

The Lula legacy

Brazil braves new waters

Brazil's new-found status as an economic power and conflict mediator has led some to question their motives. President Dilma Rousseff will have to find ways to deflect accusations of self-interest and regional hegemony.



Dilma Rousseff's victory in Brazil's presidential election last October and her swearing-in ceremony on 1 January 2011 were intensely followed by the news media, foreign ministries, multinational corporations and

intergovernmental organizations around the world.

The fact that President Rousseff is the first woman to preside over the largest Latin American country was not the main motive behind such sustained interest. Realpolitik was.

Indeed, over the last two decades and in particular since left-wing President Luiz Inácio 'Lula' da Silva entered Brasilia's presidential palace in 2003, Brazil has become an economic powerhouse and a major diplomatic actor on the international scene. A country, writes *New York Times* correspondent Alexei Barrionuevo, 'full of swagger, eager to flex more of its newfound wealth and influence at home and abroad'.

Brazil matters

Brazil is Latin America's giant with 200 million inhabitants and a land area of 8.5 million square kilometres. It is the eighth world economic power and the world's fourth-largest food exporter with an enormous potential for increasing agricultural production. Its expansion has been based not only on agriculture and minerals but also on a growing sector of heavy and high-tech industries, and it has discovered massive oil reserves 150 miles off its southern coast.

In the eyes of the world Brazil matters. Most analysts know that any significant change of direction in Brasilia might affect economic, diplomatic and political interests beyond Brazil's traditional South American sphere of influence.

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summary

- Brazil has become an economic powerhouse and a major diplomatic actor on the international scene since the 1990s.
- Economically, it has strengthened relations with the United States and the European Union, and formed coalitions with Russia, India, China and others.
- Brazil's new-found status has led it to assume a more proactive international role: mediating in Latin American conflicts, enhancing its presence in Africa, and testing its peacekeeping and conflict resolution capacity in Haiti and the Middle East.
- But Brazil's new-found status has also raised suspicions that it is acting in self-interest. This is a legacy that newly elected president, Dilma Rousseff, will have to dispel.

Dilma Rousseff has been Lula's protégée under his two previous administrations. As a minister of energy and then a chief of staff she has shaped and shared the government's major policies. Continuity is the keyword in her vocabulary.

In 2003 Lula did not upset the apple cart either. He based his own policies on the economic and social reforms introduced by his centre-right predecessor Fernando Henrique Cardoso and adopted – to the dismay of his left-wing supporters – a strict and conventional economic and financial policy.

In this shrewd exercise of 'change in continuity' he also developed an activist foreign policy in order to maximize Brazil's position in the world economy and on the diplomatic scene. As the president who travelled abroad the most in history, he resorted to presidential diplomacy but also to the renowned competence of the foreign ministry, the guardian of Brazil's traditional foreign interests.

This approach was initially tested during the 2003 World Trade Organization (WTO) negotiations in Cancun when Brazil boldly took the lead of a coalition of Southern countries to oppose EU and US farm subsidies and demand better access for their agricultural products in Northern markets.

However, contrary to more radical Southern leaders, like Venezuelan President Hugo Chavez, Lula did not pretend to



Dilma Rousseff, Brazilian president, and her predecessor, Lula da Silva, during a visit to the 78 m high and 6.9 km long Tucuruí Dam on the Tocantins River, a major tributary of the Amazon, November 2010.

break with or radically change the international system. His objective was to bend its rules in favour of the South and more specifically in favour of Brazilian national interests.

Joining the new global game

Brazil's main point was that the institutions of global governance created in the wake of the Second World War were no longer representative of the new state of the world. Therefore, Lula argued, they should be adapted, in particular by making room at their top echelons for leaders of the new emerging countries of the South.

To that purpose, the Brazilian foreign ministry developed a diplomatic strategy aimed at increasing the country's presence in intergovernmental institutions. Brazil launched a campaign to reform the United Nations so that it could become a permanent member of its Security Council. It also submitted its own candidate to chair the WTO.

Although these two attempts ultimately failed, they gave a sense of Brazil's ambitions. No longer content with being the first among its Latin American neighbours, it wanted to join the new global game.

This conviction led Brazil to assume a more proactive international role: mediating in Latin American conflicts, enhancing its presence in Africa, and testing its peacekeeping and conflict resolution capacity in Haiti and the Middle East.

Brazil also moved to shape a new international order by helping build two new coalitions with like-minded 'emerging powers'. The BRIC group (Brazil, Russia, India and China)

and IBSA (India, Brazil and South Africa), although expressing disparate interests and lacking a real common strategy, were used as new international forums in which Brazilian diplomacy could push its economic and political priorities.

To reach these goals Lula followed Brazil's traditional foreign affairs principles of non-intervention, multilateralism and peaceful resolution of conflicts that had been conceived in the early 1900s by legendary José Paranhos, Baron of Rio Branco, the 'father of Brazilian diplomacy'.

President Lula gave a new impetus to these principles by offering Brazil's good offices in civil crises affecting neighbouring states. Brazil mediated in Bolivia between left-wing President Evo Morales and his conservative and autonomist opponents in the wealthy eastern departments, without succeeding, however, in finding a definite solution to the issues at stake. In 2004 the Brazilian army took the lead of MINUSTAH, the UN peacekeeping force in Haiti.

Wooing the big boys

Brazil, however, gave the highest priority to confirming or building strong and predictable relations with leading international powers, in particular the United States, China and the European Union.

Traditionally, Brasilia has tried not to antagonize the United States, but rather establish a cordial relationship with the so-called 'Northern colossus'. Although the two countries have regularly diverged on substantive issues, such as climate change, the Iraq invasion, the Colombian conflict or

international trade, Brazil has generally avoided playing the 'anti-American card'. In 2007 Lula signed a partnership on biofuels research and production with George W. Bush, and during his mandate he generally helped mitigate tensions between Washington and Venezuela or Bolivia.

In 2007 Brazil also signed a strategic partnership agreement with the European Union, putting the country high up on the EU political and economic map – in the same league as the United States, India and Russia.

China, however, has been the key actor in Brazil's economy in recent years. A major importer of natural resources, and a major investor, it became Brazil's biggest trading partner in 2010, replacing the United States.

At the outset Brazil welcomed what was presented at some point as the birth of a 'Brasilia-Beijing axis'. However, more recently Brazil has begun to worry about China, seeing it as a competitor for Brazilian industries as much as a partner. 'China is the microcosm for the future of Brazil, all the good and bad,' said Marcel Fortuna Biato, Lula's foreign policy adviser. 'And like the rest of the world, we are trying to fashion a response.'

Zero problems diplomacy

To enhance its global profile, Brazil has also pushed for economic and diplomatic pre-eminence in South America. Striving for a 'zero problems with neighbours' situation, it has tried to stay away from Latin America's ideological frontlines.

It has maintained respectful relations with Colombia, although it considers its neighbour excessively aligned with the United States and sees its drug-fed, long-festered armed conflict as a source of instability in the Andean and Amazonian regions, two areas deemed strategic by the Brazilian military establishment.

Despite his shows of left-wing solidarity with Venezuelan President Hugo Chavez, Lula has endeavoured to contain him by 'embracing him' and reducing the impact of his policies in South America, especially in Bolivia, where Brazilian companies have made significant investments.

Brazil also invested in regional integration. In the 1990s and early 2000s, it struggled to develop the Mercosul, the free-trade agreement between Argentina, Brazil, Paraguay, Uruguay and recently Venezuela. However, after the process stalled, Brazil looked for broader regional horizons.

In 2000 the Initiative for Regional Infrastructure in South America (IIRSA) – the initiative to develop regional infrastructure projects in South America – was launched in Brasilia. In 2008 Brazil initiated the creation of the Union of South American Nations. In 2009 it helped form the South American Defence Council that mediated in the Venezuela-Colombia conflict. And in 2010, it backed the creation of the Community of Latin American and Caribbean States, a new Latin American organization including Cuba and excluding the United States and Canada.

Although these initiatives are 'still more of an aspiration than a practical goal,' as Latin America expert Peter Hakim observes, they testify to Brazil's regional ambitions and its

will to 'guide' the continent in directions that reinforce its influence locally and globally.

Hard and soft power

Brazil has been using its hard power, especially its strong economy and its powerful multinational companies, to enhance its global role. Brazil has changed from a borrower to a lender at the International Monetary Fund, offering US\$10 billion at the 2009 G-20 summit to fight the global economic crisis.

Brazilian businessmen are present on all continents, in public works, the energy sector, telecommunications, aeronautics and agriculture. They have clinched contracts in Latin America, Africa and the Arab world, from Libya to Iraq.

Brazil has also tried to sell itself as a benevolent power, however. It has given its humanitarian, peacekeeping and mediation initiatives a high profile. Brazilian blue helmets are present among other countries in Haiti, Liberia, the Central African Republic, Ivory Coast and East Timor.

It has promoted its image as a 'new development assistance provider' in the context of a South-South cooperation strategy and has developed multiple aid projects, especially in the agricultural and health sectors, through its Agência Brasileira de Cooperação, in Latin America and the Caribbean, Portuguese-speaking Africa and East Timor.

Brazil has also publicized its internal social and economic achievements as proof of its international goodwill. Indeed, under Presidents Cardoso and Lula, Brazil has succeeded in shaking two of Latin America's traditional failings: erratic economic governance and extreme poverty.

Between 2002 and 2010, Philippe Boulet-Gercourt euphorically writes, 'the poverty rate has decreased from 35% of the population to 21%, the annual growth rate has averaged more than 5%, the foreign exchange reserves have topped US\$250 billion.'

The system put in place has lifted 13 million Brazilians out of poverty and 12 million out of extreme poverty. The government's social welfare programme, Bolsa Familia, provides cash to poor families if they send their children to school and assure they are vaccinated. Although the programme has been applied in other countries, it has been particularly well presented by the Lula government as an inspiration for developing countries.

In fact, in the last decade Brazil has played in two fields at the same time. Lula has spoken at both Porto Alegre World Social Forums and at Davos global business pow-wows. He has tried to present himself both as a member of the big world league of major industrial powers and as a spokesperson for the South. Not always successfully: he was booed at Porto Alegre at the fifth forum, for example, for policies that some attendees felt were too conservative.

Ambiguous games

Assuming the role of an intermediary power, however, has not always been easy. While Brazil expected everyone to praise its benevolence, the country has often been suspected of playing ambiguous games.



Marco Aurélio Garcia, special foreign policy advisor to Brazil's current president, Dilma Rousseff, and to former president Lula da Silva: expanding Brazil's international influence is not always as easy as it looks.

Brazil is home to the one of the planet's largest ecosystems, the Amazon forest, and although the eighth largest emitter of greenhouse gases, it has taken the lead in the development of renewable energy. Its policies, however, have been subject to major objections. After an initially positive response, its biofuels strategy, especially the development of ethanol production in developing countries, has been criticized particularly by environmentalists and sectors concerned with global food insecurity.

Poorer countries have not always been convinced by Brazil's pretension to defend the interests of the South against the United States or the European Union, especially in matters of agriculture, where Brazil plays essentially to the tune of its powerful agribusiness industry. African cotton producers, for instance, have criticized Brazil for neglecting their interests and those of traditional peasants.

In Latin America, despite Brasilia's insistence that it harbours no hegemonic intentions, many countries express some concern towards a 'rising power' that tends to consider its neighbours as less than equals.

Brazil's Latin American 'sister republics' failed, for instance, to support its bid for a permanent seat at the UN security council. Countries with regional ambitions like Mexico and Argentina or smaller neighbours like Bolivia, Paraguay or Uruguay resent at times Brazil's diplomatic influence and economic encroachments. IIRSA, and in particular its ambition to connect Brazil's ports and agricultural heartland with the Pacific coast, has been seen as a project that will mostly benefit Brazil.

Lula has met some tough questioning abroad, despite being credited with an 80% popularity rating in Brazil at the end of his second term. 'Brazil has become one of the most obstructionist countries regarding human rights,' said José Miguel Vivanco, director of the Americas division of Human Rights Watch, in an interview with Radio Netherlands Worldwide on 4 September 2010. He believes Brazil is

pursuing a South-South strategy that considers the theme of human rights as a liability.

Indeed, Lula has systematically forsaken one of the major ingredients of soft power in his whirlwind tours around the world: democracy promotion and human rights. The former trade union leader and left-wing activist might have benefited from international solidarity under the Brazilian military dictatorship that ruled until 1985, but he also completely sidelined human rights in his foreign policy endeavours mainly by referring to Brazil's traditional policy of national sovereignty and non-intervention in other countries' affairs.

Lula ordered Brazilian diplomats in the United Nations not to condemn autocratic regimes like Myanmar, Sudan and North Korea. He openly schmoozed with Libyan strongman Muammar Qaddafi and Iranian President Mahmoud Ahmadinejad and embraced the Castro regime. His failure to significantly improve Brazil's internal human rights record, and in particular reduce police violence and corruption, has also damaged Brazil's international image.

Lula's initiatives have also been met with failure. His offer of good offices to help Colombia solve a 50-year-old armed insurgency was rebuffed. In 2009 he failed in his efforts to restore Honduran President Manuel Zelaya, who had been unseated by the army. In 2010 he was scolded by the US administration when he joined Turkish Foreign Minister Ahmet Davutoglu to mediate on the Iranian nuclear issue.

Come home, Brazil

Dilma Rousseff is aware that she will have to correct some of her predecessor's approaches and carefully choose her foreign policy priorities. The new president seems to listen to those observers that have warned Brazil against hubris and suggested, as Peter Hakim writes, that 'the nation's accomplishments and potential have been exaggerated and its weaknesses underplayed'. She knows that she will have to confront major challenges in a highly competitive world economic environment.

Although the real test of Brazil's emergence as a serious and responsible world power will be in the fields of the economy and of diplomacy, three highly symbolic deadlines are on the horizon that will put the country in the international limelight: the Rio plus 20 environmental summit in 2012, the Football World Cup in 2014 and the Olympic Games in 2016.

Quite a few observers, however, are predicting that the new president will mark a pause in Brazil's international activism, adopt a 'come home, Brazil' approach focused on solving major internal structural weaknesses and social dilemmas that were not addressed under the two previous administrations due to the implementation of a mainstream economic development model, in particular poor education, insufficient infrastructure, weak rule of law, acute levels of corruption, social inequality, violence and rampant ecological degradation.

'To substantially deepen its investments in its people, on which its new social contract is based,' writes Julia Sweig, 'Brazil may well have to lower its near-term sights regarding global leadership.' ■