

Brazil's Leadership through Global Channels: Autonomy, diversification and acceptance¹

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Abstract

During recent decades, Brazil has emerged as an active new player in the international arena. Evidence of this can be found by analyzing the Brazilian role in most of the multilateral forums in which it participates at the regional and at the global level. According to Van Langenhove & Zwartjes (2012), in order for Brazil to be identified as a regional leader, the country must fulfil three requirements: willingness, capacity and acceptance. Since 2003, Brazil has demonstrated its willingness to become a regional leader through its active role in the WTO's G-20, the G-77 and the UN Security Council (UNSC). Additionally, its size in terms of territory and population, its economic and development indexes and its peaceful environment prove its capacity to lead. However, despite the fact that Brazil's neighbours have to some degree consented to its leadership of the region in particular issues of common interest, gaining acceptance has been the hardest part of Brazil's consolidation as a regional leader. Despite a general perception of acceptance, there has been some resistance from the other big regional players —like Argentina and Venezuela— towards key components of the Brazilian agenda abroad. This article will focus *on how the Lula administration managed to strengthen its position as a regional leader through global governance channels*. I argue that international *forums* have become useful spaces for emerging powers to gain acceptance of their regional leadership from their neighbours. Brazil's intent to lead in South America has been accompanied by strong activism in multilateral organizations, which has led its neighbours to accept Brazil as a representative of their interests in global governance institutions. However, they still show some resistance to Brazil challenging their power in the region.

4.1 Introduction

During the last decades, Brazil has emerged as a new actor with an active role in the international arena. During Luiz Inacio Lula Da Silva's government (2003-2010), becoming a middle power with regional leadership aspirations and global influence ambitions was the main goal of the *Palacio do Planalto (Presidency)* and *Itamaraty (Ministry of Foreign Affairs)*. Evidence of this can be found when analysing Brazilian role in multilateral fora it participates at the global level. Following Van Langenhove & Zwartjes (2012), in order to identify Brazilian regional leadership, there are three requirements to examine: willingness, capacity and acceptance (See also chapter two on this volume). Since 2003, Brazil has revealed its willingness to become a regional leader —demonstrated in its active role in the World Trade

Organisation's (WTO) G-20, the G-77 and the United Nations Security Council (UNSC). Second, its size—in territory and population—, its economic and development indexes and its peaceful environment are proof of its capacity to lead. However, despite the fact that it acquired some degree of acceptance among its neighbours to lead the region in some issues of common interest, this has been the hardest part of its consolidation as a regional leader. Resilient Argentina and Venezuela offered resistance on key issues of the Brazilian agenda abroad.

The new configuration of the world order gave regional leaders an opportunity to become part of global rule making and to be able to make developing countries' interests heard with a stronger voice at the global level. In this sense, multilateral *fora*, both the old and the new ones, became fundamental spaces for emerging countries like Brazil to exercise their regional leadership while strengthening their international recognition and influencing global governance. This article will focus on how the Lula administration managed to strengthen its position as a regional leader through global governance channels. I argue that international *fora* became useful spaces for emerging powers to gain acceptance among neighbours. During Lula's administration Brazilian intentions to lead in South America were accompanied by a strong activism in multilateral organizations that led to its neighbours' acceptance as a leader when representing their interests in global governance institutions but showing some resistance when challenging their power in the region. Following the arrival of Dilma Rousseff, things have slightly changed. President Rousseff does not seem to have former president's diplomatic capabilities. What is more commitments such as the organization of the World Cup in 2014 and the Olympics in 2016 have consumed most of her attention. Lula's high diplomatic profile was definitely fundamental in fostering Brazilian aspirations of becoming a regional leader and a global player. Even when these two major events were announced in 2007, Lula was at the centre of the scene, with increasing Brazilian development indexes. However, corruption scandals surrounding the organization of the World Cup at the federal and local levels and the security concerns regarding the event, kept Brazil more concentrated on internal issues than getting involved in too many international matters. In this sense, the question is if Brazil's regional leadership depends more on its successful economic growth or on a strong political leader willing to act as such.

First, I will focus on the theoretical approach to address regional leadership. Second, I will explore the role of Brazil in the region and abroad during Lula's administration in order to trace its participation in multilateral *fora* noting whether it can be defined as a regional

leader or not. To do that, in the next section I will focus on Brazil's participation in the Trade and Financial G-20, as both fora appeared as axes to articulate developing countries' interests and lead the claim of including their demands in the global rule making agenda. Fourth, the participation of Brazil at the UN and the International Monetary Fund (IMF) will be examined as examples of Brazilian aspiration to become a global player and how its activism in the other multilateral arenas became functional to that goal.

4.2 Power, leadership and Brazilian place in the world, regional leader or middle power?

4.2.1 A theoretical approach

For many years, theoretical discussions on power and leadership (and hegemony) proliferated among International Relations (IR) scholars². Power is defined as the ability to affect the behaviour of others to get the outcomes you want. To do this, you can either coerce them with threats; induce them with payments; or you can attract and co-opt them (Nye, 2006). This definition has dominated IR debates, especially after the Second World War, when power was defined in terms of big players and their material and political capacity. After the end of the Cold war, literature and novel notions of this concept flourished, especially with respect to the emergence of new powers in the international system³. Middle and regional powers appeared as new international players and so did theories explaining shifts, the rise of states and future configurations. The idea of emergent powers (that do not have the traditional resources to exert their influence —military capacity, industrial development, veto power in international organizations, among others— on other countries), gave birth to a conception of power and leadership related to new ways to *affect the*

² For the debate on power see Morgenthau, H. J. (1993) *Politics Among Nations. The Struggle for Power and Peace* (Brief Edition). *Revised by Thompson KW McGraw Hill. Boston*; Keohane, R. O., Nye, J. S., & Jr. (1989) *Power and interdependence*; Keohane, R. O. (1989). *International institutions and state power: Essays in international relations theory*; Walt, S. M. (1998) *International relations: one world, many theories. Foreign Policy*, pp. 29-46; Nye Jr, J. S. (2005). *Soft power: The means to success in world politics*. Public Affairs.

³ On 'Middle Powers' see Cooper, A. F. (Ed.). (1997) *Niche diplomacy: Middle powers after the Cold War*. Macmillan; Hayes, G. (2009) *Middle Powers in the New World Order*; Cooper, A. (2009) *Middle Powers: Squeezed Out or Adaptive Into New Roles?*. *Public Diplomacy*, 1(1), p. 29; Higgott, R. (1997) *Issues, institutions and middle-power diplomacy: action and agendas in the post-Cold War era. Niche Diplomacy: Middle Powers After the Cold War, London: Macmillan*; Wood, B. (1987) *Middle powers in the international system: a preliminary assessment of potential*. WIDER; Jordaan, E. (2003). The concept of a middle power in international relations: distinguishing between emerging and traditional middle powers. *Politikon*, 30(1), pp. 165-181. On "Regional Powers" see Nolte, D. (2007, May) *How to compare regional powers: analytical concepts and research topics*. In *ECPR Joint Session of Workshops, Helsinki* (Vol. 7, p. 12); Jordaan, E. (2003) *The concept of a middle power in international relations: distinguishing between emerging and traditional middle powers. Politikon*, 30(1), pp. 165-181.

behaviour of others to get the outcomes they want —coalition building, participation in international organizations, among others. With the end of the East-West confrontation, regions became new forums of action where international politics developed and a new arena for emerging regional powers to exert their influence and project themselves to the world.

There is widespread confusion on how to differentiate a middle power from a regional power. It is useful to clarify this. Nolte pointed out 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 (or regional leaders) and, in addition, middle powers (with regard to their power resources) on a global scale' (Nolte, 2010). Middle powers are those that cannot dominate and thus have to deploy their strength in combination with others. As Robert Keohane put it: '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' (Keohane, 1969, p. 296). Their success is measured in terms of its *flexibility* in working within, across, or even outside international institutions (Hayes, 1994).

However, regional powers are also seen as middle powers, but not all middle powers could be considered leaders in their regions. In IR, this concept appeared at the time that the traditional idea of *power* was being redefined in a changing world order shifting from bipolarity to multipolarity. The emergence of new actors and issues led to new kinds of analysis taking into account the fact that nations could assume 'multiple identities as they defend their national interest in one area, while they represent regional or even global issues in another' (Hayes, 1994). Most works have focused on the idea of individual leadership, generally related with Political Science debates and the Weberian classification of authority (or leadership)⁴. In terms of specific IR analysis, *leadership* has been defined as 'the capacity to have political influence in diplomatic forums' (Nolte, 2010, p. 890). In a regional context, leaders have to bear a special responsibility for regional security and the maintenance of order in the region. *Regional leadership* is defined by Van Langenhove & Zwartjes (2012) as: 'a concept used to describe the power of an actor to influence certain aspects of the international relations and/or the internal functioning of actors in its regional

⁴ See Weber, M. (1997). *The theory of social and economic organization*. For this kind of approaches to leadership see Margaret G. Hermann and Joe D. Hagan (1998, Spring), 'International Decision Making: Leadership Matters', *Foreign Policy*, No. 110, Special Edition: Frontiers of Knowledge, pp. 124-137; Nye, J. S. (2008). *The powers to lead*. Oxford University Press, USA.

neighbourhood' (Van Langenhove & Zwartjes, 2012, p. 1; Van Langenhove et al. in this volume).

Leadership is a social relationship with three components —leaders, followers and the contexts in which they interact— (Nye, 2008). In the same line, mostly in accordance with Nolte (2010) and Schoeman (2007), Van Langenhove and Zwartjes (2012) maintain that to be positioned effectively as a regional leader, a state should demonstrate *willingness* to act, leadership *capacity* and *acceptance* of this leadership by other actors. They argue that 'Firstly, willingness of the regional leader to act refers to the interests of the actor based on the state's norms and values. Secondly, capacity reflects the actor's power resources, both hard and soft. Finally, the determinant acceptance comprises the recognition of the actor by other actors inside and outside the region' (Van Langenhove & Zwartjes, 2012, p. 1). Then, regional leaders depend not only on their will and power but also on their neighbours' acceptance of their relative loss in power implied by accepting the rise in power of another country (Schirm, 2007).

Keohane and Nye (1985) affirmed that small states often welcome international regimes as barriers to arbitrary abuse of power by the strong. However, this idea does not consider the implicit division between the rule makers and those that are the receptors of those rules. In this sense, participation in international fora emerges as a good opportunity for middle powers to increase their participation in global rule making and to impose their limits to strong powers' abuses. International institutions provide them the possibility to promote attitudes favourable to their interests and influence international rule making (Keohane, 1969). At the same time, they can obtain an institutionalized 'voice opportunity' in the decision making process of the most powerful countries (Ikenberry, 1998/99), avoiding absolute domination of the strong over the weak (Grieco, 1995).

Smaller powers are very important to international institutions as they can act strategically to preserve their security at the time they contribute to the stability and efficacy of international organizations (Mosser, 2000). Despite their size, small states were able to engineer influence in the organization, but not without utilizing the built-in rules and decision-making procedures undergirded by strong norms favouring equality and negotiation over confrontation. In this way, smaller states could —under certain conditions— commit big states to obey the institutional rules that gives them voice opportunities at the time they can establish norms against the use of certain kinds of power (Keohane, 1969; Mosser, 2000; Grieco, 1995; Ikenberry, 1998/99). At the same time, international institutions serve weaker

states to strengthen their internal democracy and commit them to obey agreed international standards (Keohane & Nye, 1985).

Based on this framework, the next section will analyse Brazil's place in the world and the region in order to define its role as a middle power and regional leader.

4.2.2 Middle power? Regional leader? Both?

The last two decades have witnessed a fundamental change in global politics. The end of United States (US) primacy as a world power, especially after September 11 and the Iraq war, led to three main phenomena that affected the structure of international politics. On the one hand, traditional international organizations like the UN and the Bretton Woods institutions evinced their capacity to survive after years of desuetude, being able to redefine some of their objectives, working on the strengthening of their role and recovering their legitimacy in debates on global issues. Along with this, a new set of international arrangements —created around specific problems— emerged as arenas of discussion and negotiation due to the lack of effectiveness shown by existing multilateral institutions over the last decades, delineating a new global governance structure. These intergovernmental initiatives have grown in number and kind giving birth to several G-groupings, such as the G-8, the G-20, the G3, the G-21, and the G-90; more assertive regional and sub regional organizations; and multiple *ad hoc* arrangements such as coalitions of the willing, multinational forces, and various 'friends of' arrangements (Forman & Segaar, 2006). On the other hand, the new world order has been delineated by the emergence of new regional powers becoming increasingly active in world politics. Rising powers as Brazil, Russia, India and China (the BRICs' concept promoted by Goldman Sachs in 2003⁵) and also South Africa, Indonesia, Malaysia, the Philippines, Thailand and México (Nolte, 2010); have been demanding greater representation in the new global governance structure. Moreover, they have been clamouring for the recognition of their economic and political weight in the world structure and their regional leadership at representing their region's interests among the big global players.

During the last decades, and particularly with the Inacio Lula Da Silva's administration, Brazil emerged as middle power with *regional leadership aspirations and global influence ambitions*. Although its active role in multilateral organizations and groups is not new, its

⁵ Sachs, 2003.

level of involvement and initiative in global governance has been remarkable since 2003. Brazilian foreign policy has been historically oriented to become an active participant in multilateral arenas. Members of the Brazilian government clearly understood that in order to acquire a stronger voice in global issues, they had to build alliances and coalitions to actively press international institutions (Tussie, 2012). Part of the elites' objective has been to project the country as a relevant actor in the configuration of the international system in order to try to increase its bargaining capacity and hinder unilateralism of major powers (Vigevani & Ramanzini (Jr), 2010). In addition, during Lula's administration, Brazilian foreign policy became much more explicit about its desire and determination to also turn into a South American leader. *Itamaraty* strongly insisted that South America should be placed at the top of Brazil's foreign policy priorities, while the President and those around him took more interest and became more directly involved in regional politics (Soares de Lima & Hirst, 2006).

4.3 Autonomy through integration and the path to regional leadership

Brazilian intentions to become a leader in South America have never been as clear as they are today. When consolidating the Brazilian borders, the *Baron de Rio Branco* considered that peace with neighbours would be a necessary condition for Brazilian national development (Lafer, 2002). In this sense, the promotion of good relations with the continent date from the beginning of the Republic, but always strongly bound to the promotion of internal development. The main contact with the region and the world was only in order to keep the borders stable and secure, avoiding, at the same time, any contact with them regarding other issues. However, this policy was not truly isolationist. Brazil always considered that it was its calling to become a great power. Its major foreign policy aspiration throughout history was to achieve international recognition, believing that it should assume its 'natural' role as a 'big country' in world affairs. Brazil's desire to influence international rules and regimes and to be considered a major player has been understood principally in terms of its soft power (Soares de Lima & Hirst, 2006). Brazil's active participation in international, regional and multilateral organizations since the Second World War, demonstrated that even during the deepest isolationists moments of its history, Brazilian leaders recognized the importance of engaging in global issues and contributing to their resolution in order to neutralize external interference, and to ensure some leeway on the international scene (Valladao, 2006).

As Hurrell (2010) pointed out, there is nothing new about Brazil's emphasis on multilateralism. Brazil was a founding member of the League of Nations, the UN, the Organization of American States (OAS) and the General Agreement of Tariffs and Trade (GATT). It was the only South American nation to take part in the First World War as a belligerent country and played an active role in Third World coalitions within the United Nations Conference on Trade and Development (UNCTAD), GATT and the G-77. In the last decades it has been an active member of the G-Groups and Summits where it participates and has headed several claims from developing countries to be included in the agendas of gatherings of major powers. In addition, during the Lula administration, Brazilian foreign policy was strongly committed to taking the country to another level of global involvement becoming a key actor in managing regional and global governance issues through various channels of participation. The region provided the perfect asset for Brazilian projection to the world and vice versa. Political and economic alliances with developing regional leaders from other regions reinforced its global position with no need to resort to the US or Europe. A more assertive and bolder foreign policy resulted from domestic economic growth, the successes chronicled in terms of poverty alleviation; its achievement respecting energy self-sufficiency and the prospect of becoming a major oil producer in the future. The structural changes in Brazilian trade patterns with booming commodity markets, with China overtaking the US as the country's most important trading partner, and with the growth of Brazilian outward foreign investment all contributed to this change (Hurrell, 2010).

Since 2003, Brazilian activism in multilateral organizations became a key stance of its foreign policy and its new approach to its regional neighbours. The question of how to reach national development, using foreign policy as the means, in a global environment that required a new model of insertion, emerges as the core of Brazilian foreign policy. The strategy of *autonomy through integration* was delineated during Fernando Collor de Mello's years, and deepened by Lula. It was based on: a) the idea of Brazilian identity as continental country, with special emphasis in regional integration as a new way of international insertion; and b) the goal of transforming the country into a global trader in the medium term, and turn it into a global player in the long term. To do that, three options were defined: first, to move from the third-world activism to a positive vision of international regimes, that led to the active participation in multilateral organizations like the WTO, the UN and the IMF; second, to build a positive agenda with the US while preserving autonomy in foreign policy (materialized in trade liberalization, privatization of several public companies and the signature of the Non Nuclear Proliferation Treaty). Lastly, at the regional level, Mercosur became a priority in

order to move towards South American integration, reach the economic development goals and confirm Brazilian regional leadership (Duarte Vila & Trindade Viana, 2008).

The Lula years reaffirmed the basic assumptions of autonomy through participation, especially concerning its relations with the region and Brazil's global projection. In this sense, multilateral organizations became the perfect platform to project Brazil to the world and strengthen its position within South America. The next part of this paper will focus on how multilateral organizations served as arenas to reinforce Brazilian leadership in the region and, then, the world, through the double mechanism of gaining acceptance among its neighbours and the acknowledgement of its leadership by the international community.

4.4 Acceptance within resistance: a regional leader playing globally

Since 2003 Brazil's participation in international organizations has become fundamental to the country's foreign policy. Multilateral activism led to a process oriented to strengthen the country's leadership in the region and at the global level. Traditional multilateral organizations like the WTO, the UN and the IMF became arenas of major exposure for Brazilian aspirations to become a global player, and spaces to represent developing countries' interests—in the region and the world—among the developed countries. At the same time, the proliferation of informal groups that occurred in the last decade served as opportunities for Brazilian foreign policy makers to actively participate in global rule making (as the G-20 or the G-77).

Brazil tried to become an articulator between developing countries, the region and the world. First, it has developed strong political ties with the region through its active participation in regional consortiums like Mercosur, UNASUR, CELAC; and second, it has equally strengthened ties with developing countries outside the region (IBSA, BRICS). At the same time, Brazil is making an effort to emerge as the representative of developing countries' interests in international fora (Trade G-20 and the Finance G-20) in order to gain acceptance of its leadership both in the region and the world. The effort to become a global player was brought into sharper relief when it demanded a seat in the Security Council and also became a major contributor to the IMF.

The *concentric circles* strategy designed by *Itamaraty* entails that deepening Mercosur integration process will lead to a second circle of integration with South American countries, then to negotiations with the FTAA, and, lastly, with the European Union (EU). This has

placed the region at the centre and at the heart of Brazilian aspirations to become a global player (Campos de Mello, 2000). As such, it is hoped that strengthening regional relations would lead to the acceptance of its leadership by neighbours while gaining pre-eminence in international *fora*. As Vadell and Lamas (2010) put it, 'Brazil exercises its leadership by using persuasion and consensus creation ability to pursue collective interests and, at the same time, maintain its regional and global autonomy' (2010, p. 6).

4.4.1 Leadership through representation

The Trade and Finance G-20 are two different fora, with two different issues under discussion. As a member of both of them, Brazil has played a key role, demanding developing countries' interests to be included in their agendas. It stood strongly behind the need for increased representation in discussion forums as a means to democratize and augment the efficiency of different international organizations such as the WTO, the UN and the IMF (Fagundes Visentini & Reis da Silva, 2010). They all served as spaces to exert Brazilian leadership in its own region and among developing countries. With a more critical posture in relation to globalization and market opening, Lula reaffirmed in several opportunities Brazilian traditional positions in trade negotiations: pursuit of access to industrialized markets; maintaining of mechanisms that favour less developed countries and avoiding the engagement in liberalisation demands that could restrain its autonomy (Almeida, 2004). In this sense, Lula adhered to international principles, norms and rules via South-South alliances, including regional ones, and via agreements with non-traditional partners (Vadell & Lamas, 2010). Examples of that were also the coordination of new institutionalized forums such as IBSA (or the G-3) and BRICs. According to former Brazilian Foreign Minister Celso Amorim, 'greater South-South coordination – at the WTO, IMF, UN, and new coalitions such as the BRIC – have raised the voices of countries once relegated to a secondary position' (Vigevani & Ramanzini (Jr), 2010)

IBSA and BRICs are two mechanisms of coordination formed by the new emerging markets and future world economic leaders⁶. They catapulted Brazilian leadership and its aspirations to become a global player a lot further than the regional constellations. New forms of concertation with other regional leaders, it was hoped, would lead to the real recognition of Brazil as a 'natural' big player. On the one hand, the IBSA initiative, launched

⁶ For discussions about BRICs and IBSA see: Turzi, 2011; Tokatlian, 2007; Soares de Lima & Hirst, 2006; Sachs, 2003; Lechini, 2007.

in June 2003, demonstrated not only the renewed centrality of development goals but also a renewed emphasis on South–South cooperation. One of the most relevant initiatives has been that Brazil and South Africa manifested their commitment to assume new responsibilities regarding regional security, the defence of democracy and the consolidation of regional integration schemes (Soares de Lima & Hirst, 2006).

Brazil is also a keen actor in the BRICs. As Turzi (2011) pointed out, the group has been 'created' in order to identify an opportunity to increase investment exposure in emergent markets. Thus, the common feature to group them has been their size regarding geographic and demographic characteristics that lead to their above-average future economic potential (Turzi, 2011). Despite Goldman Sachs' intentions, the BRICs started to meet in order to coordinate political decisions around common concerns. The close relations with other regional leaders allowed Brazilian strategies to gain a stronger voice in other fora. Cases of that have been the G-20s and, later, the IMF and UN.

For Brazil, one of the main motivations behind the creation of IBSA was the reform of the UN system, especially the reform of its Security Council. India has been more active than South Africa in promoting a larger and more inclusive UNSC. Although this goal is understood in terms of the need to democratize international decision-making, it is important to acknowledge that, in fact, the proposal to expand the UNSC would imply the recognition of southern heterogeneity—and hierarchy—and lead to the institutionalization of those differences (Soares de Lima & Hirst, 2006). In fact, during the Second IBSA Summit Meeting in Pretoria, IBSA leaders requested a unifying voice from their Southern hemisphere economies to influence international agenda. Lula criticized developing countries' participatory formula in world decision forums such as the UN and the G-8, advocating a larger influence for these nations in international debates. At the meeting, Lula also affirmed IBSA's capacity to express its ideas on several topics on the international agenda, reflecting Brazil's credibility and aptitude to contribute to a fairer and further democratic world order (Fagundes Visentini & Reis da Silva, 2010).

The first informal multilateral coalition to gain relevance for Brazilian leadership was the Trade G-20 in the WTO. The inception of the G-20 took place at the ministerial meeting of the WTO in Cancun (September, 2003) and it has been identified as an essential instrument for reaching the goals involved in the creation of a 'new regional trade geography'. This meeting represented the revival of the Third World coalition spirit, concentrated on the specific agricultural interests of the developing countries. In good measure, the voice that

developing countries were able to exercise in Cancun was a result of their effective coalition formation. It constituted a major weight in economic terms, especially as it contained 69 percent of the world's farmers (Narlikar & Tussie, 2004). As Soares de Lima and Hirts (2006) put it: 'The creation of the G-20 was an opportunity for Brazil to renew its role as an 'indispensable intermediary' between the 'weak' and the 'strong'.

During this conference, the Brazilian stance prevented developed countries, especially the US and the European Union, from directing the agreements of the Doha Round towards the logic of asymmetrical contracts, which had occurred in previous rounds of bargaining in the GATT/WTO system. At the G-20, Brazil managed to confront the trade interests of the rich countries and attain greater equilibrium in the negotiations, balancing the interests of developing countries with strong agribusiness sectors, like Brazil's and Argentina's, with those of countries with mainly family-based/subsistence agriculture, like in India, China, etc. (Vigevani & Ramanzini (Jr), 2010).

The articulation of the commercial G-20 and Brazil's leading role in it propelled the country to the WTO's decision-making core, together with India (Tussie, 2012). Minister Amorim stated: "I would say without false modesty that Brazil changed the dynamic of WTO negotiations. Not Brazil by itself. But Brazil leads the G-20 and is sought – almost courted, I would say – by the US, the European Union and Japan, among other countries."⁷ The objective of bringing Brazil to the forefront of the multilateral scene was fairly achieved during these negotiations. The idea of contributing to a new geometry of world power does not imply confrontation with the rich countries, in particular the US and the European Union. The Economic Partnership Dialogue with the US and the Strategic Partnership with the European Union signal the importance attributed to Brazil by richer countries despite its activism in Third World coalitions (Soares de Lima & Hirst, 2006; Vigevani & Ramanzini (Jr), 2010). Prolongation of the Doha Round, management of the G-20 (at least until the July 2008 ministerial meeting) and challenging US and EU agricultural policies at the WTO dispute settlement body brought Brazil into the forefront as a protagonist of the main international trade regime, and this certainly contributed to increasing the country's weight in other fora (Vigevani & Ramanzini (Jr), 2010).

The next step in multilateral fora was achieved through the financial G-20. Brazil along with Argentina and Mexico are the only Latin American countries counted among the group

⁷ Cited in Vigevani & Ramanzini (Jr), 2010.

of twenty biggest economies of the world⁸. Created as a response to economic crisis that occurred in the late 90s, the G-20 went from being a gathering of Central Banks and Economic Ministries to Presidential Summits after the financial crisis in 2008⁹. For Brazil, the G-20 meant not only the possibility to sit in the same room with the world leaders defining the future rules of global governance but also the perfect scenario to articulate its own interests of becoming a regional leader and a global player in the same fora. Being one of the preferential Latin American members of the group, having built a satisfactory image in the region and abroad, and being recognized as one of the emerging future economies of the world, were formidable assets to sit in that chair and negotiate. President Lula played a crucial role articulating regional and developing countries' interests in the G-20. He was a strong demander of the reform of the International Financial Institutions (IFIs), claiming that 'emerging and developing countries, such as Brazil, should have their voice and representation increased and assume a greater role in IFI's decision-making and rule formulation processes' (Brazilian Ministry of Finance, 2008). They also demanded to review the national regulatory, supervisory and risk-assessment frameworks and develop multilateral normative references in order to avoid another crisis of that proportion from happening again (Tussie, 2012).

During the different summits, Brazil worked as an articulator with Argentina, representing the region's interests, and with the BRICs, demanding emerging markets shares in global economy. In fact, during a visit to Argentina, Lula claimed: 'There is no accord between Brazil and the US in the G-20. Our commitment is with Argentina and with the G-5 (Brazil, Mexico, China, India and South Africa)' (EFE World News Service, 2009). They both demanded more prominence in the G-20 and the option to strengthen developing countries' voice in Bretton Woods's institutions. Given this opportunity, Lula committed to contributing to IMF's available resources through; made claims for better regulation of the financial markets and the gradual withdrawal of economic stimulus. Along with Cristina Fernández, Lula also supported the idea of including the International Labour Organization in the forum.

Brazil's major objective at the G-20 summits was to establish itself as the leading voice for the developing world. Pushing for more flexible access to the IMF and other forms of multilateral funding for developing countries and the need for increased trade financing and

⁸ When created in 1999, the G-20 grouped the twenty countries with highest GDP of the world. The economic indicators of some of them have changed over time, questioning some members' belonging to the group (as it is in the case of Argentina, that in 2012 was expected to be the 28th world economy). Brazil, however, went from being the number 8th in 1999 to the 7th in 2012. Source: IMF, *World Economic Outlook*, September 2011.

⁹ For more information about the G-20 see: Kirton, 2005; Kirton & Guebert, 2009; Gurria, 2004.

the goal of limiting trade protectionism. The crisis, while hurting domestically, enhanced Brazil's standing as a leader in and voice for the emerging world (Teslik, 2009). In fact, at the end of the financial G-20 Summit on Financial Markets and the World Economy held in Washington in November 2008, President Lula concluded: 'the fact is that due to its political strength, to the representation of countries included in the G-20, I think there is no longer any logic in making decisions about the economy, about politics, without taking today's forum into account'. The G-8's partial replacement by the G-20 as the privileged forum for world leaders' dialogue, albeit informal, symbolizes a significant change in the configuration of the arrangements of international governance (Vigevani & Ramanzini (Jr), 2010).

The 'G-20s' have been important arenas where Brazil could exert its leadership. They worked as axes of articulation between the regional and the global levels. Both gathered developed and developing countries at the same table in an attempt to delineate global rule making, in trade and financial issues. The WTO G-20 manifested Brazil's capacity to lead developing countries under common interests. The coalition represented a landmark and an example in the history of coalition formation by presenting a unified and credible threat to block (Narlikar & Tussie, 2004). The finance G-20 emerged as an opportunity to show developing countries what Brazil was willing to do to in order to belong to the big, global players' group. Demanding the democratization of international organizations, becoming South America's voice and articulating actions with the BRICs were indications of the scope of Brazilian diplomacy in accessing the right platform that would allow it to be elevated to global decision-making arenas. Up to that point, Brazil could only be considered just a regional power. Independently of its aspirations, Lula's administration was able to take Brazilian leadership to another level. Without neglecting the region and Brazilian interests in its closest area of influence, it managed to gain its neighbours' acceptance of its leadership and became a representative of their interests in global institutions. Assuming that role has been the pathway to global recognition of Brazilian capacities and ambitions and its willingness to find a new form of insertion in world politics.

4.4.2 Becoming a global player, paying regional costs

Brazil's main ambition to truly become a global player has historically been bound to its ambition to become a full member of the UNSC. After the 2008 financial crisis and due to its active participation in the financial G-20, it also pushed for the reform of IFIs —especially in

terms of the appointment of management— and made an attempt to become a more influential actor within those organizations.

Brazil's political leaders have always been aware of the country's naturally outstanding position in the region, but they have also aspired, at certain stages, to put Brazil in a position of greater importance at the international level (Almeida, 2007). It has argued powerfully that the UN should add social welfare and economic development to its well-established concerns for international peace and security (Soares de Lima & Hirst, 2006). After participating in the Second World War, Brazilian leaders expected the country to assume one of the permanent seats at the UNSC. This aspiration has been recurrent but never materialized. Together with India, Brazil is one of the two non-permanent members that have occupied seats on the Council for the greatest length of time between 1945 and 1996: 14 non-consecutive years in the case of Brazil and 12 for India (Soares de Lima & Hirst, 2006). However, the lack of military and economic development and regional instability frustrated every Brazilian attempt to become a global player.¹⁰

Brazil's aspiration to occupy a permanent seat on the Security Council was officially announced in 1994 by the Foreign Minister, Celso Amorim. When Lula came into power in 2003 he made this objective the centre of his broader foreign policy. He employed a variety of strategies and instruments to gain support to his claim. The topic has been inscribed in all bilateral talks, appearing in almost all of the bilateral statements issued whenever Brazil managed to obtain support on an issue, and in some cases compensated its partners by cancelling old bilateral debts (e.g. various African and some Latin American countries) or increasing development cooperation and reaching out to cooperate on development with relatively less developed countries (Almeida, 2007). In addition, his role within the organization gained special interest when, by the end of his term in office in 2010, his name sounded as a possible candidate to become the next UN's General Secretary (Álvarez, 2010).

The three main aspects of Brazil's claim for the reform of the UNSC have been: 1) the reinforcement of multilateral principles and norms, particularly with respect to authorization of the use of coercive instruments, as foreseen in Chapter VII of the UN Charter; 2) the need to find ways to re-establish the conceptual frontier between peacekeeping and peace enforcement; 3) a reformulation of the decision-making structure of the Security Council in

¹⁰ Successive presidents and diplomats tried to get the seat at UNSC. See: Almeida, 2007 and Caixeta Arraes, 2005.

order to increase its representativeness and legitimacy in the post-Cold War order (Soares de Lima & Hirst, 2006).

The first move to demonstrate that Brazil 'deserves' that seat was its involvement in and command of the UN stabilization mission in Haiti (MINUSTAH) with 1200 soldiers and policemen. It was the most important peace mission Brazil participated in, in the last 30 years (Gratius, 2007). Its revealed commitment during the Haitian crisis was linked to Brazilian aspirations to get the seat at the UNSC, assuming its role as the regional pacifier and strengthening linkages with the Caribbean region. The next step was the creation of the G-4 with Germany, India, and Japan to establish a common position in debates surrounding the reform of the UNSC. The G-4's central claim was that the existing composition of the UNSC permanent membership (USA, Russia, United Kingdom (UK), France and China) would not represent the distribution of power in today's international order and that it should reflect the economic, political and military rise of middle powers. Thus, including them in the UNSC will give the institution higher representativeness and legitimacy (Schirm, 2007). Brazil received declarations of support from at least two of the permanent members, France and the UK, as well as the ambiguous support of a third, Russia, along with the open non-opposition of the US. A rapprochement strategy designed to 'conquer' China was attempted through various means, including a formal acknowledgement of China as a 'market economy', although Brazil was probably hoping that the Asian country would be more positive on the issue of expansion" (Almeida, 2007).

What is more Brazil's aspirations have also been limited by its neighbours. Its effort to access the platforms of decision making at the global level, has not been well received by the other powers in the region. Mexico, Argentina and even Venezuela are not willing to provide the support that Brazil needs. Contrary to Brazilian aspirations, Argentine and Mexican proposals have instead backed the option of non-permanent membership. They are not in the mind-set to grant Brazil the monopoly of Latin America's representation at the UN. Brazilian leadership in the MINUSTAH, applauded by major powers and accepted willingly by other South American members, caused some irritation in Mexico that interpreted that military mission as a form of interference of Brazilian forces in the Caribbean. Argentinean scepticism towards Brasilia's global ambitions and the integration paralysis of Mercosur also added to the tensions within the bloc (Valladao, 2006).

After the crisis of 2008, Brazil became one of the main advocate for the reform of the IFIs. Demonstrated in most of Lula's interventions in the G-20 Summits, this initiative was at the

core of the president's agenda. The main claim for the reform was based on the demand to increase developing countries' —especially Brazil's— voting share in the grouping. He raised a voice of criticism against the IMF's capability of finding solutions to the international crisis and assist countries during this period. In several public speeches he pointed out the inefficacy of IMF's recipes to solve the crisis in the north in the same way those recipes proved to be wrong when applied in developing countries years before (Uchôa, 2010). With this in mind, he strongly pushed for the reform of group in order to turn Brazil from debtor to creditor in the international financial system.

As many developing countries, Brazil and the IMF have a long story of love and hate. Brazil is a founding member of the IMF and the World Bank. Every administration in Brazil since the end of the Second World War has been marked by relations with the two organizations. When President Fernando Henrique Cardoso took power in 1995 he faced two major foreign challenges: to control the effects of the Mexican crisis of December 1995, and ensure the maintenance of the exchange rate stability, which was obtained by a slight adjustment in the currency appreciation policy in the initial period of the stabilization program. With the Russian crisis in 1998, capital loan and trade credit became suddenly scarce, engendering a mass withdrawal of significant amounts of resources. In that year, Brazil received a new package¹¹. The economic recovery in the wake of the devaluation was successful and in April 2000, the Central Bank announced a drop in interest rates and prepayment (\$10 US billion) of amounts drawn (\$20 US billion) under the 1998 package. In mid-2001, however, with the worsening of the Argentine crisis and the emergence of new uncertainties in the financial markets, Brazil withdrew a new 'slice' of stand-by credit line still open, adding \$ 2 US billion to cash released by agreement with the IMF. Under these conditions, Brazil began to delineate the continuity of the program of financial assistance from the IMF, which was expected to end in November 2001 (Almeida, 2002).

When Lula came to power in 2003, investors were not sure of what to expect from this leftist candidate. A loan of unprecedented size, agreed with the IMF in September 2002, shortly before Lula's electoral victory, helped Brazil weather the storm. The IMF program was reaffirmed by the incoming Lula administration and extended in December 2003 on a precautionary basis. In fact, Brazil chose not to use any of the money that became available

¹¹ In addition to \$9 US billion dollars from multilateral credit institutions (IBRD and IDB), Brazil was qualified to receive about \$ 20 US billion within three months from November 1998 to \$32 US billion within one year the IMF and the BIS members, depending on the level of international reserves and the degree of implementation of the package of fiscal adjustment.

after this date (Fonseca P. dos Santos, 2005). Since then, the economy went through a strong recovery, and Brazil's finance ministry announced in December 13rd, 2005, that it would repay early its entire debt of \$15.5 US billion falling due to the IMF over the next two years (Economist, 2005) and Brazil ended the long path of being a debtor.

After paying Brazil's debt with the IMF and along with his ambition of making Brazil a leader within international organizations, Lula claimed to represent developing countries interests at the global level. His aim to become a global player was well on spot when speaking in international organizations as the 'voice' of developing countries' demands. He addressed the need for IFIs' reform at the 64th UN General Assembly Speech: 'Poor and developing countries' he opined 'must increase their share of control in the IMF and the World Bank. Otherwise, there can be no real change and the peril of new and greater crises will be inevitable. Only more representative and democratic international agencies will be able to deal with complex problems like reorganizing the international monetary system'" (Da Silva, 2009). In the same light, in 2009, Lula announced a contribution of \$10 US billion to the IMF, with the idea that this would give Brazil the moral authority to keep pushing for the changes claimed at the IMF. Thus, Brazilian quota shares in the IMF went from 1,420 in 2008 to 2,315 in 2010 (In percentage shares of total IMF quota) (IMF, 2014). Besides these improvements, the actual reform of the IFIs remains pending. Brazil has managed to become a key player among developing countries within the organization and to participate with a stronger voice in global decisions on economic and financial matters.

4.5 Final Remarks

Besides the fact that Brazil's increasing power cannot be contested, its attempt to become a regional leader during the Lula administration was met with hurdles in the way. However, regional and multilateral organizations served as valuable platforms from where to make its voice heard and to represent Latin American interests in the world. It demonstrated its willingness to lead the creation of regional institutions in order to keep control over the region as a whole and to pursue its own national interests by presenting these as part of the regional agenda. The adoption of the role of regional pacifier has been key in realizing the buy-in or acceptance of that leadership from its neighbours. It has also been salient to show the continent and the world that it has the capacity to do it. Brazil's consolidation of its role as a regional leader has catapulted the country into another level of global involvement.

In a wide range of issues of the international agenda, understanding Brazil as a regional leader and its capabilities to coordinate policies with its partners in the region and abroad (like the BRICS and IBSA) is essential. The reality of multi-polarity has led developed countries to think differently, taking into account developing countries' interests and objectives. China's growing demand from developing countries' commodities made them less dependent on European and American markets. This is a challenge that the traditional partners as Europe and the US need to take into account. Negotiations became more complex, with more actors involved, and a balance of power that is no longer based on previously relevant historical asymmetries.

The emergence of regional powers can either be taken as an opportunity or as threat. It can be an opportunity to negotiate with the leader to get regional consensus. The threat can be implied by the emergence of new actors in the international arena disputing and contesting the traditional distribution of power and its beneficiaries.

Representing South American countries in multilateral fora, engaging in South-South coalitions and demanding fairer rules for developing countries provided the necessary international visibility for it to be recognized as a leader. The WTO G-20 showed Brazilian commitment with the less developed countries' agenda and its compliance with the principles for which it has historically fought. The financial G-20 was the opportunity to show global leaders what Brazil could do. Joining voices with other developing countries such as China and India, or with its natural partner, Argentina, served as the perfect strategy to be heard by the most powerful. The set of strategies developed at the regional and global levels would lead to the recognition of Brazil as a global player: a position that, for Brazilian leaders over time, was the 'natural' place where the country should be. Realizing a permanent seat at the UNSC could be the coronation of the Brazilian strategy to reach that place. However, a lot has to happen if that aspiration is to become reality.

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