succeeded in bringing deforestation under control in the late 2000s and its agricultural producers became increasingly convinced that a greener supply chain was good business, its international negotiators became more open to working collaboratively with developed countries on mitigating climate change.<sup>54</sup> Ironically, Brazil's heavy reliance on hydropower has damaged its soft power on other issues, most notably the politics and policies of indigenous peoples most affected by Brazil's creation of large dams in its Amazon region.

As Brazil's own environmental condition improved, it was increasingly willing to contribute to multilateral efforts to do the same on a global scale, as revealed most clearly at the 2009 Copenhagen conference of parties (COP) to the UNFCCC. There, the United States and BASIC negotiated a new approach to global climate change based on a principle of "pledge and review." The United States secured consensus for the principle that everyone should contribute to addressing climate change, whereas BASIC got support for the principle that individual self-determined commitments by states would form the basis of what was reviewed in the multilateral process (Brazil also played a role in bridge-building ef-

forts between Europe and BASIC in 2011 along similar principles). Although this new approach reflected Brazil's growing realization that it would have to commit to some emission reductions, it also was a product of the "good news" story that Brazil had to tell on environmental policy. In fact, President Lula da Silva announced that Brazil would need no outside assistance to reduce emissions and proposed significant voluntary emissions reductions: more than 36 percent below projected trends by 2020. Taken together, Brazil increasingly positioned itself as one of the major players leading global efforts to address climate change.<sup>55</sup>

*Effectiveness of Brazil's Strategy to Influence  
Global Climate Change Negotiations*

Has Brazil been successful in influencing the shape of the international regime on climate change? Its aspirations, strategy, and capabilities were relatively well suited to the domain, and this is reflected in outcomes such as the UNFCCC, the Kyoto Protocol, and the agreement between BASIC and the United States at the 2009 Copenhagen COP. The nature of global commons means that cumulative efforts are important, and Brazil has had a significant impact on the issue through its own role as a source of the problem (GHG emissions) and as part of the solution (the Amazon rainforest carbon sink). And demonstrated by its ability to reduce GHG emissions by reducing deforestation, Brazil was able to expand its soft power through a concerted effort to improve its own domestic model. The venue for addressing the problem, the multilateral process, was also well suited to Brazil's diplomacy. Its strategy of both leading the developing world and working as a bridge to developed countries brought about results.

Thus Brazil did succeed in shaping the international regime governing climate change to achieve its preferred outcome: that developed countries assume most of the mitigation costs. Of course, many countries supported a similar approach to climate change within the developing world, but Brazil emerged as a key player in forging a consensus between developed and developing states. Yet the decision of the Bush administration to walk away from the Kyoto Protocol targets limited the extent of Brazil's success. As climate change trends continued to worsen in the first decade of the twenty-first century, Brazil's success in influencing an unsuccessful international regime seemed more and more like a hollow victory.<sup>56</sup>

The decline in the effectiveness of Brazil's soft power to shape the climate change regime was evident in the run-up to the 2015 UNFCCC Paris Conference of Parties (COP21). Deforestation rates had begun to climb again, because Brazil's underfunded environmental police and regulatory bodies were unable to keep up with illicit logging operations. President Dilma Rousseff had become much less friendly to conservation efforts and, in her second term, initially allied herself with agricultural interests that favored further deforestation. A reform of the Forest Code in 2012 rolled back protections put in place a decade before. At the 2013 COP for the UNFCCC in Warsaw, the Brazilian delegation again returned to the theme of historical responsibilities, which many observers viewed as a step backward in terms of Brazilian leadership. And in 2015, Rousseff named climate change skeptic Aldo Rebelo as Minister for Science and Technology before appointing him Minister of Defense in October of the same year.<sup>57</sup>

However, as COP21 approached Brazil adjusted its strategy to maximize the impact of what soft power it had, returning to the approach of building bridges to the developed world, but this time making sure that it worked with the United States so that all major powers would all be part of the final agreement. During President Rousseff's visit to Washington, DC, in the summer of 2015, she and President Obama jointly announced an agreement to set what both portrayed as ambitious targets for reducing Brazil's and the United States' impact on global climate. Some critics viewed Rousseff's announced targets as insufficiently ambitious, given Brazil's already green energy matrix. But the symbolism of the United States and Brazil working together on the same side on climate change was unmistakable. And in fact, Brazil later announced more ambitious goals in November 2015, immediately before COP21.

At COP21, the Brazilian Minister of the Environment, Izabella Teixeira, was one of fourteen facilitators selected by the French hosts to ensure the success of the final negotiations in Paris. Although Brazil stood by its position on the historical responsibility of advanced industrialized countries to bear most of the burden of paying for climate change mitigation and adaptation,<sup>58</sup> it was much more willing to be critical of developing countries for not doing enough in comparison to past COPs; for example, singling out Singapore and South Korea.<sup>59</sup> In fact, Brazil highlighted during the final negotiations its willingness to go above and beyond what it considered its "fair" share of responsibility for climate change to find a common solution to the problem.

In perhaps the biggest shift, Brazil broke with the BASIC coalition, with which it had collaborated in the past COPs, and joined the High Ambition Coalition, a group founded by countries most vulnerable to climate change, such as small islands states, that eventually grew to include more than 100 countries at COP21. The High Ambition Coalition sought to limit future increases in global temperatures to 1.5 degrees Celsius instead of 2 degrees as had been proposed in the run-up to the 2015 COP. Brazil's decision to join this coalition was seen as decisive for the eventual success of COP21 by some observers.<sup>60</sup>

In the final analysis, Brazil proved adept at taking advantage of its strengths in multilateral forums to influence global rules on climate change. But the decades of negotiations over climate change also show the limits of Brazil's strategy and its capabilities. Although it can propose and defend its preferred policy outcomes, Brazil is not able to keep major powers, particularly the United States, from simply walking away from the multilateral process when it produces outcomes with which they disagree. Brazil's strategy at COP21 was more effective than at earlier COPs because it secured an agreement with the United States in advance of the talks, instead of pursuing a strategy of building a coalition of the Global South.

### **BRAZIL AND GLOBAL INTERNET GOVERNANCE**

In contrast to the global climate change governance debate, which involves cooperation among nations to forestall catastrophe, the Internet governance debate focuses on a rapidly evolving domain that works remarkably well from a technical perspective, but in which public policy has yet to fully address its societal impact. The Internet has undoubtedly evolved beyond the wildest expectations of its early pioneers. Given how central it has become to global economic development, innovation, and communications, it is hardly surprising that it attracts the attention of governments all over the world. This has made the issue of Internet governance one of global significance and contention.

To understand Brazil's role in the international debate over how the Internet should be governed, it is important to understand the United States' unique relationship with the global network. The depth and breadth of international attention result from how the United States has leveraged its foundational role in the Internet's development.<sup>61</sup> The Internet emerged from a project funded by the U.S. Department of Defense's

Defense Advanced Research Project Agency, beginning in the late 1960s, to allow computer scientists at major universities to interconnect research networks on a national scale. For these networks to interconnect and grow, they needed to use a common set of protocols and principles. The widespread adoption of the Transmission Control Protocol and the Internet Protocol (commonly referred to as TCP/IP) in the 1980s in preference to alternative protocols then being developed meant that the global Internet inherited its governance model from the United States.

Even though the Internet is notably decentralized, it actually requires a common centralized function—the Internet Assigned Numbers Authority (IANA)—to ensure that a unique address is assigned to each and every device that connects to the Internet. In an effort to shield the Internet from the interference of (foreign) governments, the Clinton administration delegated this function in 1998 to a private corporation incorporated in California called the Internet Corporation for Assigned Names and Numbers (ICANN). ICANN exercised governance through the multi-stakeholder model that had developed along with the early Internet; it included a large variety of academic, private sector, and civil society actors. It is important to note that the multi-stakeholder approach privileges the participation of the private sector (which owns most of the infrastructure of the Internet) and civil society above that of government, which is relegated to a consultative role through ICANN's governmental advisory council.<sup>62</sup>

The origins and development of the Internet meant that, as this technology went global, it spread governance practices inherited from its origins to other states, something that was not greeted with universal approval. The conflation of the multi-stakeholder model with U.S.-centered governance institutions such as ICANN led to the emergence of a countervailing position in favor of multilateral governance championed by Brazil, India, China, and Russia at the UN-convened World Summit on the Information Society (WSIS) in 2003 and 2005. Multilateral governance privileges the role of states over private actors and civil society, which is why it has been viewed with intense suspicion by global civil society, the private sector, and, through their influence, the U.S. government. The debate between multi-stakeholderism and multilateralism has dominated the global Internet governance domain since WSIS. This obscures the fact that, although Internet governance mechanisms have worked to produce a global network, they have far outstripped global progress on developing Internet policy standards and best practices to

deal with issues such as spam, cybercrime, privacy, digital inclusion, e-commerce, and cybersecurity.<sup>63</sup>

Brazil has long played a role as a critical (in all senses of the word) actor in global Internet governance. Internet governance brings together three areas of concern for Brazilian state policy: achieving technological development, pursuing an influential international role, and checking U.S. dominance in the global order. The Internet is a major technological revolution with global implications for the relative power of states because of its impact on innovation, productivity, and international communication. Given its global aspirations toward major power status and history of playing scientific catch-up with the great powers, Brazil is naturally keen to ensure that it fully participates in the Internet revolution.<sup>64</sup> In addition, Brazil has been concerned about the governance arrangements in place to manage the growth of the Internet because they are heavily centered on the United States, particularly due to the role of ICANN. To Brazilians, this raises alarm bells about yet another instance in which a key international governance space is structured on an unequal basis among states.<sup>65</sup> As a result, Brazil has tended to align internationally with other critics of the present global Internet governance structure, including Russia and China and, on occasion, Europe and India.<sup>66</sup> Its aspirations on global Internet governance are thus in line with its conviction that global governance functions best when all states have an equal status and equal say in determining international outcomes.

Brazil is a well-established Internet governance player, although for very different reasons at home than abroad. Brazil joined efforts to develop the Internet relatively early, first by building a nationwide university-based network during the 1980s and then by connecting to the global network in 1991 via the TCP/IP protocol that underpins the modern Internet. Since then, Brazil has had a robust and growing Internet user base, including having the second largest number of Facebook accounts in the world. Brazil's domestic network incorporates the second largest number of Internet exchange points (where various private networks interconnect to exchange data) in the world, second only to the United States. Much as in the United States, Internet service was defined as a value-added service subject to only minimal regulation by the state, which has ensured a vibrant private Internet sector. Its domestic Internet steering committee, the *Comitê Gestor da Internet no Brasil* (CGI.br), formed in 1994, is a public-private partnership that is a model of multi-stakeholder management for Internet technical operations. Because the

CGI.br is also the national Internet registrar, it is relatively well funded from user fees and able to pursue a broad range of public outreach and research. It has had a long-standing and close relationship with ICANN and the global civil society movement on Internet governance issues.<sup>67</sup> Brazil's focus on Internet public policy issues is highly sophisticated, the product of debate within Brazilian society over how to address issues such as cybercrime, privacy, net neutrality, digital access, and spam that began in the late 1990s. This debate eventually produced a highly consultative formal process—a collaboration between the Ministry of Justice and Brazilian civil society organizations—to develop an Internet civil rights law, known as the Marco Civil do Internet. This legal framework provides a coherent model for resolving many of the public policy issues associated with the Internet.<sup>68</sup>

The contrast between Brazil's foreign policy on Internet governance, which focuses on multilateralism and the UN system, and its domestic governance arrangements and preferences could not be greater. Brazil entered the debate on global Internet governance after the 1998 International Telecommunication Union (ITU) Plenipotentiary conference in Minneapolis, where the call was issued to convene the WSIS.<sup>69</sup> Brazil was highly critical of the U.S.-led governance model for technical operations, including the centralization of the address function in the U.S.-based corporation, ICANN. But Brazil was also concerned with emerging Internet public policy issues, such as digital access and social inclusion on the Internet. In the run-up to WSIS 2003, Brazil worked with India and South Africa, two other large emerging democracies, to formulate a position on Internet governance that focused on narrowing the “digital divide.” This approach resembled Brazil's strategy for working with other emerging powers on global climate change.

At WSIS 2003, Brazil proposed multilateral approaches to both technical operations governance and Internet public policy that would be implemented by UN institutions. Brazil specifically sought a Global Internet Governance Coordination Forum to replace ICANN in the governance of Internet technical operations, modeled on its own domestic multi-stakeholder governance structure, CGI.br. Although this proposal did not succeed, it was eventually modified to form the basis for a major multi-stakeholder institution in the global Internet ecosystem, the Internet Governance Forum (IGF). The IGF meets periodically to discuss issues related to Internet public policy, but much to Brazil's frustration, has not produced agreed-on outcomes.<sup>70</sup> However, Brazilian diplomats

welcomed language on “enhanced cooperation” and government responsibility for Internet public policy issues in the outcomes documents for the Working Group on Internet Governance and WSIS as entry points for expanding the role of multilateral institutions in Internet governance.

As a result of Brazil’s diplomatic efforts at the WSIS, observers have lumped Brazil in with other critics of the multi-stakeholder governance models, such as Russia and China. Brazil’s basis for criticism is quite different from that of Russia and China, however. These authoritarian powers have pushed for a “sovereigntist” position that would give states top-down control over the Internet.<sup>71</sup> Brazil, by contrast, has been more concerned about ICANN’s ongoing link to the U.S. Department of Commerce and, in line with its traditional diplomacy, has favored a multilateral approach, which it views as more democratic.<sup>72</sup> Brazil’s preferences on global Internet governance are captured in this 2008 quote by diplomat Everton Lucero: “We should work with the options of either having no governments at all, like the case of IETF, W3C, NRO, or we should have *all* governments on board, like the ITU or UNESCO. But . . . please, let’s also avoid having models driven by one single government, like ICANN.”<sup>73</sup>

Despite a difference in goals, Brazil continued to work with Russia and China at major Internet governance forums, such as the meetings of the 1998 ITU up through the 2012 World Conference on International Telecommunications (WCIT). Brazil was one of the leading actors, together with Russia and China, at the 2012 WCIT conference, which highlighted the divisions among major powers on Internet governance; these emerging powers promoted a stronger role for the ITU in the Internet policy arena, in clear conflict with U.S. and European preferences. The WCIT 2012 was convened to update the International Telecommunications Regulations (ITRs), the treaty through which global telecommunications are coordinated. The most aggressive attempts by multilateralists at the WCIT to extend the role of the ITU were rebuffed, and the Final Acts contained little to upset the post-WSIS status quo. Yet some of the debates were much more contentious than seasoned ITU hands (who were used to working by consensus) were accustomed to. It was clear that more than just the most authoritarian states supported positions that the United States and its supporters felt would undermine the global Internet. Signaling the failure of a consensus-based approach to negotiations, the United States and fifty-four other nations (including those from the European Union countries and Japan) refused to sign on to the

new ITRs, in opposition to the eighty-nine states, including the BRICS and many developing countries, that had agreed to the new document.<sup>74</sup> Again, Brazil's strategy was to lead the developing world and align with the emerging powers to influence global governance, but in this case, it ran into a brick wall: the United States was unwilling to risk Internet governance, which it associated with a global freedom agenda, falling under the influence of hostile authoritarian powers. By aligning with Russia and China, Brazil burned its bridges to the United States and its allies.

### *Brazil's Internet Foreign Policy Meets Reality*

The explosive revelations by NSA contractor Edward Snowden of U.S. global espionage efforts via the Internet were unleashed in the summer of 2013. One of the consequences was to break the stalemate in the global Internet governance debates. Brazil was central to breaking this logjam, not only because its president, Dilma Rousseff, had been personally spied on but also because it initially reacted very negatively and very publicly to the spying—threatening to take actions to protect its sovereignty that would potentially lead to global network fragmentation, such as requiring all data generated by Brazilians to be stored in Brazil. Because the Internet is a network good, any policies that would inhibit the free flow of information or otherwise threaten to shrink the size of the network could be interpreted as degrading the global Internet commons. In September 2013 President Rousseff reacted in a manner very typical of Brazilian foreign policy: she aligned with the emerging powers against the United States and initiated actions to condemn the United States and call for a right to digital privacy through the UN multilateral process. As a signal of her displeasure with the Obama administration, she canceled a long-scheduled state visit to Washington, DC.<sup>75</sup> That she was in a close race for reelection strengthened Rousseff's need to be seen as doing something about the Internet and NSA espionage.

Surprisingly, within the month, the Rousseff administration changed tack and moved toward staking out a multi-stakeholder position on global Internet governance. Her initial responses to the Snowden revelations caused both the CGI.br and Fade Chehadé, the CEO of ICANN, to react with alarm. In particular, her proposal for further multilateral and state-centric controls on the Internet, moving Brazil even closer to Russia and China's sovereigntist position, was seen as unworkable. The

CGI.br met with the president a week before her opening speech at the annual meeting of the UN General Assembly, arguing in favor of adopting an approach more in line with its views on Internet governance.<sup>76</sup> The CGI.br had already spent years engaged in an open consultative process with civil society on a set of principles for Internet governance.<sup>77</sup> These principles echoed those widely shared among the global civil society community that focused on Internet issues, including ICANN and its leadership.<sup>78</sup> President Rousseff's speech to the UN on September 24, 2013, is mostly remembered for her full-throated denunciation of NSA surveillance and of the United States for breaking international law. Yet her meeting with the CGI.br also bore fruit, because the speech called for the adoption of five principles, which were in essence a simplified version of the CGI.br's multi-stakeholder approach to Internet governance.<sup>79</sup>

Extending his trip to South America in October 2013 to meet with the constellation of global Internet governance bodies (including ICANN, the Internet Society, Internet Engineering Task Force [IETF], and World Wide Web Consortium [WC3]), Fade Chehadé traveled to Brasilia to meet with President Rousseff. At this meeting, Chehadé was able to convince Rousseff of two things: that she should call for a global conference on the future of Internet governance based around the set of principles she had articulated at the UN and that the conference should be organized around a multi-stakeholder approach to governance.<sup>80</sup> The result was the announcement of the NETmundial conference to be held in April 2014.<sup>81</sup>

Essentially, Fade Chehadé of ICANN and the CGI.br offered President Rousseff a better option for both addressing the domestic politics of the issue, made more urgent by her reelection campaign for president, and for asserting Brazil's leadership on global Internet freedom. For a major international conference, NETmundial was organized in record time.<sup>82</sup> The meeting, which took place in São Paulo on April 23–24, 2014, and brought together 97 countries and 1,480 stakeholders, was notable for its symbolism as much as substance. Brazil made a point of reaching out to invite the United States to co-host the event. The positive response from the United States was part of a small thaw in relations post-Snowden. Nevertheless, the Brazilians did run into criticism, both from international civil society that questioned the selection process for representatives from the different sectors and from foreign governments that resented being placed as “mere equals” alongside nonstate actors during the plenary sessions.<sup>83</sup>

NETmundial was most important because it marked a shift in the language Brazil used to describe its position on multilateralism and multi-stakeholderism. Essentially, Rousseff distanced Brazil from the Russian and Chinese critique of the multi-stakeholder approach, which was based on sovereignty and maintaining state control. Instead, Brazil made it clear that its primary critique of the present global governance system for Internet technical operations was the centralization of the IANA function in ICANN, a U.S.-based organization. Wisely, the United States had signaled only a month before NETmundial that it was ending ICANN's relationship with the Department of Commerce. In fact, in 2014 the National Telecommunications and Information Administration (NTIA), which oversees the relationship with ICANN and is housed within the U.S. Department of Commerce, explicitly asked ICANN to convene "global stakeholders" to develop a new international model for governing the IANA function.<sup>84</sup> This was interpreted in Brazil as a clear signal that the United States was willing to address one of Brazil's main concerns about the technical operations of global Internet governance regime.<sup>85</sup>

NETmundial achieved what the Rousseff administration had hoped: it secured a leading role for Brazil in shaping global Internet governance.<sup>86</sup> President Rousseff also sought to highlight (in an election year) a positive response to the Snowden revelations. Yet NETmundial also highlighted the differences between Brazil's domestic and international Internet governance actors. The CGI.br took on a prominent global role—a new, potentially uncomfortable direction for an enterprise that had always focused on domestic Internet governance.<sup>87</sup> This was also a domain in which the Ministry of Foreign Affairs, which had not yet abandoned its preference for multilateralism, already had a vigorous presence. NETmundial also did not make Brazil's traditional diplomatic partners happy, several of which were surprised by the apparent shift in Brazil's position. Not only were Cuba and Russia predictably opposed to the outcome of NETmundial but they were also joined by India in refusing to endorse the outcome document (although India later shifted toward support for the multi-stakeholder model in 2015).<sup>88</sup> So there still remained the potential for contradictions and ambiguity in Brazil's stance on global Internet governance as it looked toward the future.

After the NETmundial conference, ICANN and the CGI.br saw an opportunity to capitalize on the success of the event.<sup>89</sup> In August 2014, ICANN, the CGI.br, and the World Economic Forum (WEF) launched the NETmundial Initiative to focus on complex Internet public policy

issues—such as freedom of expression, privacy, and cybercrime—and pursue the development and implementation of solutions in a clear parallel to those existing organizations designed to address the technical operation of the internet, such as the IETF, the W3C, the Regional Internet Registries, the root servers operators, and ICANN. The perceived failure of these technically focused entities to address these policy issues is what had led many developing countries to see the UN system as their only alternative for capacity building. Although not officially acknowledged, there was clearly an underlying agenda to extend an explicitly multi-stakeholder approach to many of the public policy issues that critics, including many governments, consider matters of public policy that fall into the domain of governments.

*Success and Failure of Brazil's Efforts to Influence  
Global Internet Governance*

Brazil's aspirations to influence global Internet governance were clear from the very beginning of the globalization of the Internet. Diplomatically, Brazil played a key role in the debate that led up to the 1998 creation of ICANN and the decision that year to convene a World Summit on the Information Society within the UN multilateral system. At the 2003 and 2005 WSIS meetings, Brazil was one of the leading critics of global Internet governance arrangements. And at the 2012 WCIT meeting, Brazil was again an integral part of building the coalition of developing countries and emerging powers that sought to open up greater space for Internet governance within the context of the ITU.

Brazil's capabilities to influence global Internet governance were quite good compared to other elements of its national power. Brazil was an early adopter of the Internet, and its Internet pioneers were well known to the global Internet community and played leading roles at key governance institutions such as the Internet Society and ICANN. Its domestic Internet governance institutions, the CGI.br and now its Internet civil rights law, the Marco Civil, are regarded as models for others. It had a large Internet user base, a well-developed civil society, and a large array of privately owned Internet service providers, media companies, and content providers. Clearly, Brazil and Brazilians are capable actors in the global Internet governance debate and have been accorded that status by other powers.

Brazil's strategy to influence the formulation of global Internet governance pre-Snowden was of a piece with the rest of its approach during

its current attempt to rise. As it did in the arenas of global security and economic governance, Brazil sought to build a coalition of developing countries to influence the multilateral process, and it allied itself with the BRICS in an attempt to shift the locus of governance from the multi-stakeholder to the multilateral. It was able to expand this coalition, putting the United States and its allies on the defensive and eventually reducing them to a minority at the 2012 WCIT.

But in the end, the pre-Snowden strategy was a failure for three reasons. First, it focused on the interstate level, when in fact most Internet governance processes involve nonstate actors, who actually control the infrastructure of the networks and develop and implement the protocols that make the networks all work together as a global whole. In addition, Brazil's insistence on emphasizing the role of state sovereignty in addressing governance issues raised alarm among private sector and civil society organizations, which were already predisposed to view states as a threat due to the libertarian ethos that existing Internet governance bodies had inherited from the Internet's origins on the U.S. West Coast.

Second, the strategy failed because Brazil limited its soft power vis-à-vis the one state that mattered most to Internet governance, the United States. Because of the U.S. role as the originator of the Internet, the decision of the Clinton administration to protect Internet governance processes from government interference through the creation of ICANN in 1998 and the (rarely used) contractual oversight of ICANN and the Commerce Department, the U.S. government was one of the few governmental entities that had real decisionmaking power to fundamentally reshape Internet governance. The main limit on the United States was that other governments might decide to take actions that would damage the integrity of the global Internet, essentially by disconnecting from or censoring the Internet, as China, Russia, North Korea, and Cuba have done in various ways. The Internet is a network good that benefits from having larger number of users, so the United States does not have an interest in completely ignoring the views of other states, but it can (and did) try to limit the influence of those adopting the most damaging and authoritarian policies. By associating with the authoritarian powers in the Internet governance debate, Brazil negated the effect of the soft power of its domestic Internet model, leading the United States to seek to limit its influence over Internet governance rather than accommodate its interests.

Third, domestic elements other than the Brazilian Foreign Ministry could not be excluded from taking a role in global Internet governance.

These nonstate actors included the CGI.br, domestic civil society, private sector, civil society, and international organizations such as ICANN. They participated actively in multi-stakeholder governance, both within Brazil and abroad. But they saw little reason to influence Brazil's foreign policy until it posed a potential threat to their interests, as occurred after the Snowden surveillance revelations. Alarmed by President Rousseff's initial reaction, they worked together to change her mind. So in essence, Brazil no longer had a unitary foreign policy, but rather two: one that favored multi-stakeholder governance that won out over the second, traditional multilateralist camp in the Foreign Ministry.

Brazil's support of the multi-stakeholder model internationally was a more successful strategy than the traditional multilateral approach for influencing the global Internet governance regime. The NETmundial conference was a highly visible way of signaling Brazil's commitment to multi-stakeholderism, and it put distance between Brazil and the more authoritarian elements with which it had previously allied, Russia and China. It also showcased Brazil's attractive democratic domestic institutions and laws precisely at a time when U.S. credibility on Internet issues was damaged. The United States correctly interpreted the shifts in Brazil and sought to accommodate Brazil's interest in internationalizing the multi-stakeholder model by announcing it would end ICANN's contractual relationship with the U.S. Department of Commerce. In return, it received Brazil's support for the global multi-stakeholder governance model, which was later reinforced when India made a similar set of announcements.

Post-Snowden, Brazil succeeded because it drew on its most important capability, the soft power of its domestic Internet institutions, and used it to attract support from the key actors in global Internet governance: the United States and ICANN. And although the future of the NETmundial Initiative is in question, Brazil's work with ICANN and WEF indicates a continued aspiration to play a leading role in global Internet governance, but this time with the acquiescence and support of the established Internet powers.

## CONCLUSION

As this chapter suggests, the global commons may be a domain particularly appropriate to the exercise of soft power. Although it is possible to use cyberattacks against opponents or impose sanctions against particularly egregious polluters, major powers have thus far not used

hard power to influence the process of formulating international regimes to shape these global commons. Because all states can participate in using these commons, the process of regime formulation is essentially additive, negotiating for the support of significant stakeholders until remaining free riders pose an insignificant threat to a successful solution.

Brazil has several advantages when participating in the formulation of the regimes governing the global commons. As a large country with a significant population and economic weight in the international system, it is likely to be one of the major stakeholders in almost any global commons. Its traditional role as a leader of the Global South gives it the weight of numbers in multilateral processes. And although this may not be true of all commons—such as the high seas because of Brazil's limited naval power or outer space because of its limited technology—when it has attractive domestic policy solutions on how to address the tragedy of a given commons, Brazil's soft power is reinforced.

Brazil's strategy on climate change and Internet governance initially had much in common: to lead a coalition of developing countries, align its diplomacy with that of the emerging powers, and focus on multilateral institutions and processes to level the playing field vis-à-vis the status quo powers. This strategy worked somewhat better for climate change, where the cumulative effect of large players such as Brazil is important for a successful outcome. Moreover, although there is a scientific component to the debate in terms of determining how great is the overall cost that must be borne by all states to avoid catastrophic climate change, the debate among states is largely about the distribution of those costs. Despite the ideological component to the North–South debate, Brazil chose to play the role of bridge builder between the sides, rather than to solely criticize the status quo powers. But Brazil's initial success on process did little to effectively avert catastrophic climate change. In the end, the United States walked away from Kyoto, and it met its GHG emissions reductions targets through much higher reliance on domestically produced natural gas for power generation. Europe's progress has been limited by increased reliance on coal as Russian-supplied natural gas is viewed as problematic after Russia's annexation of Crimea and the Western sanctions that followed. It was not until COP21 that Brazil's strategy was successful, and only by emphasizing bridge building to the incumbent great powers, rather than its coalition with the BRICS and the Global South.

Brazil's preferred strategy initially worked less well for global Internet governance. It was not able to shift the venue to the multilateral process, where states prevailed. Ultimately, without the consent of the United States and ICANN, which controlled the IANA function, Brazil's only real choice was to follow the protocols developed through the multi-stakeholder process to remain connected to the Internet, or to defect and cut itself off at great cost. Even China, with a very large number of users, chooses to follow the protocols developed by the multi-stakeholder process even while imposing censorship on its content. And although Brazil was quite well represented in the multi-stakeholder process by the CGI .br, Brazilian Internet activists, and the Brazilian private sector, these actors were not in charge of Brazilian foreign policy prior to the 2013 Snowden revelations. This meant that no matter how effective Brazil's diplomats were in the multilateral system, they were not leveraging the soft power of their own domestic multi-stakeholder governance model to full advantage.

In addition, because the United States and Internet civil society organization have promoted an Internet freedom agenda and because many of the participants in the multi-stakeholder process reject government control of the Internet, Brazil's association with authoritarian Russia and China sabotaged its own soft power. It prevented Brazil from pursuing the bridge strategy that it had undertaken successfully in the global climate change negotiations. It was only after the Snowden surveillance scandal, when Brazil moved away from Russia and China and toward supporting the global Internet freedom agenda and multi-stakeholderism, that it was able to serve as a bridge. It succeeded in securing U.S. support to internationalize the key IANA function and delink ICANN from the U.S. Commerce Department. It also put in motion the NETmundial Initiative in an attempt to influence the future of Internet governance in the direction of its own preferred "flavor" of multi-stakeholderism.

What both cases highlight is the importance of domestic actors and domestic policy for determining Brazil's soft power over shaping the international regimes that govern these global commons. Improvements in Brazil's domestic environmental record in the 1990s and again in the latter half of the 2000s were an important supporting element of its bridging strategy with the contending actors in the global climate change negotiations. When Brazil's domestic Internet actors took the lead on global Internet governance after the Snowden revelations and persuaded President Rousseff to change course, this increased Brazil's soft power to

influence global Internet governance. So although the attractiveness of the Brazilian model overall—its economic success, form of government, culture, and society—are all important components of soft power, how it governs domestic affairs in specific commons such as the environment and the Internet also affects its ability to influence the world order.

## CHAPTER SEVEN

### *Emergence*

#### Why Brazil Falls Short and What It Might Do Differently

**IN PRESIDENT ROUSSEFF'S SECOND** term, Brazilians reeled from their country's swift fall from grace. Brazil's economy entered a significant recession in 2015, and international capital markets indicated their lack of confidence by downgrading Brazil's credit rating. Progress on social inclusion and poverty reduction stalled and even slipped into reverse. Major corruption scandals involving contracting at major state enterprises such as Petrobras, once the pride of Brazilians, led to the arrest of some of Brazil's top businessmen and to accusations leveled against politicians of the highest rank, including leaders of Brazil's congress. Brazilians responded with mass protests, and President Rousseff's popularity fell into the single digits. Impeachment proceedings against her began in December 2015.

Brazil's foreign policy, which had already entered a period of retrenchment during Rousseff's first term in office, now faces obstacles at every turn during her second term. Brazil's international strategy of participating in a soft balancing coalition to the G-7 is under stress as its partners in the BRICS increasingly face domestic economic constraints of their own. The BRICS could be on the brink of irrelevance because, in addition to increasing international worries about Russian and Chinese policies in their immediate neighborhoods, their domestic economic weaknesses may make them less able to finance and develop alternative economic paths to

those of the liberal international order. Brazil's strategy of accumulating the support of the developing countries has had limited effectiveness, even in multilateral settings. The slow implosion of Venezuela and the increasing antagonism toward migrants across Latin America in response to domestic economic weakness raise the question of whether Brazil can lead even in its own region.<sup>1</sup>

The domestic basis of Brazil's global soft power is also at risk. The luster of the Brazilian model for the developing world has been tarnished by Brazil's internal economic and political problems. In addition, high levels of criminal violence, human rights violations associated with police detentions and killings, and the continued failure to punish those abuses committed earlier by the military dictatorship are dimming the glow of Brazil's reputation as a leading global democracy.<sup>2</sup> Brazil consequently faces the prospect of having reached for major power status for a fourth time in a little over a century since the 1907 Hague Convention and of falling short yet again.

This book has focused on Brazil's aspirations to rise within the international order, its strategies to reach this goal, and why it has repeatedly fallen short of achieving its ambitions. Even when it has faced favorable international conditions, Brazil has not had the right kinds of capabilities nor deployed the ones that it has to best strategic advantage, and it simply has not had enough power overall to achieve its aspirations and sustain its emergence when international conditions become unfavorable and its domestic order unravels.

But this is also a book about emerging powers and the paths that they pursue to secure their aspirations for greater influence in the global order. There are contradictions in Brazil's strategy for emergence, but they are not peculiar to Brazil. Rather, they reflect the reality that the international system has no central government and that individual states constantly look out for their own interests. The governments that are most successful are those that are aware of the constraints created by the system and can work within them even if they cannot overthrow them, making changes on the margin to advance their specific interests. Brazil has not always pursued this pragmatic approach, often at the cost of undermining its own efforts to secure its interests.

Ultimately, this book suggests that states attempting to emerge through soft rather than hard power face the tougher path. After all, countries with repellent domestic institutions and unattractive foreign policies still have international influence as long as they have enough hard power.

Russia is a prime example. Achieving influence through soft power is not merely a matter of effective diplomacy; Brazil's diplomatic corps is internationally acclaimed. Rather, soft power is about having attractive domestic institutions, policies, and models that lend legitimacy to a claim to a seat at the global rule-shaping table.

To draw conclusions from Brazil's past attempts to rise, this chapter first reviews how during the past century Brazil attempted to influence global order and to what end, and what can be learned from the cases where it succeeded and the more frequent cases where it failed. We then review two possible scenarios for how Brazil may reattempt emergence into great power status in the future. For even though Brazil has thus far fallen short of its aspirations for global influence, the trend lines in terms of population, economic growth, and cultural influence indicate that Brazil will be one of the international system's great powers in the not-too-distant future. We make several recommendations for how Brazil should approach the problem of emergence differently if it is to succeed in the future. The chapter concludes with reflections on the implications of Brazil's historical experience for our theoretical understanding of how middle powers emerge into major power status and how the process of emergence may affect the international order.

### **WHAT WE CAN LEARN FROM BRAZIL'S REPEATED ATTEMPTS TO EMERGE**

Brazil has continually aspired to become an influential power in the international order since the early twentieth century. At the second Hague Conference in 1907 Brazil was a leading voice for the principle of sovereign equality, and in the next few years it attempted to outfit its navy with state-of-the-art warships to back up its claims. During World War I and the Versailles treaty negotiations that followed, Brazil sought to influence the shape of the international order and to secure membership in the great power club in the form of a permanent seat on the Council of the League of Nations. Similarly, after World War II, although Brazil did not push initially for a permanent seat on the UN Security Council, once Roosevelt opened the door to the possibility, Vargas (and subsequent Brazilian leaders up to the present) have sought to secure this institutional recognition of great power status.

Despite its desire to be one of the select few permanent members of the UN Security Council, Brazil has consistently expressed aspirations for

an international system in which the norm of “sovereign equality” prevails above all others. This comports with Brazil’s preference for an order that does not require the coercion or buying off of member states and in which all states, including the great powers, follow the same set of rules voluntarily. In essence, Brazil would prefer an order that upholds the four founding principles outlined in chapter 1: sovereignty, sovereign equality, international peace, and a market-based global economy. But it would happily dispense with the founding myth and the self-asserted norms that attempt to give the United States, as the leading power, cover for violating the rules without consequent punishment. This approach would produce “thin” international institutions that provide meager collective goods, but fits well with Brazil’s desire for maximum autonomy in the international system and an order that imposes the lowest possible costs on Brazil for its participation.

Brazil has also never been a revolutionary power, and it has never sought to overthrow the existing order as Napoleonic France, Nazi Germany, or the Soviet Union once did. But it does seek more than reform or to simply take part in existing institutions with some adjustments to reflect its rising power. It seeks a revision in the relative importance of the foundational myths of the prevailing order by ranking the norm of sovereign equality above all others. However, this is a relatively soft revisionism, given that the norm of sovereign equality is already embedded in the system. The other areas where Brazil seeks a mild revision in the global economic order again are not a matter of overturning global capitalism, but rather of emphasizing a social democratic variant that would place greater emphasis on poverty reduction, social inclusion, and assigning benefits to developing states rather than the developed world.

Robert Keohane once defined the core group of states invested in maintaining the prevailing order and providing public goods as the “K group.”<sup>3</sup> Brazil clearly wants to be part of the current K group, but it is not willing to bear the costs of system maintenance or even to develop the broad range of capabilities to do so. Historically, incumbent great powers have been very cognizant of this aspect of Brazil’s foreign policy and thus have seen little to no reason to include it in the K group. And because of the configuration of Brazil’s capabilities, Brazil has no way to compel the incumbent great powers to accept it as one of their own.

In addition, Brazil’s geostrategic importance has declined significantly in the past century, which has diminished its relevance for the international security domain and the incumbent great powers. During World

Wars I and II, its geographic extension into the Atlantic, which made it relevant as a refueling base given the limited range of existing naval and aviation technology, and the global nature of the conflicts made Brazil somewhat important to the incumbent great powers. The Allied and Axis powers thus sought Brazil's support and contributions (admittedly marginal though they would be) to the war efforts. During the 1970s, the threat that Brazil might acquire long-range rockets and nuclear weapons—and therefore the hard power to become relevant to international security—evoked concern in the United States. But in their latest attempt to rise, Brazilian democratic leaders have forsworn the acquisition of weapons of mass destruction or the use of coercion in international relations. Its neighborhood is largely peaceful, and although Brazil has continued to invest in its armed forces, its ability to contribute to international security is limited. As we saw in chapter 4, this has made it all too easy for the incumbent great powers to dismiss Brazil's preferences and contributions in the security domain.

However, by examining other domains in the international order—those concerned with the global economy and the global commons—we saw in chapters 5 and 6 that Brazil's relative ability to influence international regimes is proportional to its growing power or significance for each particular domain. If we compare Brazil's influence over the global economy across the four historical cases we examine—World War I and the League of Nations, World War II and the United Nations, the 1970s “Brazilian Miracle” and the pursuit of nuclear power, and the Cardoso/Da Silva/Rousseff presidencies—we can see that Brazil is essentially a “rule taker” up until the end of the 1990s, regardless of whether it bandwaged with the Allies in World Wars I and World War II or collaborated with the G-77 and the broader Global South in the 1970s. It was the commodity boom of the 2000s—which catapulted Brazil to become the seventh largest economy in the world, a ranking higher than the United Kingdom or Russia—that provided Brazil with what appeared to be an opportunity to emerge as a key player in the economic domain. The relative ease with which Brazil weathered the 2008 global financial crisis contributed to its credibility and soft power, and convinced the incumbent great powers that they should include Brazil in the new G-20 (intended to replace the G-8 as the most important forum for discussing global economic policy). Yet the G-20, despite the initial hype, wound up having marginal influence over the policies that brought about the recovery—basically U.S. quantitative easing and China's continuing

economic boom. Nor did the G-20 have much impact on Europe's approach to the developing crisis within the Eurozone.

The success of Brazilian commodity export-led growth during a time of high global demand generated for many Brazilians and some foreign analysts unrealistic expectations for the sustainability of a rising Brazilian economy.<sup>4</sup> Commodity prices were not immediately affected by the financial crises, and it seemed as if major commodity producers would have significant surplus resources and domestic purchasing power even after the crisis. Demand from commodity exporters was expected to help the G-7 (once the group reverted to its earlier name with Russia's expulsion) recover more quickly from the global financial crisis. But when commodity prices weakened, commodity export-dependent economies such as Brazil's showed their inherent weaknesses, and they did not live up to their expected role as consumers of imports from G-7 countries. As a country with a large but unstable economy whose government seems unable to steer an economic course that diversifies and makes the domestic economy competitive, Brazil does not inspire confidence in the leading economic nations. This in turn hinders its economic policymakers from becoming influential global players.

In the trade arena, a Brazilian became director general of the World Trade Organization (WTO) in 2013. Before Roberto Azevedo was selected as director general, there was a consensus that the next occupant of that position should be from the developing world, and Azevedo's insider skills earned him the job, enhancing Brazil's claim that it can be a bridge builder between North and South. Yet Brazil is not a major trading nation relative to the size of its economy, and North-South disagreements regarding how to combine trade and development agendas have paralyzed the WTO. On the other hand, in the global commons, Brazil's sovereignty over the Amazon made it highly relevant to global climate change negotiations, and its major role in global Internet governance made it important to finding a solution to the impasse between the United States and the authoritarian powers of Russia and China. When Brazil has the right combination of capabilities to contribute to the solution to a global problem, it is able to influence international rules, norms, and regimes as they develop.

But whether the result of opposition from the U.S. Congress (only recently overcome) to adjusting International Monetary Fund (IMF) voting weights or the shift from the WTO to the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) as the

main sites for international trade negotiations, Brazil's acquisition of influence over the international order has frequently been limited by circumstances beyond its control. It achieves a seat at the great power table only to find that the action has moved to another table. Nor is its power sufficient to prevent the incumbent great powers from making that switch.

Thus Brazil's international strategies have produced mixed outcomes, with a marked contrast between a largely successful approach to its immediate region, South America, and much more limited success with its global strategy. In its neighborhood, Brazil has largely been able to craft a regional system that reflects its aspirations, with sovereign equality among the states of the region and a focus on development and regional integration designed to foster social inclusion, poverty reduction, and stable civilian-led governance. Yet even here new challenges face Brazil and the Union of South American Nations (UNASUR) as Venezuela implodes and tensions increase with its neighbors.<sup>5</sup>

Through new regional institutions such as UNASUR and the South American Defense Council, Brazil has largely managed to exclude the influence of its only regional competitor, the United States. Within the present paradigm, South American states are steering clear of the kinds of norms violations and rule breaking—such as nuclear proliferation, war, or terrorism—that would attract the attention of the incumbent great powers. Therefore Brazil can pursue international strategies aimed at emergence with little fear that it will have to focus on security closer to home. This is a geostrategic position that other emerging peers, such as India and Turkey, or even a rising China, can only envy.

But Brazil's present international strategy—based on parlaying the attractiveness of the "Brasilia Consensus" into leadership of the developing world and an alliance with the BRICS to collectively press for access to the councils of great powers—has not provided the influence to which Brazil aspires. The strategy essentially has five weaknesses: four flaws of its own making and one contextual element beyond its control.

The first weakness in Brazil's emergence strategy is that leadership of the developing world has costs, and Brazil has largely been unwilling or unable to provide the side payments necessary to consolidate its leadership of this group. Even something as modest as the expansion of embassies into the Caribbean and Africa, designed to secure more partners for Brazil in multilateral processes, was judged to be too costly as Brazil's economic crisis deepened in 2014 and the Foreign Ministry's budget was sliced in half. Even when Brazil succeeds in gaining a seat at the

table, it finds that its preferred approach fails to produce successful policy outcomes because it provides little in the way of public goods and fails to punish free riders. This is a Brazilian choice, one based on its view that states should willingly agree to cooperate because cooperation suits them, rather than be enticed or coerced into cooperating. Thus Brazil did not invest in developing and pushing Responsibility while Protecting (RWP) so that it would be attractive to UN members. Similarly, its approach to multilateralism does not include support for punishing free riders or countries that are obstacles to achieving solutions, such as the roadblocks thrown up by India at the WTO on the issue of agriculture.

Second, as its present crisis suggests, the attractiveness of the Brasilia Consensus can vanish rapidly because it is built on weak domestic institutional foundations and an economy that is competitive only in the highly variable international commodity markets. Brazil's domestic structures undermined its power in the 1980s (the failure of the military government and the economic crisis that it ensured) and again in 2015 (with an exploding Petrobras corruption scandal and a deepening economic crisis). Its domestic and economic weaknesses underscore that Brazil needs a stable and legitimate government and a diversified and competitive economy, as well as a willingness to pay the short-term costs of leadership.

A third, perhaps more important, flaw in Brazil's contemporary strategy is its approach toward the incumbent great powers, particularly the United States. A soft power path to emergence succeeds when the incumbent powers *consent* (because soft power cannot compel) to include emerging powers such as Brazil at the high table. Yet Brazil's diplomacy toward major states tends to obscure or lessen its soft power. This is not merely because Brazil is critical of norms violations by the United States or because it seeks revisions to the international economic order. Many in the United States would sympathize with Brazil's positions on these issues. In fact, of all the emerging powers, Brazil and the United States are the most alike in terms of domestic politics and values. Yet by associating closely with the authoritarian members of BRICS such as China and Russia on a wide range of issues, Brazil's soft power vis-à-vis the democratic great power incumbents is diminished. And its unwillingness to criticize egregious norms violations by its BRICS partners, such as Russia's occupation of Crimea or China's aggressive behavior in the South and East China Seas, further discredits Brazil's attempts to seek a global order based on sovereign equality.

A fourth flaw has its origins in Brazilian preference for multilateral venues. Often, Brazil succeeds in gaining a seat at the table only to find that the game has moved elsewhere (e.g., WTO and climate change). This result is not just a matter of the North shifting the venue, but more important, it occurs because Brazil does not have sufficient weight within the domain to make it costly for the North to make that shift. For example, because Brazil is a minor player in trade in services and manufactured goods and a marginal producer of innovations, the United States, Japan, and Western Europe were able to move their most weighty deliberations on trade to the TTP and TTIP negotiations. Even though these are plurilateral venues, these far-ranging treaties will have global effects and Brazil is not at the table, even as Brazil emphasizes the need to move WTO negotiations forward.

Finally, there is one contextual factor over which Brazil has no influence, and when it changes, Brazil's prospects for emergence disappear. The opportunities and threats posed by the international system vary and often turn against Brazil at a point when the country lacks the hard or soft power to carry out its strategy (e.g., post-World Wars I and II and 2015). Even in these cases, however, Brazil does not escape all responsibility. Were Brazil to successfully emerge as a player at the table when the international context was propitious, it would be hard to redesign governance structures to exclude it as the context changed. For example, the British and French retain permanent membership status in the UN Security Council and Italy remains a member of the G-7 even if their relative power has diminished from the time when these two institutions were first proposed.

Because of the importance of soft power to its emergence, Brazil's ability to resume its rise in the coming decade will depend largely on its willingness to address the structural political and economic shortcomings of its present model. This means burnishing its economic credentials by restarting growth based on improved infrastructure, education, and innovation. It also means addressing the corruption and inefficiency in government that produce both poor policy choices and popular discontent.

Making progress on both these fronts would be necessary to restore Brazil's forward momentum and allow it to resume its rise. But it also clearly needs to reconsider its strategies as it looks ahead. The strategies that it has tried during its latest attempt to rise have not worked. The following sections consider two scenarios based on different strategies

Brazil might pursue given what we have learned from its presently stalled attempt to emerge.

### **SCENARIO ONE: HARDENING BRAZIL ON ITS PATH TO EMERGENCE**

One way to get the attention of incumbent great powers would be for Brazil to develop a compelling degree of hard power. But there are numerous disadvantages to such a strategy. The level of spending that Brazil would have to sustain to develop significant hard power capabilities would be difficult to justify politically; such spending would foster a return to regional security competition; it would draw hostility from the United States; and public opinion in Brazil does not support a militarized foreign policy.

In 2014, Brazil spent approximately \$37 billion (in constant 2011 USD), which ranks it as the tenth largest defense budget in the world, ahead of South Korea and behind Germany. At first glance, this is a respectable level of defense spending, but more than 80 percent of Brazil's defense spending is allocated to salaries and pensions (compared to between 50 and 60 percent in the United States), and the operational readiness of Brazil's combat units is poor as a consequence.<sup>6</sup> Increasing Brazil's defense spending to a level commensurate with its rank in the global economy would place it ahead of the United Kingdom, but would entail spending approximately \$55 billion per year (in constant 2011 USD), a 49 percent increase in defense spending or approximately 2.1 percent of GDP.

The question, of course, is whether this figure would translate into significant hard power capabilities. Brazil has no need to project power along its borders, so to have a global reach would mean investing in more expensive air, naval, space, and long-range strike capabilities. Reaching spending levels comparable to France, which has limited power projection capabilities, would require spending \$65 billion or about 2.5 percent of GDP. Spending 2.5 percent of GDP on defense would not be impossible, putting Brazil in the same category as countries such as India and South Korea. However, even at this increased defense spending level, Brazil's defense budget would be one-ninth that of the United States.<sup>7</sup>

But given the poor state of Brazil's defense industry and its still limited technology base, much of the most advanced equipment would have to be acquired internationally. This would mean securing the acquiescence

of the United States, which is able to limit the sale of much Western equipment through its International Traffic in Arms Regulations (ITAR). ITAR allows the United States to restrict the transfer of military equipment that contains certain categories of U.S.-developed technology. Almost all Western countries use U.S.-developed technology to a greater or lesser extent. The United States would almost certainly be concerned by a substantial rise in Brazilian defense spending. For Brazil to avoid possible U.S. restrictions, it could turn to Russia and China as sources of arms, but such a decision, in combination with much higher defense spending, would almost certainly attract unwanted negative attention from Western powers.

A significant rise in defense spending by Brazil would also be met with alarm by its neighbors, potentially undoing one of the greatest accomplishments of Brazil's foreign policy strategy during its recent attempt to rise: the avoidance of a security dilemma in South America. Other South American countries would almost certainly feel the pressure to respond with increased defense spending of their own, as well as to form closer partnerships with extraregional great powers to counterbalance Brazil's rising power. That would have the effect of attracting the attention of the incumbent powers to the region, something Brazil has worked very hard to avoid.

There is, in addition, no evidence that the Brazilian public would support such an elevated level of defense spending. Not only was there considerable pressure to protect social spending during the recession that began in 2014 but also recent studies of Brazilian public opinion show that it is significantly less likely to support the use of military force in foreign policy than do the Chinese. Less than 50 percent of Brazilians were willing to contemplate attacking another state that was developing nuclear weapons technology, even one that was regarded as aggressive and even with UN authorization. And Brazilians also had considerably lower levels of militarism and interest in international affairs than their Chinese counterparts.<sup>8</sup> None of this bodes well for the prospects of Brazil successfully hardening its foreign policy strategy.

## **SCENARIO TWO: EMERGENCE STARTS AT HOME**

The other strategic option would be for Brazil to focus on solidifying the domestic model that underpins its soft power. Brazil's attempts to emerge have been frequently stalled by changes in the international context, poor

strategy selection, and insufficient or unsuitable capabilities. But when domestic politics and economics unravel, as occurred in the 1930s, 1950s, and the 1980s, or domestic protests erupt as currently, this turmoil dampens Brazil's soft power, hollowing out its ability to influence the global order.

Brazil has made great progress toward consolidating its democracy, reducing poverty, and promoting social inclusion.<sup>9</sup> As one of the rising multiracial and multiethnic democracies, it sets an example of peaceful coexistence in a world facing numerous civil conflicts. Yet Brazil has serious problems: an inefficient state, bloated entitlements, a closed economy, insufficient infrastructure, poor quality of education, and persistent and institutionalized corruption. During expansionary cycles driven by commodity booms, a rising tide floats all boats, and growing state revenues paper over a multitude of sins. But when Brazil faces an unfavorable global economy, as is the case in 2015–16, the flaws in the Brazilian model become very obvious, including to other states that Brazil aspires to influence.

Rather than pursuing a revisionist international agenda, Brazil should consider what options there are for exploiting the opportunities that the system presently offers. Consider the cases of South Korea and Taiwan; in the 1970s South Korea, Taiwan, Mexico, and Brazil were considered on a par, as newly industrializing countries (NICs). In 1980, Brazil's GDP per capita, in terms of purchasing power parity (PPP), was double that of South Korea and on a level with that of Taiwan. By 2010, the trend had reversed, and South Korea's GDP PPP per capita was more than double that of Brazil, and Taiwan's almost tripled Brazil's.<sup>10</sup> South Korea and Taiwan are now considered advanced economies, although they once faced many of the same problems—authoritarianism, underdevelopment, and poverty—as Brazil. South Korea and Taiwan were able to exploit their niche in the existing international order to acquire a higher standard of living, advanced technology and industry, and a consolidated democracy, even as they continued to spend a substantial percentage of their GDP on defense to deal with an insecure regional environment. Moreover, South Korea's soft power has also grown, with broad cultural influence in East Asia through its renowned movies, music, and gaming industries. If Brazil had been able to follow the same path, its soft power would have been immeasurably stronger, given that it had the advantage over South Korea and Taiwan of living in a peaceful neighborhood.

If, in addition, Brazil had allied itself with other emerging democracies such as India and South Africa, excluding the authoritarian countries in the BRICS, or with advanced democracies such as Germany and Japan, its soft power would have had a better chance of influencing the democratic incumbent great powers, particularly the United States. The IBSA (India, Brazil, South Africa) Dialogue Forum, founded in 2003, was a move in this direction, but it was sadly overshadowed by the BRICS, particularly in Brazil's diplomatic strategy. In addition, if it had expanded the use of its hard power to become the leading country providing high-quality professional peacekeepers, Brazil would have had influence over the international security domain to a much more substantial extent than is true today. And by presenting an attractive domestic model, its soft power vis-à-vis the developing world would still be very substantial.

In fact, many elements of this strategy were present in Brazil's latest rise, but they were underutilized, such as IBSA, or abandoned after half-hearted attempts, such as the G-4 (Germany, Japan, India, Brazil—in search of a permanent seat on the UN Security Council). But a Brazil with an economic and institutional performance on par with that of South Korea over the past thirty-five years would have been able to pursue these policies with much more conviction and credibility. And it would also have had the resources to afford the costs of seeking global influence.

It is not too late for Brazil to try to reverse these trends and learn lessons from past blunders. It can look to better exploit the opportunities its position in the international order affords to build up its domestic capabilities, and thus its outward-facing soft power. It can also align itself with other emerging democracies so as to maximize its soft power vis-à-vis the incumbent democratic great powers. Through this approach, Brazil may be able to rise just as South Korea and Taiwan did—and given its greater economic and demographic potential, very likely much higher.

### **POLICY RECOMMENDATIONS**

Despite four false starts, Brazil is likely one day to emerge as a great power. Its size, economics, and demographics all contribute to Brazil's unrealized potential to rank among the major powers. And a strategy that relies mainly on soft power is undoubtedly smart given its geopolitical situation. But its emergence will require that Brazil pay attention to certain domestic fundamentals and reconsider certain foreign policy beliefs that have become millstones dragging it down.

1. *Focus on the domestic foundations of soft power.* Brazil has great soft power potential that is persistently undermined by crises at home. To the extent that Brazil is able to consolidate the great gains it has made on poverty reduction and social inclusion, diversify its economy to become competitive in technology and manufacturing, and consolidate the rule of law, it will have many more domestic success stories to showcase as part of its growing international soft power.
2. *Integrate fully into the global economy.* Brazil is still one of the most closed large economies. This not only undermines its growth and competitive potential but it also makes it much easier to exclude Brazil from major power debates about global economic governance. Although Brazil could gain a leadership role in the G-20 or the WTO, there is relatively little cost for the incumbent powers to then change the venue for making decisions to the TPP or TTIP or back to the G-7. A Brazil that is highly integrated into global value chains and is more central to global capital flows will be harder to exclude from rule shaping.
3. *Double down on liberalism and democracy.* Brazil's soft power is damaged by its association with the authoritarian elements of the BRICS. Instead, IBSA and the G-4 at the United Nations are associations of emerging powers that share Brazil's values and contribute positively to elements of the liberal international order that Brazil values most, while at the same time seeking many of the reforms and revisions to which Brazil itself aspires. Distancing itself politically from Russia and China would contribute to Brazil's soft power.
4. *Improve hard power and deploy it to support soft power.* Brazil's contributions to UN peacekeeping are valuable and important, and they showcase the way in which Brazil can use hard power to shore up its soft power, both in the Global South and the Global North. Although there are costs associated with leading UN peacekeeping forces, as the operation in Haiti demonstrates, these are the costs that major powers bear as part of the bargain by which they achieve influence over the rules of the international order.
5. *Pay attention to the outcomes, not just the process, of diplomacy.* Brazil has had success in shaping the multilateral process to incor-

porate its preferences, but as the experiences of the WTO and the UN Global Climate Change Convention negotiations prior to COP21 suggest, victories on process are meaningless if they do not produce workable solutions and positive outcomes. In the absence of positive change, other powers will walk away and select other venues that exclude Brazil on trade or other policies (adapting to rather than mitigating global climate change) that are detrimental to Brazil's long-term interests.

6. *Assume Brazil's share of the costs of global leadership.* Brazil consistently prefers an international system based on sovereign equality where states are taken at their word and the costs of public goods are kept low because the goods themselves are meager. This is not an attractive policy for the incumbent great powers such as the United States that contribute to the maintenance of the international liberal order. Their response is to exclude Brazil from rule shaping. A Brazil that is willing to accept costs is more likely to be recognized as a legitimate major power by other major powers. Major power status is legitimated not simply by changes in a country's economic and military indicators, but also by the recognition of other powers that an emerging country has a useful role to play in maintaining the international order.

## IMPLICATIONS FOR INTERNATIONAL RELATIONS AND GLOBAL ORDER

This book is about emerging powers and their growing role as actors shaping global governance. We investigated one country's efforts to use a soft power strategy to gain a seat at the table in key governance domains in the international order: security, economics, and the global commons. We provided evidence that Brazil's alleged influence achieved in the past decade was actually on the margins and fleeting, largely because of how Brazil's own choices at home affected its capabilities and how it selected misconceived strategies in pursuit of global influence. So what are the implications that can be drawn from the Brazilian experience regarding contemporary international relations and the global order?

In international relations, we can see that, even with the rhetoric of multilateralism and sovereign equality, relative standing matters to states. Position—which is a matter of status, self-interest, and Brazilian historical

identity as a large country in pursuit of *grandeza* on the world stage—matters to Brazil. Reforming certain international governance structures has not been sufficient for Brazil because it does not accept the foundational myth that legitimates U.S. deviations from the principles of the international order in pursuit of global public goods. This means that Brazil will continue to be a thorn in the side of governments, diplomats, and academics who want Brazil to cooperate in global governance but only if it behaves “responsibly”—which means not just contributing to public goods but also accepting that great powers have the ability to behave unilaterally in the name of maintaining the international order, and at certain points it is in everyone’s interest to tolerate, but not legitimate, such action.

So what are the implications of Brazil’s failure to emerge once again? It is commonplace to discuss the challenges that the global order faces now that the United States seems to lack the ability and the will to defend or impose the liberal international order. For analysts who want to see a “soft transition” to a liberal global order that regains legitimacy outside of the North, it is important to have democratic and liberal Southern countries such as Brazil, India, and South Africa as part of a leadership group rather than in a bystander role that they all too often seem to prefer to play. Emerging powers whose strategies are based on soft power are unlikely to be revolutionary—they are too easily squashed or contained by the great powers. This means that incorporating states such as Brazil and South Africa into global leadership positions is relatively unthreatening to the incumbent great powers such as the United States. Domestic politics and values matter. Democracy and liberalism at home matter for global governance in the contemporary international order.

The system has room to incorporate new players: witness the rise of South Korea and Taiwan. Yet neither of these two countries identifies with the South, and both face geopolitical contexts that many in the South incorrectly see as the reason for their success. If Brazil emerges and adopts appropriate policies that turn it into a *de facto* and not just rhetorically important player in the dynamic parts of the trading and financial sectors, its views will have to be taken into consideration. Of course, those views will have changed somewhat as Brazil puts its domestic house in order, expands the competitive sectors of its economy into manufacturing and technology, and integrates more fully into global value chains. Under such conditions, its national interests will become more aligned with countries that are competitive internationally across the manufac-

turing, service, and financial sectors. Brazil's incorporation benefits not only Brazil but also provides needed legitimacy to liberal global governance. Brazil's failure to emerge makes it appear that the liberal global order is stacked against the South and complicates the evolution of the global order.

The failure of Brazil to effectively contest the foundational myth of a right to unilateral behavior on the part of the major powers represents another negative implication for the transition of the global order. It is difficult to find evidence of any states accepting the legitimacy of the claim that the United States has a unilateral right to behave as it believes necessary to benefit the global order; many states, nevertheless, see the costs of opposing such U.S. behavior as greater than the possible benefits. For example, because India and South Korea have difficult security contexts, they are less likely to contest the U.S. "right" to engage in military action when it perceives the need; however, most of the South does not have that insecure context and is more threatened by the potential for U.S. unilateral action. India and South Korea cannot revise this foundational myth to the satisfaction of the South. Brazil, because it has a relatively benign security context, can do so.

Brazil has tried to be different, but it lacks the influence to make a major difference because it has never fully emerged. In the domain of security and military power, Brazil gained a great deal of attention with its proposal for RWP, but it backed away from the fight. It has also failed to modify or limit the currency and interest rate policy unilateralism of the United States, in part because of the continued major role that the U.S. dollar plays in its economy. And in the domain of the global commons, despite some success with Internet governance, failure in the arena of climate change could be Brazil's greatest legacy. Despite Brazilian leadership in articulating an agenda for global governance on climate change (e.g., Rio conferences), what we see currently is a move to a least common denominator strategy in which simply agreeing to report periodically on how to adapt to climate change becomes the metric for success. "Adapt to change" strategies play to the North's strengths—organizationally, technologically, economically, and financially—and will leave the South, with all its institutional, political, and economic weaknesses, struggling to counteract the negative effects of climate change.

Another final implication of the Brazilian experience has to do with the relevance of soft power to emergence. In the post-Cold War international context up to the Syrian civil war and the Russian seizure of

Crimea in 2014, nations might have been successful pursuing either hard or soft power paths to emergence. India represents the hard power/geopolitical importance route and Brazil the soft power path to achieving acceptance in leadership positions of the international order. However, as Nye notes about soft power, international context matters.<sup>11</sup> The failure of the contemporary international governance structures to constrain China in the South China Sea, mold the outcomes of the Arab Spring, produce regime change in Syria, and prevent overt Russian military intervention in Georgia and Ukraine lead us to hypothesize that we are entering an era in which hard power (overt military power, deterrence strategies, and economic sanctions) pushes aside soft power.

There is a transition underway in the liberal international order. This order will inevitably have to adapt as states develop and emerge as significant actors on the world stage. Shaping the rules of the international order to accommodate the interests of emerging democracies such as Brazil, India, Indonesia, and South Africa will ultimately strengthen the order. Although such a transition may not cause the United States to fully reconsider the wisdom of unilateralism, an international order where developed and emerging democracies are all pulling together is more promising than one in which rising authoritarian powers challenge U.S. leadership and emerging democracies sit on the sidelines because the present order does not offer them a stake in the future.

# Notes

## CHAPTER 1

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3. Klaus Schwab, ed., “The Global Competitiveness Report 2015–2016,” World Economic Forum, Geneva, 2015 ([reports.weforum.org/global-competitiveness-report-2015-2016/competitiveness-rankings](http://reports.weforum.org/global-competitiveness-report-2015-2016/competitiveness-rankings)).

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5. See Andrew Hurrell and Amrita Narlikar, “A New Politics of Confrontation: Brazil and India in Multilateral Trade Negotiations,” *Global Society* 20 (2006), pp. 415–33; Waheguru Pal Singh Sidhu, Pratap Bhanu Mehta, and Bruce Jones, “A Hesitant Rule Shaper?” in Waheguru Pal Singh Sidhu, Pratap Bhanu Mehta, and Bruce D. Jones, eds., *Shaping the Emerging World: India and the Multilateral Order* (Brookings Institution Press, 2013).

6. Unlike Soares de Lima and Hirst, we argue that Brazil is not a middle power—a category in which various authors place Canada, Australia, Mexico, Turkey, and others—but rather is on the cusp of being recognized as one of the elite members of the international system because of its economic and political weight. Maria Regina Soares de Lima and Monica Hirst, “Brazil as an Intermediate State and Regional Power: Action, Choice and Responsibilities,” *International Affairs* 82, no. 1 (January 2006), pp. 21–40.

7. Sidhu, Mehta, and Jones, *Shaping the Emerging World*.

8. Raymond Geuss, *Philosophy and Real Politics* (Princeton University Press, 2008), pp. 34–36.

9. Martha Finnemore, *The Purpose of Intervention: Changing Beliefs about the Use of Force* (Cornell University Press, 2003), pp. 1–15.

10. There has been an important correction to the traditional view regarding the concept of sovereignty in the 1648 treaties. Though the concept predates 1648, the word “sovereignty” itself was not used, and the treaties did stipulate certain types of internal behavior as grounds for intervention. Nevertheless, the major signatories of the treaties were either not subject to these stipulations in their core territories (for example, Denmark in Scandinavia and the Holy Roman Empire in Vienna) or only accepted it in peripheral areas that were contested by other powers (e.g., the German territories). See Andreas Osiander, “Sovereignty, International Relations, and the Westphalian Myth,” *International Organization* 55, no. 2 (Spring 2001), pp. 251–87; Luke Glanville, “The Myth of ‘Traditional’ Sovereignty,” *International Studies Quarterly* 57, no. 1 (March 2013), pp. 79–90.

11. See Emer de Vattel, *The Law of Nations*, 1758; see also Stephen D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton University Press, 1999).

12. See David R. Mares, “Middle Powers under Regional Hegemony: To Challenge or Acquiesce in Hegemonic Enforcement,” *International Studies Quarterly* 32, no. 4 (December 1988), pp. 453–71.

13. Friedman and Long advance the argument that one of the many factors that led the United States to change the ways it intervened from overt military to covert action was soft balancing by Latin America. Max Paul Friedman and Tom Long, “Soft Balancing in the Americas: Latin American Opposition to U.S. Intervention, 1898–1936,” *International Security* 40, no. 1 (Summer 2015), pp. 120–56. From our perspective, it was only during the brief period from 1936 to 1940, when the United States was trying to force Latin American governments to adopt its neutrality position vis-à-vis the blossoming wars in Europe and Asia, that it refrained from intervening in the domestic and international affairs of Latin American governments.

14. See Dick Cheney and Liz Cheney, *Exceptional: Why the World Needs a Powerful America* (New York: Threshold Editions, 2015) and Stephen M. Walt, “The Myth of American Exceptionalism,” *Foreign Policy*, October 11, 2011 (<http://foreignpolicy.com/2011/10/11/the-myth-of-american-exceptionalism>).

15. Stephen Walt, *Taming American Power: The Global Response to U.S. Primacy* (New York: W. W. Norton, 2005); Walter McDougall, *Promised Land, Crusader State: The American Encounter with the World since 1776* (Boston: Houghton Mifflin, 1997).

16. See the analyses in David R. Mares, “Mexico’s Foreign Policy as a Middle Power: The Nicaragua Connection, 1884–1986,” *Latin American Research Review* 23, no. 3 (1988), pp. 81–107; and Mares, “Middle Powers under Regional Hegemony.”

17. “December 20, 1989: The U.S. Invades Panama,” *The History Channel*, This Day in History ([www.history.com/this-day-in-history/the-u-s-invades-panama](http://www.history.com/this-day-in-history/the-u-s-invades-panama)) [accessed October 22, 2015].

18. G. John Ikenberry, “The Rise of China and the Future of the West,” *Foreign Affairs* 87, no. 1 (2008), pp. 23–37.

19. See Keohane on costs of cooperation (*After Hegemony: Cooperation and Discord in the World Political Economy* [Princeton University Press, 1984]); and Bruce Bueno de Mesquita, *Principles of International Politics*, 5th ed. (Washington, D.C.: Congressional Quarterly Press, 2013).

20. The Escudé critique that Realism means that a state tries to project power regardless of national capabilities is based on an erroneous reading of Realism (Carlos Escudé, *Foreign Policy Theory in Menem’s Argentina* [University Press of Florida, 1997]). Realism preaches prudence to all states, including great powers, precisely because it recognizes that costs are inherent in actions taken in the context of an anarchic system (cf. the virtually unanimous Realist opposition to U.S. intervention in Iraq in 2003). Realists did not believe that Saddam Hussein’s government could be socialized into the norms promoted by the United States and thus did not constitute a threat to the United States; rather, they believed that Iraq could be deterred at a far lesser cost than implied by regime change.

21. On the challenges associated with what are termed “power transitions,” see Ronald L. Tammen et al., *Power Transitions: Strategies for the 21st Century* (New York: Chatham House Publishers of Seven Bridges Press, 2000).

22. Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004), p. x; Brazilian military elites define soft power (*poder brando*) in ways distinct from the civilian leadership, which follows the accepted version offered by Nye. The concept has been adopted by many scholars, analysts, and policymakers, most of whom use it with only a tenuous link to Nye’s definition. Cf. Brazilian Army chief of staff, General Joaquim Silva e Luna, defines soft power as the power to dissuade, but not used in an intimidating manner. “Saudação aos novos oficiais-generais do Exército,” May 2012 ([www.adeg.net.br/noticias/saudacao-aos-novos-oficiais-generais-do-exercito](http://www.adeg.net.br/noticias/saudacao-aos-novos-oficiais-generais-do-exercito)).

23. For a brief overview, see Riordan Roett, *The New Brazil* (Brookings Institution Press, 2010).

24. Jonathan McClory, *The New Persuaders III: A 2012 Global Ranking of Soft Power* (London: Institute for Government, 2012), pp. 13–14.

25. Julian Borger, “Brazilian President: US Surveillance a ‘Breach of International Law,’” *The Guardian*, September 24, 2013.

26. Celso Lafer, “Brasil: dilemas e desafios da política externa,” *Estudos Avançados* 14, no. 38 (2000).

27. Gerson Moura, *Brazilian Foreign Relations 1939–1950: The Changing Nature of Brazil-United States Relations during and after the Second World War* (Brasília: Fundação Alexandre de Gusmão, 2013), pp. 244–245.

28. McClory, *The New Persuaders III*. The index draws on “a broad set of statistical metrics and subjective data (50 metrics in total), comparing countries according to the quality of their government; diplomatic infrastructure; cultural output; capacity for education; and their appeal to business. The data is normalised, grouped into sub-indices, and calculated using our composite

index formula to arrive at a single score for each country included in the study” (p. 11).

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30. João Paulo Alsina Jr., “Rio Branco, Grand Strategy and Naval Power,” *Revista Brasileira de Política Internacional* 57, no. 2 (2014), pp. 9–28.

31. Contra-Almirante Guilherme Mattos de Abreu, Escola Naval de Guerra (VII Congresso Acadêmico sobre Defesa Nacional) (www.mar.mil.br/en/REVISTA\_VILLEGAGNON\_2010\_Suplemento\_Ano\_V.pdf).

32. Oliver Stuenkel and Matthew M. Taylor, *Brazil on the Global Stage: Power, Ideas, and the Liberal International Order* (London: Palgrave/MacMillan, 2015), recognize the inconsistencies and challenges for Brazil’s emergence, but our analysis leads us to conclude that Brazil has had less influence (even before the current economic and political downturn) than claimed by most authors in that edited volume. We also think that Brazil’s failure has more negative consequences for the global order.

## CHAPTER 2

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3. Rita Shannon Koeser, “Brazil: When El Dorado Was Here,” *Brazzil*, September 2003 (<http://www.brazzil.com/2003/html/articles/sep03/p124sep03.htm>) [accessed December 26, 2015].

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12. Artur Tranzola Santos and David Almstadter Magalhaes, *Brazil-England Relations in the Post-1845 and the Traffic in Slavery: The Bill Aberdeen and the Eusébio de Queirós Law* (Universidade Anhembi Morumbi, n.d.).
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14. Joseph Smith, *Unequal Giants: Diplomatic Relations between the United States and Brazil, 1889–1930* (University of Pittsburgh Press, 1991).
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## CHAPTER 5

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### ***Praise for Aspirational Power***

“Mares and Trinkunas have produced an insightful and highly readable overview of Brazil’s foreign relations. Doubly framed against Brazil’s specific aspirations (the country is neither a rule maker nor a rule taker, but a ‘rule shaper’) and the dilemmas facing all emerging powers in the 21st century, the book successfully links together both the foundational myths of Brazilian foreign policy and the specific objectives that drive it today. In equal parts accessible and sophisticated, the book displays a contextually sensitive understanding of Brazilian politics and policymakers.”

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The largest country in South America by land mass and population, Brazil has been marked since its independence by a belief that it has the potential to play a major role on the global stage. Set apart from the rest of the western hemisphere by culture, language, and history, Brazil has also been viewed by its neighbors as a potential great power and, at times, a threat. But even though domestic aspirations and foreign perceptions have held out the prospect for Brazil becoming a major power, the country has historically lacked the capabilities—particularly on the military and economic dimensions—to pursue a traditional path to greatness.

*Aspirational Power* examines Brazil as an emerging power. It explains Brazil’s present emphasis on using soft power through an analysis of Brazil’s past attempts to achieve major power status. Though these efforts have fallen short, this book suggests that Brazil will continue to try to emerge, but that it will only succeed when its domestic institutions provide a solid and attractive foundation for the deployment of its soft power abroad. *Aspirational Power* concludes with concrete recommendations on how Brazil might improve its strategy, and why the great powers, including the United States, should respond positively to Brazil’s emergence.

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