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The Rise of Post-hegemonic Regionalism

The Case of Latin America

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MOVING REGIONS: BRAZIL'S GLOBAL EMERGENCE AND THE REDEFINITION OF LATIN AMERICAN BORDERS

9.1. INTRODUCTION

Brazil's major foreign policy aspiration has long been to achieve international recognition in accordance with its self-perception as a 'big country' (Lima and Hirst 2006: 21). This gigantic nation – be it in territorial, population, or economic terms – has been categorized as an emergent power at least since 2001, when a Goldman Sachs report defined it as a BRIC – one of the four emerging markets that were forecast to run the world economy by 2050.[1] Brazil, Russia, India, and China, together with the United States, had previously been called "monster countries" (Kennan 1993). However, unlike its companions, Brazil scares nobody. On the contrary, it has been defined as the "quintessential soft power" (Sotero and Armijo 2007: 43; see also Lima and Hirst 2006; Gratius 2007). Having demarcated all its borders at the beginning of the twentieth century, it neither makes nor is the object of territorial claims. Brazil's last major war was fought in 1865–1870, when it aligned with its historic rival Argentina and tiny Uruguay to defeat Paraguay. It sent troops to Europe during both world wars but never again engaged in military conflicts within its own region. Despite its large armed forces and defense budget, which is the highest in Latin America,[2] Brazil is not – and has no intention of becoming – a military power. Instead, it sees itself as a peace-loving, law-abiding, and benign power (Lafer 2001; Ministério da Defesa 2008). These are the characteristics that its leaders have tried to build on to conquer a preeminent role on the regional and global stages. They have done this with largely positive – albeit heterogeneous – results. Brazil lacks the

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[1] Brazil's performance and emergence as a global power has been acclaimed by top specialized media sources: "An economic superpower, and now oil too", *The Economist*, 2008-04-17; "Brazil Joins Front Rank of New Economic Powers", *The Wall Street Journal*, 2008-05-13; "Weathering the Storm", *Newsweek*, 2008-07-26; "Economy Fuels Brazil's Ambitions Beyond South America", *The Wall Street Journal*, 2009-02-06.

[2] In 2005, Brazil's military budget doubled Colombia's, tripled Chile's, quadrupled Mexico's, and was eight and ten times higher than Argentina's and Venezuela's, respectively (IISS 2006). In 2007, it exceeded all its South American counterparts combined (CEUNM 2008).

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economic leverage to buy its way to regional or global leadership: although it is the largest Latin American economy, it is not the richest. Argentina, Chile, and Uruguay rank consistently higher in terms of GDP per capita and human development, and Mexico and Venezuela do so intermittently depending on oil prices. This means that it is virtually impossible to sell to a domestic audience large money transfers from Brazil to neighboring countries, as this would sacrifice poor Brazilians to the benefit of richer foreigners.

In South America, as everywhere except Europe, regionalism has never acquired a dynamics of its own. This is the reason why leadership is crucial to understand its ups and downs: it is the foreign policy goals and resources of the larger states, rather than mechanisms such as spillover or institutionalized commitments, which explain the evolution and operation of regional organizations. In this chapter I show how changes in the international environment have led Brazil to reevaluate its engagement with the region, feeding strategies that can be equated to favoring enlargement while reversing deepening.

In the next section, I test Brazil's regional influence by measuring three dimensions: performance in region building, regional support for the country's extra regional goals, and the existence of contenders for regional leadership. After that, I assess global influence by looking at Brazil's participation in top international groupings and organizations. In the last part, I show that Brazilian foreign policy has increasingly combined damage control within the region with mounting global activism, thus going it alone into the world while playing a fireman role in the region.

9.2. REGIONAL SETBACKS

The absence of hard power instruments to pursue foreign policy goals despite Brazil's relatively rich endowments is aptly characterized by Burges (2006) as "without sticks or carrots." Deprived of the structural resources of leadership (i.e., military power and economic might), Brazil has had no choice but to resort to instrumental (or ideational) ones – hence the characterization of the country as a 'soft power' promoting 'consensual hegemony' (Burges 2008). But this is only part of the story: if it is true that the quest for regional influence has been conducted surreptitiously, Brazil has shown a more transparent ambition to find a place in the global sun – in a sort of reverted image of the regional–global duplicity highlighted by Pinheiro (2000: 327). Brazil's market size, export capacity, and investment weight have been instrumental as bargaining chips in international negotiations.

Smaller and less powerful than the other monster countries, Brazil's ruling elites believed it necessary to gain the support of the region in order to bolster their global claims (Almeida 2007; Hurrell 2000; Lima 2008). This is consistent with the conventional argument that "it is the neighboring countries which have to sign up to the lead of emerging powers . . . in order to give them the power base necessary for regional as well as global power projection and international coalition building" (Schirm 2007: 6). Therefore, in the 1970s Brazil started a slow but steady warming of relations

with neighbors it had long neglected. The agreements with Paraguay and Argentina to build the Itaipú and Corpus power plants, the signature of economic agreements with Argentina that led to the establishment of Mercosur, and Brazil's pro-democracy activism during the 1990s paved the way for more far-reaching goals. In 2000, these ambitions crystallized in a new regional concept: South America. By substituting it for Latin America, Brazil tacitly recognized that it was unable to exert a significant influence upon the whole continent and was thereby ready to focus on a smaller area, in accordance with two objectives: first, Mexico – the other Latin American giant and potential rival – was left out, and second, the countries included in the newly defined region were less dependent on the United States than those excluded, which gave Brazil broader room to maneuver. In order to assess Brazil's performance as a regional and global player, there are three areas that merit inspection: the operation of Brazilian-led region-building projects; the degree of regional support for Brazilian goals within international organizations; and the existence and prospects of rival contenders for regional leadership.

9.2.1 Collective Leadership: Erratic Attempts at Region Building

Mercosur has been a keystone of Brazilian foreign policy since its inception in the early 1990s. Some years later, however, the government began to develop a strategy of enlargement to bring into the fold of Mercosur all the other South American countries. In the Brazilian view, South America is not just a specific geographical region (different from Latin America as a whole) but also an autonomous political-economic area, given that US influence recedes as distance from Washington increases. Brazil's elites consider this subregion to be within its natural sphere of influence (Souza 2008; CEBRI – CINDES 2007). Hence, the Cardoso administration organized the first summit of South American presidents in Brasilia in September 2000. Lula deepened this strategy, leading to the creation of the South American Community (SAC) at the Cuzco presidential summit of December 2004. The name was later changed to the Union of South American Nations (UNASUR), the constitutive treaty of which was signed in Brasilia in May 2008. Mercosur arguably constitutes the inner circle of UNASUR.

Mercosur was initially a pragmatic integration project that dealt with trade, customs, and market access, but increasingly it has become a symbol for progressive political activism and leftist ideologies (Malamud 2005). In Brazil, it has turned into the flagship of those who stand for developmental, anti-imperialist, or nationalist ideas. To the most vocal of its supporters, Mercosur is not simply an economic association or a strategic instrument, but rather a supranational identity that provides its member countries with the only way to survive in a globalizing world (Jaguaribe 2001). Mercosur's position as South American core was officially established by the Lula administration, as the inaugural speech of its foreign minister showed:

> Under the Lula government, South America will be our priority. The relationship with Argentina is the pillar upon which Mercosur is built. [Without] the Common External Tariff and the Customs Union [. . .]

any pretension to negotiating together with other countries and blocs is a mere illusion [. . .] We consider it is essential to deepen integration among the countries of South America [. . .] The process of democratic change that Brazil is undergoing with the Lula government can be a source of inspiration and stability for the whole of South America [and] we will not shirk from contributing to the solution of conflicts [. . .] A political stable, social just and economically prosperous South America is a goal that must be pursued not just from a natural sense of solidarity, but also for the benefit of our progress and well-being (Amorim 2003).

Stability, justice, and prosperity of the surrounding states are referred to as goals that are both altruistic and self-interested. International negotiations without a consolidated customs union are seen as "illusory" and region building as a priority. In short, regional integration is given precedence over further global action. As even a reputed critic of the administration admitted, the region was at the center of Lula's foreign policy: "Regional diplomacy, of which integration policy is a part, is certainly the foreign policy area that most distinguishes the Lula government" (Almeida 2005: 49). Yet, results did not measure up to stated ambitions.

Just as the formula that led to the consolidation of the European Communities involved a combination of liberalization (by France and others) and compensations (especially by Germany), the underlying formula of Mercosur was to obtain "preferential access into the Brazilian market in exchange for Argentine support for Brazilian international trade strategies" (Bouzas et al. 2002: 145). With the passing of time, however, mutual understanding between the two countries waned and cooperation decreased, giving way to growing suspicion. The implementation problems that emerged as a result of this were dealt with increasingly through unilateral measures and "flexibility and a case-by-case focus [replaced] the enforcement of rules and established procedures" (Bouzas et al. 2002: 146).

Enlargement and institutionalization faced the same obstacles that plagued deepening. In 2006, a protocol was signed with Venezuela to grant it accession but it has yet to be ratified by Paraguay. Similarly, several institutions have been created but their autonomy and effectiveness remain dubious. The launching of the Initiative for the Integration of South American Regional Infrastructure (IIRSA) in 2000 and the creation of a Committee of Permanent Representatives in 2003, a permanent Court of Appeals in 2004, a Fund for Mercosur Structural Convergence (FOCEM) in 2005, and of a common Parliament in 2006 have not only had little impact but have actually served to disguise the significant shortcomings of the bloc, among them the absence of a regional budget and of an agency that can represent common interests. All this is not necessarily a drawback for Brazilian interests. Indeed, some argue that these are best served by not relinquishing any sovereignty to regional bodies, but it certainly deals a blow to Brazil's leadership, as the undertaking it officially values most is far from thriving. The perception that Mercosur is becoming a burden rather than an asset has led some politicians, among which twice presidential candidate José Serra, to call for it to be downgraded to a free trade zone. The argument is that Brazil will be more capable of pursuing its foreign goals on its own rather than depending on costly agreements with unpredictable partners.

UNASUR aims to unite two existing regional free trade blocs, Mercosur and the Andean Community, as well as to integrate Chile, Guyana, and Suriname. The scheme was originally devised to serve Brazil's goal of redefining its area of influence as South America. However, it was later hijacked by President Chávez and has become a Venezuelan rather than a Brazilian instrument. The cities chosen to host the future institutions of this bloc, Cuzco and Cochabamba, reflect identity claims rather than functional concerns and pay lip service to the autochthonous discourse of Chávez and his regional allies, whose understanding of the organization differs considerably from Brazil's. In sum, neither Mercosur – because of its malfunctioning – nor UNASUR – because of ideology and rivalry – have turned out to be solid springboards for Brazilian leadership. Instead, Mercosur became stagnated and UNASUR has yet to become more than a photo-op forum in which the Bolivarian impetus is at least as significant as Brazil's more pragmatic influence.

The conditions that may foster or limit regional integration processes depend on demand (derived from potential common gains), supply (i.e., leadership), and inertial (i.e., institutional) conditions (Mattli 1999; Malamud and Castro 2007). In South America, a low level of all these explains not only regional underperformance but also the free-riding behavior of prospective leaders and followers alike (Burges 2005, 2006).

9.2.2 Lack of Regional Support for Brazil's Global Goals

Brazil has long aspired to a permanent seat in the United Nations Security Council (UNSC). In 2004, a high-level committee submitted to the UN Secretary General a proposal that called for the establishment of new permanent members. Four countries – Brazil, Germany, India, and Japan (the so-called G4) – promptly joined efforts to attempt to grab the new seats. Many countries in the world have expressed support for some but not for others in this group. But a larger group formed to oppose the creation of any new permanent seats and proposed the introduction of semi-permanent membership. This assembly, which was initially called the Coffee Group and later renamed Uniting for Consensus, brings together the regional rivals of the G4. Argentina and Mexico are among its leaders, together with Italy, South Korea, and Pakistan. As it turned out, aspiring UNSC members could not sell to their home regions their bids for international recognition (Arraes 2007: 27–40). Though not a surprise, the fact that Argentina, Brazil's main regional partner, was simultaneously the staunchest opponent of its main international ambition dealt a heavy blow to Brazil's image as a regional leader.

Also under the Lula administration, Brazil put forward a candidate for the post of Director General of the World Trade Organization (WTO). Early in 2005, there were four contenders: one from the European Union, another from Mauritius, and, rather embarrassingly, a third from Uruguay, as well as the Brazilian candidate. This not only showed that Mercosur was unable to agree to a joint candidate, but also that Brazil could not even gather majority support for its position (as Argentina supported the

Uruguayan candidate). To add insult to injury, the Brazilian nominee was eliminated in the first round, while the Uruguayan made it to the last. This internal quarrel did not damage Brazil's reputation and influence within the WTO, but it showed that the prospects for it to build a regional consensus to support its global goals were bleak.

Just a couple of months later, Brazil suffered another blow to its aspirations to rally the region behind a nominee for a top international post. In July 2005, two candidates ran for the presidency of the Inter-American Development Bank (IDB), one of them Colombian and the other Brazilian. Analysts expected the election to be a divisive and difficult one, with the United States and Mexico backing Colombia and much of South America rallying behind Brazil. However, the Colombian candidate won the support of a majority of Central American and Caribbean countries, which ensured his quick victory. The election, held behind closed doors at the IDB Washington headquarters, lasted about two hours and delivered a sound defeat to Brazilian diplomacy, not least because the rival and victor was also South American.

In contrast with the episode above, Brazil did gain regional support for its goal of heading the UN Stabilization Mission in Haiti (MINUSTAH). Officially, the Brazilian authorities linked the country's presence in Haiti with the aim of obtaining a permanent seat in the UNSC or at least having a bigger say in the United Nations (Gauthier and John de Sousa 2006). Although Brazil's real motives were more complex, most did relate to its international ambitions (Hirst 2007: 7). Thus, Brazil exhibited leadership attributes by signaling the adoption of a new foreign policy to its neighbors, working together with its main partners in South America, by showing its capacity to project power abroad, and by demonstrating that it could legitimize a military intervention in the eyes of other countries in the region. And although these actions were initially controversial at home, this strategy worked. Regardless of the results of the mission in Haiti, here Brazil was effectively recognized as a regional leader. But this was hardly enough to cement its higher ambitions; worse, the 2010 earthquake devastated not only Haiti but also the one thing Brazil had been successful at in Latin America.

9.2.3 Reluctant Followers and Contending Leaders

There are two countries in Latin America that are in a structural position to dispute Brazilian claims to leadership: Argentina and Mexico. Both have sizeable economies, large territorial landmasses and populations, rich natural resource endowments, and a record of intermittent international activism. Moreover, both relentlessly pursue the diplomatic goal of impeding any single country from "representing" the whole region. Their leading role in the Uniting for Consensus group that disputes the right of Brazil and others to occupy a permanent seat at the UNSC, and their participation in the G20 with Brazil (the only Latin American countries in the forum), testifies to their international standing as well as their determination not to be left behind by their bigger neighbor. One of Brazil's responses to this has been to exclude Mexico from its

redefined region. In his inauguration speech, Foreign Minister Amorim listed Mexico after South America, the United States, and the European Union, together with other so-called large developing countries such as China, Russia, India, and South Africa. It would appear, then, that to the Itamaraty, Mexico can no longer be considered a regional rival: it belongs to other region.

It is not so easy for Brazil to similarly dispatch Argentina, officially recognized as its main regional partner. However, for Argentina this partnership is based on equality of standing rather than on Brazilian supremacy. Indeed, Argentine leaders have even considered their country as a legitimate contender for regional leadership and have promoted closeness with the United States or other circumstantial allies (Venezuela most recently) in order to counterbalance Brazil's power (Russell and Tokatlian 2003). Argentine ambivalence toward its neighbor wanes when times are good and waxes during times of economic hardship, independently of which party is in government. In the 1990s, Peronist President Carlos Menem was one of the founders of Mercosur but simultaneously aligned Argentina with the US foreign policy. Likewise, in the 2000s, Peronist Presidents Néstor and Cristina Kirchner not only cultivated excellent relations with the Lula administration but also struck a close alliance with Venezuelan President Hugo Chávez. Argentina has similar political ambitions to Brazil's and it has nurtured recurring economic grievances against it, which have given rise to spasms of protectionist behavior and hindered further integration. As long as these competing aspirations and neighborly fears remain in place, trying to win Argentine support for Brazilian leadership is tantamount to "sleeping with the enemy."

As regards Venezuela, the official line is that Brazil is "not competing for the leadership of South America... [However, they] "are engaged in a contest for leadership... each offering a different vision of how the regional geopolitical, geoeconomic, and ideological space should be organized and directed" (Burges 2007: 1343). This contest for leadership is neither structurally nor historically determined, as Venezuela has never been one of the "big" Latin American countries. Indeed, it has promoted divergent strategic goals and its policies are based on the utilization of oil wealth as a means to build political alliances. In 2006, oil made up 89 percent of Venezuela's total exports and 56 percent of its fiscal revenues (Álvarez 2007: 269). In spite of this weak power base, Chávez has developed a high-profile foreign policy, which is based largely on reviling the United States. Furthermore, following the principle that "my enemy's enemy" is my friend, Chávez has toured the world several times to meet with the leaders of such revisionist countries as Russia, Belarus, Syria, Libya, and Iran – not to mention Cuba, which Chávez holds up as a model. All these dubious alliances notwithstanding, the main challenge to Brazilian leadership posed by Venezuela is not global but regional. Chávez has courted and "bought" the loyalty of countries purportedly within the Brazilian sphere of influence such as Bolivia and Ecuador, and he even tried his luck with Paraguay. The capacity of Venezuela to win out some regional support with a stance that diverges from Brazil's has challenged Brazilian leadership. In the long run, an oil-based foreign policy is limited by the

vagaries of the international prices; but in the short term, Brazil's ability to control its near abroad has been seriously impaired.[3]

Turning now to Paraguay, traditionally this country has sought to maintain a balance in its relations with its two giant neighbors, Brazil and Argentina. Over the years, however, it has also kept close ties with the United States. Recently, this has included permitting US troops to engage in military maneuvers on Paraguayan soil and the opening of an FBI office at the US embassy in Asunción. Reports say that 46 US military operations have been conducted in Paraguay since 2002, including visits, special exercises, and humanitarian missions, especially in the areas close to Ciudad del Este, in the tri-border region (Inter Press Service 2005). In response to this, Brazilian troops have staged frequent exercises along the border, sometimes crossing the frontier and provoking Paraguayan protests. The Lugo administration's questioning of the current distribution of benefits and energy generated by the Itaipú dam has further embittered relations, and a mutually satisfactory agreement has not been easy to strike. An additional headache for Brazilian diplomacy is that Paraguay is one of the 23 countries in the world (and the only one in South America) that maintains diplomatic relations with Taiwan rather than with the People's Republic of China. Since 1957, Taiwan has become Paraguay's main international donor, offering cash to finance agricultural, educational, and social projects and paying entirely for the construction of a new house of parliament. The unintended consequence of this bizarre relationship – one that hurts Brazilian aspirations to establishing closer relations with a key global power – is that it prevents Mercosur from signing international treaties with China.

As regards the smallest member of Mercosur, Uruguay nurtures resentment toward Brazil for two reasons. First, there is Mercosur's low performance and its bias against the smaller economies, compounded by the straitjacket that it imposes by denying member states the possibility of individually signing trade agreements with third countries (Vaillant 2007). Second, there is Brazil's refusal to intervene in Uruguay's border conflict with Argentina over the building of a pulp mill. This conflict led a group of citizens from the Argentine city of Gualeguaychú to block one of the three bridges that unite the two countries by land. The blockade was in place from April 2005 to June 2010, in violation not only of Argentine laws but also of the Mercosur treaties. However, Brazilian authorities argued that this was a bilateral issue and stuck to a *hands-off* policy. This triggered bitter complaints by Uruguayan leaders. In spite of Uruguay's hints that it would sign a free trade agreement with the United States, the American administration decided not to intervene in a way that could damage Brazil's reputation or leadership. However, it agreed to sign a Trade and Investment Framework Agreement (TIFA), which crowned the Uruguayan decision to leave the door open for a Chilean-style policy of international insertion through

[3] Venezuela's alternative regional organization, the Bolivarian Alliance for the Americas (ALBA), reunites eight small or medium countries with two common features: they are subsidized by Venezuela and they lack a common border with one another. These features make of ALBA an oil-based network rather than an ideological association or a geographic region.

multiple bilateral agreements rather than through exclusive membership of a regional bloc. The United States has also become the main destiny for Uruguayan exports, a fact that further highlights the deterioration of Uruguay's trade links with both its large neighbors.

Bolivia has posed one of the toughest challenges for Lula's "strategy of patience" and to Brazil's policy of foreign investment and energy integration. The dependence of São Paulo's giant industrial complex on Bolivian gas adds stress to a relation already complicated by blurry territorial borders. The sudden decision in 2006 by the recently inaugurated President Evo Morales to send troops to guard dozens of plants, refineries, and pipelines and to give foreign companies – including, conspicuously, Brazil's Petrobras – six months to renegotiate their contracts or get out signaled the new combative stance his administration would pursue with regard to foreign investors. What is worse, it underlined a growing affinity with the Venezuelan President, Hugo Chávez, who had already cracked down on foreign firms and allegedly offered technical assistance to help Bolivia manage its nationalized companies. Lula called an emergency cabinet meeting, and Petrobras, whose investment in the decade since Bolivia privatized its energy sector had helped that country to quadruple its gas reserves, called the measure "unfriendly" and threatened not to make new investments. Opposition leaders cried out that Brazil had been humiliated and asked the president to toughen his stance, which Lula refrained from doing. Instead, he stated that the Bolivian government had made a sovereign decision and pledged that his country would respect it. However, the event made it clear that Bolivia was no longer a reliable partner or energy source. Since then the Brazilian government has accelerated its goal of reaching energy self-sufficiency at the earliest possible date.

Brazilian relations with Ecuador also turned sour on occasions. In September 2008, President Rafael Correa expelled the managers of Odebrecht, a Brazilian engineering company, which he accused of bribery and of constructing a flawed power plant. Not only did Correa declare that his country would not compensate the company for what it had already built, but he also refused to repay the US $243 million loan that Brazil's national development bank, the BNDES, had lent Ecuador for that purpose. The fact that Ecuador also defaulted on some of its bonds that same month did not make the Brazilian government any happier. The decision led Brazil to recall its ambassador, an unprecedented measure. There was much speculation about why Correa would have antagonized a friendly power, which also risked Ecuador's access to foreign credit. Analysts referred to the poor state of Ecuador's public finances and to rumors that Correa opted to act preemptively because of the imminent disclosure of the fact that Odebrecht had funded his electoral campaign. Whatever the reason, this crisis shook the foundations of the ALADI trading system and made the Brazilian authorities realize that, for some neighbors, it is Brazil rather than the United States, that is, the new "imperialist" power. In December 2008, Foreign Minister Celso Amorim (2008) threateningly declared that his government would revise its policy of granting loans to any South American partners that contest their

debts. Lula's top foreign advisor, Marco Aurelio Garcia (2008), a usually conciliatory and soft-spoken envoy to the region, did not mince his words either: "What I observe is that the Ecuadorean government committed a very serious mistake [...] If a friendly government treats us this way, what should we expect from our enemies." In the end, Ecuador agreed to disburse the next due payment and Brazil reinstated its ambassador. Nevertheless, the affair brought home the fact that Brazilian money may well be welcome but is insufficient to buy consent. On the contrary, it can generate resentment. To many civil society organizations and social movements, Brazilian protagonism "is interpreted politically as an expression of economic expansionism" (Vaz 2007: 34).

In contrast with the cases described above, Peru and Colombia turned out to be friendlier partners for Brazilian interests than expected. But Brazil is not as significant for these countries, which are also courting an extra regional heavy weight: the United States. For Colombia, in particular, the partnership with the United States is crucial to the country's hopes of winning back large parts of the national territory that have fallen into the hands of guerrilla forces and drug gangs. Although the United States is not that vital a partner for Peru, the latter has cultivated increased commercial relations with Asia – mainly China and Japan – rather than with Brazil.

Finally, Chile is as reliable a partner as Brazil can hope to find in the region. Alas, though, Chile is as reliable in its relations with Brazil as it is in its relations with everyone else, since the country has sought to carve out for itself a position as a respectable global player by abiding by international law and contracts. Although both countries have participated in the MINUSTAH since 2004 and although their economic and diplomatic relations are excellent, Chile's global rather than regional orientation – as well as the fact that it has no territorial borders with Brazil – has limited the potential for cooperation. In sum, South American countries are either ambivalent about Brazil – seeing it as a mix between a welcome paymaster and a new colonial power – or have only minor shared interests or both. What is worse, there are a handful of rivals for leadership, whether neighbors (Venezuela and Argentina) or not (the United States).

9.3. GLOBAL ACHIEVEMENTS

Brazil's most resounding international disappointment has been its failure to obtain a permanent seat on the United Nations Security Council. This long nurtured ambition was positively fed in 2005, when then UN Secretary General Kofi Annan called for a consensus to expand the Council from 15 to 24 members. A report presented by a committee of experts that year put forward two alternatives to implement this reform (United Nations 2005). One proposed the appointment of six new permanent members, and the other called for the creation of a new class of members, with eight countries serving for four years subject to renewal. Neither plan was put into practice, but these blueprints provoked broad contestation and led to the formation of the Uniting for Consensus group, which preferred no change to reforms that might favor

rival neighbors. Because it was clear that this was a core Brazilian foreign policy goal, this lack of support was seen as a fiasco. But this is an exception, as Brazilian global foreign policy has experienced many more successes than failures.

Perhaps one of the factors that most boosted Brazil's foreign reputation was its sudden promotion as a "BRIC" country (Armijo 2007). Goldman Sachs's report predicted that the combined economies of these countries would eclipse those of the current richest countries of the world by 2050 because of their fast growth rates. The report did not advocate the creation of a BRIC economic bloc, but there are mounting indications that the four BRIC countries have sought to form a "political club" and thereby convert their growing economic power into greater geopolitical stature. Notably, the presidents and foreign ministers of the BRIC countries held exclusive meetings on the sidelines of a variety of fora, especially during 2008.

IBSA is a more limited and "principle-oriented" grouping. This acronym refers to the trilateral developmental initiative between India, Brazil, and South Africa to promote South–South cooperation and exchange (Vizentini 2007: 178–189). In the aftermath of discussions between top IBSA government officials at the G-8 meeting that took place in Evian in 2003, the three foreign ministers met in Brasilia on June 6, 2003. At this meeting, the IBSA Dialogue Forum was officially launched with the adoption of the Brasilia Declaration. This group has been publicized not only as a south–south initiative, but as one that brings together the largest democracies on every continent of the southern hemisphere (Saraiva 2007). It therefore more powerfully conveys than the BRIC Brazilian foreign policy banners such as democracy, respect for human rights, and the peaceful resolution of conflicts. Indeed, its main strategic goal has been aptly defined as "soft" (Flemes 2007).

Brazil has been most skillful in the realm of commercial negotiations. Although the current WTO round has stagnated, a new collective actor has emerged from it: the Group of 20 (G20). Variously called the G21, G22, or G20+, this is a bloc of 20 odd developing nations that came together at the fifth ministerial WTO conference in Cancún, Mexico. It brings together 60 percent of the world's population, 70 percent of its farmers, and 26 percent of world's agricultural exports. Its origins date back to June 2003, when the IBSA foreign ministers signed the Brasília Declaration, which stated that the developed countries were acting to protect their less competitive sectors and emphasized that their goal was to promote the reversal of such protectionist policies and trade-distorting practices. In the document, the "Ministers of India and South Africa thanked the Brazilian Minister for convening this first trilateral meeting," which made it clear that Brazil was not a minor partner but a leading force in the group (Vizentini 2007: 169–177). This became clear in 2008, when the Doha Round, albeit unsuccessful, came to a close with febrile negotiations between four actors: the United States, the European Union, India, and Brazil. This dynamic was reiterated at the Copenhagen Summit on Climate Change in December 2009, at which the leaders of China, India, Brazil, and South Africa negotiated the final declaration with US President Barack Obama, excluding the European Union, Russia, Japan, and other global powers.

Probably the most select international club after the UNSC, the Group of Eight (G8) has been the most influential when it comes to the global economy. It is a forum for eight nations of the northern hemisphere: Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States, plus the European Union. The G8 organizes annual summit meetings of its heads of government, and various ministers also meet throughout the year. In the last decade, some members expressed a desire to expand the group to include five developing countries, referred to as the Outreach Five (O5) or the Plus Five: Brazil, China, India, Mexico, and South Africa. These countries had participated as guests in previous meetings – the so-called G8+5. The latter were institutionalized in 2005, when then Prime Minister Tony Blair, as the host of the G8 summit at Gleneagles, Scotland, invited the leading emerging economies to join the talks. The hope was that this would consolidate a stronger and more representative group that would reenergize the trade talks at Doha and promote deeper cooperation on climate change: hence, Brazil became a permanent member of yet another world class international organization. It is also a member of the "other" G-20 (more formally, the Group of Twenty Finance Ministers and Central Bank Governors), a group of 19 of the world's largest national economies plus the European Union. This group also met twice at the heads of government level in November 2008 and March 2009 in the wake of the world financial crisis. In the former event, Brazil played a high-profile role as it hosted the preparatory meeting.

A last conspicuous sign of international recognition of Brazil as an emerging power and regional reference was the European Union's 2007 invitation for a "strategic partnership." This is notable because the EU had been reluctant to engage other Latin American countries – especially those of Mercosur – on an individual basis. The strategy of the EU was to increase the legitimacy of its integration model by fostering similar projects beyond its borders through bloc-to-bloc interregional negotiations. Singling out one country constituted recognition of Brazil's rising star as much as an acknowledgment of the futility of previous European illusions regarding the future of Latin American regionalism:

> Over the last years, Brazil has become an increasingly significant global player and emerged as a key interlocutor for the EU. However, until recently EU-Brazil dialogue has not been sufficiently exploited and carried out mainly through EU-Mercosur dialogue. Brazil will be the last "BRICS" to meet the EU in a Summit. The time has come to look at Brazil as a strategic partner as well as a major Latin American economic actor and regional leader. [...] Its emerging economic and political role brings new responsibilities for Brazil as a global leader. The proposed strategic partnership between Brazil and EU should help Brazil in exercising positive leadership globally and regionally [...] Over the last few years Brazil has emerged as a champion of the developing world in the UN and at the WTO [...] A quasi-continent in its own right, Brazil's demographic weight and economic development make it a natural leader in South America and a key player in Latin America. Brazil is now actively pursuing this role in the Mercosur framework and is at the forefront of the drive to promote the Union of South American Nations (UNASUR) [...] Positive leadership of Brazil could move forward Mercosur negotiations (EU Commission 2007: 1).

Although the EU did not intend to harm Mercosur or its relations thereof, its pompous rhetoric had negative repercussions. By calling Brazil a "regional" and "global" leader, a "champion of the developing world," a "quasi-continent in its own right," and "a natural leader in South America," it damaged its own position and that of Brazil vis-à-vis the other South American countries (Saraiva 2009). Once again, global success has proven to be antithetical to regional leadership.

9.4. CONCLUSION

In spite of its regional preeminence, Brazil has been unable to translate its structural and instrumental resources into effective leadership. Its potential followers have not always aligned with Brazil's main foreign policy goals, such as its pursuit of a permanent seat in the UNSC, of the WTO Directorship-General, or of the IDB presidency, and some have even challenged its regional influence. By playing the regional card to achieve global aims, Brazil ended up in an unexpected situation: while its regional leadership has grown on paper, in practice it has met growing resistance. Yet, the country has gained increasing global recognition. Today, Brazil is acknowledged as an emergent global player by the established world powers, such as the G8 members and the European Union. This chapter has analyzed the mounting mismatch between the regional and global recognition of Brazilian status. Due to South American lasting cleavages, divergent interests, and power rivalries, the mismatch is not likely to be bridged anytime soon. Growing regional interactions may have improved political relations and smoothed diplomatic conflicts, but they have not led to effective region building. South American regionalism has strengthened not weakened the nation state, and can thus be regarded as reproductive rather than transformative.

In the 2000s, Brazil and Venezuela have stood out as promoters of different regional projects. While the former has relaxed its focus on Mercosur while aiming larger at UNASUR, the latter has backed ALBA, which on surface is an ideological rather than geographically based organization. Looking deeper, though, it is visible that ALBA's politics rests on oil as much as on ideas. While Brazil's quest for autonomy conceives of the region as a tool for managing relations with its neighbors and countering the influence of extra regional powers, Venezuela has mainly sought to legitimize its domestic regime through international alliance building. Apparently, Brazil's way has been both more inclusive and successful; however, as shown above, its aspirations to regional leadership have met unexpected resistance. Be that as it may, the struggle for leadership has been beneficial for its national interests. This paradox has lately come to the attention of the country's foreign policy elite, which is increasingly advocating a more pragmatic stance based on diversified strategies to minimize dependency on a troublesome region (CEBRI – CINDES 2007). Although sub-regional integration has not ceased to be a goal, it is no longer a priority (Vigevani et al. 2008). Furthermore, the increasing pluralization of actors with a stake in foreign policy (Cason and Power 2009) may also be making Brazil more globally – as opposed to regionally – sensitive.

The Brazilian bid for leadership has been hindered by several factors. The structural components of its leadership project have been insufficient to cajole or buy

support, especially when faced with rivals such as Venezuela, the United States, or even Taiwan, which are willing to give money or military support to win over undecided followers. The instrumental components of leadership have either been unavailable or insufficient. Brazil is reluctant to build common institutions because it feels they would tie it to unreliable neighbors rather than consolidate regional integration. As regards ideas and values, its regional strategies look to some neighbors like hegemonic incursions rather than enlightened leadership based on the pursuit of shared interests. And regarding higher education and migrant destinations, the main attractors for most South American countries continue to be extra regional powers, namely the United States and Europe.

To be sure, Brazil has not become indifferent to the region. However, its ambitions are increasingly defensive rather than offensive. The main goal is no longer to integrate South America into a regional bloc with a single voice but rather to limit damages. Now, it seems sufficient to stabilize the region and prevent political instability, economic turmoil, and border conflicts. The name of the game is to *keep quiet* rather than *lead* the neighborhood, since preventing trouble in its backyard seems to be a necessary condition for Brazil to consolidate its global gains. As Brazil is not a revisionist power that intends to upset the system but rather a reformist one that wishes to enter it, damage control has become its central task. This has turned a would-be leader into a fireman or, as Carlos Quenan once paraphrased from economics jargon, a *leader of last resort*. Thus, as The Economist (2008) aptly remarked, "it may be the rising power in the Americas but Brazil is finding that diplomatic ambition can prompt resentment." By trying to mitigate this resentment, the country may find that it can aspire to a leading role on the global stage as long as it goes it alone.

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