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Author(s): Tullo Vigevani and Gabriel Cepaluni
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Lula’s Foreign Policy and the Quest for Autonomy through Diversification

TULLO VIGEVAI & GABRIEL CEPALUNI

ABSTRACT The objective of this article is to analyse the changes brought about by the foreign policy of Lula’s first administration (2003–06). To discuss the topic, we will make use of three notions: autonomy through distance, autonomy through participation and autonomy through diversification. These notions explain the main changes occurring in Brazilian foreign policy from 1980 to the mid-2000s. We will conclude by demonstrating how the autonomy through diversification notion best applies to the 2003–06 period.

Most of the Lula government’s discourse has been focused on the need for change in relation to the Cardoso administration, as stated by the president himself during his inauguration: ‘Change: this is the key word; this was the great message from Brazilian society in the October elections’ (Lula da Silva, 2003: 27–28).

Many initiatives of the Lula administration are situated in the framework of international trade negotiations and the search for deepening political coordination with emerging countries, namely India, South Africa, Russia and China. Most of these partnerships began taking shape towards the end of the Cardoso administration, but Lula gave a new emphasis to this aspect of Brazil’s international agenda.

With India and South Africa the Lula administration formalised a strategic relationship with the creation of IBSA (India, Brazil and South Africa), otherwise known as the G-3. As for Russia and China, Brazil has sought to enhance exchanges in the commercial, technological and military fields. Regarding China, Lula has recognised it as a market economy, despite opposition from the São Paulo State Federation of Industry (FIESP). This fact drew criticism from sectors affected by so-called ‘unfair’ competition that Brazilian foreign policy leaves aside important sectors of civil society.

According to data compiled by Prates (2005–06), based on figures from the Ministry of Development, Industry and Trade, from 2002 to 2005 Chinese participation in Brazilian exports increased from 4.2% to 5.8%.

Vigevani is in the Department of Political Science, São Paulo State University, Brazil. He can be contacted at R Havai 533, apto 2A, Sumare, São Paolo, Brazil. Email: vigevani@unesp.br. Gabriel Cepaluni is in the Department of Political Science, University of São Paulo. He can be reached at Al Barao de Piracicaba 533, apto 65, Campo Elisiios, Centro São Paulo, Brazil. Email: gcepaluni@yahoo.com.br.
while imports rose significantly (from around US$2.4 billion to over $5.3 billion). Besides this, China did not support Brazil’s inclusion in the UN Security Council because of China’s relations with Japan. China and Brazil did not even become partners in the non-agricultural negotiations of the Doha Round. After months of negotiation Brazil supported Russia’s entry into the World Trade Organization (WTO), on the basis of ‘ensuring that that country does not diminish, under any conditions, its market’s access to Brazilian meat for five years’ (Valor Econômico, 2005).

While there was no significant rupture from the paradigms of Brazilian foreign policy—some of the guidelines being reinforcements of actions already on course in the Cardoso administration—there was a change in the emphasis given to certain options opened previously. Both administrations (Cardoso and Lula) used different foreign policy means, trying not to sway too far from the constantly pursued aim of developing the country economically while maintaining a certain political autonomy (Lima, 2005; Lafer, 2001b; PT, 2002: 6).

The extent of political autonomy has always been a matter for debate in foreign policy since Independence and during the Republic. The search for a friendly relationship with the USA and for an autonomy-through-participation strategy (the maintenance of a certain room for manoeuvre with the enhancement of economic interdependence) are policies that go back to Rio Branco (1902–12) and Aranha (1938–43) (Bueno, 2003; Vigevani, 1989; Vigevani et al, 2004). The idea of defending sovereignty and national interests, in spite of possible conflicts with the USA, is clear in the ‘Independent Foreign Policy’ tradition, formulated by Foreign Affairs Minister San Thiago Dantas (1961–63), under presidents Quadros and Goulart, and reiterated by Azeredo da Silveira (1974–78) under the Geisel administration (Cervo & Bueno, 2002; Vigevani, 1974).

In this article we pose the following question: has there been political change in Brazilian foreign policy since the swearing-in of President Lula? To discuss the topic we will present three notions of autonomy to explain the changes that contemporary Brazilian foreign policy has been through. Second, we will examine the empirical content of the Brazilian international agenda, focusing on some of the most debated foreign policy topics of the Cardoso and Lula administrations. Lastly, we will show more specifically the differences between the international agendas of the two presidents.

The three autonomies: distance, participation and diversification

The Brazilian political and economic context in the 1980s was marked by the crisis of the national development model, built in President Vargas’ period starting in the 1930s and based on the existence of an entrepreneurial and protectionist state and an economic policy of import substitution.

This model went into decline in the 1970s, and was unable to provide satisfactory answers to the strong economic instability of the time. Foreign debt and the oil shocks, whose consequences lasted until the mid-1990s, worsened the situation. In this context of political instability, a growing
number of sectors, both from the elite and middle class, started to call for the country’s democratic reform. During the transition to democracy, which lasted throughout the Sarney administration, it was evident how critical the situation of the state apparatus was. This had an effect on Brazilian foreign policy, especially on the economic relations it had with the world (flow of investments, finance and trade).

From the late 1980s to the early 1990s more liberal ideas gained strength on the international and domestic agendas. In Brazil this happened for a number of reasons: the evident crisis of the previous model, the role of some international agencies (ie the IMF and World Bank) and the conviction, both on the part of the elite and public opinion, that such ideas brought potential benefits. This influenced the adoption of the necessary economic reforms to face the challenges of globalisation, and coincided with the difficulty that the political and social opponents of the new development model had in formulating consistent alternatives to it.

The domestic and international changes taking place with the end of the Cold War meant it would be difficult for Brazil to keep the same orientation as in the past. The country began to seek new approaches to dialogue with the world, which involved strategies formulated in the ministries of finance and foreign affairs. The 1990s enhanced the visibility of the Ministry of Foreign Affairs thanks to the emphasis given to regional integration processes, the opening up of the market and multilateral negotiations (Vigevani & Mariano, 2005: 14).

As from 1989, with the relaxation of East–West tensions, the country adopted a defensive posture in its foreign policy, still hoping to maintain its autonomy. The search for autonomy during the period of the Independent Foreign Policy and some military governments—mainly from 1967, President Geisel’s Responsible Pragmatism (1974 – 79) in particular—was undertaken by distancing the country from the international power centres (Amado, 1982). These foreign policies, which were labelled by the Ministry of Foreign Affairs itself, despite having been implemented by very different regimes in domestic terms, are considered similar projects (Seixas Corrêa, 1981; 1995; Fonseca, 1998). Under President Vargas Brazilian foreign policy was able to have a relatively isolationist position during World War II (Moura, 1980). In the 1960s and 1970s, with the increasing importance of Third World issues such as the Cuban revolution (1959), the Non-Aligned Movement (starting in 1961), the oil crises (1973 and 1979) and the Vietnam War (from 1959 to 1975), Brazil positioned itself as a capitalist country, but defended the importance of the South’s demands.

However, in the post-cold war period a tendency towards autonomy through participation was emphasised by foreign policy makers, who believed this advanced Brazil’s interests. According to Fonseca (1998: 368), ‘Autonomy…does not mean “distance” from controversial international issues in order to protect the country against undesirable alignments…Autonomy means participation, means the wish to influence the open agenda with values that express traditional [Brazilian] diplomacy’. In other words, if the parameters of foreign policy gave meaning to protectionist polices in the
past, the new international configuration would require one to incorporate human rights, environmental protection, democratic transition, social rights, liberal economic reform and the acceleration of South American integration.

In the 1990s issues such as economics, environment, commerce, competition, technology flows, investment, financial flows, human and social rights and themes that make up a country’s ‘soft power’ gained weight, contrasting with the visibly diminished importance given to international security, fundamental during the Cold War. The Ministry of Foreign Affairs created departmental divisions and adapted the sub-departments to fit these new themes. The idea prevailed that Brazil would obtain more benefits within an international system where free trade predominated. The increase in competitiveness in a world with lower tariff barriers would make it possible for the country to integrate better into the global market. ‘Participation comes from the simple fact that, given the dimensions of the country, there are very few things that do not affect us’ (Fonseca, 1998: 367).

During the 1990s various domestic measures were adopted in consonance with this vision of international insertion: currency liberalisation, decreased subsidies for industry, new legislation for intellectual property, greater liberalisation for imports, relative investment liberalisation, privatisation of state-owned companies and renegotiation of foreign debt.

This evolution towards autonomy through participation was slow, having been enhanced at the end of Abreu Sodré’s period at the Ministry of Foreign Affairs (1986–90), during the Sarney administration, and on into Fransisco Rezek’s (1990–91) tenure in the Collor de Mello administration. However, there was a theoretical refinement of the new paradigm adopted by Brazilian foreign policy in Celso Lafer’s brief passage through the Ministry of Foreign Affairs in 1992, during Collor de Mello’s term (Mello, 2000).

President Itamar Franco (1992–94) put into operation the goals set out by the ministry, with Cardoso (1992–93) and Celso Amorim (1993–94) in charge of the portfolio. The search for a redefinition of objectives to be actively pursued involved the Ministry of Finance, especially when Cardoso, Ricupero and Ciro Gomes held the office of minister, and an adherence to liberal international economic values meant focusing on domestic stability.

The decision to sign the Final Act of Marrakesh, which created the WTO in 1994, and the discussion of a common external tariff in the Mercosur, which was consolidated in the Ouro Preto Protocol of December 1994, thus initiating negotiations for the creation of the Free Trade Area of the Americas (FTTA), consolidated the autonomy-through-participation strategy (Vigevari et al, 2004: 34).

The idea of change with continuity defended by Lafer (2001b: 8), which prevailed during the Cardoso administration, meant that a foreign policy renewal should be characterised by creative adaptation towards new international challenges. In this case foreign policy changes do not need to be radical redirections of a country’s objectives; usually they are just adjustments or changes in political programme. What we saw in the Cardoso administration was the consolidation and sophistication of a policy initially formulated and practised by the Collor de Mello and Itamar Franco.
governments. There was the abandonment of the idea of intrinsic development, which prevailed until 1988/1989, when the government’s main objective was increasing both the market and consumption on a domestic level, strengthening and extending the state, drawing in foreign investment and using import-substitution policies. Part of the success of Brazilian diplomacy in the Cardoso administration was linked to a partially cooperative international environment, where a democratisation of international institutions was believed to have taken place mainly in the field of trade. The economic growth of most countries in the 1990s, especially of the USA under Clinton, seemed to back up this perception.

The Clinton administration, which coincided with six years of the Cardoso administration (1995–2004), sought to strengthen international rules and institutions amid tough negotiations. Issues such as security and strategic planning were not neglected, but had less visibility in this period. The George W Bush government began to modify the concept of international relations in 2001, creating new difficulties for the Cardoso administration. This does not mean that autonomy through participation lost its validity: it was adorned with new traits.

At the end of his term Cardoso was worried about the difficulties resulting from the growth of American unilateralism. This led to an enhancement of relations with China, India and South Africa and a search for greater balance in the dialogue with the USA on the FTAA. Despite not having reached agreement, the Cardoso administration attempted to use the Mercosur–European Union negotiations to take on greater manoeuvrability (Vigevani et al., 2004: 57). This tendency and actual redirection would be taken further and defended more emphatically in the Lula administration, indicating a gradual change from autonomy through participation to the strategy we define as being the search for autonomy through diversification.

A summarised definition goes as follows:

1. Autonomy through distance—a policy of not automatically accepting prevailing international regimes; belief in partial autarchy; development focused on the domestic market. Consequently, a diplomacy that goes against certain aspects of the agenda of the great powers so as to preserve the nation-state’s sovereignty.

2. Autonomy through participation—the adherence to international regimes, especially more liberal ones, but without the loss of foreign policy management. The objective would be to influence the formulation of principles and rules that dictate the international system.

3. Autonomy through diversification—an adherence to international norms and principles by means of South–South alliances, including regional alliances, and through agreements with non-traditional partners (China, Asia-Pacific, Africa, Eastern Europe, Middle East, etc), trying to reduce asymmetries in external relations with powerful countries.

With the beginning of the Lula administration expectations arose as to the possible redirection of foreign policy. According to Cardozo and Miyamoto
(2006: 3), some of Geisel’s Responsible Pragmatism guidelines, such as affirming autonomy in relation to the superpowers and enhancing ties with countries of the South, whether bilaterally or through international institutions, were undertaken again in Lula’s foreign policy.

Geisel’s foreign policy was marked by the effort to bring Brazil closer to the countries of the South, since closer relations with Third World countries would allow for diversification of interest and, consequently, less dependence on rich countries. The emphasis on South–South relations would objectively put the North–South dialogue on new terms, inasmuch as co-ordinated action between developing countries could decrease international power asymmetries (Cardozo & Miyamoto, 2006: 11). However, the Responsible Pragmatism foreign policy would not mean complete alignment with the southern agenda; Brazil was never a member of the Non-Aligned Movement, for instance. In fact, this was a policy associated with the context of the period: major increases in oil prices, high dependence on Middle East imports, particularly from Iraq, the human rights policy of the Carter administration, development of Brazilian nuclear power stations and the protectionist development project.

The international system during the Lula administration does not differ considerably from the context of the previous administration, especially after 11 September. On the domestic plane the abandonment of the import-substitution model seemed consolidated thanks to a certain consensus in society on the need for an internationally competitive economy.

The apparent changes in the Lula administration had some guidelines: 1) to contribute to the search for greater equilibrium and to attenuate unilateralism; 2) to strengthen bilateral and multilateral relations in order to increase the country’s weight in political and economic negotiations on an international level; 3) to deepen relations so as to benefit from possibly greater economic, financial, technological and cultural exchanges; and 4) to avoid agreements that could jeopardise development in the long term. Throughout the first period of the government (2003–06), and probably more so in the second period, these guidelines implied precise emphases: 1) an intensification of relations with emerging countries such as India, China, Russia and South Africa; 2) an important role at the Doha Round of the WTO, as was the case in other international negotiations; 3) maintenance of friendly political relations and the further development of economic relations with rich countries, including the USA; 4) forming and strengthening relations with African countries; 5) campaigning for the reform of the UN Security Council, including a permanent seat for Brazil; and 6) defence of social objectives, allowing for greater balance between the state and civil society.

The significance of South–South co-operation

According to the Secretary General of the Ministry of Foreign Affairs, Pinheiro Guimarães, ‘Brazil… has to react to the political initiatives of the great powers, especially… the United States. Brazil has to articulate
political, economic and technological alliances with peripheral states of the international system to defend and protect its interests” (Guimarães, 2006).

Throughout most of the Cold War Brazilian foreign policy defended themes on the North–South agenda, as opposed to the East–West conflict. Even in the moments of greater political identification with USA and Western diplomacy under the Dutra and Castello Branco administrations, the themes of national development and division of countries into poor and rich still manifested itself. Brazil’s support for the G-77, which sought a fairer international economic order, its sympathy for the proposals of countries unwilling to align either to the USSR or the USA and its closer ties with Middle Eastern and African nations set forth a Third World-like foreign policy, more visible in the Responsible Pragmatism period. The Cardoso administration, which kept up good relations with developing countries, explicitly recognising the asymmetries and the lack of fairness between nations, sought to move away from this position, emphasising the co-operative aspects of the international system.

The foreign policy that I pursued in my brief passage through the Ministry of Foreign Affairs (October 1992 to May 1993) was that of autonomy through participation, within a changing international reality, in contrast to autonomy through distance from the world order of the time… The Ministry of Foreign Affairs, generally run by diplomats during those years of technocratic tendency, drew up a policy of defence of our interests that toyed with Third Worldism… The military regime’s foreign policy followed the guidelines of such a style of government, but had to review its central objectives after the fall of the Berlin Wall in 1989 and the accelerated economic process linked to globalisation from 1980 to 1990. (Cardoso, 2006: 604–606)

At first, one might believe that Lula’s foreign policy is an attempt to return to a Third World mentality. In Brazil this interpretation is strong among the opposition parties, particularly the Brazilian Social Democratic Party (PSDB) and the Liberal Front Party (PFL, renamed ‘Democrats’ in 2007), and is echoed in the mainstream media and in entrepreneurial and intellectual sectors. However, if the will to place South–South co-operation back on the agenda did exist, it had to be reinterpreted within a scenario that brought with it two fundamental changes: the country’s adherence to the universality of democratic principles and the acceleration of the globalisation process, which made it impossible for the nation to maintain a foreign policy with a low level of interdependence in relation to other countries (Lima, 2005: 33; Lima & Hirst, 2006: 25). This explains why the stance taken by the Ministry of Foreign Affairs is not necessarily aiming to weaken ties with richer countries.

Even if the Lula administration were able escape the constraints created and deepened by previous administrations, a mere return to the past would be impossible. The programme of Lula’s party, the PT, initially suggested a distancing from the developed capitalist countries. But nostalgia for
autonomy through distance within the government has to align itself with certain realities that changed during the Cardoso administration.

The Lula administration ‘innovated’ when it named Marco Aurélio Garcia, a PT intellectual who was the party secretary of international relations from 1996 to 2002, to take over as special adviser to the president on foreign affairs. The only other occasion on record when a non-diplomat had the post dates back to president Kubitscheck (1956–60), when poet Augusto Frederico Schmidt held it. There have been rumours of conflicts between the adviser and the minister of foreign affairs on occasion, which leads one to suppose that there are disputes between the two as to who heads the country’s foreign policy making. A certain division of space dispelled some doubts: Garcia is mainly responsible for ‘ideological’ topics of Brazilian foreign policy, particularly when there is a need for dialogue with South American leftist leaders like Hugo Chavez. On the other hand, Amorim takes care of the more ‘technical’ aspects of the Brazilian international agenda, like WTO and FTAA negotiations (Garcia, 2004).

The Lula administration takes an assertive stance in the defence of national sovereignty and interests, seeking privileged alliances in the South. It must be made clear that South–South co-operation occurred in the Cardoso administration, for example in the questioning of HIV/AIDS drug patents under the leadership of Minister of Health José Serra, when Brazil joined South Africa, India and various NGOs (eg Oxfam and Médecins sans Frontières) in demanding the lowering of international prices of such drugs. However, this coalition was institutionalised only in the Lula administration on 6 June 2003, with the Declaration of Brasilia, an agreement on issues ranging from trade to international security, resulting in the creation of IBSA, or the G-3. With regard to intellectual property rights, Lula authorised Brazil to break the patent of an AIDS drug made by Merck & Co for the first time and to import a generic version from India instead (Amaral, 2007).

As for the WTO, both governments placed importance on participation in multilateral trade negotiations. The Cardoso administration devoted itself to dialogue, not to an institutionalised co-ordination of southern countries. Lula has formed alliances, such as the much talked-about G-20 and IBSA. The final outcome of these coalitions is still uncertain, but they were recognised in the Doha, Cancun and Hong Kong rounds.

After the IBSA agreement some diplomats who had occupied relevant positions in previous governments criticised the lack of scope and undefined strategy of the alliance. The issues covered by the G-3 included not only foreign trade and international security, but also technological co-operation and incentives for tourism, among others (Almeida, 2004: 167; Maior, 2004: 56).

The Lula administration’s concern to strengthen its own negotiating role in South–South coalitions became evident before the ministerial meeting in Cancun in September 2003, date of the formation of the G-20, a group of countries interested in the end of domestic subsidies for exports of agricultural goods and in greater access to North American and European
markets (Amorim, 2004: 161). As with other southern alliances, the Lula administration believes that this coalition’s interests go beyond the expansion of individual economic benefits and that it should have a common identity. Pinheiro Guimarães, ambassador at the time and currently serving as Secretary General of the Ministry of Foreign Affairs, expressed the idea clearly:

Despite the differences between Brazil and other large peripheral states, inasmuch as they share common characteristics and interests and are far away from one another, they do not have direct competitive interests and are therefore able to construct common political projects. (Guimarães, 1999: 141)

As proof that real common interests exist, one of the assumptions of Brazil’s action during the Lula administration, the G-20 has been able to reach its objectives and has constituted itself as a negotiating power, even though its continuity is subject to the logic of interests and power relations, always asymmetrical. According to Amorim, “the so-called “failure of Cancun”, was the first step towards the success of Geneva, almost a year later...in comparison with previous rounds, when the United States and the European Union set, between themselves, the bounds of the agreement that was then offered as “possible consensus” to the other countries’ (Amorim, 2005: 4). According to the minister, “our priority is to successfully conclude the WTO negotiations. There, we will actually be able to eliminate the billion-dollar export subsidies and significantly reduce the domestic support for agricultural production of the developed countries’ (Amorim, 2005: 5).

**Regional role, USA and diversification of partners**

The Cardoso administration was characterised by multilateralism, with an emphasis on international law. Recognising the reality of strong power asymmetries in the international system, direct negotiation with central countries was prioritised without the need for systematic southern alliances (Lafer, 2001a). The WTO panels against the USA and the European Union regarding cotton and sugar demonstrate the meaning of the use of legal mechanisms. Recognising the strategic importance of Mercosur and of relations with Argentina, the pursuit of construction of a regional bloc in South America moved forward, particularly after the Brazilian Conference of Heads of States and Regional Governments in 2000. The conviction prevailed that activism would not solve the problem of lack of bargaining power. As for values, subject to the idea of autonomy through participation, Cardoso defended human rights principles and sustainable development, sought to preserve peace and democracy and pursued universal principles (Cardoso, 2006: 602).

Lula’s foreign policy, maintaining its multilateralism, defends national sovereignty more emphatically than did the previous government. This characteristic, in agreement with the notion of autonomy through diversification, gained relevance and was interpreted at certain moments
as a sentiment of regional leadership. Even if Lula’s ideas, and those of his top-level staff, were merely rhetorical statements, they still have an impact on Brazil’s relations with other countries. Governments and social groups not only react in consideration of the state’s power resources, but also according to the potential for utilisation of such resources. Therefore, political ideas and the perceptions of actors affect the behaviour of states, as has been argued by authors of differing theoretical perspectives (Keohane & Goldstein, 1993; Wendt, 1999; Rosati, 1995).

Brazil’s possible leadership role was seen as an outcome of the country’s economic prominence by the policy formulators of the Cardoso administration. Such leadership would be limited to a regional status because of the lack of resources (financial, military, political and professional) available to the state for action further afield. In contrast, the Lula administration believes leadership can be achieved by more active and dynamic diplomatic action, as well as by the country’s importance in the region (Amorim, 2003: 77).

The leadership role is difficult, given that its maintenance generates expectations and demands that cannot easily be met. This being so, leadership can bring about animosity. Even if this does not happen, there is always a price to be paid (Burges, 2005; Mattli, 1999). The nationalisation of Bolivian gas in 2006 by President Evo Morales, ultimately affecting the continuity of the concession of the Brazilian state company (Petrobrás), demonstrates the difficulties of leadership. The same could be said of the difficulties in dealing with drug trade problems between Brazil and Colombia, a situation that shows Brazil’s lack of capacity to help Colombia deal with its armed groups, who finance their ‘socialist’ guerrilla war by selling drugs. The leadership role demands greater capacity from the state to concentrate resources towards it. Brazil’s desire to make both foreign policy and regional integration central pillars of its own national project is an issue to be examined.

Lula’s foreign policy, seeking to increase its international and regional status, has taken on a pre-eminent role in Haiti. Here the country has accepted the command of a UN Special Mission to establish peace in Haiti by sending a contingent of some 1200 soldiers. Even in this situation, we cannot identify an action that implies goal changes in relation to the country’s traditional foreign policy, but there may be a change from the autonomy-through-distance period. The sending of troops to Haiti is part of Brazil’s tradition, taking into account the country’s peacekeeping role back in 1956, under President Kubitschek, when it sent forces to Sinai, having followed through in Angola and other smaller countries (Yugoslavia and East Timor). The presence in Haiti, approved in 2003, is linked to the tradition of Brazilian diplomacy of co-operating in policies that seek to promote international (Sinai) or national (Angola) peace. This is also linked to Brazil’s strong desire to obtain a permanent seat on the UN Security Council. This is why the government, as part of a more general international strategy, has accepted the mission and demonstrated a willingness to bear part of the peacekeeping costs.
The Haitian case perfectly exemplifies the meaning of autonomy through diversification. Diversification not only means the search for broadening the range of relations with non-traditional partner states. It also implies the capacity for intervention in areas that are not of immediate interest and refer to internationally recognised public goods. Brazil chose to take on this responsibility, supported by other countries of the region, such as Chile and Argentina, because its objective strengthens the country’s international status.

The Cardoso administration opted for a more moderate position, in which external actions would be collaborative, being initiated through international institutions, thus avoiding a role that would result in responsibility and risk. Cardoso explains: ‘Aside from making the Brazilian position in the region clear, and this without arrogance, I am convinced that leadership is exercised, not proclaimed’ (Cardoso, 2006: 621). As for pursuing a seat on the UN Security Council, Cardoso prioritised other issues on the agenda, for example, ‘inclusion in the G-7 as a better alternative’ (Cardoso, 2006: 610).

The growth of the domestic debate on foreign policy throughout the Lula administration is evident. In the context of the country’s modest growth since the early 1980s, international trade developed significantly, reaching $107.6 billion in 2002 and $228.9 billion in 2006 (secex, 2007). This partly explains why international economic issues gained relevance in the domestic debate. This was of interest to public opinion, the elite, entrepreneurs, unions, parties and Congress. On the other hand, innovations met with resistance, weakening what seemed to be a reasonable domestic consensus on a foreign policy that, according to some critics, should be of the state and not of the government. According to the opposition, especially the PSDB and the PFL/Democrats, the strong politicisation resulted from the lack of effort in maintaining relations with traditional economic and political partners, particularly the USA and the European Union. In fact, the Lula administration chose to increase the number of relations with other countries, including African nations, specifically Portuguese-speaking ones, and not only on economic bases, but also by redeeming the so-called human, social and cultural debt.

Relations with the USA throughout the Cardoso period were defined as essential and co-operative: despite good political relations, there were sector disagreements, especially in the trade area, where differences over intellectual property rights and contentions in several areas were in the spotlight. US cotton subsidies were questioned by Brazil, and this ended up serving as a catalysing and as experience in the use of WTO panels and conflict-resolution mechanisms. This environment made it difficult for any further negotiations on the FTAA, despite the conclusion, in the final phase of the Cardoso government, that such an agreement would be interesting. A criticism made of the Lula government’s trade policy is its lack of pragmatism. Its disconnection from its time and its overly ideological nature ultimately affect international trade which, in order to expand, has to go through the FTAA, a path desired by significant parts of the private sector (Giannetti & Marconini, 2006;
Jank, 2006). However, by means of a survey conducted with members of the Executive, Congress and the Judiciary, and also of social movements, NGOs and special interest groups, it was found that most of those interviewed (61%) believed that the Brazilian government should demand from the USA a lowering of its non-tariff barriers and subsidies before reaching any sort of agreement. In addition, 16% believed that the agreement was not in the country’s best interest, while the remaining 8% supported it (Souza, 2002: 60).

During the 2002 Brazilian election campaign neo-conservative sectors in the USA feared that Brazil would oppose the interests of the USA. In the economic camp rumours were such that the country’s risk factor rose to 2000 points. This had a strong impact on the election campaign itself and conditioned part of the government’s economic measures from 2003 onwards. It was believed in US business circles that the foreign debt would not be honoured and that a ‘populist’ state-driven programme would be implemented.

However, the day after Lula’s October 2002 election victory, George W Bush telephoned the future president of Brazil inviting him to visit the USA before his inauguration. The visit was positive and contributed to diminishing a conflict that was in neither country’s interest. Bush’s visit to Brazil in November 2005 consolidated the dialogue. Some even talk about the mutual empathy that appears to exist between the two presidents. Lula’s negative image in the USA in 2002, as during the presidential campaigns of 1989, 1994 and 1998, dissipated over the course of the 2006 election campaign. In its final phase the Lula candidature did not suffer strong opposition from the USA, although this did not mean that US elites were sympathetic towards him. This was the case with the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and leftist groups.

In March 2007, at the beginning of his second presidential term, Lula met George W Bush again: first in Brazil and then in Camp David. Two topics of their meetings gained the media spotlight: a possible agreement on ethanol and the US attempt to block the actions of President Chavez of Venezuela. The Lula administration is against the non-democratic actions taken by Chavez, but at the same time has shown little desire to confront him directly. As for ethanol, certainly the USA has a need to decrease its ‘addiction to oil’ and Brazil wants greater access to the US market, but it is not clear what the results of this partnership will be, since it is still embryonic. According to Amorim, the approximation between Lula and Bush ‘is not a “course correction” in Brazilian foreign policy… Exactly for having an autonomous and sovereign foreign policy…Brazil is respected by developed and developing countries’ (Amorim, 2007).

The Cardoso administration’s relations with the USA, like its positions on then-current international themes, can be placed in the autonomy-through-participation perspective, understood to be the active attempt at influencing agendas. Certain social sectors, especially entrepreneurial and political ones, and high-level staff, constituted its political support base. They find relations
with central countries to be more beneficial, potentially opening up opportunities for markets that are not found in other countries. The Lula administration’s aim is to ‘maintain good political, economic and commercial relations with the great powers and at the same time prioritise the ties with the South’ (Lula da Silva, 2007, emphasis added).

The attitude of relative autonomy, in some cases of disagreement with the USA, and the silent proclamation of regional leadership, are all signs that fit into the autonomy-through-diversification notion. The changes brought about in the international environment as a result of US unilateralism, consolidated by the 11 September attack, served to strengthen the foreign policy espoused by the PT leaders who reached power in Brazil in 2003 (Alden & Vieira, 2005).

Lula’s policy has risks and in part demonstrates the new geography of world power and of the world economy. Using Brazilian foreign trade figures (important though not fully able to explain the complexity of the scenario), we see that imports from the traditional markets (USA, EU, Japan, Canada, Mexico and Mercosur) decreased from 79.3% to 67.2% of the total between 2002 and 2005. As for the non-traditional markets (China, Asia-Pacific, Africa, Eastern Europe, Middle East, etc), their share increased from 19.7% to 31% over the same period (Prates, 2005: 138). This reflects a specific worldview and represents risks, through the lack of attention to traditional international interlocutors, but is not colliding with the new tendencies of the 21st century’s international scenario. One of these tendencies is Asia’s growing importance. The other is the delay in negotiations over the establishment of free trade areas (with the EU and the FTAA) because the Lula administration seems to believe there is a possibility of keeping close relationships with core countries without conceding too much, in order to establish asymmetrical free trade agreements. There are possible obstacles in this strategy, for instance the difficulty in strengthening Mercosur and the partnership with Argentina. Similarly, the lack of a strong and consistent development project for Brazil and Mercosur, which would demand a well equipped state in order to put it into practice, could place obstacles in the way of the country’s (and also the region’s) fully benefiting from the changes taking place in the world in terms of the new geography of political and economic power.

Concluding remarks: Cardoso’s and Lula’s foreign policies

In comparison with that of Cardoso, Lula’s foreign policy has elements of change with continuity as expressed by Lafer (2001b: 108). The Lula administration did not drift away from the historic principle on which Brazilian diplomacy is based, that of being an instrument of economic development and the consequent preservation of and increase in the country’s autonomy. It has implemented ideological and strategy changes to deal with problems brought about by the condition of underdevelopment, yet these are not essentially different from the problems faced by President Cardoso (see Table 1).
<table>
<thead>
<tr>
<th>Brazilian foreign policy agenda</th>
<th>Cardoso administration</th>
<th>Lula administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTAA</td>
<td>Despite not considering it a priority for Brazil, the government did demonstrate a favourable posture. The strategy was to delay negotiations and only sign the agreement if it was favourable for the country.</td>
<td>Began negotiating in more demanding fashion, with the argument that negotiations would only move forward if Brazilian demands were met.</td>
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<tr>
<td>Fighting world hunger</td>
<td>Not present on the Brazilian agenda.</td>
<td>Gained the spotlight in Lula’s international statements, especially at the beginning of his term. Attempted to formally introduce it to the international agenda, with uncertain results.</td>
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<tr>
<td>UN Security Council</td>
<td>Wanted a permanent seat on the UN Security Council, but not enough effort was put into this objective by Brazilian diplomacy. Cardoso reached the point of declaring that he would prefer deepening regional integration and being part of the G-7 to a seat on the Security Council.</td>
<td>Minister Celso Amorim firmly expressed the country’s wish to obtain a permanent seat on the Security Council. The efforts put into this objective were considerable. Brazil’s mission to Haiti is an attempt to prove to the international community that the country is ready to be a permanent Council member.</td>
</tr>
<tr>
<td>South–South co-operation</td>
<td>The Cardoso administration prioritised relations with developed countries, mainly the EU and the USA. The relationship with large southern countries sought material benefits, principally in the commercial sector. At the end of his second term, the government focused on improving relations with China, India, Russia and South Africa. In the case of the pharmaceutical patents conflict with the USA, Brazil became closer to India and South Africa, but did not institutionalise this partnership.</td>
<td>The relationship with the countries of the South has been given much emphasis in the Lula administration. Attention is paid to a more lasting relationship with developing countries. This was a result of the world-view and ideological roots of the PT, partly coincidental with a tendency already in existence among some of the diplomatic corps. A partnership between Brazil, India and South Africa was institutionalised, covering themes such as security, trade and technological exchanges. The results are still uncertain. The G-20, a group of developing countries seeking the liberalisation of agricultural trade, has gained visibility during the Lula administration. Such a coalition has a purpose: the reduction of economic and power asymmetries.</td>
</tr>
<tr>
<td>USA</td>
<td>The Cardoso administration based itself on the logic of active participation in international regimes, in which the USA retained a key role. The Brazilian president developed personal relations with President Clinton.</td>
<td>Recognising the USA as the world’s richest and most powerful nation, the Lula government’s foreign policy has opted to deepen relations with big developing countries and with the EU in an attempt to reduce the power asymmetry in relation to the US</td>
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(continued)
**TABLE 1. (Continued)**

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<thead>
<tr>
<th>Brazilian foreign policy agenda</th>
<th>Cardoso administration</th>
<th>Lula administration</th>
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<tbody>
<tr>
<td>Latin American integration</td>
<td>By the end of his term, at which time the George W Bush administration was in power,</td>
<td>powerhouse. It has also sought to increase the country’s bargaining power by</td>
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<td></td>
<td>and especially after 11 September, Cardoso began criticising US unilateralism. In this</td>
<td>diversifying its strategic options, such as strengthening the Mercosur and</td>
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<td></td>
<td>new phase new commercial partnerships were sought with large developing nations to</td>
<td>Mercosur – European Union negotiations. In this context, the Lula administration has</td>
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<td></td>
<td>counterbalance the commercial power of the USA.</td>
<td>avoided confrontations with the USA.</td>
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<td></td>
<td>The Lula administration maintains its interest in Mercosur and is strongly focused</td>
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<td></td>
<td>towards the South American Community of Nations (SACN). There is a rhetorical emphasis</td>
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<td></td>
<td>on the role of the region, especially demonstrated by the development of the Initiative</td>
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<td></td>
<td>for the Integration of Regional Infrastructure in South America (IIRSA). Integration is</td>
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<td></td>
<td>at the top of the country’s agenda. Lula has placed emphasis on maintaining a balance</td>
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<td></td>
<td>in relations with other countries, to capitalise on the apparent convergence in relation</td>
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<td></td>
<td>to integration and to avoid worsening potentially conflictive situations.</td>
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<td></td>
<td>The Lula administration has put this theme up for political debate, though not</td>
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<td></td>
<td>ostensibly. The wish to obtain a distinguished role among developing countries has been</td>
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<tr>
<td></td>
<td>introduced. On the other hand, certain South American countries are demanding much more</td>
<td></td>
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<td></td>
<td>from Brazil.</td>
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<td></td>
<td>The Cardoso administration believed that leadership is not proclaimed, but exercised.</td>
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<td></td>
<td>In this sense, the issue of Brazilian leadership did not receive much attention.</td>
<td></td>
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<td></td>
<td>The Lula administration</td>
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Analysing the two governments’ positions clearly indicates that Lula seeks strategic partners in the South in order to gain more bargaining power in international negotiations. There are structural limitations if the project is to be taken further. The objective of partial co-ordination among different countries to act in concerted fashion on the international arena seems difficult to achieve, as shown, for instance, by the difficulties existing between Mercosur and the South American Community of Nations (SACN) in terms of co-ordination. The economic costs, the small number of diplomats and the relatively low national capacity for producing policies and enabling complex negotiations could impair the government’s project. Political ability is
necessary to interact with such diverse audiences as, for instance, the participants of the Davos World Economic Forum, of the G-8 meeting in Gleneagles and of the Porto Alegre World Social Forum. But it is far from clear that the demand for a fairer international order, which is present in most of Lula’s speeches, will come through. More importantly, Brazil’s role in this ‘future new world’ is not self-evident.

If the autonomy-through-diversification strategy is used successfully in the long term, results could surface, consolidating the historic development objectives and a less asymmetric international power distribution from the Brazilian point of view. Lula’s second term (2007–10) will show whether the development of the government’s external policies, which have not yet differed considerably from the historic diplomatic inheritance, will determine a new paradigm of international insertion.

According to Lima (1990; 2005), the ideas of dependency and autonomy are inherent to the international relations of middle powers. Being at an intermediate level of power, these countries vary in behavioural standards. Sometimes these are similar to those of weak countries. Sometimes they reflect the standards of stronger nations. The variability of Brazilian conduct does not imply that it acts in an irrational fashion or that it does not pursue its interests, but suggests that ‘power is to be measured according to specific issues’, hence questioning the notion of a single general power structure irrespective of thematic area (Lima, 1990: 11). Based on this and on the analysis of Lula’s foreign policy, we can also say that the search for more balanced relations with rich countries does not result in ruptures with them.

Therefore, we emphasise the fact that the notion of autonomy through diversification, while not dominant among all social sectors that take an interest in foreign policy, is central to important policy makers (especially Lula and Pinheiro Guimarães, but also Amorim and Garcia), who count on the support of a considerable share of Brazil’s intellectuals and mass social movements, all imbued with a world-view opposed to unilateralmism.

References

LULA’S FOREIGN POLICY


