Middle Power Theories and Emerging Powers in International Political Economy:
A Case Study of Brazil

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List of Abbreviations

BNDES	*Banco Nacional de Desenvolvimento Economômico e Social* (National Economic and Social Development Bank)
BRIC	Brazil, Russia, India, China
CACM	Central American Common Market
CAF	Andean Promotional Corporation
CAN	Community of Andean Nations
CARICOM	Caribbean Community
CEPAL	*Comissão Econômica para a America Latina* (Economic Comission for Latina America
CIA	Central Intelligence Agency
CSAN	Community of South American Nations
DSB	Dispute Settlement Body
DSM	Dispute Settlement Mechanism
EU	European Union
FARC	*Fuerzas Armadas Revolucionarias de Colombia* (Colombian Revolutionary Armed Forces)
FDI	Foreign Direct Investment
FOCEM	*Fundo para a Convergência Estrutural e Fortalecimento Institucional do Mercosul* (Fund for Structural Convergence and Institutional Strengthening)
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IBSA	India, Brazil, South Africa
IDB	Inter-American Development Bank
IIRSA	*Iniciativa para la Integración de la Infraestructura Regional Suramericana* (Initiative for Regional Infrastructure Integration in South America
IMF	International Monetary Fund
ISI	Import Substitution Industrialisation
LAFTA	Latin American Free Trade Area
LAIA	Latin American Integration Association (*Associação Latino-americana de Integração*)
Mercosul	*Mercado Comum do Sul* (Southern Common Market)
MINUSTAH	*Mission des Nations Unies pour la stabilisation en Haïti* (Mission of the United Nations for the Stabilisation of Haiti)
MNCs	Multinational Corporations
MOMEP	*Missão de Observadores Militares Equador/Peru* (Military Observation Mission Ecuador/Peru
MST	*Movimento sem Terra* (Landless Movement)
NAFTA	North American Free Trade Area
NATO	North Atlantic Treaty Organisation
NGO	Nongovernmental Organisation
NIEO	New International Economic Order
OAS	Organisation of American States
OPA	*Operação Pan-americana* (Pan-American Operation)

OTCA	*Organizição do Tratado de Cooperação Amazônica* (Organisation for the Amazon Cooperation Treaty)
PDN	*Política de Defesa Nacional* (National defence Policy)
PICE	*Programa de Integração e Cooperação Econômica* (Integration and Economic Cooperation Programme)
SACU	South African Customs Union
SAFTA	South American Free Trade Agreement
SIPAM	*Sistema de Proteção da Amazônia* (System for the Protection of the Amazon)
SIVAM	*Sistema de Vigilância da Amazônia* (Amazon Vigilance System)
TRIMs	Trade Related Investment Measures
UN	United Nations
Unasul	*União de Nações Sul-Americanas* (Union of South American Nations)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNSC	United Nations Security Council
WTO	World Trade Organisation

Abstract

This thesis focuses on existing middle power theories, which are available in the International Relations literature, and their applicability to the so-called emerging powers. Despite the increasing attention being devoted to 'emerging' powers such as Brazil, China, India or South Africa, no suitable theoretical framework for the study of this category of states has been established to date. Rather, it has been customary to apply existing middle power theories, which were advanced in the 1980s and early 1990s to account for the forms of power exercised by countries like Canada and Australia, to the study of emerging powers. Yet, it is the overarching argument in this thesis that, despite some attempts at revising middle power theory to suit the distinction between the 'traditional' middle powers and the 'new' or 'emerging' powers, they have not provided satisfactory explanations for the forms of power that emerging powers exercise in the international political economy. To overcome this problem, a set of hypotheses are developed for the study of emerging powers that are embedded in an analytical framework that originates from the New Political Economy approach. Since the New Political Economy approach offers an understanding of structure and agency as mutually constitutive, and of power to exist in both material and ideational form, it is seen to provide a 'broader' insight into the different forms of power exercised by emerging powers than that granted by existing middle power theories.

The hypotheses are tested on Brazilian strategies and initiatives in three different policy areas, namely, Brazilian strategies and initiatives for economic diplomacy, for the provision of security, and for the protection and promotion of democracy. By extending the analysis of Brazilian strategy formulations to the three different policy areas, a broader overview of Brazilian forms of power is achieved. It demonstrates, on the one hand, that Brazilian power is in many ways qualitatively different to the influence exercised by the traditional middle powers, and therewith confirms the view voiced here that analytical distinctions should be made between traditional middle powers and emerging powers. On the other hand, the insight into how power or influence varies according to the policy area under analysis offers a better understanding of the different forms of power that make up a country's international influence. The approach suggested here for the study of Brazil as an emerging power is thus seen to provide a better basis for our understanding of the different forms of power emerging powers exercise and, by extension, enhances our understanding of the different forms of power that exist in the international political economy.

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Acknowledgements

Introduction

Increasing attention is now being devoted to the emergence of a number of progressively more influential states referred to as 'emerging economies' or 'emerging powers'. Consultancies and investment banks such as AT Kearny and Goldman Sachs publish reports on the increasing economic stability and power of the so-called BRICs (acronym for Brazil, Russia, India and China)[1] and newspapers enthuse about the new and increasing market power of these emerging economies or emerging powers (*Financial Times* 04.07.2007; *Estado de São Paulo* 09.12.2007).

In academia such attention focuses on finding ways to explaining the positions and roles of so-called 'emerging' or even 'third world' powers such as Brazil, China, India and South Africa, and more specifically their potential impact on the structure of the international system. To this avail, these 'emerging' powers are often referred to as 'new' or 'emerging' *middle* powers (Cooper, Higgott and Nossal 1997; van der Westhuizen 1998, Jordaan 2003), or, to make a distinction from the traditional middle powers, as 'intermediate states' (Lima 2004; Lima and Hirst 2006) or 'would-be great powers' (Hurrell 2006). To account for the positions and roles of 'emerging' powers the general tendency has thus been to apply existing or 'traditional' middle power theories to these 'new' or 'emerging' powers to facilitate an analysis of these states' power position in the global system. Works of van der Westhuizen (1998) and Schoeman (2000) are good examples for the application of middle power theories to South Africa, Hirst (2004) of the application of such to the IBSA (India, Brazil and South Africa Initiative) countries, and Spero (2004) of the application of middle power theory to Poland.

The interface between the emerging power concept and its application to traditional middle power theories provides the starting point of this thesis. The overarching argument is that, despite some attempts at revising middle power theory to suit the distinction between the 'new' and the 'traditional' (middle) powers (for

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[1] The Goldman Sachs (2007) study 'BRICs and Beyond' is available online on the Goldman Sachs website: http://www2.goldmansachs.com/ideas/brics/BRICs-and-Beyond.html; The AT Kearney study 'The BRIC Promise', written by Mangalorkar, Raman; Ram Kuppuswamy and Michael Groeber, is available online on the AT Kearney website:
http://www.atkearney.com/res/shared/pdf/BRIC_Promise_S.pdf

example Cooper 1997; van der Westhuizen 1998), they so far have not provided satisfactory explanations as to why exactly these countries are deemed to fall in the category of middle powers. More importantly yet, they have not offered an adequate understanding of the forms of power emerging powers exercise in the international political economy. The central aim of this thesis is thus to develop an approach that better accounts for the positions and forms of power of these 'emerging' powers without reverting back to merely revising existing middle power theories to suit new categories. To achieve this, a number of hypotheses about the position and characteristics of emerging powers will be established and tested on the case of Brazil. In a last step the findings will then be accumulated in a framework that is argued to be more suitable for the analysis and understanding of emerging powers in the international political economy.

Middle power theories and emerging powers

The middle power concept derives in great part from Canadian policymakers and scholars who, towards the end of the Second World War, were concerned with Canada's place in the post-war order (Holmes 1970; Higgott and Cooper 1990: 599; Burges 2005).[2] In this sense, the term middle power represented a particular perception of the state, but the definitions of what exactly a middle power is have remained varied. For example, Gelber (1946) first pointed to the 'functional' capabilities of some states that distinguished them from the less influential ones and thus granted them middle power status. Glazebrook (1947), Riddell (1948) and Holbraad (1971) took a more systemic view and named those states middle powers that had a permanent rotary seat on the United Nations Security Council (UNSC), whereas Vital (1967) and Rothstein (1968) focused on the role of smaller states in alliance formation and especially the impact of the non-alliance of smaller states with the most powerful actors. Keohane (1969: 295-6) advanced a more nuanced study of small, medium and great powers through a fourfold division of system-determining, system-influencing, system-affecting and system-ineffectual states, adding to his

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[2] Canada-based scholars writing about the middle power concept include, among others, Claxton (1944), Gelber (1946), Glazebrook (1947), Holmes (1970), Holbraad (1971), Cooper (1997), Stairs (1998), Welsh (2004).

structural division a psychological dimension to overcome the arbitrariness of this division.

During the 1980s the middle power concept changed to focus on agential characteristics and therefore left behind concerns with more classical attributes of power such as material capabilities and geopolitical position (Cooper, Higgott and Nossal 1993). Indeed, definitions that emphasised the "…non-structural forms of power and influence associated with the energetic and creative use of their diplomatic talents" (Cooper 1997: 9) have become the most popular way of conceptualising middle powers and have been widely applied, also to the so-called emerging powers.

Despite, or maybe because of, the many attempts at finding adequate definitions for middle powers, the idea of a middle power remains a contested and ambiguous concept (Chapnick 1999; Neack 2000; Welsh 2004: 585). Stairs (1998: 270), for example, trying to answer the question of what a middle power is and if it helps at all to know, argues that "the trouble starts with the very idea of a middle power". He goes on to highlight that there is no 'objective' answer as there are no commonly accepted indicators. One of the main problems with the middle power concept is thus that of finding common attributes for middle powers and determining which states would fall into the category of a middle power, as well as the problem of finding commonalities between a plausible set of shared attributes in relation to gross domestic product (GDP), military resources and patterns of behaviour (Hurrell 2000: 1). Moreover, the many different middle power approaches have been applied to such a diverse group of countries – with an extensive range of external and internal circumstances in which they are situated, the type of power they possess, and the arenas they operate in – that it has been more and more difficult to identify common patterns of what they *will* do and what they *can* do (Hurrell 2000: 1).

With the middle power concept being as varied and problematic as pointed out above, the question is why most scholars writing about the so-called emerging powers have used middle power theories as an analytical framework. One answer could be that scholars from these emerging powers apply the term middle power to evoke a certain idea about the position and behaviour of the country in question, just like Canadian policymakers used the term to evoke a particular perception of their country's position in the international political economy. However, the more likely answer is more straightforward: there is a dearth of useful theoretical studies on

emerging powers. Indeed, only three scholarly articles (Sennes 1998; Jordaan 2003; and Hurrell 2006) have been identified to provide the reader with more sophisticated definitions and characterisations of emerging powers, and of these three scholars, two (Sennes 1998 and Jordaan 2003) still commence their analysis with reference to existing middle power theories.

While finding a suitable definition for middle powers might already seem difficult, this proves even trickier for emerging powers, mainly because of the already mentioned absence of the same, wide array of literature that those engaging in the study of the traditional middle powers can refer to. Indeed, defining and understanding the difference between emerging powers and middle powers is more complicated than might be initially expected. After all, both terms suggest that a country's status is not that of a great power, but neither is it small or indeed insignificant within the global political economy. They thus both belong to the same 'grey area' that makes up the 'middle' between the small and the great powers. In many scholarly contributions the conclusion therefore seems to have been that emerging powers could somehow be included into the middle power category. This has led scholars like Selcher (1981), Cooper (1997), van der Westhuizen (1998) or Schoeman (2000) to refer to emerging powers as 'new' or 'emerging' middle powers, the only difference to the traditional middle powers being that they still somehow pertain to the category of 'developing' or 'newly industrialising' countries.

Undeniably, the idea of an emerging power also being a 'developing' country is a crucial factor in the definition of emerging powers. Much of this can be accredited to the growing attention given to the increasing presence of 'developing' countries in the international arena. Robertson and East (2005), for example, point to the narrowing distinction between foreign policy making in 'developing' and 'developed' countries due to international systemic changes that in many instances have worked to the advantage of the 'developing' nations. While these changes have not led to a "…wholesale shuffling of the power and influence rankings of nations…", East (2005: 254) stresses, it still means that "…developing nations today are often less disadvantaged in some respects and […] the gap is closing in some areas". The few existing, more refined differentiations between traditional middle powers and emerging powers also point to the emerging powers' position at the 'semi-periphery' (Sennes 1998; Jordaan 2003), or their positioning ideologically and

materially outside the dominant hegemonic paradigm of the liberal west (Hurrell 2006), as one of the defining characteristics of emerging or 'would-be great powers'.

The categorisation of emerging powers as 'developing' countries or 'recently industrialised' economies is not in itself problematic, if with such a definition one merely tries to find a term that indicates the differences between these 'developing' countries and the industrialised economies.[3] However, when using theories that were explicitly or implicitly created for countries that belong to the advanced industrialised economies and applying these to those countries that are situated in different structural contexts, then these differences become problematic. As already referred to above, middle power theories have been created by policymakers and scholars from Canada (and Australia) to establish a very particular image of their country. In existing middle power theories this has led to a set of very specific assumptions about the structural positions these states have in the international political economy and the type of behaviour they exhibit, assumptions which, as will be shown at length in chapter 1, are not transferable and therefore become problematic once applied to emerging powers. Although, as already mentioned, several scholars have already used existing middle power theories to explain the position and behaviour of an emerging power, the results, it is argued in chapter 1, are unsatisfactory. It is for this reason that, instead of merely adjusting or 'refining' existing middle power theories, a set of hypotheses are assembled about emerging powers and tested on the case of Brazil. Leaving aside for a moment more detailed explanations of the reasons for choosing five hypotheses on emerging powers to the discussion in chapter 1, they read as follows:

1. Emerging powers have a strong international identity, which is based on a clear view of world order and an understanding of the country's actual and potential position within this order.

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[3] The reference to 'developing' countries and 'industrialised' countries or economies here and throughout this thesis is merely used as a 'shorthand' that facilitates a differentiation between those countries that belong to the 'core' triad of advanced industrialised economies and those that are situated outside this 'core'. The use of either the term 'developed' or 'developing' country in this thesis is therefore at no point to suggest an understanding of development processes embedded in territorialist distinctions between the 'North' and the 'South', unless this is explicitly mentioned. Also, reference in this thesis to a group of 'developing' countries does at no point imply that these countries form a homogenous group, that they are at a similar stage of development or indeed have undergone the same or very similar development trajectories. Again, such references are made for mere convenience of narrative.

2. Emerging powers are those countries that are traditionally situated in different structural contexts to the industrialised economies, but whose material capabilities have developed on terms which have allowed a degree of influence in the global economy.

3. The behaviour of emerging powers tends to be influenced by a different global agenda to that of the traditional middle powers, which means that emerging powers do not necessarily emphasise the involvement in issue areas that require a sense of ethically or morally infused responsibility towards the international community.

4. Emerging powers are those states whose strategies have a 'reforming' character.

5. Emerging powers are also regional powers.

The five hypotheses will be placed in an analytical framework that rests on a New Political Economy approach. The New Political Economy approach is seen here as the most viable framework for analysing emerging powers as, in contrast to traditional International Political Economy (IPE) theories such as (neo)realism, (neo)liberalism and (neo)Marxism, it provides a more critical approach to structure and agency as equally important in its analysis and also recognises the existence of both material and ideational definitions of power (Payne 2004: 9). As will be discussed in more detail in chapter 1, giving equal weight to structure and agency and recognising the existence of both material and ideational forms of power are two important factors for a more nuanced understanding of the forms of power that emerging powers exercise in the international political economy. Moreover, placing the five hypotheses in a New Political Economy framework further helps to step away from the more rudimentary works that established a set of characteristics for emerging powers rather than a new basis for analysis. The compilation of the five hypotheses as an 'alternative' basis for studying emerging powers therefore provides a first step towards finding a more suitable theoretical framework for studying emerging powers than the existing middle powers theories, even in their modified form, can offer. Also, the rigorous testing on the case of Brazil further provides a better insight into the validity, or indeed non-validity, of the hypotheses outlined here and thus offers a more profound analysis of middle power characteristics on offer than is provided in the small number of articles available on this topic.

Brazil as an emerging power

The choice to use Brazil as a case study derives in the first instance from the existence of a number of works, emerging from the 1970s onwards, that describe Brazil as an emerging or future power. For example, Faber (1970) described Brazil as the 'world power of tomorrow', Schneider (1976) as the 'future world power', Perry (1976) as an 'emerging power', and Selcher (1981) as an 'emerging middle power'. These projections of Brazil's role as a future power derived mainly from the country's successful years of industrialisation in the 1950s and 1960s. With the (re-)turn to regionalism in the Americas and other parts of the world in the late 1980s and early 1990s, Brazil also became to be described by Becker and Egler (1992) as a 'new regional power in the world economy' and since the increasing economic successes of the BRICs has again been referred to as an emerging (middle) power.

The idea of Brazil as a 'middle power' is indeed not that far fetched at first sight when looking at the country's long-standing participation in the multilateral system. As the discussion in chapter 2 will reveal, Brazilian diplomats already positioned their country as a mediator between the European powers and the smaller members with the creation of the League of Nations in 1919, a characteristic that is found to be part of almost all middle power approaches. Further, Brazil was one of the founding members of the United Nations (UN) and has since held a rotary seat, a position that Glazebrook (1947) and Riddel (1948), for example, use as a defining characteristic of a middle power.

Despite the seeming similarities, Brazil is differentiated from the so-called 'traditional' middle powers, such as Canada and Australia, not only by the structural context in which it is inserted, but also by its policymakers' behaviour and their formulations of policies and strategies. While Brazil has been actively participating in the different multilateral forums since the beginning of their creation, Brazilian diplomats saw their country pushed to the margins of decision-making, which led to an intrinsic wish to even out the power asymmetries at the international level and, consequently, led to the formulation of strategies and initiatives that were targeted towards the creation of a more 'egalitarian' multilateral system. In this sense, Brazilian strategies were not shaped around the aim of protecting and maintaining the prevailing international system, as is said to be the case of the traditional middle powers, but rather by the goal of 'reforming' multilateral rules and structures to the advantage of Brazilian interests, as will be discussed in more detail in chapter 2.

This, it is argued in chapters 3 to 5, which deal with Brazilian strategies and initiatives, has remained a central characteristic of Brazilian behaviour and is one of the main differentiating characteristics between Brazil and the traditional middle powers.

While the original idea of this research project was indeed to use middle power theories to define and explain the influence of Brazil in the international political economy, initial attempts at applying existing approaches to Brazil quickly highlighted the many pitfalls of using theories originally designed for countries like Canada and Australia. Such failed attempts to successfully apply existing middle power theories to Brazil therefore reinforced the conviction that these, even in their modified versions, were limited in their capacity to explain the nature of the position and power of a country like Brazil. With this realisation, the question of what kind of power Brazil actually was also became a more pressing issue and the hypotheses outlined above were therefore seen to potentially provide a more useful basis for defining and understanding Brazilian forms of power.

To gain a better understanding of Brazilian power or influence, the hypotheses are 'tested' on Brazilian strategies and initiatives in three different policy areas, namely Brazilian economic strategies and initiatives, Brazilian strategies for the provision of security, and for the protection and promotion of democracy. Although this is obviously an artificial division of areas of strategy for the sake of analytical clarity, the discussion of Brazilian strategies and initiatives in three separate chapters provides not only a more detailed insight into the 'applicability' of the hypotheses in the case of Brazil, but also offers a better understanding of the different importance being placed on one policy area rather than another.

Contrary to what might be expected, given the attention to Brazil as a 'future' world power in the academic literature, a detailed and theoretically informed insight into Brazilian foreign policy strategies and initiatives and their impact on forms of Brazilian power is surprisingly rare. Book length studies on Brazil as a 'future' world power or an 'emerging middle power' are relatively dated and, despite the renewed interest in Brazil as an emerging economy and as part of the BRICs, more recent, book-length studies on emerging powers have tended to focus on India (for example Cohen 2001; Ganguly 2003) and China (for example Bergsten et al. 2007; Johnston and Ross 1999). Despite the numerous detailed accounts of Brazilian foreign policy in the Brazilian literature (for example Albuquerque 1996; Lafer 2001;

Lopes and Velloso Jr. 2004; Almeida 2004a), the study of Brazil as an emerging power gains even less attention than in the foreign literature. Therefore, Brazilian power proved to be a less frequent topic of analysis than might be expected, and therefore the thesis aims to fill this gap by offering a detailed and theoretically informed account of Brazilian power in the international political economy.

Contributions to the existing literature

As noted, there is a clear absence of fruitful theoretical studies on emerging powers in the International Relations (IR) and International Political Economy (IPE) literature. Despite increasing academic interest in the positions and roles of emerging powers such as China, Brazil, India and South Africa, the few existing attempts at establishing a more informed approach to studying these countries have gone only so far as to provide a list of attributes of emerging powers and their differences to the traditional middle powers (Sennes 1998; Jordaan 2003; Hurrell 2006). Yet, so far they have not developed a theoretical framework for studying emerging powers. By establishing an approach that, it is argued here, helps to better understand and explain the positions and forms of power exercised by emerging powers, this thesis provides, first and foremost, an important theoretical contribution to the study of emerging powers. This is especially the case as the framework established here does not only recognise the existence of significant characteristic differences between middle powers and emerging powers. Rather, it goes one step further to offer an analytical framework that does not revert back to using existing middle power theories, but in contrast tries to distance itself from middle power theories so as to underline the importance of trying to find a theoretically informed way to studying emerging powers as a separate group of states and, subsequently, as a separate form of power that exists in the international political economy.

The use of an analytical framework that gives equal weight to structure and agency and understands power as deriving from both material and ideational factors further helps to step away from the overemphasis on either structural power in the systemic-structural middle power approaches, or agential forms of power that take priority in the behavioural middle power approaches. By using an analytical framework derived from the New Political Economy approach, this study therefore offers a more 'balanced' analysis of the power of states that are neither great nor

small or insignificant, and subsequently allows for a more 'nuanced' understanding of the influence exercised by middle powers, or indeed emerging powers.

The second contribution of this thesis relates to the analysis applied here to the examination of the forms of power exercised by emerging powers. The majority of those studies that exist on emerging powers such as the BRICs, view the increasing global competitiveness of these countries' economies to be the main explanatory factor for their increasing influence in the international political economy. As Shaw, Cooper and Antkiewicz (2007: 1260), for example, highlight, "…the new century is affected by the changing economic stance of the emerging powers and their growing influence on both the world economy and the global institutional architecture". However, the almost exclusive focus on the growth of the BRIC economies and their increasing global competitiveness, it is argued here, considerably narrows the analysis of the increasing international influence of emerging powers. By not only focusing on the economic attributes of emerging powers, but also looking at strategies and initiatives for security provision and the protection and promotion of democracy, this research project transcends the "…uncritical 'economistic' projections…" (Shaw *et al.* 2007: 1267) so typical of most analyses on emerging powers or the BRICs, especially those by investment banks such as Goldman Sachs and AT Kearny. Therefore, this study provides a broader account of the influence emerging powers have in the international political economy, and subsequently of the different forms of power these emerging powers exercise by extending the analysis to three different policy areas. Also, it presents a better understanding of the different forms of power that exist in different parts of the world, and therefore offers a step away from the more hierarchical understandings of power in IPE based on ideas of the hegemonic state, middle powers, and insignificant or small states.

The third contribution of this study is closely linked to the second. As briefly mentioned above, the gist of the more extensive, book-length studies on emerging powers or the BRICs tend to focus on India (Cohen 2001; Ganguly 2003) and China (Bergsten et al. 2007; Johnston & Ross 1999). In contrast, this study offers a detailed examination of Brazil as an emerging power. The focus on China and India might be in great part the result of a combination of these two countries' impressive economic growth and the aforementioned emphasis on economic indicators as the defining characteristic in studies on emerging powers and the BRICs. However, with regard to

Brazil it is quite pointed to see that academic discussions on Brazil as an emerging power are almost completely absent. This, it might be argued, is the result of a general reluctance in Brazilian foreign policy circles to openly discuss Brazilian regional and international ambitions in an effort to sideline criticisms from South American neighbours of practicing 'sub-imperial' or 'hegemonic' politics, a preoccupation that was often observable when talking to government officials from the Brazilian Foreign Ministry, also referred to as Itamaraty[4]. This reluctance to engage more openly in an account of Brazilian regional and international ambitions is further transferred to the literature, in great part because a majority of the Brazilian literature on the country's foreign policy is published by its diplomats. Therefore, frequently Brazilian publications tend to engage in detailed historical accounts of Brazilian foreign policy strategies more generally and with a focus on particular regional and international forums (Fonseca Jr. and Castro 1994; Corrêa 1995; Albuquerque 1996; Lafer 2001; Lopes and Velloso Jr. 2004; Almeida 2004a), rather than to tackle question about the role Brazil is playing at the regional and international levels. In contrast, this study takes a critical look at Brazilian forms of power through a number of policy areas and asks whether and to what extent Brazil can be described as an emerging power.

The forth contribution of this research project is the broadening of the study of Brazilian foreign policy strategies and initiatives in different policy areas. Most of the English-, German- and Portuguese-language literature on Brazilian foreign policy strategies is concerned with Brazil's role in regional and international trade regimes such as the Mercosul (*Mercado Comum do Sul* – Southern Common Market), the Free Trade Area of the Americas (FTAA) and the World Trade Organisation (WTO) (Cason 2000; Costa 2001, Nolte 2002; Sangmeister 2002; Klom 2003; Barbosa 2004; Almeida 2004; Markwald 2005; Lampreia and Cruz 2005; Furlan and Prazeres 2005; Bahadian and Lyrio 2005-6; Veiga 2005 and 2006, Pereira 2006). The focus on Brazilian security policies is already far more limited and mostly published by Brazilian authors (Hirst 2004 and 2007a; Miyamoto 2004; Flemes 2005 and 2006; Martins Filho 2005; Diniz 2005). It can be argued that the coverage of Brazilian strategies and initiatives for democracy protection and promotion is almost absent,

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[4] The foreign ministry was originally housed in the Itamaraty Palace in Rio de Janeiro. The name was retained when the government institutions were relocated to the new capital Brasília.

with only two more detailed and fruitful studies available (Santiso 2003; Burges and Daudelin 2007). The study here of Brazilian initiatives in strategies in three different policy areas thus offers a broader and more detailed examination not only of the country's economic diplomacy, but also of its strategies and initiatives for security provision and democracy protection and promotion, and thereby contributes significantly to the study and understanding of Brazilian policy formulations in different issue areas.

Method of research

The method of research employed in this thesis is a combination of different qualitative methods. The first stage consisted of a thorough review of secondary literature on middle powers, emerging powers and on Brazilian foreign policy strategies and initiatives. The secondary literature consulted was not limited to English-language publications, but also included publications in German and Portuguese. With regard to the case study of Brazil, in the first instance use was made of the available scholarly literature on Brazilian foreign policy and related issues discussed in the thesis. Brazilian foreign policy journals such as *Contexto Internacional*, *Política Externa* and the *Revista Brasileira de Política Internacional* provided valuable insights into the 'Brazilian view' on Brazilian foreign policy and understandings of the country's position and role in the international political economy. Published works by the research institutes FUNCEX (*Fundação Centro de Estudos do Comércio Exterior*) and CAENI (*Centro de Estudos das Negociações Internacionais*) further helped to get a better grasp of Brazilian commercial diplomacy at the national, regional and multilateral levels.

The empirical study on Brazilian strategies and initiatives was based on a combination of primary sources, such as newspaper and magazine articles, business reports, official speeches and statements by government officials, internal government documentation, and personal interviews with Brazilian government employees, industry representatives, individuals from research institutes and think tanks, and independent analysts. Crucial for the development of the arguments in this thesis, especially with regard to Brazilian strategies and initiatives in the three different policy areas, were the personal interviews and conversations conducted during two separate fieldwork trips undertaken to Brazil in the summer and autumn

of 2005 and in December 2006/January 2007. Over the course of these two fieldwork periods interviews were conducted in Brasília, São Paulo and Rio de Janeiro with 38 individuals, 27 of which were current and former government officials from the Foreign Ministry, the Ministry of Development, Industry and Foreign Trade, the Ministry of Justice, and the Ministry of Defence. The other interviewees came from the São Paulo based business association FIESP (*Federação das Indústrias do Estado de São Paulo*) and the Rio-based CNI (*Confederação Nacional da Indústria*), the think tank ICONE (*Insituto de Estudos do Comércio e Negociações Internacionais*) and the research institutes CAENI and FUNCEX, private consultancies, as well as from the University of Brasília and the FGV (*Fundação Getulio Vargas*) in São Paulo. The interviews undertaken were semi-structured and mostly concerned the nature of Brazilian strategies and initiatives in the three different policy areas, Brazilian regional and international leadership, Brazil's status as a middle power or emerging power, Brazil's international identity, and the reasons for Brazil's regional and international influence.

A note on anonymity and interview data must be added. Most government officials that consented to interviews, especially those from the Foreign Ministry, asked to remain anonymous even when they occupied senior-level positions such as Minister or Chancellor, and the recording of interviews was generally not allowed due to strict policies on discussing foreign policy questions with outsiders. Only those that had retired from their government career had no reservations with having their views openly published. Thus, only those junior- and senior-level government officials that explicitly allowed their names to be used in relation with this research project are directly named in this thesis. Any views expressed by interviewees who preferred to remain anonymous are referred to in the footnote as 'government employee', and where these government officials hold a senior/director position reference is made to 'senior government official'.

The diplomats' great concern with confidentiality must be linked to the highly professional training they receive at the Rio Branco Insitute. With regard to the interviews conducted this meant that, despite the openness with which one was received and the sincere interest expressed in this research project, the actual discussions on most of the foreign policy issues treated in this study hardly deviated from what is openly available, and more controversial questions were left unanswered or subtly avoided by referring back to the Foreign Ministry's official

line. Moreover, as already mentioned, much of the literature on Brazilian foreign policy has been published by diplomats, which means that the views expressed during interviews were in great part those views also laid open in their scholarly publications. It was much more difficult to get interviews with government officials from other ministries. Yet, when these attempts were successful the interviewees tended to speak very openly about their personal views on certain policies and on Brazil's role in the regional and internal political economy. This also meant, however, that most interviewees again insisted on remaining anonymous.

Due to the difficulty of getting interviewees from the Foreign Ministry to divert from the official line, and the limited access granted to interviewees from other ministries, findings from the interviews had to be supplemented with the wide array of official statements and speeches available on the website of Itamaraty, the extensive analysis of foreign and Brazilian media reports, and the use of a small number of internal documents that were handed over during interviews. Unfortunately, it was not possible to make more extensive use of internal documentation as the physical access to the archives of the Foreign Ministry was refused due to a fungus infestation of the library in the basement of the Foreign Ministry. Therefore, as mentioned above, a wide array of primary documentation has been used in chapters 3 to 5 to supplement and contrast the views and opinions expressed by the interviewees.

Structure of the thesis

The thesis is divided into six chapters. Chapter 1 commences with a review and critique of the existing middle power theories, which are divided into the functional model, the systemic-structural approach, Keohane's (1969) 'in-between'- approach and the behavioural model. The critique focuses in the first instance on the overemphasis on either structure or agency in the existing middle power approaches, the covert assumption in the behavioural model that emerging powers are situated in the same structural context as the traditional middle powers, and the focus on a specific type of behaviour which is part of the behavioural model as the most accepted middle power approach (Behringer 2003). Such critiques are followed by an outline of the few attempts to apply middle power theories to emerging powers, such as Brazil and South Africa, and the few existing, more differentiating attempts

at finding new ways of defining and understanding emerging powers. The works by Sennes (1998), Jordaan (2003) and Hurrell (2006) are seen to provide the most useful basis for developing a set of hypotheses about emerging powers. Five hypotheses are developed and embedded in a framework that offers a critical understanding of structure and agency and material and ideational power derived from the New Political economy approach.

Chapter 2 has a double task. First it provides an analysis of the first hypothesis about emerging powers, which means going back to Brazilian state formation so as to understand Brazil's international identity. Second, a general overview of the historical evolution of foreign policy orientation is given so as to achieve a better understanding in the following chapters of the specific nature of strategies and initiatives in different issue areas. Four areas are identified as important foreign policy orientations for the following chapters – the emphasis on national economic development, multilateralism and coalition-building, Brazil's relations with the United States, and Brazilian efforts at regional integration.

Chapter 3 to 5 examine more closely Brazilian strategies and initiatives in three different policy areas, namely, Brazilian strategies and initiatives for economic diplomacy, its initiatives and strategies for the provision of security, and its initiatives and strategies for the protection and promotion of democracy. Because of the nature of the topic, the second hypothesis will only be discussed in chapter 3, which is concerned with Brazil's economic strategies and initiatives. Otherwise, all three chapters follow the same structure, which is guided by the hypotheses as they were outlined above. An outline of the nature of the domestic political economy for each policy area at the beginning of the chapters provides the necessary background knowledge for the discussion on Brazilian strategies and initiatives in each policy area.

Chapter 6 joins together the findings from the case of Brazil and discusses in more detail the viability of the approach suggested throughout this thesis. In the first part the chapter will therefore commence with a recap of the approach put together in chapter 1. It then goes on to discuss whether Brazil indeed fits the concept of an emerging power as set out in this thesis and discusses the forms of power that Brazil exercises in the international political economy. Some comparisons with other so-called emerging powers, such as India, South Africa and China, will be made to offer

comparative insight into the validity of the approach offered here. The concluding section will then put forward an agenda for the future study of emerging powers.

Chapter 1

Middle power theories and emerging (middle) powers in International Political Economy

As pointed out in the introduction, no comprehensive analytical framework for emerging powers has been established to date despite increasing academic interest in the subject. Rather, the tendency has been to apply existing middle power theories to these 'new' or 'emerging' (middle) powers to find a way of explaining these state's positions and influence in the international system. Notwithstanding some attempts to make distinctions between the traditional middle powers and the new or emerging (middle) powers by modifying existing middle powers approaches, these 'revised' approaches have so far not provided satisfactory explanations for the forms of power these states exercise, or for the position the have in the international political economy.

The first task of this chapter will therefore be to reveal why the 'traditional' middle power theories are unsuitable once applied to the so-called new or emerging (middle) powers and, in a second step, to develop a set of hypotheses that potentially allow for a better definition and understanding of these new or emerging (middle) powers. The critique of the traditional middle power approaches will place particular emphasis on the artificial division between structure and agency. Structural middle power approaches by definition do not give any relevance to agency, whereas behavioural middle power approaches understand structure to be irrelevant for an analysis of agency. Thus, while an overemphasis on structural explanations leaves out the possibility of identifying agential forms of power, the overemphasis on agency is problematic as it merely assumes a specific structural context that allows middle powers to behave in a certain way. Considering that middle power theories were developed for and applied to countries such as Canada, Australia or Norway, which all belong to the 'core' triad of industrialised economies, the assumption must be that the structural context in which these countries are situated is also that of the 'core', to borrow Phillip's (2005a) expression. Yet, assuming the structural context to be that which is relevant to the 'core' becomes problematic when trying to include countries like Brazil, China, India and South Africa, as they can be argued not to be situated in the same structural context as the traditional middle powers.

Assumptions about a very specific structural context, in this case that of the 'core' triad of industrialised economies, also has consequences for assumptions made about the specific forms of behaviour that middle powers exhibit. Indeed, the assumption in the behavioural middle power theories that middle powers are those that choose 'secondary issues' on moral grounds, such as humanitarian intervention and environmental protection, and develop strategies that support and further underpin the ideas and strategies of the hegemon, becomes problematic once the focus is turned to the new or emerging (middle) powers. Based on a critical understanding of structure and agency developed in the New Political Economy approach, which will be elaborated later in the chapter, it can instead be assumed that the behaviour of the new or emerging (middle) powers and actors within them differs from that of the traditional middle powers as they are situated in an 'different' structural context to the traditional middle powers and therefore face differing set of constraints and opportunities.

From these criticisms follow questions about the suitability of such a concept for our understanding of different forms of power exercised by middle powers in the international political economy more generally. As Hurrell (2000: 1) highlights, scholars so far have been more concerned with attributes which middle powers should have and categories they should fall into, rather than with finding a way which would help to better understand and explain the different forms of power that non-hegemonic but still partially influential states exercise in the international arena. This problem, it is argued here, stems from an understanding of power that is based on *either* material *or* ideational aspects and an emphasis on hegemonic power in IR and IPE. With an emphasis on either structure *or* agency and material *or* ideational power, one or the other part is missing in a full explanation of what power consists of and consequently what forms of power exist in the global political economy.

Partly it also stems from the problem of categorisation itself. Even Hurrell (2000: 1-2), who argues that a constructivist approach would allow the concept to be viewed as a self-created identity or ideology rather than as a category of objective attributes or circumstances, admits that thinking in terms of constructed identities or historically conceived roles does not necessarily lead to a notion of middle or intermediate powers. This brings to light the difficulties that emerge with the many different categories and attributes that are used to define middle powers, and subsequently highlights the even greater problems that emerge once attempts are

made at 'remodelling' existing middle power theories to suit the inclusion of emerging powers. A closer look at the several attempts that were made to slightly remodel the concept to suit the inclusion of the new or emerging (middle) powers highlights the problems with this application and further underpins the criticisms made. Yet, only very few scholars (Sennes 1998; Jordaan 2003; Hurrell 2006) have recognised these problems and have tried to find and develop some alternative concepts that would allow for the inclusion of the new or emerging middle powers into the middle power category without 'overstretching' the concept.

To arrive at a more nuanced conceptualisation of the new or emerging (middle) powers, it is suggested here to use a framework that originates from writings under the aegis of New Political Economy. As mentioned briefly in the introduction, the New Political Economy approach is seen here to provide the most viable framework for studying emerging powers as it overcomes the artificial division between structure and agency that is part of all the traditional middle power approaches, and at the same time recognises the existence of both material and ideational forms of power that overcomes the overemphasis on the economic attributes of emerging powers, especially the BRICs. By giving equal weight to structure and agency, and recognising the existence of both material and ideational forms of power, it will be possible to better account for the different forms of power these new or emerging (middle) powers exercise in the international political economy and, consequently, allow for a better understanding of the different forms of power that are exercised in different parts of the world.

The chapter will commence with a detailed overview of the existing literature on and critique of the traditional middle power theories as they are applied to the new or emerging (middle) powers. In the second part a review of several attempts to change the middle power concept to be more suitable to the new or emerging (middle) power will be discussed in more detail, especially as several parts will then be used to develop a set of hypotheses that will guide and inform the discussions in the three empirical chapters. Third, a discussion on understandings of structure and agency and material and ideational power of the New Political Economy approach will form the basis of an analytical framework that underpins the hypotheses, which will be formulated in the fourth section.

Traditional middle power theories and their discontents

The following section will focus on several existing middle power theories, which are grouped here in four different approaches – the functional model, the systemic-structural approach, Keohane's 'in-between' approach, and the behavioural model. The discussion will focus especially on the problems with structural explanations, assumptions about structure in the behavioural approach, the bias about certain types or forms of middle power behaviour, and the bias in the supposition about strategies being developed specifically to support and further underpin the prevailing world order. At the same time, it will highlight the resulting problems with our understandings of power, which rests on either material or ideational aspects and are defined as either structural or agential power only.

The functional model

As briefly mentioned in the introduction of this thesis, Gelber (1946) was the first to link functionalism to middle powers in the academic literature. The functional model is based on the idea that, while not major powers, some states have the capability to influence international politics in specific instances. Those states capable of influencing world politics at certain points in time cannot be compared to those states that can exert influence at any time, but they are nonetheless different to those that at no time at all are capable of exercising any form of influence. Therefore, these countries are situated in the middle of the great and the small powers, which contributes them their middle power status. Although not specifically picking up the concept of middle power in his 1944 article about Canada's place in the post-war order, Claxton (1944: 415) refers to the increasing body of 'functional matters' that need to be dealt with in the post-world war period. He highlights issues such as the Red Cross, health, the prevention of drug- and women trafficking, food and labour conditions, among others, as functional issues that the great powers will not necessarily want to deal with.

These, Claxton goes on to argue, should be dealt with in international organisations whose membership should be selected according to 'functional representation' (1944: 416). He therewith picks up comments made by then Prime Minister Mackenzie King in a statement to the Canadian House of Commons in 1943: "A number of new international institutions are likely to be set up as a result of the war. In the view of the government, effective representation on these bodies

should neither be restricted to the largest states nor necessarily extended to all states. […] Some compromise must be found between the theoretical equality of states and the practical necessity of limiting representation on international bodies to a workable number. That compromise can be discovered, especially in economic matters, by the adoption of the functional principle of representation" (quoted in Claxton 1944: 416). Without mentioning the middle power concept directly, Claxton was of the view that Canada had the ability to take up responsibility for certain issues and therefore should be distinguished from other states.

Both Gelber and Claxton also refer to membership in the UNSC as an indicator of a country's status in the international system. Those countries which have a non-permanent seat are those that can be referred to as middle powers (Gelber 1946: 363). They do not hold permanent seats as the great powers do, yet they hold a more prestigious position than states with no influence in the UNSC at all. The functional model thus takes up the concept of representation in international organisations and a country's ability to achieve some influence in certain instances as the main defining principles for middle power status. In some aspects, it thereby resembles some contentions of the behavioural model, which will be discussed in more detail below.

However, the functional model is not without its problems. As Chapnick (1999) points out, a country's middle power status is limited by time and circumstance, which makes the functional model imprecise as the influence of middle powers fluctuates constantly. As a consequence, the functional model only identifies two tiers of states, the powerful and the non-powerful. Middle powers only hold this status as long as they are capable of creating significant leverage in one or more functions. As this ability is issue- and time bound, there is a constant fluctuation in a country's status as a middle power. Whereas Chapnick's critique has strong validity, he misses out to consider membership in international organisations as a way of identifying middle powers. When defined by their functional abilities, membership in an international organisation provides a stronger and more permanent recognition of middle power status, thereby making middle power status less arbitrary.

The more compelling problem with the functional model is related to the question of where this 'functional ability' originates from. It is not clear whether a country derives this ability to influence world politics at specific moments in time

from its material capabilities, its diplomatic expertise or indeed from the nature of the situation that presents itself as an advantageous historical constellation for middle power 'action'. The functional model thus lacks a firmer theoretical basis that could give leverage to the concept. The reason for the shaky theoretical underpinning could be connected to two interrelated aspects. The first is that the concept was developed by Canadian politicians during the post-World War II era when Canada had emerged as one of the major actors in the international system as a result of the World War. Second, and related to the first, is that politicians merely used the concept to point out factors through which Canada could contribute to a new post-war order and thereby strengthened their argument that the country deserved greater influence in existing and newly created international organisations. It thus seems that the functional model, which mostly derives from ideas of Canadian post-war strategies of international insertion, is only based on a government's perception of the country's middle power status. As Gelber (1946: 280-1) points out: "What the Middle Power idea does, in brief, is to adopt the conclusions of realism and extend them. Since major Powers are differentiated by their greater functions from the rest, the Middle Powers ask that they be distinguished from the lesser ones by the same criteria". The functional model is thus based on a hierarchical view of the international system and therewith has some resemblance to the systemic-structural approaches.

Systemic-structural middle power theories

The systemic-structural approaches, as its name already indicates, are based on the idea of an anarchic international order characterised by a natural organisation of balance of power. The different systemic-structural middle power approaches seek to describe the position of a state in between the most powerful and the small or 'insignificant' state within the international political economy. The view of a state-centric, hierarchical international order where material capabilities define a state's economic and political power thus remains to be the most important reference point within the structural-systemic approaches.

Holbraad (1971: 82) argues that middle powers can be distinguished from the great powers only "… on the grounds of strength they possess and the power they wield". Yet, he recognises the difficulty of measuring strength and defining power and therefore resorts to a definition of a middle power's position in the 'dualistic'

cold war international system by comparing the middle power position with the English class system. "The whole hierarchy is rather like the English class system, with a few aristocrats at the top and a numerous working class at the bottom of the pyramid, and an upper-, a middle- and a lower-middle class in between, with plenty of marginal cases. As in England, it is generally those in the lower strata of the intermediate range, ever anxious to improve their station or afraid of sinking to the lowest class, who are most conscious of middle status and most determined to claim it" (Holbraad 1971: 83).

Despite the arbitrariness of the choice of indicators as measurements of middle power status (Holbraad 1971: 82), numerous authors have resorted to defining middle powers on a choice of statistical prerequisites that generally involve geographical size, military capability and economic size. Wood (1990: 74), for example, uses GDP as the first indicator for identifying middle powers due to the "great advantage of its objectivity". Finlayson (1988: 3) even gives an exact minimum and maximum GDP of $50 billion to $500 billion and thereby identifies 33 countries as middle powers. In her earlier work Neack (1993) uses a statistical model to identify middle powers. She criticises the lack of 'systematic' rigor applied to existing definitions of 'middlepowerness' and therefore develops a data-based system around cluster analysis. She does go further than Wood and Finlayson in that she extends the variables and instead of only using GDP per capita as one indicator, also includes population, military expenditure per capita, literacy rate and infant mortality per thousand live births as variables of her analysis (Neack 1993: 351). Using this clustering method, Neack (1993: 348) argues, does not only demonstrate that the international system has an observable three-tiered structure made up of great powers, middle powers and small powers, but also provides these findings free from the ontological biases inherent in the various theories available in the IR literature.

In a somewhat different fashion Chase, Hill, and Kennedy (1999) argue that some states are 'pivotal' states as they can have an impact, both positive and negative, on US grand strategy. They outline four defining characteristics, one or more of which define a pivotal state. They argue that first and foremost a pivotal state is a state that is of geostrategic importance to the US and its allies. For example, if a state of geostrategic importance was plagued by severe social and political turbulences, it would greatly affect US security interests. Secondly, a state can be

pivotal if it is what they call 'wobbly' or 'tippy' in that it swerves between potential success and possible failure. The latter scenario could have severely negative implications for US grand strategy. Thirdly, a pivotal state has the potential to shape its region in both positive and negative ways. These are large populous states with considerable economic weight that are often classified as 'emerging economies'. Last but not least, pivotal states are those that tend to play a key role in multilateral negotiations on issues such as environmental and human rights. For example, with regard to environmental protection the preservation of the rainforests would only possible if countries like India, Brazil and Indonesia took on leading roles in this area (Chase *et al.* 1999: 6-7).

In contrast to the other middle power approaches, which tend to focus on the second-tier industrialised countries, the 'pivotal state' approach is more inclusive of all 'types' of states in that it includes the so-called developing countries into the category of potentially pivotal states. The four definitions outlined above demonstrate this, especially the second one which refers to states of a 'wobbly' character as potentially important players. They thus take a step forward and also try to account for those states that are not part of the industrialised north, but still play more or less important roles in the international system. Ultimately, this opens up the possibility of gaining a more inclusive view of the international system.

Yet, despite its greater inclusiveness the 'pivotal' state approach, like Holbraad's or Neack's approaches, has two major pitfalls. The first is the overemphasis on structural explanations for middle powers status. Chase *et al.* (1999) attribute the potential of influencing international politics purely on structural attributes such as geographical position, both internationally and in the respective region, domestic structural capabilities such as economic and military size, as well as market potential. The question of how the 'importance' or weight of structural capabilities is actually determined naturally follows. Wood (1990) and Finlayson (1988) have tried to overcome this problem by using statistical indicators such as GDP, whereas Neack (1993) uses a 'more sophisticated' model based on a combination of five different indicators. Yet, the different ways of using statistical data and the somewhat arbitrary selection of different indicators mean that the selection of states defined as middle powers can be very different depending on the combination of statistical indicators used. It is thus extremely difficult to agree on a specific set of variables that could be used for a scientific approach to determining

the structural positions of all countries and also to determine where to make the cut between middle powers and insignificant states.

The second criticism to be made concerns the idea of the international system as hierarchical, which leads to an understanding of power that overemphasises the importance of hegemonic power. Neack (2000) for example, argues that in the end weaker powers are incapable of shaping the international system. Rather, they are shaped by the system, which is determined by the United States as the only remaining superpower. It is the hegemon which ultimately decides which states belong to the circle of middle powers and which ones remain outside this circle. Chase *et al.*'s view departs from a different angle in that certain 'pivotal' states do have the ability to influence US strategy, which at first sight leads to the conclusion that the decision whether a state is 'pivotal' is based on whether it has any potential impact on the hegemon's strategy. However, looking at it more closely this influence initially granted to some 'pivotal' states is ultimately based on the hegemon's interests at a certain point in time. If, for example, the US had no interest in the protection of the rain forest, Brazil's, India's and Indonesia's position in this regard would be of no further consequence to the US and therefore those countries' positions on this topic would be potentially inconsequential in the international system overall.

Despite some small differences, the one thing that both Chase *et al.*'s and Neack's views have in common is the belief in structural explanations of power as the defining principle in international politics. Both Neack's and Chase *et al.*'s, views are even more 'confined' by their focus on the importance of US power, or more generally, hegemonic power. This overemphasis on structure and hegemonic power derive directly from the traditional IR and IPE approaches. The dominant theoretical frameworks in IR and IPE, especially neorealism and Marxism, are based on structuralist and systemic conceptions which are deemed to be the central concerns of IR and IPE (Phillips 2005a: 16). Equally strong and interrelated is the leaning in IR and IPE towards analyses of hegemonic power. As Phillips (2005a: 12) points out, mainstream IPE developed in the United States as a means of addressing questions of particular relevance to the predicament of hegemony and the position of the US as the global hegemonic power. Therefore, the attempt to include and especially explain the positions and roles of other states in the international system either becomes irrelevant, as Neack (2000) pointed out quite clearly, or provides a

picture that focuses on the importance of other states only in conjunction with concerns relevant to the global hegemon, as Chase *et al.* (1999) have outlined it.

With regard to systemic-structural approaches to middle powers, the problem is thus not only how to measure material capabilities and the 'power' these capabilities transform into, but rather that, ultimately, middle powers do not seem to be granted any significant influence in the shaping of the international structure at all if the hegemon determines the shape of the international system unilaterally. With an emphasis on economic and military size as a measurement of large, medium and small powers in a hierarchical system shaped by the hegemon, the attempt to actually try and measure the influence of a middle power therefore becomes redundant.

The analysis of material capabilities in a hierarchical system alone does not adequately account for the middle power position and role. Rather, characteristics such as active engagement in international forums and mediation in conflict situations need to be included in a definition of middle power status. In her later work even Neack (2000) reluctantly admits that the middle power concept needs to include an 'idealistic imperative'. Although she highlights that middle powers perform such activities as peacekeeping and humanitarian intervention, out of self-interest – to protect the international order in which they are relatively affluent and powerful and where they preserve the prestige that comes with the engagement in morally responsible acts – she adds some characteristic features and defines middle powers as states that commit their relative affluence and skills to the preservation of the international order in that they take on the role as mediator and 'go-between'.

Systemic-structural or behavioural approach? Keohane's division
Albeit better known for his development of the neoliberal-institutionalist approach in the IR field, Robert Keohane (1969) discussed the idea of middle powers in an early review article called *Lilliputans' Dilemma: Small States in International Politics*. He partially overcame the overemphasis on structural-systemic attributes as the defining principles of middle powers by suggesting that, instead of focusing on what he calls the 'small-great dichotomy', it would make more sense to develop a fourfold division (Keohane 1969: 295). 'System-determining' states are the great power(s) that shape the system while the 'system-influencing' states cannot individually dominate the system but nevertheless have significant influence in the shaping of the system. The 'system-affecting' states do not have any significant impact on the system on their

own but can affect the system by working through alliances or regional and international organisations, while 'system-ineffectual' states are those that cannot affect the system at all unless they are members of very large coalitions that are most probably led by the larger powers. These four categories Keohane (1969: 296) refers to as 'great', 'secondary', 'middle' and 'small' powers.

While his initial classification of states into these four categories appears to be based on a purely structural approach, his classification is supplemented by a 'psychological dimension'. In his own words: "… if we rely purely on objective criteria, we will again encounter the spectrum that can only be divided arbitrarily … A psychological dimension must therefore be added for the sake of clarity as well as in recognition of the fact that "objective reality" does not determine statemen's behaviour directly" (1969: 296). With regard to middle powers Keohane thus concludes that "… a middle power is a state whose leaders consider that it cannot act alone effectively but may be able to have a systemic impact in a small group or through an international institution…" (1969: 296). It is the perception of this systemic role and the perception of an inability to influence the system that shapes small and medium states' behaviour in the international system and, according to Keohane, ultimately explains these states' attitudes towards international organisations (1969: 296/7). Small and middle powers use international organisations to "attempt to promote attitudes favourable to their survival" and to "develop and 'international political culture' shaped largely by themselves" (1969: 296).

Keohane's systemic categorisation, together with the 'psychological dimension', is thus a step away from the overemphasis on structural attributes as the defining principles of middle powers. This 'psychological' dimension is what in later liberal-institutional middle power approach has become the defining principle of middle power status, and generally the most 'popular' approach to defining and understanding middle powers. However, the remaining problem with Keohane's approach, as in the systemic structural approaches, is his definition of the international system as hierarchical and static. He refers to the perceived inability of small and middle powers to influence the international system, a perception that seems to derive directly from (a lack of) structural capabilities and geopolitical position. This means that the behaviour of policymakers is directly linked to their countries' structural capabilities, which in itself is not even seen as a problem here. However, the linkage of behaviour to structural capabilities is static, which means

that it cannot account for any change. Ultimately, the categorisation of states thus regresses back to structural capabilities as the defining characteristic of a state's status. Despite this pitfall, Keohane's idea is in many ways much more sophisticated than the systemic-structural approaches outlined above as it recognises the weakness of focusing merely on structural attributes as defining characteristics for 'middlepowerness'.

The behavioural model

The focus on 'psychological' or behavioural patterns as defining characteristics for middle powers became more pronounced during the 1980s and was developed into an accepted model by Cooper, Higgott and Nossal (1993) in their book *Relocating Middle Powers: Australia and Canada in a Changing World Order*. They identify middle powers as those states that are active in peacekeeping, mediation and communication, display a strong commitment to multilateralism and are generally concerned with second-order issues such as environmental protection, the promotion of democracy and human rights, and peacekeeping. Extending the definition of middle power to a specific behaviour or 'role' that needs to be fulfilled to classify as such, the behavioural model has left behind the concern with the more classical attributes of power such as material capabilities and geopolitical position. Since then a number of alternative descriptions have been used, ranging from 'middlepowermanship' (Cox 1989) over 'middlestateness' (Bélanger and Mace 1997) to the more recent 'intermediate states' (Lima and Hirst 2006) to highlight the importance of agential 'soft' power as the defining characteristic of middle powers.

Cooper *et al.* (1993) commence their argument for a behavioural model based on a critique about the overemphasis on leadership in the study of IR. They do so by redefining the middle power concept to fit the post-Cold War international political economy through what they call 'relocating' the concept in the international system. With too much emphasis placed on the phenomenon of leadership, they suggest that the examination of 'followership' leads to a better understanding of the dynamics of leadership. The concept is 'relocated' as the examination of leadership and followership, it is argued, will lead to a deeper understanding of how and why middle power followers can embrace leadership roles in international politics (Cooper *et al.* 1993: 16). Middle powers are followers of the leader when they display a very similar set of values and beliefs and consequently very similar policy

frameworks to the leader. Although a middle power is not capable of acting across the policy spectrum due to structural limitations, it is able to focus on a limited number of policy issues that affect the international political economy. By focusing on these policy issues, a middle power can become a leader within the boundaries of these issues. Middle powers are thus not so much defined by their structural capabilities, but rather by their ability and drive to take the initiative in multilateral forums and by using their diplomatic capabilities to find solutions to common problems. This ability is what ultimately leads to middle power leadership (Cooper *et al.* 1993: 24/23).

In a later work, Cooper (1997) argues that middle powers conduct a form of 'niche diplomacy'. Rather than emphasising 'followership', as he did in his previous work, Cooper argues that the transformation of the international power structure from a bi-polar to a multi-dimensional one since the end of the Cold War has provided less powerful states with the possibility to pursue more independent foreign policies as the dependence on security provision from the superpowers has diminished (Cooper 1997: 2). At the same time, the process of economic globalisation has increased the number of policy issues at the international level. Economic well-being and social issues such as environmental protection and humanitarian intervention are just a few of the new 'secondary' or 'low' policy issues to be dealt with. Since the US is neither willing nor able to dealing unilaterally with all issues on this widening agenda, management of these concerns is dealt with more and more through multilateral institutions. Thus, the less static foreign policy approach of the US, together with an increase in international policy issues that need to be managed multilaterally, has led to more room for manoeuvre for the middle powers.

Middle powers can choose a certain, limited number of policy areas that they are capable of managing and specialising in, which constitutes what Cooper refers to as 'niche diplomacy'. Here Cooper falls back on ideas of functionalism as the "core organizing principle in the patterned behaviour of middle powers" (1997: 4). As middle powers do not have the means to act in any influential way across the whole policy spectrum, they direct their attention to those areas in which they hold a high degree of resources and reputational qualifications (1997: 5). In other words, secondary powers choose 'niches' according to their resources and expertise in certain domains as a means of securing enhanced status in the international system.

Rather than defining middle powers in terms of leadership and followership, the concept of 'niche diplomacy' allows for the identification of a middle power by using active engagement and the use of entrepreneurial skills and technical expertise in certain issue areas as defining characteristics. Yet, in contrast to earlier writings on functionalism and middle powers, Cooper's functionalism refers to the 'niches' only, whereas the middle powers themselves are still defined by their behaviour which is displayed within the domain of those 'niches'.

Middle powers are therefore still defined by their "…non-structural forms of power and influence associated with the energetic and creative use of their diplomatic talents" (Cooper 1997: 9). They display a certain pattern of statecraft – the emphasis on coalition- and cooperation-building by catalysing work on certain issues and/or facilitating the planning, convening and hosting of meetings as well as setting priorities for future meetings and drawing up of declarations and manifestos (Cooper 1997: 9). Cooper (1997: 9) furthermore adds a 'temporal element', which makes it easier to identify middle powers in the first place, yet, at the same time turns it into a more 'floating' concept that does not define certain countries as middle powers once and forever, but rather embodies a role that many countries at specific moments in time fall into. It thus fits Cox's (1989: 827) formulation that "…the middle power is a role in search of an actor".

Cooper's (and others') behavioural definition of middle powers clearly moves away from the structural-systemic approaches outlined earlier. More importantly, it overcomes the problem of defining middle powers purely on material capabilities and geostrategic positions and takes away the emphasis on hegemonic power as the only defining principle in international politics. This opens up the possibility of constructing a more inclusive view of world order and a greater emphasis on normative criteria, which in the systemic-structural approach was, if mentioned at all, deemed rather insignificant for the evolution of world order. For these reasons the behavioural model has found widespread recognition in academic circles more concerned with the less powerful states and/or normative second-tier issues such as peacekeeping, democracy and environmental protection.

Behringer (2003), for example, points out how middle powers can take on leadership roles on human security, a concept in security studies that does not only concern the security of states, but goes beyond realist ideas to include the need for security of individuals. Rutherford, Brem and Matthew (2003) look at the influence

middle powers in coalition with non-governmental organisations (NGOs) can have on a set of important security issues in world politics. In the introduction of their edited book Matthew (2003: 7) argues that middle powers are developing beyond their traditional role as followers of the great powers and now enter "creative, high-impact partnerships with powerful coalitions of non-state actors". Not only do Rutherford *et al.* grant middle powers a form of influence in international politics, but they also widen the concept from a state-centred approach to one that also acknowledges alternative actors in the international system.

Pratt (1990) already took up the more normative aspects of middle power behaviour before it was developed in a more comprehensive manner by Cooper, Higgott and Nossal (1993). Pratt argued that middle powers attempted to influence the North-South dialogue between the developed and the developing world from the 1970s onwards to introduce what she called a more humane internationalism. She embraced a rather pessimistic view on the outcomes of these attempts, arguing that the efforts of such countries as Norway, Sweden and Denmark to find ways to alleviate global poverty ultimately failed (Pratt 1990: 155). However, Pratt did grant these states an ethical basis on which their policies were formulated and which in the behavioural model is highlighted as one of the main defining characteristics of a middle power.

The wide acceptance of the strong normative 'bias' inherent in an agency-centred definition of middle powers has thus made the behavioural model the seemingly most viable approach to identifying and analysing middle power influence in the international political economy. Nevertheless, several problems remain with the behavioural approach, especially when trying to apply it to the so-called new or emerging (middle) powers. The first criticism must be the overemphasis on agency and the apparent unimportance of, or inadvertent assumption about, the structural context in which middle powers are situated. Although Cooper *et al.* (1993) do mention the structural constraints that impose on the actions of middle powers, they stress that middle power leadership is an agency-led function defined by initiative-taking only. There is thus a recognition that middle powers are to some extent *middle* powers as they do not possess the same material capabilities as the great power(s). However, by not including in any significant way an analysis of the structural context in which middle powers are situated it must be assumed that middle powers are situated in the same or at least very similar structural context as the great

power(s). Subsequently, as Alden and Vieira highlight (2005: 1079) middle powers are those states that "… are situated ideologically and materially within the dominant hegemonic paradigm but are limited (by both power and disposition) in their capacity to act". This 'automatic' positioning of middle powers into the prevailing dominant paradigm eliminates the possibility of including any states that are situated ideologically and/or materially outside this structural context. The definition of the new or emerging powers as middle powers would therefore be impossible.

The assumption that middle powers must be situated in the same structural context as the 'system-determining' states, to borrow Keohane's (1969) terminology, is not only problematic in terms of including states outside of this structural context into the middle power concept, but also with regard to the type of behaviour that middle powers are understood to exercise. The second criticism therefore focuses on the emphasis on a sense of moral or ethical behaviour towards the international community as one of the main characteristics of a middle power. Middle powers are often seen as those states that, in the words of Lewis, 'verge collectively on angelic perfection' (1991, in Cooper 1997: 7). Pratt (1990), Rutherford *et al.* (2003) and Behringer (2003) have similar views on middle power behaviour, assuming, it seems, that they automatically choose areas that require a high degree of ethical or moral responsibility. Matthew's (2003: 5) definition of middle powers as countries with a "…legacy of moral stewardship in the global arena…" shows this quite clearly.

The behavioural approach thus holds the idea that middle powers are those states whose policies and strategies include a high sense of ethical and moral responsibility towards the international community. However, the emphasis on ethical or moral responsibility as one of the main traits of a middle power carries the misleading assumption that the dominant ideological paradigm to which middle powers pertain can automatically lead to a claim of moral superiority. Even Cooper (1997: 7) warns his readers about the emphasis on morality in foreign policy-making, arguing that, despite its strengths, "…the notion of good international citizenship is highly prone to distortions, ambiguity and nostalgic mythology. Stairs (1998: 278) argues the problems associated with moral responsibility as a defining characteristic even more forcefully, highlighting that the emphasis on moral or ethical responsibility is the result of an inherent interest in and encouragement of a type of behaviour that we wish to see these states perform rather than a corollary of the middle power's unique position in between the small and the great powers. He

therefore omits this "…unusually virtuous motivation – the desire, that is, to 'do good' for its own sake" as a defining factor, arguing that, as he pithily puts it: "it means that the happy conjunction between the national interest on the one hand, and the international service that the performance of the role represents on the other, is due more to fortunate circumstances and geopolitical good luck than to the exercise of a character more noble than others possess" (1998: 280-1).

The emphasis on behaviour, and especially ethically 'superior' behaviour, as a defining characteristic of a middle power is thus problematic as it focuses almost exclusively on the policy-making process and 'lacks in substantive content' (Welsh 2004: 586). It does not explain what conditions are necessary, apart from the middle range capabilities, for states to act in this morally responsible fashion. The most likely explanation would thus be that it is in their national interest or, in other words, is part of their global strategy to act in the interest of the international community, as this is most likely to maintain the prevailing order that works to their advantage. It is questionable whether this same emphasis on a sense of moral responsibility is part and parcel of the foreign policies exercised by emerging or new (middle) powers, especially when considering that most often they are those states that are situated outside the structural context of the great power(s) or the traditional middle powers. Hence, while the emphasis on moral responsibility as a defining characteristic of the middle power role is at best controversial with regard to those middle powers that are situated in same structural context of and profit from the ideas and strategies promoted by the hegemon, it becomes almost impossible to assume a very similar behaviour of those states that are not situated in this same structural context and who might not benefit from it either.

This, then, leads to the third criticism to be made about the behavioural middle power approach. Most behavioural approaches carry the assumption that middle powers support the ideas and strategies of the hegemon. Cooper, Higgott and Nossal (1993) for this reason describe middle powers as 'followers' of the hegemon. Those states traditionally described as middle powers, such as Canada, Australia, Sweden or the Netherlands, could indeed be viewed as followers of the hegemon, even if this is only seen from Neack's (2000) bleaker, realist perspective that middle powers are states devoted to the preservation of international norms and principles as they directly benefit from a routinised international system. In a more critical fashion, this 'followership' could be seen as the result of the same or very similar

ideological forces that these countries share with the hegemon. Yet, with regard to emerging powers it is natural to question their automatic 'followership'. Cooper (1997: 15) has done so with his inclusion of the 'new' middle powers, arguing that often they are "critics rather than supporters of the norms and apparatus of the international system". In some sense, he thus already criticises his own earlier approach developed in *Relocating Middle Powers* that middle powers are 'followers' of the prevailing paradigm rather than promoters of an alternative world view. Yet again, although admitting that the inclusion of such states "complicates the concept of middle power behaviour" (1997: 16), he does not provide a clear explanation on *why* these countries are critics rather than supporters.

It is argued here that this is again a product of leaving out a more detailed analysis of the structural contexts in which new or emerging (middle) powers are situated. The 'new' middle powers are most often those countries that do not belong to the group of western, industrialised countries and therefore have a different socioeconomic development trajectory to the traditional middle powers. Rather, it should be made clear that the relationship to the hegemon, or alternatively the 'view' of the world, depends on a number of factors, such as the structural context in which a country is embedded and how this interlinks with the prevailing international political-economic structure, and the importance of the link between geographical location of the new or emerging (middle) power and the importance placed on the necessity of a positive relationship with the hegemon.

A final criticism that has to be made more directly of all the approaches to middle powers mentioned so far, although it has already been made implicitly at many points in the foregoing discussion, is about the artificial divide between structure and agency. Whereas structural-systemic approaches focus only on attributes such as material capabilities, geographical and population size and indicators such as GDP as the defining characteristics and influence of middle powers, the agential or behavioural approach fails to include the structural context as part of an explanation for middle power behaviour. Although the behavioural approach seems to be more suited to the identification and analysis of middle powers, it did become obvious throughout the discussion here that this is only the case when it includes some general assumptions about these countries pertaining to the group of advanced industrialised economies, as well as assumptions about a certain type of behaviour that policymakers in these countries might reveal.

The criticisms about the artificial divide between structure and agency and the overemphasis on structural understandings of power in the traditional IR and IPE approaches is not new, as the discussion on the New Political Economy approach later in the chapter will show. However, the rectification of the artificial structure-agency divide has not reached existing middle power approaches yet. The only scholar who has done so to an extent is Cox (1989) with his essay on 'middlepowermanship'. Cox's definition of middle powers begins with the position of middle powers in the 'middle rank of material capabilities' as well as standing in the middle in situations of conflict (1989: 827). While economic and military middle-range capability is necessary to play the role of mediator in situations of conflict, according to Cox, this alone does not determine the middle power role. What makes a middle power is a state's aspiration and commitment to independence from more powerful neighbours and a stable environment in which the goals of a state's society can be pursued – a role which in modern times is linked to the establishment of international institutions (1989: 826). In his words, critical elements of a middle power role are "an ability to stand a certain distance from direct involvement in major conflicts, a sufficient degree of autonomy in relation to major powers, a commitment to orderliness and security in interstate relations and to the facilitation of orderly change in the world system…" (1989: 827). This view changes slightly an understanding of the position and role of a middle power as it highlights the reciprocal influence of structure and agency and material and ideational understandings of power that ultimately determine 'middlepowermanship'.

Despite Cox's much more profound analysis of how and why certain countries fall into the middle power category, he still places great emphasis on the *role* of a middle power as a defining characteristic of 'middlepowermanship'. Especially his normative approach to defining the role of a middle power would be problematic if applied to the so-called new or emerging middle powers as he emphasises a strong commitment to principles such as an independent foreign policy, dedication to multilateralism, the provision of capital exports designed to moderate the unevenness of world development and the readiness to act as lender and consumer of last resort in Third World countries (1989: 844). These criteria are not even fulfilled, according to Cox, by his case study country Japan, although Japan would technically have the potential to fulfil all of these principles. Criteria such as providing capital exports and acting as a 'lender of last resort' to minimise inequality

between states are principles not as easily fulfilled by the emerging or new (middle) powers that often do not have the material capabilities and technical expertise to do so. Despite the usefulness of an analytical framework consisting of an integral approach to structure and agency and material and ideational understandings of power, Cox still focuses his analysis on the 'core' economies to the detriment of understanding the forms of power exercised by countries that are situated outside this 'core'.

The lengthy discussion above seems to suggest that the middle power concept is not at all useful in its application to the new or emerging (middle) powers. Nevertheless, several attempts have been made to apply existing middle power approaches to new or emerging middle powers such as South Africa and Brazil. As will be shown below, those attempts at applying existing middle power theories more or less 'one-to-one' feature the very same problems already identified above and therefore verify the criticisms already outlined. Yet, some scholars (for example Sennes 1998; Jordaan 2003; Hurrell 2006) have gone one step further and have attempted to alter or sidestep existing concepts to better fit the different structural positions and behaviour of the new or emerging (middle) powers. As the ongoing discussion will demonstrate, these authors therewith provide an interesting staring point for the construction of new a new analytical framework that can help to examine and understand the power exercised by these new or emerging (middle) powers.

New and emerging (middle) powers

Those scholars (Selcher 1981; Katzman 1981; Cooper 1997; van der Westhuizen 1998; Schoeman 2000) who have tried to include new or emerging powers into the middle power category have done this by again relying on either purely systematic and quantitative approaches that allow for this category of states to be placed in a ranking order alongside all other countries, both those pertaining to the so-called 'developed' and the 'developing' world, or they have placed an emphasis on behavioural attributes in order to escape the trap of having to take into account the different structural contexts in which these new or emerging (middle) powers are situated and the assumptions often made about differences between 'developing' and 'developed' countries.

Belonging to the former camp, Selcher (1981) for example, uses a systematic approach based on tangible factors to measure Brazil's position in the international system of the mid 1970s, such as agricultural production, industrial production and consumption, energy production, consumption and reserves, mineral production, social welfare and integration, military effort and diplomatic status. The use of these parameters in a comparative ranking approach over a time span of ten years allows Selcher to place Brazil just below the top ten countries in the international system, with a recognition that the country is moving upward in this ranking with a probability of greater opportunities for influence in the long-run than those of other middle powers such as Canada, Australia, Spain, Italy and Belgium (Slecher 1981: 59). Although Selcher (1981: 28) recognises that his capabilities analysis is not the same as an analysis of Brazil's actual influence in the international system, he nevertheless maintains his ranking of Brazil as a middle power on the statistical findings of his capability analysis and leaves a more qualitative analysis for others to explore.

Katzman (1981) takes on the challenge of providing a more qualitative analysis and focuses on the translation of Brazilian economic potential into actual international influence. He does this by using a mix of national capability theory and ideas of the political economy of interdependence; hence, he compares Brazilian economic resources and analyses their usefulness in the context of the prevailing international system. Unfortunately, he still places his analytical emphasis on economic resources and geographical position and only makes a passing reference to political will as part of translating potential into actual influence (Katzman 1981: 119). By overemphasising structural attributes as determinants of middle power status Katman, like Selcher, commits the same error as other aforementioned authors writing in a systemic-structural fashion.

Focusing again on behavioural attributes as defining characteristics, Cooper (1997: 13-16) has also attempted to include what he calls 'new' middle powers by 'widening the parameters of the debate'. He identifies three waves of new middle powers, the first emerging in the 1970s and consisting of countries belonging to the non-alignment movement, such as Brazil, India, Yugoslavia and Indonesia. Countries like Mexico, Nigeria and Algeria are included in the second wave of new middle powers, which also emerged as critics of the system in the 1970s and 80s, yet with the difference of being able to take different initiatives in policy terms. The third

wave of new middle powers includes Argentina and Malaysia and is based mostly on these countries' abilities to exercise what Cooper calls 'coalition diplomacy', the ability to act in coalitions such as the Cairns Group.

Whereas Cooper argues that the first two waves disappeared as quickly as they had emerged, he seems to place greater ability of survival on the third wave of new middle powers. As he argues, the third wave of new middle powers complicates the concept of middle power behaviour, as the operating procedures used by these new middle powers extends the framework in form and scope (Cooper 1997: 16). Rather than placing typical middle power behaviour on axes of *form* and *scope*, as was first suggested in the co-authored work *Relocating Middle Powers* and again applied in *Niche Diplomacy*, where *form* relates to heroic and routine approaches to policy-making and *scope* relates to the scope of activity from discrete to diffuse (1997: 10), Cooper suggests placing new middle powers on axes of *intensity* and *target*, where the former refers to the intensity of diplomatic style from combative to accommodative and the latter to the focus of diplomatic activity from the multilateral to the regional level (1997: 17). He thereby tries to include in his wider concept both the different operating procedures between Malaysia and Argentina and the differences in behaviour between the traditional and the new middle powers. Yet, the question of what, in Cooper's conceptualisation, has 'happened' to the new middle powers of the first and second waves remains unanswered. With an emphasis placed on the appearance (and waning) of different waves of countries that assume middle power status, it seems that the first and second wave middle powers lost their middle power status with the arrival of the third wave. However, the question of why exactly this is the case in the post-cold war world order is not addressed in any more detailed fashion.

Furthermore, he complicates the picture by referring to a further wave of future or 'putative' middle powers such as Turkey and South Africa, who claim their middle power status on geographical position and an activist role, including peacekeeping and human rights, that goes beyond constructive engagement with southern Africa (1997: 20). With the inclusion of such a wide array of new or 'putative' middle powers, Cooper's behavioural middle power concept starts to suffer from what Sartori (1970: 1034) refers to as "…conceptual stretching, or conceptual straining, i.e. to vague, amorphous conceptualizations". It becomes less

and less clear which parameters should be used to define the middle power role or position.

Moreover, Cooper's wider parameters and their application by Bélanger and Mace (1997) to Argentina and Mexico as case studies of middle power influence do not reveal how such different behaviour between the traditional and the new middle powers can still be used as the defining trait of a middle power. Like Cooper, Bélanger and Mace do not mention why, if at all, Argentina and Mexico are different from the traditional middle powers in terms of their behaviour or structural attributes. Rather, they reinforce the validity of the behavioural model arguing that "middlepowerness is not anchored in a determinate position in the international system nor is it dependent on specific national attributes" (1997: 169), which leaves us with no better insight into how the new middle powers can be included into the same category as the traditional middle powers despite their structural and behavioural differences.

In his discussion on South Africa's emergence as a middle power, van der Westhuizen (1998) also criticises systemic approaches for their discrepancies in power capabilities and prefers behavioural attributes as the defining characteristics for South Africa's middle power status. Nevertheless, he does use South Africa's position as a 'semi-peripheral' country in the international system and its regional dominance as bases for explaining the increasing expectations placed on South Africa to perform activities associated with middle power behaviour. Thus, without placing further importance on South Africa's structural position at the international and regional level, he still inadvertently argues that the country's status as a middle power is based on the structural context in which it is situated. Schoeman (2000), also discussing South Africa as an emerging middle power, is more conscious of the importance of the structural context as a defining attribute of what he calls 'emerging' middle powers. He argues that, apart from emerging middle powers generally pertaining to the developing world, they are regional powers and as such are expected to exercise a morally responsible role in their region, promoting and protecting acceptable rules and norms defined at the global level.

Yet, as Schoeman (2000) notes himself, the emphasis on regional preponderance as a main characteristic of emerging middle powers begs the question of the applicability of the term 'middle power' to what has been identified first and foremost as a regional power. However, by combining regional power with the moral

responsibility these countries are supposed to exercise at the regional level, he saves the definition of regional powers as emerging middle powers. He argues that, as moral standing is a defining characteristic of their power status, emerging middle powers strive for a more active role at the international level and they therefore start to display the behaviour associated with traditional middle powers. Yet, by emphasising moral responsibility as one of the defining characteristic of an emerging middle power, Schoeman places the same emphasis on behavioural explanations for middle power status as other authors discussed before. Moreover, by combining regional power with moral responsibility he seems to suggest that new or emerging (middle) powers behave in the same or at least very similar fashion to the traditional middle powers, and consequently that a specific type of behaviour is necessary to qualify as a middle power. He therefore runs into the same explanatory difficulties already discussed at length above.

Overall, then, these attempts at including the so-called new or emerging middle powers into the middle power concept have relied on the use of the same conceptual parameters as those used in the traditional middle power approaches. However, van der Westhuizen (1998) and Schoeman's (2000) approaches inadvertently demonstrated the problems with using existing middle power concepts in the case of South Africa by having to resort to some alternative defining characteristics that admit certain countries to the middle power category.

Only very few scholars have openly recognised the problem with applying traditional middle power concepts to the new or emerging middle powers and have made attempts at rectifying this problem by finding and providing alternative parameters for defining and understanding these new or emerging (middle) powers. In most cases, those scholars that do concern themselves with emerging powers and do not include them into the same category as the traditional middle powers, generally place their definition of such on the economic indicators of these states. Humphrey and Messner (2006: 108), for example, refer to the sustained economic growth of China and India over two decades and prospects at future growth, arguing that India will be likely to be the third largest economy by 2020 and China will overtake the USA and Germany to become the world's largest exporter by 2010. Harris (2005: 8) also offers economic indicators as the defining characteristic of China, India and Brazil's status as 'emerging third world powers', arguing that all three states boast 'powerful modern economies' and that this economic weight can

be felt throughout the world. On this basis he quotes the *Financial Times*, which states that the rise of China and India "heralds a transformation of the global economic and political order as significant as that brought about by the industrial revolution or by the subsequent rise of the US".

Jones and Hildreth (1986: 403) define what they call 'emerging' or 'third world' powers (terms that are used interchangeably throughout the book) as states that "…possess attributes of power, capability, and interest that suggests they will play key roles in shaping the international security affairs of their respective regions in the years ahead…". Economic attributes here take a secondary role only as a potential platform for exercising security and defence related tasks, which are seen as the vital criterion of these states' power status. Yet, with the focus of their analysis on *regional* influence in the security sphere, this potential for shaping international security affairs in the future is confined to the regional level and subsequently restricts the definition of emerging or third world powers to regional powers. Moreover, the definition of states such as Brazil, China, India, as well as South Korea, Vietnam, Indonesia, Egypt, Nigeria, Argentina and Mexico as emerging or third world powers in their respective regions is accompanied by significant technical, organisational or equipment deficiencies that are the result of underdevelopment and the "vicissitudes of global economic and trade conditions". Subsequently, this places constraints on the exercise of their full potential and leaves them in need of "a substantial degree of external assistance" (Jones and Hildreth 1986: 404/406).

Although the definition of emerging or third world powers provided by Jones and Hildreth is rather restricted as it focuses mostly on attributes that identify these states as regional powers, it does provide a preliminary insight into the necessity for different parameters to analyse and understand the so-called emerging or third world powers. Van der Westhuizen and Schoeman mentioned in passing the importance of South Africa's position and role as a regional leader in Africa. Nolte (2007: 10) argues more openly that an important difference between traditional and emerging middle powers is that: "while traditional middle powers are first and foremost defined by their role in international politics, the new middle powers are, first of all, regional powers and in addition middle powers (with regard to their power sources) on a global scale".

Sennes (1998) also argues that the nature of regional insertion of a state partly determines its middle power status. Yet, he develops his arguments in a more sophisticated manner, using ideas on the nature of recently-industrialised countries as a basis for a concept he calls 'recently-industrialised middle power'. Basing his arguments on the work of Lima (1986)[5] he defines those countries as recently-industrialised economies which were classified as developing countries and have undergone a process of rapid and significant economic and industrial development. Such rapid economic and industrial development worked to the advantage of these countries' positions in the international economic order. Consequently, Sennes goes on to argue, this altered structural position led to the reformulation of their international strategies and subsequently to a distinctive international insertion which Lima (1990: 8) refers to as *inserção semiperiférica* (semi-peripheral insertion). Being situated in the semi-periphery in terms of economic development helps these countries to act as 'mediators' between the developed industrialised economies and the developing countries, mediating the former's strategic, economic and political interests and thereby receiving special treatment while at the same time boasting a 'subimperial' position in their region and consequently benefiting on both ends (Lima 1990: 8; Sennes 1998: 399-40).

On this basis, Sennes (1998: 403) develops some principal elements for the analysis of recently-industrialised middle powers. The first is based on the degree of international insertion, which is determined by data such as geographical, economic and population size, commercial, diplomatic and military presence in comparison to other international actors, and capacity to act internationally through multilateral treaties of economic and financial significance. The second element is the regional preponderance of the country being studied. This refers to the degree of economic weight and actual influence a country can exercise in its region and the degree of consensus that it can achieve with its regional partners. The most important characteristic of the recently-industrialised middle power is thus its capacity for 'double insertion' at both the international and regional level. Sennes (1998: 404) also includes behaviour into his analysis, yet makes only a short remark on the often different strategies used by emerging powers that are a consequence of the

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[5] The first chapter of her doctoral thesis, which develops her proposed parameters for analyzing the political economy of Brazilian foreign policy, was reprinted in augmented form as the article 'A Economia Política da Política Externa Brasileira: Uma Proposta de Análise', in *Contexto Internacional*, No. 12, 1990.

disequilibrium between these countries' negotiation capacities and those of countries pertaining to the industrialised 'core'. Apart from these constraints, Sennes argues, recently-industrialised middle powers behave and act in the same fashion as those countries pertaining to the traditional middle power category. Thus, he unfortunately does not take closer consideration of the impact the different structural context can have on the behaviour of these states, or in more general terms, the impact these particular structural constraints can have on a country's formulation of its international agenda.

Despite this shortcoming, Sennes provides one of the most advanced attempts at finding new parameters for defining and understanding new or emerging (middle) powers. There are only two other works that are equally advanced in providing first steps in the direction of finding new conceptual tools for defining and understanding these new or emerging middle powers. One is offered by Hurrell (2006) who highlights some common characteristics between four selected states and distinguishing features to the traditional middle powers of what he refers to as the 'would-be great powers' China, Russia, India and Brazil. The first commonality between these four would-be great powers is, according to Hurrell (2006: 1-3), their range of economic, military and political power resources, their capacity to contribute to the production of international order and the degree of internal cohesion and capacity for state action. The second commonality is the shared belief in their entitlement to a more influential role in world affairs, or in other words, the cultivation of a purpose or project that incites national support and serves as a power resource in its own right. The third commonality is their relation among themselves and their capacity to act in coalition and influence multilateral negotiations. The fourth commonality is at the same time the one major aspect that distinguishes these countries from the traditional middle powers and refers to these countries' position at the margin or outside of the prevailing liberal western paradigm with the US as the only superpower. "Unlike Japan, South Korea, Canada, Australia and the major European countries (as a bloc and individually), they [China, Russia, India, Brazil] are not closely integrated in an alliance system with the United States. More broadly, they have all historically espoused conceptions of international order that challenged those of the liberal developed West …" (Hurrell 2006: 3). By pointing to the commonalities among these four states, and the difference between them and the traditional middle powers, Hurrell highlights once again the importance of finding

conceptual tools that can account for the commonalities among the new or emerging (middle) powers and their differences to the traditional middle powers.

Jordaan (2003) has worked through the differences between the traditional and the new middle powers in an even more systematic way. His starting point is that the inclusion of such states as Argentina, Brazil, Nigeria, Malaysia, South Africa and Turkey into the category of middle powers raises the question of the continuing usefulness of the middle power concept and therefore undermines the concept's analytical power (2003: 165). He therefore uses the term 'emerging middle power', derived from van der Westhuizen's (1998) article on South Africa's emergence as a middle power, to distinguish between traditional middle powers and those 'new' ones that tend to belong to the camp of 'developing' countries. Jordaan builds the distinction between the traditional and the emerging middle powers on several factors that he divides into constitutive and behavioural differences.

With regard to the constitutive differences, Jordaan (2003: 171-173) identifies four factors that differentiate the traditional from the emerging middle powers. The first is the difference in democratic tradition. Whereas democracy in traditional middle powers is very well institutionalised and often leans towards a social democratic tradition, democracy in emerging middle powers is often unstable and incomplete due to the recent transitions to democracy. The second factor is the move away from security to economic related matters. Whereas traditional middle powers emerged during the Cold War, emerging middle powers only appeared after the Cold War due to changes in world order away from an emphasis on military and strategic concerns and the increased importance placed on economic matters, also with regard to poverty-related problems (2003: 171). The third factor concerns the different structural contexts in which traditional and emerging middle powers are situated. Whereas traditional middle powers belong to the 'core' of the world economy, which means that they have enjoyed among them the highest living standards in the world, emerging middle powers are positioned at the 'semi-periphery' of the world economy and are generally plagued by some of the highest levels of inequality, which has led to the exclusion of a major part of their populations from participation in the world economy (2003: 172). The fourth constitutional difference Jordaan (2003: 172) identifies to be the differing positions of traditional and emerging middle powers in their respective regions. Whereas traditional middle powers do not tend to be ambivalent about regional association

due to their relatively equal distribution of power between them and their neighbours, which makes regional association less pressing, emerging middle powers tend to be those countries that are regionally very powerful. This is due mostly to the fact that they are situated at the 'semi-periphery', whereas their regional neighbours are most often positioned in the even less advantageous 'periphery' of the world economy. Therefore, emerging middle powers tend to be keen participants and initiators of regional integration projects.

Apart from these constitutional differences, Jordaan also identifies several behavioural differences and therefore offers a more complete picture than Sennes has done before him. The first difference in behaviour Jordaan (2003: 175) identifies to be the difference between development donations and heroic international interventions. He argues that traditional middle powers tend to be generous donors of development assistance, a reflection of their domestic practices to the international level. He thus sees an extension of the welfare state, where the poorer classes are appeased and therefore refrain from any revolt, to the global level where the provision of development aid also disseminates demands for radical change. Emerging middle powers do not tend to have the resources to provide extensive development aid, which leads them to attempts at 'heroic' international interventions to acquire international approval and therewith gain vis-à-vis the strong undemocratic forces at the domestic level. The second difference in behaviour Jordaan (2003: 176) claims to be the 'appeasing' versus 'reforming' character of the traditional and emerging middle powers. Traditional middle powers are seen to have an orientation that could be described as 'appeasing' and legitimising, which suggests that traditional middle powers act in a fashion that restrains potential threats to world order as they tend to benefit from this world order. Emerging middle powers, in contrast, are said to have a 'reformist', but still legitimising, orientation due to their specific position in the world economy. Whereas they want to reform the prevailing world order to their greater advantage, they still benefit from their position at the semi-periphery vis-à-vis the even weaker countries in their vicinity (2003: 176). Thirdly, their unique position between the 'core' and 'periphery' subsequently explains their greater interest in regional integration projects, as these help to foster a perception of emerging middle powers as relatively neutral mediators between the 'core' and the 'periphery'. By assuming such a role, emerging middle powers at the same time construct an identity rather removed from the region, which provides them

with their relative international visibility and influence (Jordaan 2003: 178). Traditional powers, in contrast, tend to be lost in a relative 'insignificance' in regional integration projects with equal partners, which leads them to use their expertise in certain 'niches' so as to create an international identity which is independent of that of the dominant states in the region (2003: 177).

By highlighting these differences between the traditional and the emerging middle powers, Jordaan provides one of the clearest differentiations available in the academic literature, especially as he does not commit the same error as other scholars in overemphasising either structural or behavioural approaches to the middle power concept. Yet, although his differentiation provides greater analytical clarity between traditional and emerging middle powers, he does not develop a clear analytical framework that could be used for the identification and understanding of emerging middle powers. Rather, his differentiation merely extends the already existing middle power concepts without further questioning the usefulness of existing middle power approaches for an analysis of new or emerging (middle) powers. Also, he does not examine in any more depth the validity of the differences he highlighted and why, with all these differences taken into account, these countries can still be defined as emerging 'middle' powers.

Nevertheless, Jordaan (2003), Sennes (1998) and Hurrell (2006), provide useful insights into the differences between traditional and emerging (middle) powers. This helps in accepting and further stressing that these emerging or new (middle) powers are in fact different from the traditional middle powers for which the concept was originally created, but that this does not necessarily mean that these new or emerging (middle) powers are not at all significant in terms of the influence they exercise in the international political economy. The suggestion here is therefore to develop, with the help of some of the ideas developed by Sennes, Jordaan and Hurrell, to assemble a number of hypotheses that can then be tested against the case study of Brazil.

Since the major criticisms identified here of the traditional middle power theories and their applications have been about the artificial divide of structure and agency and the emphasis on either material or ideational forms of power, the first task of developing such hypotheses will be to provide a basic framework that gives due weight to both structure and agency and recognises the existence of both material and ideational definitions of power. This is especially crucial as the basic approaches

of Sennes, Jordaan and Hurrell have demonstrated the importance of considering both the structural context and forms of behaviour as part of the definition of the new or emerging (middle) powers. Such conditions are met by critical writings under the aegis of the New Political Economy approach, which for this reason will be discussed in more detail before commencing with the development of a number of hypotheses.

Structure, agency and power: A New Political Economy approach

The New Political Economy approach has evolved out of and is based on a critique of the traditional IR and IPE theories. Murphy and Tooze (1991), for example, commence their call for a 'New' Political Economy on the basis of rejecting what they refer to as the 'orthodoxy' inherent in the traditional IR and IPE approaches, principally (neo)realism, (neo)liberalism and (neo) Marxism. They view traditional IR and IPE theories as results of a knowledge production about values, theory and interpretation of policy (1991: 13). In their words 'orthodoxy' is thus to be understood "… not just as a set of values and theories, but as a particular mode of production of IPE knowledge that specifies a specific relationship between the objective and the subjective and uses appropriate epistemological and ontological categories to support this relationship" (Murphy and Tooze 1991: 13). They go on to highlight that this knowledge production might lead to contesting frameworks, yet, since they are produced and developed within the same mode of positivist knowledge production, they also maintain and reproduce a particular form or knowledge that leads to a specific *culture* of orthodoxy that is ultimately the same for all frameworks (1991: 14, authors' italics). Murphy and Tooze's critique thus focuses on the continuing commitment to a mode of production of knowledge which believes the separation of subject and object and fact and value to be unproblematic (Gamble and Payne 1996: 6).

The rejection of this 'orthodoxy' of the mainstream IR and IPE approaches opens up the possibility of focusing on more critical approaches from which the New Political Economy approach draws its critique and in which it grounds its analyses. Critical theory is seen as more fruitful because, as in Cox's (1996: 88) oft recited definition it, "… stands apart from the prevailing order of the world and asks how that order came about". In contrast to orthodox approaches, critical theory is

reflexive and normative and thus carries no prior assumptions about how world order has come about and how it might change.

Moreover, using more critical approaches allows for the possibility to 'break free' from the dominant schools of thought in IPE, especially those developed in the USA. Murphy and Tooze (1991: 17) view these dominant approaches as revolving around a definition of IPE as "by Americans, for Americans as American" with the view of a self-identified "US supremacy" that explains why US products of IPE are all that need to be taken into account. Payne (1998: 254) also highlights that mainstream IPE has evolved around a very specific view of the hegemonic state (see also Phillips 2005a: 11-12). The more critical IPE approaches could therefore have the capacity to overcome what Phillips (2005a: 17) argues to be IPE's focus on the advanced industrialised world and its dominant economistic approach to the study of globalisation, which results in the assumption that the economic processes of and their manifestations in the core regions (USA, Europe, Japan) are assumed to define the system in its entirety.

A range of methodological criticisms about the 'orthodox' or mainstream IR and IPE theories evolve from this philosophical basis. They find their clearest expression in a critique of the artificial divide between politics and economics, structure and agency and the focus on material power only. As far back as 1970 Susan Strange already lamented the 'mutual neglect' of economics and politics in the study of IR and proposed to integrate the two disciplines much more closely, which led to the creation of IPE as an academic field of study. She argued that politics and economics were intrinsically linked and therefore needed equal attention in an analysis of the state of international affairs. If this was not the case, Strange argued (1970: 310) "… it seems to me that any work we do on the other frontiers of the subject, in theory, in foreign policy analysis, in strategic studies and in international organisation – even, indeed, in area studies – risks a damaging loss of contact and consistency with the real world of policy-making". Despite her calls to integrate the studies of politics and economics, Cutler (2000: 168) argues, she never really succeeded in this task as she still made the artificial separation between the two spheres. Strange's understanding of markets as impersonal and disembodied entities, which were ultimately more powerful than states, reproduces the very separation of politics and economics (Cutler 2000: 169) and tilts the explanatory weight to the economic structures and processes. Thus, despite the attempt to integrate politics and

economics as interrelated fields to be analysed in the study of IR, Strange's approach turns out to 'favour' (economic) structural explanations of world order just as much as neorealist and Marxist perspectives have done before. Indeed, the more theoretical critiques of the New Political Economy approach focus in most part on the continuing overemphasis on structural explanations in IPE theories.

Structure and agency

Although the integration of both political and economic explanations is now part and parcel of mainstream IPE approaches, the integration of those two spheres has not helped in overcoming the artificial divide between structure and agency. Due to its seemingly greater scientific precision and rigour, the greater explanatory weight given to economic structures in the study of political economy (Gamble 1995: 517) again overemphasises structural explanations and therewith further exacerbates the already dominant structuralist tendencies characteristic of mainstream IR theories such as (neo)realism and Marxism (Phillips 2005a: 16). With such an excessive focus on structural explanations in the mainstream IPE theories, adequate explanations of the role of agency in the global structure are still absent in most analyses, which not only leads to some form of structural determinism but also highlights the still unsatisfactory way of tackling questions about the relationship between structure and agency (Phillips 2005a: 17).

Even those mainstream approaches that do include an understanding of agency in their overall analysis, most notably realism, have been criticised by Hay and Marsh (1999: 5) for having understandings of agency as either implicit and intuitive, or where more explicit theoretical references are made, as too narrow and restrictive. Instead of viewing the political as either in a pre-theoretical form of narrow statism where the political is understood to be only those actors which belong to the official parts of government, or in a post-theoretical form as restricted to rationally motivated utility-maximising state action, Hay and Marsh intend to "rehabilitate the sphere of the politics as context, process and conduct" and thereby to "put the 'P' back into IPE" (1999: 6-8).

Thus, the problem of mainstream IPE theories has not so much been a total neglect of agency, but rather of implicit understandings of agency that derive from explicit understandings of structure. Consequently, mainstream IPE approaches miss an adequate conceptualisation of the *relationship* between structure and agency. A

more levelled analysis of the relationship between structure and agency comes from the more critical approaches in IPE. In fact, the New Political Economy approach has made the structure-agency dichotomy its central point of analysis for understanding the shaping of the global political economy. As Gamble *et al.* (1996: 5/6) highlighted in their editorial to the first edition of the journal of *New Political Economy*,

"The methodology of the new political economy rejects the old dichotomy between agency and structure … [and] seeks instead to build on those approaches in social science which have tried to develop an integrated analysis… [of agency and structure]. Using knowledge of structure to improve our analysis of agency and knowledge of agency to improve our analysis of structure avoids the sterility of much existing work in structuralism and rational choice."

Thus, critical or New Political Economy does not only (re-)include agency into the overall analysis of world order, but focuses on trying to understand the reciprocal influence of and relationship between structure and agency. Understandings of the reciprocal influence between structure and agency have to a great extent evolved out of the more critical writings of the social sciences field. The theory of 'structuration', first outlined by Anthony Giddens (1976) in his book *New Rules of Sociological Method*, was the first to not only critique individualist and structuralist approaches in the social sciences, but to also provide an alternative framework for meshing and understanding the interconnectiveness of the two. He proposed that "social structures are both constituted by human agency, and yet at the same time are the very medium of this constitution" (1976: 121). It is this 'duality' of structure that became the core of structuration theory. The structural properties of social systems are thus the medium as well as the outcome of the practices which they recursively organise (Giddens 1984: 25). Or, in other words, although agency and structure are independent entities, the outcome of specific social actions is the result of both variables. Structure and agency are thus treated as interconnected aspects of social relations (Scholte 1993: 127).

Viewing structure and agency as mutually constitutive, but ontologically distinct entities, leads to the conceptualisation of agents by the internal relations that define them, and of social structures as the product and medium of the agents and their practices (Wendt 1987: 360). This 'duality', Wendt (1987: 361) argues, therefore constitutes more than just a greater balance between the two. Rather, "its social ontology radically reconceptualizes the fundamental properties of agents and

social structures in such a way as to make them ontologically interdependent, and it is only by virtue of this reconceptualization that the "errors" of reduction and reification characteristic of individualism and structuralism are avoided".

Despite the repeated praise structuration theory has received over time for trying to find a way of overcoming the artificial divide between structure and agency, there have also been numerous criticisms of Giddens' approach. Important for the discussion here is the potential for change. Archer (1990: 82) points out that the notion of 'duality', especially the insistence on the simultaneity of freedom for action exercised by agents and the constraints produced by structure, inhibits a theorisation of the conditions under which either will predominate. Bieler and Morton (2001: 8) go on to argue that, consequently, questions about how and when actors transform their social situation or merely reproduce existing structures remain unanswered. Moreover, the understanding of 'duality' in structuration theory does not allow structure and agency to be seen as working in different time intervals (Bieler and Morton 2001: 8). The possibility for understanding change thus becomes analytically problematic, as the linkages between structure and agency remain unclear and therefore cannot be traced over time (see Layder 1997: 247).

The problem with an understanding of change in Giddens' approach is remedied by Cox's notion of 'historical' structures. Inspired by writings from Gramsci, Vico and Giambattista, Cox developed a historicist method to reveal the historical structures that characterise different eras (Bieler and Morton 2001: 17). Structure is defined as a product of recurrent patterns of actions and expectations which are socially constructed and "become part of the objective world by virtue of their existence in the intersubjectivity of relevant groups of people" (Cox 1996: 149). Cox thus understands a historical structure to be a picture of a particular configuration of forces that interact within a structure. These forces are identified to be material capabilities, ideas and institutions (Cox 1996: 97/8). Material capabilities can be summed up to be natural resources, production, technology and organisation. They form the basis of analysis, however, in contrast to Marxist approaches this does not lead to economic determinism, but rather material capabilities are linked to ideas.

With ideas, Cox (2002: 88) refers to two different types of ideas, intersubjectivity and ideology. Intersubjective meanings are defined as the common sense of 'reality' shared by a population and should be understood as knowledge that

derives from a collective response to a population's conditions of existence. The other type of ideas is ideology, which also evolves out of intersubjective meanings, but differs in that there are various and often opposing ideologies, whereas the former are generally the same throughout a specific historical period (Cox 1996: 99). It is important to understand the significance of intersubjectivity as historical change, for example how change comes about through an alteration in intersubjective meanings. The third variable, institutions, is the sum of material capabilities and ideas. Institutions reflect the stabilisation and perpetuation of a particular order and thus the power relations prevailing within these institutions (Cox 1996: 99). Created initially on a certain combination of material capabilities and ideas, institutions, once 'institutionalised', reflect back and influence the development of material capabilities and ideas. These three forces, then, do not exist independently of each other, but reciprocally influence each another. There is thus no one-way determinism. Rather, which of the three forces influences the others depends on different historical circumstances (Payne 2005: 17).

The analysis of a possible change in a historical structure takes place through the investigation of three different spheres of activity, namely the organisation of production and the *social forces* created by these production forces, *forms of state* and *world orders* (Cox 1996: 100). These three different levels can be understood as specific configurations of material capabilities, ideas and institutions. Changing processes of production create new social forces which in turn trigger changes in forms of state. It must be briefly mentioned here that Cox does not so much refer to 'the state' in relation to the Westphalian system, but rather uses the term 'state/society complex', which puts institutions of authoritative rule in relation to social forces that can sustain or undermine this rule (2002: 32). This way, it is possible to identify different 'forms of state' that condition the way in which different societies relate to the global political economy (Cox 1996:154). In broad terms, the form of state is determined by the society which is situated below the state and by the external environment that influences its form and behaviour, which Cox calls world orders. However, external influences penetrate not only states, but also domestic society. Domestic society, along with states, thus shapes the external political and economic environment (Cox 2002: 32/33).

The advantage of Cox's approach to understanding structure and agency is not only that it redefines structures, but also that it grasps the dynamism of structural

change as structures become apparent as soon as they are perceived and comprehended by agents themselves (Amoore *et al.* 2000: 63). It is in fact the dialectical relationship between structure and agency that makes this approach viable as an analytical basis. But how can this analytical framework be useful for understanding the influence or power exercised by states like Brazil? Cerny (2000), although not belonging directly to the New Political Economy school, has introduced an interesting way of transforming critical understandings of structure and agency into a more viable framework for the analysis of actual events. He argues that it is necessary to identify a range of analytically distinct patterns or sets of constraints and opportunities which link structures and actors (Cerny 2000: 437). He identifies structure-agent interactions which revolve around two dimensions. The first one concerns the character of the structural context, where structural constraints can be either 'tight' or 'loose' and therefore determine whether the existing material conditions and socially and historically embedded practices strongly limit actors' room for action or provide relative leeway (Cerny 2000: 437). The second aspect concerns the orientation of the actors themselves, which can be either 'structure-bound' or 'transformational'. This refers not only to whether they posses the adequate material resources to pursue effective strategies, but also to whether they are sufficiently aware of the possible alternatives that work as motivators for initiating change (Cerny 2000: 437/8).

These two dimensions can, according to Cerny, interact in four different ways. In the first, 'Type 1', the actors are situated in a tightly woven structural context where structure and agency interact in a passive, fairly routinised manner, which merely leads to a passive adjustment to exogenous structural change (Cerny 2000: 438). The second possibility situates structure-bound actors in a loosely articulated structure where actors have limited opportunities for adaptation and change. 'Type 3' includes change-oriented actors that are situated within a 'tight' structure and therefore both exogenous and endogenous pressures for change are uneven but lead to 'punctuated equilibria'. The fourth possibility for a structuration process is described as change-oriented actors in a loose structure where actors have the possibility to articulate and steer well the restructuring process (Cerny 2000: 438).

At least in terms of existing material capabilities, new or emerging (middle) powers could be argued to be more constrained in their actions than the more

advanced industrialised countries. Yet, this does not necessarily have to mean that those states with structural constraints in the form of material capabilities are also 'structure-bound'. In this interplay of structure and agency even those actors acting within tight structures have the possibility to introduce change. This overcomes the determinist understanding of structure in many of the traditional IPE theories and also provides the possibility here to understand the influence of states acting under 'tight' structural constraints or indeed those states that are situated outside the structural context defined by the 'core' industrialised economies.

Material and ideational forms of power

Using a critical understanding of structure and agency further helps to better identify and understand different forms of power. Indeed, the second methodological criticism about the 'orthodox' IR and IPE approaches that forms part of the New Political Economy approach is its understanding of power in the international political economy. A criticism about understandings of power automatically arises once the structure-agency relationship is viewed in a less deterministic way. The structural (economic) determinism inherent in most mainstream IPE approaches automatically grants power to the economic processes and structures in the 'core' entities of 'the system'. For example, this is the case in neorealist writings where states act according to their military and economic capabilities in an anarchic international structure (see for example Waltz 1979). In the neoliberal institutional approaches the 'position' of power remains unclear due to power not just being positioned within the state but also within different governmental and non-governmental entities all concerned with different issue areas or regimes which are all granted the same importance (see for example Keohane and Nye 2003). In Marxist and dependency theories power is rooted in the ownership of the means of production, and consequently the economies of the less developed countries of the South are dependent on the industrialised economies of the North (see for example Prebisch 1950; Gunder-Frank 1966 and 1967). An understanding of power becomes less deterministic once structure and agency as understood to be interrelated, and once intersubjective meanings are added as an integral part of understanding power.

Instead of focusing only on the two most common structures (security and production), Strange (1994) added two alternative power structures – finance and

knowledge – to her analysis of power. These four power structures are seen to be interrelated and all four have equal analytical weighting, although of course power within these four different structures is distributed differently. More importantly, by including in the knowledge structure the relationship of belief systems to structures of power, Tooze (2000: 187/8) argues that Strange came close to a critical conception of the relationship between the material and systems of meaning. Including a knowledge structure is thus a step away from the overemphasis on economic and security related explanations of power.

Cox's more critical notion sees power to exist in material, ideological and political form, which consequently allows for an understanding of power to exist as both material and ideational power. He commences with material capabilities as the basis from which social relations emerge, however, also adds ideas and ideology as part of an overall understanding of power. In Cox's (1983/1996: 132) words, "ideas and material conditions are always bound together, mutually influencing one another, and not reducible one to the other". The inclusion of ideas and ideologies as sources of power is in fact the most important aspect of Cox's definition of power. It is the difference between the consideration of power in mainstream IPE, which has generally been concerned with materialist definitions of power, and the more critical approaches. Yet, linking ideas and ideologies to material capabilities also provides a sufficient basis for understanding where specific ideas and ideologies come from. It therewith also prevents the fallacy of focusing too much attention on ideational aspects only.

Payne (1998: 257) argues that the "greater richness" that comes with the inclusion of an ideational dimension is best demonstrated by comparing Coxian, or more accurately Gramscian, understandings of hegemony with those of the mainstream IPE approaches. Whereas the mainstream approaches focus only on material capabilities as the defining aspect of hegemony, Cox understands this form of hegemony to be nothing more than dominance. Yet, when using Gramscian definitions, hegemony is a form of dominance where the dominant state has created an order that is based on a broad measure of consent (Cox 1987: 7). Thus, hegemony is a form of power that is achieved once society accepts the ideological underpinnings of the rulers and therefore conforms to a certain kind of dominance on a basis of consent. However, since ideas and material capabilities are interconnected, this form of hegemony is understood to be a combination of consent as well as

possible coercion. In other words, hegemony is achieved through the incorporation of the interests of other social groups into one universal ideology, which then leads to the acceptance of hegemony by these other groups (see Cox 1996: 133). The potential for using force derives from the material base underlying any structure. However, as mentioned in the quote above, force is not generally necessary as long as the other social groups accept the ruling of the hegemonic class (Cox 1996: 99). Lull (2001: 50) puts it this way: "Hegemony requires that ideological assertions become self-evident cultural assumptions".

To illustrate his understanding of hegemonic power, Cox uses Gramsci's image, who borrowed from Machiavelli the likeness of power as a centaur – half man, half beast, the combination of consent and coercion (1996: 127). In more concrete terms this means that power is exercised through a correspondence between political leadership, economic and institutional power, and a politics of consent with the potential for coercion (Mittelman 1998: 71). What is far more important here than Cox's understanding of hegemony *per se*, however, is the inclusion of an ideational dimension. As Tooze (2000: 183) argues, not taking into account ideational or non-material aspects of power is dealing with only part of the structure of power. Including ideational aspects of power therefore leads to a more complete understanding of power.

Viewing power to exist as a combination of both material and ideational factors allows for a far broader analysis of what the power of different states exists of. In the case of this research project, it thus allows to give some answers as to why the new or emerging powers have some form of influence despite the 'tight' structural constraints in which they act. It makes possible a sort of 'comparative' analysis of power that recognises the different forms of power that exist in different parts of the world. Consequently, it recognises that questions about power vary according to the state or region studied (Phillips 2005b: 263). Moreover, as Phillips (2005b: 263-4) argues, a more 'comparative' analysis of power has consequences for an understanding of the nature of and relationship between structure and agency, as "…it facilitates wider consideration of the structures of power that define contemporary world order and the possession and exercise of power by particular agents…". This is crucial for the analysis used in the following chapters, as it allows for an analysis of the power of states that are situated outside the structural context of the 'core', and helps to develop the hypotheses that will be tested in chapters 2 to 5.

In sum, an understanding of structure and agency to be mutually influencing, and almost more importantly, an understanding of structure and agency that still enables even those actors acting within 'tight' structural constraints, as Cerny (2000) would put it, forms the most important basis for the development of a number of hypotheses in the next section. Equally important is an understanding of power that does not only derive from material capabilities but can also be ideational in nature. This is crucial for the analysis used in the following chapters as it allows for an examination of the power of states that are situated outside the structural context of the 'core', but nevertheless have some form of influence in the international political economy, and because it helps to develop the hypotheses that will be tested in chapters 2 to 5.

Emerging powers: five hypotheses

From the criticisms made about traditional middle power theories and their application to the so-called new or emerging (middle) powers, and the somewhat altered approaches offered by Sennes (1998), Jordaan (2003) and Hurrell (2006), it is now possible, on the basis of a critical understanding of structure and agency and material and ideational power just outlined, to develop a number of hypotheses about how we could examine and understand the influence or power of emerging powers. Also, by using the term 'emerging' power only, the intention is to further distance the approach developed here also in name of the traditional middle power approaches. Five hypotheses have been identified and are as follows:

1) *Emerging powers have a strong international identity, which is based on a clear view of world order and an understanding of the country's actual and potential position within this order.*

This postulation is based on Hurrell's (2006: 2) contention that the 'would-be great powers' share a belief in their entitlement to more influence in world affairs. As he puts it: "Aspiration alone, of course, is not enough … And yet power in international relations requires a purpose and a project, and the cultivation of such a purpose can both galvanize national support and cohesion at home and serve as a power resource in its own right". It also forms part of Cox's (1995: 33-4) idea of intersubjective meanings that are inscribed in the mind and shape reality. Together with sufficient

capacity for political organisation, a country's conception of world order can thus become 'reality' and be a driving force behind the formulation of strategies that increase a country's potential for influence in world affairs. Moreover, the international identity of a country gives an insight into ideational forms of power that can partially explain certain forms of influence of emerging powers.

The first hypothesis stands somewhat apart from the other four as it does not derive directly from a critique of the traditional middle power theories. Although Hurrell (2006) includes the entitlement to influence in world affairs as one of the characteristics of the would-be great power, it is not a characteristic that has been found in any other writings on traditional or indeed new or emerging middle powers. Yet, an understanding of a country's international identity is seen as crucial here as it provides the first step in an analysis of the ideas structure underlying the country in question. An understanding of a nation's identity and its projection to the international level can thus help to gain a better understanding of actors' behaviour.

2) *Emerging powers are those countries that are traditionally situated in different structural contexts to the industrialised economies, but whose material capabilities have developed on terms which have allowed a degree of influence in the global economy.*

This hypothesis is not so much based on a country's hierarchical position at the 'semi-periphery', as Jordaan (2003) or Sennes (1998) would have it, but rather on the idea of structural changes, both domestic and global, that have worked to the advantage of those states which are still frequently referred to as 'developing' countries. This idea includes on the one hand Sennes' (1998) suggestion about these countries being 'new' middle powers as they have undergone a process of rapid economic development that has granted them the status of 'recently-industrialised' country. On the other hand it includes Jordaan's reference to global structural changes which have seen a move away from an emphasis on security matters throughout the Cold War to a greater emphasis on economic matters in the era of economic globalisation. In purely structural terms the 'middle' or 'intermediate' position of an emerging power therefore derives from the dual process of domestic changes, specifically the liberalisation of the domestic economy and the democratisation of the state apparatus, and global changes such as greater emphasis on economic matters in the age of economic globalisation that work to the advantage

of the country in question. The argument here is thus that the structural changes that have occurred both at the global and domestic level have worked to the advantage of the emerging powers.

3) *The behaviour of emerging powers tends to be influenced by a different global agenda to that of the traditional middle powers, which means that emerging powers do not necessarily emphasise the involvement in issue areas that require a sense of ethically or morally infused responsibility towards the international community.*

This hypothesis derives from the criticism made before about the assumption of middle powers being those states whose behaviour is influenced by a great sense of ethical or moral responsibility towards the international community. The hypothesis here is that a sense of ethically or morally infused behaviour derived from liberal democratic traditions, which prevail in and have become part of the global agenda of the traditional middle powers, are not present in the same form in the behaviour of emerging middle powers. Jordaan's (2003) reference to emerging middle powers not being traditional democracies further demonstrates that the prevailing ideas structure in the emerging middle powers still includes many ideas and ideologies that differ from those of the traditional middle powers. Hurrell's (2006: 3) suggestion that emerging powers are ideologically situated outside the 'core', and have espoused conceptions of international order that differ from those of the prevailing liberal democratic paradigm of the 'Greater West', further highlights that an alternative ideas structure is likely to underlie the actions of the emerging powers. This does not mean to imply at any point that emerging powers do not have any sense of morality or act in an ethically 'correct' way. Rather, it means to highlight that, due to the different structural contexts in which these emerging middle powers are situated, and the different constraints and opportunities that derive from these different structural contexts, it can be assumed that, as a result, their behaviour is not guided by a global agenda that is led by a sense of moral or ethical behaviour towards the international community in the same way as this is said to be the case of the traditional middle powers. The task is thus to examine the ideas structure that underlies the behaviour of emerging middle powers, and especially the developments that have occurred within this structure at the domestic level and their compatibility with the prevailing global ideas structure, to explain the behaviour of the emerging powers.

4) *Emerging powers are those states whose strategies have a 'reforming' character.*

This premise is based on the assumption that countries situated in different structural contexts, both materially and ideologically, also have different interests and strategies compared to the traditional middle powers. Jordaan (2003: 176) sees this 'reforming' character to derive from the emerging middle powers' position in the 'semi-periphery' where they benefit from their privileged position vis-à-vis the weaker countries in their vicinity but at the same time want to reform the prevailing global system to their greater advantage. Sennes (1998: 404) also sees the diverse and sometimes contradictory strategies displayed by the 'recently-industrialised' middle powers to derive from a structural disequilibrium in their negotiation capability vis-à-vis the developed countries. The ability to formulate strategies of a 'reforming' character can thus be understood to be the result of a structure-agent interaction where the actors, in Cerny's (2000: 437-8) terminology, are 'transformational' – where actors do not only possess sufficient material capabilities but are also strategically aware of alternative possibilities and motivated to bring about change. In the case of emerging middle powers this would probably find its expression in Cerny's 'modal type 3: punctuated equilibrium'. In this modal type the 'transformational' actors are situated in a 'tight' structural context, and therefore the structuration process would be expected to be uneven with exogenous and endogenous pressures for change building up over time and leading to 'punctuated equilibria' (2000: 438). Cerny describes these 'punctuated equilibria' as "unpredictable conjunctural upheavals" that can lead to forms of re-equilibration, structural degradation or revolutionary change. An emerging power would thus be a state whose actors have the ability to formulate and exercise strategies that have the potential to lead to instances of 're-equilibration' or 'structural degradation' in certain issue areas at specific moments in time.

5) *Emerging powers are also regional powers.*

Almost all scholars who have been found to write about new or emerging (middle) powers argue that this is the case partly because of their positions as regional powers or even regional 'hegemons'. Jones and Hildreth (1986) and van der Westhuizen (1998) make assumptions about emerging powers also being regional powers due to their economic preponderance. Schoeman (2000) and Nolte (2007) argue that regional powers exert a form of moral leadership within their respective regions,

which consequently leads to their status as middle powers at the international level. Lima (1986: 3) argues that what she refers to as 'semi-peripheral' countries constitute themselves as regional hegemons acting as mediator between the 'core' and the 'peripheral' countries. In exchange for playing the 'sub-imperial' role in their region they are granted the status of 'special ally' and receive military and economic benefits and concessions.

Sennes (1998: 403-4) is a little more cautious in his definition of regional preponderance. Although he also suggests that a 'recently-industrialised' middle power is also a regional power, he uses more 'tangible' indicators that can measure the weight and effectiveness of a state in the regional system, such as geographical presence within the region, the importance regional issues play in the regional power's policy-making process, diplomatic actions and regional treaties, as well as profundity of economic ties within the region. From these few examples it is obvious that ideas about what constitutes a regional power or hegemon, and how this is linked to the middle power status, is quite broad and diversified. The task of examining the regional power 'status' will therefore focus here on material capabilities vis-à-vis the other states in the region, and on the degree to which regional neighbours accept a form of political leadership by the said regional power.

An important point must be added with regard to the analysis of behaviour in this thesis. It is argued here that, to arrive at a more profound understanding of the reasons for certain forms of behaviour, it is necessary to also take a closer look at the domestic realities of a country. Traditional middle power theories tend to only take into account a country's position in the international 'power hierarchy'. As Stairs (1998: 270) criticises, the "premise [about a middle power] is that the place of a given state in the international hierarchy of power is itself a fundamental, if not *the* fundamental, determinant of its international behaviour". If we take Stair's criticism seriously, then a reference to emerging powers being situated in a different structural context to the traditional middle powers does not in itself suffice as an explanation for different forms of behaviour. Thus, a state's behaviour is not only shaped by its specific position in the international structure. Rather, the behaviour of policymakers is also shaped by the domestic realities of their country, which is subsequently reflected across national borders to the regional and international levels. The argument is thus that questions of behaviour and strategic choices are not resolved by

looking only at a state's place in the international structure, but that domestic realities are also important determinants of a state's behaviour and, as a consequence, are also an important factor for a country's particular position in the international structure.

Conclusion

The detailed discussion on the various 'traditional' middle power theories proved that their application to emerging powers is rather problematic. This was found to be the case specifically with regard to the artificial division between structure and agency made in the different approaches and the emphasis on either material or ideational forms of power. The structural middle power approaches were argued to overemphasise the analysis of material capabilities to determine a country's position in the international power hierarchy, whereas the behavioural approach was seen to overstate the importance of a very specific type of behaviour as a defining characteristic of middle power influence. The behavioural approach indeed proved almost more problematic in its application to the emerging powers as the emphasis on a particular role or behaviour and the concomitant absence of an analysis of structure leads to misplaced assumptions about emerging powers being situated materially and ideologically in the same structural context as the traditional middle powers. As an alternative, an analytical framework derived from the Political Economy Approach was proposed which gives equal weight to structure and agency and allows for and understanding of both material and ideational forms of power. In combination with a small number of existing scholarly contributions to the study of emerging powers, it therefore provided the analytical basis for the five hypotheses that were outlined above. In the four chapters that follow, these hypotheses will be 'tested' on the case study of Brazil. This will commence with a discussion on Brazil's international identity and the historical foundations of its foreign policy strategies. Chapters 3 to 5 will then examine in turn Brazilian strategies and initiatives for economic diplomacy, for the provision of security and for the protection and promotion of democracy.

Chapter 2

Brazil's international identity and the historical foundations of Brazilian foreign policy strategies

As mentioned in the introduction, the 'outside' view of Brazil as an emerging or future great power is not new.[6] In the same way, historical accounts of Brazilian foreign policy show that Brazilian elites have long held the opinion that the country possesses all the necessary criteria to achieve world power status, and the pursuit of this goal, at times more explicit than others, has guided Brazilian foreign policymaking ever since the inauguration of the Republic in 1889.[7] Thus, historical context is vital for understanding both Brazil's international identity and the nature of foreign policy strategies and their impact on Brazil's position within the international political economy. Going as far back as Brazil's state formation and Brazil's position as an empire in the 19th century offers a good insight into the origins of the country's international identity and therefore provides a valuable answer as to the validity of the first hypothesis, which states that emerging powers are those countries with a strong international identity, a clear understanding of world order and their position within this order. In the first part of this chapter the discussion will thus focus on the origins of Brazil's international identity, starting with the demarcation of the Brazilian territory in the 18th Century. The discussion will also briefly turn to the 'professionalisation' of Brazilian foreign policy and its transformation into the main defender and promoter of the country's national and international goals during the tenure of Baron Rio Branco as Foreign Minister (1902-12).

This transformation of foreign policy as a state policy removed from an above national politics (Lima 2005: 4) explains the 'linearity' of Brazilian foreign policy and therefore offers a better understanding of the long trajectory of Brazilian foreign policy strategies developed during the tenure of Rio Branco and used until today to achieve greater influence in world affairs. Four foreign policy areas were identified

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[6] As also mentioned in the introduction, definitions, especially from the 1970s onwards, varied from 'world power of tomorrow' (Faber 1970), 'future world power' (Schneider 1976), 'emerging power' (Perry 1976) to 'emerging middle power' (Selcher 1981) and 'regional power' (Becker and Egler 1992).

[7] For detailed historical accounts of Brazilian foreign policy see for example essays in the edited book by Albuquerque (1996), Lafer (2004) and Garcia (2005).

here as particularly important for our understanding of the character of Brazilian foreign policymaking and its impact on Brazil's position and role as an emerging power in the international political economy - the emphasis on national economic development, multilateralism and coalition-building, Brazil's relations with the USA and regional integration. The discussions of these four policy areas will commence with the Rio Branco era as it is during this time that the main principles for the conceptualisation of Brazilian foreign policy were established (Almeida 1993: 3). Looking in more detail at the origins and historical evolution over the course of the 20th century of these foreign policy areas will therefore not only help to better comprehend Brazil's international identity and view of world order, but also to establish a basis for our understanding of the specific nature of Brazilian strategies and initiatives in the three policy areas discussed in the following chapters. Moreover, the four foreign policy strategies discussed are structured in a way that roughly coincides with the four remaining hypotheses to be tested in chapters 3 to 5 and therewith offer a first insight into their validity in the case of Brazil.

In this vein, the focus in the second part is on national economic development, which has been viewed as the most important condition for greater international influence and, and offers a first insight into the evolution of the Brazilian economy into one with a certain leverage in the global economy. The focus on Brazil's early and continuously active engagement in multilateral (trade) negotiations and its role as a mediator between the 'small' and the 'great' powers, as well as its capacity as a coalition-builder with other developing countries in part three does not only offer the basis for our understanding of Brazil's active engagement in multilateral and regional negotiations in the three policy areas discussed in the following three chapters, but also provides a first explanation for the 'different' behaviour and strategy formulations of Brazilian elites and their diverging views of world order. The discussion of Brazil's relationship with the US explains the motive of a foreign policy that has advocated greater 'autonomy' or 'independence' from the US through the diversification of Brazil's political and economic relations and therefore offers an understanding for the 'reforming' character of Brazilian foreign policy strategies and initiatives in the three chapters to come. In the same way, the focus in the fifth part on the regional integration project which Brazil has pursued more and less enthusiastically since the beginning of the 1990s offers not only a better understanding of the Brazilian regional focus of many

strategies discussed in the following chapters, but also provides a first overview of the idea of Brazil as a regional power and the difficulties Brazilian policymakers encounter in establishing a working regional leadership position.

Brazil's international identity and the shaping of foreign policy

As Hurrell (2006: 2) argues, 'would-be great powers' share a belief in their "entitlement to a more influential role in world affairs". In the case of Brazil this belief in the entitlement to a more influential role is part of the faith in Brazil's potential as a world power, and often expressed in what former president Cardoso (2006b: 5) describes as an "…almost childlike obsession with our potential, and the belief that we will one day achieve greatness…". The question to be answered here is whether this 'belief' can be translated into what in the first hypothesis is understood to be a strong international identity. To do so, it is important to look back at Brazil's state formation in the 19th century and the commencement at the beginning of the 20th century of a foreign policy style which has remained the basis of Brazilian foreign policymaking until today. As Rodrigues (1962: 325) points out, territorial integrity and national unity were the two indispensable conditions for future claims to a more influential role in world affairs. Thus, the particular circumstances under which the Brazilian state was constructed and evolved provides an explanation for the belief of Brazilian elites that Brazil could and should be granted greater influence in world affairs, whereas an analysis of the nature of Brazilian foreign policy at the time offers an understanding of how this belief has shaped Brazil's international identity and influenced its view of world order until today.

The Brazilian territory was first constructed by the Portuguese around a geographical myth of Brazil as an island with boundaries marked by two very large rivers associated with the Amazon and Plata sources (Lohbauer 2002: 144). During the colonial period the idea of Brazil as an island had two functions; on the one hand it was a political denotation to secure borders of the colonial heritage and to underpin claims of the Plata region as part of Brazil, on the other hand it was a symbolic assertion of the significance of territorial identity based on the natural landscape (Magnoli 1997: 111). Although the territory of the Portuguese colony was in reality the result of the explorations of the *bandeirantes* (expeditioners) of new land and the diplomats that negotiated the boundaries (Lafer 2000: 3), the demarcation of borders

through the Treaty of Madrid, signed in 1750 between the Portuguese and Spanish crowns, underpinned the Portuguese idea of Brazil as an island (Lohbauer 2002: 144). Alexandre de Gusmão, today often referred to as the grandfather of Brazilian diplomats (Lafer 2001: 31), negotiated the inclusion into the Treaty of two basic rules for the demarcation of colonial territories and established for the first time the territory of Brazil – the recognition of occupation of territory through the principle of *uti possidetis* (territory acquired by actual occupation) and the demarcation of natural borders such as rivers and mountain ranges (Lafer 2001: 30/31; Lohbauer 2002: 144).

Moreover, in contrast to the other Latin American countries, the path of decolonisation was conducted through peaceful means. Due to the temporary relocation of the Portuguese monarchy to Brazil during the occupation in 1808 of the Iberian peninsula by Napoleonic troops, the colony Brazil was elevated in 1815 to the category of a united kingdom alongside Portugal and Algarve. Independence was subsequently gained in 1822 through the continuation of the constitutional monarchy reigned by Dom Pedro, son of the king of Portugal, Dom João VI (Lafer 2000: 4). Through the support of Great Britain, Brazil became an internationally recognised and independent empire in 1825, which, due to the remaining linkages with Europe, led to the country's orientation towards Europe rather than the Americas (Rodrigues 1962: 327) and therefore provided a unique entry for Brazil into the international arena (Lafer 2000: 4). The persistence of the independent constitutional monarchy until 1889 secured the continuing territorial and national unity that further underpinned Brazil's unique position not as a former colony but as a new empire in the international arena. As Lafer (2000: 4) puts it: "Monarchy was the basis for the specificity of Brazilian international identity in the nineteenth century within the Americas: an empire amidst republics; a great Portuguese-speaking territorial mass that remained united while the Hispanic world fragmented and, in the northern hemisphere, the United States expanded its territory".

The continental size of Brazil, its different pattern of Portuguese colonisation and especially decolonisation that maintained territorial and political unity, and the country's status as an empire until 1889, consequently led to the perception that being Brazilian meant to not be Hispanic (Lafer 2000: 4). This was emphasised by the linguistic distinction as a Portuguese-speaking country in a Spanish-speaking region, a different racial make-up to the other Latin American countries with only a

small number of indigenous people and a large population of African origin, and a focus on Europe and later the United States for political ideas instead of Latin American or indigenous traditions (Hurrell 1992: 25/26). This 'uniqueness' was further underpinned by the peaceful means by which Brazilian diplomats negotiated borders and initiated the insertion of Brazil into the international arena. The remaining border disputes, principally with its southern neighbours Paraguay and Argentina, were resolved through the diplomatic efforts of Baron Rio Branco, who first served as representative of the Brazilian council in international arbitrations and from 1902-12 as minister of external relations (Lafer 2000: 7; Ricupero 1996: 38; Lima 2005: 4). Due to his successful negotiation of Brazil's definitive borders through peaceful means, rather than through military force, Rio Branco's diplomacy became the foundation of the Brazilian diplomatic style (Ricupero 1996: 38). It is what Lafer (2000: 7) calls a "[..] constructive moderation [..] influenced by a Grotian assessment of international reality – that is, by a concentration on the value of diplomacy and law in international intercourse as appropriate ways to deal with conflict, foster cooperation, and reduce the impetus of power politics".

Thus, by the time of the proclamation of the republic in 1889 Brazil was not only a geopolitically 'satisfied' country (Lima 2005: 4), but also one of the few countries that commenced their insertion into the international arena with a strong emphasis on diplomatic means for conflict resolution. As a continental-sized country with ten neighbours, Brazil has been one of the countries in the world with the greatest number of neighbours and the only continental-sized country (compared to the USA, Russia and China) that has been able to demarcate borders through peaceful means only (Lafer 2001: 7). Considering the young monarchy's aim of inserting Brazil into the concert of the great European powers, the emphasis on diplomacy, to a great extent due to the country's distance from international tensions (Lafer 2000: 6) and lacking military resources, differentiated the country's political style from that of the European powers.

The Rio Branco era is also of great importance for our understanding of the stability and linearity of Brazilian foreign policy as it is during the Baron's tenure as foreign minister that the Ministry of External Relations began to establish a strong reputation for its professionalism and apoliticism with regard to national affairs (Burges 2004: 58). With the demarcation of Brazil's national borders the 'consolidation of national space' (Corrêa 1995: 16) became the main foreign policy

objective and, based on the belief that foreign policy was operating in the defence of the territorial and political integrity of the state, ultimately legitimised the idea of foreign policy as a policy of the state removed from and above national politics (Lima 2005: 4). The idea of foreign policy as autonomous state policy has since been entrenched in the minds of Brazilian elites and explains the unusually strong position the foreign ministry has held within the state apparatus (Lima 2005: 5), a position which Veiga (2005: 2) characterises as hegemonic. More importantly, the characteristic of foreign policy as a state policy explains the stability of Brazilian foreign policy, and in times of structural change, the ability to adapt to new situations while preserving a form of continuity to avoid abrupt change (Lima 2005: 5). Thus, the nature of Brazilian state formation and the consequential belief in an entitlement to an influential global role resulted in the configuration of a foreign policy that today is known for its long-standing stability and linearity.

The specific character of Brazilian foreign policy, and especially its stability and continuity over the past century, has helped to 'carry on' the idea of Brazil as a potential great power. Overall, the combination of the specific nature of Brazilian state formation and the evolution of Brazilian foreign policy as a stable and linear foreign policy can confirm the hypothesis that Brazil has a strong international identity and a clear view of world order, even if, as we will find out in the following discussions on various Brazilian foreign policy strategies, this view of world order is not necessarily always 'positive' with regard to the possibilities it opens up for Brazilian ambitions. And yet, this often 'negative' view of world order has shaped foreign policy strategies in a way that has led to increasing influence in world affairs and the idea of Brazil as an emerging power. It can thus be argued that a partial explanation for the idea of Brazil as an emerging power can be found in the continuity and stability of the four foreign policy strategies discussed in the rest of this chapter.

The role of national economic development and Brazilian nationalism

In the eyes of Brazilian elites national economic development, especially from the beginning of the 20th century onwards, has been understood to be the most important condition for achieving greater influence in the international arena (Veiga 2005: 2). As Castro (1982, in Lima 2005: 6) points out, contrary to the great powers whose

economic and military resources guarantee their international influence, a country like Brazil has to construct such an influence, and the quickest way of achieving greater national influence is through the country's own national economic development and industrial expansion. It is thus not surprising that foreign policy was turned into an important instrument of the country's national development project (Lima 2005: 5), where the main objective of foreign policy was to neutralise any external factors that could negatively impact on the country's economic development and 'autonomy' vis-à-vis other actors in the international arena (Veiga 2005: 2). Yet, the emphasis on economic development also has its roots in the country's specific nature of state formation and in its geo-political location. Since Brazil is located in a relatively conflict-free region in terms of inter-state animosities, external threats have been deemed to be economic rather than security related and therefore have led to a foreign policy that is focused on and shaped by the prevailing model of economic development (Lima and Hirst 2006: 22).[8] A closer look at the origins of the emphasis on economic development, and the linking of such to foreign policy, provides a better understanding not only of Brazil's international identity, but also offers a first insight into the arguments outlined in the second hypothesis, which views emerging powers to be those countries whose economies have developed to a degree that allows a degree of influence in the global economy.

Due to Brazil's 'unique' position in between the traditional European powers, its economic development path both during the colonial and post-colonial periods was closely linked to the core capitalist countries (Hurrell 1992: 26). However, as a typical colonial economy focused on the exports of primary goods, Brazil was dependent on the United States for its coffee exports and on Great Britain for its loans and foreign direct investment (FDI), which in 1930 accounted for 53% of total FDI in Brazil (McCann 1981: 4). The financial crisis in 1929, which had turned into a deep world-wide economic recession and the emergence of 'neo-mercantilist states' inspired by populism and autonomous national development (Cox 1987: 236), and had consequently shut the Latin American markets out of the world economy (Almeida 1999: 24), led to the realisation in Brazil of the country's economic 'weakness' in contrast to the desired international role which Brazil should play. As

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[8] Similar views were also expressed during personal interviews with a Brazilian academic, August 2005, and a senior Brazilian government employee, August 2005, who both argued that security is related to concerns over development.

Lafer (2000: 13-14) argues, this difference between potential and reality of a country of continental size led to reflections on the 'deficiencies' of the country and to the notion of Brazil as an underdeveloped country. Subsequently, this resulted in the development of a form of goal-oriented nationalism which was aimed at the integration of the country's national space through a project that would correct its deficiencies through development (Lafer 2000: 13/14). In 1930 the new Getúlio Vargas (1930-1945) administration changed the character of the state by strengthening its apparatus so as to prepare it for an active role in addressing national problems, and adopted a new economic development model that promoted national industrialisation (Guimarães 2005: 531).

This goal-oriented, economic nationalism moreover led to a foreign policy that was remodelled along two guiding lines – to obtain space for the exercise of autonomy in the form of "…find[ing] Brazilian solutions to Brazilian problems" (Horácio Lafer 1959, in Lafer 2000: 14) and to identify which external resources could be mobilised to advance national development (Lafer 2000: 14). President Vargas therefore consciously linked national development to foreign policy. In order to increase Brazil's bargaining position, Vargas kept Brazil from international tensions and maintained political economic relations with the United States, Great Britain and antagonistic Nazi-Germany (Ricupero 1996: 42). The first Vargas administration was thus characterised by Brazilian neutrality and playing the great powers against each other to obtain maximum advantage (McCann 1981: 10). More importantly, by "playing the Berlin card", Vargas succeeded to secure concessions from the United States in the form of US investments in the Brazilian steel industry and infrastructure, as well as the provision of US military equipment and market guarantees for Brazilian products, in exchange for a Brazilian military alliance with the United States (McCann 1981: 10). The alliance with the US was accordingly conducted under the objective of both economic and military-strategic gains – through controlled participation in the world economy on the one hand, and the possibility to participate in the second World War as a recognised ally so as to gain greater international recognition and influence on the other (Lafer 2000: 15).

The newly adopted economic development model, generally referred to as import substitution industrialisation (ISI), which was based on state regulation, provision of incentives, relative discrimination against imports and large-scale FDI in different industrial sectors (Lima and Hirst 2006: 23), was adopted in almost all of

Latin America after the end of the Second World War. Whereas in the immediate post-war period Brazil and the rest of Latin America strongly supported a new liberal economic order based on low tariffs and free trade, the focus of US investments on the reconstruction of Europe and the refusal to provide similar economic support to the Latin American region led to widespread frustration with US foreign policy (Guimarães 2005: 533). Since Latin American balance-of-payments difficulties had not been addressed by the new institutions created at Bretton Woods in 1944, and with regard to Brazil the new US government under Eisenhower (1953-1961) had not continued the previous government's commitment to finance infrastructure projects, Latin America, including Brazil, returned to protectionist measures (Guimarães 2005: 533/535). The theorisation of Latin American development by the UN Economic Commission for Latin America (ECLA)[9], created in 1948, moreover had a strong ideological influence on Latin American governments and gave further legitimacy to the newly adopted ISI model (Guimarães 2005: 533-4).

On the basis of ISI, foreign direct investment and from the 1960s onwards an export component, Brazil industrialised rapidly from the 1950s onwards and experienced an economic boom until the end of 1970s with average annual growth rates of more than 6% over three decades (Onis 2000: 108), or 3.8% when taking into account the annual population growth of 2.9% (Almeida 1999: 26). During this time Brazil also gained some strategic advances in oil, energy and agriculture (Onis 2000: 108), which has led the country away from an almost complete oil-dependence in the 1950s to self-sufficiency since 2006 (Zebichi 2006: 3). These factors have made Brazil one of the most successful examples of ISI (Lima and Hirst 2006: 23), a model that faltered only at the beginning of the 1980s with the commencement of the international debt crisis – a result of the two oil crises in 1973 and 1979, the end of access to foreign loans, the resulting balance-of-payments problems and corruption – that subsequently ruined the state-centred economy (Onis 2000: 208). The end of the military dictatorship in Brazil, which had lasted from 1964-1985, and the end of the Cold War moreover changed both the domestic political and constitutional order and the international context (Lima and Hirst 2006: 24). However, the shift from ISI to the liberalisation of the national economy and full insertion into the globalising

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[9] The Commission later broadened its work to include the Caribbean and in 1984 changed its name to the Economic Commission of Latin America and the Caribbean (ECLAC). The Spanish acronym CEPAL (*Comisión Económica para América Latina*) has remained the same (see www.eclac.cl)

world economy occurred officially only in 1990 with the introduction of an economic reform programme by President Fernando Collor de Mello (1990-1992), who had been the first democratically-elected president in 1989 after the end of the military regime. Yet, despite the liberalisation of the Brazilian economy and its insertion into the global economy, the 'desire for autonomy' has been retained and has been based on a foreign policy-turn to the idea of 'autonomy through participation' – maintaining autonomy in the world economy while removing the legacy of authoritarianism and recognising the power of liberal globalisation (Lima and Hirst 2006: 24).

As Lima and Hirst (2006: 23) argue, development trajectories are path-dependent, certainly in the case of Brazil, which helps to explain the aforementioned stability and continuity of Brazilian foreign policy. Thus, once a particular development path has been chosen, the institutions, ideas and interests linked to this path might survive even when the international and domestic conditions that first inured this particular development path have evolved or disappeared. They (Lima and Hirst 2006: 13-24) go on to point out that the continuity of foreign policy can be granted to the continuing influence of dominant societal coalitions that supported ISI, to a form of 'paradigmatic resilience' of past ideas that still influence the world view of decisionmakers and the close link between Brazil's international identity and foreign policy orientation, but mostly to the influence of the foreign ministry. Since Itamaraty saw a close link between the goals of the ISI development model and an autonomous foreign policy, it was the driving force behind the consolidation of the ISI model at home and its recognition at the international level (Lima and Hirst 2006: 24). Consequently, the foreign ministry had managed to consolidate its domestic legitimacy as one of the main drivers and protectors of the country's development, and at the same time attained what Lima and Hirst (2006: 14) refer to as an 'institutional memory' in which the characteristics and values connected to the ISI model retained their influence even after the change to a liberal economic model. The 'renewed' direction of the more autonomy-focused foreign policy of the Luiz Inácio 'Lula' da Silva[10] government (from 2003 onwards) is a good example of the

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[10] President Luiz Inácio Lula da Silva is referred to in both the Brazilian and international press by his previous nickname 'Lula', by which he became known as during his time as union leader. In 1982 he changed his legal name Luíz Inácio da Silva to include Lula so as to be able to run for governorship of the state of São Paulo under the name he was nationally known for.

reincorporation of development goals into foreign policy (Veiga 2005; Lima and Hirst 2006: 25).

An understanding of the strong link between national development and foreign policy, and Brazil's identity as both a future world power and as a developing country, is of great importance here since it continues to influence foreign policy formulations today. More importantly still, the above discussion demonstrated that national economic development over the past century has been one of the, if not the, most important aspect of development for consecutive governments, and therefore explains to a an extent the evolution of Brazil's economy into one which can boast a certain degree of influence in the global economy, as will be analysed and discussed in more detail in the following chapter.

Multilateralism and foundations of coalition-building

As mentioned earlier, Brazil's status in the 19th century as a recognised empire granted the country a unique position as a former colony between the European great powers that led to the aspiration for Brazil to become one of the leading actors in the shaping of the new world order. This aspiration was also reflected in Rio Branco's foreign policy, which emphasised the participation in multilateral forums such as the 1906 Rio de Janeiro Pan American Summit and the 1907 Peace Conference in The Hague. Yet, the country's position on the periphery of the European concert of power, in geographical, political and economic terms, saw Brazil removed from a participation in the European constellation of power, which the country viewed with some 'uneasiness' (Lafer 2001: 67). This 'uneasiness' was first expressed at the second Peace Conference in The Hague in 1907 by Ruy Barbosa, then vice-president of the Brazilian Senate, who criticised the logic of the European equilibrium of power and advocated the legal equality between states (Lafer 2001: 68). As the discussion below will show, the questioning of world order in multilateral forums, and the use of coalitions to achieve a change in the structure of power to the advantage of developing countries, has been part and parcel of Brazilian foreign policymaking ever since Brazil's first participation in multilateral forms and explains the strong position Brazil has attained in international forums as a leader for the demands of developing countries. It also offers a historical account of the origins of the often 'different' behaviour of Brazilian foreign policymakers and the 'reforming'

character of Brazilian policies, two characteristics which form the third and fourth hypotheses and therefore present a first insight into the characteristics of Brazilian foreign policymaking that are more thoroughly tested in chapters 3 to 5.

Barbosa's criticism, in the context of an international structure still defined by imperialism and colonialism, was still a controversial subject for the great powers and therefore a bold statement to make by a former colony. Barbosa moreover brought to the negotiation table questions about settling debts among states, which was a controversial subject as debt offered a pretext for the great powers to invade other territories. He also criticised the European powers for wanting to establish a Court for Seizing Ships only in their interests, and managed to introduce a legal text for the introduction of a Court of Arbitral Justice which gained such respect from Michiels van Verduyuler, Secretary-General of the *Bureau Internacional de la Cour Permanente d'Arbitrage* in The Hague, that he appointed Ruy Barbosa as one of its members (Mendes Silva 2007).

As the only South American country, Brazil's participation in the First World War further secured the country's involvement at the Paris Peace Conference in 1919 and its temporary membership in the newly created League of Nations (Lima 2005: 7). More importantly, the Brazilian delegation expressed more clearly than in 1907 its discontent with the constellation of world order as defined by the great powers. The distinction made between countries with 'general interests' – countries with interests that concern the whole international system – and those with only 'limited' interests – specific interests of concern only to some states – at the Paris Peace Conference went against earlier Brazilian efforts to establish equality among all states (Lafer 2001: 72-3). To underpin its discontent with the negotiation processes during the conference, the Brazilian delegation therefore took the initiative to form a coalition with those countries that were said to have limited interests only, and thereby managed to secure the smaller powers' participation in the different committees with the acceptance of the great powers (Lafer 2001: 73).

This event marked Brazil's future position at the multilateral level in several ways. First, it placed Brazil as a 'mediator' between the small and the great powers and consequently positioned the country as one belonging to the small powers by defending their rights while at the same time aiming for the status belonging to the great powers (Lima 2005: 7; Lafer 2001: 74). Second, it defined the beginning of coalition-building strategies with other countries with 'limited' interests and later

countries belonging specifically to the 'developing country' category. Hirst and Lima (2002: 79) refer to this strategy as a strange combination of constructivist influences and Walzian neorealism. It is a 'pendular' foreign policy that swings between idealist ideas of the defence of an egalitarian international system and a pragmatic understanding of reality defined by inequality of political representation in the international system (Lima 2005: 7).

Since the 1919 Peace Conference this 'pendular' foreign policy has been characteristic of Brazilian initiatives at the multilateral level. After the Second World War Brazilian delegates actively participated in the Bretton Woods Conference in 1944 that led to the creation of the International Monetary Fund (IMF) and the World Bank, as well as the UN Conference on trade and employment in Havana in 1947, which proposed the creation of a World Trade Organisation, but ultimately only led to the ratification of the General Agreement on Tariffs and Trade (GATT), which Brazil became a member of in 1948 (Lima 2005: 82). However, with the beginning of a new trade order through GATT, which encouraged free trade through tariff reductions on goods, introduced a mechanism for resolving trade disputes, and primarily based trade relations on the most favoured nation (MFN) principle (GATT 1947, Article 1), Brazil and other developing countries began to criticise the liberal economic principles of treating all members as economically equal and demanded the introduction of rules of exception that would balance out the disequilibrium between developing and industrialised economies.

The 'Cepalist'[11] ideas of centre-periphery relations and economic dependence on the core industrialised countries, which found expression in the introduction of ISI policies in the 1950s throughout almost all of Latin America, reflected the concerns about developing countries' positions in the international trade system. In 1964 this subsequently led to the first United Nations Conference on Trade and Development (UNCTAD) (UNCTAD 2002). Brazil was a founding member of UNCTAD, an active contributor to deliberations and discussions during the four-yearly meetings and a host to the eleventh UNCTAD meeting in São Paulo in 2004 (*URBAL* 2004). In the late 1960s and early 1970s Brazil moreover established itself as a leader of the Group of 77 (G77), which was created at the end of the first UNCTAD meeting in

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[11] After the Spanish acronym CEPAL of the Economic Commission of Latin America and the Caribbean (ECLAC) and associated with the works of Argentinean economist Raúl Prebisch, one of the founding fathers of dependency theory.

1964 by 77 developing countries with the aim of articulating and promoting their collective economic interests and of enhancing their negotiation capacity in multilateral forums (Group of 77 2007). During the group's first meeting in 1967 in Algiers, Brazilian ambassador Azeredo da Silveira was elected president of the G77 in foresight of the second UNCTAD meeting in 1968 (Lima 2005: 82).

After a 'break' in the late 1980s and early 1990s, during which the Brazilian government was concerned with the consolidation of democracy and the introduction of a more liberal economic model, active engagement in multilateralism and especially the role as a mediator again became one of the main diplomatic objectives of the Fernando Henrique Cardoso (1995 – 2002) and the Lula administrations. The creation of the G20 in 2003, a group of developing countries led by Brazil, India, China and South Africa that focuses on agricultural issues and pushes for the elimination of subsidies in developed countries, was part of the Lula administration's effort to reinforce Brazil's bargaining position in the WTO meeting in Cancún in the same year. The creation of the G20 thus represented a revival of Third World coalitions and an opportunity for Brazil to renew its role as an 'indispensable intermediary' between the 'weak' and the 'strong', only this time with the improved position as *demandeur* in agricultural issues at the WTO level (Hirst and Lima 2006: 27). In the same vein, the creation of the IBSA Initiative in autumn 2003 highlights the renewed importance the Lula government has placed on relations with other big 'developing' countries outside South America, such as India and South Africa, relations that do not play a central role in Lula's foreign policy, but can nevertheless generate positive outcomes for Brazil in multilateral forums (Veiga 2006: 87).

Despite Brazil's active participation in multilateral forums, the multilateral tradition in Brazil should not be overestimated (Pinheiro 2000: 319). The account above demonstrates that Brazilian efforts have focused mostly on trade and development regimes. Brazilian multilateralism has thus been rather selective. While Brazil actively participated in the Second World War, deploying troops to Italy in 1945, which was aimed at securing US support for gaining a permanent seat on the newly established UNSC (McCann 1981: 11), Brazil's military dictators stood out for their refusal to commit to international security regimes. The non-accession to security regimes and the control of sensitive technologies was part of the more realist foreign policy thinking and justified by pointing to the restrictions such regimes would pose on the further development of the country (Hirst and Lima 2002: 83).

Concerned with Argentina's rapid nuclear development and the energy shortages as a result of the 1973 oil crisis, the military dictatorship pursued an independent nuclear strategy that led to a Nuclear Accord with Germany in 1975, despite strong protests from the United States. These protests led to suspicions of great powers' intentions, principally those of the United States, which led the military government to go as far as to claim that the US intended to deter the development of nuclear power so as to keep underdeveloped countries technologically dependent and, more specifically with regard to Brazil, to keep the country permanently dependent and inferior to the US, therefore pre-empting Brazil's rise to world power status (see Fontaine 1977: 168-9).

Thus, only with the end of the military dictatorship in Brazil in the mid 1980s, the end of the Cold War and the beginning of economic globalisation processes in the early 1990s, did Brazilian multilateralism extend its adherence to international security regimes. Brazil signed the Non-Proliferation Treaty (NPT) in 1998 and since then has become part of all international nuclear non-proliferation treaties (Lampreia 1998). The renewed aim of gaining a permanent seat in the UNSC, and the promotion of an expanded and more inclusive Security Council alongside India and South Africa in the IBSA Initiative so as to provide a more balanced representation in a post-Cold War word order defined by globalisation (Lopes and Velloso Junior 2004: 340), further demonstrates Brazil's increasing involvement in security schemes and in the promotion and protection of democracy. This has been especially visible in Brazil's involvement in the political crises of its regional neighbours Paraguay (1996), Ecuador (1997/2005) and Venezuela (2002), and in the leadership of the UN peacekeeping mission (MINUSTAH) to Haiti (2004) (Hirst and Lima 2006: 32), which will all be discussed in more detail in chapter 5.

The late accession to international security regimes explains in part the only slowly changing attitude to security provision and cooperation in the region, as will be discussed in chapter 4. The reason for this is to a great extent Brazil's geopolitical position as a peaceful country in a comparably peaceful region. However, as already mentioned, due to the absence of external threat and the emphasis on economic development, Brazilian interests have been conditioned to focus on economic factors in multilateral forums, and therefore, as the three issue specific chapters will show, explain Brazil's stronger position in economic diplomacy rather than in security provision or democracy protection and promotion. Nevertheless, as the above

account has amply demonstrated, the country's role as a 'critic' of prevailing power structures in multilateral trade forums has transformed Brazil into a strong leader in the group of developing countries, as the further analyses in chapters 3 to 5 will demonstrate.

Brazilian relations with the USA

Taking a closer look at the historical evolution of Brazil's relationship with the USA provides a further explanation to the 'reforming' character of Brazilian foreign policies. While not directly pointing to a specific policy strategy per se, an analysis of the historical evolution of this relationship clarifies the Brazilian emphasis and struggle for a more equal international system and, especially from the 1970s onwards, the emphasis on an independent foreign policy and the subsequent diversification of political and economic relations, especially with other developing countries.

Hirst (2005: xvii) describes the US-Brazil relationship as one that has gone through different phases from 'good' to 'cool' with a "…shared notion of 'constrained discrepancy' which, while it has always avoided open confrontation, has resulted in frustrations on both sides that have long dominated their relations. U.S.-Brazil relations have faced cyclical crises of expectations caused by erroneous calculations on both sides". Hurrell (2005: 74) finds the explanation for this 'hardly close' relationship in clashes of interests, especially over economic and trade issues, deep divergences in the way the two countries view international world order, and subsequently a recurrent sense of frustration. Whereas for the United States the importance of Brazil in world affairs is small, for Brazil the United States since the beginning of the 20th century has taken a crucial place in the country's foreign policy formulations. As Hirst and Lima (2006: 33) put it, "Brazil keeps a permanent watch on the United States and what it does in world politics, and its foreign policy decisions consistently involve an assessment of the costs and benefits of convergence with or divergence from the US". An understanding of the evolution of Brazil's relations with the United States as the regional and international hegemon are therefore an important feature for understanding Brazilian policy formulations in the various issue areas discussed in the following chapters.

Foreign Minister Rio Branco was quick to perceive a shift of power from London to Washington and the emergence of the United States as the future global power (Ricupero 1996: 38). He therefore declared, after taking office as foreign minister, that "Washington is our most important post" (quoted in Burns 1966: 161). Yet, the Brazilian turn to the United States was not built on a perceived conversion of interests, although the Brazilian government underwent an 'ideological conversion' with the United States on liberal values and aspirations, similar ideas about international legitimacy and even on the convergence of government institutions and a constitution around the liberal republican model of that of the United States (Ricupero 1996: 40). Rather, by 1904 the USA was absorbing 50% of Brazilian exports and was the main importer of the three principal Brazilian export products – coffee, rubber and cacao (Ricupero 1996: 40). Moreover, Rio Branco thought a closer alliance with the United States as advantageous. Since relations between the United States and the Spanish-speaking countries in the Americas were not good, Brazil saw a possibility, as the only close friend of the USA in the hemisphere, of gaining US support in any potential dispute with South American neighbours or European powers (Fontaine 1974: 17). Rio Branco's policy towards the USA was therefore defined by a pragmatic and realist understanding of the international system at the time (Burns 1966: 153). Realising that there was a great power differential between the two countries, Rio Branco's diplomacy was aimed at using the power of the US to Brazil's advantage, or in the worst case, to neutralise US power and not have it used against Brazil through the support of the US position at the international level (Ricupero 1996: 41).

Despite Brazil's positive stance towards the United States, which Burns (1966) famously called the 'unwritten alliance', there were political divergences between the two, most notably the different viewpoints at the already mentioned Second Peace Conference at The Hague in 1907, on the division of Colombia and the subsequent creation of Panama, certain trade issues, and the US' 'dollar diplomacy' (Hirst 2005: 3). Rio Branco thus inaugurated a foreign policy that Pinheiro (2000: 309) has defined as 'pragmatic Americanism' (*americanismo pragmático*), "…which defends the use of opportunities of an alliance [with the United States], whose effect

would be of predominantly instrumental nature"[12] (own translation). The importance of Rio Branco's foreign policy was thus that it was retained for decades in its basic outlines, even after the baron's death in 1912, with only small adjustments to fit new situations (Fontaine 1974: 20).

The phase of 'pragmatic Americanism' was also part of the foreign policy of the first Vargas administration until the beginning of the Second World War. However, this stance changed with the signing of a political-military alliance between the two countries into what Pinheiro has termed 'ideological Americanism' (*americanismo ideológico*), an Americanism marked by a "…somewhat 'naïve' realism or by strong streaks of idealism"[13] (own translation of Silva 1995, quoted in Pinheiro 2000: 309). Whereas before Vargas had held on to Brazilian neutrality and played the antagonising powers against each other to obtain maximum advantage, the possibility of market access guarantees and US investments in Brazil's economic and military infrastructure led to a close political-military alliance with the US and the successful deployment of Brazilian troops to Italy in 1945, the only Latin American country to send troops to fight for the alliance (McCann 1981: 10). The political-military alliance between Brazil and the United States during the war, and the additional signing of the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) in 1947 between the US and the majority of Latin American countries, led to the myth of a 'special' relationship between the two countries (Ricupero 1996: 42). This 'special' relationship provided the basis on which the Brazilian economic boom of the 1960s and early 1970s was built. It did not, however, lead to the desired permanent seat on the UNSC, nor did it help to guarantee economic aid in similar form to the Marshall Plan for Europe. With the changing position of the USA from a regional to a world power after the end of the Second World War and the commencement of the Cold War in 1948, its interests had been redirected to Europe and other parts of the world instead of the Americas (Lohbauer 2002: 151).

The lack of recognition Brazil received from the US in the post-Second World War period due to the commencement of the Cold War, which directed US foreign policy towards the containment of communism in Europe and Asia, led to a downgrading of the 'special' relationship. President Juscelino Kubitschek (1956 –

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[12] The original reads: "…o americanismo pragmático seria aquele a defender o aproveitamento das oportunidades da aliança, cuja efetivação teria natureza predominante instrumental".
[13] The original reads: "Já, o americanismo ideológico seria marcado, como sugerido por Silva, "por um realismo um tanto 'ingênuo' ou mesmo por fortes traços de idealismo".

61) still attempted to mend increasingly difficult relations between the US and Latin American governments through the launch of the Pan American Operation (OPA) in 1958, whose creation was based on the idea that only by overcoming underdevelopment through regional development the threat of communism could be detained effectively (Lohbauer 2002: 153). However, with the refusal of the US government to actively engage in OPA Brazil started to rethink its reliance on the US for economic and political support and to reorient its search for economic aid and markets elsewhere, especially to Western Europe (Vizentini 1996: 240-41). This reorientation consequently led to a paradigm shift in Brazilian foreign policy towards a *política externa independente* (independent foreign policy), which found its strongest expression during the short administration of president Jânio Quadros (1961-63). Quadros revived Brazil's relations with the Soviet Union and Cuba and acknowledged the People's Republic of China, which stood in direct contrast to US interests, and moreover expressed his solidarity with the struggle to end colonialism in Africa (McCann 1981: 16). However, due to international tensions over decolonisation and the non-aligned movement Quadros' foreign policy sounded more controversial than it actually was with its traditional emphasis on diplomatic principles such as self-determination, non-intervention and diversified trade relations (McCann 1981: 16; Lohbauer 2002: 154; Ricupero 1996: 46). Therefore, as Hurrell (1986: 60-61) argues, Quadros' rhetoric of an independent foreign policy was more important for the precedent it set for foreign policy formulations in the 1970 than its immediate effect on Brazil's international relations.

After the first two Brazilian military administrations under Castello Branco (1964-67) and Artur da Costa e Silva (1967-69) had renewed Brazilian approximation to the United States, which even saw a brief revival in foreign policy formulations of 'ideological Americanism', relations under President Emílio Médici (1969-74) again worsened. The strong emphasis in US foreign policy on security matters on the one hand, and Brazil's and the other Latin American countries' concern with the development of their economies, led to deep divergences of interest between the two parties. This was further exacerbated by the manner in which the US pursued its particular foreign policy goals during the Cold War. It led to the creation and consolidation in Brazil and other Latin American countries of an often negative image of the United States, which was nurtured by suspicions about the true intensions of the US during their involvement in Latin America (Hurrell 2005: 99).

Moreover, the 9%, 10%, and 11% economic growth per annum from 1968 to 1973, which became known as the *Milagre Brasileiro*, heightened Brazilian aspirations to First World status and consequently deepened tensions with the United States (Moniz Bandeira 2006: 18).

Despite Médici's rhetoric of *Brasil Potência*, in terms of military geostrategic thinking that also led to fears in the other Latin American countries of Brazil as a sub-imperialist power (Hurrell 1992: 27), he emphasised national development and the diversification of international economic linkages and rejected automatic alignment with the United States (Burges 2004: 68-9). Such a policy stance was maintained by his successor Ernesto Geisel (1973-79) who, faced with the protectionism of the US and Europe against Brazil's newly competitive manufacturing and steel sales, saw an 'ecumenical' diplomacy as the only way to avoid "the fatalism of automatic, a priori, positions" (Geisel 1975, in Moniz Bandeira 2006: 19). His recognition of the revolutionary governments of Angola, Mozambique and Guinnea-Bissau, Brazil's active role in the creation of the New International Economic Order (NIEO) at the UNCTAD meeting in 1974, and its nuclear agreement with West Germany in 1975 further increased tensions with the United States. This culminated in the 'end' of the 'unwritten alliance' in 1976 with the suspension of the military cooperation agreement of 25 years' standing between Brazil and the United States when US President Carter denounced Brazil's human rights violations under military rule and the nuclear accord with West Germany (Perry 2000: 411).

Although bilateral relations improved again with the economic opening of the Brazilian economy at the beginning of the 1990s and therefore should not be equated with a permanent rupture, Brazilian foreign policy since the 1970s has attempted to maintain a more 'autonomous' position vis-à-vis the United States. This more 'autonomous' stance is most perceptible in negotiations over the FTAA since 1995, and its offensive position over market access, tariffs and subsidies in the WTO. Although tensions over such 'practical' issues do not include all areas of international politics – indeed, Brazil does not question the broad ideas of hemispheric free trade, security co-operation or the collective defence of democracy *per se* and has even formally committed to co-operation in these issue areas – this disagreement on practical issues must be understood in conjunction with Brazil's vision of its own position in the Americas as well as in the international arena

(Hakim 2004: 122). The main factor of tensions between the United States and Brazil is thus the different understanding of the constraints and opportunities of the prevailing world order in the two countries. The ideology of national autonomy and development as the central organising ideas are still firmly anchored in the minds of policymaking elites in Brazil.[14] This has led to an understanding of world order that places great emphasis on structures in terms of both the capitalist world economy, which, for a 'developing' country such as Brazil presents significant constraints, and in terms of the international political system in which the US as the hegemonic world power is an obstacle to further Brazilian development and to the country's ascent in the international power hierarchy (Hurrell 2005: 98).

The diverging views in Brazil and the USA on the constraints and opportunities of the prevailing world order are thus one of the most important factors leading to disagreements over practical issues, especially in the FTAA and WTO negotiations, and a main reason for Brazil's turn to a more 'autonomous' foreign policy, which is characterised by the diversification of economic and political relations with other developing countries, a clear preference for institutions that do not include the United States as a member, and the use of these institutions or coalitions to put pressure on the United States and its allies in multilateral negotiations. An understanding of Brazil's historical relationship with the USA is thus an important basis for understanding the tendency of Brazilian foreign policies to take on what Jordaan (2003) refers to as a 'reforming' character.

The 'Latin Americanisation' of Brazilian foreign policy and regional integration
The end of the 'unwritten alliance' and the change to a more 'autonomous' foreign policy also paved the way to a rapprochement with its South American neighbours as the end of a close relationship with the US eased fears in neighbouring countries of Brazilian 'sub-imperialism' (Lohbauer 2002: 157). It marked the beginning of a 'transitory period' during which the path was paved to later regional integration in the form of the Mercosul. An understanding of the context of Brazilian regional integration efforts is of importance here as it provides the necessary basis for an understanding of Brazilian strategies and initiatives discussed in the three issue

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[14] Personal interviews with Rabih Nasser, 19.07.2005, Fabio Rua, 25.07.2005 and Eduardo Viola, 02.09.2005

specific chapters. As the analyses in chapters 3 to 5 show, the majority of Brazilian policy strategies focus on the regional level, especially Brazilian strategies for security provision and democracy promotion and protection. At the same time, a closer look at Brazil's regional integration efforts explains in many ways the focus in academia since the beginning of the 1990s on Brazil as a regional power. The account here thus also offers a basis for our analysis of Brazil as a regional power in the three chapters that follow.

It was again foreign minister Rio Branco who first developed a foreign policy that included Latin America in Brazilian foreign policy thinking. In his view it was necessary to work towards a union of friendship to secure Brazil's newly negotiated borders and in the post-Rio Branco era, this view was sustained for the goal of the 'development of national space' (Lafer 2000: 8). Such a policy led to Brazilian mediation in the Chaco War between Bolivia and Paraguay (1932-35) and in the creation of the Organisation of American States (OAS) in 1948, as well as Brazilian initiatives in the creation of the aforementioned OPA in 1958 and the creation the Latin American Free Trade Area (LAFTA) in 1960, an agreement based on the formation of a free trade area in Latin America over the period of twelve years through trade liberalisation between the member states. Yet, LAFTA collapsed shortly after its initiation and was only brought back to life in the form of the Latin American Integration Association (LAIA) in 1980. Other regional integration efforts such as OPA also died down as quickly as they had emerged. Mostly this was due to a lacking interest in the maintenance of such integration efforts. Despite a rhetoric that preached the necessity of continuing Latin American unity, consecutive Brazilian military governments did not show any genuine interest in further regional integration, especially as they were not willing to make any concessions to the smaller members of the regional institutions (Hurrell 1992: 29). Moreover, rivalries between Brazil and its neighbours until the end of the 1970s were frequent, especially with Argentina, where historical rivalries determined the dynamics of relations in the Southern Cone.

Only towards the end of the 1970s, when the 'special' relationship with the United States had ended and it became obvious that the 'Third World' movement had failed in its demands for a more favourable international system for developing countries, the idea of stronger relations with the South American neighbours and later regional integration emerged. As Hurrell (1992: 40) argues, the reason for the

Brazilian turn towards South America can be explained by a relative absence of alternatives. International circumstances and their impact on Brazil's position in the international and regional context had led to what Abdenur (1997) refers to as *sentimento de exclusão* (feeling of exclusion) – at both the regional and international level the country was denied the acknowledgement it thought to deserve.

Early attempts at improving relations with its South American neighbours commenced in 1976 with Brazilian suggestions over the creation of the Amazon Pact, which should oversee the joint development of the Amazon Basin. After initial problems due to remaining distrust of Brazilian intentions, the Pact was signed two years later in 1978 (Hurrell 1992: 29). The slow but continuous reinsertion of Brazil into the region was intensified by President João Figueiredo (1979-85) (Altemani de Oliveira 2005: 170). His wish for the country to become more involved in the region was marked by frequent official visits to the South American neighbours and the reinstatement of the old LAFTA into the new LAIA in 1980. More striking, however, were improved relations with the old rival Argentina. In 1980 this led to the signing of the Nuclear Co-operation Accord with Argentina and to Brazilian support for Argentina during the Malvina/Falklands war against the UK in 1982 (Lohbauer 2002: 159).

Increasing economic and political co-operation between Brazil and Argentina provided the backbone for further regional integration in the form of the Mercosul in 1991. The Program of Economic Integration and Co-operation (PICE), which was signed between Brazil and Argentina in 1986, marked the beginning of deeper integration in the Southern Cone. The PICE agreement was well-timed as a 'buffer' against globalisation forces with its goals of reducing dependence on volatile international markets, increasing domestic economic growth and establishing bilateral trade flows (Manzetti 1990). More importantly, PICE was also used as a political tool to prevent the resurgence of authoritarian governments in the Southern Cone. In fact, PICE did not have any real short-term economic advantages due to the countries' imbalances regarding trade transactions and macroeconomic strategies (Hirst 1992: 140). The reasons for integration were hence the product of a common sense of 'vulnerability', a shared conviction that the new democracies were very fragile (Hurrell 1995: 257).

PICE was followed in 1988 by the Treaty of Integration, Co-operation and Development and shortly thereafter in 1990 by the Buenos Aires Act, which laid the

foundations for the establishment of a common market between Argentina and Brazil and subsequently for what was to become the Mercosul (Phillips 2004a: 88). The Treaty of Asunción was signed later in the same year together with Paraguay and Uruguay to formally create the Mercosul. The Mercosul was thus a political initiative built on economic objectives to further deepen the democratisation process and to consolidate national economic reforms. Mercosul moreover represented what has been referred to as 'open regionalism', aimed in the first instance at further liberalisation and deregulation of national economies but still open to global processes. Regional integration in the Southern Cone was thus first and foremost used as a strategic response to the challenges of neoliberal globalisation. In this sense, the Mercosul at the beginning of the 1990s was seen as a 'building block' which would assist in the engagement with globalising processes (Phillips 2004a: 86; Guedes da Costa 2001: 106; Klom 2003: 353).

In the context of economic globalisation and the liberalisation of the Brazilian economy, in Brazilian policy-making circles regional integration was aimed at the improvement of the national industry by enhancing its economic competitiveness and attracting external investment. Therefore, Brazilian efforts were directed towards a development strategy in the form of economic liberalisation as well as protection of the national industry – which was still partly working on the premises of the old developmentalist ISI model – so as to protect the country's economic policy autonomy (Phillips 2004a: 101). The aforementioned emphasis in foreign policymaking on the importance of national autonomy was reflected again in regional integration efforts. This quest for national autonomy has thus moulded Brazilian policymaking in the direction of avoiding accords that might limit Brazilian actions in the future (Altermani de Oliveira 2005: 232).

The emphasis on national autonomy also explains the reluctance to 'deeper' integration in the Mercosul through the introduction of a supranational form of governance as practised in the European Union (EU). With the transfer of power to regional supranational institutions Brazil would have lost its freedom over its independent policymaking strategies. The reluctance to lose national sovereignty over its national economic development also meant that, from the mid 1990s onwards, the Brazilian government started to use the Mercosul for its external relations rather than stimulating further regional integration. Thus, the Mercosul has not only provided a stepping-stone for deeper immersion in the globalisation process,

but for Brazil, much more so than for the other member states, has also viewed as a platform for negotiations at the hemispheric and international levels. Through the Mercosul the Brazilian government aimed at building up its regional influence to guarantee continuing emphasis on autonomous development, rather than privilege geo-economic and commercial considerations (Veiga 1999: 26). The use of the Mercosul as a platform for negotiations in the form of the so-called 'bloc-bargaining' strategy was based on the idea that the representation of several countries in one forum would put more weight and hence more influence in negotiations with the great powers at the multilateral level. Successive Brazilian governments have made ample use of the bloc-bargaining strategy in negotiations over the FTAA.

As Burges (2006) argues, throughout the presidency of Fernando Henrique Cardoso (FHC) Brazil also aimed to establish a South American leadership project. Although Itamaraty denied a claim to leadership on the continent, foreign minister Luiz Felipe Lampreia did admit that Brazil was willing to play a role that was compatible with its economic and territorial size (in Nolte 2002: 13). Brazilian leadership therefore has to be understood as a project that is based on 'consensual' leadership through dialogue and consensus with the other South American countries (Burges 2006: 27). Such a strategy was most notable in the organisation of the South American Summit in Brasília in August 2000 (Hofmeister 2001: 11). The South American Summit had the purpose of establishing South America as a coherent political and economic unit that would potentially lead to the launch of a South American free Trade Area (SAFTA).

The establishment of a SAFTA had been on Brazil's agenda for several years and in 1998 an agreement was signed on closer bilateral co-operation with neighbouring countries and the establishment of a free trade area between the Mercosul and the Community of Andean Nations (CAN), albeit without much advancement on the contextual contents (Nolte 2002: 13). The Declaration of Brasília again manifested the intention to materialise a free trade area between the Mercosul and the CAN by January 2002 and to integrate Guyana and Surinam into the integration process. This was to be what president Cardoso before the summit had referred to as the "backbone of an expanded South American economic area" (quoted in Nolte 2002: 13). Moreover, the invitation of all South American presidents to Brasília against the background of the 500-year celebration of Brazil's discovery proved that Brazil, after the financial crises in the late 1990s had severely

damaged the integration process, was willing and eager to again play a more active role in South America. Getting all twelve presidents together to draft and sign declarations on deeper economic and political integration in South America, as well as drawing up a statement on the support of Colombia's peace process, were major achievements for Brazil, especially in terms of asserting its emerging leadership role in South America.

Despite the many Brazilian initiatives for regional integration, its regional leadership has not been established as firmly as the many agreements and treaties might suggest. Mostly this is due to the stark structural asymmetries between Brazil and the other Mercosul members and other neighbours in South America. With the biggest economy in the region, Brazil's exports accounted for a disproportionate amount of more than 50% of exports from the region (Phillips 2004a: 101). Moreover, with a continuing emphasis in the 1990s first on Brazil as a *global trader* during the Collor de Mello administration, and later as a *global player* during the Itamar Franco (1992-94) administration, Brazilian trade relations continued to be diversified. Thus, the options for Brazil were not limited to regional integration in the same way as those of the smaller member countries (Phillips 2004a: 101), which has led to imbalances of bargaining power within the group. The structural asymmetries and subsequently the imbalanced bargaining power have given Brazil the opportunity to participate in the integration process more or less as it wishes. It is also the explanation for what had led to an apparent 'aloofness' of Brazilian elites with regard to the integration project over much of the 1990s (Phillips 2004a: 101).

The simultaneous interest and disinterest in the integration process can thus be traced back to domestic and international circumstances at any given time. With a greater focus on national issues in the mid 1990s, initiated by the Real Plan and marked by unilateral action and non-conformity with negotiated commitments (see Phillips 2004a: 101), interest in the Mercosul project was minimal compared with previous engagement triggered by changes in the national and international political economies. The increasing interest in further regional integration at the end of the 1990s conversely reflected the idea of the Mercosul as a bargaining tool in international negotiations, an aspect triggered by the acceleration of WTO negotiations at the international level (Phillips 2004a: 101).

Efforts to re-establish a form of leadership position in South America without risking the loss of national sovereignty over economic policy-making through deeper

integration of the Mercosul, and to gain an even broader support base in multilateral and hemispheric negotiations, led the Lula administration to 'widening' instead of deepening regional integration through the signing of the CSAN agreement in 2004. The CSAN emerged out of the Mercosul-CAN agreement and promotes the liberalisation of trade between the two different organisations. In the Cuzco Declaration of 2004 the South American governments further defined the aim to establish a 'United States of South America' through the implementation of a common market, common currency and regional parliament. With the signing of the Constitutive Treaty for the establishment of the Union of South American Nations (*União de Nações Sul-Americanas* – Unasul) in Brasília in May 2008, the 12 South American presidents reconfirmed these aims and set out in some more detail the creation of the Unasul's headquarters in Quito, Ecuador, the creation of a parliament, to be situated in Cochabamba, Bolivia, and the establishment of the *Banco do Sul* (Bank of the South), to be located in Caracas, Venezuela (*Folha Online* 2008b). The change in names from the Community of South American Nations to the Union of South American Nations was agreed during the first South American Energy Summit held in Caracas in April 2007. The move to 'widening' regional integration can thus be understood as a conscious effort on the part of Brazilian governments to establish a form of leadership in the whole of South America or, as Pereira (2006: 3) argues, is aimed at the 'consolidation of the South American space'.

Overall, Brazilian efforts at regional integration have to be understood in the context of both domestic and international developments, which has led to phases of great attention to and almost complete absence of interest in regional integration efforts. As will become clearer in the following chapters, this inconsistent attitude to regional integration is one of the main reasons for an often visible absence of a clear strategy and a faltering leadership position in the different issue areas, despite continuous attempts on the part of Brazilian policymakers to promote regional integration on Brazilian terms.

Conclusion

The specific character of state formation and Brazil's geopolitical position, outlined in the first part of this chapter, explain the origins of a strong international identity and a 'belief in the entitlement to greater influence in world affairs.' Throughout the

discussion in the remaining chapter it also became clear that this strong international identity and the aim for great power status have guided Brazilian policy formulations ever since the Rio Branco era. The emphases on national economic development, on multilateralism and coalition-building, on an 'independent' or 'autonomous' foreign policy and on regional integration therefore must all be understood as strategies formulated to maximise the potential for achieving this aim. Also, the continuing emphasis on achieving great power status confirms the first hypothesis. Brazilian foreign policy formulations indeed reflect the 'cultivation of a purpose and project', to borrow Hurrell's (2006) expression.

The four policy areas discussed also presented a first insight into the nature of Brazilian foreign policy strategies and therefore offered a basis for our understanding of the reasons for certain policy choices in the different policy areas to be discussed in detail in the following three chapters. For example, the view that external threats are economic rather than security related, and that world power status can only be achieved through economic development, explains the emphasis in foreign policy on economic and trade issues and a sort of 'neglect' of other issue areas both at the regional and international level, as the discussions on security provision and democracy protection and promotion in chapter 4 and 5 will highlight. In the same way the difficult relationship with the USA and the belief that an 'independent' foreign policy is more suited to arrive at greater influence in world affairs will help to understand why Brazilian policymakers have preferred to act through institutions that do not include the USA as a member to resolve regional conflicts, as again the analyses in chapters 4 and 5 will amply demonstrate.

At the same time, such insights gave first indications as to the validity of the characteristics of emerging powers set out in the hypotheses established in chapter 1. For example, Brazilian elites' understanding of the country's position in the international arena as a potential great power and a developing country will substantiate the analysis in the following chapters of the hypothesis that emerging powers often act in a different manner to the traditional middle powers due to their positions in different structural contexts. Also, the country's role as a 'critic' of prevailing power structures in multilateral forums, especially the WTO and UN, and the tendency to build coalitions in favour of Brazilian aims, provide preliminary explanations for the 'reforming' character of several Brazilian strategies and consequently give a first indication as to the validity of the hypothesis about the

'reforming' character of the policies of emerging power as set out in chapter 1. The task in the following three chapters will be to examine in more detail the validity of the hypotheses with regard to Brazilian strategies and initiatives in the three chosen policies areas, commencing with an analysis of Brazil's economic strategies and initiatives.

Chapter 3

Brazilian strategies and initiatives for economic diplomacy

In this chapter the focus will be on Brazil's economic strategies and initiatives at the regional, hemispheric and multilateral levels. The choice to analyse Brazil's economic diplomacy derives in the first instance from the importance the existing literature on emerging powers places on the increasing economic 'weight' as one of the main defining characteristics of emerging powers (see for example Shaw *et al*.; Humphrey and Messner 2006; Harris 2005; Mangalorkar, Kuppuswamy and Groeber 2007). Despite the criticism made in the introduction that existing studies on emerging powers in many cases focus almost exclusively on economic advancements, it is therefore necessary to analyse in detail the idea of emerging powers being those countries whose economies have developed on terms that have allowed a degree of influence in the global economy. Also, the emphasis in Brazilian foreign policymaking on promoting national economic development, as already discussed at some length in the previous chapter, begs for a closer examination of Brazil's economic policies so as to attain a better understanding of the impact these policies have had on Brazil's current position in the global economy, and for our understanding of Brazil as an emerging power.

For ease of analysis the four hypotheses, which were outlined in chapter 1, are reformulated here into questions relevant to Brazil's economic strategies and initiatives as follows: 1) What is the state of Brazil's economy and how has it integrated into the global economy? 2) What kind of behaviour can be detected in Brazilian economic strategies and initiatives? 3) To what extent can Brazilian strategies and initiatives be said to a have a 'reforming' character? and 4) Is Brazil a regional power in the economic policy area? These four questions also provide the structure of this chapter. The first part will consequently be concerned with the examination of the validity of the second hypothesis, which states that emerging powers are traditionally situated in different structural contexts to the industrialised economies, but whose material capabilities have developed on terms which have allowed a degree of influence in the global economy and therefore are able to carry a degree of economic weight. Also, the first part is to provide a general overview of

the state of Brazil's economy so as to attain a basis for a better understanding of the behaviour of Brazilian policymakers and their economic strategy formulations. In the second part of this chapter the focus will then turn to the analysis of Brazilian behaviour by focusing on policy formulations and strategies at the regional level, specifically the introduction of structural adjustment funds and the coordination of physical integration projects. The third section will then examine whether Brazilian strategies and initiatives in the FTAA and WTO negotiations can be said to have a 'reforming' character. In the forth section, the analysis will turn to the question of Brazil as a regional power in economic diplomacy and then end with a conclusion that outlines the overall findings.

The Brazilian economy and its insertion into the global economy

As argued in chapter 1, the behaviour of policymakers is not only shaped by their country's specific position in the international system, but to a great extent by the domestic realities of their country. Therefore, the discussion in this section is not only concerned with answering the question about the state of Brazil's economy and how it has integrated into the global economy. A close examination of the state of Brazil's economy is also aimed at offering a more 'balanced' view, of both the many economic advancements that have taken place and the numerous remaining difficulties that hamper the deeper international insertion of the Brazilian economy, so as to create a form of 'background' knowledge that will help us to better understand the specific economic strategy formulations discussed in detail in the remainder of this chapter. To this avail, the discussion will commence with a very brief recap of the historical evolution of the Brazilian economy until the beginning of the 1990s and from there on analyse in detail, among other factors, the evolution of Brazilian exports and export markets, the increasing participation of Brazilian firms in the global economy and the country's role as one of the main producers of ethanol, as well the continuing problems with poverty, inequality and more practical issues that hamper international competitiveness.

As a former Portuguese colony, the Brazilian economy historically depended on the production and export of agricultural produce. Only with the introduction of an economic development model based on ISI after the inauguration of the *Estado Novo* (New State) in 1937 by President Getúlio Vargas did Brazil enter a phase of

rapid industrialisation. It was one of the most rapidly growing economies between the mid 1940s and mid 1960s and had another growth spurt from 1968 to 1974 (Krueger 2006). Yet, after unprecedented growth rates in the 1960s and early 1970s, the *milagre brasileiro* went down the same dire path in the 1980s as all other Latin American states, grappling with a harsh economic downturn offset by the international debt crisis. Like the other countries in the region, Brazil also underwent the dual processes of democratisation and economic liberalisation from the mid 1980s onwards. However, significant economic reforms only took off during the 1990s, of which financial stabilisation was the most significant. Whereas no less than seven economic reform packages were introduced and failed between 1985 and 1993 and the country suffered from hyperinflation with an annual rate of around 3000% at the beginning of the 1990s, the *Plano Real*, introduced in 1994 by then Finance Minister Fernando Henrique Cardoso, finally managed to stabilise inflation at less than 10% per annum.

Financial stabilisation was indeed one of the most important factors for regaining the trust of foreign investors and thereby securing Brazil's insertion into the international economy. Inflows of FDI increased from around US$900 million between the years 1990-93 to US$2.2 and US$3.3 billion in 1994 and 1995 and increased even further to an unprecedented US$9.6 billion, US$17 billion and US$26 billion in 1996, 1997 and 1998 respectively (Baumann 2002: 10). Even the 1999 financial crisis, which led to the abandonment of the fixed exchange rate of the Brazilian Real to the US Dollar, only very briefly decreased FDI. The swift recovery of Brazil's economy provided investors with sufficient amounts of trust that the country would provide profitable investment options.

As a result of the recovery of domestic economic activity and investment opportunities that arose from privatisation and deregulation in the late 1980s and early 1990s, the economy grew considerably in the 1990s. Even taking into account the decrease in population growth during the 1990s, GDP rose by almost 9% from 1990-99 (Sangmeister 2002: 50) and still recorded a growth of 4.9% in 2004 (ECLAC 2006a: 85). Also, export growth during the 1990s was considerable as a result of the dual process of tariff reductions from 33.4% in 1988 to 13.9% in 1998 and the ongoing economic integration in the Mercosul (Baumann 2002: 8/9).

Exports during the 1990s increased by about 70%, however were offset by a 190% increase in imports during the same period as price stabilisation in the form of

the *Plano Real* created a 'wealth effect' which increased domestic demand for imported goods (Baumann 2002: 9). Yet, despite the decrease in exports for a short period of time in the mid 1990s, overall exports increased over a ten-year period from US$47.747 million in 1996 to a total of US$137.471 million in 2006 (see Table 3.1). Unlike in the mid 1990s, Brazil has moreover been able to register an ever increasing trade surplus, which started at US$2.651 million in 2001 and peaked at US$46.077 million at the end of 2006 (SECEX 2007: 11). Overall, foreign sales thus increased by a 127.7% from 2002 to 2004 alone (SECEX 2007: 3).

Table 3.1: Brazilian Export Evolution 1996-2006
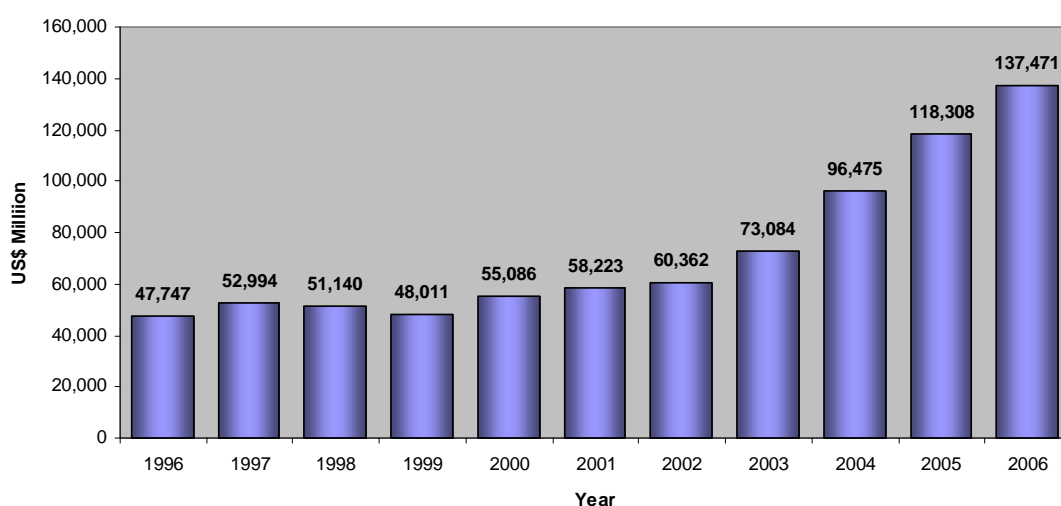
Source: SECEX/MDIC 2007

Impressive export increases highlight that the Brazilian economy is continuing to open up to the global market. This becomes even clearer when looking at the percentage share of trade flows in Brazilian GDP. While it was at just under 14% in 1997 it has increased to more than 24% in 2006 (SECEX 2007: 25). As Fonseca and Marconini (2006: 6) put it, there is thus no question about the importance of the economic opening, modernisation and restructuration of the Brazilian economy throughout the 1990s for the great increase in exports over the past years. Indeed, productivity gains were most visible during the post-liberalisation period between 1996 and 2000 with annual productivity gains of 2.7%, compared to only 1.2% in Mexico during its liberalisation period from 1990 to 1994, and coming

close to Taiwan (3.2%) and Korea (3.1%) during their respective liberalisation periods (Fonseca and Marconini 2006: 6).

Major advances in the industrialisation of the Brazilian economy over the past 40 years have moreover changed the type of goods that are being exported. Brazil has evolved from a primary goods exporter to a manufactured goods exporter, with 2006 figures showing that only 29.3% of total exported goods were primary goods, of which the majority went to the EU, while 54.3% were manufactured products (SECEX 2006: 20). Manufactured goods made up 92% of export shares to Mercosul countries, 83% to LAIA countries (excluding Mercosul) and 69% to the US, compared to only 14% of primary goods exports to the US (see Table 3.2). Thus, the change from an economy based on agricultural production and exports to one that produces and exports manufactured goods has also considerably altered Brazil's position in the regional, hemispheric and global trade structure.

Table 3.2: % Share of Brazilian Exports to Economic Regions by Product Category 2006

	EU	US	Asia	LAIA (excluding Mercosul)	Mercosul	Africa	Middle East	Eastern Europe	Others
Manufactured	42	69	19	83	92	63	40	13	53
Semi-Manufactured	14	17	21	4	3	17	18	31	14
Basics	44	14	60	13	5	20	42	56	23

Source: SECEX/MDIC 2007

Apart from the industrialisation of the economy, the diversification of trade relations is also an important factor for Brazil's increasing insertion into the international economy. Over decades consecutive Brazilian governments have highlighted the importance of diversifying economic relations so as to maintain some form of 'autonomy' in the political and economic decision-making process vis-à-vis the United States. This has led to a trade pattern that is fairly evenly distributed over different parts of the world. As table 3.3 shows, exports are distributed quite uniformly between the LAIA countries, the European Union, the United States and

Asia, and with still significant portions going to Africa, the Middle East and Eastern Europe.

Table 3.3: Major Markets for Brazilian Exports 2006
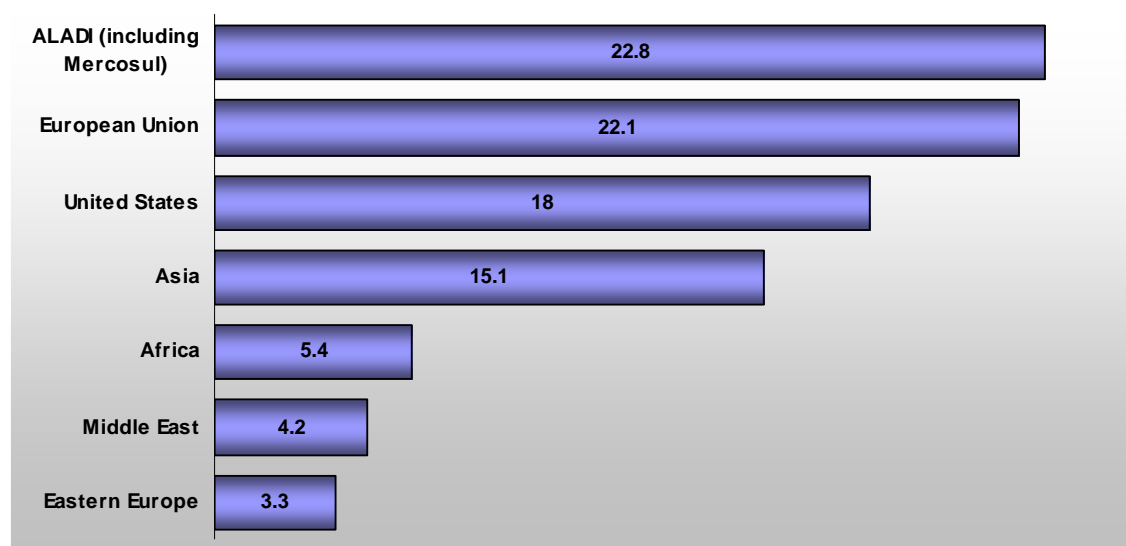
Source: SECEX/MDIC 2007

Such a diversified trade structure has brought with it the advantage of not having to depend economically on one state or region. In contrast to almost all other Latin American countries, Brazil is thus not singularly dependent on trade with the United States. This, in conjunction with being the biggest economy in the region and the general entry point for foreign businesses into South America – in 2000 it produced 31% of Latin America's goods and produced 16% of Latin American exports, and received 41% of FDI into the region (Sangmeister 2002: 48) – has helped significantly with the continuing insertion of the Brazilian economy into the international political economy.

The increasing sophistication of Brazil's economy and its adaptation to the global market can also be perceived in the increase of Brazilian businesses as regional and international corporations. Petrobras, Banco do Bradesco, Banco do Brasil and Itaú Investimentos were all on the *Fortune Global 500* list for 2006[15], ranking 86, 269, 323 and 415 respectively. Petrobras, founded as a state-owned business in 1953 during the Vargas presidency as part of the campaign "The oil is ours" and now the biggest energy company in Latin America, the worlds 8th largest

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[15] http://money.cnn.com/magazines/fortune/global500/2006/countries/B.html

oil company and the leader in deep water oil exploration, had gross operating revenues of about US$88 million (R$ 179 million) and a net income of almost US$12 million (R$ 24 million) in 2005 (Petrobras Website 2007).

The company's international activities are spread over four continents and 26 countries, among them representative offices in New York, Houston, Tokyo, London, Beijing and Singapore. With more than one hundred self-owned production platforms it has a production capacity of 2.1 million barrel per day, which covers the estimated energy need of between 1.85 and 1.9 million barrel per day of all of Brazil (Hoffmann 2006). Moreover, Petrobras acts in almost all South American countries and Mexico, with investments in Latin America increasing yearly. In Bolivia, for example, the company has invested more than US$ 1.6 billion since 1996, in 2004 controlled 25% of the Bolivian fuel market and thereby effectively controlled 20% of Bolivia's GDP (Zebichi 2006a: 3). Apart from its achievements to lead Brazil away from almost complete oil dependence in the 1950s to self-sufficiency since 2006, as well as its financial successes in the last twenty years, the company is the first Latin American corporation to become a member of the United Nations Global Compact in 2003. Membership in the Global Compact requires the incorporation of the Compact's principles into management practices, such as the protection and promotion of human rights, the elimination of forced and child labour as well as discrimination in the work place, the promotion of environmental responsibility and encouragement of environmentally friendly technologies, and the fight against all forms of corruption including extortion and bribery (Petrobras 2006: 22). In terms of economic performance, and taking into account the global trend towards the promotion of corporate social responsibility, Petrobras has thus managed to fully integrate itself into the structure of the global economy.

Moreover, with Brazil being the world leader in the use of ethanol as an alternative fuel and the increasing demand for more environmentally friendly fuels and renewable energy resources, a great potential for the increasing influence of Brazil in the alternative energy sector is being created. Brazil already introduced ethanol-driven cars in 1975 after the first oil price shock and today 80% of the cars made in Brazil have flexi fuel engines which run on either petrol or ethanol or a combination of both (Viswanathan 2007). The increasing international demand for more environmentally friendly fuels fits well with Brazil's great capacity to produce ethanol. Brazil is the largest sugar cane producer in the world with a production of

460 million tonnes in 2006, 55% of which is directly converted into alcohol. Moreover, whereas corn-based ethanol produces only 30% more energy than is required to produce it, ethanol produced from sugarcane generates 8.3 times more energy than is required to produce it and, apart from that, also produces less carbon-dioxide than its corn-based counterpart (Caesar *et al.* 2007: 53). If a McKinsey study on ethanol usage is to be believed, global exports of fuel ethanol will be at a minimum of 50 billion litres with the potential of up to 200 billion litres in 2020 (in Viswanathan 2007). This, as Viswanathan (2007) highlights, provides a 'golden opportunity' for Brazil, which is already trying to position itself as the "Saudi Arabia of fuel ethanol".

Overall, it can be argued that the Brazilian economy has been integrating into the global economy on increasingly advantageous terms. Although the country's international trade competitiveness is still meagre, with its export shares in the global economy having increased from 0.92% in 1995 to only 1.14% in 2006 (SECEX 2007: 26), competitiveness has still increased six places from 49th place in 2007 to 43rd place in 2008 on the IMD's[16] *World Competitiveness Scoreboard*, which lists the 55 most competitive economies in the world (IMD 2008: 13). According to Stephane Garelli, professor at IMD and responsible for the study, Brazil's increasing competitiveness derives from a reduction of public debt and an overall stabilisation of the economy which has improved business confidence and increased investment. However, the most important factor, argues Garelli, has been the Brazilian economy's resistance to international turbulence, principally the economic downturn and, more recently, the real estate crisis in the United States (quoted in *Estado de São Paulo* 2008b). Seth Waugh, President of Deutsche Bank in the Americas, also pointed to Brazil's increasing resistance to international economic crises, arguing that "Brazil has turned into a globalised economy, it is less dependent on the USA" (quoted in *Estado de São Paulo* 2008a). It can thus be argued that the Brazilian economy has developed to the extent that has allowed the integration into the global political economy on increasingly advantageous terms. Whether this then also translated into a degree of economic weight can only be answered once we have

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[16] IMD, based in Lausanne, Switzerland, is described as one of the leading business schools world-wide. For more information see http://www.imd.ch/index.cfm

looked in more detail at Brazilian strategies and initiatives in regional, hemispheric and multilateral economic forums.

Also, it remains to be mentioned that many problems still persist in Brazil that limit the economy's deeper insertion into the global economy and that ultimately differentiate the Brazilian economy from those of North America and Europe. Although average wages have increased, a sign of the increasing productivity of the Brazilian economy, unemployment, poverty and inequality remain high and solutions to these problems are slow in coming. According to Rezende (1998: 568), incomes in São Paulo from 1993 to 1996 increased by 22% in real terms. While real wages declined again in 2002 due to sluggish economic growth (WTO 2004: 4), average wages again increased by 7.5% between 2003 and 2007 from R$1079.55 in 2003 to R$1162.19 in 2007 (IBGE 2008). Nevertheless, unemployment figures are still high, with a rise from 6.4% in 2003 to 12.3% in 2004, which corresponds to the economic downturn at the time, and a still high number of 9.6% in 2007 (CIA 2007). Also, poverty and inequality are among the highest in Brazil. According to the World Bank's *World Development Indicators* more than 22% of Brazilians were under the international poverty line in 2001, compared to 14.3% in Argentina in the same year and 9.6% in Chile in 2000 (World Bank 2005a). The regional differences within Brazil exacerbated this number. In rural areas more than 50% of the population was under the national poverty line in 1998, compared to a little more than 14% in urban areas (World Bank 2005a). Added to the already high level of poverty is one of the highest income inequalities in the world. In 2005 Brazil ranked 7th on the international *Gini Index* list and Guatemala was the only Latin American country with a slightly higher income inequality (59.9) compared to Brazil (59.3) (World Bank 2005b). The richest twenty percent of the population received more than 60% of national per capita income, whereas the poorest twenty received only 2.4% (World Bank 2005b). This means that the richest twenty earned about 30 times more than the poorest. This inequality is again reproduced across regions. In 1999, the nine states of the north-east made up 28% of the population, however contributed only 13% of GDP and 10% of social security contributions, whereas the four south-eastern states, which made up 43% of the population, generated two-thirds of social security contributions and close to three-fifths of GDP (Hagopian 2003: 15).

Coupled to these problems is the country's high public debt. While external debt has been reduced, public debt was at about 55% of GDP in 2003 (WTO 2004:

1). This is problematic as large public debt does not only generate risk expectations that impact on capital flow and drives up interest rates, but also limits the government's investment capacity, thereby increasing the reliance on private investment to stimulate growth and productivity increases (WTO 2004: 1). Also, it limits the government's capacity to introduce programmes that would abate the above outlined problems of poverty and inequality. Thus, as the IMD points out in its study on competitiveness, Brazil should use earnings generated from its new oil reserves to correct the country's social problems (in *Estado de São Paulo* 2008).

Apart from these social problems, more practical issues also hinder an increase in international competitiveness. Procedures for starting a business are very time consuming in Brazil. For example, as Paulo Furquim de Azevedo points out, the Brazilian business environment is not very favourable to franchise businesses. The low number of franchises in Brazil is the result of the legal difficulties attached to the opening of such businesses. Government regulations are not always in tune with business practices and it is almost impossible to get a long-term loan for business start-ups as only the BNDES (*Banco Nacional de Desenvolvimento Econômico e Social* – National Economic and Social Development Bank) gives out long-term loans, but this only for government projects.[17] The World Bank's report *Doing Business in Brazil* (2006: 1) underpins Furquim's statements, arguing that start-up procedures are "confusing, time consuming and expensive". In a ranking of how easy it is to do business, Brazil came out at only 119 of 155 countries and way behind some other emerging market economies such as South Africa (29), Mexico (73), Russia (79) and India (116) (World Bank 2006: 1). These figures get even worse when broken up into the time it takes to open a business in the different Brazilian states. In the state of São Paulo, the country's business centre and 'motor' of the Brazilian economy, it takes 152 days to open a business, compared to 19 days in the neighbouring state Minas Gerais, which has the consequence that São Paulo ranks only 149 out of 155 economies on the time it takes to start a business (World Bank 2006: 2).

Moreover, the difficulty of opening a business is also partly to blame for the great informal workforce. According to the Brazilian 8 o'clock news *Jornal Nacional* (24.04.2007) of the TV channel *Globo* more than 10 million businesses and

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[17] Personal interview with Paulo Furquim de Azevedo, Ministry of Justice, 22.12.2006

almost 14 million persons are not formally registered. This means that between 2002 and 2003, 42% of Brazil's output derived from the informal workforce (World Bank 2006: 3). This is problematic not only in terms of tax income, but also in terms of the informal businesses' ability to get credit, make use of utility services and therefore to compete with the formal sector (World Bank 2006: 3). Brazilian economist José Márcio Camárgo argues that the inability of informal businesses to grow and compete with the formal sector is not only problematic for these businesses themselves, but also holds back the growth of the whole economy, which consequently leads to low levels of competitiveness, especially at the international level (in *Jornal Nacional* 24.04.2007).

The problem with the low level of international competitiveness can have future consequences for Brazil's increasingly strong economic position within the region. While deregulation, privatisation and trade liberalisation are important factors, they are not sufficient in an era of globalisation where greater emphasis is being placed on the quality of the workforce, which will have to be able to move forward its specific knowledge in line with technological advances. This will require greater investment in quality education, research and development and high-tech technology, which is a great challenge for a country which has a still startling income inequality and more than 19 million illiterate adults (Sangmeister 2002: 54). Due to the dependence on external financing of projects to combat these domestic problems, Brazil will remain dependent in the medium term on foreign capital. This consequently means being dependent on the United States, which is the largest investor country in Brazil, accounting for an average 21.5% of total investment between 1996 and 2005 (ECLAC 2006b: 38). Brazilian policymakers have opted for regional integration in the form of Mercosul to increase the market for FDI and have thereby tried to address persisting internal problems such as high inequality, poverty and resulting violence. However, prevailing internal problems and low international competitiveness mean that financial resources remain limited in terms of using existing assets for regional integration projects.

As already mentioned, the question of whether Brazilian material capabilities have developed on terms which have allowed a degree of influence in the global economy can only be fully answered once we have analysed in detail Brazil's economic strategies and initiatives and its status as a regional power. However, what could be detected from the above discussion on the many positive developments was

that the Brazilian economy has indeed been able to integrate into the global economy on increasingly advantageous terms. Despite these advanced, however, it was also necessary to point out the many remaining obstacles, such as poverty and inequality, as well as more practical hindrances, which are the result of unfavourable government regulation and high interest rates and not only deter an increase in the low levels of international competitiveness, but also influence economic policymaking beyond the national level. This will become especially clear in the following section, where the analysis shows that Brazilian strategy formulations are always closely tied to and reflect the national interest, even when certain initiatives, such as the Mercosul Structural Convergence Fund FOCEM (*Fundo para a Convergência Estrutural e Fortalecimento das Instituições do Mercosul*), seem to suggest a strong sense of moral responsibility towards the Mercosul members. One important reason for this 'lack' of moral responsibility towards the regional neighbours is not necessarily the missing social democratic tradition in Brazilian politics, although this certainly contributes to the unwillingness to absorb the costs of regional integration, but the remaining socioeconomic problems at the domestic level and the subsequent lack of institutional, as well as material, capabilities that would allow for greater investments in regional economic integration. An awareness of the domestic realities thus provides one important explanatory factor for the choice of those economic strategies and initiatives discussed in the rest of this chapter.

Structural adjustment funds and infrastructure projects: Solidarity or national interest?

The question to be answered here is to what extent Brazil's economic policy formulations are influenced by a sense of moral or ethical obligations towards the international community. This will be done by first looking at Brazilian ideas and rhetoric with regard to regional economic integration, and then by looking in more detail at the reasons behind the FOCEM initiative and physical integration in South America and its underpinnings through the Initiative on Regional Infrastructure for South America (IIRSA).

As the ongoing discussion below will highlight, the ideas and rhetoric about the importance of regional economic and political integration, and the actual projects which mostly focus on infrastructure integration, do in most part not 'match' initial

perceptions about Brazilian economic diplomacy being increasingly infused by a sense of moral responsibility towards the region. This is not to suggest that economic policy formulations do not include any sense of solidarity towards the international and regional community. Indeed, the discourse on development and its projection to the multilateral level has been part of Brazilian strategies since the creation of the GATT and subsequently a sense of solidarity with other developing countries has been part of Brazilian foreign policy for many decades, also in the Cardoso administration. Yet, with Lula as President south-south relations and the discourse on development and the negative power imbalances at the global level between developed and developing countries have again become more prevalent in Brazilian foreign policy. As Burges (2005: 1134) argues, Lula has created a conceptual agenda that explicitly questions the division between 'developed' and 'developing' and subsequently aims at reframing the development dichotomy. Despite criticisms from the Brazilian opposition, which has referred to the renewal of south-south relations and the discourse on development as a return to a 'Third World' mentality (Vigevani and Cepaluni 2007: 1315)[18], the Lula administration has received widespread support from epistemic communities in both industrialised and developing countries.

The articulation of this renewed development discourse in the contexts of democracy and globalisation (Vigevani and Cepaluni 2007: 1315) has moreover led to hypotheses about Brazil's new role being characterised by an acceptance of greater responsibilities in security issues, humanitarian assistance and development cooperation with less developed countries that would demand greater financial and humanitarian involvement at the bilateral, regional and international levels (Almeida 2004b: 166). Such assumptions are further pushed by Lula's *Zero Fome* (Zero Hunger) project in Brazil and his financial donations to the UN Fund Against Hunger and Poverty. During his discourse at the meeting of the UN General Assembly in September 2003 he emphasised that, although the problem of hunger was still prevalent in Brazil, there were countries in much worse situations that also needed help (Lula da Silva 25.09.2003). The President's discourse on development and his more assertive and active stance in seeing his policies implemented could thus be viewed as a project infused by a sense of ethical or moral responsibility. Indeed, as

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[18] Criticisms on the intensification of south-south relations, especially with regard to trade, were voiced during a number of personal interviews: Fabio Rua, 25.07.2005; Fernando Furlan, 11.08.2005; Carlos Pio, 19.08.2005; Eduardo Viola, 02.09.2005; Brazilian industry representative, Septermber 2005; Rubens Barbosa, 26.09.2005

one interviewee put it, development is an ethical subject[19] and therefore renewed efforts towards regional integration on the basis of a structural convergence fund in the Mercosul and infrastructure projects at the wider South American level might indeed at first view suggest a foreign policy infused by a sense of moral responsibility towards regional partners.

However, looking more closely at the nature of infrastructure projects shows that they are promoted and implemented by the Brazilian government in a way that reflects not only long-term goals but also satisfies short-term interests. Thus, Brazilian acts of solidarity should be understood as closely linked to the national interest, and not as expressions of an economic diplomacy that is guided by a sense of moral responsibility towards the region. As one interviewee pointed out, Brazil's sense of moral responsibility towards the international and regional community, while not absent, is always closely tied to and reflects the national interest and therefore rather echoes a convergence between national interest and benefits for the region.[20]

Renewed Mercosul integration and FOCEM

After deteriorating relations with the Mercosul partners had led to stagnation and increasing fragility of the Mercosul, the newly inaugurated Lula administration placed renewed emphasis on regional integration, both in the Mercosul and in the wider context of South America. As Foreign Minister Celso Amorim highlighted during his inauguration speech, "In the Lula government, South America will be our priority" (01.01.2003). This renewed commitment to South America was to be based on the reinforcement and establishment of new political institutions and greater cooperation in the areas of education and culture, free movement of people, and also financial and monetary aspects that promote the integration process. In terms of the wider region, deeper integration with the South American partners was seen as essential in the most diverse areas, but especially with regard to the formation of a unified economic space based on free trade and infrastructure projects that would improve the continent's connectedness (Amorim 01.01.2003).

With regard to renewed Mercosul integration, first steps were made during the Common Market Council Summit in Asunción in June 2003. The Lula

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[19] Personal interview with Brazilian government employee, December 2006
[20] Personal interview with Brazilian government employee, December 2006

administration put forward a proposal called 'Objective 2006', which included five elements aimed at reinforcing regional integration by the end of 2006, namely 1.) a Political, Social and Cultural Programme, 2.) a Customs Union Programme, 3.) a Base Programme for a Common Market, 4.) a New Integration Program and 5.) a Border Integration Programme (IDB 2003: 2). This renewed Brazilian commitment to the revival of the integration process subsequently led to the proposition of the Mercosul Structural Convergence Fund, FOCEM, in 2005 and the ratification of such in December 2006. FOCEM is aimed at the promotion of the structural adjustment of the Mercosul members in the form of structural convergence, the development of greater competitiveness, greater social cohesion and the strengthening of Mercosul institutions. With a yearly budget of US$ 100 million, which comes from annual non-reimbursable contributions of the member countries – Brazil contributes 70%, Argentina 27%, Uruguay 3% and Paraguay 1% – goes in great part to Paraguay and Uruguay, which receive 48% and 32% respectively, whereas Argentina and Brazil receive 10% each (Mercosul/CMC/No. 18/05). In the same vein, a protocol for the creation of a Mercosul Parliament was approved to commence at the end of 2006 with a transition period leading up to common elections for deputies by the beginning of 2015 (*Agência Senado* 2006).

As Amorim (28.08.2007) argued, the creation of FOCEM is 'emblematic of a paradigmatic shift in the handling of regional integration' and based on realisations that Brazil's development cannot be successful without the well-being of the region in which the country is embedded (Amorim 28.08.2007).[21] However, the creation of FOCEM can also be seen as a mere response to repeating complaints from the two smaller members that Brazil and Argentina were taking advantage of the Mercosul agreement[22], and in the case of Uruguay the threat to leave the Mercosul in pursuit of a free trade agreement with the United States (see also *Agência Brasil* 2006). In this light, the initiation of FOCEM would be a reaction to fears of a possible dissolution of the Mercosul, which would endanger wider regional integration in the form of the CSAN and the physical regional integration projects based on infrastructural improvements.

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[21] This view was also echoed during a personal interview with a senior Brazilian government employee, December 2006

[22] Personal interview with Brazilian government employee, December 2006

Physical integration in South America: The IIRSA and BNDES

As mentioned in chapter 2, the CSAN (now Unasul) was based on initiatives first introduced by President Cardoso at the Brasília Summit in 2000, which was held against the backdrop of the 500 year celebration of Brazil's discovery and for the first time united all South American Presidents. The summit's purpose was the establishment of South America as a coherent political and economic unit that would potentially lead to the establishment of SAFTA. Despite intentions to create a free trade area between the Mercosul and CAN by January 2002, difficulties between Argentina and Brazil during the negotiation process delayed the signing of the Economic Complementation Agreement No. 59 between Mercosul and Colombia, Ecuador and Venezuela until December 2003, and its registration by LAIA until October 2004.

The Economic Complementation Agreement, which also provided the basis for the creation of the CSAN, aims for deeper regional integration through the creation of a free trade area, the adjustment of asymmetries between the member countries, the development and use of physical infrastructure with emphasis on the creation of 'corridors of integration', as well as scientific, technical and energy cooperation (Article 1). The adjustment of structural asymmetries between the member countries is handled through gradual tariff reductions for products of each individual country. Overall, there are 67 different chronograms, 26 of which concern the definition of tariffs between Brazil and other countries. For example, Brazil has agreed to total liberalisation of a number of its products within four years in exchange for six years in the case of Venezuela and Colombia and eight against twelve years with the remaining Andean countries (see Pereira 2006: 3).

The different timeframe for liberalisation creates asymmetries in the access to markets, especially for Brazil. Indeed, a 2004 CNI study found that 42.9% of products imported from Colombia, 80.9% of imports from Venezuela, 93.9% from Ecuador and 96.1% from Peru would obtain free access to the Brazilian market either immediately or within one year, whereas free access for Brazilian exports would encompass only 24.2% of all exports to Colombia, 14.1% to Venezuela, 17.4% to Ecuador and a mere 2.4% to Peru (cited in Pereira 2006: 3). Short- to medium term economic gains thus remain rather limited for Brazil, which has been amply criticised by the Brazilian business community (see *Estado de São Paulo* 24.10.2004; Markwald 2005: 27). Brazil's conscious renunciation of immediate economic gains

in exchange for a more harmonious integration process does indeed suggest a high degree of solidarity towards the well-being of regional neighbours. Yet, despite ideas about the benefits of collective economic growth having their validity and certainly forming part of Brazil's economic policymaking, such concessions must be understood in relation to the long-term benefits achieved by physically integrating the region, and also by the way in which infrastructure projects are allocated and executed.

IIRSA was also introduced at the Brasília Summit to support regional integration by overcoming the 'physical, statutory and social barriers' that hinder the efficient flow of goods in South America. Initially, more than 300 infrastructure projects of a budget of more than US$ 37 billion were identified and were aimed at the construction of highways, bridges, waterways and of interconnections in energy and communications. For ease of allocation ten 'development and integration hubs' (*Ejes* in Spanish) have been identified that encompass several countries. These are the Andean Hub, Peru-Brazil-Bolivia Hub, Capricorn Hub, Paraguay-Paraná Waterway Hub, South-Andean Hub, Guyanese Shield Hub, Amazon Hub, Central Inter-Oceanic Hub, Mercosul-Chile Hub, and the Southern Hub (see illustration 3.1). The projects are financed by the Inter-American Development Bank (IDB), the Andean Promotional Corporation (CAF), and the Financial Fund for the Development of the Rio de la Plata Basin (FONPLATA).

With the creation of the CSAN the IIRSA was brought under the umbrella of the new institution and a new portfolio, referred to as the 'Implementation Agenda based on Consensus 2005-2010', was introduced and ratified at the end of 2004. The new Implementation Agenda identifies a portfolio of more than 500 projects in the areas of transport, energy and communications. They are grouped in 46 different Project Groups and comprise an estimated investment of US$68 billion (IIRSA 2004). Moreover, the twelve member countries included into the Implementation Agenda a selection of 31 'high-impact' projects that demand priority in short-term funding and execution and represent an estimated investment of about US$6.9 billion (IIRSA 2004). These 31 'high-impact' projects are situated in eight of the ten identified hubs.

Ill. 3.1: Map of South American Development and Integration Hubs Identified by IIRSA
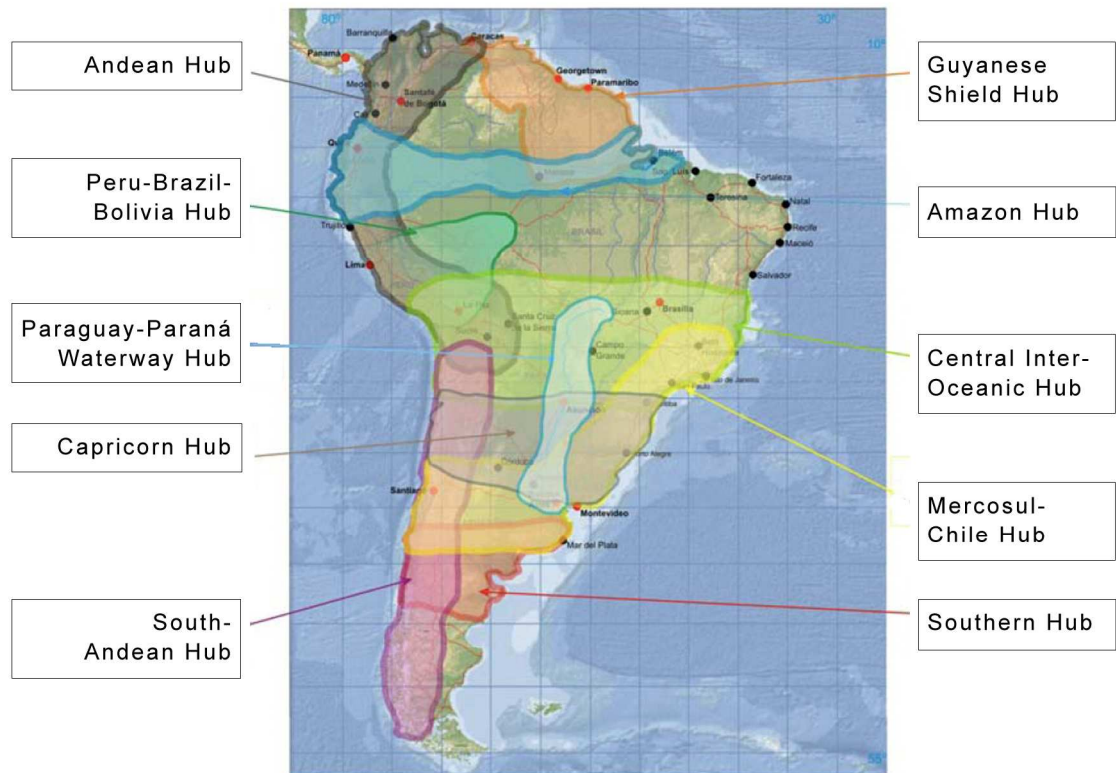
Source: IIRSA

Although IIRSA without doubt brings benefits to all countries in South America overall, the effects on each country are different and it is therefore possible to identify what Zebichi (2006b: 5) refers to as 'winners' and 'losers' in terms of benefits and damages generated by the infrastructure projects. Bolivia, for example, is the principal country for building highways and bridges that will connect the Atlantic with the Pacific. As Zebichi points out, the location of the highways to be built will connect the country's hydrocarbon reserves to global markets but at the same time leaves many other regions completely isolated. Moreover, the Santa Cruz-Puerto Suárez project will lead highways directly through indigenous land, thereby displacing and excluding indigenous communities. According to Pereyra of FOBOMADE, the IIRSA projects thus make of Bolivia a mere 'transit' country and a provider of energy (quoted in *ALAI* 2008).

In contrast to Bolivia, Brazil is one of the principal beneficiaries. Especially the Amazon region, which covers three different development and integration hubs, benefits from the infrastructure projects. Also, of the 31 'high-impact' projects, 15

include constructions in Brazil. The country will benefit especially with regard to the easier access it will gain to the Pacific and subsequently to the Asian markets, which are becoming more and more important for Brazilian exports (*ALAI* 2008). The way in which IIRSA operates thus reflects Brazilian intentions to increase the region's export-oriented infrastructure (Gudynas 2005; see also Zebichi 2006b: 5) in the belief of Brazilian policymakers that the country's international competitiveness depends on South American integration (Silva 2004: 62). According to Magnólia Said, President of *Esplar*, a Brazilian non-governmental organisation, Brazil is using its economic and political weight to "impose" the infrastructure projects on the other countries. In his words: "Brazil acts with the coldness of a negotiator in defence of his sub-imperial interests…"[23] (own translation – quoted in *ALAI* 2008).

Nogueira (2008: 5) tries to dampen such critiques by arguing that Brazil's great influence over the actions of IIRSA is quite understandable when taking into account the country's position in the region. In her words: "When considering that Brazil occupies almost half of the territory, holds more than half the population and has the highest GDP in the region, one would not expect another attitude of the government other than taking on greater responsibility for the project" [24] (own translation). She also highlights that all projects of which Brazil is part are in most part financed by the BNDES, seemingly suggesting that this justifies Brazil's influential role in IIRSA. Yet, it is exactly the Brazilian government's conscious effort at positioning the BNDES as one of the principal financiers of infrastructure projects that allows it for greater influence in the allocation and execution of IIRSA projects (see Silva 2004: 1).

Changes to the terms of the Loans and Security Agreement (EXIM Program) in 1996 enabled the BNDES to offer export financing to all Brazilian sectors, which has led to the financing of high-budget projects such as the US$1.5 billion construction contract with the Venezuelan state oil company PDVSA, for example (Burges 2004: 207). The BNDES export financing programme has benefited particularly the development of Brazilian multinational corporations, which are the principal actors in the implementation of IIRSA (*ALAI* 2008, Zebichi 2006). Former

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[23] The original reads: "O Brasil age com a frieza de um negociador, na defesa de seus interesses de sub-império...".

[24] The original reads: "pois quando consideramos que o brasil ocupa quasi metade do território, abriga mais da metade da população e detém o maior PIB da região, não se espera outra atitude to Estado, se não tomar para si uma maior responsabilidade sobre a iniciativa".

BNDES President Guido Mantega argued in an interview given to the Council of the Americas in March 2006 that the BNDES was mainly concerned with financing power plants, gas pipelines, airports, railways, subways and highway projects, and that these projects were solicited to Brazilian construction firms, even when projects were based abroad, as they had the best expertise and technological know-how. Thus, the Brazilian economy is the main beneficiary throughout the duration of IIRSA projects and in the long-term through improved access to the Pacific, Central America and the Southern Cone.

In sum, the conscious efforts by Brazilian elites to position the country as one of the main executors of the IIRSA suggests that, despite taking on some short-term 'sacrifices' in the form of FOCEM and the different liberalisation stages in the CSAN, these are balanced out quickly by the advantages the country gains with both the implementation of construction works by Brazilian engineering firms and the long-term gains of improved transportation routes throughout South America for easy access to the Asian markets. In the Brazilian government the view that Brazil is merely pursuing its national interest is generally negated, arguing that there is clearly a conversion between national and regional interests[25] and that wider regional integration is not aimed at Brazilian 'expansion', or to provide a more favourable global position for Brazil[26], but rather to strengthen the region as a whole through infrastructure improvements and the move to energy self-reliance.[27]

Other interviewees, however, pointed out that regional and national interests did not converge, mainly due to the remaining structural asymmetries between Brazil and the other South American countries.[28] Also, the regional trade agenda promoted by Brazil has not been very successful mainly because the Brazilian government has failed to take into consideration that the other countries in the region have very different trade strategies and priorities.[29] Thus, the convergence between national and regional interests remains highly abstract and might reflect the government's long-

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[25] Personal interview with Brazilian government employee, August 2005
[26] Personal interview with Brazilian government employee, August 2005
[27] Personal interview with Rubens Barbosa, 26.09.2005
[28] Personal interview with Barbara Rosenberg, 01.09.2005; similar views were expressed during a personal interview with a Brazilian government employee, December 2006, and during a personal interview with Paulo Furquim de Azevedo, 22.12.2006
[29] Personal interview with Brazilian industry representative, September 2005; a similar view was expressed during a personal interview with Ricardo Markwald, 30.09.2005

term vision rather than realities. As one government official pointed out, Brazilian strategies for regional integration do have concrete benefits for all countries involved, however, not all members of the region also see it this way.[30]

Overall, it can thus be argued that Brazil's economic strategies and initiatives do include a great sense of solidarity with other 'developing' countries, both at the international and the regional level. However, this solidarity does not translate into a sense of responsibility as would be expected to be part of middle power behaviour. This becomes particularly noticeable when looking at the lack of concrete plans on social objectives such as poverty reduction in the CSAN agreement (Gudynas 2005) and the country's lacking willingness to accommodate and negotiate with its regional neighbours[31] and to absorb the costs necessary for successfully pursuing the integration project. As Burges (2005: 451) points out with indirect reference to Brazil, regionalism is not only about economic growth but also about using a collective body to advance national interests. It can thus be argued that the hypothesis that the behaviour of emerging powers is not guided by the same sense of responsibility as that of the traditional middle powers can be confirmed in the case of Brazilian economic strategies and initiatives for the South American region.

Brazilian strategies in the FTAA and WTO negotiations

The question to be discussed here is whether Brazil's economic strategies and initiatives have a 'reforming' character, or in other words, to what extent they differ from the prevailing strategies advocated by the United States. This will be done by looking more closely at Brazil's economic diplomacy in the FTAA and WTO negotiations, as well as its relations with 'non-traditional' trade partners or, in other words, its 'south-south' relations.

As mentioned in the previous section, a discourse on development has been part of Brazilian policymaking since the creation of the GATT in 1974. Already during the negotiations that were to create the International Trade Organisation, Brazil was adamant to lead the demands of many developing countries, which argue that the use of quantitative restrictions and the creation of preferential trade systems to promote industrialization should be allowed (Narlikar and Hurrell 2007: 3). These

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[30] Personal interview with Brazilian government employee, December 2006
[31] Personal interview with Brazilian industry representative, September 2005

demands, Narlikar and Hurrell (2007: 3) point out, persisted with the creation of the GATT, where Brazil, together with India, continued to represent the demands of developing countries and pushed to see the introduction of development issues onto the GATT agenda. Taking this long-standing position into consideration, it is not surprising that Brazilian negotiation strategies at both the multilateral and hemispheric level can be characterised by what Jordaan (2003) refers to as a 'reforming' quality, especially with regard to Brazilian tactics in multilateral negotiations over agriculture. In the FTAA negotiations, such 'reforming' strategies have even partly led to the overall stalling of negotiations. A word of differentiation is, however, necessary here before outlining in more detail Brazilian negotiation strategies in the FTAA and the WTO. Suggesting that Brazilian negotiation strategies have a strong 'reforming' character is not to imply that Brazilian negotiators are generally against any suggestions or demands made by the United States or the European Union, or indeed that they represent a completely opposite view to a liberal international trade structure. Rather, the 'reforming' character of Brazilian negotiation strategies should be understood more in the sense of wanting to 'improve' the prevailing trade structure for the participation of Brazil and other developing countries.

Brazilian strategies in FTAA negotiations

"The FTAA is not a destiny, but an option", were Brazilian foreign minister Celso Lafer's words after the sixth FTAA Ministerial meeting in Buenos Aires in April 2001, where Brazilian negotiators succeeded to keep the completion date for FTAA negotiations for January 2005, and not as the US had proposed, for 2003 (*Gazeta Mercantil* 2001). Lafer's words sum up quite well the Brazilian government's attitude to an FTAA, which has been marked by difficulties between Brazil and the US in finding any agreement on the negotiation practices and content since trade talks began in 1995.

Problems in the FTAA negotiations mainly stem from the different issue areas the United States and Brazil have been trying to implement in an FTAA agreement, and the real and perceived disadvantages both countries would have if the interests of the other were integrated into the FTAA. The US proposal for an FTAA agreement has been modelled around the idea of integrating the so-called 'new' trade issues such as intellectual property, government procurement, competition policy and

investment rules, among others (Phillips 2004b: 184-205). Thus, the US has principally favoured an FTAA based on what is known as a 'WTO-plus arrangement' (Phillips 2004b: 184-205), which means that FTAA negotiations would go beyond WTO provisions in a range of areas such as extensive intellectual property and foreign investment rights. Advances in these areas would do away with national laws and practices and ultimately provide US corporations with the chance to take over foreign utilities in the broadest sense (Barry 2004: 4). At the same time, however, the US has been reluctant to revise its anti-dumping laws or alter its import restrictions for agricultural produce (Weintraub 2001).

Exactly for fear of limiting the state's capacity to formulate domestic policies the Brazilian government has refused to negotiate services, investment, intellectual property and government procurement at the FTAA level if no concessions were made in areas important to Brazil, such as greater market access for agricultural products, anti-dumping measures, non-tariff barriers and the elimination of agricultural subsidies (Barbosa 2004: 59; see also Bahadian and Lyrio 2005-6: 130). Indeed, the possibilities of losing the capacity to formulate policies and regulate the national economy would have consequences for Brazil's complex industry[32], some sectors (for example IT or chemicals) of which are not competitive enough to survive in the light of competition with the United States (Batista, quoted in *ISTOÉ* 2003). Added to Brazilian concerns over the incompatibility of the proposed FTAA agreement to realities of the Brazilian economy must be what Souto Maior (2001, in Veiga 2005: 4) refers to as a political rather than an economic threat, namely the perceived fear in Brazilian government circles leaning to the left that the FTAA would legitimise the pre-eminence of the United States in Latin America and therewith favour the prevalence of a unipolar world order (see also Albuquerque 2001: 14).

The conviction in foreign policymaking circles that Brazil could only lose out in an FTAA as it was proposed by the United States therefore led to a very defensive negotiation stance in the FTAA negotiations. While the defensive stance in the FTAA negotiations does not point as clearly to a 'reforming' character of Brazil's strategies, it is still possible to identify an emphasis in FTAA negotiations on issues such as agriculture, anti-dumping measures, subsidies and countervailing duties and

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[32] Personal interview with Amâncio de Oliveira, 21.07.2005

greater market access for agricultural produce, which is almost exactly the same emphasis as is being placed in WTO negotiations. The reason for this discrepancy between Brazil's far more offensive negotiation strategy in these areas at the WTO level, which will be discussed in more detail below, and the more defensive stance in FTAA negotiations, has much to do with the fact that in hemispheric negotiations Brazil is reliant on its Mercosul partners, especially Argentina, whereas at the multilateral level Brazil does not need to take into account the views of its Mercosul partners in the same way. At the multilateral level it is relatively easier to find a support base, considering the many members the WTO has, while finding and maintaining such a support base at the regional level is far more difficult.[33]

This very defensive negotiation stance was further based on a strategy of 'postponement'. As Albuquerque (2001: 15) points out, until the third Summit of the Americas in April 2001 this 'postponement' strategy manifested itself in the absence of Brazilian input on any of the topics treated during negotiations, or indeed the introduction of any proposal on alternative objectives or methods to those presented by the United States. Rather, Brazilian negotiators limited their strategies to strictly adhering to the chronological path of working through the individual topics to be negotiated, disqualifying any proposals or inclusions of themes whenever possible, and forming veto-coalitions.

Yet, contrary to criticism mainly from the part of US delegates (see Weintraub 2001), the strategy of postponement was not aimed at completely blocking negotiations. Rather, it was the view that an FTAA as it was proposed by the United States with its continuing refusal to guarantee limits in agricultural and exports subsidies, had nothing to offer for Brazil.[34] Thus, the Brazilian government did not oppose the establishment of the FTAA *per se*. This position was voiced very clearly by then President Cardoso at the Quebec Summit in 2001, where he argued that "the FTAA is welcome if its creation is a step towards access to bigger markets, if it is a path towards agreed rules on antidumping, if it reduces non-tariff barriers, if it avoids the protective distortion of sanitary rules, if, through the protection of intellectual property, it promotes society's technological capacity; and, apart from all

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[33] Personal interview with Tatiana Prazeres, 05.08 2005
[34] Personal interview with Barbara Rosenberg, 01.09.2005; Personal interview with senior Brazilian government employee

this, goes beyond the Uruguay Round [...] and corrects the current asymmetries, especially in the area of agriculture" (Cardoso 2006a: 623 – own translation)[35].

Despite Brazil's more proactive participation in the FTAA negotiations from the Quebec Summit onwards, possibilities for a positive outcome diminished in the course of 2002 when the US changed its negotiation tactics in two areas critical for Brazil. With regard to market access the US proposed bilateral offers to countries or groups of countries instead of the Most Favoured Nation principle (MFN). At the same time the US administration announced that it would take rules governing agricultural subsidies, trade remedies and export subsidies to be negotiated at the multilateral level, and thereby removed issue areas included in the original FTAA negotiating mandate (Barbosa 2003: 1019). In the eyes of Brazilian policymakers the US non-compliance with the original mandate had created an imbalance in negotiations (Barbosa 2003: 1019), which Brazil attempted to balance out by introducing what has often been referred to as the 'FTAA light' or 'FTAA à la Carte' (see for example Vigevani and Mariano 2004; Sangmeister and Río 2003).

At the Ministerial Summit in Miami in 2003 Brazil demanded a new negotiation framework where concession should be made by all participants in some core issue areas such as market access, lower tariffs and trade barriers, while other areas such as trade in services, intellectual property, investment and government procurement should only be adopted on a discretionary basis (Weintraub 2005). This effectively introduced a dual process within FTAA negotiations where participants could negotiate separately and beyond WTO rules on issues of their interest. At the same time, as a response to the US' removal of negotiations on export and agricultural subsidies to the WTO level, Brazilian negotiators insisted that negotiations on services, investment, intellectual property and government procurement would also be left to the multilateral level.

While the US accepted these demands and also the proposals for a new FTAA negotiation framework and some form of equilibrium seemed to have been re-established, this again changed very quickly during the meeting of vice ministers in Puebla in 2004, where the US, together with Mexico, Chile, Canada, Costa Rica and

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[35] The original reads: "A ALCA será bem-vinda se a sua criação for um passo para dar acesso aos mercados mais dinâmicos; se efetivamente for caminho para regras partilhadas sobre anit-dumping; se reduzir as barreiras não-tarifárias; se evitar a distorção protecionista das regras sanitárias; se, ao proteger a propriedade intelectual, vier a promover, ao mesmo tempo, a capacidade tecnológica de nosso povo. E, ademais, se for além da Rodada Uruguai [...] e corregir as assimetrias então cristalizadas, sobretudo na área agrícola."

other countries intended to revise the Miami Declaration by re-establishing some of the common rules as WTO-plus (Barbosa 2004: 57). This turn has been unacceptable for Brazil, which has led to the stalling of FTAA negotiations since 2004.[36] Although such an outcome might not be favourable for the viability of the FTAA, Brazil's staunch (and successful) refusal to unconditionally accept US proposals demonstrates that, while not as clearly as at the multilateral level, Brazilian strategies in FTAA negotiations have had a 'reforming' character in the sense that the emphasis on issue areas important to Brazil are closely linked to the idea of evening out the asymmetries between developed and developing countries.

Brazilian strategies in the WTO negotiations

While the Brazilian emphasis on seeing the demands of developing countries integrated into the multilateral trade agenda is not new, the negotiation tactics to achieve specific goals have changed from the Uruguay Round negotiations to the Doha Development Round which commenced in 2001. Whereas during the Uruguay Round Brazilian negotiators maintained a rather defensive stance, in the Doha Round this attitude changed to more offensive negotiation tactics in specific issue areas, particularly in agriculture. As the world's third largest and one of the most competitive exporters of agricultural produce (Jank and Tachinardi 2007: 4), Brazil promotes the large-scale liberalisation of agricultural laws, which includes the elimination of trade distorting domestic subsidies, the elimination of export subsidies and improved market access for agricultural products to developed countries. To secure the achievement of these goals, Brazil has further remained defensive in negotiations over services, Trade Related Investment Measures (TRIMs) and Intellectual Property Rights (IPR), which are all issue areas of particular interest to the United States and the EU. Since the commencement of the Doha Round, Brazilian negotiators have thus used an 'offensive-defensive' negotiation strategy to see their demands implemented. Some interviewees referred to this offensive-defensive strategy as a 'balancing act' where the developing countries would give in on issues important to the industrialised economies as soon as these conceded to the

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[36] This view was expressed by a number of interviewees: Rubens Barbosa, 26.09.2005; Amâncio de Oliveira, 21.07.2001; Mario Marconini, 29.07.2005; senior Brazilian government employee, August 2005; Barbara Rosenberg, 01.09.2005

demands of the developing countries.[37] This changed negotiation stance clearly reflected the realisation that Brazil's more defensive stance during the Uruguay Round was unsuccessful and its demands in agricultural negotiations were not met.[38]

Brazilian negotiators have further used this offensive-defensive strategy in combination with the creation of issue-specific coalitions, principally the G20. The G20 is a group of developing countries led by Brazil, India, China and South Africa with the "main objective to defend an outcome in the agricultural negotiations which would reflect the level of ambition of the Doha mandate and the interests of the developing countries" (G20 Website), which translates into demanding the elimination of trade-distorting subsidies in developed countries, greater market access, and the elimination of export subsidies. The group was put together in August 2003 – shortly before the fifth Ministerial Conference of the WTO was to take place in Cancun in September 2003 – after a joint statement by the US and EU was published about the modalities of negotiations in agriculture that considerably limited the incorporation of any of the demands uttered by Brazil and other developing counties. With the reform of the Common Agricultural Policy the EU thought it difficult to see large-scale eliminations in export subsidies and reductions in tariffs, while the US had just changed its modality on subsidies under the reformed *Farm Act*, both of which led to an extremely watered down compromise on agricultural liberalisation of the European and US markets (Polónia Rios 2003: 30). As a response, Brazil, in conjunction with the newly created G20, presented the *Agricultural Framework Proposal* (WT/MIN(3)/W/6) that reiterated the aforementioned demands on agricultural liberalisations. Moreover, the G20 members blocked the advancement on the so-called Singapore issues – investment, competition policy, government procurement and trade facilitation, which reflects Brazil's defensive negotiation stance as a 'balancing act'.

Despite fierce criticisms from the industrialised countries that Brazil was a 'spoiler' who worked against the interests of multilateral trade negotiations and has compromised the faith of major players (GTN 2004), the joint tactic of using an offensive-defensive strategy in conjunction with the G20 has been maintained. Indeed, during the interviews some Brazilian government officials felt quite strongly

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[37] Personal interviews with André Nassar, 20.07.2005; senior Brazilian government employee, August 2005; Barbara Rosenberg, 01.09.2005; Brazilian industry representative September 2005
[38] Personal interview with Rabih Nasser, 19.07.2005

about the offensive-defensive strategy, arguing that the industrialised countries were far more protectionist than developing countries and not taking negotiations seriously. For example, it was pointed out that import tariffs were much higher in the industrialised than in the developing countries, but still developing countries were requested to lower their tariffs.[39] Also, the differences in number and expertise of the trade teams of the developing countries and the industrialised countries was pointed out as unfair, highlighting that the Brazilian negotiation team was comprised of around 40 members, whereas the US and EU presented about 300 specialists each.[40] Moreover, as Rosenberg pointed out, even the Singapore issues would be accepted by Brazil if there was progress on agricultural issues, thereby making Brazil's defensive negotiation stance on the Singapore issues rhetorical, rather than a sign of Brazil's general unwillingness to negotiate these issue areas.[41]

Further, the Brazilian government's increasing use of technical support during trade negotiations, and the actual presence of technical experts in agriculture during negotiations, has also transformed Brazil into one of the 'savviest' negotiators among the G20 members.[42] Albeit still small compared to the industrialised countries, Brazil has the greatest number of negotiators from all developing countries[43] and it is the only country in the G20 that has a technical support team for agricultural issues.[44] This technical support team comes from the non-profit organisation ICONE (*Instituto de Estudos do Comércio e Negociações Internacionais*), which provides studies and policy proposals to the Brazilian government that are taken as a basis for policy proposals in the G20. Although keen to point out that leadership in the G20 was rhetorically shared with Argentina, India, South Africa and China, Nassar thought that such technical expertise in the area of agriculture has actually led to a *de facto* leadership position of Brazil within the G20. This becomes most prominent when taking into account that Brazilian delegates are generally the ones to set up meetings and ensure the continuing dialogue within the group, and also because Brazilian proposals have usually been welcomed by the other G20 members.[45]

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[39] Personal interview with senior Brazilian government employee, August 2005
[40] Personal interview with senior Brazilian government employee, August 2005
[41] Personal interview, 01.09.2005
[42] Personal interviews with Rabih Nasser, 19.07.2005; Ricardo Markwald, 30.09.2005
[43] Personal interview with Rabih Nasser, 19.07.2005
[44] Personal interview with André Nassar, 20.07.2005
[45] Personal interview with André Nassar, 20.07.2005

Other interviewees saw Brazil's leadership position in the G20, and generally its more prominent position at the WTO level, to derive mainly form its long-standing experience of GATT and WTO negotiations that had made Brazilian negotiators less timid to voice opinions, defend the country's interests, and to 'sometimes be a little unaccommodating'.[46] Marconini also argues that the country's leadership position in the G20 derived from Brazilian negotiators' willingness to voice their opinions, especially when contrasting this to other negotiating teams which still shied away from voicing their opinions in a more audible manner in the fear of closing their options to potential bilateral trade agreements with disgruntled parties.[47] The success of this more assertive approach of Brazilian negotiators is most apparent in the increasingly successful use of the WTO Dispute Settlement Mechanism (DSM). According to Narlikar and Hurrell (2007: 9), the growing use of the DSM is a sign of Brazil's increasingly proactive participation in trade negotiations and reflects the increasing familiarity and skill in dealing with the institution and using it to its advantage.

Since the creation of the WTO in 1995, Brazil has brought more than 20 cases to the Dispute Settlement Body as a complainant. Albeit still a small number in comparison to those cases filed by the EU and US it is still the highest number among developing countries[48] and comparable to those filed by many developed countries such as Canada and Australia (Narlikar and Hurrell 2007: 9). More important for Brazilian negotiators, however, has not been the number of complaints filed, but the several successful complaints against protectionist measures in the United States and the EU.[49] For example, Brazil filed a complaint against the United States in September 2002, arguing that the US government provided prohibited subsidies to producers and exporters of upland cotton. Despite US appeals against first Dispute Settlement Body (DSB) findings circulated in September 2004 that confirmed Brazil's accusations, the WTO ruled in March 2005 that it would uphold its findings as correct and obliged the US to comply with WTO rules by July 2005 (WTO Dispute DS267). Also, in September 2001 Brazil, together with Australia and Thailand, filed a complaint against the European Union, claiming that the EU

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[46] Personal interviews with senior Brazilian government employee, August 2005; Brazilian government employees, December 2006
[47] Personal interview with Mário Marconini, 29.07.2005
[48] Personal interview with Brazilian government employee, December 2006
[49] Personal interview with Brazilian government employees, August 2005

provided subsidies to sugar producers and exporters in excess of the allowed concessions. The DSB Panel concluded in October 2004 that "the European Communities, through its sugar regime, had acted inconsistently with its obligations under Articles 3.3 and 8 of the Agreement on Agriculture, by providing export subsidies within the meaning of Article 9.1(a) and (c) of the Agreement on Agriculture in excess of the quantity commitment level and the budgetary outlay commitment level specified in Section II, Part IV of Schedule CXL" (WTO Dispute DS266).

Although such victories do more for the morale in the Brazilian trade team than leading to real changes in the negotiations framework[50], Brazil has still been able to make successful use of the DSB against the most powerful parties in the WTO negotiations, the US and the EU, and has therewith demonstrated its increasingly strong negotiation stance. As Brazilian Foreign Minister Amorim argued shortly after the WTO rule against US cotton subsidies, the WTO decision took away some of the richer countries' bargaining power (quoted in Vigevani and Mariano 2004: 51). With such victories, Brazil did therefore not only demonstrate that the trade dispute settlement mechanism can also work for developing countries, but more importantly that such victories, at least to a small extent, are beginning to level out the power asymmetries at the multilateral level between the developed and the developing countries (Vigevani and Passini Mariano 2004: 50). The DSM has been a helpful tool for slowly leading WTO negotiations in the direction of a trade system that is more advantageous for Brazil and other developing countries, as a joking President Lula confirmed during a meeting with US President Bush in São Paulo in March 2007 when he argued that negotiations between the developing and industrialised countries were close to finding the "G-Spot" (*Folha de São Paulo* 2007).

Overall, it can be argued that the reforming character of Brazilian strategies in WTO negotiations is most visible in the country's strong position in agricultural negotiations. Yet, it must be borne in mind that, despite Brazil's seemingly important part of the offensive strategy in WTO negotiations, this is very much limited to this one specific issue area. The defensive character of Brazilian negotiation tactics is still prevalent in many of the other issue areas treated at the WTO level and, as

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[50] Personal interview with Brazilian government employee, August 2005

highlighted above, was still the main negotiation strategy in the FTAA until negotiations stalled in 2004.

South-south relations as 'support-bases'

As already mentioned above, Brazil's use of coalitions like the G20 is an important part of its negotiation strategy to underpin and advance its interests at the multilateral level. In order to be able to form coalitions that support Brazilian aims at the multilateral level Brazilian governments, especially the Lula administration, have renewed and intensified so-called south-south relations. While south-south relations might not be described as having a 'reforming' character in a direct sense, they are still a partial strategy to promote the wider goal of evening out the asymmetries between developing and developed countries at the multilateral level. Indeed, as one interviewee pointed out, the forging of closer relations with Africa and the Middle East stems 'from the urge to put an end to asymmetries in trade and financial institutions'.[51]

Deepening south-south relations to find support for Brazilian aims at the multilateral level, not only at the WTO but also with regard to the reform of the UNSC, which will be discussed in more detail in the following chapter, has been conducted by the Brazilian government through the extensive travel of President Lula and a number of diplomats to Africa and the Middle East, the reopening of embassies in several African countries[52], and through the organisation and hosting of several summits. During his travels through Sub-Saharan Africa and five Arab nations at the end of 2003, President Lula repeatedly expressed the wish to consolidate the 'axis of the South', the centre of which should be the newly created IBSA Initiative (White 2004: 533).

The IBSA Initiative was formally launched in June 2003 with the signing of the Brasília Declaration by the foreign ministers of the three countries involved. The aim of IBSA is to promote south-south cooperation with emphasis on WTO issues, sustainable development and the reform of the UN system (IBSA: 13.02.2004). The foundations for this initiative were however already laid during the presidency of Cardoso through the increased interaction between India, South Africa and Brazil in a WTO dispute over pharmaceutical patents. Brazil and India succeeded in

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[51] Personal interview with senior Brazilian government employee, August 2005
[52] Personal conversation with Brazilian government employee, July 2005

convincing the World Health Organisation (WHO), where the dispute continued after it had been closed at the WTO level, that the health of society was more important than patents and before the WTO Cancún Meeting in 2003 managed to push for a multilateral accord on the commerce of generic medicines (Cândia Veiga 2005: 14). It was this success which the Lula administration saw as proof of the viability of coalitions and therefore used its good relationship with India to create the IBSA initiative.

To achieve this closer cooperation between the three countries the *Guidelines for Action*, which were set out during their first meeting in February 2004 after the creation of the initiative, suggested enhanced sectoral cooperation in the areas of science and technology (including information technology), energy (biodiesel and access to energy), health, transportation and tourism, trade and investment, infra-structure, creation of jobs and support of small and medium enterprises, defence, and education (IBSA: 13.02.2004). In the *Guidelines for Action* it also states that trade between the three countries – mostly through the Mercosul-South African Customs Union (SACU), Mercosul-India and SACU-India agreements – is viewed as one of the most important areas for enhanced cooperation (IBSA: 13.02.2004).

The Brazil-Africa Forum, which was held in Brazil in June 2003, was an initiative by the new Lula administration to further intensify its south-south relations through the improvement of economic and trade relations as well as the intensification of political cooperation (Coelho 2004: 10). Yet again, foundations of closer cooperation between Brazil and Africa were still laid during the Cardoso administration with the signing of a framework agreement between Mercosul and South Africa for negotiations of a South Atlantic Free Trade Zone (Gonçalves 2004: 190). The main emphases were on political and social matters, economics and trade, and culture and education, with the aim of promoting the exchange of information and thereby fostering closer relations between the two regions. To a great extent, forging closer links with Africa have been based on cultural affinities (Brazil has the largest population of African descent outside the African continent (Roland 2001: 1)), a similar development trajectory, relative distance between Brazil and Africa compared to other regions, and similar environmental factors such as the tropical climate (Nduom 2004: 204).

The South America-Arab (ASPA) Summit, which was an initiative introduced by Brazilian Foreign Minister Amorim, has had the same objective of

finding more partners for the support of Brazilian goals of international insertion through a redefinition of the global power balance. The Forum, which was held in May 2005 in Brasília, had the main goal of encouraging the development of inter-regional trade and investment cooperation, political cooperation, social cooperation and cooperation in science and technology (Brasília Declaration 11.05.2005). Economic objectives were reconfirmed at the third High Officials Meeting in Cairo in January 2007, with a plan of action on further promoting the coordination between members in multilateral forums, the training of Arab officials in foreign trade negotiations, the facilitation of business and tourism, the strengthening of maritime and air links, and the fostering of bilateral agreements for the reciprocal protection and promotion of investments and the avoidance of double taxation (*Draft Plan of Economic Action between Arab and South American Countries*, 31.01. 2007).

The interesting and puzzling feature of renewed south-south relations, and more specifically coalition and initiative formations such as the G20 and IBSA, is the seeming incompatibility between members with regard to both economic and political/security aspects. As Narlikar and Tussie (2004: 953) point out, the G20 brings together some extremely unlikely candidates, such as Cairns Group[53] exporters with defensive food importers and some of the largest and most powerful emerging powers with the smallest, least developed countries. The IBSA initiative is not any less puzzling, despite its members making up the largest and most powerful countries of the 'developing world'. As Oliveira (2005: 2) highlights, IBSA can be understood as a 'counter-intuitive' initiative. Despite the solidarity felt between the leaders of these three countries, they are in reality competitors, competing for FDI and market access. Moreover, in contrast to Brazil, both India and South Africa are extremely protectionist in the agricultural sector, which means that the Brazilian trade team has to apply a less offensive strategy in WTO negotiations than it would do if they were acting on their own and not in coalitions such as the G20 (Oliveira 2005: 2). This confirms that Brazilian initiatives for coalition building are not so much based on forging deeper relations with the 'South' in its own right, although the general argument in Itamaraty is that south-south relations are indeed beneficial

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[53] The Cairns Group is an interest group of 19 agricultural export countries - Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, the Philippines, South Africa, Thailand and Uruguay - which was created in the Australian city of Cairn in 1986. The main aim of the group is to bring about liberalization in agricultural trade through the elimination of export subsidies, domestic trade distorting subsidies and tariff cuts (see www.cairnsgroup.org for more information).

for Brazilian trade, but rather that deeper south-south relations are beneficial for pursuing the government's goals of changing the multilateral structure in favour of developing countries. As again Oliveira (2005: 3) points out, despite the many differences between the IBSA members, calculations of cost and benefit lead to the conclusion that coalitions are the most favourable option for achieving these aims.

In sum, the discussion on Brazilian strategies and initiatives in WTO and hemispheric negotiations points in many instances to these strategies having a so-called 'reforming' character. Although the more defensive nature of Brazilian strategies in FTAA negotiations do not point to these strategies being of a 'reforming' character *per se*, they still point to a strong position on the part of Brazil on what it expects of an FTAA agreement and no reservation to expressing its discontent with the proposal introduced by the United States. South-south relations are also identified here as a wider strategy of finding the necessary support base for the realisation of aims at the multilateral level. Overall, it can thus be argued that Brazilian strategies and initiatives in economic diplomacy have in many instances a 'reforming' character, or at least instigated support of 'reforming' strategies. The hypothesis that the strategies of emerging powers have a reforming character can thus be confirmed in the case of Brazilian economic strategies and initiatives.

Brazil as a regional power in the realm of economic diplomacy?
The task here is to test whether, from the findings above, the hypothesis that emerging powers are also regional powers has any validity in the realm of Brazil's economic diplomacy. The above accounts on a range of Brazilian economic strategies and initiatives would in the first instance lead to the conclusion that Brazil is a regional power in South America. However, bearing in mind that the status of regional power in this thesis does not only depend on material capabilities vis-à-vis the other countries in the region, but also includes a form of political leadership, the idea of Brazil as a regional power in the economic realm can be questioned on several points.

As was already pointed out in the first part of this chapter, Brazil has the biggest economy in the region and is the general entry point for foreign businesses into South America. In 2000 in produced 31% of Latin American goods, 16% of

Latin American exports and received 41% of FDI that went into Latin America (Sangmeister 2002: 48). Moreover, Brazil has been the general initiator of economic integration in the Mercosul and in South America, first with President Cardoso's idea of creating the SAFTA, and in 2004 with the creation of the CSAN. Further, the Lula administration has commenced to underpin its regional integration aims with more concrete financial assistance programmes such as FOCEM to even out asymmetries between the Mercosul members and consequently to create more incentives for Paraguay and Uruguay to remain part of the sub-regional integration project. Also, with much financing deriving from the BNDES, the Brazilian government has driven forward the completion of the many different infrastructure projects that run under the umbrella of IIRSA. The longstanding rhetorical commitment to regional integration has thus seen the introduction of a number of more concrete projects to underpin the political aims of the Lula administration.

Despite all these factors pointing to Brazil being a regional power, Brazilian leadership credentials diminish on closer inspection. The first reason for this is almost purely structural. The great asymmetries between Brazil and its neighbours, especially Paraguay and Uruguay within the Mercosul, and the still great importance of the US market for most Central and South American economies has made it difficult for Brazilian governments to *successfully* implement regional economic integration projects.[54] Moreover, the different importance placed on the US market and the different types of FDI being received have led to a divergence in trade interests between Brazil and most other Latin American countries.[55] This is not to say that regional integration projects such as the Mercosul, CAN, Caribbean Community (CARICOM) and the North American Free Trade Area (NAFTA) at the beginning of the 1990s did not at all alter intraregional trade within the Americas. Whereas trade between the Mercosul members was registered at only 8.9% in 1990, this changed rapidly over the 1990s and peaked at more than 25% in the year 1998, leading to about 40% trade increase between Mercosul members from 1990 to 1999 (Sangmeister 2002: 45-46). However, Mercosul can be seen as an exception. Intra-regional trade in the CAN increased by less than 10% and in CARICOM by only 14% over the same time period (Sangmeister 2002: 45).

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[54] Personal interviews with Amâncio de Oliveira, 21.07.2005; Carlos Pio, 19.08.2005; Barbara Rosenberg, 01.09.2005
[55] Personal interview with Brazilian industry representative, September 2005

Trade between regional blocs within the Americas looks even less impressive, where Mercosul exports into CAN averaged at only 4.4% and 1% into the Central American Common Market (CACM), whereas almost 20% went to NAFTA (and therefore also the United States) over the period 1990-99. CAN exports to Mercosul were even lower at 3.6%, while 47% went to NAFTA in the same time period (Sangmeister 2002: 44/45). Only the Mercosul traded more with Latin America (30.2%) than with NAFTA (19.3%) in the period 1990-1999 (see Sangmeister 2002: 44). These trade patterns have not changed significantly, as figures for the year 2006 demonstrate (see table 3.4). Thus, apart from intraregional trade within the Mercosul, for most Latin American states trade in goods and services with neighbours has been economically less interesting than trade with the NAFTA countries. This clearly highlights those countries' structural dependence on the US market. Also, the figures for 2006 show that despite the ongoing infrastructure projects through IIRSA, trade patterns between the different trade blocs have not yet altered significantly. In fairness it has to be said that most projects have not been completed, however, it also shows that, despite the creation of the CSAN, trade flows between the different integration blocs has not altered significantly.

Table 3.4: Structure of exports by integration group, 2006 preliminary estimates (% distribution)

Exporting Region	Destination						
	Mercosul	CAN	LAIA	CACM	Latin America	NAFTA	Total Hemisphere
Mercosul	15	6	29	1	30	21	49
CAN	3	8	14	1	17	44	61
LAIA	6	5	14	1	16	53	68
CACM	0	1	4	22	30	50	79
Latin America	6	5	14	2	16	53	68
NAFTA	2	2	12	1	14	55	61
Total Hemisphere	3	3	14	1	16	50	59

Source: IDB, Integration and Trade in the Americas: A Preliminary Estimate of 2006 Trade

In the Mercosul divergences are not only about the great structural asymmetries such as geographical, population, market size and GDP, but also about technological advances and incompatible production structures that have generated bureaucratic problems. Product quality standards, for example, are higher in Brazil than in Paraguay, which often delays the entry of Paraguayan products into the Brazilian market.[56] As one interviewee pointed out, norms for product quality do exist at the Mercosul level, however, the absence of an 'integration culture' in many parts of the government has led to the refusal by some organisations to accept Mercosul norms. This does not only make practical integration more difficult but has also led to harsh criticisms, mostly of the smaller member countries that are more dependent on the Brazilian market, about the Brazilian government's handling of the integration project.[57]

The structural dependence on the North American markets has moreover been reinforced by the type of FDI that was received in Central America and the Caribbean basin in contrast to that received in South America. Overall, the US share of all FDI in Latin America was at 32%, followed by Spain with 19% in 2003 (ECLAC 2004: 29). FDI increased considerably over the 1990s, a result of the continuing liberalisation and privatisation processes throughout Latin America. In Central America and the Caribbean the major part of FDI came from 'efficiency-seeking' MNCs, mostly from the United States, to build up export platforms as part of their regional or international systems of integrated production, whereas in South America FDI was generated by MNCs following local market- and resource-seeking strategies, such as telecommunications, energy infrastructure and finance sectors (ECLAC 2004: 14/15). These different FDI strategies resulted in a different type of competitiveness between the two regions. Due to the large assembly plants that were set up during the 1990s, Mexico and the Caribbean basin considerably improved their international competitiveness in the export sectors, such as the automotive and electronics industries, as well as apparel (ECLAC 2004: 14/15).

In South America competitiveness improved mostly in services and infrastructure, which helped to facilitate exports but did not in itself generate them (ECLAC 2004: 15). Although the United States was the main investor country in all Latin American countries but three (Argentina, Chile and Peru) in 2003, the market-

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[56] Personal interviews with Brazilian government employees, December 2006
[57] Interview with Brazilian government employee, December 2006

seeking strategies adopted in South America were mostly generated by European MNCs, especially in the Mercosul countries and Chile (ECLAC 2004: 15). This, together with an active internationalisation strategy by mainly Spanish MNCs, was a key factor in driving FDI into this subregion (ECLAC 2004: 15). The different types of FDI received in Latin America therefore further reinforced the already high trade dependence, which increased according to the type of FDI received with more dependency in Mexico and the Caribbean basin than in South America.

This 'lack' of convergence of trade interests between Brazil and most other Latin American countries is further exacerbated by a lack of economic incentives for Brazil's regional neighbours to turn away from the USA to Brazil as their primary export market.[58] The sheer size and also the closeness of the US market weighs out Brazilian attempts at forging closer economic relations. Some interviewees also accredit the tendency of neighbouring countries to turn to the US- instead of the Brazilian market to miscalculations on the part of the Brazilian government with regard to the real interest of other South American governments in regional integration. As one interviewee pointed out, the idea of regional integration in South America is a diplomatic construct that emerged as a counterpart to NAFTA, rather than as a project based on calculations of possible regional economic convergence and economic gains.[59] In that sense Brazil has 'imposed' its own agenda on the other countries in the region, which has consequently led to resistance.[60] This resistance to Brazil's South American policy was felt most strongly in 2005, when several Latin American actors voted against the reform of the UNSC as proposed by Brazil and did not support Brazilian applications to the presidency of the IDB, the WTO and ECLAC.[61]

This 'miscalculation' on the part of the Brazilian government is also attributed to a general indecisiveness on how to proceed with the country's further insertion into the global economy.[62] As Mário Marconini points out, the Brazilian government does not have a clear agenda with regard to further Southern Cone integration in terms of how to proceed on the further liberalisation of the different

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[58] Personal interview with Rubens Barbosa, 26.09.2005
[59] Personal interview with Ricardo Markwald, 30.09.2005
[60] Personal interview with Brazilian industry representative, September 2005
[61] Personal interview with Ricardo Markwald, 30.09.2005
[62] Personal interviews with Fernando Furlan, 11.08.2005; Mário Marconini, 29.07.2005

markets.[63] Furlan also points to the indecisiveness within Itamaraty of the kind of leadership role Brazil should embrace, which further complicates relations with South American neighbours, especially in the Mercosul.[64]

In sum, the combination of structural asymmetries between the South American countries, the structural dependence on the US market, and the lack of incentives for the South American countries to accept Brazilian leadership – in great part the result of a lacking plan and also lacking financial resources on the part of Brazil – has not so much impacted on Brazilian abilities to initiate closer cooperation in South America, but has greatly hampered its ability to turn these initiatives into *successful* integration projects. The hypothesis that an emerging power is also a regional power and a regional leader can therefore not be confirmed in the case of Brazilian economic strategies and initiatives. Whereas Brazil has without doubt the most prominent economy in the region and outweighs all other Latin American countries in terms of its economic capabilities, the country's regional leadership credentials are less remarkable.

Conclusion

The testing of the four hypotheses on the case of Brazil's economic strategies and initiatives showed that, overall, Brazil fits the idea of an emerging power rather than of a traditional middle power. The Brazilian economy has developed on terms which have allowed a degree of influence in the international political economy. This, together with Brazil's strong voice at the multilateral level has helped the country to become more influential at the international level, which is especially the result of the government's ability to find support, in the form of the G20 and IBSA, and to successfully apply this support to further advance its interests in the multilateral arena. Moreover, Brazilian strategies and negotiation tactics at the multilateral and hemispheric levels further confirm what Jordaan (2003) would refer to as a 'reforming' character. Brazilian negotiators are continually fighting for the inclusion of Brazilian visions of a 'more equal' trading structure and have been doing this by

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[63] Personal interview, 29.07.2005; personal interview with Brazilian government employee, December 2006
[64] Personal interview with Fernando Furlan, 11.08.2005

using both offensive and defensive strategies, by building coalitions and using the DSM to achieve this goal.

Nevertheless, a closer look at the remaining impediments to greater insertion into the global economy also highlighted that the many obstacles that remain hold the Brazilian economy back from deeper insertion into the global economy. This has also impacted on Brazilian initiatives for regional economic integration, which has been very much formulated around the country's immediate and long-term interests. Structural adjustment funds and concessions on import tariffs point to the realisation of the Brazilian government that national interests cannot be imposed on the region without creating some incentives for the other members in the Mercosul and CSAN, however, compared to the remaining obstacles to successful economic integration such initiatives seem a drop in the ocean. Moreover, on closer inspection such initiatives, and especially the IIRSA project, are rather calculated efforts that hardly affect Brazil's cash flow in the short-term and generate great long-term advantages for the country. There is thus a clear reluctance, or in more benign language, an 'indecisiveness' on the part of Brazil to take on the costs of regional leadership, which has greatly impacted on the country's regional leadership credentials in its economic diplomacy. Overall, it can nevertheless be argued that, despite the inconclusive results on regional power status, the hypotheses have been proved to be valid in the case of Brazil's economic strategies and initiatives. The next chapter will take a closer look at Brazilian strategies and initiatives for the provision of security.

Chapter 4

Brazilian initiatives and strategies for the provision of security

While the previous chapter looked at Brazil's economic diplomacy, this chapter will focus on Brazilian strategies and initiatives for security provision. The choice to focus on security in this chapter derives from an emphasis in the existing middle power literature on the abilities of middle powers to act as mediators in domestic and inter-state conflicts, and to find solutions to these conflicts through their activism in peacekeeping missions. As already mentioned in chapter 1, Behringer (2003), for example, points to the leadership roles middle powers take on in human security issues, while Rutherford *et al.* (2003) point to the importance of middle power action in NGOs that deal with security issues in world politics. Jones and Hildreth (1986: 403) argue that particularly emerging or 'third world' powers will 'play key roles in shaping international security affairs'. A focus on Brazilian strategies and initiatives for security provision therefore presents a valuable insight into the potential importance of emerging powers in regional and global security issues, and at the same time provides an understanding of the similarities and differences between the traditional middle powers and emerging powers with regard to their strategies and initiatives for security provision.

The hypotheses developed in chapter 1 have again been reformulated into questions relevant to the provision of security and are as follows: 1) What kind of behaviour can be detected in Brazilian strategies and initiatives for security provision? 2) To what extent can Brazilian strategies and initiatives be said to have a 'reforming' character? 4) Is Brazil a regional power with regard to security provision? Contrary to the previous chapter the current one will focus only on the last three hypotheses due to the missing relevance of the second hypothesis with regard to the topic discussed here. Apart from this, however, the chapter will follow the same structure as the previous one, commencing again with a 'context-setting' section that looks in more detail at the state of Brazil's military capabilities and national security issues so as to offer a basis for a better understanding of the behaviour of Brazilian policymakers at the regional and international levels. The second section will then turn to Brazilian strategies for security provision at the

regional level with particular focus on regional security cooperation and Brazilian involvement in regional security crises, while the third part will focus on the question of 'reforming' strategies and Brazil's relationship with the United States on questions of regional security. In part four the discussion will again take a look at Brazil as a regional power, this time with regard to security provision, and follow with concluding remarks.

Brazilian security: An overview

The discussion on Brazilian strategies and initiatives for security provision will again commence with a general overview of security in Brazil. As was the case in the previous chapter, an outline of the domestic security issues will be beneficial for our understanding of the particular strategies and initiatives for security provision discussed in the remaining parts of this chapter. To this avail, the discussion will commence with an overview of Brazil's geopolitical position in the South American region and its military spending and then move on to examine in more detail the prevailing security problems at the domestic level, such as high crime rates and the lacking institutional efficiency of the different police forces.

By the beginning of the 20th Century Brazil had settled its outstanding border disputes with neighbouring countries and since then has considered itself as a 'geopolitically satisfied' country (Lima and Hirst 2006: 22). Over the past hundred years, the focus has therefore been on diplomatic negotiations and peaceful resolution of conflicts with other states rather than the use of military power. To a great extent this evolution stems from Brazil's geopolitical location in a region that is relatively conflict-free (Hofmeister 2001: 5; see also Hurrell 1998: 532; Brigagão and Costa 2005: 5). Figures on military spending underline that, despite some border conflicts in South America and persisting civil wars in Central America, the region's average defence expenditures have generally been below the world average and, since redemocratisation from the mid 1980s onwards, have declined even further (Arceneaux 1999: 94). Whereas in 1985 Latin American countries spent around 3% of GDP on the armed forces (Arceneaux 1999: 94), this went down to 1.77% by 1995 and 1.31% in 2004 for the Caribbean and Latin America (*The Military Balance* 2006: 306). The 2004 figure is far below expenditures from other developing regions such as the Middle East and Africa (5.5%), Central and South Asia (2.7%), and Sub-

Saharan Africa (1.7%) (*The Military Balance* 2006: 403). Military force has therefore been used not so much to seize large areas of territory, but rather as a diplomatic tool to push issues back on the agenda and therewith get concessions during diplomatic negotiations (Hurrell 1998: 532).

Brazil's peaceful coexistence with its neighbours and its strong emphasis on diplomatic solutions has moreover led to the country's active involvement in multilateral institutions since the end of the 19th Century. As already mentioned in chapter 2, Brazil was the only Latin American country present at the peace conference in 1919 and therewith secured its place as one of the founding members of the UN (Lima and Hirst 2006: 25). This commitment to multilateralism was also translated into a strong rhetorical commitment to hemispheric security institutions. Brazil has from their initiations been a member of the Rio Treaty (1947), the Bogotá Pact (1948), the OAS Charter (1948) and the Treaty of Tlatelolco (1968). It has also been the driving force behind the creation of the Rio Group in the 1980s and since 1998 has been a member of the Non Proliferation Treaty (NPT). Hence, the lack of any real threat from other countries has meant that external threats are not and never have been perceived to be military- or security-related, but rather stem from economic vulnerability (Lima and Hirst 2006: 22). For this reason Brazil has traditionally kept a low profile in security related issues and has focused its attention more on economic development.[65]

The low priority given to security and defence issues is also reflected in Brazil's low level of defence spending. Even during the military dictatorship, which lasted from 1964 to 1985, defence spending was low, and with redemocratisation in 1985 decreased even further. Whereas military expenditure as a share of the federal budget was at 20% in 1970, this dropped to a mere 1.3% in 1993 (*Global Security* 2006). In relation to GDP military expenditures dropped steadily from an average of 2% in the 1960s to less than 0.5% in the 1990s and a low figure of 0.3% in 1993 (*Global Security* 2006). Yet, despite these very low levels of military spending, Brazil is nevertheless by far the largest military power in Latin America in terms of measurements on defence expenditure and active troops. As table 4.1 shows, Brazil's defence budget was at US$16.06 billion in 2006, compared to the second highest defence budget of Colombia at US$4.06 billion in the same year. This is also

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[65] Personal interviews with Brazilian academic, August 2005; senior government employee, August 2005

reflected in the number of active armed forces, which totalled 287,159 for Brazil in 2006 and again Colombia with the second highest number of 207,000 in 2006. Of course, these figures are by no means comparable to the United States 2006 defence budget of US$535 billion and more than 1.5 million active armed forces. However, as the table shows, Brazil's budget and active forces are still much higher than those of Canada, making it the second largest military power in the Americas.

Table 4.1: Defence Budget and Capabilities for the Year 2006, Country Comparison

Country	Defence Budget US$ 2006	Capabilities 2006
US	535 billion	1.546.372
Brazil	16.06 billion	287.159
Canada	10.9 billion	62.100
Colombia	4.06 billion	207.000
Mexico	3.35 billion	192.770
Chile	1.93 billion	78.098
Argentina	1.86 billion	71.400
Peru	1.1 billion	80.000
Venezuela	2.084 million	82.300

Source: The Military Balance Yearbook 2006, pp. 27-45 and 309-344

Nevertheless, these figures are deceiving in terms of the weight they seem to put on Brazil's military potential. Brazilian capabilities are already limited in terms of national defence[66], due to the country's small number of active personnel compared to the number of inhabitants, as well as the large territory and added difficulty of surveying the Amazon region where the movement of goods and people over Brazilian borders are difficult to monitor. According to *The Military Balance* (2006: 315-20), Brazilian active personnel is counted to be at a little over 287,000 in relation to a population of over 186 million. In contrast, Colombia, with a population of just under 43 million inhabitants has 207,000 active military personnel and even Chile, with just over 15 million inhabitants, still has over 78,000 active military personnel. Thus, although Brazil's military capabilities lie far above those of its

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[66] Personal interview with Brazilian academic, August 2005

Latin American neighbours, in comparison to geographical and population size these capabilities are still relatively small.

The low external threat to national security also means that Brazilian armed forces' training has a rather traditional focus on national defence in relation to issues of development.[67] The military's task is thus to enhance the presence of the state in those regions where the integrity of national territory is at risk and to secure ongoing development in those regions. This is especially the case in the Amazon region where borders are difficult to demarcate and infiltration from Colombia's FARC (*Fuerzas Armadas Revolucionarias de Colombia* – Revolutionary Armed Forces of Colombia), drug trafficking and other smuggle is a potential threat.[68] Since the end of rivalries between Brazil and Argentina in the mid 1980s, the Brazilian military has thus turned most of its attention and resources on the Amazon region. For Martins Filho and Zirker (2000: 161) the Amazon can even be described as the "last remaining bastion of an orthodox military mission".

To strengthen the state's presence in and improve the monitoring of the Amazon region, the government financed the introduction of SIVAM (*Sistema de Vigilância da Amazônia* – Amazon Vigilance System) in the mid 1990s. SIVAM incorporates satellite-, air- and radar surveillance to control air and water-bound as well as radio traffic, narco-trafficking and smuggling, as well as to prevent wood fires, provide information on natural resources, biodiversity and weather, and to protect the reserves of the indigenous (Flemes 2004: 16). SIVAM is moreover part of a wider project called SIPAM (*Sistema de Proteção da Amazônia* – System for the Protection of the Amazon), which is a US$ 1.4 million project for the protection of the Amazon region. Apart from providing ecological and developmental data that can be used to reinforce environmental protection and surveillance, data on air and water-bound traffic are aimed at reinforcing security and diminishing the overspill from Colombian drug wars into Brazilian territory. SIVAM is thus the Brazilian military's most sophisticated and costly surveillance system.

The low priority given to security and defence issues that go beyond domestic borers, it is argued here, is reinforced by the high crime and murder rates, both in urban and rural areas, which are the result of such illegal activities as drug trafficking and smuggling that in turn are the result of the high rates of poverty and inequality in

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[67] Personal interview with senior Brazilian government employee, August 2005
[68] Personal interview with Brazilian academic, August 2005

the country. Indeed, Brazil ranks one of the most violent countries in the world, with more than 1800 registered crimes per day and an average of 27 homicides per 100,000 inhabitants (Gratius and John de Sousa 2007: 2). The risk of death through fire arms is 2.6 times higher in Brazil than in the rest of the world and 90% of these deaths are homicides (FLASCO/Viva Rio/GAPCon 2006: 5). The reason for so many deaths through fire arms can be explained by the high number arms pertaining to civilians. According to a national study, about 17 million fire arms circulate throughout Brazil, only 10% of which belong to state institutions such as the military and the police, and 50% of which are illegal (FLASCO/Viva Rio/GAPCon 2006: 6).

The high crime rate that involves fire arms is mostly stimulated by drug trafficking, which in turn is the result of the high levels of poverty and inequality that still afflict the country. This is particularly reflected in the big metropolitan areas that are densely populated. For example, in the state of Rio de Janeiro, which has around 14 million inhabitants, an average of 22 murders and 192 robberies are reported every day, however this rate would be even higher if one was to include the 20-25% of robberies that are not reported (Flemes and Cholet 2004: 150). São Paulo state is not much different, with reports of almost 11,000 murders in the year 2003 (Flemes and Cholet 2004: 150). Problems in the urban areas are further exacerbated by a continuous move of people from rural areas. Between 1996 and 2000 the rural population decreased by 6.3% whereas the city population increased by 12% over the same time period (Flemes and Cholet 2004: 153), which has contributed considerably to the ever-increasing *favelas* (slums) and crime levels.

However, crime is not only concentrated in the metropolitan areas. According to an OEI study on violence by Brazilian municipals shows that 72% of homicides occur in 556 cities where 42% of Brazil's population live. Of the ten municipalities with the highest homicide rate, six are small without big metropolitan centres (Secretaria Municipal de Saúde de Fortaleza 2007). For example, the cities with the highest homicide rate are located in the state of Mato Grosso in the west of the country. In Coloniza there are 165 registered violent deaths for every 100,000 inhabitants and in Juruena this figure stands at 138 homicides per 100,000 inhabitants for the year 2004. This is a much higher murder rate than in São Paulo, which had a 48 to 100,000 ratio in 2004 (*Globo G1* 2007a). The reason for such high crime rates in the rural cities derives from the new economic centres characterised by

conflicts over deforestation, illegal exploration of noble timber and the demarcation of indigenous lands (Secretaria Municipal de Saúde de Fortaleza 2007).

Moreover, poverty and therefore living conditions are far worse in rural areas where more than 50% of the population was under the national poverty line in 1998, compared to a little more than 14% in urban areas (World Bank 2005). This has led to numerous clashes between farmers and landless workers. The landless movement *Movimento dos Trabalhadores Rurais Sem Terra* (MST – Landless Movement), formally created in 1984 but active informally since the 1960s, is the biggest social movement in Brazil which pushes for land distribution and therewith challenges the big landowners as one of the most powerful coalitions in Brazilian politics (Ondetti 2006: 61). Although MST does not advocate armed struggle, confrontational tactics such as land occupations, marches, road blocks, and the occupation of government buildings are common features of their protest. Land occupations have led to numerous clashes between the big landowners and the MST and also the MST and the military police, which is often called in to remove protestors from land and therewith often ends in the killing of many landless workers[69].

These high crime levels are further reflected in the overflowing prisons, which lead to prison revolts on a daily basis and further exacerbate crime rates. The crime syndicates *Primeiro Comando da Capital* (PCC) and the *Comando Vermelho* (CV) manage to play havoc by staging simultaneous revolts in prisons through the corruption of badly paid prison staff and the smuggling-in of mobile phones as means of coordination (see Flemes and Cholet 2004: 151). In April 2006 the PCC managed to stage a revolt by terrorising businesses and public transport in São Paulo with hand-grenades, bringing the whole inner city to a halt so as to exercise pressure on the government to release certain prisoners. Although the government invested a total of R$ 147 million (ca. US$ 47.8 million) in 2003 for the construction of new prisons and extra prison cells, the yearly 8% increase of inmates makes it next to impossible to cover demand (compare Flemes and Cholet 2004: 151). This situation is especially precarious in the state of São Paulo, which has the highest number of inmates and prisons are overflowing despite an increase of more than 40.000 prison spaces since 1993 (see Flemes and Cholet 2004: 151).

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[69] See Ondetti (2006) for more details on the landless movement and clashes with the military police, p. 61ff.

The above related problems highlight the inability of the Brazilian state to fulfil its role as a formulator of efficient public security policies. Brazilian institutions lack efficiency and are still plagued by corruption. This is especially the case with the police institutions, which were the only ones not to be changed in the democratic constitution of 1988 (Leeds 2007: 22). Problems between the different police institutions have made it difficult to coordinate the combating of crime. With three different police forces, the *Polícia Federal*, *Polícia Civil* and *Polícia Militar*, different opinions remain as to which force is responsible for what area. Institutional conflicts, rivalries between the three different forces, inefficiency and blaming games have worked against democratic institutions and have even led to deadly shootings between the different police institutions (Flemes and Cholet 2004: 154; see also Leeds 2007). Also, many police officers are prone to being corrupted by drug gangs, which further hampers the fight against crime, and are themselves involved in extra-judicial executions and torture. In short, an Amnesty International report concluded that the police system is corrupt and dictatorial, violating human rights and reinforcing organised crime (Amnesty International 2005). However, reforming the police is a difficult matter, as this would affect many standing public officials and because police lobbies are generally against an amendment of the constitution that would permit the unification of the military and the different police forces (Leeds 2007: 23).

As we will find out during the discussions in the rest of this chapter, the peaceful relationships Brazil has had with other nation states for the past century, the consequently low priority given to security and defence issues and the military's traditional focus on national defence to guarantee the continuing process of national development, has not only limited Brazilian security and defence capabilities, but has also greatly influenced the formulation of strategies for security provision abroad. Continuing violence and the inability to implement efficient public security policies and to introduce reforms in the police institutions moreover means that questions about security have had to focus on tackling domestic security crises. While it is not the intention here to suggest that strategies for the provision of security are developed with reference only to these factors, the account above offers a way of widening our awareness of the reasons for the particular nature of the security strategies employed by Brazilian policymakers. Thus, bearing in mind the low priority given to security issues and the domestic security situation helps to better

understand the strategies discussed in the remainder of this chapter, such as the vagueness of the country's national defence policy, the low priority given to regional security cooperation and the continuing emphasis on sovereignty and non-intervention in Brazilian policy formulations towards security crises in the region. It also explains in part the emphasis in the Lula administration on the role of Brazil as a 'stabilising force' that can provide 'civil' security within the South American region. Instead of greater involvement in other countries' security problems, Brazilian policymakers have emphasised the idea of increasing security through the advancement of regional economic integration. It thus reflects the Brazilian concern with economic development rather than security issues, or in other words, the belief that the above related 'civil' security issues are best resolved through economic development, and at the same time highlights the emphasis on finding regional solutions to those security issues also encountered at the domestic level. This will become clearer in the discussion on the 'reforming' character of Brazilian security strategies and initiatives.

From non-intervention to non-indifference: Brazilian ideas and strategies for security provision at the regional level

The question to be answered here is to what extent Brazilian foreign policy formulations for regional security provision are influenced by a sense of a moral or ethical obligation towards the regional and international community. This is done by first looking briefly at Brazilian ideas on defence and security, and then by looking in more detail at several cases of Brazilian efforts at security provision in South America.

The discussion in the previous section highlighted that Brazilian efforts at security provision are focused on national defence, specifically in the Amazon region, and on public security provision. This very introverted position derives to a great extent from the already mentioned internal problems with public security provision, and the relatively peaceful neighbourhood in which Brazil is embedded. However, another factor contributes to Brazil's rather reserved involvement in security provision abroad: the lack of a detailed white book on security and defence has inhibited the formulation of a defence and security policy for both the national and the regional/hemispheric level.

The Brazilian National Defence Policy, *Política de Defesa Nacional* (PDN), was introduced only in 1996, eleven years after the *Conceito Estratégico Nacional* (CEN) had become obsolete with the end of the military dictatorship in 1985. The introduction of the PDN was a clear indication of the attempt to link the military with the civil dimension to overcome remaining tensions in civil-military relations stemming from the military dictatorship period. Moreover, due to the non-existence until 1999 of a civilian Defence Department, the PDN was published by the Presidential Office, which was reflected in the emphasis on security issues rather than a clearly formulated defence doctrine, and in aspirations to combine the interests of the military with the goals of Itamaraty so as to facilitate the conformance of a defence doctrine with foreign policy goals (Flemes 2006: 61).

This lack of a clear outline of a politics of defence and security has had many implications, such as the continuing confusion over the role of the armed forces as well as the different duties ascribed to the military and the police forces (Wöhlke 1999: 60). However, more significant for the discussion here is the impact such a vague outline has had for Brazil's active involvement in regional cooperation on security issues and regional security provision. Although the PDN includes a section on Brazil and the South American region – with references to the necessity to 'strengthen the integration processes in the Mercosul, CAN, CSAN and through the OTCA (*Organização do Tratado de Cooperação Amazônica* – Organisation for the Amazon Cooperation Treaty)' and the 'desire to see consensus, political harmony and convergence in actions that envisage the reduction of transnational crime and the search for better economic and social development' – there is no mentioning of how to achieve these aims (PDN 2005: 3.3 and 3.4). The transnational nature of many security issues is tackled by giving priority to the 'defence of the state to preserve national interests, sovereignty and independence' (PDN 2005: 3.5), which again is reflected in the great emphasis placed on the defence of the Amazon region,[70] as well as in Brazil's only half-hearted efforts at creating a regional security community in South America, as the discussion below will highlight.

Moreover, Brazilian security provision and cooperation in South America is still guided by foreign policy principles such as sovereignty and non-intervention

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[70] Whereas the 1996 PDN only included one direct reference to the defence of the Amazon, the 2005 version includes four direct references, pointing to increasing concerns with the 'overspill-effect' of the Colombian crisis and 'new' security threats.

rather than by a separate security and defence policy. Although rhetoric has changed with the inauguration of President Lula da Silva in 2003, advocating a more active role for Brazil in the region, in terms of security provision Brazilian involvement remains timid. The idea of *'não-intervenção à não-indiferença'* (non-intervention to non-indifference), although referring to the continuing respect for sovereignty while at the same time signifying greater willingness to get involved at the regional level, such involvement remains restricted to explicit requested by the actors involved in a crisis.[71] Interviewees confirm this stance, underlining that the government does not want to interfere without being asked to help first.[72] Indeed, the emphasis on sovereignty and non-intervention, and the willingness to help only when being specifically asked to do so, are reflected in Brazilian actions during several regional security crises, which will be outlined in more detail after having had a closer look at Brazilian efforts at creating regional security cooperation.

Brazil and Regional security cooperation

The redemocratisation processes in Brazil and its neighbours led to increased security cooperation, particularly in the Southern Cone where first signs of greater confidence and cooperation could be detected in the signing of the Foz de Iguaçu Declaration in 1985, which restricted the development of nuclear power to peaceful purposes only (Pion-Berlin 2000: 45). Since the signing of the Mercosul treaty in 1991, Brazil has engaged in confidence-building measures with the Mercosul members that include informational exchange, military visitations and joint exercises (Pion-Berlin 2000: 47, Flemes 2006: 106-7) and established arms control agreements with cooperative verification schemes (Hurrell 1998: 533). Moreover, in 1997 the Brazilian and Argentinean governments agreed on the creation of the Brazilian-Argentine Consultation and Coordination Mechanism for International Security and Defence Issues (MCC) to promote the foundation of a security alliance in the context of the Mercosul (Flemes 2005: 13). The increase of 'new' security threats in the mid 1990s, such as terrorism, insurgency and drug trafficking, was met by the establishment of RED (*Reunión Especializada de Autoridades de Aplicación en Matéria de Drogas, prevensión de su Uso Indébido y Rehabilitación de*

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[71] An internal document circulated within Itamaraty highlighted that Brazil has been willing to help neighbouring countries whenever the government was asked to help.

[72] Personal interviews with Brazilian government employee, December 2006; senior Brazilian government employee, December 2006

Dependientes de Drogas del Mercosur), a Cooperation Mechanism for the Fight Against Drug Abuse, and GTE (*Grupo de Trabajo Especializado sobre Terrorismo*), an Anti-Terrorism Working Group (Flemes 2006: 158/9; Soriano and Mackay 2003: 6).

The SIVAM project, and especially the government's slogan of SIVAM 'regional', is an indicator of a greater willingness to security cooperation in the region (Marques 2004: 15). The increased funding for the programme in 2000 could also be attributed to this new view on regional cooperation. In fact, the Brazilian military has been sharing information of illegal air and water traffic with neighbouring countries to reinforce closer cooperation on security issues such as drug trafficking, which has greatly reinforced trust among the South American countries. The improvement in greater trust and cooperation in the realm of security is most obvious in the passing of a law in 2004 in agreement with all neighbouring countries, which allows the air force to follow illegal air trafficking into other countries' air space and shoot after a 'seven-step' plan.[73] This not only demonstrates a great deal of trust among the South American countries, but has also decreased illegal air traffic by 60%.[74] To foster closer security cooperation in the Amazon region the Ministers of Defence of Brazil, Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela also participated at the first meeting in Bogotá, Colombia, in July 2006, to discuss the possibilities of cooperation on the further development of and the fight against illegal practices in the region (*Folha Online* 2006). With regard to Colombia the Congress at the end of March 2007 moreover ratified the accord signed between Colombia and Brazil in December 2004 to promote police cooperation between the two countries so as to combat transnational crimes and illegal activities (*Agência Câmara* 23.03.2007).

Yet, despite improved relations and increasing cooperation on security issues in Latin American, and more specifically the Southern Cone, no security integration in the form of a distinct subregional security system has so far developed (Flemes 2006: 105; see also Pion-Berlin 2000: 47; Hurrell 1998: 534-5; Senhoras and Carvalho 2007). Mostly, this is the result of diverging interests between the countries on the one hand and the low possibility of conflict in the region on the other, which makes the necessity to find common solutions to security problems less acute. As

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[73] Personal interview with senior Brazilian government employee, August 2005
[74] Personal interview with senior Brazilian government employee, August 2005

Miyamoto (2004: 195) points out, whereas terrorism and insurgency are problems that affect Argentina, Peru and Colombia, this is not the case for Brazil, which has led to disinterest on the Brazilian part to find common solutions. Also, despite the many formal security cooperation links in the Mercosul, Brazil's security problems, which are mainly narcotrafficking and insurgency, are located in the Amazon region, which is rather removed from the Mercosul region. Thus, whereas Brazil's political interests are focused towards the south, its security concerns are focused towards the north. This places the country in the middle of two different security agendas (Hirst 2007a: 52), which means that there is not only the problem of overcoming the remaining nationalist visions and rivalries between states in South America, but also the challenge of coordinating the two increasingly divergent security agendas of the Southern Cone and of the Amazon-Andean region (Hirst 2007a; Sennes 2006).

Such difficulties are intensified by the continuing reticence in Brazil towards greater military cooperation at the regional level, a result of the still strong emphasis on sovereignty.[75] This remains to be the case even after Brazilian Defence Minister Nelson Jobim suggested the creation of a South American Defence Council (*Conselho de Defesa Sul-americana*) as part of the newly created Unasul. In his words: "The South American Defence Council will not have any power of military intervention, will not have any characteristics of a military alliance and will be, in essence, an agency for articulations of defence policies between the South American countries"[76] (own translation, quoted in *Estado de São Paulo* 2008c). Further, the Brazilian government reconfirmed that the 'Council would continue to act within the principles of sovereignty and non-intervention' (*Estado de São Paulo* 2008c). Yet, police collaboration has been increasing, especially with regard to drug trafficking, which is partly a result of the greater differentiation between security and defence issues in the new 2005 PDN version. There, 'new' security threats, especially drug trafficking at the regional level, are assigned to the police forces, not the military, which makes regional collaboration on such issues less controversial for the Brazilian government.

Despite some signs of greater cooperation it can be argued that the lack of a clearly outlined defence and security policy that would define Brazil's role in

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[75] Personal interview with Fernando Henrique Cardoso, 10.01.2007
[76] The original reads: "O Conselho Sul-Americano de Defesa não terá nenhum poder de intervenção militar, não terá nenhuma característica de aliança militar e será, em essência, um órgão de articulação de políticas de defesa entre os países sul-americanos".

security provision and cooperation in the region, and the continuing questions about the division of duties between the different police forces and the military, have led to an indecisiveness in Brazilian government circles as to which form and degree of security cooperation at the regional level would be feasible. Moreover, the complete absence of a clear strategy for security cooperation and provision also leads to the conclusion that Brazil's actions are not infused by any sense of moral responsibility towards the region. Indeed, as one interviewee put it quite clearly, Brazil does not have any responsibility or any obligation to help other countries in the region.[77] Rather, sovereignty and non-intervention are still important catch-words that guide Brazilian strategies for security provision, as examples of Brazilian efforts at mediating inter-state conflicts in the region discussed below will highlight.

Brazil and the Ecuador-Peru border dispute 1995-98

The border dispute between Peru and Ecuador, which had commenced in the early days of independence, once again flared up in the form of a military conflict over the Alto Cenepa region in 1995. In contrast to the numerous attempts made before to solve the dispute, the 'Guarantors' Argentina, Brazil, Chile and the USA successfully brokered a peace accord after almost four years of negotiations. Brazil played a leading role in the successful outcome of the negotiations with Peru and Ecuador in terms of both diplomatic and military efforts. Since Brazil was also the 'depository' of the Rio de Janeiro protocol of 1942, which was set up by the guarantor countries in an attempt to end the border dispute between Peru and Ecuador, Brazil was the main channel for coordination and negotiation between the guarantor countries and Peru and Ecuador (MRE 2007). This led in the first instance to the Itamaraty Declaration of Peace, signed in February 1995 by both Ecuador and Peru. Moreover, President Cardoso sponsored a high-level round of negotiations to ensure the outcome of a solution to the conflict (MRE 2007). The suggestion of Brazilian diplomats to create an ecological park that would pertain to both countries was received positively by the two countries and finally led to a peace agreement signed in Brasília in October 1998.

In terms of military support, Brazil successfully took over leadership from the United States in 1997 of the *Missão de Observadores Militares Equador/Peru*

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[77] Personal interview with senior Brazilian government employee, December 2006

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(MOMEP – Military Observation Mission Ecuador/Peru), which was comprised of forces of all the guarantor countries. The task of the mission was to demilitarise the area and keep the Ecuadorian and Peruvian forces apart. Brazil held the biggest contingent for MOMEP and was also in charge of logistics (*Época* 1998). It further absorbed the costs for establishing and maintaining communication networks and observer missions along the Amazon border, and the purchasing of an extra helicopter (Burges 2004: 237).

Thus, the successful coordination of diplomacy and military commitment showed that Brazil not only had diplomatic abilities but also the means to undertake and coordinate a military response to regional crises (Oliveira 1999: 148), a capability that could lead to the conclusion that Brazil would take on a more pro-active stance in regional security provision. However, this was not the case in the Peru-Ecuador crisis. Rather, the Peru-Ecuador crisis highlights clearly the emphasis in Brazilian foreign policy making on sovereignty and non-intervention. Brazil and the other guarantor countries only got involved after they were asked by both the Peruvian and Ecuadorian Presidents to help find a solution to the ongoing conflict (New York Times 1998). Moreover, although Brazil did contribute to MOMEP in financial terms, most of the costs were absorbed by Ecuador and Peru (*Época* 1998). Brazilian efforts in the Ecuador-Peru conflict, as successful as they were, can therefore not be described as an intervention to re-establish security in the region, but rather as a reaction to requests made by third parties.

Brazil and the 'Plan Colombia'

Brazilian concerns over the Colombian conflict increased when in October 1999 Colombian President Andrés Pastrana introduced his "Plan for Peace, Prosperity and the Strengthening of the State", in short 'Plan Colombia', which in February of the following year was reinforced by the US "Proposal for Assistance to Plan Colombia". This assistance was made up of a US$ 1.3 billion contribution to the fight against narcotrafficking and guerrilla insurgency. According to an annual report on Foreign Military Training, the US had planned to train more than 5000 Colombian soldiers and police in the year 2000, which made Colombia the second highest recipient of such aid behind South Korea (outside the North Atlantic Treaty Organisation (NATO)) (Martins Filho 2005). According to a *Financial Times* (2000) article, many of Colombia's neighbours covertly criticised the plan, fearing that US

involvement, and especially the planned military offence against drug cartels, could aggravate the Colombian civil war and therewith lead to a spill-over into the neighbouring countries in the form of refugees, the relocation of drugs cultivation and guerrilla groups.

For Brazil the major worry deriving from Plan Colombia was the potential relocation of drug laboratories, money laundering and illegal production and sales of chemicals into Brazilian territory, as well as potential environmental damage caused by pesticides used to deforest areas for better vigilance and subsequently transported via rivers into Brazilian territory (Hofmeister 2001: 19). Also, it feared that US involvement could exacerbate the conflict, leading to further destabilisation of the region. At the Fourth Ministerial Conference on Defence in the Americas in Manaus, Brazilian criticism was demonstrated in the form of the refusal to include the issue on the agenda and in the closing statement (Hofmeister 2001: 19).

Yet, instead of suggesting an alternative plan that would offer solutions to the security problems in the Andean-Amazon region, Brazil's reaction to Plan Colombia was the introduction of a military task force in September 2000 named Operation CoBra (Colombia-Brazil), a bilateral initiative to reinforce Brazil's northern border with Colombia to counteract any 'spill-over' effects from Plan Colombia (*Terra* 2000). Similar operations were arranged with Peru (PeBra), Venezuela (VeBra) and Bolivia (BraBo). Furthermore, Brazil reactivated its *Calha Norte* (Northern Corridor) project, introduced by the military in 1985 to promote economic development and effective control along the border. Border control was reinforced by shifting troops from the south and southeast to the north, thereby increasing the number of outposts along the borders with Colombia, Venezuela, Guyana, Suriname and French Guiana from eight to nineteen (*Global Security* 2006). In 2000 the observation of the Amazon region was further improved by increasing funding for the aforementioned SIVAM.

The explanation for such a reserved attitude towards the crisis in Colombia, as one interviewee put it, is found in the fact that Brazil was never officially asked by Colombia to provide help in the form of military involvement.[78] Indeed, then Brazilian Defence Minister Geraldo Quintão's arguments during a public hearing in the Chamber of Deputies highlight the importance placed on sovereignty and non-

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[78] Personal interview with Brazilian government employee, December 2006

intervention, as well as an emphasis on diplomatic means of resolving crises. He stressed that the Colombian government should pursue a solution to the crisis in the form it views most suitable and that Brazilian aid would be offered under the traditional guidelines of non-intervention, respect for self-determination and non-interference in the internal affairs of other countries (in Martins Filho 2005). The absence of any military involvement in the Colombian crisis was furthermore explained by Minister Quintão by referring to the different competencies of the military and the police forces in Brazil, stating that organised crime in the form of drug trafficking was the responsibility of the police, not the military (in Martins Filho 2005). With this in mind, he even defined more clearly during the Fourth Ministerial Conference on Defence in the Americas the two concepts 'security' and 'defence', the first of which was not part of the military's responsibility as it included such security issues as organised crime and socio-political instability, whereas defence referred to the application of the military in an area defined by threats (in Martins Filho 2005). The Defence Minister made clear with his explanation that the Colombian crisis was defined by organised crime and socio-political instability and therefore was not part of the Brazilian military's responsibility, which explained Brazil's non-involvement in the crisis.

Brazil and the Colombia-Venezuela Conflict 2005

Tensions between Colombia and Venezuela came to a high when a leading FARC rebel was kidnapped in the Venezuelan capital Caracas and brought to the Colombian border to be arrested. Venezuela's President Hugo Chávez claimed that the Colombian government had paid the kidnappers for the capture and thereby had committed a crime against the principles of sovereignty (*BBC News* 2005a). The rift was further exacerbated by the US' '100% approval' of Colombia's actions, which in Venezuela were seen as the launch of the Andean phase of Plan Colombia and its military part 'Plan Patriot', which oversaw the attack on guerrilla forces that had spilled over the Colombian borders into other territories of the region (*Inter Press Service* 21.01.2005).

Brazilian President Lula offered to facilitate a dialogue between Bogotá and Caracas during a meeting with Colombian President Álvaro Uribe in Letícia, Colombia, where the construction of a dam was to be discussed (*Inter Press Service* 21.01.2005). The offer was received with gratitude by Colombia's and Venezuela's

foreign ministers, which were present during the meeting. Although Brazilian Foreign Minister Celso Amorim did not think mediation in this case necessary, he added that: "…obviously if Brazil, and President Lula in particular, can do something to facilitate dialogue between friends, then we are going to do it". Such comments clearly demonstrate that Brazil did not want to exacerbate tensions by calling in the OAS or any other institution, as had been the suggestion of Mexico. Rather, the offer by President Lula to mediate, which went contrary to Brazil's policy of getting involved only when help was requested, can be explained as an attempt on the part of the Brazilian President to save the new CSAN, which had been inaugurated only one month earlier in Cuzco, Peru. The active involvement of Brazil in the 2005 crisis was thus an exception, rather than a changing foreign policy course with view to regional security provision, as Brazil's involvement in the 2007/8 crisis between Colombia, Venezuela and Ecuador highlights.

Brazil and the Colombia-Venezuela-Ecuador Conflict 2008
Already in November 2007, Foreign Minister Amorim stated that Brazil would only mediate in the Colombia-Venezuela crisis if specifically asked to do so by the two Presidents (*UOL* 2007). Tensions resurged when Colombian President Uribe did not grant Venezuela the right, although previously promised, to participate in the negotiations with FARC leaders over the release of 49 hostages. In March 2008, Ecuadorian President Rafael Correa moreover condemned Colombia's military incursion into Ecuadorian territory to carry out a raid that killed one of the FARC leaders, broke off diplomatic ties and sent troops to the border with Colombia. Venezuela, in support of Ecuador, expelled the Colombian ambassador from Venezuela and, like Ecuador, also sent its troops to the Colombian border. Brazilian Foreign Minister Amorim suggested openly that President Uribe make another, more sincere apology without the attachment of conditions to Ecuador and condemned Colombia's violation of Ecuadorian sovereignty (*Folha Online* 2008).

Although the Brazilian government promised to get involved through diplomatic means, this was only done in the form of a communiqué through the Rio Group. Brazil even called on the OAS to draft a response and find a resolution to the conflict (*Inter Press Service* 03.03.2008). Despite calls from legislators and analysts that Brazil should take on a leadership position and actively mediate in the conflict to find a regional solution to the crisis (*Estadão Online* 2008; *Inter Press Service* 2008),

Amorim defended the government's position in an address to the Senate, arguing that all necessary measures were met through the Rio Group declaration and the OAS resolution. The reconfirmation of the principle of sovereignty of national territories and the apology given by President Uribe was satisfactory for the time being, Amorim argued (*Tocantins* 2008).

Brazil's choice to call for an OAS commission to investigate the Colombian military operation in Ecuador, instead of leading the negotiations and investigations itself, highlights the difficulties the Lula government perceived in keeping its neutrality in the crisis. More importantly, however, it demonstrates Brazil's continuing emphasis on sovereignty and non-intervention and the involvement in security crises only when specifically asked to do so. This was the case even when calls inside and outside the country for Brazilian leadership in the crisis became louder and might have justified intervention even without the particular request of the countries involved. However, Brazil's deficient leadership during the crisis demonstrates that Brazilian policy makers miss a clear strategy that defines Brazil's position in the region regarding security and defence issues. This absence of a strategy is the result of the aforementioned lack of internal and external consensus over the role of Brazil's security policy in the region, as well as the lack of consensus over the future of the national military industry (Senhoras and Carvalho 2007: 6).

In sum, the account on Brazilian efforts at mediating conflict and creating greater regional security cooperation can best be described as timid, deriving from the many unresolved questions about the role of the military and the role of Brazil as a stabilising force in the region. The continuing emphasis on sovereignty and non-intervention have limited Brazilian ideas to national defence issues rather than widened views on creating common mechanisms to tackle transnational security problems. To an extent this is also the result of a different view on how security is ultimately achieved, as will be discussed in the next section. However, these very timid efforts at mediating conflict and forging greater regional security cooperation highlight that Brazilian ideas on regional security and defence are not in any way infused by a sense of moral responsibility towards the regional community that would justify greater involvement in regional security issues. Thus, the case of Brazil in this area confirms the second hypothesis.

Alternative strategies for security provision?

The question to be answered here is to what extent Brazilian strategies for security provision have a 'reforming' character, thus, to what extent they differ from the strategies advocated by the United States.

Brazil's rather conservative stance to security provision in the form of military and diplomatic intervention at the regional level makes it difficult to find formulations of 'alternative' strategies for security provision. And yet, it is possible to detect a different approach to security provision that focuses more on the origins of security dilemmas rather than on the treatment of concrete threats to national and regional security as outlined above. With the slogan *'de não-intervenção à não-indiferença'* the Lula government symbolised a greater willingness to embrace a more assertive diplomatic presence to secure stability in the region.[79] In line with the strong emphasis on sovereignty and non-intervention and the still strong idea that security threats are of an economic nature, the Lula government has begun to emphasise the need for a more equitable form of socio-economic development within South America. The emphasis has thus been on economic development and the provision of civil security rather than the increase of military involvement to solve remaining security problems. This becomes very clear in Brazil's promotion of structural funds and an emphasis on *'segurança cidadã'* (civil security) as an alternative to traditional forms of security provision and cooperation. In an unofficial internal paper the Foreign Ministry states that: "We believe that only sustainable economic development, based on the reduction of regional and social inequalities, will guarantee the security and stability of South America and the democracies it is made of" (own translation).[80] Security and stability in South America are thus seen to be achieved not only through the minimisation of socio-economic inequalities within countries but also between countries in the region.

To minimise inequalities between countries, the Brazilian government has promoted the introduction of funds to improve the regional infrastructure and thereby to increase intraregional trade. Under the aegis of the IIRSA project, which was discussed in detail in chapter 3, the Brazilian government has invested more than

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[79] Personal interviews with senior Brazilian government employee, August 2005; Brazilian academic, August 2005

[80] The original reads: "Acreditamos que somente o desenvolvimento econômico sustentável, aliado à redução das desigualdades regionais e sociais, poderá garantir a segurança e a estabilidade da América do Sul e as democracias que a compõem"

US$ 2 billion for works on infrastructure in other South American countries (Unofficial internal document MRE 2006). Within the Mercosul the aforementioned structural funds programme FOCEM aims at improving the stark structural differences between its members and is therefore directed specifically at the two smaller participants.[81] US$100 million are being invested in physical integration, 70% of which are contributed by Brazil, 27% by Argentina, whereas Paraguay and Uruguay only have to contribute 1% and 2% respectively. Yet Paraguay will receive 48% and Uruguay 32% of the contributions (Mercosul/CMC/No. 18/05).

Discussions on *'segurança cidadã'* (civil security) took place during the first CSAN meeting in Fortaleza, Brazil, in August 2005. The *Declaração de Segurança Cidadã na América do Sul*, signed in August 2005, states that the preoccupation with the security of the state has given way to a preoccupation with the security of civil society, which is guaranteed only through the promotion of socio-economic development that will lead to a more equal South American society. In order to achieve better civil security, the declaration further envisages the exchange of knowledge and ideas in the form of interchange of technical missions, the realisation of seminars and workshops and the analysis of other means of funding for greater integration in the academic sphere. The emphasis on security cooperation within the CSAN therefore remains related to socio-economic development on the one hand and greater emphasis on civil security rather than military cooperation on the other.

'New' security threats

The lack of a clearly defined strategy for security provision at the regional level has also impacted on Brazil's policy formulations with regard to the so-called 'new' security threats, such as terrorism, insurgency, drug trafficking and environmental degradation. Indeed, in this area Brazil's lack of clearly defined strategies manifests itself most obviously. Brazilian activism in the combating of new security threats is not so much a response to regional security problems, but rather a reaction to the interests of the United States (Pagliari 2005). As a result of the terrorist attacks of 9/11, the United States has pushed the Latin American states to become more proactive at combating terrorism, insurgency and narcotrafficking. Moreover, the United States has become directly involved in Colombia's fight against the FARC, as

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[81] Personal interview with Brazilian government employee, December 2006

mentioned above, and has been cooperating with Paraguay over its preoccupation about possible terrorist cells in the tri-border area Argentina-Brazil-Paraguay.

The so-called '3+1 Mechanism', which includes Brazil, Argentina, Paraguay and the US as a guest participant, was set up in 2002 to investigate US assumptions about terrorist activities in the tri-border area. However, as Hirst (2007a: 55) points out, the initiative has a symbolic character rather than truly forging cooperation between the four countries. This has partly to do with the fact that no operational activities linked to terrorism in any form could be detected in the tri-border region, as the conclusion of a '3+1' meeting in 2003 confirmed (Lima e Silva 2004: 3). On the other hand it is also a result of the relative 'disinterest' Brazil has in combating terrorism. The relative absence of guerrilla warfare and other forms of terrorism at the domestic level makes the fight against terrorism less pressing for Brazil. Moreover, as one interviewee highlighted, the Brazilian government thinks the emphasis in the tri-border area is wrongly placed since the tri-border area is much more plagued by problems of narcotrafficking and smuggling.[82]

Due to increasing problems with the smuggling of drugs and other goods through Brazilian territory, especially in the Amazon region, Brazil has demonstrated greater willingness and effort at cooperating on drug-related security issues at the regional and the international levels.[83] This is also reflected in a more pro-active and somewhat 'alternative' approach to combating drug trafficking and drug use than is advocated by the US. In contrast to the United States, which tries to eradicate narcotrafficking and drug consumption through the fight against drug production (its exertion in Colombia's fight against the FARC highlights this quite clearly), the Brazilian government sees the solution to the problem in curbing demand for drugs. Thus, while the US wages a 'war on drugs', Brazilian administrations have focused on the education and treatment of addicts as a means to achieve a reduction in demand.[84] For example, the Special Committee RED, which deals with regional and especially Mercosul drug problems, is responsible for the coordination of drug production, -trafficking and use of drugs (Flemes 2005: 27). The key task of RED is the prevention of drug abuse and rehabilitation of drug addicts.

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[82] Personal interview with senior Brazilian government employee, August 2005
[83] Personal interviews with Fernando Henrique Cardoso, 10.01.2007; senior Brazilian government employee, December 2006
[84] Personal interview with senior Brazilian government employee, December

With regard to environmental protection as a security issue the implementation of environmental laws in Brazil has proved more difficult than the passing of such laws. As the host country of the Rio Summit in 1992 Brazil was expected to adopt a majority of the laws and policies passed during this environmental summit and indeed has resulted in a rich and advanced environmental legislation (Drummond and Barros-Platiau 2006: 100). Yet, despite major improvements the implementation of many laws has proven difficult, mostly due to the vast area of the Amazon and the difficulty of enhancing the presence of the state in this area.[85] Also, Brazilian officials have changed their attitudes only slowly with regard to international commitments. The attempt to 'catch up' economically has overweighed greater environmental protection[86] and only in recent years the Brazilian industry has begun to understand that future economic development might only be viable if practiced in an environmentally friendly manner. Quite obviously, the greatest focus has been on environmental and indigenous protection in the Amazon region. In terms of security this has focused to a great extent on the protection of minerals and biodiversity, as outlined in the PDN. Such protection has not only focused on the protection from damage of natural resources, but also on the protection from illegal extraction of minerals and plants for research and commercial purposes in other countries.[87] Thus, environmental protection, especially in the realm of security, has focused again on the domestic arena with varying degrees of success.

Overall, Brazilian initiatives on tackling the so-called 'new' security threats have been slow in coming due to the relative absence of many of these threats, especially those emphasised by the United States such as international terrorism and insurgency, and partly due to the still strong inward focus of successive Brazilian administrations with regard to security provision. Only with the realisation that new security threats, especially drug trafficking and related criminal activities have increased through greater regional integration and the transnationalisation of (illegal) economic activities, and that these issues cannot be dealt with just on the domestic level, Brazilian administrations have started to increase cooperation in these areas. However, with regard to the US such cooperation has often been slow due to the

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[85] Personal interview with senior Brazilian government employee, December 2006
[86] Personal interview with Fernando Henrique Cardoso, 10.01.2007
[87] Unofficial conversation with Brazilian government employee, August 2005

different emphases the two governments place on the different security problems and the divergent strategies they promote for the combating of these problems.

IBSA and UN reform

The 'reforming' character of Brazilian strategies for security provision at the international level, while limited, still comes through in two other related issue areas – the reform of the UNSC and 'alternative' forms of peacekeeping practiced through Brazilian leadership of the UN peacekeeping mission to Haiti. Calls for reforms of the UN system, especially the UNSC, became more pronounced after the United States ignored UN resolutions and unilaterally decided to invade Iraq after the terrorist attacks of 11. September 2001. The Brazilian proposal was prepared under the aegis of IBSA, an initiative that was instigated in 2003 between Brazil, India, and South Africa to work together to construct a common agenda for cooperation between the three members and other countries under the auspices of south-south cooperation. As Brigagão and Dalla Costa (2005: 10) argue, these three countries instigated this initiative to elaborate alternative options to an international order increasingly characterised by unilateralism since the 9/11 terrorist attacks. Whereas the main objectives of the IBSA initiative are spread over a diverse range of issue areas, as already mentioned in chapter 3, one of the main concerns for Brazil and the other two countries has been the reform of the UN Security Council. The proposal put forward by IBSA suggests the inclusion of countries such as Brazil, India and South Africa on the basis of regional representation. To underpin demands for a reformed Security Council, Brazil has taken a leadership position in the UN peacekeeping mission to Haiti.

Brazilian involvement in MINUSTAH

With a participation record of 28 missions out of a total of 63 between 1956 and 2007 – most recent ones including the UN Observer Mission in El Salvador (ONUSAL) and Mozambique (ONUMOZ), the UN Mission in Angola (UNAVEM I-III) and East Timor (UNMIT) – Brazilian involvement in UN peacekeeping missions is nothing new as such. Yet, Brazilian involvement in the MINUSTAH mission differs in both quantitative and qualitative terms from previous ones. Whereas the UNAVEM III (1995-97) mission had been the most important one for Brazil as the largest troop contributor – 739 troops, 20 military observers and 14 civilian police

(UN Peacekeeping Website 2008) – this has augmented to a troop deployment of more that 1200 and an anticipated increase of about 35% in 2008 for the MINUSTAH Mission (*Reuters* 2007). In qualitative terms, the differences are even more pronounced, as Brazil has accepted the leadership of the mission, which includes the commandment of up to 6700 military and 1600 police personnel (UN Peacekeeping Website 2008).

Brazilian leadership of the MINUSTAH peacekeeping mission is surprising regarding the initial refusal to participate in the Multinational Interim Force which was established after Resolution 1529 was passed at the end of February 2004. According to Diniz (2005: 92) the reason for an initial refusal to participate derived from the seeming emphasis of the mission on Chapter VII of the UN Charter, which sets out peace enforcement rather than the maintenance of peace outlined in Chapter VI. However, due to the strong interest in participating on the part of President Lula, Itamaraty and the Ministry of Defense, it was later concluded that only one paragraph was based on Chapter VII and not the whole Resolution 1529 and therefore Brazilian participation would be acceptable. Traditionally, Brazilian involvement in UN peacekeeping missions had been based only on the maintenance of peace, which again had its origins in strong ideas about national sovereignty self-determination, and consequently the strong objection to the involvement in internal political processes of other countries. The MINUSTAH mission for Brazil thus meant a replacement of the old non-intervention policy with the current non-indifference policy (Hirst 2007b: 7).

More important here, however, is the emphasis the Brazilian-led mission places on 'development' measures. While the mission's mandate already included a wide range of responsibilities related to public security provision including the training of the national police, electoral assistance and the enforcement of human rights, the Brazilian mission has intended to provide alternative ways of peacekeeping that do not only focus on security provision, but rather on the establishment of sustainable peace.[88] With four previous UN missions to Haiti having failed to establish permanent peace, the Brazilian aim has thus been to place far more emphasis on the regulation of economic and political problems so as to

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[88] Personal interview with senior Brazilian government employee, August 2005

establish permanent peace.[89] It stems from the believe that only through an emphasis on economic and political development and the constant interaction with the local people through a 'big public relations effort' it is possible to improve living conditions and therefore end the vicious cycles of violence that reoccur when being met with even more violence on the part of the UN mission.[90]

To further support the more development-centred approach to peacekeeping the IBSA initiative moreover introduced in 2005 the IBSA Facility for the Alleviation of Poverty and Hunger, which won a United Nations Development Programme (UNDP) South-South Alliance of 2006 award for its projects in Haiti and Guinea Bissau (UN Unit for South-South Cooperation 19.12.2006), and is aimed at helping the poorest nations in the areas of poverty and hunger alleviation and health care provision. In Haiti the fund has been specifically aimed at a community-based project to establish a waste collection system in the Carrefour Feuilles area in Port au Prince, which is one of the most polluted areas of Haiti (*Media Global* 2007). As one government official points out, this is not a mere waste collection initiative, something that is already part of the responsibilities of the MINUSTAH mission, but rather a project that is aimed at involving and educating community members on how to run their own waste collection system.[91] It includes the employment of more than 200 community members which are taught to run their own waste collection scheme. Apart from tackling issues of sanitation, health and environmental pollution, it is moreover aimed at the reconstruction of a social network in the neighbourhood by uniting and organising the community (*Media Global* 2007). It is what Francisco Simplicio, Chief of the Division of Knowledge Management at the UNDP's Special Unit for South-South Cooperation calls an 'unorthodox' solution to development. As he argues: "A different group of countries have emerged with a different vision. Their discourse is different. Instead of abiding by the norm, IBSA said, 'You know what, let me try something different. Let me try things my way.'" (quoted in *Media Global* 2007).

However, the 'unorthodox' ways to peacekeeping were not only met with praise. In December 2004, six months after the commencement of the MINUSTAH mission, then Commander of the UN mission General Augusto Heleno Ribeiro

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[89] Personal interview with Brazilian government employee, August 2005
[90] Personal interview with senior Brazilian government employee, December 2006
[91] Personal interview with senior Brazilian government employee, August 2005

Pereira stated in front of the Brazilian External Relations and National Defence Commission that he was pressured by other countries and even parts of the Haitian population to act more forcefully against violence on the island. Yet, his aim was, he argued, "…to be more prudent to avoid triggering actions and reprisals that on many occasions are unnecessary"[92] (own translation, *Agência Câmara* 02.12.2004). Even Andressa Caldas, the director of Justiça Global, a Brazilian NGO promoting human rights in Brazil, argues that MINUSTAH has not fulfilled its aims and targets. She points to a study realised by Justiça Global in November 2005, which found that MINUSTAH was ridden by low efficiency and a high number of mistakes compared to other UN missions, and that it had not yet managed to initiate a reform of national politics, disarmament programmes and the monitoring and reporting on the human rights situation in Haiti. She adds: "It is also not its [MINUSTAH's] responsibility to pave roads, drill artesian wells and even less so to combat gangs in shanty towns"[93] (own translation, *Estado de São Paulo* 2007b). Such criticisms demonstrate that, as Ginifer already argued in a 1996 article, despite the importance of development frequently being stressed within UN peace missions, the emphasis is still placed on emergency relief and security provision to the detriment of socio-economic reform and human and social approaches to the attaining of peace and security (1996: 3).

Further criticisms regard Brazil's involvement in the MINUSTAH peace keeping mission in general. Some sectors in President Lula's worker's party echoed arguments made by former Haitian President Jean Bertrand Aristide that his democratically-elected government was overthrown illegally by US authorities and therefore UN involvement was illegitimate, thereby arguing that Brazil was "legitimising the imperialist and interventionist policies of [President] Bush" (in Diniz 2005: 103). Such criticisms are coupled with speculations that the Lula government merely sought the leadership position within MINUSTAH to gain a permanent seat on the UNSC. Despite some interviewees also pointing to involvement in Haiti as part of the strategy for greater assertion into the international community[94] and the necessity for Brazil to get involved if it wanted to play a more

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[92] The original reads: "Mas nós procuramos ser ponderados para evitar desencadear ações e represálias muitas vezes desnecessárias".

[93] The original reads: "Também não é seu papel pavimentar ruas, perfurar poços artesianos e muito menos combater gangues em favelas".

[94] Personal interview with senior Brazilian government employee, August 2005

influential role in world affairs[95], such accusations have been generally refuted. One government official argued that it should be borne in mind that Brazil had a long history of participation in UN missions and that Brazilian leadership in MINUSTAH was merely an extension of this record[96]. Others have put forward the benefits the involvement in Haiti has for Brazilian cooperation in security matters with other Latin American forces[97] and also for Brazil's national problems with civil security, considering that the kind of tasks the Brazilian forces had to manage there could also be applied in violent and poverty-stricken areas in Brazil, principally in the *favelas* of Rio de Janeiro and São Paulo[98].

Indeed, calls have been getting louder to use the military not only abroad to combat urban conflicts, but also at the domestic level. As the *Agência Estado* (2007b) communicated in December 2007, Defence Minister Nelson Jobim has suggested the introduction of a juridical model that would allow for the lawful involvement of the Brazilian armed forces against organised crime. He argued that the Brazilian military have managed to re-establish security in Haiti, where attacks by gangs were frequent, and that the experience gained in Haiti of how to successfully combat urban conflicts could be helpful in Brazil. Due to Brazil's recent history of military dictatorship the involvement of the military in civil security problems remains a problematic issue. Although public resistance to military involvement is becoming less stringent due to the inability of the government to fight gang violence and organised crime in the big cities, the refusal of the governor of São Paulo, Claudio Lembo, to accept help from the armed forces during the violent outbreaks of the PCC in august 2006, highlights the still existing polemic around this subject matter (see Hirst 2007b: 9 and footnote 28).

The argument that MINUSTAH is an opportunity for Brazil to strengthen security cooperation with other Latin American countries, which form the greatest part of troops in Haiti, should be approached a little more cautiously. Hirst (2007b) argues that, despite the increased team spirit between Argentina, Brazil and Chile, which was strengthened by convergent ideas on the Haitian reconstruction process and the symbolic and historic dimension of MINUSTAH that mixes Latin American collective memory, common ideological and political references that led to a sense of

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[95] Personal conversation with Brazilian government employee, July 2005
[96] Personal interview with senior Brazilian government employee, August 2005
[97] Interview with senior Brazilian government employee, December 2006
[98] Interview with senior Brazilian government employee, August 2005

common identity among the Haitians and Latin American forces, the creation of a security community on these grounds is still uncertain. Since the creation of a security community implies strong defence policy homogenisation, which in South America is hard to achieve due to the diverse nature of perceived threats in the different states, Hirst thinks the development of greater security cooperation between the South American countries to be more viable in global institutions than in regional ones (2007b: 13). This view corresponds with observations made earlier on the viability of a working security community in South America.

The MINUSTAH mission has been extended, until further notice, until mid October 2008. Until the end of the mission it is therefore difficult to oversee whether Brazil's 'alternative' approach to peacekeeping has been successful, and even less so if it is going to become a precedent for future peacekeeping missions. What the case of Brazilian leadership in MINUSTAH quite clearly demonstrates, however, is the Brazilian government's formulation of strategies that are of a reforming, rather than a 'conforming' nature, and that these strategies are formulated to gain greater international recognition. The emergence of strategies and initiatives of a 'reforming' character in security provision, albeit still in their early stages, can therefore again confirm the fourth hypothesis.

Brazil: A regional power in security provision?

The question to be answered here is whether, from the findings above, Brazil can be defined as a regional power in security provision and cooperation. In terms of military capabilities, discussed in the first section, Brazil does hold the second largest defence budget and the second largest number of armed forces in the region behind the United States. However, in relation to population and territorial size, Brazilian capabilities are smaller than those of, for example, Colombia or Chile. Moreover, the poor level of public security shows that the Brazilian state has so far failed to formulate and implement policies that would successfully tackle these problems. The inability to solve domestic problems has also had implications for Brazil's abilities to find adequate solutions to security problems at the regional level. Thus, in terms of material and institutional capabilities, Brazil cannot be described as a regional power in the area of security provision.

With regard to security provision and cooperation at the regional level it is more difficult to determine whether Brazil can be described as a regional leader. Brazilian efforts at establishing a regional security regime have been very limited, and most of the initiatives taken were reactions to international and regional events rather than pro-active moves on the part of Brazil to establish cooperation mechanisms with the regional neighbours. For example, the creation of the CoBra Mission and similar projects with Peru, Venezuela and Bolivia were a reaction to increasing US involvement in the Colombian war against the FARC. Yet, despite the more defensive stance in the area of security provision and cooperation, on many occasions Brazil has been the initiator of these 'reactionary' cooperation mechanisms. Also, with regard to security provision in the region, Brazil has proven to be the mediator in most conflicts in the region, which should be attributed to Brazil's good relations with all its neighbours and its diplomatic abilities. Moreover, President Lula's attempt to make Brazil the 'stabilising force' in South America through deeper socio-economic integration also demonstrates greater willingness to cooperate, albeit in economic terms rather than in forging greater military cooperation.

Brazil's leadership in security provision and cooperation is thus hampered much more by the government's own indecisiveness than by the country's leadership potential in this area. Although the Lula government has emphasised the move from non-intervention to non-indifference, and thereby has signified greater willingness to regional integration, which includes cooperation on security-related issues, there still seems to be indecision in Itamaraty as to the role Brazil should play with regard to security related questions.[99] As Vidigal (2004: 30/31) argues, Brazil does not yet have a rapport of systematic involvement in peacekeeping missions, nor has the Brazilian government yet considered and embraced the risks that greater international participation involves and especially the political problems that might emerge with regard to Mexico and Argentina. Indeed, the disapproval of Argentina and Mexico of Brazil's bid for a permanent seat on the UNSC is a factor that might hold back Brazil's leadership position in the region. Yet, overall, the greatest obstacle to regional leadership in the realm of security is Brazil's continuing

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[99] Personal interview with senior Brazilian government employee, August 2005

indecision as to the role it should play in the realm of security and defence, both in the region and at the international level.

Conclusion

The testing of the three hypotheses on the case of Brazilian strategies and initiatives for security provision and cooperation at the regional level showed that, overall, Brazil fits the concept of an emerging power rather than that of a traditional middle power. Brazil's domestic realities in the area of security, especially its grave public security problems and the generally introverted nature of Brazilian defence and security thinking and policy formulations, explains Brazil's rather conservative stance with regard to security provision and cooperation at the regional level. Due to the very introverted nature of Brazilian security and defence policy, and the absence of any formulations that are concerned with Brazilian defence and security provision and cooperation in the region, one can conclude that Brazilian strategies in this issue area are not influenced by a world view that would include a sense of moral responsibility towards the international community.

With regard to Brazil's strategies having a 'reforming' character, this is most obvious in Brazil's attempts at launching a different form of peacekeeping in Haiti that is focused on establishing permanent peace through socio-economic development rather than immediate security provision. The same emphasis on socio-economic development is also placed at the regional level, where Brazil is trying to establish itself as a 'stabilising force' through greater regional cooperation on civil security provision. Such an emphasis does not signify that policies indeed stand in stark contrast to those promoted by the United States, but rather that the emphasis on how to overcome security-related problems is placed differently. Security problems are seen to derive from economic underdevelopment and its consequences, such as poverty, and this, in combination with the peaceful region in which Brazil is embedded, has led to a security thinking that is more concerned with economic development than with traditional security concerns such as external threat from third parties.

Brazil's lacking leadership in this issue area derives not so much from the resistance of its neighbours, but rather from the government's own indecisiveness on the role Brazil should play in security provision and cooperation. The reluctance to

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disregard the principles of sovereignty and non-intervention, and the emphasis on diplomatic means for resolving crises, have led to a greater emphasis on economic integration and the exchange on ideas of how to improve civil security rather than the creation of a regional security regime or an even more coordinated security cooperation. Overall, it can thus be argued that, despite some inconclusive results with regard to Brazil's 'alternative' strategies for security provision and cooperation at the regional level, the hypotheses have been proved to be valid in the case of Brazilian strategies and initiatives for security provision and cooperation.

Chapter 5

Brazilian initiatives and strategies for the protection and promotion of democracy

To complement the analysis of Brazilian strategies and initiatives for security provision, the focus in this chapter will be on Brazilian strategies formulations and initiatives for the protection and promotion of democracy abroad. The reason for looking in detail at Brazil's strategies and initiatives for democracy protection and promotion derives from the idea promoted in the existing middle power literature that middle powers are those countries that are generally concerned with second-order issues such as the promotion of democracy and human rights, peacekeeping and environmental protection (see for example Cooper *et al.* 1993). Moreover, the selection of middle power countries in the existing literature points to a strong (social) democratic tradition as one of the main characteristics for middle powers (note for example Pratt's (1990) choice of Norway Sweden and Denmark, or Cooper *et al.'s* (1993) choice of Canada and Australia as middle powers). It is specifically the strong democratic tradition of traditional middle powers that Jordaan (2003: 171) highlights as one of the main differentiating characteristics to the emerging middle powers, which are often still plagued by the effects of incomplete transitions to democracy. For these reasons, a close look at Brazil's strategies and initiatives for the protection and promotion of democracy abroad offers the possibility to examine the validity of Jordaan's argument and at the same time provides valuable insights into the importance of democracy protection and promotion for Brazil's emerging power status.

The three hypotheses to be tested have again been reformulated into questions relevant to the protection and promotion of democracy and are as follows: 1) What kind of kind of behaviour can be detected in Brazilian strategies and initiatives for the protection and promotion of democracy? 2) To what extent can Brazilian strategies and initiatives be said to a have a 'reforming' character? 4) Is Brazil a regional power with regard to the protection and promotion of democracy? Contrary to the previous two chapters, the analysis here will centre almost entirely on Brazil's engagement in democracy protection and promotion at the regional level, mainly

because its actions in this policy area hardly extend beyond the South American region. Brazilian efforts at democracy protection and promotion at the international level will not be discussed in detail here as these are limited to peacekeeping missions under the umbrella of the UN and were discussed at length in the previous chapter. Nevertheless, as was the case in the previous two chapters, the overall structure of the chapter will remain the same, commencing again with a context-setting section that looks in more detail at the state of Brazil's democracy and thereby offers a basis for a better understanding of the behaviour of Brazilian policymakers with regard to democracy protection and promotion abroad. The second part will then focus on Brazil's behaviour in the area of democracy protection and promotion, looking specifically at several cases of Brazilian involvement in protecting institutional democracy in South America. The third part will then turn to the question of whether Brazilian strategies can be said to have a 'reforming' character by looking in more detail at Brazil's preference for using sub-regional institutions to solve democratic crises. In the fourth part the discussion will again focus on Brazil is a regional power with regard to the protection and promotion of democracy, followed by concluding remarks.

Brazilian democracy: An overview

The first task of this chapter is again to provide a more general overview of the domestic realities regarding democracy and democratic governance in Brazil in order to arrive at the background knowledge that helps us to better understand the specific strategy formulations of Brazilian policymakers discussed in the remainder of this chapter. To this avail, the discussion will commence with an overview of Brazil's democratic commitments at the international level and then move on to discuss the nature of Brazil's political institutions and the impact of poverty and inequality on democratic development at the domestic level.

The inauguration of President José Sarney in March 1985 marked the return to democracy in Brazil after twenty years of military dictatorship. Since then, Brazilian democracy has 'survived' several serious crises, such as the impeachment on corruption charges of President Fernando Collor de Mello in 1992, the political turmoil that followed during the interim presidency of Itamar Franco from 1993-1994, which at one point looked like it could end in a 'Fujimori-style self-coup'

(Hunter 2003: 155), the failure to successfully implement seven economic-reform packages between 1985 and 1993 alone, as well as the currency devaluation in 1999. As the 2005 corruption scandal, also called the *'Mensalão'* in the Brazilian press, around President Luiz Inácio Lula da Silva's *Partido dos Trabalhadores* (PT) highlighted, issues such as corruption, clientelistic and rent-seeking practices within both the state and federal governments are still on the agenda today. However, they have diminished considerably over the last ten years (Weyland 2000: 54-55). Partly, this can be accredited to the 'dynamic and aggressive news media', which has helped to increase openness and transparency in Brazilian politics (Power 2005). Scandals such as the 2005 *'Mensalão'* came to the light of day as a result of persistent publishing of irregularities by the press, government prosecutors and congressional commissions, which demonstrates that political institutions are able today to regulate themselves.

The resilience of democracy in Brazil, especially in its first ten years, is remarkable considering the challenges it had and still has to face. Where many other Latin American countries have experienced democratic setbacks during the same time period, Brazil has never had any real threats to democracy since 1985, neither from the military nor from leftist groups. Although, as Hurrell (2001: 159) argues, the impact of international and regional forces on the choice for redemocratisation in Brazil should not be exaggerated, it can be argued that this resilience is partly due to the new democratic government's efforts to consolidate democracy at home by 'locking-in' the new reform processes at the regional, hemispheric and international levels. For example, Brazil actively promoted democratic forms of governance as a prerequisite for membership in the Mercosul, although this was not explicitly mentioned in the founding Treaty of Asunción of 1991. Yet, the integration project was built on the political goals of ending rivalry between Argentina and Brazil and consolidating the new democratisation processes in the two countries in the mid 1980s. The addition of the 'democratic clause' in the *Ushuaia Protocol* of 1998 finally made the protection of democracy an explicit prerequisite for membership in the Mercosul (Santiso 2003: 352).

Brazil's commitment to democracy was further underpinned by the country's signing of all important hemispheric and subregional democratic treaties and charters. With the end of the East-West conflict and commencing processes of redemocratisation in almost all of Latin America and Eastern Europe, the

commitment to democracy was reinstated by all countries of the Americas (except Cuba) through the renewal of the inter-American democratic system of the OAS. Considering Brazil's very recent return to democracy, its active and continuing support for changes to the preamble of the OAS charter from 1985 onwards was impressive; a support that continued through to the introduction of the Santiago Commitment to Democracy and the Renewal of the Inter-American System and Resolution 1080, both signed in 1991, the adoption of the Washington Protocol, signed in 1992, and the endorsement of the Inter-American Democratic Charter in 2001 (Santiso 2003: 352; Burges and Daudelin 2007: 110). The Santiago Commitment to Democracy aimed at correcting the problem of non-action by including a statement to adopt "efficacious, timely, and expeditious procedures to ensure the promotion and defence of representative democracy" (OAS 1991).

This statement was further underpinned by Resolution 1080, which was a landmark in hemispheric diplomacy (Cameron 2000: 5) as it introduced a clearly defined procedure of action in the event of democratic breakdown, a rapid response system and thereby greater leverage for the OAS to make appropriate decisions and actions in the event of a democratic breakdown. The Washington Protocol further allowed the General Meeting of the OAS to suspend a member state in the case of democratic breakdown by a two thirds vote (OAS 1992). Such a statement was of great importance as it made representative democracy a prerequisite for participation in the hemisphere's affairs and the only legitimate political system in the Americas (Cooper and Legler 2001: 108). Moreover, it gave greater credibility to the OAS as a true defender of democracy in the region, doing away with the ambivalence towards authoritarian regimes and human rights violations during the Cold War era.

Similar democratic clauses were introduced in the Rio Group Declaration where the commitment to representative democracy and the promotion and defence of democratic forms of governance were restated during the first South American Presidential Summit hosted by Brazil in 2000 (Brasília Communiqué 01.09.2000). Furthermore, Brazil re-established its participation in UN peacekeeping missions after a period of absence during the years of military rule.

The pro-democratic shift at the international level has thus benefited the consolidation of democracy at home. Yet, although there is hardly any doubt that Brazil has turned into a stable liberal democracy since the mid 1980s, it must be highlighted that the *quality* of Brazil's democracy has lagged behind due to the many

remaining institutional weaknesses, most prominently a weak party and electoral system, an inefficient legislature, distorted executive-legislative relations and robust federalism (Power 2000 and 2005), as well as the continuing problem of social exclusion, poverty, inequality and violence. With regard to the institutional weaknesses, the Brazilian party system has received the most critique over the years (Power 2000: 28). Brazilian political parties are generally fragmented and internally weak, have a low level of continuity and are often devoid of ideology, problems that to a large extent derive from the lenient electoral laws (Power 2000: 28). The multiparty system and the lack of a national electoral threshold mean that many small parties easily gain representation in Congress, which is good for overall stability, but has negative implications for governability. For one, the very ease with which new political parties can be formed has led to a high number of weak and undisciplined patronage parties (Hunter 2003: 159). Only in March 2007 the *Tribunal Superior Eleitoral* decided that the mandate belongs to the political party and not to the elected candidate (*Agência Brasil* 2007). With such a measure the Tribunal intends to strengthen party loyalty and end the continuing party switching which has been common practice. Indeed, more than one in three legislators have tended to switch parties in a four year term, something that has reinforced highly personalistic and parochial politics (see Power 2005 and Power 2000: 28). Also, high levels of party fragmentation and low levels of congressional support mean low levels of consistent party support and tends to force presidents to constantly create new cabinets and legislative coalitions, which consequently leads to often erratic and unpredictable policy outcomes (Power 2000: 23-4) and is a part explanation for the often used rule-by-decree and other patrimonial practices.

The nature of the electoral system has moreover favoured the overrepresentation of the smaller, rural states in the Chamber of Deputies. This has not only lead to an under-representation of the biggest states such as São Paulo, which have been about 40 deputies short (Power 2000: 27), but has also meant that family-based oligarchies, landowners and business elites continue to have significant influence in national politics (Hunter 2003: 156). This rural bias, Mainwaring (1999) highlights, has tended to strengthen the patronage-wielders and weaken the more progressive forces. Together with the problem of the president constantly leading a minority government, the uneven representation in Congress has led to regular conflicts between the conservative-leaning legislature and the publicly elected

president (Hunter 2003: 159) and has thereby further reinforced the continuing clientelistic practices in Brazilian politics.

Difficult relations between the legislature and the executive have not been improved by the Congress' generally slow and unproductive nature, which is a product of the internal weakness of most parties and the resulting individualism that ultimately leads to inefficiency. This inefficiency in turn has caused executive impatience, which has led presidents to use their power of decree far more often than they should (see Power 2000: 31). In fact, according to Power (2005), more than 75% of all legislation adopted since 1985 has originated from the executive branch, often by power of decree, which of course has resulted again in dissatisfaction on the legislative side. Moreover, dissatisfaction on both sides has derived in the past from the different national agendas the two branches have been trying to follow. Whereas the executive focused on macroeconomic stabilisation, the Congress favoured reforms in the social arena (Figueiredo and Limongi 1995). Actually, the priority given to macroeconomic reform in the first few years after redemocratisation is one of the main reasons for the institutional defects. Due to economic and especially monetary instability with inflation rates rising to a point of price rises of 2500% in 1993 (Cardoso 2006: 174), macroeconomic stabilisation took absolute priority for the first ten years of the new democracy, and to the detriment of political reform. Within a short period of time, these political and institutional practices became entrenched and difficult to reform.

The imbalance of power between the executive and legislature has moreover favoured, as already mentioned, an individualistic and clientelistic style of politics where relationships between the small number of patrons and the large number of clients have been upheld by 'favours, jobs and pork', as Power (2005) puts it. This clientelistic policy style has also reinforced corruption among politicians and public officials, the most recent case having been the 2005 *'Mensalão'*. Although the press and the Congress itself did much to uncover the whole extent of corruption and some of the participants were put to trial, the majority was not convicted and many of them were again involved in everyday politics one year later. As Hunter (2003: 159) rightly points out, a uniform system of rights and obligations does not exist in practice and as a consequence the judiciary lacks legitimacy and democratic citizenship remains limited. Of course, over the years, many reforms have been introduced to tackle all or most of the above mentioned issues, however, Brazil's

democratic institutions and the policies deriving from them have often remained controversial and problematic (Kingstone and Power 2000: 7).

To the still prevalent institutional problems must be added many persisting domestic problems, such as poverty, income inequality and social exclusion, state violence, an unequal judicial system, and poor education. As already mentioned in chapter 3, more than 22% of Brazilians were under the international poverty line in 2001, compared to 14.3% in Argentina in the same year and 9.6% in Chile in 2001 (World Bank 2005a). The regional differences within Brazil exacerbated this number. In rural areas more than 50% of the population were under the national poverty line in 1998, compared to a little more than 14% in urban areas (World Bank 2005a). Added to the already high level of poverty is one of the highest income inequalities in the world. Brazil ranked 7th on the international Gini Index list and Guatemala was the only Latin American country with a slightly higher income inequality (59.9) compared to Brazil (59.3) (World Bank 2005b). The richest twenty percent of the population received more than 60% of the national per capita income, whereas the poorest twenty received only 2.4% (World Bank 2005b). This means that the richest twenty earned about 30 times more than the poorest. This inequality was again reproduced across regions. The nine states of the north-east make up 28% of the population, however in 1999 contributed only 13% of GDP and 10% of social security contributions, whereas the four south-eastern states, which made up 43% of the population, generated two-thirds of social security contributions and close to three-fifth of GDP (Hagopian 2003: 15).

A corollary of poverty and income inequality has been a high level of social exclusion. This is felt especially in the large and unpredictable legal system. Not only has there been a missing universal system of applying laws, which has lead to differential treatment between the different classes of society (Kant de Lima 1995: 244-46), but has extended as far as basic citizen rights such as owning a birth certificate. In 1996 almost 30% of the Brazilian population lacked a legal existence as they did not possess a birth certificate, which in most cases was because of a lack of money to pay for the document (Pereira 2000: 221). The judicial system has moreover failed to convict hired assassins, the military police and paramilitary groups involved in favela shootouts and rural massacres (Hagopian 2003:12), as well as corrupt politicians and business leaders. On the contrary, the poor are often not

granted their rights to a lawyer and are kept in prison over very long periods without trial.

However, the violation of citizen rights and the continuing marginalisation of the poor does not only reside in an unfair application of law but goes beyond this and includes many cases of state violence against the poor. Since many crimes originate from poverty, marginalisation and inequality, these societal groups are often seen and treated as criminals. Torture of criminals and extrajudicial killings in the form of executions have been common, but generally disguised by the police as shootouts with drug gangs. In 2004 the police killed almost one thousand people in the state of Rio alone, with 60% of these killings being identified as executions due to the bodies having up to six shots or shots to the head and back (*BBC News* 2005e). A 2003 Freedom House report established that the Brazilian police are among the most corrupt and violent and that human rights violations, especially against the poor and marginalised, continue on a massive scale (cited in Hagopian 2003: 12). In fact, state violence in Brazil has increased to become the highest in the region since redemocratisation, with the direction of such violence not against political groups but against the poor and marginalised (Pereira 2000: 217).

Poverty and social exclusion have further caused the continuous underproduction in the area of human capital. Whereas the education reform introduced by the Cardoso (1995-2002) government has increased the number of primary school students between 1994 and 2001 by 13.5% and of secondary school students by an impressive 90% in the same time period (Hagopian 2003: 18), the unequal access to higher education means that Brazil still lies behind its Latin American neighbours (Power 2005). Whereas the regional average for 2004 was at 28%, in 2002 only 20% were enrolled in Brazilian tertiary education institutions (UNESCO 2007). The number of qualified and skilled workers therefore has remained low, which has consequences for economic competitiveness in a globalised world economy.

Considering the high levels of social marginalisation, inequality, police violence, the ambiguities in the judicial system and the seeming inability of the government to tackle these severe problems, it is not surprising that the Brazilian mass opinion of democracy has not been very high. The *Latinobarómetro* poll highlighted that in 2005 only 37% of Brazil's population thought democracy preferable to any other kind of government, the forth lowest percentage in the region

after Paraguay (32%), Guatemala (32%) and Honduras (33%), and in contrast to 77% in Uruguay, 65% in Argentina and 59% in Mexico (quoted in *The Economist*, 2005). Outstanding institutional reforms moreover mean that the transfer of democratic practices to include the societal level has not yet occurred to adequate standard. As Cardoso points out, the government is not yet composed of full participation of citizens and the enforcement of law is still weak, which leads him to conclude that the greatest obstacles for Brazil's further development today are not of an economic, but rather of a cultural nature.[100]

The remaining institutional and structural problems have thus led to what Weyland (2001) has described as Brazil's 'low-quality democracy' and Hagopian (2003) as a 'too-low but rising quality of democracy'. Whereas this qualification is far from a conclusion that Brazilian democracy is in 'danger' of disintegrating back into authoritarianism, the return to democratic governance has not automatically led to greater social equity, to an end of state violence, well-functioning democratic institutions and subsequently to a qualitatively 'better' democracy. This has not only consequences 'at home', but also impedes Brazil's active engagement in the protection and promotion of democracy abroad. In light of the continuing internal problems that still need to be tackled the focus on democracy protection and promotion abroad can be said to take lower priority. Also, remaining domestic problems such as state violence and social exclusion impede Brazil's regional and international role as a promoter of democratic norms and values. As Cooper and Legler (2001: 118) point out, Brazil's ability to be a role model for democracy is hampered by its mixed record regarding democratic practices at home. Thus, although Brazilian policymakers do not explicitly refer to the remaining domestic problems to defend their particular strategy choices for the protection of democracy abroad, being aware of the above related issues helps to deepen our understanding of the narrow focus in Brazilian strategies on merely upholding institutional democracy in neighbouring countries, rather than actively promoting better forms of democratic governance. The discussions on Brazil as a *'principista'*, explained in detail below, and the inconsistent involvement in democratic crises in the region will emphasise in more detail how these domestic 'obstacles' have shaped Brazilian policymaking and

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[100] Personal interview with Fernando Henrique Cardoso, 10.01.2007

how they impede on Brazil's involvement in actively promoting and protecting democracy abroad.

Brazil as a *'principista'*: Brazilian ideas and strategy formulation for the protection and promotion of democracy abroad

The question to be answered here is to what extent Brazilian foreign policy formulations in the area of the protection and promotion of democracy are influenced by a sense of moral or ethical obligation towards the international community. This is done by first looking briefly at Brazilian ideas on the protection and promotion of democracy abroad, and then by looking in more detail at several cases of Brazilian efforts at re-establishing democracy in crisis situations in the Americas.

Brazil's sustained efforts at systematically building in democratic clauses and references into the charters, declarations and protocols of the various subregional institutions such as the Rio Group, Mercosul and the CSAN suggest a great willingness on the part of Brazil to construct a comprehensive defence-of-democracy regime and to be the forerunner in protecting and promoting democracy in the region. Indeed, the many avenues provided for protecting and promoting democracy in the charters and clauses of the subregional institutions have been put to use on numerous occasions by Brazil and other members. The Rio Group has been used on at least seven occasions of 27 democratic crises counted in the region between 1990 and 2005, the Mercosul twice, and the CSAN once, compared to the OAS on only 4 and the UN on only 2 occasions in the same time period (see Burges and Daudelin 2007: 123).

However, a closer look at Brazilian efforts to protect democracy in the region reveals a great fluctuation in Brazil's reaction from case to case. Based on listings of Brazil's reactions to 27 cases of democratic crises in the region, Burges and Daudelin (2007) find a high degree of what they refer to as 'inconsistent norm enforcement'. Although 18 out of the 27 listed cases of democratic crises in the Americas incurred a Brazilian reaction of at least passive support, which suggests a generally 'healthy' support for democratic norm enforcement in the region, in only seven of these 18 cases Brazil was *actively* involved in democratic norm enforcement. Santiso (2003) and also Lampreia and Cruz (2005) explain the reluctance to getting actively involved in any kind of crisis abroad by referring to the still strong emphasis in

foreign policymaking on sovereignty and non-intervention. As Santiso (2003: 341) puts it, the principles of sovereignty and non-intervention, cornerstones of Brazilian foreign policy, clash with the idea of getting actively engaged in the protection and promotion of democracy and therefore hinder Brazil to become a more active defender of democracy abroad.

Burges and Daudelin (2007: 129) take a different viewpoint to explaining Brazil's 'inconsistent norm enforcement' within the region, arguing "…that a realist reading of Brazil's foreign policy remains the most compelling narrative…". The fact that Brazil has made significant contributions to including democratic clauses into all subregional and hemispheric institutions and the openly interfering way of managing some of the crises in the region, particularly that of Paraguay in 1996, goes against the argument that respect for national sovereignty would be the explanation to Brazil's uneven record of norm enforcement in the region. Rather, Burges and Daudelin (2007: 128) highlight, this uneven record makes more sense when one assumes Brazilian foreign policy to be principled and guided by national interests that protect the country's political economy and maximise its regional and global influence.

Both views have their validity, as a discussion on several case studies below will show. However, the most important aspect to point out here, which neither Santiso or Burges and Daudelin mentioned, is that Brazilian foreign policy formulations do not include the idea of actively promoting democracy in the region or indeed at the international level. Apart from repeated references to upholding democratic forms of governance in the various treaties and declarations, Brazilian foreign policy formulations in this area do not make any direct reference to the *active* engagement in the protection and promotion of democracy abroad.

This stands in contrast to, for example, Canada, which is generally defined as a (traditional) middle power. Canadian policy makers have made the protection and promotion of democracy one of the central themes in Canada's foreign policy (Major 2007: 88/89). For example, a foreign policy review published in 1995 stated as one objective, among others, the projection of Canadian values and culture by giving priority to supporting democracy in the world (in Major 2007: 88). Similar allusions were made in an International Policy Statement, published in 2005, where democracy promotion was highlighted as an important component of Canadian foreign policy objectives (Major 2007: 89). In Brazil no such aims of disseminating national values

abroad and actively promoting democracy at the regional or international level are part of Itamaraty's statements.

Thus, although Brazil displays a strong commitment to democracy through treaties and declarations, policy formulations on active democratic engagement abroad are absent in foreign policymaking circles. One interviewee indirectly explained this absence by referring to Brazil as a *principista* – a country that respects principles such as democracy, non-intervention and sovereignty and feels a responsibility towards upholding international treaties – rather than an actor that has the intention to actively intervene in the internal affairs of other countries.[101] Indeed, Brazilian policymakers at the end of the 1980s rather viewed democratic principles as a necessary conditionality for successfully participating in a globalising economy structured and guided by ideas of economic and political liberalism. An emphasis on establishing institutional democracy therefore seemed to be the most important factor for securing an environment advantageous to the participation in the global economy. Therefore, any active involvement in the protection of democracy abroad is first and foremost concerned with securing the continuing adherence to institutional democracy and to defend broader interests of national development (Villa 2004: 8; see also Santiso 2003; Cason 2000).

The characterisation of Brazil as a *principista* moreover stands in contrast to the behaviour expected of middle powers as outlined in the various existing middle powers power approaches. Middle powers are defined as those states that are *actively* involved in specific, often secondary, issue areas, and whose actions generally carry a high degree of moral responsibility towards the international community. Hence, to define Brazil as a middle power according to these approaches, one would expect greater active engagement in the protection and promotion of democracy than the findings suggest. Contrary to these expectations, the review of several case studies below will highlight the inconsistency with which Brazil has been engaging in the protection and promotion of democracy in the Americas. It therefore reveals a still timid approach to actively getting involved in democratic crisis abroad, which is only overcome in cases where direct national interests of both economic and political kind are at stake.

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[101] Personal interview with Brazilian government employee, December 2006. Similar views were expressed during personal interviews with a senior Brazilian government employee, December 2006; and a Brazilian government employee, December 2006

Paraguay 1996

The case of Paraguay is of importance here as it represents a critical juncture for Brazil's commitment to protect and promote democracy abroad (Valenzuela 1997).[102] Whereas previous crises, as for example the ones in Peru, Nicaragua or Venezuela in 1992, or in Haiti in 1994, did not trigger any swift response or strong diplomatic pressure from the Brazilian government, the crisis in Paraguay highlights a shifting attitude in foreign policy circles to the historically important concepts of national sovereignty and self-determination. The Brazilian magazine *ISTOÉ* (1996) even characterised Brazilian involvement as a role generally reserved to the USA, arguing that Brazil left aside its generally timid approach to intervening in other countries' internal affairs and going as far as threatening with military intervention.

In April 1996 General Linar César Oviedo tried to overthrow the elected government of Juan Carlos Wasmosy, however, international support helped President Wasmosy to resist Oviedo's coup attempts and dismiss him as commander of the army. Before the crisis erupted, President Cardoso assured President Wasmosy that Brazil would support him in the dismissal of General Oviedo and that the other Mercosul partners also would not tolerate the disruption of constitutional order in a member state (Santiso 2003: 348). Brazilian Ambassador Márcio de Oliveira Dias further played a crucial role in the resolution of the crisis, first drafting a "leave of absence" for Oviedo (Cason 2000: 212), and upon its rejection by Oviedo, spoke out on behalf of Brazil and the other Mercosul members, stressing that any attempts to overthrow democratic order was rejected by Mercosul (Santiso 2003: 348). On the same day the Brazilian government issued a communiqué which expressed the government's support for President Wasmosy and warned that any rupture to democratic order in Paraguay would seriously strain cooperation between Brazil and Paraguay (Santiso 2003: 348). Brazilian Defence Minister Zenildo de Lucena also got involved, urging Oviedo to desist from his plans to overthrow the Wasmosy government or "Brazil will react to the point of a break of legality" (quoted in *ISTOÉ* 1996).

Although, as *ISTOÉ* goes on to argue, Brazil did not at any moment seriously think of sending military troops to Paraguay, these threats made clear that Paraguay's

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[102] In a personal interview one Brazilian government employee, December 2006, also pointed to the Paraguay crisis of 1996 as the first instance in which the government took its first real steps towards protecting and promoting democracy abroad.

membership in Mercosul and its economic ties within the Southern Cone were in danger. Therefore, the successful deterrence of the military coup by the Mercosul demonstrated the willingness of its members to interfere in the internal affairs of a partner state in the face of a threat to democracy in the region. It moreover clarified ambiguities in the founding Mercosul treaty, which did not make any clear reference to democracy as a prerequisite for membership although the creation of the Mercosul was embedded in the collective effort to protect democracy in the Southern Cone (Burges 2004: 221). As a reaction to the events in Paraguay in 1996, Brazil and the Mercosul partners added the 'democratic clause' to the Ushuaia Protocol, ratified in 1998, which makes democracy an explicit prerequisite of participation in the Mercosul project and allows for the withdrawal of members from the Mercosul in case of a disruption to democratic order (Article 2, Ushuaia Protocol 1998).

During similar crises that were repeated in Paraguay in March 1999 and in May 2000, Brazil also reacted swiftly and strongly to the threats to democracy. In 1999, Paraguayan vice-president Luis Maria Agraña was assassinated amidst political turmoil concerning the Congress' decision to impeach President Raul Cubas Grau after his decision to free former General Lino Oviedo who had been imprisoned for his coup in 1996 (*BBC News* 1999). President Cardoso immediately ordered the drafting of a communiqué that would condemn the assassination and reflect Brazil's and the Mercosul's serious concern with Paraguay's democratic stability (*Folha de São Paulo* 1999). In May 2000 members of the Paraguayan military and police forces again attempted a coup to overthrow the government of President Luis Gonzalez Macchi, but surrendered only four hours later to soldiers loyal to the President (*BBC News* 2000). According to *Jornal do Brasil* (2000) President Cardoso was again one of the first to phone President Macchi and express his solidarity with him and his opposition to the failed coup attempt, which was once again supposed to have been instigated by former general Oviedo.

Peru 2000

The political crisis in Peru in 2000 presented Brazil, as well as the OAS, with an ambiguous scenario where the institutional situation did not reflect a "sudden and irregular interruption" of democracy, but rather a more sinister attack on the rule of law and constitutional democracy (Santiso 2003: 351). The electoral crisis commenced when President Fujimori tried to win an unprecedented third term in

office. However, with just under 50% of votes he was forced into a runoff with contender Alejandro Toledo, who withdrew when allegations of electoral fraud became louder and the OAS was forced to withdraw its electoral observation mission and to suggest a delay of the runoff elections (Santiso 2003: 351, see also Taylor 2001; Burges 2004: 226). Under the aegis of the OAS the United States suggested the use of Resolution 1080, which would automatically exclude Peru from the organisation. However, apart from Costa Rica the other OAS members did not support such a strong reaction. Representatives of Brazil, Mexico and Venezuela claimed that Resolution 1080 did not apply to the Peruvian case (McClintock 2001). The mixed signals Fujimori received from the disagreements within the OAS made him decide to go ahead with the second round of elections and he was subsequently inaugurated in July 2000.

Due to the government's refusal to invoke Resolution 1080 Brazilian efforts were channelled into a statement issued by the Rio Group. President Cardoso cautioned against the encroachment on national sovereignty, although he mentioned at the same time that the respect for sovereignty should not be an excuse to allow human rights violations (Burges 2004: 227; see also Santiso 2003: 351). Although Brazil did not recognise the inauguration of Fujimori in July 2000, the government did not get involved in any other way in the Peruvian crisis. This in the end was solved by a special OAS mission which facilitated dialogue between the different political actors in Peru, the *Mesa de Diálogo*, and published a declaration containing 29 recommendations for democratic reforms, which in November finally led to the impromptu resignation of President Fujimori and helped to establish an interim government until new elections were held in 2001 (Santiso 2003: 351).

Brazil received some criticism for its rather reserved stance in this case, even from the wife of then contender Alejandro Toledo, who, as Cardoso (2006: 639) writes, asked Cardoso how, as a president with such strong democratic convictions, he could support someone like Fujimori. Contrary to criticisms, Cardoso underlines that the Brazilian government did not support any illegalities but that instead it gave a 'vote of confidence' to the Peruvian people, believing that they would be able to find their own solution to their domestic problems (2006: 639-40). While still president, Cardoso argued that the Peruvian people had not experienced a coup, but rather had participated in elections and voted for Fujimori as President (Burges 2004: 227).

In sum, the conduct of the Brazilian government during the Peru crisis again demonstrates the importance given to sovereignty and non-intervention on the one hand, and institutional democracy on the other, principles that were upheld despite the ambiguous nature of the institutional situation.

Ecuador 2000

A similar behaviour can be detected in the case of the several crises that befell Ecuador in January 2000 and in April 2005 when the ruling presidents were forced out of office. Already in 1997 Ecuadorian President Addalá Bucaram was impeached for 'mental incapacity'. According to Santiso (2003: 349), the OAS members thought the impeachment questionable, still, due to its constitutional legality the OAS refrained from any kind of intervention and also Brazil did not openly question the legality of the transfer of power. In January 2000 reactions to the overthrow of President Jamil Mahuad under pressure of the CONAIE (the national indigenous movement of Ecuador) came in the form of a Mercosul communiqué that called for the preservation of the rule of law and from the Rio Group, which issued a response expressing its grave concern with the situation and the disruption to constitutional order and democratic institutions (Santiso 2003: 349). Constitutional rule seemed to be restored quickly by the military with the inauguration of Vice President Gustavo Noboa as President. However, the fact that former President Mahuad claimed he had not officially resigned from his post did not trigger further condemnations from either the Mercosul or the Rio Group.

The Brazilian response to the crisis was rather subdued. According to Burges' (2004: 224) findings, Itamaraty officials claimed that there was not enough time to prepare a formal response to the crisis as the transfer from the provisional junta to General Mendoza and the Vice President Noboa happened so quickly. Moreover, Itamaraty did not see the need to take any separate action as the Rio Group's joint statement and further international pressure quickly led the military to return power to the Vice President. Despite the questionable means of restoring constitutional order, the fact that order had been restored sufficed in the eyes of Brazilian policymakers. Thus, Brazil focused its attention on constitutional order, but not any other forms of disruptions to democracy such as the questionable role of the military in reinstalling constitutional order through a forced resignation by President Mahuad.

Venezuela 2002.

In Venezuela regaining constitutional order was again the main reason for Brazilian involvement, but contrary to the case of Peru, Brazil's response to the attempted coup in Venezuela in April 2002 was very swift. Within hours of hearing of the coup attempt, President Cardoso instructed Foreign Minister Celso Lafer, who at the time was at the Rio Group summit in Costa Rica, to address the crisis at the summit and draft a joint response in which the interruption of constitutional order would be condoned (see MRE Nota No. 172-12/04/2002).

What is remarkable in this case is not so much the Brazilian attempt to preserve constitutional order in Venezuela, but that these efforts were made with such vigour despite Chávez's attempt ten years earlier to seize power through a military coup, his populist politics, and his unstable economic policies that were unfavourable to Brazil and the region as a whole. Brazil's actions during the crisis in Venezuela again demonstrated the belief in constitutional order, reflecting a faith in representative democracy as the desired form of governance in the region and at the international level. However, it can be argued that Brazil's swift response was a corollary to its economic interests in Venezuela. By keeping Chávez in office, or at least by reinstalling a new government through free and fair elections, Brazil would secure Venezuela's continuing support for Brazilian efforts to integrate the Mercosul and the CAN into the CSAN (Villa 2004: 9/10). In the case of the Venezuelan crisis, the Brazilian idea of achieving national through regional development thus went hand in hand with the idea that stable institutional democracy is the essential condition for strengthening regional integration.

The focus on economic interests rather than on normative values was highlighted by the Lula government's ambiguous stance throughout the continuously worsening situation in Venezuela throughout the years 2006 and 2007. Since Venezuela signed a Mercosul membership agreement in May 2006, President Chávez's call for a reorientation of the Mercosul to an entity of a more socialist character and the slow dismantling of democratic forms of governance in Venezuela, have sparked discussions between the Mercosul members on democracy as a prerequisite for membership in the Mercosul.[103] Discussions on Venezuela's membership in Mercosul became heated between the government and opposition

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[103] Personal conversation with Brazilian government employee, March 2007

parties in Brazil when Chávez shut down one of the country's largest TV channels in April 2007 and effectively silenced the opposition. In reaction, the Brazilian senate issued a motion calling for the reinstatement of the TV channel, which triggered an angry response from Chávez, calling Brazil the 'parrot of the United States' (*Estado de São Paulo* 2007a). While President Lula at first remained on the side of the Brazilian senate, he changed his position in the light of worsening relations between the two countries and argued that 'Chávez was an ally and not a menace for Latin America' (*Estado de São Paulo* 2007a). Opposition leaders in Brazil called for the barring of Venezuela from Mercosul membership for breaches to democratic forms of governance (*Globo G1*, 2007b), however President Lula reiterated after the Ibero-American Summit in Chile in November 2007 that 'democracy was not missing in Venezuela' (*Agência Estado*, 2007a).

The ambiguous stance of the Brazilian government highlights the predicament in which it finds itself with regard to Venezuela's membership in the Mercosul. While Chávez has been continuously criticised within Brazil and by the other Mercosul members for his lack of democratic credibility, Venezuelan membership in the Mercosul is seen as advantageous for the various projects introduced to promote deeper regional integration, such as the already discussed IIRSA. Lula's turn in favour of Venezuelan membership in the Mercosul thus highlights on the one hand his affinity with leftist politics, but on the other also shows his interest in keeping a commercial ally with great potential to provide financial aid for the region.

Ecuador 2005

When a new crisis flared up in Ecuador in April 2005, the Brazilian government displayed an even more ambiguous stance when it granted political asylum to impeached President Lúcio Gutiérrez despite calls from the Ecuadorian congress and civilians that he should stay and stand trial. The crisis began when thousands of people went to the streets in protest of President Gutiérrez's decision to dismiss the Supreme Court. He had argued that the judges were biased in favour of opposition parties, and therefore replaced them with judges more akin to his ideas. The new judges soon afterwards dropped corruption charges against one of Gutiérrez's close allies, ex-President Abdala Bucaram (*BBC News* 2005b). When protests mounted, the Congress voted unanimously to replace Gutiérrez with Vice President Alfredo

Palacio on the argument that President Gutiérrez had 'abandoned' his post (*BBC News* 2005c). Although Gutiérrez refused to resign, Vice President Palacio was sworn in, an arrest warrant for Gutiérrez was issued by the Chief Deputy, and the military took control of Quito International Airport in case Gutiérrez should try to leave the country via this route (*BBC News* 2005c).

Despite these accusations and further protests in front of the Brazilian embassy in Quito where Gutiérrez had sought refuge (*Folha Online* 2005b), the Brazilian government granted the ex-president political asylum (MRE Nota No. 197-20/04/2005). According to Brazilian Foreign Minister Celso Amorim the objective for granting political asylum was to help tranquilise the situation in Ecuador (*Folha Online* 2005b). The Brazilian ambassador to Ecuador, Sérgio Florêncio, underpinned Amorim's comments further, arguing that granting asylum to Gutiérrez did not signify any judgement, either good or bad, on the asylum seeker and was merely an act meant to contribute to the overcoming of a political crisis (*Folha Online* 2005a). In order to secure the 'swift return to institutional normality', Brazil, through the CSAN, further issued a communiqué that also envisaged the sending of a mission to help mediate between the different political fractions and to help re-establish political and juridical order (MRE Nota No. 199-21/04/2005).

Although Brazilian efforts to avert a further, deeper, crisis that could destabilise the region were ample, granting asylum to an impeached president supposed to stand trial remains a questionable act of democratic norm enforcement. Such actions demonstrate clearly a concern with constitutional order and regional stability rather than a general wish to re-enforce democratic forms of governance. To the question whether Brazil had already recognised the new president of Ecuador, Amorim merely answered that Brazil did not have a doctrine of recognition of governments and that it operated with those authorities that have control over a country's territory (*Folha Online* 2005b). Rather than a true concern with democratic forms of governance, the actions of the Brazilian government during the Ecuadorian crisis thus showed more concern for re-establishing regional stability through constitutional order.

Bolivia 2003 and 2005

The introduction of several unpopular economic measures by Bolivian President Sánchez de Lozada led to social upheaval in February 2003, with clashes between

the police and the military and protests by civilians that left many people dead or injured (*Folha Online* 2003). Social upheaval again flared up in October 2003, when more than 20.000 people went on strike to impede the sale of natural gas to the United States and Mexico through a Chilean port. Indigenous leader Evo Morales moreover accused President Lozada of planning a coup d'état, which finally led to the withdrawal of political support by vice president Carlos Mesa, but not his withdrawal from his post. After further protests President Lozada resigned on 17. October 2003 and vice-president Mesa took office (*Folha Online* 2003).

Brazil's reaction in October 2003 was swift, expressing its concern with the ongoing violence in Bolivia even before President Lozada had resigned (MRE Nota No. 449). Several days later, one day before the resignation of President Lozada, the Brazilian government moreover issued a communiqué together with Argentina that, after previous consultation with Bolivian authorities, the two governments would send an observer mission to help mediate between the government and different population sectors (MRE Nota No. 466). A further communiqué was issued several days later by the Rio Group, expressing its support for the constitutional and democratic solution of the political crisis and offered its support to the new President (MRE Nota No. 471).

The resignation of President Mesa in June 2005 occurred on the backdrop of events very similar to those that forewent the resignation of President Lozada in October 2003. Opposition leader Evo Morales demanded the President's resignation and new elections after repeated demonstrations by leftwing groups had led to energy and food shortages in the capital La Paz (*Folha Online* 2005c and *BBC News* 2005d). After the Bolivian Congress had approved changes in the taxation of gas and oil production, protests broke out, mostly among the indigenous population, arguing that the new taxes were not high enough and that oil and gas production should be nationalised (*BBC News* 2005d). Further, they protested against demands from the resource rich provinces to become more autonomous, which President Mesa had promised to look into and subsequently signed a decree that would allow changes in the Bolivian constitution (*BBC News* 2005d).

Brazil's reaction to the political instability in Bolivia was far less pronounced than in 2003, with only a short statement that expressed the government's faith in the political forces of Bolivia to find their own solutions to current problems in a democratic fashion (MRE Nota No. 274, 04.06.2005). A declaration came instead

from the OAS, which held its 35th General Assembly meeting in Fort Lauderdale at the same time as President Mesa resigned from office, expressing its readiness to 'provide all cooperation that might be requested' to surmount the crisis 'guaranteeing the preservation of democratic institutions' (*OAS Press* 2005b). The reason for Brazil's less vigorous attempt to re-establish constitutional order and peace in Bolivia might be closely linked to propositions made by the USA during the OAS meeting of the creation of mechanisms for intervention in member states of the OAS. Foreign minister Celso Amorim rejected such proposals pointing to the right of sovereignty and self-determination (*BBC Brasil* 2005). Apart from Brazil's still strong belief in sovereignty the decision to not get involved directly in the crisis might also derive from an emphasis on constitutional order, which was still maintained during the crisis, rather than with the active promotion of democracy and peace in the region.

In sum, the characterisation of Brazil as a *principista* best describes Brazil's often 'half-hearted' efforts at actively protecting and promoting democracy in the Americas. As pointed out above, Brazilian policy formulations in this area do not include the same western liberal idea of wanting to disseminate democratic principles throughout the world like it is often found to be the case with the traditional middle powers. This is not to suggest that Brazil is not a stable liberal democracy today, or that it has no further interest in seeing democratic principles spread and entrenched in other parts of the world, but rather that its policy formulations are still guided by a view that is more concerned with narrow interests of national development than with a wider vision that includes the promotion of democracy abroad. The many socioeconomic problems such as poverty, inequality, violence and institutional weaknesses still to be tackled at the national level make the concern for finding quick solutions to these problems more acute than might be the case for the traditional middle powers where such problems are far less severe.

This section demonstrated clearly that the behaviour of Brazil in the area of democracy protection and promotion differs to the behaviour expected of traditional middle powers. The 'absence' of ideas that would emphasise the active dissemination of democratic values abroad means that Brazilian involvement in democratic crises is guided by more narrow interests of national development and therefore is not norm driven as this would be expected in the traditional middle

power approaches. With regard to the protection and promotion of democracy, the case of Brazil therefore affirms the second hypothesis.

Alternative strategies for the protection and promotion of democracy?

The question to be answered here is whether Brazil has actually formulated strategies in the area of democracy protection and promotion that could be said to have a 'reforming' character. This will be done by looking at whether strategies in the area of democracy protection and promotion show signs of a direction that would present an 'alternative' to those commonly practiced by the United States as the world hegemon.

The discussion above on Brazilian behaviour in the area of democracy protection and promotion already revealed that Brazil's efforts in this area generally tend to be limited to democratic commitment rather than active democratic engagement. Due to this very limited activism it is therefore difficult to argue that Brazil has used strategies that could be said to be of a reforming character. However, what can be detected very clearly is that Brazil has preferred the involvement of subregional institutions, such as the Rio Group, Mercosul and CSAN, over hemispheric or international institutions such as the OAS or the UN. One government official argued that the preference for subregional institutions derived from the greater ease with which decisions can be made as Latin American governments had more in common in terms of culture and socioeconomic development.[104] Another interviewee was a little more direct when he highlighted that the power disequilibrium in the OAS was very high due to the presence of the United States. In the OAS Brazil therefore looked like dwarf, whereas in the subregional institutions it could play a more active role.[105] Rather than presenting a difference in normative principles, the use of the subregional institutions allows Brazil and the other members to somewhat insulate the subregional democratic 'regime' from the strategic interests of the United States (Cooper and Legler 2001: 110; Burges and Daudelin 2007: 110).

It can thus be argued that Brazil's preference for using subregional institutions during democratic crises derives from the wish to act without the

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[104] Personal interview with senior Brazilian government employee, December 2006
[105] Personal interview with Brazilian government employee, December 2006

involvement of the US in Latin American affairs. Such a conclusion is underlined by Burges and Daudelin's (2007: 125) findings, which show that Brazil actually prevented the serious involvement of the OAS or the UN in democratic crises in the region. This was especially the case during the crisis in Peru in 2000, and also detectable in Venezuela in 2002 and in Ecuador in 2005. As already pointed out above, during the electoral crisis in Peru in 2000 Brazil was against suggestions made by the United States to invoke Resolution 1080, and instead issued a separate statement through the Rio Group. President Cardoso's call for the respect of sovereignty and Foreign Minister Lampreia's blunter evaluation that 'soon no Latin American country could be certain anymore to conduct its own elections' (in Burges 2004: 227) already alludes to the negative attitude Brazil displayed towards OAS involvement in the crisis. This becomes even clearer in one of Cardoso's (2006: 639) later commentaries on criticisms received for his behaviour at the time. Although implicit, it quite clearly demonstrates his disapproval of events as they had unfolded. "I had not helped Fujimori …[but] …other even stronger countries had already spoken out loudly for the dismissal of Fujimori. Under these circumstances, rather than being a scream for liberty, my protest would have been interference" (own translation).[106]

President Cardoso's swift response to the attempted coup in Venezuela in 2002 can be seen as a direct reaction to both previous criticisms for Brazil's conduct during the Peruvian crisis and, even more, as an attempt to preempt unnecessary US involvement. It was clear even before the crisis erupted that the Bush administration in the US was "…sending informal, subtle signals that we didn't like this guy [Chávez]", as one defence department official put it (quoted in *The Guardian* 2002). In contrast to the OAS and all other Latin American governments, the US acknowledged the new Venezuelan government shortly after the coup had taken place and only reverted its stance some days after Chávez had been reinstated as President by proclaiming that he better govern in a 'fully democratic manner' (*Foreign Policy in Focus* 2002). Apart from the aim of re-establishing constitutional order in Venezuela, the Brazilian government also pre-empted greater US influence in the region through its potential role in the forming of a new government in

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[106] "Não apoiara Fujimori ... [mas] ... outros países ainda mais fortes já estavam claramente se manifestando pela destituição de Fujimori. Nessas circunstâncias, em vez de ser um grito pela liberdade, meu protesto seria uma ingerência".

Venezuela. It appeared that this was one of the main reasons why President Cardoso attempted to call off a US-sponsored OAS meeting to discuss the use of Resolution 1080 (Burges 2004: 231). Concerns that the meeting would be used to pass a resolution that would push Chávez out of office for good was stressed by Brazilian Ambassador to the OAS Valter Pecly (Burges 2004: 231). The use of the Rio Group instead of the OAS to formulate a response to the crisis thus demonstrates the conscious act on the part of Brazil to keep the United States at arms length.

During the crisis in Ecuador in 2005 Brazil was quick to grant political asylum to ex-president Gutiérrez (MRE Nota No. 197-20/04/2005) and shortly afterwards issued a communiqué through the newly created CSAN offering to send a mission that would mediate between the different political fractions (MRE Nota No. 199-22/04/2005). The OAS was left with supporting the CSAN statement and only after the crisis was already more or less under control issued a statement that it would send a high-level mission to Ecuador (*OAS Press* 2005a). Although Brazilian diplomacy was formulated to end the crisis in Ecuador, it was not quite clear why Gutiérrez would be granted political asylum when Ecuadorians called him to stand trial at home. However, the use of the CSAN rather than any other institution can be interpreted as an attempt on the part of Brazil to demonstrate the viability of the newly created institution.

Brazil's preference for using the subregional organisations in times of crises to 'keep the United States out' of South America as much as possible becomes even more prominent when considering the limited institutional capabilities of these institutions. For example the Rio Group, which has been used by Brazil in the majority of democratic crises abroad, has no permanent secretariat and no dedicated budget. This means that its capacity as a norm-enforcer only goes as far as what is provided by its most influential members (Burges and Daudelin 2007: 125). Of course, the argument that the disequilibrium within the OAS, and its attempts at accommodating the often conflicting foreign policy principles of its members, has on numerous occasions led to the delay in swift responses to crises has its validity. Despite the existence of resolution 1080, which provides members with the ability to agree rapidly on the necessary actions to be adopted, the OAS response time during the 2000 electoral crisis in Peru was too slow and declarations made were not matched by the capacity for decisive action (Cooper 2004: 98). Moreover, the OAS has been criticised for its "fire-fighter approach", for example, its emphasis on

extinguishing crises once they are in full swing rather than preventing crises before they become real threats to democratic forms of governance. Nevertheless, the OAS, or indeed the UN, would be better equipped for dealing with most democratic crises in Latin America than the subregional institutions. Thus, Brazil's preference for these institutions might indeed derive from the greater affinity and commonality between its member states, but it also shows that the use of the subregional institutions is consciously initiated to secure continuing national development through regional integration and to maintain its preferential position in South America vis-à-vis the United States.

As already mentioned above, the preference for using subregional institutions does not necessarily point to the formulation of a set of 'alternative' strategies or indeed represent a different set of normative rules for the protection and promotion of democracy in the region. Only at the international level, more precisely in the UN peacekeeping mission to Haiti, MINUSTAH, can one detect the beginnings of Brazilian strategies that might be said to have a reforming character. Although already discussed at length in detail in chapter 4, it is worth coming back to Brazilian involvement in the MINUSTAH mission as it shows, at least in rudimentary form, that the mission is trying to re-establish democratic forms of governance in Haiti by focusing on 'development measures' rather than security provision only. As various government officials pointed out, the Brazilian mission intends to provide the basis for the establishment of sustainable peace[107] by emphasising economic and political development and the constant interaction with the local people, rather than just focusing on short term security provision as the four previous UN missions to Haiti had done before.[108] Although the mission is conducted under the auspices of the UN, the emphasis on development, which is further underpinned by the use of funds for poverty and hunger alleviation from the IBSA Initiative, demonstrates the attempt to introduce alternative ways of re-establishing democratic forms of governance. Considering Brazil's wish to gain a permanent seat on the UNSC and its attempt through the IBSA Initiative to promote the necessary reforms of the UNSC, it also highlights that through this 'alternative' form of peacekeeping Brazil is trying to demonstrate its abilities in the area of security and democracy provision. Hence, Brazilian efforts in Haiti, although they are executed

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[107] Personal interview with senior Brazilian government employee, August 2005
[108] Personal interview with senior Brazilian government employee, December 2006

under the auspices of a UN mandate, do elucidate a strategy that is different enough from established actions so as to prove the country's abilities and consequently the need for the reform of the UNSC to include new permanent members. Such a blunt connection is of course denied in government circles, however, one government official did admit that the MINUSTAH mission was a way to assert Brazil's position in the international community.[109]

Overall, then, the hypothesis that Brazilian strategies in the area of democracy protection and promotion would be of a 'reforming' character can only be confirmed in parts. The Brazilian government has not formulated any policies or strategies for the protection and promotion of democracy that would clearly deviate in content or quality from those of the US or traditional middle powers. This is partly because Brazil has not become very active in this area apart from displaying a strong commitment to institutional democratic forms of governance, and because its liberal views and ideas about democracy do not deviate in substance from those of the liberal west. Nevertheless, Brazil's partiality for subregional institutions highlights a preference for finding solutions that do not include the United States as the regional and international hegemon. An explanation for the lack of 'alternative' or 'self-made' policies and strategies in the area of democracy protection and promotion is the 'absence' of an immediate necessity to do so. Due to the minimal interest the United States has in the region, especially South America, it has been 'easier' to keep US involvement at a minimum, and therefore has so far made the need for a set of strategies that show more initiative in this area unnecessary.

In contrast, at the international level, where the interaction with the United States is much harder to avoid than at the regional level, Brazil has been trying to introduce a form of peacekeeping in Haiti that places greater emphasis on economic and political development through greater interaction and educative projects with the local community, as discussed in chapter 4, rather than on immediate security provision as has been the case in previous operations. The introduction of an 'alternative' approach to democracy protection and promotion at the international level, albeit still in rudimentary form, and the absence of such at the regional level, thus highlights Brazil's greater interests in attaining more influence at the

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[109] Personal interview with senior Brazilian government employee, August 2005

international than at the regional level where the United States and other bigger players do not get involved in the same manner as at the international level.

Brazil: a regional power in the area of democracy protection and promotion of democracy?

The task here is to test whether the hypothesis that an emerging power is also a regional power has any validity in the area of the protection and promotion of democracy in the region. This is done by looking at the state of Brazilian democracy vis-à-vis those of the other countries in the region of South America, and by examining Brazil's leadership credentials in the area of democracy protection and promotion.

'Measuring' Brazil's democracy against those of the other countries in the region immediately presents problems. As is well known, the attempt to 'measure' democracy is a task that it almost impossible to achieve.[110] The variety in democratic forms of governance in the differing political and social settings of the great variety of democratic countries makes it difficult to establish common denominators that could be measured. Establishing and measuring indicators for democratic forms of governance that would allow for a comparison of Brazil with the other Latin American countries lies beyond the scope of this chapter. To facilitate the task of comparison it is instead suggested to use indices of democratic development in Latin America developed by the Konrad Adenauer Foundation and Polilat.com. Since 2002 these two institutions have worked on compiling data on democratic development that are based on four different dimensions (IDD-LAT 2007).

The first dimension includes data that establish the basis for democracy, such as free elections, universal suffrage and electoral participation. The second dimension concerns political rights and civil liberties, the third comprises institutional quality and political efficiency, and the fourth dimension focuses on the effective use of power to govern (IDD-LAT 2007: 5). On the basis of these dimensions the Latin American countries are ranked according to their progress in democratic development. Chile is ranked as the most developed democracy in Latin America, followed by Costa Rica and Uruguay. Brazil ranks only 9th out of 18

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[110] For more details see for example David Beetham (1994) and Jørgen Elklit (1994)

countries assessed and therewith lies under the average number of democratic development in the region. In fact, only six countries – Chile, Costa Rica, Uruguay, Panama, Argentina and Mexico – lie above the average of democratic development in the region and only the first three are classified as being 'highly' developed democracies. Brazil, together with Panama, Argentina, Mexico, Honduras and Colombia, is classified as a country with 'middle' democratic development (IDD-LAT 2007: 8). Especially with regard to the third dimension, which concerns institutional quality and political efficiency, Brazil has one of the lowest indicators in the whole region (IDD-LAT 2007: 16).

With Brazil not even meeting the regional average for democratic development in 2007, and with all the other bigger 'players' in Latin America – especially Argentina, Chile and Mexico – ranking before Brazil, the conclusion must be that Brazil is not a leading democracy in the region. Therefore, in terms of possible quantitative measurements Brazil does not have a leadership position in the democratic realm vis-à-vis the other countries, neither in the wider region that includes Central America, nor in the more immediate South American vicinity. The discussion on the state of Brazil's democracy in the first section confirms these findings in many points, especially in terms of remaining inefficiencies in the political system.

Looking more closely at Brazil's capacity to initiate the inclusion of democratic clauses in the many different treaties and declarations that exist in Latin America, and more generally its ability to forge closer cooperation between the members of the region in various forums, such as the Mercosul and the CSAN, shows that the question about Brazil's leadership potential for the protection and promotion of democracy in the region is more difficult to answer. The greater focus on democratic *commitment* rather than active democratic *engagement* in Brazilian foreign policy could lead to the conclusion that Brazil does not hold a leadership position in this policy area. Indeed, one interviewee was keen to point out that Brazil did not have any leadership position in the area of democracy protection and promotion and did not have any interest in taking on such a leadership position, as leadership also meant taking on more responsibility.[111]

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[111] Personal interview with Brazilian government employee, December 2006

Yet, Brazil has been the instigator on most occasions where subregional institutions were used to avert democratic crises.[112] Its ability to operate as a 'fire-fighter' during crises and initiate common responses through the subregional institutions might also be explained by Brazil's well-known diplomatic skills and its positive relations with all its neighbours over the past century. The fact that the country has not had any disputes with any of countries in the region for more than a century, which stands in stark contrast to almost all other countries in the region that still have ongoing disputes over a range of issues, makes Brazil a more viable candidate for mediating between quarrelling groups, even if these are not inter-state clashes. Another reason for Brazil's position as a defender of institutional democracy in the region might be the countries' similar wariness of US influence in the region, considering the numerous violations to sovereignty that were committed by the US before the end of the Cold War. Generally, it is therefore also in the interest of all the other countries in the region to find solutions to crises without US involvement.

Overall, although it seems that Brazil does have a leadership position with regard to democracy protection and promotion in the region as it often initiates responses and mediates during crises, it can be argued that the country's often very ambiguous stance during democratic crises highlights that Brazil could not be characterised as a regional leader in 'norm-enforcement'. The lack of a leadership position in this area does therefore not derive so much from other countries' refusal to accept Brazil as a leader, but rather from the absence of a policy that would qualify Brazil as a true defender of democratic norms. This becomes even more pronounced when considering Brazil's preference for economic advances over democratic credentials, as in the case with discussions over Venezuelan membership in Mercosul.

The fact that Brazilian initiatives in the area of democracy protection and promotion are not refuted and often even welcomed by the other regional members has a lot to do with the 'low importance' this issue area still has for most actors in the region. As is the case in Brazil, the principal concern for most governments is still to 'catch up' economically so as to successfully compete in a globalising world economy. As the discussion on Brazilian economic diplomacy in chapter 3 highlighted, it is far more difficult for Brazil to establish a leadership position with

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[112] See Burges and Daudelin (2007) Table 6.3, p. 123 for more details.

regard to economic concerns, an issue area that is of much higher relevance to all countries in the region.

Conclusion

The testing of the four hypotheses on the case study of Brazil's strategies for democracy protection and promotion abroad showed that, overall, Brazil fits the concept of an emerging power rather than that of a traditional middle power. Especially with regard to Brazil's state of democracy and its behaviour towards norm-enforcement the differences to the traditional middle power concept is quite stark. The specific structural context in which Brazil is situated, the ideas foreign policy makers have and the strategies they formulate in the area of democracy protection and promotion highlighted an emphasis on a commitment to democratic principles enshrined in the regional and international treaties and declarations, rather than a wish to get actively engaged in democratic norm-enforcement abroad.

The testing of the hypothesis on the 'reforming' character of Brazil's strategies and its regional power status in the area delivered mixed conclusions. Although the analysis of Brazilian strategies highlighted the preference for using subregional institutions to mediate in democratic crises and the general tendency to avoid US involvement in South American affairs as much as possible, no formulation on alternative ways to conduct democracy protection and promotion can be found in the foreign policy formulations of Itamaraty. The only case where this is detectable in rudimentary form is at the international level where Brazil has been introducing some 'alternative' form of peacekeeping. Nevertheless, it is possible to detect, if not directly in the policy formulations but rather in the choices of institutions, that Brazil prefers to find solutions to regional problems without the intervention of the United States or any traditional middle powers. The reason for the 'lack' of 'alternative' formulations, it is argued here, is linked to the relatively low degree of necessity for alternative policy formulations at the regional compared to that of the international level. Whereas it is relatively easy for Brazil to act within the region without much US intervention (a result of the low priority the region has in this issue area for the United States), being recognised as a credible actor at the international level requires more initiative on the part of Brazil.

With regard to Brazil's regional power status in the area of democracy protection and promotion the conclusions are also mixed. A look at democratic development indicators showed that Brazil out of 18 countries only reaches 9th place, which lies under the regional average of democratic development. Moreover, Brazil's rather ambiguous stance during many of the democratic crises that have taken place in the region does not point to the kind of behaviour that might be expected of a leader in democratic norm enforcement. Nevertheless, Brazil enjoys a form of leading position when it comes to resolving democratic crises in the region. The explanation for such a result can be found in the relatively low priority democratic norm enforcement is granted in the other countries of the region and their focus instead on economic matters. Another important factor is Brazil's well-known diplomatic ability, which might make it easier for Brazil than for other countries to mediate in crisis situations. Despite the mixed result for the last two hypotheses, it can nevertheless be concluded that, with regard to the protection and promotion of democracy, Brazil 'fits' the concept of an emerging power rather than that of a traditional middle power.

Chapter 6

Conclusion: The study of emerging powers in International Political Economy

In the previous chapters the five hypotheses established in chapter 1 were tested on Brazilian initiatives and strategies in three different policy areas. The conclusions for the validity of the hypotheses were mixed, yet overall it was argued that Brazil 'fitted' the concept of an emerging power rather than that of a traditional middle power. The aim of this chapter now is to examine the applicability of the suggested approach to other so-called emerging powers and ultimately to arrive at an agenda for the study of emerging powers. Before doing so, however, the chapter will commence with a summary of the approach that has been set out in the thesis. In the second part the discussion will return to the conclusions from the previous chapters and join them together to get a more comprehensive overview of the forms of power Brazil exercises in the international political economy, and of the overall validity of the five hypotheses tested. This will be followed in the third section by a comparison of Brazil with three other so-called emerging powers, namely China, India and South Africa. The final part of the discussion will then turn to a reflection on the study of emerging powers by setting out an agenda.

Emerging powers: A framework for analysis

It was highlighted throughout this thesis that, despite increasing academic interest in emerging powers, very little attention has so far been devoted to the formulation of concepts that define and explain these countries' positions and the forms of power they exercise in the international political economy. Rather, attempts to find explanations have focused on the incorporation of these countries in the category of middle powers. Yet, as the detailed critique in chapter 1 highlighted, many problems emerge when trying to apply existing middle powers concepts to emerging powers.

The aim of this thesis has been to formulate and critically evaluate a set of hypotheses that are more suitable to the analysis of emerging powers than the analytical frameworks currently on offer in the study of middle and emerging powers. To this avail, the few available contributions on new or emerging (middle)

powers were used as a basis for assembling five hypotheses about emerging powers and were then tested on the case of Brazil. Although the identification of emerging powers as 'different' to the traditional middle powers is not 'new', and the characteristics that were chosen to be tested were already identified by a number of scholars (Sennes 1998; Jordaan 2003; Hurrell 2006), the approach offered here has been found to have several advantages over existing approaches for the analysis of emerging powers.

First, the rigorous testing of the five hypotheses on the case of Brazil offered the possibility to verify the validity of characteristics of emerging powers already identified by Sennes (1998), Jordaan (2003) and Hurrell (2006). While these scholars together indeed provided a very good outline of characteristics they accredited to emerging powers, the confinement of their research to paper length discussions obviously did not allow the space for more thorough examinations of their assumptions about emerging powers. In contrast, the formulation of these characteristics into hypotheses, and their testing through a range of issue areas, has provided greater validity to some definitions of emerging powers offered by Sennes (1998), Jordaan (2003) and Hurrell (2006), and at the same time revealed some doubts as to the validity of others. Therefore, the testing of the five hypotheses offered a more solid basis from which to establish an analytical framework for the study of emerging powers than the shorter analyses conducted by Jordaan (2003) and Hurrell (2006) were able to provide.

At the same time, the testing of the five hypotheses confirmed the assumption that emerging powers indeed hold and exercise different forms of power than the traditional middle powers and, therefore, that they differ from middle powers in significant ways. This might seem an obvious statement to make, taking into account that the distinction between the two is often made correctly due to the connotations the word 'emerging' has with countries that are still defined as 'developing' or 'recently industrialised'. However, interestingly enough, while this division seems to be made intuitively in scholarly writings by adding the word 'new' to already existing middle power concepts, these distinctions have not yet been captured in any coherent way in the form of new or alternative concepts or analytical parameters. In contrast, the approach chosen here provided first steps not only towards the recognition that a number of countries are 'new' or 'emerging' powers and therefore need a different adjective, but also that an alternative theoretical approach for the

study of emerging powers is indeed necessary if we want to advance the study of emerging powers in IPE. The conclusions that could be drawn from the testing of the five hypotheses on the case of Brazil, which will be discussed in detail in the following section, indeed reinforced this argument and, more importantly, provided first steps in the direction of the formulation of such a new analytical framework.

Second, the rooting of the discussion in a structure-agency framework derived from critical perspectives associated with a New Political Economy approach helped to overcome the problems of overemphasising either structure or agency and therefore provided a more suitable framework of analysis than the traditional middle power theories. The structural middle power approaches tended to focus on an analysis of material capabilities vis-à-vis other states, rather than on an analysis of a country's actual influence (Wood 1990; Finlayson 1988; Neack 1993; Chase *et al.* 1999; Selcher 1981), which left us with no better insight into the forms of power exercised by emerging powers. In contrast, the behavioural model discredited the importance of structural attributes and emphasised agents and their behaviour as determining characteristics of middle power status and influence (Cooper *et al.* 1993; Cooper; Bélanger and Mace 1997).

While the criticism of overemphasising either structure or agency could also have been directed specifically to the traditional middle powers, the problems associated with this 'unbalanced' form of analysis became even more acute with regard to the analysis of emerging powers. Selcher's (1981) capabilities analysis might have provided insights into Brazil's material capabilities vis-à-vis other countries in the international system, but, as Selcher had to admit himself, such a capabilities analysis does not give any greater insight into a country's actual international influence. Even more problematic has been the application of the behavioural middle power approach to the new or emerging powers, as the discussion of Cooper's (1997), van der Westhuizen's (1998) and Schoeman's (2000) approaches in chapter 1 demonstrated quite clearly. The emphasis on behaviour, or a very specific 'role' which actors have to fulfil in order for their countries to be categorised as middle powers, greatly impeded the use of the same analytical parameters for emerging powers, considering that their policymakers were in many instances found to displayed a very different kind of behaviour.

Indeed, the behavioural approach proved almost more problematic in its application to emerging powers than the structural-systemic approaches. The

emphasis on a specific role or behaviour and the concomitant absence of an analysis of structure was seen to lead to misplaced assumptions about emerging powers being situated ideologically and materially in the same structural context as the traditional middle powers. The importance placed on ethically responsible behaviour, often advocated as one of the main defining characteristics of a middle power (Behringer 2003; Matthew 2003), was especially problematic as it assumed a specific view of world order, or at least a particular global strategy that viewed ethically responsible behaviour as beneficial to the maintenance of a world order that works to the middle power's advantage. Therefore, both the absence of an analysis of the structural context in which a country is situated, as well as the emphasis on a specific type of behaviour, were seen here as problematic once applied to emerging powers. Attempts by van der Westhuizen (1998) and Schoeman (2000) to apply the behavioural model to South Africa demonstrated this very clearly.

The approach used here was intended to overcome the problem of either 'squeezing' emerging powers into existing middle power concepts and thereby providing only a partial picture of these countries' actual position and role in the international political economy, or disqualifying these countries from middle powers status completely as they do not 'fit' a specific role. An analysis that gives equal weight to structure and agency provided a better grasp of how structure and agency are related and, therefore, why the structural context in which a country is situated also influences its behaviour and strategy formulations. The understanding of structure as composed not only of material capabilities but also of ideas and institutions was especially important in understanding the different forms of behaviour and strategies that could be detected between traditional middle powers and emerging powers. An understanding of an agent's particular conception of world order, and their perception of the opportunities and constraints presented by the prevailing world order, therefore helped us to understand why behaviour and strategies differ from country to country. Only the kind of structure-agency framework that was pursued here provided the necessary tools for achieving a satisfactory insight into the reasons behind different forms of behaviour, and especially the importance of structure for understanding behaviour.

Third, the inclusion of an examination of the domestic political economy offered a better understanding of how domestic realities influence strategies and behaviour and how they are reflected at the international and regional levels. The

contextualisation of domestic realities in Brazil in the three different policy areas highlighted the many remaining problems that constrain the actions of Brazilian policymakers and, consequently, influence their strategy formulations not only at the national, but also at the regional and international levels. Whereas existing middle power theories, and even the few approaches more directly concerned with an analysis of emerging powers, focused almost exclusively on a state's position in the international hierarchy of power, the approach used here provided a broader analytical basis that allowed for an understanding of power as also deriving from the domestic conditions that constrain states in some areas and at the same time provide opportunities in others.

Finally, testing the hypotheses on Brazilian policy and strategy formulations in the three different policy areas provided a better insight into the forms of power exercised by Brazil, and subsequently offered a better understanding of the different forms of power that exist in the international political economy. As will be discussed in more detail below, the case of Brazil showed that its influence at the international level derives to a great extent from its economic leverage and the skills of the country's diplomatic corps. An understanding of the particular forms of power exercised by Brazil and other states situated in the 'middle' thus helped to advance a broader understanding of the different forms of power that exist in the international political economy, and more importantly, that the power or influence exercised by these states is not necessarily comparable to the influence exercised by the traditional middle powers.

Brazil as an emerging power: An evaluation

Chapters 2 to 5 tested the hypotheses established in chapter 1 on Brazilian strategies and initiatives in three different policy areas. Preliminary conclusions as to the hypotheses' validity in the case of Brazil were already provided at the end of each individual chapter. The task here is therefore to draw these findings together and offer some overall conclusions for the validity of the five hypotheses with regard to Brazil and, by extension, with reference to emerging powers. This will be done by revisiting each hypothesis in turn.

1) Emerging powers have a strong international identity, which is based on a clear view of world order and an understanding of the country's actual and potential position within this order.

The case of Brazil demonstrated very clearly that the country has a very strong international identity, which has its origins in the time of state formation. As discussed in chapter 2, the country's continental size, its position as an empire among republics in the 19th century, and its diplomatic means for resolving any outstanding border disputes with its neighbours at the beginning of the 20th century, greatly influenced Brazil's international identity as a state that deserved to be recognised as an important player in the international arena.

Further, during the tenure of Rio Branco as foreign minister (1902-12) Brazilian foreign policy turned into a so-called 'state' policy removed from and above national politics. The idea of foreign policy as an 'autonomous' state policy has since been entrenched in the minds of Brazilian elites, which explains the foreign ministry's unusually strong position within the state apparatus and hence the continuity and stability accredited to Brazil's foreign policy (Lima 2005: 5). As the discussion in chapter 2 highlighted, this stable foreign policy, together with the professionalism of the diplomatic corps, is one of the main reasons for Brazilian influence in the international political economy as it has provided for a long tradition of participation in multilateral negotiations, as a mediator between the industrialised and the developing countries, and as a 'coalition-builder'. As one interviewee put it, the *projection* of the country as an important actor in the international arena over decades, although greater than its real influence, has helped the country to build a professional diplomatic corps and consequently a reputation as a good international negotiator and mediator between 'developed' and 'developing' countries. Thus, Brazil's *'visão externa'* (external vision), or in other words its international projection, has played a crucial role in the country's international presence today. [113]

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[113] Personal interviews with Paulo Furquim de Azevedo, 22.12.2006; Very similar views were voiced during personal interviews with a Brazilian government employee, December 2006, and with Fernando Henrique Cardoso, 10.01.2007

2) Emerging powers are those countries that are traditionally situated in different structural contexts to the industrialised economies, but whose material capabilities have developed on terms which have allowed a degree of influence in the global economy.

The analysis of the Brazilian economy in chapter 3 confirmed the hypothesis that Brazil is not situated in the same structural context as the 'industrialised economies', but nevertheless has significantly improved its economic 'standing' in the international political economy. Brazil is the 10th largest economy in the world according to 2006 GDP figures, and therewith lies ahead of other emerging powers such as India (12), South Africa (28), and even some traditional middle powers such as Australia (15) (World Bank 2008). The country's economic (albeit still limited) opening and with it the modernisation and restructuring of the economy in the early 1990s, led to increased FDI inflows, a continuously increasing trade surplus since 2001, and subsequently a 127.7% increase in foreign sales between 2002 and 2004 (SECEX 2007). Moreover, the industrialisation of the Brazilian economy has led the country away from a focus on primary goods to manufactured goods exports, with figures showing that more than half (54.3%) of Brazil's exports in 2006 were manufactured goods (SECEX 2007). The increasing sophistication of the Brazilian economy is further reflected in the rising participation of Brazilian businesses as regional and MNCs, most notably Petrobras, Vale and Embraer.

Despite many remaining constraints which hold back Brazil's further economic progress in the short to medium term – such as a large public debt, the less impressive improvement in international competitiveness, and more practical issues concerning the nature of the business environment, the big informal workforce and the still extremely high levels of inequality and poverty – the economic advances documented here all underpin Brazil's increasing economic weight in the global economy. Yet, the importance of such advances for Brazil's influence at the international level only have validity when viewed in relation to the structural changes at the international level. The abundance of the country's natural resources and especially the emphasis on industrialising its economy during the ISI years provided an important basis for the successful integration into the globalising economy. However, only with the country's economic opening in the 1990s, and the 'coinciding' international changes away from an emphasis on security during the Cold War to greater emphasis on economic issues in the era of economic

globalisation, did Brazil's economic weight also turn into a form of influence at the international level. This 'conversion' between the national and the international contexts provided not only a favourable environment for the Brazilian economy to recuperate after the debt crisis of the 1980s, but also created an environment that is more favourable to Brazilian demands for a more equal multilateral trading system. Indeed, with the country's increasing economic strength, calls for a more equal multilateral trading system on the part of Brazilian trade negotiators in the WTO have become much louder and, in contrast to Brazil's very defensive stance in previous trade rounds, Brazilian strategies in the Doha Development Round have become far more proactive and demanding, especially with regard to agricultural negotiations. Moreover, while Brazilian diplomats have practiced for decades the art of coalition-building to gain a wider platform of support for Brazilian aims, economic strength can be argued to have enhanced its policymakers' ability to keep such diverse coalitions as the G20 together. The ability to integrate into the global economy and carry some form of economic weight is therefore the result of shifts at both the national and international levels to a greater emphasis on liberal market economics. Despite the many remaining problems of socioeconomic development at the national level, which limit Brazil's economic competitiveness in the global economy, the country can boast a degree of economic weight that helps to underpin its increasingly influential actions at the international level, especially in the multilateral trading system.

3) The behaviour of emerging powers tends to be influenced by a different global agenda to that of the traditional middle powers, which means that emerging powers do not necessarily emphasise the involvement in issue areas that require a sense of ethically or morally infused responsibility towards the international community.

The discussion in chapter 2 highlighted that Brazilian elites at the beginning of the 20th century began to realise that there was a 'gap' between the desired international role Brazil should play and its economic realities as a primary goods exporter dependent on US and European markets. Such realisations led to reflections on the country's 'deficiencies' and to the notion of Brazil as an underdeveloped country (Lafer 2000: 13-14). This notion was further entrenched with the rise of Cepalist ideas on development and dependency in Latin America and the subsequent introduction of ISI as an economic development model. Even after the political and

economic 'opening' of Brazil in the early 1990s, this view of Brazil as a developing country, on the one hand, and as an influential actor in world affairs, on the other, has remained the same. This 'in-between' position explains to a great extent the absence in Brazilian policy formulations of a sense of ethical or moral responsibility towards the international community. Rather, Brazilian strategy formulations still reflect the view that national economic development is paramount for the improvement of national living conditions and for the standing of the country in the international arena. Thus, Brazil's global agenda can be said to have been influenced by a different view of world order than those of the traditional middle power, and therefore that different priorities prevail in Brazilian foreign policymaking.

As already pointed out before, this is not to suggest that Brazilian policymakers do not feel a sense of solidarity towards other developing countries. Indeed, the analysis of Brazilian strategies and initiatives in the three foregoing chapters highlighted several cases where this solidarity was even translated into more concrete projects. Brazilian efforts to finding solutions to the stark structural asymmetries in the South American region through the introduction and financing of infrastructure projects such as IIRSA and FOCEM demonstrates this very clearly. Also, its continuing role as a 'mediator' between the industrialised and the developing countries during multilateral negotiations also demonstrates a great sense of solidarity with the developing world. However, such efforts which might be said to include a sense of moral or ethical responsibility towards the international and regional community are very limited. One reason is certainly the lack of available recourses that would make greater engagement in development assistance possible. The remaining domestic problems of poverty and inequality, to name but the two most severe, not only limit the country's ability to make substantial financial contributions to development assistance abroad, but also divert attention from these secondary policy issues to the continuing concern with national economic development.

This is reflected in almost all of Brazil's actions at the regional and international level. For example, Brazilian policymakers have been eager to create a democratic regime based on institutional democracy in Latin America. However, they have not embraced initiatives for democracy promotion beyond electoral assistance and observation. Rather than promoting 'better' democratic governance, Brazilian activism in this policy area is limited to the upholding of institutional

democracy. Basic democratic forms of government are seen to be a satisfactory prerequisite for the successful participation in a globalising economy structured and guided by ideas of economic and political liberalism. With regard to security provision and cooperation, Brazil's geostrategic position in a relatively conflict-free region and the strong emphasis on the principles of sovereignty and non-intervention greatly limit Brazilian actions in this area, despite increasing suggestions from national and foreign policy analysts that Brazil should get more involved in regional security problems.

Thus, Brazilian financing of infrastructure projects at the regional level, and even the Lula administration's emphasis on development goals at the multilateral level, must be understood not as a part of the country's global agenda *per se*, although such projects might seem to be motivated by a sense of responsibility towards other developing countries' further development. Rather, they are part of a strategy that is aimed at improving the country's economic situation and its position in the international arena.

4) Emerging powers are those states whose strategies have a 'reforming' character.
The idea that Brazil is a 'developing' country that does not benefit from the prevailing economic and political order, but at the same time should be entitled to more influence in world affairs, has not only influenced policymakers' behaviour, but has also led to strategies that aim at 'reforming' or adjusting the prevailing economic and political systems to the advantage of Brazilian development needs. The 'reforming' character of Brazilian strategies is most noticeable in Brazilian policy formulations for multilateral trade negotiations in the WTO, especially with regard to agricultural negotiations, and its push for reforms of the UNSC that would include Brazil as one of the new permanent member. With regard to multilateral trade negotiations, Brazil's mix of 'offensive' and 'defensive' negotiation strategies, its efforts at creating coalitions such as the G20 that support its demands, and its repeated efforts at filing complaints at the WTO Dispute Settlement Body about the protectionist measures taken in the US and EU, underpin the argument that Brazilian strategies are of a 'reforming' character. With regard to democracy promotion and security provision, the formulation of strategies that have a 'reforming' character is more subtle. In the case of security provision at the regional level, Brazilian initiatives focus on the promotion of socioeconomic development to achieve better

'civil security', and at the international level emphasise 'alternative' forms of peacekeeping which focus on socio-economic development measures. In terms of democracy protection and promotion, clear 'alternative' strategies could not be detected in the analysis here. However, it was possible to identify a clear preference for subregional institutions that did not include the US as a member to solve crises of democracy in the region.

Overall, these findings show that Brazil's 'reforming' strategies are mostly focused in the area of economic diplomacy. This is not surprising considering the immense importance Brazilian elites continue to place on the country's national economic development, and the only slowly increasing interest and involvement in democracy promotion and security provision. Nevertheless, the analysis of the three different policy areas did highlight the general tendency to find solutions to national and regional problems that are not necessarily formulated around the ideas and policies promoted by the United States, but rather focus on the country's own interests. With regard to behaviour and strategy formulations, Brazil therefore does not resemble Cooper *et al.'s* (1993) idea of the middle power being a 'follower' of the hegemon. This is not to suggest that emerging powers cannot be viewed as 'followers' in 'structural' terms as they do not question global structures promoted by the hegemon *per se*. Nuance here is important. As Jordaan (2003: 176) argues, emerging middle powers tend to advocate reforms to global economic rules and structures, but, due to their 'competitive advantage' over smaller or less developed states, these reforms are supposed to be 'reformist' and not 'fundamental'. In other words, rather than advocating a new world order, emerging powers promote reforms to the prevailing system that work to their advantage. Whereas Jordaan explains this difference between the 'reforming' and the 'fundamental' character by pointing to the advantages that emerging powers still have over countries in the 'periphery', the argument preferred here is that emerging powers have been able to sufficiently integrate into the global political economy to benefit in great part from its prevailing structure, and therefore prefer reforms to existing rules rather than radical change. While at first sight this might seem to resemble traditional middle power activity, the difference is in the way in which such reforms are advocated. As again Jordaan (2003: 176) points out, traditional middle powers tend to have an 'appeasing' character more concerned with the pacification and containment of potential threats to world order, while the emerging powers' agenda is more 'radical', at times

challenging 'hegemonic rudiments' by turning the rules of hegemonic order against their primary agents. Such a 'challenge' is most visible in Brazil's repeated use of the WTO Dispute Settlement Mechanism, denouncing the USA and the EU for their protectionist behaviour. It is in this sense that the 'reforming' character of Brazilian strategies, and its 'refusal' to be a 'follower' of the hegemon, must be understood.

5) *Emerging powers are also regional powers.*

It was noted in chapter 1 that the definitions of regional powers are manifold and diverse, which made it difficult to establish which definition would be most viable as a part-definition of emerging powers. It was therefore decided to restrict the analysis of regional power status to an assessment of material capabilities vis-à-vis other countries in the region, and the degree to which regional neighbours accept a form of leadership by the regional power.

The analysis of the Brazilian case in the three different policy areas yielded mixed conclusions. Although Brazilian initiatives in the areas of democracy protection and promotion and security provision remain limited, in most instances Brazilian policymakers were the first to suggest the incorporation of democratic clauses in all regional treaties and have been the principal mediators during several crises in the South American region. Also, with regard to economic issues Brazil is the most significant donor of regional infrastructure funds and the motor behind most of the region's economic integration efforts. Yet, ironically, in the area in which Brazilian capabilities far outweigh those of its regional neighbours, its leadership credentials are 'shaky'. While Brazil undoubtedly boasts the biggest economy in Latin America, the structural asymmetries between Brazil and its neighbours, and the continuing structural dependence of most South American countries on the US economy, have led to diverging economic interests within the region. These discrepancies are further exacerbated by Brazil's ambiguous stance on Mercosul integration and its seeming inability to implement strategies that would promote deeper economic integration in the region. Subsequently, the combination of structural asymmetries and the inability to create greater economic incentives for the other countries in the region have greatly impacted on Brazil's leadership in the

region.[114] Due to the importance placed on economic development, not just in Brazil but also in the rest of South America, Brazilian strategy formulations in this policy area are most closely scrutinised by its regional neighbours and therefore are a crucial basis for regional leadership in all other issue areas as well. This was demonstrated quite clearly in 2005 when Brazil's regional neighbours did not provide their support when Brazil applied for a permanent seat on the UNSC and for the presidency of the IDB and CEPAL. Brazil's initiation of FOCEM, for example, can therefore be viewed as a realisation on the part of Brazilian policymakers that regional integration and support from neighbours is only achieved if greater economic incentives are created for regional partners to support Brazilian aims.

It can thus be concluded that Brazil is accepted as the initiator of most regional integration projects and the principal mediator during regional crises. However, when it comes to selecting candidates for key positions at the hemispheric or multilateral level, regional support for Brazil quickly diminishes. The foreign ministry tends to highlight that the reform of the UNSC, for example, is very issue specific and therefore the lack of regional support for a permanent seat should not be equated with an overall lack of regional support for Brazilian initiatives.[115] This might be a valid point, but it still begs the question as to the degree of regional leadership Brazil can boast.

With such inconclusive findings it is difficult to accept the hypothesis that emerging powers are also regional powers. Of course, a rejection of the hypothesis about regional leadership or power is not to suggest that Brazil does not have any influence on and in the region at all. The country's economic preponderance, its geographical and population size and its resources indeed influence Brazil's position in the region and at the international level, and makes it what is sometimes referred to as a 'natural leader'.[116] Yet, in the case of Brazil it would make more sense to speak of what Sennes (1998) has referred to as the country's ability of 'double

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[114] This view was expressed in various ways during a number of interviews: Fernando Furlan, 11.08.2005; Brazilian government employee, December 2006; Carlos Pio, 19.08.2005; Rubens Barbosa, 26.09.2005; Brazilian industry representative, September 2005; Ricardo Markwald, 30.09.2005

[115] Personal interview with senior Brazilian government employee, August 2005

[116] This view was expressed by a number of interviewees: senior Brazilian government employee, August 2005; Carlos Pio, 19.08.2005; Brazilian government employee, August 2005, Barbara Rosenberg, 1.09.2005; Brazilian industry representative, September 2005; senior Brazilian government employee, December 2006; Brazilian government employee, December 2006.

insertion' (*dupla inserção*) – its ability to insert itself at both the international and regional levels to the extent that conversions take place at both levels – rather than of Brazil as a true regional leader.

A further reason to reject the idea that an emerging power must be a regional power is to avoid the confusion of two theoretically different concepts. As already mentioned, definitions of regional powers are manifold and often confusing. For example, scholars such as Jones and Hildreth (1986) and van der Westhuizen (1998) make assumptions about emerging middle powers also being regional powers merely on the basis that these countries have the strongest economies in their respective regions. Others, such as Schoeman (2000) and Nolte (2007) include moral responsibility as a crucial characteristic that leads to regional leadership and consequently to the status of a middle power. Thus, the many different definitions of regional and middle powers, and the many differing conditions states have to fulfil to belong to either or both of these categories, greatly complicate the analysis of emerging powers. Østerud (1992: 6/7) expresses this problem quite well, highlighting that: "A regional great power may be a middle power, but not necessarily so. It seems reasonable to argue that Israel qualifies as a regional great power in the Middle East, but most definitely not as a 'middle power' globally. On the other hand, a middle power generally is not necessarily a great power regionally, since it may exist in the close and dominated vicinity of really great powers, or of a number of other powers aspiring to a leading regional role".

Brazil: What kind of power?

The case of Brazil has verified four of the five hypotheses outlined in chapter 2. It can therefore be argued that Brazil fits the concept of an emerging power as was set out in this thesis. Moreover, by confirming the assumptions about emerging powers (apart from the hypothesis about emerging powers also being a regional powers/leaders), it is also established that Brazil does not fit the concept of a traditional middle power. These conclusions underpin the argument made in chapter 1 that different theoretical lenses are needed to study and understand emerging powers from those which were developed for the study of the traditional middle powers.

The nature of Brazilian power and influence is qualitatively different from that associated with the traditional middle powers. Whereas traditional middle powers are said to gain their position as important 'secondary' actors in the international arena from their focus on tertiary issues areas such as democracy promotion or environmental protection, Brazilian power derives in the first instance from its economic weight in the global economy. In contrast to the roles assigned to the traditional middle powers, Brazilian strategies and initiatives are in great part targeted towards active involvement in regional and international trade forums, policy areas which tend to be dominated by the so-called 'great' powers, rather than by middle powers. This again points back to Brazil's economic weight as one of the defining characteristics of its power and influence and therefore confirms the hypothesis that emerging powers are those states whose economies have developed on terms that have allowed for a degree of influence in the international political economy.

Yet, Brazilian power or influence is not only based on the country's economic weight. Its foreign policymakers' diplomatic aptitude has helped to coordinate relations with a diverse range of actors and at the same time influenced the outcome of several trade negotiations. The strong international identity of Brazilian elites, and the negotiation skills of the country's diplomats, is therefore a further defining characteristic of Brazilian influence in the international political economy. Indeed, the focus not only on being a strong economy but using this status to further advance national and international projects or interests is a crucial difference between emerging economies and emerging powers. Diplomatic skill is a rather 'intangible' form of power or influence and indeed often accredited to the influence of traditional middle powers as well. In this particular sense, Brazil does not differ significantly from the traditional middle powers. However, the choice of arenas in which the country's actors operate is different from those in which the traditional middle powers tend to be most active. For example, with regard to democracy protection and promotion, a policy area typically 'assigned' to the traditional middle powers, Brazilian efforts remain very limited and actions are often rather ambiguous, as the findings in chapter 5 highlighted. Also, in contrast to the traditional middle powers, Brazil in many cases tries to introduce 'alternative' or reforming policies that do not necessarily support the ideas and strategies promoted by the global hegemon.

Thus, Brazilian power or influence is not only the result of its economic weight or of its actions in multilateral forums, but rather is a combination of both material and ideational forms of power. A systemic-structural middle power analysis would have focused on Brazil's material capabilities to determine its middle power status, whereas the behavioural middle power approach would have pointed only to the country's initiatives in particular, 'tertiary' issue areas. In the latter case, an analysis of Brazilian strategies and initiatives for democracy protection and promotion would have either provided only a partial picture of Brazilian forms of influence, or discredited Brazil from middle power status altogether due to its ambiguous stance towards democratic norm-enforcement in the region. Yet, it is exactly the combination of economic weight and diplomatic skills and initiatives that grants Brazil the status of a 'partially influential' country that can successfully influence the shaping of some parts of the global political economy, as for example the structure of trade negotiations in the WTO, but lacks both the structural and ideational power to significantly influence the structure of the international political economy as a whole.

The question that remains is whether the hypotheses tested on the case of Brazil would also be valid for other states that are often included in the category of emerging powers, such as India, South Africa and even China. A thorough testing of the hypotheses on the other cases is beyond the scope of this thesis. However, in the following discussion comparative remarks demonstrate that some general assumptions can indeed be made about the commonalities between Brazil and the other so-called emerging powers.

Brazil and other emerging powers: Comparative remarks

In the first instance it must be pointed out that the assumptions made here about the commonalities between Brazil and India, South Africa and China are not to suggest that these countries are all 'the same'. Indeed, it is assumed that a similar analysis conducted for the case of Brazil would generate quite different results with regard to the structural contexts in which countries like India or South Africa are situated, or the forms of power they exercise in the global political economy. It can nevertheless be argued that certain commonalities exist between Brazil and other emerging powers and that these might provide a useful basis from which to advance an

analysis and understanding of emerging powers. Contributions to the special issue on 'would-be great powers' that appeared in *International Affairs* in 2006, and Shaw *et al.*'s (2007) article on 'Global and/or Regional Development', have already looked in a little more detail at the commonalities and differences between these emerging powers.

One quite obvious commonality is these states' economic, population and geographical size. The case of Brazil demonstrated that the combination of geographical, economic and population size with economic advances contributes to a great extent to its increasing influence at the international level. Similar conclusions could be made for other countries currently being included in the category of emerging powers. For India, World Bank data showed an annual GDP of US$906.3 billion and a GDP growth of 9.2% in 2006. For China these figures were even higher, with a GDP of US$2.7 trillion and GDP growth of 10.7% in the same year. South Africa's growth rates for 2006 were a little smaller with a GDP of US$255 billion and GDP growth of 5%. (World Bank 2007). In terms of GDP China was on par with high income countries such as Germany (GDP US$2.7 trillion in 2005) and the UK (US$2.2 trillion in 2005). All except South Africa also already outweighed or were on similar figures compared to the traditional middle powers Canada and Australia (see table 6.1 for an overview).

It can thus be argued, in line with Shaw, Cooper and Antkiewicz (2007: 1257), that 'size matters' – that a "…consistent feature of such mid-rank states, notwithstanding other variations, is their relative size, stature and leverage in both global and regional dimensions". With size, Shaw *et al.* seem to refer to a combination of economic and population size. As they quote from an article in *Business Week*, the combination of growth rates and population size makes states such as India and China more influential today than the post-war economic miracles Japan and South Korea could have ever been (Shaw *et al.* 2007: 1258).

Similarities between these countries also exist with regard to prevailing problems at the domestic level. Despite the immense size of their economies, these countries still grapple with similar problems over a diverse range of issues, such as poverty and economic infrastructure. As Walker (2006: 5) highlights, India's ports, railroads, electricity and grid systems are 'ramshackle' and therefore hold the country back from a 'Chinese-style boom'. Also, almost 80% of India's population lived on less than US$2 a day in 2000. In China almost 47% of the population lived

on less than US$2 a day in 2001, and in South Africa these figures still came to 34% for the year 2000 (UN World Development Indicators 2005). Despite good growth rates unemployment in South Africa remains high at 25% and violent crime levels are among the worst in the world with more than 50 killings a day (*The Economist* 03.03.2007). Thus, remaining problems with poverty, crime and a problematic economic infrastructure afflict all these countries to similar degrees, variations aside.

Table 6.1: Comparison of Population and GDP Size for Selected Countries

Country	Population	GDP US$ 2006	GDP Growth % 2006
Australia	20.5 million	768.2 billion	2.8
Brazil	188.7 million	1.1 trillion	3.7
Canada	32.6 million	1.3 trillion	2.8
China	1.3 billion	2.7 trillion	10.7
Germany	82.4 million	2.9 trillion	2.8
India	1.1 billion	906.3 billion	9.2
South Africa	47.4 million	255 billion	5.0
UK	60.4 million	2.3 trillion	2.8

Source: World Development Indicators Database 2007, World Bank

Further, the positioning of these countries in different structural contexts to the industrialised economies of the 'core' can be validated in terms of the subjective positioning by both foreign analysts and country elites. For example, according to definitions by the IMF or CIA these countries still belong to the 'less developed' category. As is the case with Brazil, both Indian and South African elites have similar views about being situated 'in-between' the 'developed' and the 'developing' worlds. For example, South African Minister Alfred Nzo remarked that: "South Africa is a developing country with certain of its attributes of a developed or industrialised country. This enables us to understand, and relate to, the concerns of both the South, as well as the North…" (16.05.1996 – quoted in van der Westhuizen 1998: 450). Mitra (2003: 404) finds that India has a "…nostalgic self-perception as a major player in the international arena at par with China…". But, as Narlikar (2006: 64) points out, India has also adhered to an 'inflexible Third Worldist position'. This

comes mostly to the fore during multilateral trade negotiations. Despite being a founding member of the GATT, India, like Brazil, has challenged the principle of Most Favoured Nation status and has appealed to 'a distinctive concept of fairness' more concerned with the equity of outcomes (Narlikar 2006: 62-3). Van der Westhuizen (1998: 450) makes similar observations for South Africa, arguing that "…it is not capitulating to Western interests but seeking to engage them in an attempt to further North-South dialogue". It would probably be wrong to argue that China sees itself as a developing country, but, as Foot (2006: 93) points out, China would like to be recognised as a great world power and therefore it is trying to achieve a more egalitarian world order through multilateral institutions, which would have the benefit of diluting US power.

It can thus be argued that, due to their geographic, population and economic size, emerging powers share a very strong international identity that reflects clear conceptions of 'self' and of 'others', a clear view of their positions within the international system, and a belief that their 'size' entitles them to a more influential role in world affairs. An understanding not only of a country's material capabilities but also of their underlying ideas structures is therefore an important factor for the identification and understanding of emerging powers. This observation also leads to the supposition that emerging powers tend to pursue strategies in certain policy areas, mostly with regard to economic policy formulations, that are of a reforming character. The lengthy discussion on Brazilian strategies at the WTO level already demonstrated this quite clearly. The emerging powers discussed here are all part of the G20 and India and South Africa are also members of the IBSA Initiative, which demonstrates that these countries also follow strategies that are aimed at changing prevailing rules and structures to their greater advantage. Their 'revisionist' character, to use McFarlane's (2006: 42) terminology, therefore is indeed an important defining characteristic of emerging powers.

With regard to the behaviour of these states, similar observations can be made as in the case of Brazil, which ranges from certain forms of solidarity with regional neighbours to the explicit pursuit of national interest. Breslin (2006: 5/10), for example, speaks of China's 'charm offensive'. Although Chinese investments in Asia increased rapidly and in 2004 stood at US$5.5 billion, which would suggest that the trade-investment nexus is not a zero-sum game, China is competing with the other countries for foreign investment and access to the Japanese, US and EU

markets. Mitra (2003: 401) argues that India is often described as a 'regional bully' or 'regional push-over' by foreigners and that in many cases India proves this assumption to be correct, "…appearing in the process to be either mystical-moral, or utterly devoid of principle or doctrine". Solomon (1997) points to some contradictory statements by South African government officials on their country's leadership role in the region. On the one hand, they point to the country's limited resources that limit the country's abilities to support the region's development, on the other they stress that South Africa could no longer sit on the sidelines. Due to these ambiguous statements, Solomon (1997) argues, making a proper judgement on South Africa's political will to embrace a role as a regional leader remains difficult.

The findings for Brazil can thus be transferred also to the other emerging powers. Their position outside the dominant liberal material and ideological paradigm influences the character of their behaviour and strategy formulations, which consequently tend to reflect a different global agenda to those states that belong to the 'core' triad of industrialised economies. Also, in contrast to the traditional middle powers which are said to act in specific issue areas or niches (see for example Cooper 1997), emerging powers are not generally active in 'second order issues' such as democracy promotion or environmental protection. Rather, they 'compete' with the great powers in 'first order issues' such as trade and security.

With regard to regional leadership, the Brazilian case called into question the validity of the regional power hypothesis. The observations made for the other emerging powers help to further underpin the argument that the regional power hypothesis should be excluded from a conceptualisation of emerging powers, at least when the idea of regional power is linked to the idea of regional leadership. In the case of South Africa, for example, Schoeman (2000) tries to emphasise the country's exemplary position and conduct towards the region and its 'sincere and tangible' foreign policy, which can be viewed as a form of leadership. Nevertheless, he has to admit that "…its leadership has not been generally welcomed, accepted, or solicited". The support received by extra-regional actors for greater South African involvement in regional security provision has had negative effects on the country's credibility in the region and resulted not only in the country's characterisation as a 'lackey of the West' but also in its exclusion from regional meetings such as the Southern African Development Community (SADC) meeting on the crisis in Congo

in 1998 (Schoeman 2000). This might also explain Solomon's remark about South Africa's ambivalent stance towards its position in the region.

Mitra (2003: 400) argues that India's preponderant size relative to its neighbours does not translate into any form of power over them, particularly in the realm of security. Despite its view of itself as a major power with nuclear capabilities, it has no decisive influence on the behaviour of its adversaries. Breslin (2006: 4) makes similar observations with regard to China, highlighting that Chinese leadership in Asia 'remains elusive' for the time being. As he argues, the focus on China underestimates the remaining significance of Japan as a regional actor and an influence on the shape of regional institutions and organisations (Breslin 2006: 17).

Thus, contrary to the perception that emerging powers must also be leaders in their respective region, not only the case of Brazil but also those of all the other so-called emerging powers highlight the problem of including the regional power hypothesis into an analysis of emerging powers. Indeed, all four countries are preponderant in population and economic size in their respective regions, which is indeed an important factor for their international influence. However, as the short discussion above already highlighted, the importance of population, territorial and especially economic size are already determining factors at the international level, and therefore it seems a tautology to use their structural preponderance at the regional level as a defining characteristic of their emerging power status.

Overall, many similarities can thus be found between Brazil and the other so-called emerging powers. Of course, as already mentioned briefly above, many differences between these countries exist and they should not be overlooked. For one, degrees of liberal democracy vary widely, or are completely absent in the case of China. Also, China and India, and also to a great extent South Africa, have very different cultural backgrounds. In the case of Brazil its culture is still described as 'western', whereas India's culture, for example, has been shaped by a variety of religions and languages. Apart from these obvious differences it remains questionable whether Brazil's or South Africa's economies could be put in the same category as China's, not only considering the latter's much higher levels of output and growth, but also the much greater size of its workforce. China boasts one of the largest skilled, and indeed unskilled, work forces in the world in both low- and high-tech sectors (Marber 2006: 46). Also, in contrast with Brazil and South Africa, China and India are nuclear powers. In purely structural, as well as political terms, this

would already put them into a different category from Brazil and South Africa. Thus, despite the many similarities which were found and prove to some extent the validity of the conceptual understandings about emerging powers developed here, the prevailing differences between these countries should not be brushed aside lightly.

An agenda for the study of emerging powers

We have discussed at length the usefulness of the approach developed here to analyse the case of Brazil as an emerging power, presented the findings on Brazilian forms of power and compared these findings with other emerging powers such as India, China and South Africa. The task of this concluding section is now to draw together the main elements of an agenda for the future study of emerging powers. Most of these elements derive from the approach developed throughout this thesis, since they are seen to constitute important base components of a platform from which the study of emerging powers might be advanced.

The first element of an agenda for the study of emerging powers relates to the use of an analytical framework that is embedded in the more critical IPE approaches. As was set out in chapter 1 and repeatedly argued throughout the rest of this thesis, a critical understanding of structure and agency is an essential ingredient for a better understanding of the forms of power exercised by Brazil. Indeed, the use of a framework that views structure and agency as mutually constitutive helped to overcome the overemphasis in existing middle power theories on either structure or agency as explanatory factors for the power exercised by middle-, and in extension, emerging powers. By 're-incorporating' an analysis of structure, and not only focusing on behaviour as the determining element of middle or emerging power status, it has thus been possible to get a better understanding of behaviour itself.

To recapitulate, behavioural middle power theories, as one of the most popular approaches for the study of middle and emerging powers, dispensed of an analysis of structure on the grounds that only "…non-structural forms of power and influence associated with energetic and creative use of their diplomatic talents" (Cooper 1997: 9) are the true defining characteristic of middle powers. In contrast, the study here has proven that an understanding of the structural contexts in which emerging powers are situated is fundamental for an understanding of the behaviour of their policymakers and, subsequently, of their specific forms of power. Indeed, the

analyses conducted by van der Westhuizen (1998) and Schoeman (2000) on South Africa as a middle power already confirmed this to some extent. Despite their use of an analytical framework directly derived from the behavioural middle power approach, both scholars could not explain the increasing influence of South Africa without pointing to the country's structural position at the regional and international levels as one determining factor. The application of a framework based on critical understandings of structure and agency can provide a better understanding of the interplay between the structural contexts in which emerging powers are situated, and the behaviour which they exhibit at the international level. Therefore, it would offer a more 'balanced' analytical framework for the future study of emerging powers than the existing middle power theories are able to provide.

The endorsement here of a critical framework for the study of emerging powers has not only proved advantageous with regard to questions about structure and agency, but also allowed for an understanding of power to consist of both material and ideational elements. The inclusion of an analysis of the ideas and ideologies underlying the actions of Brazilian policymakers helped to advance the argument made here that Brazilian power did not only derive from its economic weight, but also from the expertise of its diplomatic corps. Thus, an analysis of the ideas structure proved to be a crucial basis for the analysis and understanding of the power exercised by Brazil. It is the view here that a critical framework of this sort would offer the same benefits for the future study of emerging powers, as it allows for a more 'balanced' analysis of power and, by extension, a better understanding of the forms of power that emerging powers exercise in the international political economy.

The second element that forms a crucial component of an agenda for the study of emerging powers is the analysis of the domestic realities of the countries in question. The analysis of Brazilian initiatives and strategies in three different policy areas highlighted the importance of an understanding of the country's domestic realities in order to make sense of its policymakers' behaviour and strategy formulations. Indeed, in the case of Brazil this study showed that domestic conditions constrain policymakers' room for action and also influence the choice of areas into which policymaking is channelled. Thus, contrary to Cooper's (1997: 2) argument that middle powers try to secure 'niches' that opened up after the Cold-War system alliance and the associated sense of obligations waned, the contention

here was that the choice of 'action areas' or 'niches' by emerging powers is influenced (and constrained) in great part by those issues that most pressingly need to be resolved at the domestic level. In other words, whereas Cooper seems to suggest that middle powers choose a policy 'niche' still 'available' at the *international* level, the choice of action area by emerging powers in fact depends in great part on *domestic* realities. For example, large numbers of illiterate, unskilled workers, high unemployment rates and high poverty levels are problems which country elites attempt to rectify by increasing economic output. Therefore, the fact that Brazilian policymakers seem most actively involved in trade negotiations at the WTO level and attempt to expand trade relations is in great part the result not of *choice* but of felt *necessity*.

The advantages that an analysis of domestic factors might bring to the study of emerging powers are further extended to our understanding of the forms of power exercised at the international level. As the discussion on the behavioural middle power theories in chapter 1 highlighted, the understanding of the power exercised by middle powers derives in great part from the behaviour these countries' policymakers exhibit at the international level. Yet, such a supposition, as Stairs (1998: 270) argued, leads to assumptions that the position of states situated 'in the middle' of the international 'hierarchy' of power is a fundamental determinant of their international behaviour. In contrast, the suggestion in this study to include an examination of the domestic realities so as to attain a better understanding of the different forms of behaviour often exhibited by emerging powers, takes a step away from this more deterministic view. By including an analysis of domestic conditions, which presents the possibility of seeing behaviour to be formed not only by the international structure, we obtained a 'broader' and more fertile ground for our understanding of all the different forms of power that exist in the international political economy. It thus highlighted that the power exercised by emerging powers does not only derive from their structural position in the international 'hierarchy' of power, but also emerges from domestic realities that constrain states in some areas and at the same time provide opportunities in others. Hence, for the future study of emerging powers the inclusion of an analysis that focuses on the interplay between international and domestic factors can offer a better insight into the different forms of power an emerging power possesses and exercises at the international level, not only in comparison to the traditional middle powers, but also to other emerging powers.

The third element of a fruitful agenda for the study of emerging powers is the disaggregation of the analysis of power by issue area. The detailed discussions in chapters 3 to 5 highlighted how the nature and extent of Brazilian power differed according to issue area. The country's influence at the international level derives in great part from its economic advances in line with developments in the global economy. Extending this kind of analysis to other emerging powers might reveal that the power they possess and exercise in various issue areas derives from a different combination of factors than those found in the case of Brazil. For example, the power exercised by some emerging powers might derive to a greater extent from their role in security-related matters, or from a combination of security and economic factors. Whereas the behavioural middle power approaches focused almost exclusively on a middle power's activism in 'secondary' issue areas as the determining factor for its influence, and the few existing studies on emerging powers often relied on the one-sided 'economistic' projections as explanations for these countries' international influence, an examination of power by issue area in this new approach offers a richer insight into the different elements that account for the influence of emerging powers.

The fourth and final ingredient suggested here for an agenda for the study of emerging powers is the systematic comparative study of emerging powers. As the brief discussion on the similarities and differences between Brazil and other emerging powers in the previous section highlighted, a serious comparative study would be invaluable for our understanding of the different forms of power exercised by emerging powers. A comparative approach would not only help to arrive at a better understanding of the different forms of power that exist in the international political economy in general, but also help to advance our knowledge of how forms of power vary according to the emerging powers being studied. It would thus yield a better insight into the different forms of power exercised by emerging powers, but, more importantly yet, it would help to further refine the analytical approach set out here. For example, the identification of economic weight as a defining characteristic for Brazil's international influence was based in part on an analysis that emphasised a sort of 'convergence' between the domestic developments towards a liberal market economy and developments at the international level which saw a turn to greater importance being placed on economic rather than security issues. Economic weight as a characterisation of an emerging power therefore has value only in relation to a

particular regional and international context or world order that reinforces the importance of economic 'size' and competitiveness.

Put together, the four elements suggested here could comprise a valuable basis for the advancement of a workable theoretical framework for the study of emerging powers. This agenda offers a contribution to both the study of emerging powers and to our understanding of power in IPE more generally. Nevertheless, a note of caution should be added. We should not forget that the definition of a specific country as an emerging power is in most cases a temporary one. As the word 'emerging' already suggests, the countries falling into this category are understood to be in a state of change or transition. In McFarlane's (2006: 43) words: "The notion of emergence suggests a state that is growing dynamically and undergoing transformation; a state whose rising power causes it to question its established place in the system and to assert itself more ambitiously in international politics". Thus, the 'emerging status' must be understood as transitory and, subsequently, those countries currently defined as emerging powers will probably remain in this 'state' for a certain amount of time only. With regard to this research project this means that the characterisation of Brazil as an emerging power finds validity only in the combination of the domestic, regional and international contexts as they were outlined here, and hence would be subject to revision at a different point in time. By extension, the study of emerging powers might in future include new 'candidates' and exclude old ones.

Yet, these words of caution should not hold us back in advancing the study of emerging powers and turning it into a serious theoretical enterprise. Their increasing influence in the international political economy is already undeniable. In future, this fact should therefore guide us away from the currently strong reliance on the already existing middle theories to account for the forms of power exercised by a different group of countries, and lead to a more critical study of emerging powers, a contribution to which was offered in this thesis.

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Rafael Benke
Advisor of the President and General Manager of the International Relations Department, FIESP (Industry Federation of the State of São Paulo), interviewed in São Paulo, 15.07.2005

Fernando Henrique Cardoso
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Fernando Furlan
Cabinet Minister of the Ministry of Development, Industry and Commerce (MDIC), interviewed in Brasília, 11.08.2005

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