

The US in Brazil's Foreign Policy (ARI)

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Theme: Brazil has opted for its own foreign policy in Latin America and clashed at times with the new US Administration. What is the state of relations between Brazil and the US? Can Brazil become the leader of South America and take a place on the world stage?

Summary: 'The search for peace and stability', as well as respect for human rights and the defence of diversity and freedom of choice, are some of the principles espoused by Brazil in the domestic and foreign elements of its policies. President Luiz Inácio Lula da Silva has thereby won the respect of the international community, as well as credibility. After the initial good impression made by President Barack Obama after promising at the 5th Summit of the Americas in April 2009 to forge an 'alliance of equals' with his Latin American neighbours, and despite the admiration that he and Lula have expressed for each other, relations between Brazil and the US have suffered some setbacks on key issues, some of them not limited to the regional sphere. These include the coup d'état in Honduras, military bases in Colombia, the Iranian President Mahmud Ahmadineyad's tour of Latin America and the climate talks in Copenhagen. Furthermore, Lula seems to feel more comfortable with the French President Nicolas Sarkozy than with Obama when it comes to sealing strategic alliances in a variety of areas. In recent times Brazil has projected itself as a global player with an independent foreign policy that seeks to achieve ever greater influence, at both the regional and international levels. But many of its decisions have been controversial and compromised its credibility. This ARI reviews Brazilian foreign policy with regard to the US in light of the most important events of the past year. The paper's goal is to clarify the state of the countries' bilateral relations and their repercussions both in the region and on Brazil's drive to be a prominent world player.

Analysis: When Lula da Silva won Brazil's presidential elections in 2002, his US counterpart George W. Bush was caught up in the 'global war on terror' following the September 11 attacks and Latin America was no longer a priority for US foreign policy. Despite this, the Bush Administration knew it needed a trustworthy regional partner in order to, as Mónica Hirst has put it, 'intervene in turbulent, radicalized scenarios or ones characterized by institutional debacle'. Brazil, thanks to its continuity-minded economic management under the Cardoso government, emerged as the partner that Washington was looking for. In this way, Brazil met the White House's expectations, although making no concessions on its autonomy or ability to take initiatives, as seen in its launching of the 'global war on poverty', which was to some extent a counterpoint to the US counter-terror programme. Furthermore, Brazil defended multilateral solutions in response to 9/11 and,

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in a parallel fashion, made a major effort to globalise its foreign policy, strengthening dialogue with other mid-range powers (India, South Africa and Russia) and some African countries.

At the bilateral level, the Brazilian and US agendas clashed on four key points: (1) the failure of the Free Trade Area of the Americas (FTAA); (2) the tariffs imposed on imports of Brazilian ethanol, which is made from sugar cane and much cheaper than the US product, which is made from corn; (3) the Brazilian stance in the Doha Round of world trade talks, in favour of cutting US and EU farm subsidies; and (4) reductions in greenhouse gas emissions. After the 4th Summit of the Americas, in Mar del Plata, Argentina, in 2005, once the proposed FTAA was definitively buried, both governments came to find bio-fuels as the element that would give their relationship a 'strategic' dimension. This meant that both sides would accept the existence in practice of areas in which their national interests converged. Aside from ideological questions, relations between Brazil and the US under George Bush can be considered cordial.

In January 2009, after Lula was re-elected, Obama took over as US President. Although the Obama Administration's relations with its Latin American neighbours were formally established at the 5th Summit of the Americas in Trinidad & Tobago, in which Obama met the 34 regional leaders (from all countries except Cuba), Lula had met Obama previously. This occurred at a bilateral meeting that the US leader had arranged shortly after his term in office started. Obama had also had a bilateral meeting with the Mexican President Felipe Calderón, suggesting he had singled out Brazil and Mexico as strategic regional allies.

Along with Spain, and eventually Canada and China, the US was the only country with an overall agenda for the region. However, political differences –mainly with the countries of the ALBA grouping– and confrontations –such as Colombia's with its neighbours– will complicate this vision. This explains the US interest in Brazil and Mexico, which it considers 'trustworthy' partners of unquestionable value. In the case of Mexico, the war on drug trafficking, immigration issues and economic interdependence between the two countries are fundamental in the relationship. As for Brazil, the bilateral agenda centres on energy, trade and Brazilian leadership in South America.

At the G-20 summit in London and at the Summit of the Americas in Trinidad & Tobago, Brazil took on the role of regional leader, so it avoided addressing bilateral issues. It seems clear, in the framework of the 'independence' Brazil insists on touting in its foreign policy, that Lula chose to use his privileged position with the US to shore up his regional leadership, which, for a variety of reasons, is not quite taking root. In part this is because Brazil's South America policy, in the opinion of María Regina Soares de Lima, has raised fears among its neighbours of Brazilian expansionism, as well as excessive expectations over Brazil's ability and willingness to provide collective value at the regional or bilateral level. But it is also because the current government's drive for regional leadership depends on 'the willingness of Brazil's elite and society to acknowledge that the current investment in regional cooperation is in Brazil's long-term interest'. As a result, the US and Brazil set out on a honeymoon that would soon go sour, giving rise to a series of disappointments and fallouts between them.

On one hand, Lula was disappointed by what he feels is the scant attention Obama pays to Latin America: 'worries over Iraq, or Afghanistan, or health care, are preventing Obama from devoting more attention to Latin America'. After the Summit of the Americas, the *new*

policy that Obama announced for Latin America got kicked off with old and respected faces: Tom Shannon, appointed ambassador to Brazil, had to remain in charge of relations with Latin America until November 2009 because Arturo Valenzuela, designated Under-Secretary of State for Latin America, could not take up his post any sooner; his nomination and that of Shannon were held up in the Senate. Relations were also disrupted at the regional level by tensions between Colombia and Venezuela over the US military's use of Colombian military bases, the crisis in Honduras and the Iranian President's ninth tour of Latin America –with a stopover in Brasilia for the first time–. At the global level, US-Brazil ties were strained by the deadlock at the Doha Round of trade talks and the countries' opposing positions on climate change.

The Regional Agenda

The first friction arose with the announcement in of the accord reached in October between Colombia and the US, under which US Army soldiers would use Colombian military bases in the war on guerrillas and drug trafficking. Brazil's position was summed up by Lula, who echoed the generalised sense of discontent in South America over the deal reached by President Alvaro Uribe and Obama: 'We do not need American bases in Colombia to fight drug trafficking in South America. We are going to take it upon ourselves to fight drug trafficking within our borders'. In the same line, Lula's main adviser for international affairs, Marco Aurelio García, told Arturo Valenzuela in December that it was 'Brazil's impression that the presence of outside troops in the region is not a positive factor'. He stressed that Latin American countries reject any hint of US interference in their internal affairs. Again, and setting aside doubts over how serious South America is about fighting drugs, Brazil became a sort of authorised middleman for dealings between the US and Latin America.

The two governments clashed again over the resolution of the political crisis in Honduras. A few days before the Honduran presidential election in November, the US Administration said it would recognise both the results and the new President even if ousted President Manuel Zelaya were not restored to power before the voting. This was a key condition that Brazil and most Latin American countries had set for recognising the elections as legitimate. When he heard news of the US stance, Marco Aurelio García expressed the opinion shared by most of Latin America: 'we find it regrettable that there could be an attempt to wipe away a coup d'état with an electoral process in a country that has lived in a virtual state of siege for the past few months'.

It was the Iranian President's visit to Brazil in late November that raised questions about the pragmatism or underlying ideology of Brazil's foreign policy. Leaving commercial interests aside –Brazil is Iran's largest trading partner in Latin America, with trade in 2008 totalling US\$1,263 million (88% more than in 2007, according to IMF figures)– Lula's receiving Ahmadineyad with honours was criticised by Brazil's opposition and its media, as well as by the international media. As the Iranian leader arrived in Brazil, the United Nations announced new sanctions against Iran over its nuclear programme.

The US position on this issue was contradictory. On one hand, the US was cautious about Brazil's statement that it defended Iran's right to have a 'nuclear programme for peaceful ends', similar to the one Brazil is developing. Brazil said 'what we defend for Brazil we defend for other countries as well'. In fact, the US Secretary of State Hillary Clinton subsequently warned about the consequences of strategic alliances with Iran, which she called the 'the greatest assistant, promoter and exporter of terrorism' in today's world. But on the other hand, days before Ahmadineyad landed in Brasilia, Obama sent Lula a letter

in which he praised Brazil's initiative to encourage and mediate in dialogue between the Iranians and the West on the nuclear issue and Brazil's possible role as an intermediary in the Mid-East conflict (something for which Brazil already has the support of Israel and the Palestinian National Authority). Obama also asked Brazil to intercede on behalf of three Americans being held by Iran. Obama thus suggested that an internationally active Brazil favoured cooperation with the US. Despite the Venezuelan President Hugo Chavez's attempts to capitalise on the Brazil stopover by Ahmadineyad as boosting the 'anti-imperialist' cause, the Iranian leader's trip to Brazil can, from several standpoints, be considered different from those he made to Venezuela and Bolivia, starting with the speeches that were made. While Lula left no room for improvisation and in a carefully planned address defended his model of democracy, avoiding any anti-imperialist rhetoric, Chávez and the Bolivian President Evo Morales did so time and time again in the days after the visit and at the 8th Summit of the ALBA countries, held in Cuba in December.

Another crucial issue on the regional agenda is Cuba, the same one with which Obama opened his Latin America agenda. In December 2008, before Obama took power, Brazil hosted four simultaneous summits that served to reinforce its regional leadership.¹ Some of the most significant achievements at those meetings were Cuba's full incorporation into the Latin American system through its joining the Rio Group and statements by Latin American Presidents in favour of Cuba being readmitted to the Organisation of American States (OAS) and the holding of a similar summit without the US or the EU. These statements enhanced Brazil's leadership in South America. Taking advantage of his success in hosting the four summits, Lula warned that Obama's victory would be historic if, among other things 'he actually ends the embargo against Cuba, which has no economic or political explanation'.

Obama did not keep people waiting, and, dodging the confrontation that the Cuba issue might raise at the 5th Summit of the Americas, where he met for the first time with most of Latin America's Presidents, on 13 April 2009 he announced the lifting of all restrictions on Americans travelling to Cuba. This complemented an earlier measure that eased the limitations on trips by Cuban-Americans and the money they can spend in Cuba. However, neither of these gestures served to loosen up the positions of Raúl Castro and his brother Fidel. To date, they have not taken effective steps to show a will for 'open dialogue' with the US. There is no doubt that Cuba has become 'the yardstick on which many regional governments want to make their relations with the US depend'. However, and despite the fact that all the countries of the region support letting Cuba rejoin the OAS, there are different positions, which range from the most vehement of ALBA countries to those which are less ideological, such as Mexico. Brazil's position is somewhat more lukewarm: while it does not support the views of Chávez, it does not condemn them either. In other areas Brazil and Cuba maintain good trade relations: Brazil is Cuba's second-largest trading partner in Latin America, after Venezuela, and its sixth overall. Last year trade with the island totalled US\$481 million. Brazil and Cuba have also signed important energy accords.

In any case, a bilateral relationship is a two-way street, and although Brazil has criticised some US decisions and positions in the region, and said repeatedly that Obama has done virtually nothing to create a new relationship with Latin America, the Brazilian government

1 See Carlos Malamud (2009), 'Four Latin American Summits and Brazil's Leadership', Working Paper 3/2009, Elcano Royal Institute, http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/latin+america/dt3-2009.

has not taken any firm steps either to strengthen its ties with Washington. Therefore, it is worth asking if its position on Cuba is the best way to do that, or if its constant concessions to Chávez are. The last one came from Dilma Rousseff, Minister of the Presidency and candidate of the Workers Party in the next presidential election, when she refrained from criticising nationalisations in Venezuela or Chávez's treatment of the Venezuelan news media. It would seem that Brazil is willing to demand and receive things from the US without giving anything in return.

In mid-December, after the Republican veto was overcome, and despite the emergence of some discrepancies after the Summit of the Americas, Arturo Valenzuela made his first official tour of Latin America. It was no coincidence that his first stop was Brazil. In a reaffirmation of Brazilian autonomy, understood as 'affirmation of national interests', Valenzuela was not received by either the President or Foreign Minister, but rather by Marco Aurelio García. This was a way of protesting against comments by Hillary Clinton on the Iranian issue. Still, the meeting was cordial and the two countries addressed all the issues on their bilateral agenda, although they only managed to narrow differences somewhat on the crisis in Honduras. Thus, the US Government felt that Zelaya was the legitimate President and that the triumph of Porfirio Lobo in the elections in December had not settled the crisis. The Americans argued that several steps would be needed to resolve the crisis, starting with the formation of a 'national unity' government run by Lobo and the defining of Zelaya's status. On this point, Valenzuela and García agreed on the importance of Zelaya obtaining safe passage to leave the Brazilian Embassy, where he had taken refuge since September. The successful diplomacy of the Dominican President Leonel Fernández managed to get Zelaya out of Honduras and, after the beginning of Lobo's term in office, conditions are now in place for Latin America to recognise his government. The narrowing of differences between Brazil and the US can be considered a success for Brazilian diplomacy, whose position in this case represented that of most Latin American countries. On the other hand, where there was dialogue but no coming together was on the other two points on the regional agenda: Iran's role in Latin America and the US use of Colombian bases. This is evidence that the future of the relationship is not going to be easy.

The Global Agenda

As for its global agenda, it seems that Brazil has not chosen to enhance cooperation with the US but rather to improve that which it already had with France. In this way Lula's government hopes to consolidate its presence on the world stage and achieve its main goal in this area: a permanent seat on the UN Security Council. Before the climate change summit in Copenhagen, Lula met President Nicolás Sarkozy in Paris on 14 November. Then the Manaus Summit was convened, for the 27th of that month, for all the countries of the Amazon region to decide on a common position at the climate change summit. Meanwhile, Obama met Hu Jintao on 17 November. Climate change was one of the key issues at that bilateral meeting between China and the US. However, once the summit was underway, and faced with the threat of its failure, Obama telephoned Lula as part of US efforts to seek a positive result. In that conversation Obama stressed the 'the importance of the two countries continuing to work together closely to achieve a firm agreement' and said 'the role that Brazil plays is key'.

Brazil is the world's fifth-worst polluter as a result of the deforestation of the Amazon basin. According to official data from 2000, in the 15 previous years emissions of greenhouse gases in Brazil rose by 62%. After the disappointing Copenhagen talks, Lula sanctioned the new national law on climate, which commits the country to cutting

emissions by 38.9% while increasing and encouraging production of clean sources of energy. This initiative could turn Lula into the 'world's key climate change broker during his last year in office'.²

The G-20 meeting in London also showed how warm the ties are between Brasilia and Paris, leaving Washington on the sidelines. Although at their first bilateral meeting Lula and Obama addressed common positions for overcoming the crisis, in the end it was Sarkozy, at a meeting in Paris, who agreed with Lula on an agenda for the G-20, just a few days before that meeting in London. On 15 June, Lula said Brazil and France 'are on the same wavelength, and this is seen in the G-14, the G-20 and other international forums, as well as in the UN Security Council'. One month later, in July 2009, days before the G-8 summit, Lula and Sarkozy published an editorial simultaneously in *Liberación* and *A Folha de São Paulo* in which they called for creating an 'alliance for change'. Its mission would be to restructure and monitor international financial institutions, broaden representation on the Security Council and give priority to the fight against climate change so as to 'rise to meet the challenges of our century'. They also said their countries shared a common vision 'of a new multilateralism adapted to a multi-polar world'.

These shared visions culminated in the recent sale of 36 French fighter-bombers to Brazil, in a deal the Swedish company Saab and Boeing of the US were also interested in. As proof of the US interest, the Under-Secretary of State for Arms Control and International Security, Ellen Tauscher, said on 2 November 2009, referring to the Boeing F-18s: 'They are the best planes with the best technology and a complete transfer of technology. President Barack Obama is personally involved in the deal, and it would be a great opportunity to deepen the US-Brazil relationship'. However, the Brazilian government had already shown preference for the Rafale planes built by the French company Dassault. Although they are more expensive than their US competitors –the initial investment is estimated at US\$6 billion– they would allow technology transfers that are less rigid than those of the US, leaving Brazil with its hands free to sell the planes it makes to other countries of Latin America. According to Brazilian sources, the French accepted not only technology transfer but also gave Brazil 'unrestricted sovereignty' in the use and marketing of the planes, as well as a last-minute discount. Aside from the military alliance between France and Brazil, the Brasilia government has not forgotten that in 2005 the US vetoed a planned sale of Brazil's Super Tucano planes to Venezuela on the grounds that the aircraft featured sensitive US-made components. To this one should add the recent political disputes between the US and Brazil on the US use of military bases in Colombia and the crisis in Honduras.

Finally, one should note the stalemate in the Doha Round of world trade talks, which began in 2001 and deadlocked in July 2008, and disputes at the WTO. As for the Doha Round, in September 2009 the Brazilian Foreign Minister Celso Amorin and the US Trade Representative Ron Kirk said they believed the talks could conclude in 2010 although 'it is going to require a major effort'. With regard to the bilateral relationship, the WTO gave Brazil authorisation to slap trade sanctions on the US over its cotton subsidies, a decision which the US accepted. However, more recently the Brazilian government has expressed concern over its trade relationship with the US. According to official statistics, Brazilian exports to the US fell by 42.2% in 2009. That meant a 32.7% decrease in Brazil's trade balance, with volumes below the US\$53,400 million in trade in 2008. Despite these

2 Paul Isbell (2009), "Lula could become key climate change broker in 2010", *The Interamerican Dialogue*, 4/1/2010, <http://www.thedialogue.org/page.cfm?pageID=32&pubID=2210>.

figures, the US was still Brazil's largest trading partner in 2009. Brazil's Ministry for Development and Industry said, 'We have to work harder to retake the US market'. More recently, on 11 January 2010 *Valor* reported that Brazil's government feels that one of the priorities of its foreign policy is to sign a trade and investment deal with the US.

Brazil's strategic alliance with France in the areas mentioned earlier not only competes with US interests in Latin America but also with those of Spain. Although Spain signed a strategic partnership agreement with Brazil in 2003, it has not been used or given specific content. Rivalry between Brazil and Spain has prevented, as Susanne Gratius said in a recent study, the two countries from launching 'joint proposals and developing common positions in the global arena'. A country like Spain, which aspires to having its own agenda in Latin America and wants to serve as a bridge between it and the EU, should take better care of its relationship with Brazil. Here, up to a point, it would seem Sarkozy is doing a better job.

Conclusions: Brazil is trying to take its place on the world stage as a key player but to do this it needs to assert itself robustly at the regional level. Despite Lula's warm words for Obama, stressing the hopes that the US leader has raised in Latin America and the rest of the world, it seems the Brazilian President is not quite comfortable with the US when it comes to achieving his goal. This can be interpreted as reflecting Lula's drive to innovate and strike new political alliances in a multi-polar world or as a reaffirmation of independence from the all-powerful US with an eye to regional leadership. In any case, in both scenarios it seems difficult for Brazil not to work with the US, as seen in the aftermath of the earthquake in Haiti. Although Brazil was one of the countries most involved in helping Latin America's poorest nation, the Haitian catastrophe showed the limits that some countries face and the power wielded by others. Still, Brazil has done much of what it needs to do to assert itself as the region's leader. But at the same time Brazil needs to be more precise in its positions; the paradigmatic case is Cuba, the thermometer for continental alliances. What seems clear is that a relationship is a two-way street. And despite the US's clearly stated interest in having a closer relationship with Brazil, the latter has not yet given signs that it wants to take part in such a plan, instead seeking other allies such as Sarkozy.

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