

# NEO-DEVELOPMENTALISM AND THE SEARCH OF A NEW INTERNATIONAL INSERTION<sup>1</sup>

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## 1. Introduction

One of recent years' great innovations was the strength with which the Brazilian government articulated for the country to attain a leading role in the international arena. The government and many social sectors had a clear perception that the project on sustainability should also be implemented, with equity and social inclusion, in Brazil's foreign policy. The reasons are, firstly, because world's imbalances favor neither Brazil's nor the other developing nations' progress. Nations, in fact, which Brazil has begun to discuss with. Secondly, there has grown the perception that Brazil, according to President Luiz Inácio Lula da Silva, plays a role inferior to its true potential in the international arena. It is, after all, the fifth largest country in population and territory, and on the way to becoming the fifth largest gross domestic product (GDP) in the world; so, it is expected the country should take an appropriate, leading role in actively and creatively changing the world power's configuration. Such realization led him, under a deeply diplomatic presidency, to spend more than an eighth of his two presidential mandates (2003-2010) abroad<sup>3</sup>.

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<sup>3</sup> According to the compilation of the NGO Open Accounts, the president was 470 days on official travel outside the country. See <<http://contasabertas.uol.com.br/WebSite/Noticias/DetalheNoticias.aspx?Id=377>>.

This paper shows the capacity to react and articulate around the financial global crisis of 2008 as a turning point. From that moment on, the world began to see Brazil in a different way, and to recognize its strategic resources, such as the new oil reserves, its environment's richness, and its singular capacity to expand its food production. This new relationship level and international participation sought since 2003 have gained, then, new meaning.

My work is divided into eight sections, including introduction and final considerations. In the following sections, I will analyze the strategy behind a foreign policy that is more constructive and that is more linked to efforts on readjusting development with growth and equity in the national sphere. In the sixth section, my approach focuses on the impact that the financial crisis of 2008 caused on Brazil's international participation. The seventh section presents the basis for projecting future scenarios and strategies.

## 2. Reaffirmation of autonomy

The search to improve Brazil's position within the hierarchy of international relations is linked to developmental strategies in the national sphere. Along with the formulation of a socio-economic neo-developmental policy, discussions on the complex relation between dependency and development also resurfaced<sup>4</sup>. In his analysis of developmental conventions of today's Brazil, Erber (2010: 28) argues that the search for a new “national project on development,” announced during President Luiz Inácio Lula da Silva's inaugural speech at Congress, resulted in the articulation of a “neo-developmental convention.” Among the five pillars that justify, according to the author, this term, is an independent foreign policy that

... favors relationships with other developing countries – whether they're in Latin America, or are part of the Brazil-Russia-India-China group (BRIC) – and seeks to reinforce Brazil's role as a leading player in changing the world's institutional structure (ibidem: 29).

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<sup>4</sup> See this debate about the classic by Fernando Henrique Cardoso and Enzo Faletto (2004).

The same premise that has placed the government in a leading role in bringing progress – mobilizing and re-articulating state-owned enterprises and public banks – also guided a new search for the country's inclusion in the international arena, which should work in tune with national development; while, in turn, national development ensures more resources and credibility to expand Brazil's international presence. As President Luiz Inácio Lula da Silva said on his inaugural address in 2003: *“In my presidency, a more humanistic perspective will guide Brazil's diplomatic action, and it will be, above all, a tool for national development.”*

We are then able to draw a parallel with the independent foreign policy associated with San Tiago Dantes in João Goulart's government, when there was an attempt at international networking with other developing countries to change the institutions' multilateral framework in favor of expanding developmental conditions, which culminated in the creation of the United Nations Conference on Trade and Development (UNCTAD), the introduction of the Generalized System of Preferences (GSP), and the acceptance of the differential treatment's principle during the General Agreement on Tariffs and Trade's (GATT) Tokyo Round (ALMEIDA, 2007; MAIOR, 2004).

Guimarães (2006: 259), who for seven years held the Foreign Ministry's General Secretariat position, establishes a clear relation between Brazil's sovereign international integration and Brazilian society's three main challenges: *“... the decrease of extreme social disparities, the elimination of chronic social vulnerabilities, and the fast achievement of its potential.”*

We identify, therefore, that throughout President Luiz Inácio Lula da Silva's two mandates, there is a clear coherence between the pursuit of a greater sovereign insertion into globalization, the return of a national, developmental project's strategy, and the new State activism's agenda. It is still within this context that I will analyze in the following section Brazil's policy regarding the United States.

### 3. Brazil- USA

The central part of the search of a more active integration in the international arena is the renegotiation of the relationship with the great power, the United States. The new relationship with the U.S. was marked by the pursuit of a

constructive level, but with clear recognition of the interests of each. Thus, one of the first acts of Lula's administration was to paralyze the procedure at the National Congress of the agreement to use the satellite launching base in Alcantara, which would give a near monopoly for the USA, while Brazil was seeking to establish a varied range of relations for the development of this technology.

Three months after the inauguration of President Lula, the Bush administration started the military invasion in Iraq. There was no hesitation from the Brazilian government in strongly condemning the U.S. and its allies for the war, which turned Brazil into a center of criticism of the conflict. But perhaps nothing better characterizes the spirit in which the Lula administration wanted to reestablish the basis of its relationship with the U.S. than one episode occurred during the first meeting of the G8 +5, in Evian, France, of which the President participated still in the first year of his mandate and which he insisted in recalling in details at several public events, including the Diplomat's Day in 2010:

I remember, in Evian, I had six months in office, with great pride, because I knew who I was representing there, and I knew where I had come from, and we arrived at a meeting, almost all presidents were there, except for the U.S. president. And we were sitting at some tables at the hotel where the meeting would take place, so, when Bush entered, everyone stood up. I told Celso: Celso, I'll remain on my chair, nobody stood up when I arrived. What is the subservience of people standing up because the U.S. president arrived? And it wasn't arrogance, it was just about respect ... And, humbly, Bush went at our table, greeted us and sat with us. There was nothing unusual. What would have been unusual was standing up as people usually did. This is one thing that really struck me.

It was this attitude of identifying an own agenda, in line with similar movements in other countries of South America, which led to the end of the proposed Free Trade Area of the Americas (FTAA).

And, as far back as the beginning of the first term, in 2003, Lula's administration led an articulation in the negotiations of the World Trade Organization (WTO) in Cancun, along with other developing countries, through

the creation of the commercial G20. There was, at the same time, an articulated dialogue with great mobilization of civil society organizations from various countries to reduce the asymmetrical character of the negotiations, opposing a minimum agenda and its classic monopoly and the initiative of the central countries. Brazil also innovated by including, in the official negotiation, representatives of nonprofit civil society and the business sector.

It is important to consider that this did not mean the expression of an “anti-Americanism”, as some analysts say (LAMPREIA, 2011), or a confrontation by the sake of it, but simply a re-articulation of the relation between both countries based on mutual respect. The other side of this policy was, for example, the insistence of Brazil in including the U.S. in the Group of Friends of Venezuela, which had the task of creating the conditions for a pacification of the political and social relations, after the failed coup attempt against President-elect Hugo Chavez. There was, at first, a resistance from Venezuela's president to include that who was considered an ally of the coup forces. But the whole logic of the Brazilian government was directed to changing the level of respect and attraction of U.S. to negotiations. Thus we can also analyze the firmness with which the government demanded respect of the WTO rules, which had condemned the U.S. as early as 2005, considering illegal the subsidies to local producers of cotton.

There was, however, at the same time, a heavy use of presidential diplomacy to seek convergence, which resulted, in fact, in a comprehensive bilateral policy dialogue. One example was the common agenda around the ethanol, formalized in 2007 through a Memorandum of Understanding, which provided for cooperation in research, product standardization and development of production in third parties, to expand production and markets<sup>5</sup>. More generally there was the formalization, in March 2010, of the Global Partnership Dialogue between the foreign ministries of both countries.

In his study of relations between Brazil and the U.S., Langevin (2010) concludes that:

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<sup>5</sup> In mid-2011 this cooperation was incorporated into the Strategic Energy Dialogue, which, in addition to biofuels, comes from other renewable energy, oil, natural gas, energy efficiency and nuclear energy.

These turbulent issues are representative of the increasing complexity of bilateral relations, largely driven by Brasilia's non-conformist but multilateral diplomacy aimed at changing the rules of global governance to lessen coercion and induce greater consent among "the rest." This global diplomacy necessarily challenges U.S. power and influence as currently exercised by the Obama administration. However, the dense bilateral fabric of social, organizational, and economic relations anchor both governments so that existing lines of communication and mechanisms for consultations can minimize political friction and maximize cooperation.

One of the author's arguments is the solid basis of economic relations between the two countries, evidenced by the evolution of the current trade and foreign direct investment from U.S. to Brazil. Both have grown consistently in absolute numbers from 2003 to the 2008 crisis (LANGEVIN, 2010: 7-8) <sup>6</sup>, despite the diversification strategy of Brazil, which resulted in a significant decrease of U.S. participation in the Brazilian trade current, as observed on Table 1.

Table 1: Brazil-US Exports/ Imports Trajectory

	Exports in US\$ FOB	% total exports	Imports in US\$ FOB	% total imports
2000	13,2 billion	24%	12,9 billion	23,1%
2002	15,4 billion	25,4%	10,3 billion	22%
2008	27,4 billion	13,9%	25,6 billion	14,8%
2010	<b>19,3 billion</b>	<b>9,6%</b>	<b>27 billion</b>	<b>14,9%</b>

Source: MDIC/Secex

Undoubtedly, in security issues, the U.S. still does not recognize Brazil as a partner to their standard, and a series of episodes had no constructive outcomes. We can cite as examples the case of U.S. ambiguous reaction to the coup in Honduras in June 2009; the unilateral U.S. action in Haiti shortly after the earthquake, without any coordination with the Brazilian-led United

<sup>6</sup> The author used official U.S. government data available at <<http://www.census.gov/foreign-trade/balance/c3510.html>>.

Nations (UN) troops; the military agreement signed with Colombia, with no dialogue in advance with Brazil; and, last but certainly the most contentious case, the articulation of Brazil with Turkey to unblock the impasse in the dialogue with Iran about the enrichment of uranium. The U.S. did not hesitate to isolate this initiative, mobilizing all its influence over allies and other permanent members of the UN Security Council. The fact that this is a regime marked by acts of gross violations of human rights weakened, both internationally and nationally, the legitimate and coherent position of Brazilian government in defense of the right to peaceful use of uranium, in accordance with the Treaty on Non-Proliferation of Nuclear Weapons (NPT).

#### **4. For a propositional multilateralism**

The repactuation of the relationship with the United States can be analyzed in the context of a policy in defense of a propositional multilateralism. This defense of multilateralism based on the legal equality of States is a historical milestone of Brazilian foreign policy and it was with this purpose that the country joined, over time, all relevant multilateral organizations. At various times, it obtained a clear connotation of opposition or neutralization of the logic of the management of the world order by the great powers (VIZENTINI, 2003). But, as stated by Almeida (2007: 79) "... Brazil made a defensive insertion in globalization ..."

The active insertion that Lula's administration sought implied, at the same time, claiming more space in the structures of international governance, a stance that had as its drive a reaffirmation of the old bid for a seat as permanent member of UN Security Council and a change of these same structures in defense of a less asymmetric and multipolar world. Some authors identify a classic dilemma between Brazil's claim for recognition equivalent to that of the great powers and, at the same time, the projection of the country as a mediator between great powers and the other members of the system in defense of the reform of international governance structures and less unequal international order (IPEA, 2010: 161). Other highlighted as one of the characteristics of Brazilian foreign policy its "double insertion", as the other Western country while part of the "Third World", which could be considered a

reflection of Brazil as a nation of contrasts, but also its stage of development as middle power (LAFER, 2001).

The characteristic of an active policy of insertion, however, is to consider the relationship of international forces not as objective fact, but something subject to change. A potential for transformation that must be based on domestic economic, social and political constraints, but which, in turn, is sought to ensure the best conditions to sustain a neo-developmentalism policy. The difference is, therefore, guidelines and actions of foreign policy that guided the search of a series of alliances in the various fields in which one identified a potential to affirm the most active international insertion. Part of this guideline was clearly a renewed attention to the South-South relations, but in many other moments, it involved other actors, as was the case of the G4 (Brazil, India, Germany and Japan) to better articulate the bid to reform the UN Council Security.

Regarding the choice of South America, there was a gradual process of political integration among the countries of the two main existing blocs, the Southern Common Market (Mercosur) and the Andean Community of Nations (CAN). The member countries have become, symbolically, part of the other bloc as associate members. The next step was taken in 2004 with the formation of the South American Community of Nations (CASA), and later renamed and formalized as the Union of South American Nations (Unasur), as of the Establishing Treaty in Brasilia, in May 2008, which entered into force in February 2011.

Unasur can be understood as an attempt to create a political coordination that may represent a hub, in a world that, according to the vision of the Brazilian government and its partners, would be heading towards a multipolar structure. Unasur represents more than an innovative project of regional integration, a strategic vision which aims to consolidate its own identity. The priority areas of Unasur are the physical integration, and the integration in energy and in the field of defense. But there are also strong articulations in health and drug war. At the same time, the Unasur showed its prominence as a consultation way to contribute to overcoming the political crisis that occurred in Bolivia in 2008, and as of the debate about the installation of U.S. military bases in Colombia. In terms of Mercosur, it is worth emphasizing the broadening of the agenda, involving practically all spheres of



public policy and focusing firmly on the construction of a Mercosur identity and citizenship, which should gain strength with the direct election to the Mercosur Parliament, starting in 2014. The recognition of asymmetries led the member countries of Mercosur to establish, in 2004, the Structural Convergence Fund of Mercosur (FOCEM), whose contributions have had an exponential increase in 2010 to meet, among others, the advance the electrification of Paraguay. The Brazilian private sector, the large contractors in particular, took advantage of new opportunities, starting to act more strongly in South America, gaining scale and competence, to move on to other markets after that. In this context, Brazil launched a mighty instrument for achieving integration policy and stimulating the performance of Brazilian companies in the subcontinent: the Brazilian Economic and Social Development Bank (BNDES). As far back as 2005, the president of BNDES, Guido Mantega, announced, during the first round of consultations for the construction of the South American Strategic Vision in Brazil, that BNDES “incorporated into its mission this strategic objective, acting as a funding body for the integration in South America”.<sup>7</sup> The BNDES is strategically positioned to finance exports of Brazilian goods and services and enterprises with the participation of Brazilian companies in South American countries. Thus, the BNDES arises and is seen as an instrument of Brazilian foreign policy to gain power and influence in the region. The direct operations of the Foreign Trade area are carried out especially through foreign funding to public entities, in order to facilitate the export of Brazilian goods and services. Between 2003 and 2009, the Brazilian government approved credit guarantees for about 100 BNDES financing projects already approved or pending approval in several countries of Latin America and the Caribbean, totaling about US\$ 15.6 billion<sup>8</sup>. In 2009 BNDES opened, as matter of fact, its first office outside Brazil – Montevideo, Uruguay.

This movement has the potential to establish a productive integration considered fundamental to the advancement of the integration process in

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<sup>7</sup><[http://www.bndes.gov.br/SiteBNDES/export/sites/default/bndes\\_pt/Galerias/Arquivos/empresa/download/apresentacoes/mantega\\_IRSA.pdf](http://www.bndes.gov.br/SiteBNDES/export/sites/default/bndes_pt/Galerias/Arquivos/empresa/download/apresentacoes/mantega_IRSA.pdf)>. Accessed on December 12, 2011.

<sup>8</sup> Interview with the president of BNDES, Luciano Coutinho, August 27, 2009, *Valor Econômico*. In the same interview, Coutinho claims that disbursements to the region doubled in 2007 and 2008, compared with the previous two years and should continue growing despite the crisis.

Mercosur and the South America as a whole, as long as it is properly articulated with the regional public policies.

But this process is subject to several contradictions. On the one hand, the productive activities in neighboring countries can alleviate the fact that Brazil has a surplus with all countries of South America, except Bolivia, because in theory these investments generate jobs and income in recipient countries. It is noteworthy that Brazil's trade surplus with South America grew from US\$ 2.5 billion to US\$ 7.9 billion between 2003 and 2009 (MRE, 2011: 21), which tends to aggravate the asymmetry between Brazil and its neighbors. At the same time, this active support to the actions of large Brazilian companies in South America can generate mistrust for representing powerful Brazilian interests that do not dialogue with national and local development strategies, resulting in social conflicts about enterprises, as it happened in Ecuador, Peru and Bolivia.

To ensure a permanent dialogue with the other Latin American countries, Brazil is actively engaged in the creation of the Community of Latin American and Caribbean States (CELAC). The first step was the meeting in December 2008 in Salvador, along with the Mercosur Summit, which ended up meeting, for the first time in the history of Latin America, heads of State and government of these countries without the patronage of the United States. At this time, the meeting was called Summit of Latin America and the Caribbean (CALC). It was in the second meeting of CALC in Cancun, Mexico, in February 2010, that it was decided by the creation of CELAC, which actually happened in Caracas, Venezuela, in December 2011. This process can somehow be characterized as the return of Mexico to the process of Latin American integration, which had turned away with the formation of the North American Free Trade Agreement (NAFTA) which entered into force in 1994 and led Brazil to rely more strongly on the integration restricted to South America. At the same time, CELAC can result in greater coordination with the sub-blocs existing in Central America (System of Central American Integration, SICA) and in the Caribbean (the Caribbean Community, CARICOM).

Another guideline, which took up some old abandoned experiments, was the opening for the African continent, with which Brazil has historical relations, being the country with the highest number of black people outside Africa, a number even greater than almost all the African countries themselves,

except for Nigeria. The presidential diplomacy, through an intense schedule of visits<sup>9</sup>, was essential to place the continent on a different level in the Brazilian external relations and public perception. This choice had as internal counterpart the decision to recognize the existence of profound inequalities of opportunity based on race and the need for a range of public policies coordinated by a new ministry called the Special Secretariat for Policies to Promote Racial Equality (SEPPIR). At the national level, emphasis was given to the educational policy which opened the doors of universities to a historically contingent that never had that opportunity. A detail of great symbolic significance that characterizes the new importance given to the historical relationship with Africa was the law 10.639, the first signed by President Lula in January 2003, which introduced the teaching of African-Brazilian History in compulsory curriculum in schools. In this context it is also worth remembering the affirmative action program of the Rio Branco Institute (Vocational Scholarship Award for Diplomacy) which granted between 2002, year of its creation, and 2010 nearly 400 scholarships<sup>10</sup>.

At the same time, the Ministry of External Relations (MRE ) started in 2010, through its Alexandre Gusmão Foundation (FUNAG), an annual effort to organize courses to African diplomats in Brazil sponsored by the Brazilian government. In the second course, held in 2011, diplomats from 12 countries participated: South Africa, Botswana, Ghana, Namibia, Nigeria, Kenya, Sudan, South Sudan, Tanzania, Zambia, Zimbabwe and Angola.

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<sup>9</sup> Between 2003 and 2010 the President Lula made 33 trips to Africa, visiting 23 countries in total. Source: Foreign Policy Balance 2003-2010, p. 35.

<sup>10</sup> Through the program, the government invests in the training of African descent to prepare candidates for the Entrance Examination for Diplomatic Career (CACD), conducted annually by the Rio Branco Institute. By 2011 17 alumni were able to integrate into the diplomatic corps.

Table 2: Trajectory Export/Import Brazil - Africa

	Exports in US\$ FOB	% total exports	Imports in US\$ FOB	% total imports
1990	1 billion	3,22%	580.000 million	2,8%
2000	1,35 billion	2,44%	2,9 billion	5,21%
2003	2,9 billion	3,91%	3,3 billion	6,81%
2008	10,2 billion	5,14%	15,8 billion	9,11%
2010	9,3 billion	4,59%	11,3 billion	6,22%
<b>2011</b>	<b>11 billion</b>	<b>4,72%</b>	<b>14,4 billion</b>	<b>6,91%</b>

Source: MDIC/Secex

The relationship with Africa is, therefore, an example of a direct relationship between public policy and national strategy of international insertion and was expressed in a significant growth in trade (see table 2) and Brazilian investment, on the one hand, and on the other one, in numerous initiatives to contribute to develop cooperation; in fact, Brazil, who until recently saw itself as host country for international cooperation, understood that its new position would also demand taking responsibility in this field, although this change was not, necessarily, immediately understood by internal public opinion. Thus, the Brazilian Cooperation Agency (ABC), linked directly to the Ministry of External Relations, has moved, over the past year, from the agency organized to receive cooperation to an agency designed to contribute to the development in other Southern countries, particularly in Africa (IPEA, 2010). The emphasis is on cooperation, which expresses the know-how acquired by Brazil, such as support to combat AIDS, based on the success of its own policy of prevention and universal access to medicines for patients with HIV, partially made possible by the production of generic drugs. Thus, Brazil has been, via Oswaldo Cruz Foundation (Fiocruz) of the Ministry of Health, helping with the installation, in Mozambique, of a factory for the production of antiretroviral drugs.

At the multilateral level, Brazil actively participates with other countries of *Unitaid*, a purchasing hub of drugs against malaria, tuberculosis and HIV/AIDS, designed to meet the needs of the African continent. Other examples concern the mobilization of agricultural expertise by opening a regional office of the Brazilian Agricultural Research Enterprise (Embrapa), in Ghana, and the partnership to spread the technology of ethanol production.

This relationship with Africa was, as a matter of fact, shared with the South American partners by creating a forum for discussion of South America – Africa (ASA).

Similarly, there was a new reconciliation with the Arabic world. In the first year of administration, President Lula made a historic visit to Lebanon and Syria, which had only been visited before by a Head of State or Government of Brazil in the 19<sup>th</sup> century, D. Pedro II. Brazil has the largest colony in the world of Lebanese origin, which justified prioritizing this visit. Also in the case of this relation with the Arab world, there was a South American articulation by organizing, in 2005 in Brasilia, the First Summit of South American - Arab Countries (ASPA), followed by a second summit in 2009 in Doha. The growth of the international profile of Brazil led the government to engage more actively in the peace process in the Middle East, firmly defending the option of two States. In the perception of the Brazilian government, there was room for the entrance of other speakers that could bring new perspectives to negotiation. In this context, besides the political support for direct negotiations between Israel and the Palestinian National Authority (PA), Brazil has provided technical and financial assistance for the reconstruction of Palestinian territories and the political and institutional strengthening of the PA, considered fundamental to the construction of an independent Palestinian State.

Last but not least, there is the option of Brazil to politically organize with other middle and regional powers in defense of a change in global governance, for a less asymmetric world, with more opportunities for everyone. In this perspective, there was already in 2003, the mentioned articulation at the WTO and the called IBSA Forum (India, Brazil, South Africa), which provided a more permanent connection with democratic countries and middle powers with strong positions in their respective continents. The Forum has worked as political, sectoral (through working groups involving ministries) and development cooperation through the IBSA Fund. The political organization has highlighted Brazil and other members on the international scene regarding some issues on the global agenda. The latest example is the articulation to promote advances in environmental negotiations within the Conference of the Parties (COP) of the Framework Convention on Climate Change, the BASIC,

created in early 2010 and that brings together Brazil, South Africa, India and China. With India, Germany and Japan, Brazil has articulated the G-4 for the reform of the Security Council of the United Nations (UNSC), defending the permanent seat for each of the four countries, in addition to an African country (South Africa or Nigeria) and an Arab country<sup>11</sup>.

The commitment to the UN gave a new quantitative and qualitative leap when Brazil took over, in 2004, the command of the troops of the UN Stabilization Mission in Haiti (MINUSTAH), in a clear perspective to Latin Americanize the peace process in Haiti, which had its counterpart by several other South American countries that sent troops, particularly Uruguay and Chile (HIRST, 2011). This responsibility assumed by Brazil provoked criticism at home that reflect in part the rapid change of its international operations, which requires broadening the debate and public participation and the organized sectors of civil society.

Contrary to the UN orientation, the Brazilian government has chosen not to create a specific quota dedicated to this operation, rather working with a rotation system that allowed thousands of troops to seize the opportunity to gain practical experience. In the case of operations in urban areas, a positive development action for the Brazilian society was the participation of military personnel, with special training and experience in Haiti, in the peacekeeping operations in favelas dominated by drug trafficking in Rio de Janeiro. At the same time the Brazilian government has mobilized several other ministries for cooperation with Haiti, working on food security, job training, health and infrastructure, to put into practice its conviction on the close link between conflict prevention and socioeconomic development, called by the Minister Celso Amorim as “Brazilian doctrine.”<sup>12</sup>

## 5. The defense of a reform at the multilateral system

The balance of foreign policy in the period of 2003 to 2010 begins with the statement that it was guided “by the idea that Brazil should take an increasing

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<sup>11</sup> In this matter the resistance was very large and, after the departure of Chancellor Gerhard Schroeder, Germany reduced its interest. On the other hand, India has had, since the visit of President Barack Obama in late 2010, U.S. support, within the Sino-American political game.

<sup>12</sup> Interview published in the Journal of Development Challenges IPEA, Issue 61, May/June 2010.

role on the international stage, projecting an image outside proud and sovereign”, among others, contributing to “the design of a new framework of multilateral relations” (MRE, 2011). This vision marked in a systematic way the speech of President Luiz Inácio Lula da Silva, as can be seen on the table below, referring to excerpts of the speeches made in the traditional annual opening of the UN General Assembly.

*Table 1: Brazil’s voice by the reform of the multilateral system*

UN General Assembly	Excerpts from the speech of the President of Brazil in the opening act
September 23, 2003	<i>"The improvement of the multilateral system is the necessary counterpart on the democratic coexistence inside Nations."</i>
September 19, 2006	<i>"The fight against hunger and poverty is also the establishment of a world order that put the economic and social development in the foreground. The subsidies in rich countries, particularly in agriculture, are oppressive shackles that hold back progress and doom poor countries to backwardness."</i>
September 25, 2007	<i>"The construction of a new international order isn't a figure of speech, but a requirement of reasonableness."</i>
September 23, 2008	<i>"Given the global character of the crisis, solutions that may be taken should also be global, decided in legitimate and trusted multilateral fields, without impositions. From the United Nations largest multilateral arena, must issue a call for a vigorous response to the threats facing us. Simply by direct dialogue, without the intermediation of the great powers, developing countries have been accredited to perform a new role in the design of a multipolar world."</i>
September 23, 2009	<i>"It would be a huge mistake, an unforgivable historical omission, to just take care of the consequences of the crisis without facing their causes (...) More than the crisis of big banks, this is the crisis of the great dogmas. What fell to the ground was all an economical design, social policy and taken for granted. What failed was an unreasonable model of thought and action that has engulfed the world in recent decades. It was the absurd doctrine that markets could self-regulate themselves, dispensing with any State intervention, considered by many a mere nuisance. It was the thesis of absolute freedom for financial capital, without rules or transparency, above the people and institutions (...) The poor and developing countries must increase their participation in the IMF and the Bank. Multilateral world. It may be a factor in the revitalization of the UN."</i>

As discussed, the common denominator to the various joint efforts with other countries, both within the formal structures and the creation of new informal groupings, the strategy was to project the interests linked to the internal neo-developmental efforts with proposals for changes in global governance. There is a tendency to confuse the emphasis on South-South articulation with an out-of-time Third Worldism, usually associated with a critical view of this policy. No doubt there are elements that refer to the spirit of Bandung, but the theme of non-alignment is no longer on the agenda. There remains the challenge of asymmetry which increases the concentration of wealth and political power. The 1955 Bandung Conference, in Indonesia, guided the recognition of the right to development by countries that have recently gotten rid of colonization of Latin Americans who sought their own national-developmental project. Now the staff is in recognition of increasing interdependence and real changes in growth prospects, especially by the so-called emerging economies, whose weight is not reflected in the growing international governance structures. That is, there was no longer only guided the problem, but to show that countries until recently considered peripheral are also part of the solution.

### **5.1 The fight against hunger and extreme poverty**

In the first year of his first term, in January 2003, President Luiz Inácio Lula da Silva was projected as a new global leadership by being the only head of government or state to attend the World Social Forum in Porto Alegre and the World Economic Forum in Davos, with a single speech, focused on fighting hunger and extreme poverty; a new version of the capacity, as mentioned above, of Brazil to dialogue with the various audiences and interests. This flag was also chosen to highlight the need to rethink the logic of the global economic order. Given the U.S. war in Iraq, Brazil was articulated, in 2004, with the governments of France and Chile around what was called the Global Action Against Hunger and Poverty. In the initiative has joined Spain, just after the election victory of Jose Luis Zapatero, who had among his flags, the immediate withdrawal of Spanish troops from Iraq. There was also support from the General Secretariat of the UN, since Kofi Annan identified the possibility of a mobilization around a positive agenda in opposition to the agenda of the war, which had started even in defiance of the UN. The result of this joint was



presented on the eve of the opening of the General Assembly in New York in September 2004, focusing on innovative financial mechanisms. The Foreign Ministry's note about this event states: "We share the view that tackling poverty and social injustice in the world is vital to the security and stability of all countries, both developed and developing."<sup>13</sup> The event was attended by 55 heads of State and government, and the resolution of the General Assembly to continue the efforts at the multilateral level was approved by 115 countries. This demonstration of the ability to mobilize apparently emptied due to the difficulty of Brazil to give substance to the appeal and make the proposals forward<sup>14</sup>. The initiative has become the Leading Group on Innovative Financing for Development, which teamed up, in July 2011, 63 countries and dozens of international and nongovernmental organizations. Apparently there was an excess of voluntarism and projection and the reference to the campaign gradually lost space. But on the other hand, it was used to mark the position and guided around a subject to which Brazil would protrude in other ways. One can identify, among others, the internationalization of Embrapa by opening a regional office in Ghana, the cooperation programs for ethanol production in Central American countries and African countries with the joint African cotton producers - Benin, Burkina Faso, Chad and Mali - the Cotton-4 and the very inclusion of the issue of food safety in cooperation with Haiti. It is no accident that, after several failed attempts to transform the international projection of Brazil in actual occupation of positions of leadership, success occurred precisely at the United Nations Food and Agriculture (Food and Agricultural Organization, FAO), with the election in 2011, José Graziano da Silvapara the post of secretary-general.

It is possible to make a clear parallel with the internal government action that justified the international projection, the Zero Hunger campaign. Also in this case, it was released with much political projection, but without a

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<sup>13</sup> <<http://www.itamaraty.gov.br/sala-de-imprensa/notas-a-imprensa/2004/09/21/declaracao-de-nova-york-sobre-a-acao-contra-a-fome>>.

<sup>14</sup> A Technical Group on Innovative Financing Mechanisms comprises officials from the four governments and consultants related to the UN Secretary-General prepared a document with eight proposals, including tax on foreign exchange flows, new issue of Special Drawing Rights, fighting tax havens, among other.

clear organization and structure. And it also vanished somewhere on the agenda but the agenda was and resulted in a series of actions and measures, the Family Grant Program funding for the expansion of family farming and school feeding programs, among others. The mandate of combating hunger and poverty that marked the national priority represented at the international level, however, a central element to point to the need to rethink the international order. Appeared, including the question of subsidies by the EU and U.S. to their farmers, the main obstacle to the Doha Round.

The question that arises is whether Brazil could actually be seen by the international community as one of the leaders, and South America as one of the poles, of the multipolar world under construction. That is, to what extent the new emphases and new assertiveness of Brazilian foreign policy were based on advances and consolidated internally and in a real evaluation of the potential for a larger space for Brazil in the changing world? The next two sections discuss this issue, respectively, from the 2008 crisis, and the real resources available to look scenarios and future strategies.

#### **6. The 2008 crisis: the *virtú* finds *l'occasione***

In June 2011, the foreign correspondent Assis Moreira commented on their practice: “A lot has changed. Before, it was complicated even to get credentials to cover major international events. Today, with the country in the G20, access is facilitated.”<sup>15</sup> This is a small illustration of how the constitution of the G20 not only consolidated the new role of Brazil, but has also expanded its horizon. It is true that the group has lost the charm with which it was received at birth in November 2008. Nevertheless, it remains the principal forum for intergovernmental debate on economic and financial issues.

For Brazil, the 2008 crisis, which led to the G20, arrived at a time allowed to combine *virtú* with fortune. The government had found a path of sustained growth with popular support and accumulated reserves. And the president had already gained experience and recognition after nearly six years of projection as a charismatic leader and head of an emerging country. In fact, when the crisis exploded in September 2008 with the collapse of Lehman

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<sup>15</sup> Valor Econômico, EU & Fim de semana, June 10, 2011.

Brothers, Brazil was growing at a rate exceeding 7% and had just won investment grade<sup>16</sup>. Not only the population but also the world came to recognize that Brazil had taken a leap forward in both the strategy development, generating millions of formal jobs and consolidating a trend of decreasing socioeconomic inequalities, and in respect of the its insertion in the international arena. As an exercise, one can imagine what would have been the fate of Brazil and the government had the financial crisis exploded in mid-2005 when the president's popularity was slightly above 30%, the country plunged into political crisis, no defined development strategy and without international reserves, growing at a rate slightly above 2%. That is, when the crisis erupted, Brazil was more than prepared to defend itself, daring to take countercyclical measures and to occupy a prominent international coordination in order to avoid aggravation of the crisis itself and also to increase the country's presence in international forums permanently. If nothing else, chance had placed the country, precisely in 2008, the presidency of the G20 finance ministers.

Brazil is presented and it was now seen as part of the solution. The developmental orientation of economic policy implemented since 2005 had borne fruit, and muscle to defend the country, with an internal market, social policy and income redistribution strongly countercyclical and international reserves (BARBOSA, 2010). Brazil reacted to the crisis so purposeful, even financially, generating in 2009 about one million jobs. The very success of the reaction to external threat, avoiding the traditional currency collapse and its devastating effects on the real economy, served to legitimize such policies, such as the renewed importance given to public sector banks (JAYME; CROCCO, 2010).

Externally the Brazilian government knew articulate immediately with new partners to bring about an expansion of the forum for coordination with the intention to give a response to the crisis. In the rotating presidency of the G20 Ministerial in 2008, Brazil had since the beginning of management, based the need to transform the G20 into a forum for leaders and increased frequency

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<sup>16</sup> We disagree on, however, the assessment made by Alston and Mueller (2011) that the investment grade rating by the rating agencies themselves have been central to Brazil began to attract a significant volume of foreign capital and consistent. Much more than cause, the investment grade reflects a real change and perception of international investors about the prospects of the Brazilian economy.

of technical meetings to expand their operations. When the globalized crisis became global, after the bankruptcy of investment bank Lehman Brothers, the G20 organized an extraordinary meeting on October 8, 2008. At the last minute there was a surprise participation of President George W. Bush, less than one month of the presidential election in November 4. With the French presidency of the European Union there was a heightened pressure to conduct a meeting of leaders and President George W. Bush agreed to host the first meeting in Washington. There was still no clarity on the scale of the crisis and its possible systemic character. But there was a clear reminder of mistakes made before the 1929 crash, when the lack of international coordination was one of the determining factors for the worsening of the crisis and its dramatic consequences. To facilitate the choice, we opted to use the format of the G20 ministerial, thus avoiding a debate about its membership, despite the clear over-representation of under-representation of Europe and Africa (South Africa only).

In less than a year were made three meetings of the G20 Leaders (Washington on November 2008, London on April 2009, Pittsburgh on September 2009), an intensive consultation of high-level unprecedented since the end of World War II. With the Pittsburgh Summit, concluded the first phase, in which the leaders had issued a firm signal to economic agents and guaranteed liquidity to avert the nightmare of a total collapse of the international financial system, although we haven't managed to avoid contamination of the real sector of the economy, with serious consequences for employment, particularly in the U.S. and some European countries (Ireland, Spain).

The dual transformation of the G-7 and G20 Ministerial Summit of the G-20 allowed Brazil, alongside Argentina, South Africa and other BRIC countries (Brazil, Russia, India and China), defend their positions, for example, in relation to governance reform of the International Monetary Fund (IMF), which resulted in increasing its voting power, which jumped from 18<sup>th</sup> to 10<sup>th</sup> position. Or, in general, include in the agenda of the G-20 issues related to the challenges to sustainable development, besides the financial crisis, such as decent work, involving the International Labour Organization (ILO).

Although, the expectations of a possible Bretton Woods II haven't been realized, it can be argued that the G20 represented a new milestone in

multilateralism. It created a platform on which the powers of the situation defend the maintenance of their privileges on the side of countries that claim to enlarge your space in support of national development strategies. It is not just a cyclical response to the crisis, but a necessary adaptation of the institutional superstructure to the new reality of international economic relations. By the same token, countries with emerging economies, including Brazil, formally became part of the Basel Committee with voice and vote in both the Committee on the Global Financial System (responsible for monitoring financial markets in order to identify and assess potential sources of instability), and the Committee on Capital Markets (responsible for keeping abreast of trends in the financial market). Besides Brazil, entered on the Basel Committee, Australia, China, South Korea, India, Mexico and Russia.

In this sense, the G20 was a consistent commitment with the thrust of Lula's foreign policy, but also articulation with the other BRIC countries, to get more bargaining power, which actually worked, as suggested, in particular respect to changes in power structures of the International Financial Institutions (IFI's) and their own replacement of G8 by the G20 as the main forum for coordinating economic and financial crisis. No doubt the G20 stimulated the consolidation of the BRIC (and then BRICS) as a consultation group, balancing the continuity of the G7.

It's worth emphasizing the active role of the Brazilian government to articulate the emergence of BRIC and include South Africa. It was Russia, consistent with its vision of a multipolar world, who assumed the responsibility to convene the first meeting of heads of state and government. The vision of President Vladimir Putin was clearly expressed in his speech at the Conference of the Organization for Security and Cooperation in Europe (OSCE) in 2007 in Munich, when he said:

I consider that the unipolar model is not only unacceptable but also impossible in today's world. And this is not only because if there was individual leadership in today's - and precisely in today's - world, then the military, political and economic resources would not suffice. What is even more important is that the model itself is flawed because at its basis there is and can be no moral foundations for modern civilisation.

In that spirit, Russia organized in June 2009 - between the 2<sup>nd</sup> (London, April 2009) and the 3<sup>rd</sup> Summit (Pittsburg, September 2009) G20 - in the city of Yekaterinburg, the first BRIC Summit.

Brazil was still somewhat of an outsider on the other three giants that share borders and centuries of coexistence, war and peace. But since the countries were considered key parts to overcoming the global crisis. It was the 2<sup>nd</sup> meeting in Brasilia in April 2010, that Brazil also invited South Africa to make the event coincide with the Summit of the IBSA (India, Brazil, South Africa). The extension of this joint was of interest to Brazil. On the eve of the third Summit in China, the government of South Africa published in major newspapers and parcel of the economic grouping of countries, a statement under the heading "Accessing Africa with BRICS" stating:

December 23, 2010 was an auspicious day, marking the date on which South Africa was formally invited into the economic coalition between Brazil, Russia, India and China (BRIC) to expand the acronym to BRICS(...)IBSA would be strengthened and more balanced with South Africa as a BRICS member, particularly as the mandates of both organisations were highly complementary.

The statement identifies the BRICS as “the widely-accepted symbol for global economic power shifting from the developed to the developing nations<sup>17</sup>.”

## 7. A new reality

This transformation of the BRIC from a category of analysis in a group involving Brazil, Russia, India, China and South Africa, reflects the desire to seek changes in the structures of international governance that reflect the gradual changes in the relations of economic power, a process that was evident and accelerated with the 2008 crisis.

It's observed that particularly in relation to Brazil there was a shift in perception. By 2008 there were doubts whether if the B from the BRIC really would fit this category of analysis, since the country didn't have high rates of

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<sup>17</sup> In Brazil, the statement was published by the newspaper Economic Value on 13 April 2011. See also <<http://www.southafrica.info/global/brics/brics-080411.htm>>.

economic growth and the other didn't share with them the military, particularly the possession of nuclear weapons. But with the emergence of the BRIC group, this question has been overcome.

What interests us here is to present an assessment of the prospects, apart from possible points above the curve due to cyclical issues or the fact that it was able to take a ride on the need for part of the G7 agreeing a new relationship with China. Even considering that the Brazilian active inclusion strategy now lacks one who had become a powerful resource, the very figure of the leader, President Luiz Inácio Lula da Silva, ahead of presidential diplomacy<sup>18</sup>.

In this aspect, we highlight five points that seem relevant to the projection continuity scenarios discussed of new insertion of Brazil: their growing economic weight, the pre-salt, the environmental issue, the issue of food production and single exposure of the country before the world public opinion with the realization, in a very short time, the two major televised events in the world.

### **7.1 The participation of Brazil in world economy**

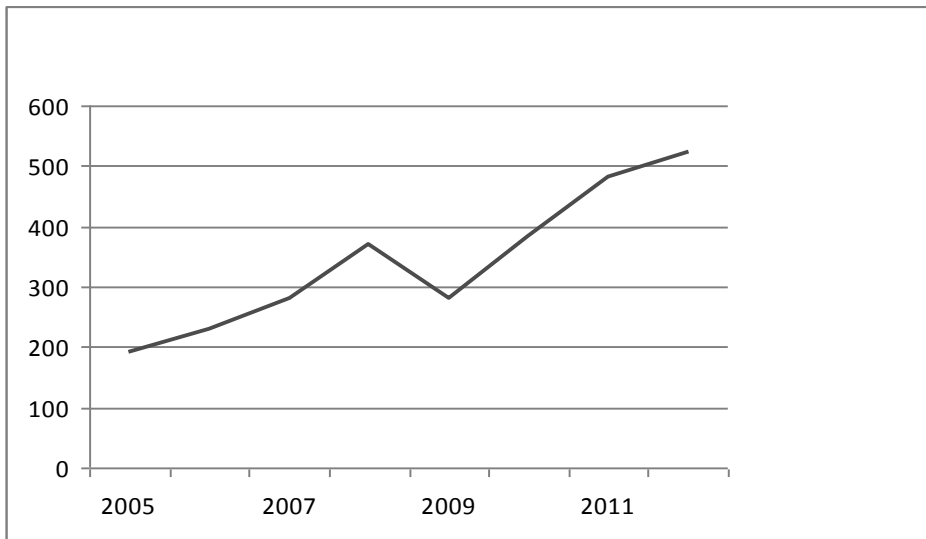
The advances made in developmentalism economic policy through the stake in the domestic market and decreased slow, gradual, but constant inequality, considered a historic setback for the modernization of the country, created an opportunity that drew the attention of international capital. At the same time, Brazil has significantly expanded its export base, but increasingly specialized in commodities. On the other hand, there has been a coveted market, mostly referring to manufactured goods. The result is a constant and significant increase of bilateral trade, interrupted by the impact of global crisis, but quickly resumed, as shown in Chart 1. Data on flows of foreign direct investment (IED) targeted to Brazil go in the same direction. The World Investment Report 2011, (UNCTAD) shows that the country reached the 5<sup>th</sup> place in terms of attraction of these flows, despite all the supposed difficulties of doing business in Brazil, appointed annually by the Doing Business Report of

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<sup>18</sup> We agree with the observation Hirst, Lima and Pinheiro that presidential diplomacy of Lula's government is not sufficiently evaluated as substantive promoter of Brazilian foreign policy (2010, p.28).

the World Bank<sup>19</sup>. Chart 2 shows the recent trajectory and market expectations concerning IED in billions of US\$. With this, the country's participation in global IED flows jumped from 1.3% in 2006 and 2.2% in 2009 to 3.9% in 2010. The forecast of the Central Bank of Brazil for 2011, US\$ 55 billion, is even bigger than market expectations and points to 4.3% of the overall flow. This reality must allow the Brazilian government to recognize their bargaining power to agree with multinational companies a greater effort to attract innovation and research and development centers.

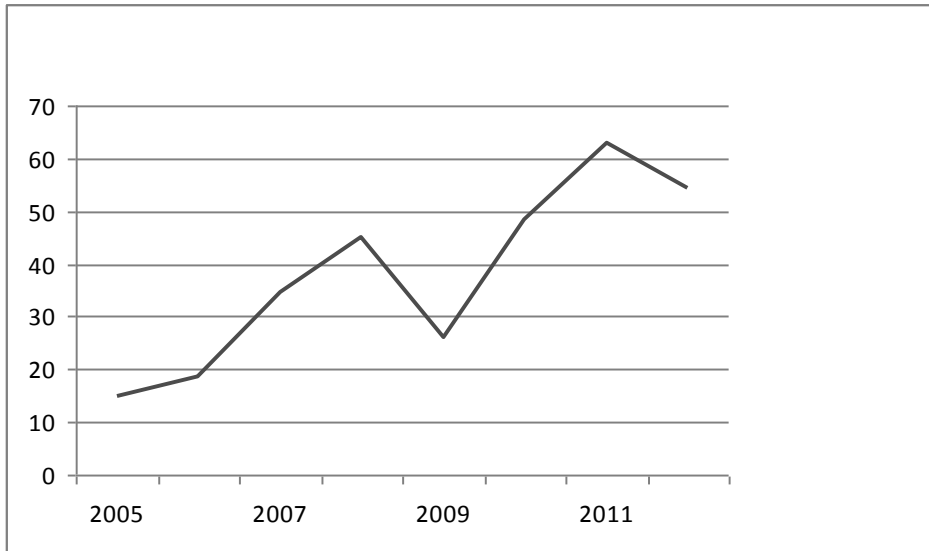
**Chart 1: Current Brazil-U.S. trade \$ billion**



Source: Central Bank for the years 2005-2010, Focus / Bradesco-Depec “Expectations of the market in August 2011” for the years 2011 and 2012.

<sup>19</sup> <<http://portugues.doeingbusiness.org/data/exploreconomies/brazil/>>.



**Chart 2: Flow of Brazil-U.S. Foreign Direct Investment \$ billion**

Source: Central Bank for the years 2005-2010, Focus/Bradesco-Depec “Expectations of the market, December 2011” for the years 2011 and 2012

It won't be, in this work, discussed the new challenges that this situation poses for Brazil, for example, to manage the capital account, dealing with the trend of appreciation of the real or the need to move quickly on the qualification of local workforce to seize the opportunities created.

## 7.2 The Pre-Salt

It is difficult to say how much the new attraction of Brazil already is due to the pre-salt, but there is no doubt that this mega-discovery, by itself, projecting the country in a different way in the coming decades. There is also a survey about the amount of oil and gas that pre-salt really represents, but estimates range between 50 billion to 100 billion barrels<sup>20</sup>. The Ten Year Plan for Expansion of Energy 2020 (PDE) from mid-2011 prepared by the Energy Research Company (EPE), projected an increase in oil production, including gas and international

<sup>20</sup> A barrel equivalent to 159 liters of oil.

production, the current 2 million barrels per day for 6,1 million barrels per day, which would give a capacity to export 3,2 million barrels per day in 2020<sup>21</sup>.

Table 3 considers only the production of oil in Brazil, without regard to the production of gas equivalent and production abroad by Brazilian companies, but estimated in addition to production in fields in operation and that of the contingent resources (discovered, already granted and in evaluation), the undiscovered resources in exploration blocks under concession and also the start of production in the Union area hasn't granted.

**Table 3 - Production of oil in barrels per day and future forecast  
2017-2020**

Country	1999	2009	2010	2017	2020
Rusia	6,2	10,0	10,27		
South Arabia	8,9	9,7	10		
United States	7,7	7,2	7,5		
Iran	3,6	4,2	4,25		
China	3,2	3,8	4		
Brazil	1,1	2,0	2,14	3,824	6,09

Source: BP Statistics for numbers of other countries; EPE / Ministry of Mining and Energy (MME) for figures and forecasts in Brazil.

Table 3 illustrates that Brazil was a small player in 2009 and returned to the small domestic market, which occupy fourth place in 2020, in the event none of the producing countries to increase their production there.

Also with regard to reserves, depending on the size of the pre-salt, Brazil occupy between the 5<sup>th</sup> and 8<sup>th</sup> place, behind only the great and historical players in the Middle East, Russia and Venezuela, and the reserves of the latter country are composed the so-called large-scale non-conventional oil (ultra-heavy oil).

The estimate of Petrobras is that the break-even point of the pre-salt is around US\$ 35 per barrel. There are strong arguments to suggest that its feasibility is guaranteed for two reasons. First, although we are entering the phase transition towards a low carbon energy sources, this process should take

<sup>21</sup> <<http://www.epe.gov.br/PDEE/Forms/EPEEstudo.aspx>>.

even a few decades and during this period, the need for emerging economies, particularly China, India and Brazil, will pull the up demand. Only the Chinese demand for oil has increased from 4.48 million b/d in 1999 to 7.7 million b/d in 2007 and 8.6 million in 2009, much higher than the expansion of its domestic production<sup>22</sup>. At the same time there is a breakdown of production in various regions of the world, as is the case of Mexico, the North Sea and the U.S. itself, which still holds in 2010, a production of around 7 million b/d, but presents a demand that exceeds 20 million b/d. The pre-salt, as the main area of frontier expansion of oil production in the world, is therefore in the crosshairs of the U.S. and China.

A sovereign insertion strategy involves establishing a national control over strategic decisions and ensure that this discovery will become a major lever for national development and, therefore, the country's geopolitical projection. The changes in the regulatory framework adopted into law in 2010 had this goal, but they represent only the beginning and still require a broad debate to the detailing and consolidation. One of the key points is to ensure that the rate of exploitation is compatible with the absorption capacity of the country with regard to managing the inflow of foreign currency on the foreign accounts, in particular the exchange rate, and management of resources such as extra-budget, not so much because it's a finite resource, but mainly because they are highly volatile revenues. To meet these two challenges, it were approved the creation of bases for, respectively, a Sovereign Wealth Fund and Social Fund. Through the Sovereign Fund, funds in U.S. dollars may be used for international operations without going through the internalization in the country, for example, to finance Brazilian foreign direct investment, credit for export or investment credit, returning to the domestic economy in particularly in the area of infrastructural projects in South America. The Social Fund should ensure the channeling of funds obtained through uptake of oil revenues by the State for high priority areas for development in medium and long term<sup>23</sup>.

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<sup>22</sup> British Petroleum (BP) statistical <[www.bp.com](http://www.bp.com)>.

<sup>23</sup> Law 12351 enacted on December 22, 2010, specifically mentions as allocation of resources on education, culture, sports, public health, science and technology, environment and mitigation and adaptation to climate change.

At the same time, the criterion of absorption also refers to the ability to extend and enhance the industrial park to ensure that the growth in upstream chain demand (on exploration and, especially in production) and downstream opportunities (in productive activities that use oil and gas as inputs, such as petrochemical-plastic chain) can be met by domestic production, generating employment and income in the country and the region. It's observed that the size of demand and its consistency over time allows you to plan investments in medium-long term, creating critical mass to meet, then external demands. Remember that offshore production is the most technologically advanced oil production, and pre-salt, in particular, requires the development of high technology in the areas of nanotechnology and new materials. Not surprisingly, there has been a rapid movement on the part of global business leaders in high technology services to the oil industry to install capacity of Research and Development in Rio de Janeiro, as is the case of General Electric (GE), Schlumberger, IBM, FMC Technologies, Baker Hughes, Halliburton, Tenaris Confab and others. The pre-salt put Brazil among the priorities of these companies. Certainly the actions of Petrobras Research Center (Cenpes), on the Fundão Island, and the expansion of its facilities, completed in 2010, is a crucial factor of attraction. With the expansion, Cenpes occupy over 300 square meters, making it one of the largest applied research centers in the world.

Last but not the point of little relevance, the pre-salt feeds also the discussion on the defense strategy and, in particular the modernization of the Navy and Air Force. The Treaty of Montego Bay, 1982, which stipulates the exclusive right to operate up to 200 nautical miles from shore (the Exclusive Economic Zone, ZEE) and the recognition of Brazilian claim in respect of an additional 150 nautical miles for the design of the Brazilian Platform Continental (Blue Amazonia) was, until mid-2011, ratified by 161 countries except the U.S. From the formal point of view of public international law, this implies that, for now, the U.S. doesn't recognize Brazil's sovereignty over the area of pre-salt. In this context, should be considered strategic partnership with France to buy Scorpène submarines and cooperation to build the first nuclear submarine. The same goes for the air force modernization, particularly the procurement of fighter aircraft. It's important to recognize that the pre-salt changes any future scenario on the insertion of Brazil, putting the country on

another level in world geopolitics, which involves, as noted, challenges, and great opportunities.

### **7.3 The Brazil as environmental power**

In the five areas that we can identify when discussing environmental governance, climate change, biodiversity, genetic resources, biosafety and forests, Brazil, by its natural resources, it would be already a relevant player. But the result of strategies adopted in the pursuit of self-sufficiency energy gave the country a comparative advantage and an authority and influence in the debate that tends to occupy an increasing space on the international agenda (IPEA, 2010b).

The first point to be emphasized is the cleanest energy matrix. Data Research Company (EPE) shows that the use of renewable sources in Brazil is close to 45%, against a world average of around 14% (TOLMASQUIM, 2007). This is explained by the use of hydroelectric power (energy) and ethanol (fuel and energy co-generation), most recently adding a significant increase in wind power, although as an additional source.

Brazil began to take its place in 1992, hosting the United Nations Conference on Environment and Development in Rio de Janeiro, at which time the Convention was signed United Nations Framework Convention on Climate Change. Since the beginning, consistent with its traditional positions and interests as a developing country, defended the principle of “common responsibilities, but differentiated”, based on historical of developed countries on the one hand, and the right to development, other. At the same time, there was a defense mechanism for transferring resources to enable developing countries to contribute to mitigation efforts and adaptation. Last but not least, a very great care in defense of sovereignty, particularly in the debate that surrounds the Amazon rainforest. What was an innovative approach, a reflection of active participation in building the climate change regime, has now become an obstacle to Brazil assume more leadership. Considering the peculiarities mentioned, the country can contribute more to the provision of global public good (climate stability) without sacrificing their national interests. The reference to the historical responsibility remains valid, but more interesting is the fact that Brazil can point the structure of supply of clean energy. It was

precisely this debate that marked the position of Brazil on the eve of the COP 15 in Copenhagen in December 2009. The country had provided voluntarily adopt reduction targets bold, because they would be focused primarily on reducing deforestation, which has a low cost. Here we must emphasize one fact relatively little assimilated by opinion makers, and consequently, the Brazilian public opinion: the extraordinary success of Brazil in significant reductions in Amazon deforestation during the period 2005-2008 compared with 2001-2004, which kept the high pace of the previous decade. It took an average annual deforestation of 20 mil km<sup>2</sup> for an annual average of 13 mil km<sup>2</sup> (VIOLA, 2010). This enabled a reduction in emissions of greenhouse gases (GEE) of Brazil in this period of about 20%, which was unprecedented in the world. Brazil had therefore everything to project itself as a global actor, and actively contribute to the advancement of the negotiations, leaving behind a defensive posture, attached to the supposedly sovereign interests that wouldn't succumb to outside interests. There was a surprising change. On the eve of the COP 15 in Copenhagen, was announced the new government's position by the Minister of Environment, Carlos Minc, and the Minister of Staff, Dilma Rousseff. For Viola (2010: 107), the new positioning of the Brazilian government:

...implies a change in the history of foreign climate policy in Brazil and a strategic defeat of the two ministries that defined the position of the country between 1996 and 2009 (the MRE and MCT). It's, however, a victory for the Environment Ministry, which is challenging the traditional position since 2006 and has assumed a very incisive questioning position since 2008.

The new positioning, assuming concrete targets for reducing greenhouse gas emissions, was codified in Law N° 12.187 of December 29, 2009, and meant, in view of the government, a reduction of 36.1% to 38.9% in relative to its projection for 2020. This position should encourage other developing countries to announce similar goals. The challenge posed is to prevent the pre-salt interrupt this Brazilian trajectory and, instead, the revenue generated by oil production are in fact channeled to the country with advanced technologies is leading the transition to a low carbon.

In December 2011, the Ministry of the Environment released the figures of Prodes, system of the National Institute for Space Research (INPE), which monitors deforestation annually, showing that deforestation in the Amazon reached the lowest levels since 1988. The deforested area from August 2010 to July 2011 was 6.2 thousand square kilometers. If these figures are consolidated, Brazil will have fulfilled the goals of reducing deforestation assumed at the Climate Conference in Copenhagen in 2009<sup>24</sup>.

The realization of the UN Conference on Sustainable Development Rio+20, in June 2012, should increase the internal debate on the consolidation and continuity of policies to combat deforestation. The conference will also be the time to reaffirm the important role of Brazil on this issue.

#### **7.4 Brazil and food production**

The country has significant growth in international trade of agribusiness, consolidating its position as one of the largest producers and exporters of food to over 200 countries. Population growth and urbanization processes in Africa and Asia, should press the demand for food in the coming decades. Data from the United Nations Population Fund (UNFPA, 2011) indicate an increasing world population of 6.9 billion in 2010 to 9.15 billion in 2050. This growth, almost entirely concentrated in developing countries. The FAO estimates the need to double food production between 2010 and 2050. Food production will remain so in the coming decades, one of the most important challenges facing humanity.

In 2010, Brazil was the second largest supplier in the international food market, behind only of the U.S., but growth projections indicate a potential for the country to become the largest supplier of animal protein and vegetable world. A study from OCDE together with the FAO (2010: 20) points Brazil as the country with higher growth potential of production, estimated at 40% by 2019, using as basis the average annual production in the period 2007 to 2009. In the U.S. case, the estimate is an increase of 10% over the same period.

The combination of sustainable growth potential, with the prospect to take the place of the largest producer and exporter in the world puts Brazil in a

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<sup>24</sup> Source: Bulletin In Question, number 1425, 7 December 2011.

leadership position around one of the key issues for human survival. The concentration of joint efforts to ensure the aforementioned election of José Graziano da Silva, in June 2011, for the post of Director-General of FAO, was right, and his victory express recognition of the country's strength in agriculture and food.

## 8. Final considerations

In this work we have tried to analyze the consistency of activism in the field of international relations, with the search of a new national developmental project. What determines the inclusion of a country, however, is not only determined by the guidelines of foreign policy, but also depends on internal economic, social and political conditions, and, above all, the actual correlation of international forces. The financial crisis of 2008 showed clearly the progress made by Brazil that allowed it to react, continuing the government's priority in the area of job creation and income distribution.

At the same time, the crisis showed a gradual change in the international power in economic structures, opening thereby a real possibility of seeking more space for Brazil, along with other middle income countries, in the structures of international governance. This has created a series of new challenges for Brazil with regard to the need to adapting the institutional framework and the necessary qualifications to seize new opportunities and occupy, with the priority, the newly conquered areas.

Finally, as argued, there was a significant change in the perception of Brazil in the world, far beyond the aforementioned investment grade rating obtained in 2008. There is now a unique opportunity for Brazil to dialogue with the world public opinion to make, in short time, the Soccer World Cup (2014) and the Olympic Games (2016), the two events with greater global audience via television and internet.

Any assessment of the medium-long term scenarios and possible strategies for international insertion should, however, take into account a range of strategic resources which the country began to have, the pre-salt, food production capacity and environmental assets. These features might not be recognized as hard power, but surely, considering its relevance to the world economy, it is not simply soft power, moving away from the classification of Nye (2004).



The geopolitical implications of using these resources will depend again on external conditions, but also the guidelines for its management and, in particular, the way that they will be subject or not to a development strategy discussed and shared by several sectors of society. The several options and their geopolitical implications should be the subject of future research.

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## **ABSTRACT**

Brazil has the fifth largest population and territory, and is on its way to also becoming the fifth largest GDP in the world. It then should – in an active, creative way – be a leading country in the reorganization of the world's power system. It was under this prism that a strongly diplomatic presidency led President Luiz Inácio Lula da Silva to spend more than an eighth of his two mandates (2003-2010) abroad. This search to improve Brazil's position within international relations' hierarchy is linked to the strategies that occur in the national sphere. A discussion on the complex relationship between dependency and development resurfaced as an effort to formulate a neo-developmental socio-economic policy. This paper highlights countries' capacity to react and organize around the 2008 global financial crisis, which was a significant time. From that time on, the world began to see Brazil differently, and to recognize the country's strategic resources, such as the new oil reserves, its environmental richness, and a unique potential to expand food production.

## **KEYWORDS**

Brazil's foreign policy, developmental strategies, international relations

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