FROM ISOLATIONISM TO REGIONAL HEGEMON: UNDERSTANDING CHANGE IN BRAZILIAN FOREIGN POLICY FROM 1990 TO 2010

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ABSTRACT

The aim of this dissertation is to prove that Brazilian foreign policy changed during the period between 1990 and 2010, because of the country's adoption of a consensual hegemonic strategy in South America in order to become a global power. In the following chapters I provide an extended discussion of the concept of hegemony using Destradi’s (2010) ‘Forms of hegemonic strategy’ (‘hard’, ‘intermediate’ and ‘soft’) as a guiding framework. I initially expose the three main changes in the country’s foreign policy throughout the last two decades (foreign economic policy, presidentialisation and articulation of a South American region) and then tie them up with different cases that illustrate the regional hegemonic strategies pursued by Brazilian diplomacy. I conclude by affirming that the main changes in Brazilian foreign policy during this twenty year span have been a consequence of the country’s adoption of a regional consensual hegemonic strategy in order to build a region-wide collective action designed to advance its national priorities.
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<tr>
<td>ALBA</td>
<td>Bolivarian Alliance for the People of our Americas</td>
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<td>BNDES</td>
<td>Brazilian Development Bank</td>
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<td>BRICS</td>
<td>Brazil India China South Africa</td>
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<td>CAN</td>
<td>Andean Community</td>
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<td>CARICOM</td>
<td>Caribbean Common Market</td>
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<td>CSN-Unasur</td>
<td>Community of South American Nations</td>
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<td>EU</td>
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<td>FTAA</td>
<td>Free Trade Area of the Americas</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>IBSA</td>
<td>India Brazil South Africa Dialogue Forum</td>
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<td>IIRSA</td>
<td><em>Integração de la Infraestructura Regional na America do Sul</em></td>
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<td>ISI</td>
<td>Import-Substitution Industrialisation</td>
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<td>Itamaraty</td>
<td>Brazilian Ministry of Foreign Relations</td>
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<td>MINUSTAH</td>
<td>United Nations peacekeeping Mission Haiti</td>
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<td>OAS</td>
<td>Organisation of American States</td>
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<td>SAFTA</td>
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INTRODUCTION

Background and context

Brazil is the fifth most populated country in the world and the second greatest economic and political power in the Americas. After over fifty years of populist and military government in the country, power was peacefully transferred to civilian rulers by the military regime in 1985. Prompted by both international changes (such as the end of the Cold War) and internal ones (the consolidation of democracy and economic liberalisation), Brazil began to experience since the early 1990s a dramatic change in its foreign policy that inevitably altered inter-American transnational relations. Having earlier become a regional power, over this period Brazil has been preparing to become a global one.

With the collapse of the bipolar world and the emergence of the phenomenon of globalisation, the United States (US) significantly disengaged from Latin America. This increased fears in Brazil of it becoming an isolated country in the South. Amid a relative decline of US and European economic power, however, Brazil counterbalanced this by adopting a positive political and economic agenda; becoming a consensus builder between developed (North) and developing (South) countries. This approach increased its leadership role in inter-American affairs (Burges, 2008: 74-75). Brazil assumed an independent voice by establishing a concise geo-economic and geopolitical space in the form of South America. It favoured a multilateral strategy understood as an inter-state consensus with the intention of becoming a global power (Cason and Power, 2006: 17; Varas, 2008: 2).

The consolidation of democracy in Brazil was a determining factor in inducing change in foreign policy as it prompted a shift in the economic paradigm: the abandonment of the ISI (Import-Substitution Industrialisation) model for the adoption of a liberal economy (Soares and Hirst, 2006: 24). In addition to this, in the 1990s new political parties blossomed favouring the incorporation of new actors in foreign policy-making. Brazil’s post-democratic inheritance is reflected in its diplomacy by its defence of democracy, economic stability and regional integration and its intention to make the
most of globalisation and foster its internal socio-political and economic development (De Onís, 2008: 114-116).

Even though Brazil had four different presidents from 1990 to 2010, the country’s objectives have remained essentially the same throughout these two decades; only slight variations in priorities and strategy are evident, a result of differing ideological perceptions. Foreign policy has always been subordinated to internal economic and social development and the assertion of sovereignty as the main driving force of the country’s presence abroad. Consequently, foreign trade has been labelled as an essential instrument for economic development and the promotion of a more equitable international order, pursued through South American leadership and envisaging a multipolar world (Costa Vaz, 2004).
Chapter Outline

Chapter 1 introduces the concept of hegemony and the academic debate that surrounds it. Initially providing an overview of its traditional conception and how it emerged from Hegemonic Stability Theory, the chapter then focuses on consensual hegemony, the theoretical framework for subsequent analysis.

Chapter 2 reasons that Brazil has used a ‘hard’ hegemonic strategy to secure economic regional integration. Firstly, I will focus on the change of economic paradigm which caused the country to pursue a strategy of autonomy in the global scene. Thereafter, the analysis concentrates on Brazil’s instrumentalisation of Mercosur and the building of sub-regional blocs as a tool to assume a consensual hegemonic role in South America.

Chapter 3 explains the change experienced in foreign policy-making: an increase of presidentially-led diplomacy, affirming that it has lead Brazil to act as a Modern Prince. The assumption of ethico-political values has justified regional intervention under the defence of a democratic system, thus acting as an ‘intermediate’ hegemony.

Chapter 4 argues that favouring a hemispheric division, with the conceptualisation of a South American space, Brazil has used a ‘soft’ hegemonic strategy in the region to build a structural consensus around its predominant role. Unasur has been chosen as the major political integrationist project destined to promote the country’s regional leadership with a relevant voice in the global scene as demonstrated in the World Trade Organisation.
CHAPTER 1

THE THEORETICAL CONCEPT OF HEGEMONY

1.1 Traditional concept of hegemony

1.1.1 Origins and Hegemonic Stability Theory

The word “hegemony” literally means ‘leadership’. The original concept comes from Ancient Greece, emerging from the political domination exerted by powerful city-states over their neighbours (Gilpin, 1983: 144). The modern concept of this term, however, remains vague due to lexicographical imprecision and different scholarly conceptualisations (Burges, 2008: 67).

The current academic debate surrounding hegemony first emerged in the second half of the 20th century, with neorealist and neoliberal institutionalist interpretations of Kindleberger’s analysis of the Great Depression. Kindleberger argues that in order for the world economy to be stable, one country ought to assume world domination and act as a stabiliser (1981: 247). Claiming that lack of leadership caused the unstable economic situation that led to the Great Depression (cited in Rapkin, 1990: 1), he concluded that declining US influence in world affairs meant a danger of too little concentrated power and thus the situation of a world full of free riders expecting a global leader to emerge (Kindleberger, 1981: 253). Following the same argument, McKeown affirms that the power of a hegemonic state is necessary for the emergence of an open international economic system (1983: 73-74).

These formulations led to the origination of the theory of hegemonic stability. Despite its economic nature, this theory also implies that a stable environment is needed in politics and that international law is necessary for the proper functioning of an international system (Destradi, 2010: 914). Kindleberger’s ideal conception of a stable world system is based on the ‘benevolent’ creation of stable environment by a hegemonic power. Exerting power in a monopolistic way to guarantee its predominance, the hegemon will provide public goods to other states that, without sharing costs, will act as free riders benefiting from the stability created (Kindleberger,
Labelling it the “collective goods argument”, Webb and Krasner argued that small and medium-sized countries are unlikely to contribute to the production of public goods, leaving the hegemon as the only actor able to absorb the costs incurred (1989: 184). Snidal reinforces the benevolent nature of hegemonic stability in contrast to sustained domination, claiming that even though the dominant leader benefits from a stable international regime, smaller states gain even more (1985: 581-583). This is the case because the country that has the incentive to provide for the collective good will therefore have to carry the burden itself (Gowa, 1989: 310).

Opposed to the ‘benevolent’ concept of hegemony, Gilpin introduced a ‘negative’ interpretation of hegemonic leadership: a neo-realist approach that is purely focused on national interest. His view is that the hegemonic state provides public goods, such as stability and peace, in exchange for a ‘tax’ in the form of subordinate states being forced to contribute to the costs of provision as they are too weak to oppose the most powerful state (Gilpin, 1983: 144-146). In addition to this, Gilpin and Krasner assert that with a hegemonic distribution of power, the dominant state can promote liberalisation without jeopardising security objectives by using its superior economic and military capabilities to oblige other states to accept an open trading structure (cited in Webb and Krasner, 1989: 184).

According to McKeown, the hegemonic state must be able to offer bribes and threats, using its economic power as a primary tool and military force as a secondary way to secure compliance (1983: 73-75). From his neoliberal institutionalist standpoint, Keohane acknowledges this differentiation and although he defines hegemony as a preponderance of material resources he acknowledges that material dominance is not enough and cooperation through institutions is also required (1984: 32-46).

Hegemonic stability theory is especially relevant in the analysis of the traditional conceptions of hegemony. It is so because the objectives of economic leadership, coercive domination and establishing a self-interested international world order emerge from this theory.
1.1.2 Pillars of Traditional Hegemony

Brazilian diplomacy has always tried to distance itself from claims made by Spanish-speaking Latin American republics that the country was seeking a leadership role, fearing that perceptions of Brazilian imperialism might lead to a coalition of these states isolating Brazil in the region (Burges, 2006: 23). It was in this context that, at the helm of the Ministry of Foreign Relations (Itamaraty) in 2000, Lampreia claimed: ‘Brazil has no wish to assume regional leadership nor does it want to be a candidate for the position of South American leader’ (quoted in Burges, 2006: 27).

Rationalist scholars assume that material power resources are paramount for the predominance of a state over its counterparts (Destradi, 2010: 916). Hence, the first pillar of the traditional concept of hegemony is economic leadership. When analysing the growth and expansion of states, Gilpin affirms that the main goal for a country to achieve leadership is to dominate the international economic scene, subordinating the economic activities of other countries to the dominant state’s preferences (1983: 106). To exercise some influence within the international system, preponderant economic capabilities are needed together with enough military power to secure compliance of subordinate states. Economic might, including raw materials and access to markets and capitals, will be used to enforce order in the international system (Ikenberry and Kupchan, 1990: 49-51).

A hegemon exercising economic leadership will assume international economic liberalisation by imposing an open system which will raise the absolute level of welfare of all participants (Webb and Krasner, 1989: 184). Furthermore, McKeown describes the power of the hegemonic state as essentially economic in an oligopolistic setting. He also emphasises economic predominance as a weapon available to the dominant state able to threaten to cut off the access of non-complying nations to its rich home market or raise tariffs (1983: 77-78). Although Brazil could offer bribes and threats to its smaller neighbours like Bolivia and Paraguay, this strategy would be unsuccessful with respect to richer countries such as Argentina, Colombia and Venezuela (Burges, 2008: 67).

Keohane links economic dominance with the military capacity of the hegemon. This has to be powerful enough to protect the international political economy from incursions by
hostile adversaries that could deny access to major areas of its economic activity (1984: 39-40). The emergence of an international market also requires an international political structure that involves a certain degree of consent from subordinate states (Gilpin 1987: 133; Joseph, 2008: 111). This brings us to the second pillar of traditional hegemony based on coercion.

Structural realists consider that a hegemonic power will seek an aggressive unilateralist strategy through coercive domination using its material power resources to guarantee international security in what is considered an anarchical environment (Waltz, 2000: 28; Destradi, 2010: 904-909). From a different perspective and through world-system theory, Wallerstein claims that hegemony is a normative system based on domination, coercion, exploitation and inequality (cited in Rapkin, 1990: 3). Ikenberry and Kupchan capture very precisely the realist notion of hegemonic order by defining a coercion model based on the use of sanctions and inducements by the most powerful state to change the practices of its subordinates. By offering rewards for cooperation, both the costs of non-compliance and the benefits of compliance increase, making it more rational for secondary states to follow the hegemon even though their normative orientations remain unaltered (1990: 56).

In accordance with these coercive features, Kindleberger asserts that: “leadership has strong elements of both arm-twisting and bribery (1981: 243). One reason why the hegemon opts for bilateral instead of multilateral negotiations is to reduce the possibility of secondary states to co-operate against it while taking advantage of playing off weaker states against one another (McKeown, 1983:78). Furthermore, Gilpin affirms that the hegemonic power will coerce other states with taxes imposing itself as a centralised authority, able with its power to force subordinate states to make contributions (cited in Snidal, 1985: 588-589).

Keohane’s interpretation of coercion goes beyond military force, claiming that hegemonic leadership is too expensive and self-defeating to dominate solely by force, therefore, recalling Wallerstein concept, the hegemon is characterised by supervising politically independent societies through a combination of hierarchies and control of the operation of markets. (1984: 45).
Gilpin justifies coercion for its potential to avoid the break out of wars caused by the rise and fall of hegemonic states. Applying this assertion to the concepts of order and disorder, Snidal (1985), claims that a coercive dominant state can guarantee stability, although the centrality of a leading state can break down to a sub-regional basis. In the case of South America, US impositions are often regarded as the main reason that drove Brazil, Argentina, Chile and Paraguay to having military regimes. This assertion misses, however, the internal political and economic dynamics that led national elites to support these regimes from the socialist and communist threat (Burges, 2008: 68).

The coercive part of hegemony is subtler than domination and originates from the need of national elites to support whatever the global predominant ideology is, to gain access to transnational networks and thus to maintain its privileges (Burges, 2008: 68). In the case of regional powers, coercive measures are adopted to make other states comply with their will allowing the imposition of their own rules (Destradi, 2010: 911). This brings us to the third pillar of the traditional concept of hegemony: the establishment of an order imposed by the hegemonic power.

Both structural realist and liberal internationalist approaches consider that hegemonic leadership refers to a predominant state that is trying to define a certain kind of self-interested international order (Rapkin, 1990: 3). Realists consider that hegemonic states provide material incentives to secondary states to impose their power. This preponderance will give the hegemon enough capacity to define and enforce order in the international system (Ikenberry and Kupchan, 1990: 50). Other realists like Gilpin acknowledge the importance of normative factors, like prestige, in hegemonies ability to impose a set of rules in order to advance their interests (cited in Destradi, 2010: 916).

Hegemonies resemble empires in as much as they seek to unify and govern the international system in order to guarantee their dominance. With the modern nation-state, a hegemonic power will try to convince subordinate states of its strong central authority. Hence, secondary elites will keep the monopoly of the legitimate use of force safeguarded by a bureaucracy and a single set of laws inspired by the beliefs and the institutions of the hegemon (Gilpin, 1987: 111-123). The hegemonic state will try to order world politics, without imposing awkward political superstructures like empires did. Cooperation will, therefore, be sought through institutions. As rules cannot successfully be directly enforced hegemonic leadership will depend on asymmetrical
cooperation, with the hegemon playing a paramount role in providing leadership in return for deference (Keohane, 1985: 46). Keohane concludes that the exercise of hegemonic leadership and the order it produces should not be considered negatively by secondary states (cited in Rapkin, 1990: 4). As Gilpin states, the presence of a hegemonic power will help to preserve stability and peace in the international system even though the dominant state will always act focused on its self-interest (cited in Snidal, 1985: 587). Snidal claims that hegemony can be benevolent and coercive but still beneficial, although he also recognises that it can be simply exploitative (1985: 579-584).

Brazil’s post-Cold War South American leadership project has never fitted in to the mainstream theoretical approaches to hegemony. Distanced from carrot and stick tactics because of its historical aversion to coercion and the prohibitive costs of regionalism through pay-offs to neighbours in a post-debt crisis situation, Itamaraty opted for a consensus-generating style based on discussion and inclusion (Burges, 2006: 24). Hence, by leading without relying on either coercion or bribery, Brazil’s case must be analysed in the theoretical context of consensual hegemony.

### 1.2 Consensual hegemony

Traditional conceptions of hegemony emerging from the hegemonic stability theory are limited in portraying hegemonies as powerful coercive states imposing their will by unilateral means. Thus, they often overlook ‘soft’ power and the establishment of regional institutions in their obsession to focus on the struggle for power among states in a quasi-anarchic system (Pedersen, 2002: 681; Femia, 2005: 341). In contrast to this perception, the consensual approach based on Gramscian suggestions, implies that hegemony can be achieved through consent instead of having to use the threat of imposition. Joseph adds to this consensus of an ideological, value-based and understanding-based view of the world (2008: 11).

Gramsci emphasised the subjective aspect of power, rejecting the neorealist assumption that power resides in objective structures (cited in Cafruny, 1990: 104). He also conceived of hegemony at a national level, underlining the supremacy of a social group through domination and intellectual-moral leadership (1967: 57-58). In international
relations his concept is used to convey the dominance of one country over the others, differentiating it from its imperialist connotation. Following this, world hegemony must therefore be understood as a social, economic and political structure that is bound together, manifesting through universal norms and institutions which try to lay down the general rules of behaviour for states across national boundaries (Cox, 1983: 60-63). During the post-Cold War period Brazil, with its limited military and economic power capabilities, has sought to construct a vision of the regional system attracting other South American states to its hegemonic project. Through the creation of consensus, Itamaraty fostered the participation of other countries in regional projects (Burges, 2008: 65-66).

The Gramscian concept of hegemony is defined as intellectual and moral leadership combining elements of consent and persuasion implying ideological, cultural and philosophical precepts, which help to create a structure of knowledge and a system of values. The state capable of transforming its values and interests to universally applicable conceptions of the world will exercise moral and intellectual leadership (Fontana, 1993: 140). A mechanism through which universal norms are transmitted is through international organisations (Cox, 1983: 62).

Consensual hegemony discards direct exploitation instead favouring a universal order in which a group of states can find compatible common interests. Although it also entails a particular kind of subtle, ideological dominance, its legitimisation lies on general consensus (Rapkin, 1990: 3). Brazil’s engagement with this strategy was illustrated in the General debate of the UN General Assembly, when foreign affairs minister Lafer stated: ‘Brazil reaffirms its commitment to multilateralism, adopting cooperation as its modus operandi and trying to gain legitimacy from participation and consensus’ (Lafer, 2002).

The Gramscian concept of hegemony distinguishes between sheer dominance and hegemony, suggesting that leadership and influence cuts across international boundaries entailing a certain socioeconomic model (Keohane, 1984: 44; Joseph, 2008: 127). Abstaining from the use of force, the hegemon will let subordinates believe that power rests upon the consensus of the majority (Destradi, 2010: 913). Hence, consensual hegemony rests on three principles: inclusion and cooption, ethico-political values and structural consensus.
The first main feature of consensual hegemony is the capacity of the most powerful state to bring other countries into their projects, offering benefits for inclusion and co-opting those unwilling to collaborate. This concept comes from Gramsci’s reformulation of Machiavelli’s image of power: combining consent as the paramount tool for power and applying co-option in marginal deviant cases to ensure conformity (Arrighi, 1993: 149; Cox, 1983: 52). In the post-Cold war years, Brazil exercised its influence spreading ideas while creating disincentives for those states deviating from the course proposed by Itamaraty. In this concept of hegemony and acting as a regional power, Brazil intends to lead a system of states with the aim of reaching a ‘shared goal’ instead of imposing a particular order exclusively suiting its own interests (Destradi, 2010: 913).

Analysing inter-state power, Gramsci considers that it can move from a purely coercive to a consensual form. Furthermore governing groups rule in a hegemonic system eliciting consensus from its subordinates, assuming that the stronger its position is, the less use of force is needed (1967: 154-170). This model can be extrapolated to the international arena, where consensus will depend on the ability of the ruling state to transcend its own interests by fostering the participation of subordinate countries into its own economic program. Therefore, the leading state will incorporate others aspirations to its project, universalising external interests (Cafruny, 1990: 104).

Pedersen’s co-operative hegemony theory highlights the fact that successful regional institutionalisation tends to have a hegemon behind it (2002: 678). However, it fails to explain why states such as Brazil are reluctant to assume the costs of visible leadership derived from regional projects. In its continental project, Brazil reassured other South American countries that its leadership was neither inevitable nor permanent. Therefore, Itamaraty invited regional neighbours to participate in building a common program that would bring benefits to all (Burges, 2006: 27-28).

Destradi defines the inclusion and co-option strategy as ‘hard’ hegemony. Subtle coercion hides the hegemon’s main objective of satisfying its own goals while portraying them as common interests. Due to ‘threats of exclusion’, secondary states will have to modify their behaviour after being submitted to political pressure, diplomatic and political impositions and, to a lesser extent, sanctions and inducements (2010: 918-919). The process of the creation of Mercosur in 1991 and the negotiations
to strengthen ties with the Andean Community (CAN) are a reflection of Brazilian ‘hard’ hegemony (Soares and Hirst, 2006: 29).

Consent is essential for a state wishing to pursue a consensual hegemony strategy. Through co-option, long-term strategies are destined to fail because pure force and coercion must be mediated by legitimating moments, otherwise they risk becoming imperial projects (Fontana, 1993: 144, Keohane, 1984: 45).

Ethico-political values are also indispensable for the formation of a consensual hegemonic order. These values must be embraced by the Modern Prince, a Gramscian doctrinaire abstraction of a symbol and a leader which instead of being an individual must be represented by an organism able to cement a collective. Furthermore, the Modern Prince must be the preacher and organiser of both an intellectual and moral reform (Gramsci, 1967: 135-140). The task of the Modern Prince has, therefore, to be understood in the context of the Machiavellian concept of a dialogue between subject (the collective) and teacher (the leader), which includes mutual recognition and mutual speech. Gramscian theory, envisages this moral interaction based on a socio-cultural relation as a hegemonic relationship of continuous discussion where force and authority are excluded and the main goal is to transform commonly a socio-political structure, through ideas, material capabilities and institutions (Fontana, 1993: 99-112).

In the context of International Relations, this kind of hegemony is established as a system of “permanent consent” that legitimates a prevailing order by including a network of strong and interconnected ideas. Hence, the dominant state will assume an ethical content, transforming its repressive nature into a new one that is perceived as moral and universal (Fontana, 1993: 144). As opposed to the traditional concept, Cox defines the beginning of hegemony as an outward expansion of the internal with socio-economic institutions and culture becoming patterns of emulation abroad (1983: 61). Instead of consolidating its leadership exclusively through economic and security measures, Brazil has profited from its internal changes by forming a South American space lead by a ‘soft’ agenda (drawing on the interrelation of ideas and economic factors). Its long-term goals have conceived a coordinated action counter-balancing the influence of Western countries in the region and forming a regional alliance to support its long-term goals as a global actor (Duarte and Trindade, 2008: 91).
Hegemony is legitimised when smaller powers shift their values to those espoused by the hegemon. Although in this situation secondary states will still pursue their own interests, the new norms embraced will guide their agenda. Having internalised the normative order articulated by the hegemon, the process of legitimisation will be complete (Ikenberry and Kupchan, 1990: 55-59). Destradi defines the inclusion of ethico-political values as ‘intermediate’ hegemony, where norms and values are shared to a certain degree. Even though the hegemon seeks its own goals, common goals are also included and therefore secondary states will comply after analysing the cost-benefit calculations of adopting independent policies (2010: 919-920). As Brazil was unable to assume the economic and security costs of hegemony, Itamaraty’s project, covers regional concerns such as protection of democracy and liberal economy amongst others (Burges, 2008: 75). As a weak military power, it does so through co-operation and power-sharing (Pedersen, 2002: 683-690).

Brazil has opted for a Gramscian concept of hegemony, expressing unity between objective material forces and ethico-political ideas, with democracy at its forefront and in which power is rationalised through an ideology incorporating consensus (cited in Keohane, 1984: 44). Gramsci claims that ideas and opinions need a centre of formation, elaboration, propaganda and persuasion and this duty falls to the Modern Prince (the leading state) (1967: 183).

The third main requirement to pursue a consensual hegemony strategy is the need for structural consensus. According to Gramsci, hegemony must consist in a leading group that makes some economic and corporative sacrifices, without concerning essentials, in order to take into account the interests of the groups over which the hegemony is exercised. In international relations, the hegemon will have a particular conception of the world that it wishes to establish (1967: 154-164). Thus, in a situation of total lack of organisation a new set of rules that claim to defend universal interests will be proposed by a state, in order to diminish the competition for power both at internal and transnational level (Arrighi, 1993: 150-151).

Cox’s version of hegemony consists of a historical structure where the dominant state creates an ideologically based order with general principles and broad consensus that ensure the supremacy of the leading state while offering satisfaction to the less powerful (cited in Rapkin, 1990: 7-8). Neo-Gramscian perspectives base consent on the
acceptance of the ideas of a leading role within a state, which are then projected to a world-scale, and they understand hegemony as an opinion-moulding activity. The concept of structural consensus consists in the process of social relations production that gives rise to social forces that will ultimately shape world-order (Bieler and Morton, 2004: 87-105).

Once the dominant state decides to universalise its hegemonic project, it does so by way of a socialisation process which can reproduce social structures. Using ideological persuasion and transnational learning, the transformation of norms and values will take place through diplomatic channels and cultural exchanges. National elites able to build a structural consensus will be influenced to adopt the hegemon’s interests as their own ones. (Ikenberry and Kupchan, 1990: 58-59; Joseph, 2008: 112). Countries like Brazil may use its strength in areas such as the economy, technology, institution and community-building to create a ‘soft’ hegemonic strategy (Destradi, 2010: 919 and Pedersen, 2002: 694-695).

Fontana picks up the Gramscian concept of dialogue in considering that the questioning between subjects transcends the existing socio-political structure while creating a new political reality founded upon the new conception of the world envisaged by the hegemonic group or state (1993: 110-111). World hegemony is made up by an amalgamation of social, economic and political structures and thus includes many actors and social groups (Cox 1983: 62). Hegemony will be achieved through ‘civil society’ departing from a national level and acting as agents of cultural transmission and it can penetrate beyond state borders (Femia, 2005: 343-346). In the case of Brazil this model has been followed to re-elaborate a vision of a new order based on a South American continental project through the creation of alternative projects like the Community of South American Nations, and later, Unasur with Mercosur at the heart of it (Burges, 2006: 26).

Even though all approaches to hegemony acknowledge that the dominant state follows primarily its own interests, consensual hegemonies start by adopting a ‘hard’ hegemonic strategy then switch to an ‘intermediate’ one and end up acting like a ‘soft hegemony’ (Destradi, 2010: 929). The main changes in Brazilian foreign policy over the last two decades, demonstrate how the country has adopted a combination of material and ideational inducements to spread norms, values and conceptions to become a regional
hegemonic power. Brazil has modified its foreign policy through inclusion and co-option to economic integrationist projects, assuming ethico-political values such as democracy and generating structural consensus towards its regional predominant position, as I will proceed to analyse.
CHAPTER 2

‘HARD’ HEGEMONY: FOREIGN ECONOMIC POLICY CHANGE AND REGIONAL INTEGRATION

2.1 Change of economic paradigm and foreign policy through autonomy

The influence of economy in Brazilian foreign policy has been present since, under Getúlio Vargas presidency, the concept of autonomy in the country became an explicit goal in the 1930s. In Latin America, autonomy relates to the ability of a state to establish an independent foreign policy based on its own objectives and free from the imposition of other powerful countries. For over fifty years (from the 1930s until the late 1980s with the collapse of the military regimes) Brazil followed a strategy of autonomy through distance, characterised by isolating itself from the most powerful states, the US in particular, while also opposing to the agenda of developed countries and international regimes (Vigevani and Cepaluni, 2009:1-9).

According to Vigevani and Cepaluni (2009), Brazil has experienced three ways of achieving autonomy. The period of autonomy through distance was characterised by belief in partial autarchy with development focused on the domestic market and the diplomatic corps rejecting the influence of international institutions whilst also the opposition of a liberalising agenda with strong protectionist measures. As Soares and Hirst claim, foreign policy became an instrument of the ISI model (2006: 23). The collapse of this model in the late 1970s caused the main economic change in the second half of the 20th century, and this lead to the ‘economic lost decade’ of the 1980s which contributed to the collapse of the military regime in 1985 (Coes, 1995: 17-20).

The process of democratisation brought a new model of foreign economic policy known as autonomy through participation. This was characterised by the adherence to liberal international regimes. By holding onto the reins of its external relations, the country sought to influence the formulation of rules in the international arena. Nowadays, Brazil follows a strategy of autonomy through diversification. Fully committed to international principles, the country’s goal consists in increasing its international bargaining capacity.
with big powers such as the US and the EU through South-South alliances with non-traditional partners, such as: China, Asia-Pacific, Africa, Eastern Europe and the Middle East (Vigevani and Cepaluni, 2009: 7).

The origins of change in Brazilian foreign policy can be found in the severe economic conditions of the 1980s and the constraints of a fiscal crisis at the final stages of the military period (Soares and Hirst, 2006: 24). The combination of international pressure to liberalise exercised by the US and domestic demands for democratisation, left the country with few options rather than change (Vigevani and Cepaluni, 2009: 31). Playing an increasingly assertive role in the Uruguay Round that transformed GATT (General Agreement on Tariffs and Trade) into the WTO (World Trade Organisation) it became evident that Brazil had to abandon autonomy through distance and, as the debt crisis of the 1980s evidenced, developing countries needed to engage to the outside world as much as possible (Cason and Power, 2006: 13-14). President Sarney’s economic stabilisation measures with the *Cruzado Plan* and a much closer relationship to traditional rival, Argentina, demonstrated the beginning of a new era in Brazilian economic foreign policy (Vigevani and Cepaluni, 2009: 31).

The transition to autonomy through participation started with the government of Collor de Mello (1990-92) who identified the exhaustion of the ISI model and opted for modernising the economy adopting the patterns of developed countries that also included the negotiation of a new positive agenda with the US (Duarte and Trindade, 2008: 78). Distancing from president’s Geisel *Terceiro-mundismo* policy (aligning Brazil with developing countries), the main goal was integrating into the First World as well as fostering co-operation with the Southern Hemisphere. Mercosur, an ambitious regional project, considered by Brazil as a platform for insertion to the international scene, was therefore launched.

The decisive bases for the future flourishing of the autonomy through a participation strategy were implemented by two foreign affairs ministers under Itamar Franco’s presidency (1992-1994), Fernando Henrique Cardoso and Celso Amorim. They both took advantage of the monetary stabilisation following the establishing of a new currency, the *real*, which placed Brazil in a more solid position to renegotiate its foreign debt with international institutions (Vigevani and Cepaluni, 2009: 35-49).
The strategy of autonomy through participation was fully adopted under Cardoso’s two presidential terms (1995-2002). Cardoso made democratic values and economic liberalism Brazil’s watchwords. He also adopted a proactive international agenda with the purpose of internalising liberal changes that were beneficial for Brazil’s economic development (Duarte and Trindade, 2008: 82). Itamaraty also envisaged regional leadership through economic prominence using a multilateral strategy to avoid any responsibility risks (Grabendorff, 2010:161; Almeida, 2010a: 71). Internal participation in foreign policy-building was encouraged by strengthening consultative units like Câmara de Comércio Exterior (CAMEX), which was linked to the Ministry of Development, Industry and Foreign Trade and creating three new Seções Nacionais de Coordenação (coordinating forums) for state-society debate on major economic decisions (Cason and Power, 2006: 6-7).

Both of Cardoso’s administrations used strong pro-Mercosur rhetoric to reinforce universalism and its strategy of autonomy through participation. Conformism with the global economic agenda set by the US contrasted with the country’s reaffirmation of autonomy, especially when the Bush administration abandoned multilateralism after the 9/11 terrorist attacks (Vigevani and Cepaluni, 2009: 60). As the president declared: “We cannot allow that the logic of fear replaces the logic of freedom, participation and rationality” (Cardoso, 2001).

By the end of Cardoso’s second term, co-operation with developing countries gained importance; however, it was under Lula’s presidency (2003-2010) that the strategy of autonomy through diversification with its South-South foreign economic policy was fully adopted (Vigevani and Cepaluni, 2007: 1316). Lula’s choice for multilateralism reaffirmed Brazil’s excellent relations with the great world powers even though he prioritised ties with the Southern World (Almeida, 2009: 173). In his first speech after taking office, Lula emphasised the importance of trade agreements and committed to fight protectionism from within WTO and Mercosur. He also mentioned the need to reform the UN Security Council in order to secure better representation for developing countries, defended Brazil’s choice of engaging with peripheral countries and claimed regional leadership (Lula da Silva, 2003a).

The democratisation and economic liberalisation in Brazil caused the country to adopt a new role in the global scene. As a result of its economic potential, Itamaraty decided to
use its autonomy from other global powers to pursue a ‘hard’ hegemonic strategy in South America (Lentner, 2005: 736).

2.2 Mercosur and the building of sub-regional blocs through multilateralism

2.2.1 Mercosur as a tool for global economic integration

Cox suggests that for a hegemon to prevail in a certain world order, consent must be at its forefront (1983: 52). With the change in the economic paradigm and the adoption of its autonomy through participation strategy, Brazil went on to take advantage of the recently established co-operation treaties with Buenos Aires and to launch Mercosur (the 1991 Treaty of Asunción between Argentina, Paraguay and Uruguay), the most ambitious economic and political regional integration project of South America (Bandeira, 2003: 148). Under Mercosur, Brazil emphasised its consensus building strategy in an effort to advance (what Itamaraty sees and sells as) both Brazil’s and South American interests (Burges, 2008: 76). As the Treaty of Asunción (1991) states: “The expansion of domestic markets, through integration, is a vital prerequisite for accelerating their [state parties] process of economic development with social justice.”

Brazil took a developmentalist approach to this integration process - promoting business competition in the region and improving the country’s global trader ambition – acknowledging that South American regionalism could reinforce Brazil’s international insertion (Vigevani and Cepaluni, 2009: 104-105). According to Bernal-Meza, through economic regional integration, Itamaraty envisaged a new geo-economic area in the Southern Cone that strengthened Brazil’s power and prestige (2008: 160-162). Although Brazil has always considered Mercosur as an international priority, Itamaraty placed liberalisation of Brazilian economy before the integration process. As Minister of Foreign Relations Lampréia stated in 1995: “In the case of Brazil, developing Mercosur is a part of a broad effort to open the economy, liberalise trade and better insert the country in the world economy. The integration process is not conceived as an end in itself...” (quoted in Vigevani and Cepaluni, 2009: 106)
Destradi, considers that ‘hard’ hegemony combines material incentives and ‘ideational’ power instruments to gain consensus from subordinate states (2010: 917) and, therefore, that a state willing to pursue a consensual hegemonic strategy will incorporate others aspirations. Brazil’s rhetoric appeals for regional solidarity with responsibility lying on supra-national institutions like Mercosur (Fortuna Biato, 2009: 45). Hence, the need to have a special consideration towards the less developed regions and countries of the agreement, establishing intergovernmental procedures and consensual decision-making, which was reaffirmed in the Protocol of Ouro Preto (1994). Almeida-Madeiros asserts that Brazil took advantage of these measures to strengthen its position and increase its influence in the region (1995: 35-36). With the building of a common market, Argentina, Paraguay and Uruguay multiplied its exports to Brazil, creating a self-generated dependency on the Brazilian market, giving Brasilia the chance to economically coerce its allies (Burges, 2008: 78).

Brazil’s traditional interest in consensus building within Mercosur relies on its unwillingness to assume the costs and responsibilities that leadership entails. Hence, Brazil used a rational concept of hegemony, to transmit to the other member-states that, as a leader, its proposals could prove beneficial for all (Bernal-Meza, 2008: 154). Bernal-Meza labels this strategy a failure, pointing out how countries like Argentina and Paraguay openly contested some Brazilian initiatives (2008: 154). Opposing this view, Burges considers that complaints about market access and trade restrictions imply the acceptance of free trade flows. Hence, he considers that Brazil has succeeded in exporting its economic model through Mercosur (2008: 78-79).

In the last twenty years, South American economic integration has been at the top of the Brazilian Foreign Policy agenda. Cardoso wanted to exercise leadership instead of proclaiming it (Vigevani and Cepaluni, 2007: 1323). Therefore, he launched several initiatives, not all of them successful, like creating a common currency for the four member states (América Económica, 2002). To gain consensus from subordinate states, Lula pursued the same favourable discourse towards Mercosur as his predecessor, but claiming regional leadership in order to legitimise his strategy of autonomy through diversification at a global level. Emphasising Destradi’s concept of using material incentives, Brazil created a fund to “correct imbalances” for Mercosur countries, financing the 70% of its cost and offering membership to Bolivia, Chile, Ecuador and
Venezuela (the latter being the only one to accept the offer, although it is still in a process of integration). The main concern Mercosur members have is that membership has been offered for political reasons, with Brazil renouncing to reciprocity in free-trade agreements (Almeida, 2010b: 168-169). As clumsy Lula’s strategy might have been it must, nonetheless, be considered as a building bloc to establishing a consensual regional economic and trade hub with Brazil at its centre and new member states assuming economic responsibilities (Cervo, 2010: 25).

The building of Mercosur responds to a top-down strategy launched by Brazilian president Collor de Mello and his Argentinean counterpart Carlos Menem, with both civil-societies jumping on board quickly (Cason and Power, 2006: 16). Approximation between Brazil and Argentina was seen as essential for Itamaraty, with Mercosur structures suiting the interests of Brazilian elites who considered that finding a common ground with countries in the region could increase Brazil’s ability to act internationally (Vigevani and Cepaluni, 2009: 102-104).

For Brazil, Mercosur would institutionalise the major development region of South America with a continental platform that would institutionalise its hegemonic interests. In 2001, Cardoso claimed: “Mercosur is more than a market; for Brazil it is its destiny,” adding, “South America’s vocation is to become an integrated economic region, eliminating the obstacles for free-trade” (quoted in Bandeira, 2003: 149-150). Brazil adopted an open regionalist strategy with Mercosur, looking for consensus while acting in accordance to the autonomy through participation strategy, unwilling to fully commit itself to cede part of its sovereignty to a supra-national entity (Vigevani and Cepaluni, 2009: 103-107).

Lula’s government sought a more prominent position in the region. It was willing to make sacrifices, such as shifting Mercosur from an open regionalist strategy to an even more developmentalist one in order to improve ties with’s Argentina (Soares and Hirst, 2006: 31). By adopting Buenos Aires’ preferences in Mercosur, Brazil was able to legitimise its regional leadership without jeopardising its economic interests. It embraced a concept of international organisations similar to that of Cox’s, as a way to spread a certain hegemonic order. Finally, faithful to its autonomy through diversification strategy, Lula assumed that by achieving regional support it would be
easier to strengthen ties with emerging countries and, therefore, to fight the US hemispheric influence (Varas, 2008: 3).

2.2.2 Sub-regional blocs against FTAA

Brazil’s attitude as the economic leader of South America: trying to create a new order through building an idea of a shared goal that hides the main purpose of the hegemon - the will to universalise its own interests - is closely tied to the Gramscian concept of hegemonic role (Cafruny, 2010: 914; Destradi, 2010: 13). Brazil’s subtle opposition to the US-sponsored negotiations for the Free Trade Area of the Americas (FTAA) exemplifies this strategy. This was based on Itamaraty’s belief that the Brazilian economy needed a period of adjustment before a total trade liberalisation (Burges, 2006: 29-30). In its quest for autonomy through participation, Brazil decided to use Mercosur to launch some regional agreements with the Andean Community (CAN) and the Caribbean Common Market (CARICOM) to set up a South American Free Trade Area (SAFTA). Being that Mercosur was at the core of this project, Brazil sought to incorporate other regional neighbours into this project to increase its bargaining power (Bandeira, 2003: 149).

Brazil’s economic structure is not complimentary to those of the US, Canada and Mexico. The trade relations between Brasilia and its neighbouring countries, therefore, resemble those between industrial and developing countries (Bandeira, 2003: 153). Instead of blindly opposing the FTAA, Brazil’s intention was to build up sub-regional blocs as an alternative to the US liberalising ambition. Before the Miami summit of 1994 and as pro tempore secretary of the Rio Group (an international organisation comprising all Latin American countries), Brazil launched an alternative proposal to the one presented by the US. This proposal aimed to convince its members that a ‘common goal’ would enable more equal negotiations with the North American superpower. The final text agreed at the Miami Summit incorporated most of the proposals included in the Brazilian alternative, consensually backed by the Rio Group. (Burges, 2006: 29-31). As foreign affairs minister Amorim declared later on: “Mercosur is our future, part of our milieu. The FTAA is no our future, it is an option” (quoted in Vigevani and Cepaluni, 2009: 56).
During Cardoso’s presidency, a consensual hegemony strategy was followed by rejecting the claims of regional leadership (Almeida, 2010a: 71). Enhancing the concept of autonomy through participation, Brazil wanted Mercosur to become the catalyst of hemispheric free trade liberalisation by strengthening and intertwining the already existing agreements such as CAN, CARICOM or the Central American Common Market. Opposing the US will to negotiate with each country Brazil also proposed to do it by country-blocs and setting a different agenda (Duarte and Trindade, 2008: 100). With this consensus-building strategy, Brazil maintained its hemispheric independence and even though the project of SAFTA as a middle ground to FTAA never prospered, foreign affairs minister Celso Amorim later stated that: “even though the SAFTA term proved unsuccessful, Mercosur’s free trade agreements with Chile or CAN fulfilled our purposes” (Amorim, 1997).

Fearing that a potential expansion of US influence through bilateral agreements with South American countries could weaken Brazil’s sub-regional blocs multilateral strategy, Brazil decided in 2001 to accelerate Mercosur’s negotiations of a free trade area with the European Union as an alternative to the US (Vigevani and Cepaluni, 2009: 72). The lack of reciprocity shown by EU members resulted in the collapse of negotiations (Cervo, 2010: 26). Within the Lula administration, multilateralism was placed at the top of the foreign economic policy agenda and a strategy of autonomy through diversification within the WTO was assumed, favouring trade relations with non-traditional emerging partners (Vigevani and Cepaluni, 2007: 1321). The establishment of a free trade area with the EU was postponed, while FTAA negotiations dropped to the bottom of Itamaraty’s list of priorities (Fishlow, 2004: 290). With the FTAA negotiations brought to a halt in 2005, Lula fully adopted the strategy of autonomy through diversification, with Brazil taking a multilateral stance that ruled out the hegemonic stability theory utopia where the US was seen as the hemispheric stabiliser permanently (Cervo, 2010: 12).

Brazil’s consensual hegemonic strategy in the last two decades has also included a ‘hard’ positioning with respect to economic matters. Brazil subtly coerced regional neighbours disrupting hemispheric economic integration (Bandeira, 2003: 144-156). The Cardoso and Lula administrations obstructive stance towards FTAA negotiations is exemplified by a statement made by the former in 2001: “The FTAA will be welcome if
its creation is a step toward giving access to more dynamic markets... If not, it will prove irrelevant or, in the worst-case scenario, undesirable” (quoted in Vigevani and Cepaluni, 2009: 73). Launching several sub-regional economic agreements through Mercosur, which were portrayed as beneficial for all South American countries, Brazil co-opted (in Arrighi’s terms) its regional neighbours leaving them with few other options than adhering to the sub-regional agreements they proposed (Deblock and Turcotte, 2005: 24-26).

Brazil used Mercosur to sign preferential agreements, in the absence of Argentinean presidents. These included agreement with the South African Customs Union and India (2003) (starting negotiations with China the same year and the Arab League in 2005) and signing other free trade agreements with Israel (2007) and Egypt (2010) (Amorim, 2010: 235). In order to enjoy some benefits of these agreements without being left behind, South American countries needed to strengthen their links with Mercosur, implying a need for the enhancement of Brazil’s economic power in the region.
CHAPTER 3

‘INTERMEDIATE HEGEMONY’: PRESIDENTIALISM, DEMOCRATIC VALUES AND REGIONAL INTERVENTIONISM

3.1 From professionalisation to the presidentialisation of foreign policy

When Itamaraty monopolised foreign and trade policy major decisions for more than a century, a new presidentially led diplomacy trend emerged in the 1990s (Cason and Power, 2006: 4). This broke with the historical patterns of Brazilian foreign policy-making. With the consolidation of democracy and the pluralisation of actors intervening in the elaboration of a foreign policy strategy, the figure of the President assumed a more important role. During the military regimes, Itamaraty preserved its autonomy thanks to the professionalism of diplomats and the reputation they gained in the early 20th century when playing a decisive role in the consolidation of the country’s boundaries (Pinheiro, 2009: 4).

Presidential diplomacy involves a quantitative increase in the presidents’ travels abroad and international meetings, as well as qualitative increase related to the president’s capability to alter diplomatic outcomes (Cason and Power, 2006: 12). Thus, Collor de Mello’s will to establish Mercosur, must be considered as the first significant presidential intervention in foreign policy in the new context of increasing Brazil’s level of engagement with the world (Lafer, 2000: 218). Despite Collor de Mello’s short term in office, his influence became evident when he transferred some of Itamaraty’s responsibilities to the Ministry of Economy. Overwhelmed by internal instability, his involvement in foreign policy-making was interrupted (Vigevani and Cepaluni 2009: 42).

According to Hakim, Brazil’s emergence as a global leader is related to the quality and authority of its presidential leadership in recent years combined with the professionalism of its diplomacy (2007: 25). With the exception of the period of Itamar Franco’s presidency (1992-1994), Cardoso continued with Collor de Mello’s presidential initiatives undertaking economic and foreign policy reforms through
decrees via imposition rather than via negotiation (Power, 2002:636). Furthermore, he used presidential diplomacy and his access to international circles to secure a larger Brazilian presence on the international scene (Almeida, 2009: 170). This presidentialisation of foreign policy was facilitated by Cardoso’s stint at Itamaraty between 1992 and 1993. Several career diplomats took senior positions in his first government in 1995, enhancing his personal role in diplomacy (Cason and Power, 2006: 21).

The government’s strong desire to increase Brazil’s influence in the international decision-making process meant the personalisation of foreign policy was favoured. Although Lula veered away from Cardoso’s Kantian idealist perception of world affairs, his realist stance did not prevent him from using his charisma to deepen the process of presidential diplomacy that his predecessor had established (Bernal-Meza, 2008:160; Herz, 2007: 17).

Danese claims that Brazil’s greater national power in the late 1990s was strongly linked with Cardoso’s aim: to be the protagonist in a presidency-led diplomacy similar to the one adopted by top world leaders (quoted in Vigevani and Cepaluni, 2009: 62). Achieving international reputation with the economic stabilisation during his spell at the Ministry of Finance (1993-1994), once he became president, Cardoso intervened in foreign policy decision-making with his market-oriented guidelines (Power, 2002: 622-626). The involvement of the Ministry of Finance in external affairs and the President, as a figure, inspired trustworthiness abroad, allowing Brazil to embrace hegemonic values, avoid tensions with other states and adhere to international regimes. (Vigevani and Cepaluni, 2009: 58-61).

One of the most significant changes caused by the presidentialisation of foreign policy-making was the introduction of an ideological debate in Itamaraty between a liberal faction and a neodevelopmentalism defended by Lula (leader of the opposition at the time). Although the main foreign-policy goals were clear, the way of achieving them was at the core of the debate. Continuity in foreign affairs prevailed over change during Lula’s presidency. Lula’s presidentialisation of foreign affairs was positively appreciated by the majority of Brazilian civil society, who considered that the president was directing his personal prestige for the benefit of the country’s national interests (Duarte and Trindade, 2008: 79-85).
Foreign affairs was the main policy domain where Lula pursued longstanding ideological goals. The consolidation of presidential diplomacy is exemplified by the institutionalisation of the Special Advisor for the President of the Republic in Foreign Policy, a new post directly linked to the President instead of Itamaraty (Duarte and Trindade, 2008: 81). Lula appointed a cabinet that was friendly with Brazilian burguesia (economic elite), betraying the economic leftist tradition of his party (PT) with a business-friendly trade policy. To alleviate critical voices inside his party, he adopted an ideological discourse in foreign policy built upon Latin American leftism, old-style nationalism and anti-imperialism (Cason and Power, 2006: 29-22; Almeida 2010b: 162).

Lula’s drastic presidentialisation of foreign policy also generated widespread criticism. His rejection of globalisation on the basis of American imperialism was illustrated in the establishment of the new Community of Latin American and Caribbean States in February 2010. This replaced the former Rio Group and highlighted the absence of the US and Cuba’s integration, portraying it as a hemispheric success where Latin American countries avoided the “empire’s” guardianship (Thompson and Barrionuevo, 2010). His approach was described as essentially being a hyperactive diplomacy based on the promotion of his own figure (Almeida, 2010b: 165-176). Amorim, Lula’s foreign affairs minister, dismisses internal criticism of this kind, defending the President’s choice to adopt an independent and fearless but not reckless attitude as the adherence to the universality of democratic principles and the globalisation process prove. He also acknowledges continuity in as much as Brazil’s external relations were mainly focused on promoting development within the country (2010: 216-217). Lula was able to project a dynamic image of Brazil worldwide, making the country an outstanding actor in international diplomacy (Almeida, 2010b: 176).

The process of presidentialisation of Brazilian foreign policy-making in the last twenty years must be understood as part of the consolidation of the democratic system in the country. Nowadays, each ministry has its own international department co-ordinated with Itamaraty and as the 8th article of Constitution (1998) establishes, the President is responsible for the country’s foreign affairs (Pinheiro, 2009: 5). The main change caused by this phenomenon is linked to the consensual hegemony strategy followed by Brazil in South America. Essentially, presidential diplomacy has reversed Itamaraty’s
prior commitment of non-intervention in the politics of neighbouring countries (Cason and Power, 2006: 31). Presidential regional interventionist initiatives are used as an ‘intermediate’ hegemonic tool to consolidate Brazil as a global oriented country committed to democratic values (Cervo, 2010: 23).

3.2 Democratic stability and regional intervention

3.2.1 Leading by example: embracing democratic values

The increase in presidential diplomacy since 1990 must be understood as a consequence of the consolidation of a new democratic system in the country where the President is both the Head of State and the Prime Minister of the Government. Together with its government, therefore, this leading figure assumes the role of a Modern Prince leading the people towards the foundation of a new system where democratic values cohere with a national-popular collective (Gramsci, 1967: 136-140). In a mirroring of its internal functioning, Brazil has also embraced certain democratic, ethico-political values in the international scene. Assuming the role of the Modern Prince in South America, Brazil preaches the goodness of democracy and justifies regional intervention in its name.

Former minister of Foreign Affairs Celso Amorim justifies this approach by saying that Brazil’s international credibility stems from its commitment to peace, acceptance of international law and respect for other countries sovereign rights. Moreover, he reaffirms the country’s will to settle disputes diplomatically and emphasises that Brazil encourages other states to act in the same way (2010: 214). The adoption of democratic values in foreign policy was originally conceived by Itamaraty during Itamar Franco’s presidency who, under Minister of External Relations Amorim, returned the autonomy of foreign policy-making to the institution (Vigevani and Cepaluni, 2009: 50). Nonetheless, it was later developed and consolidated by the presidential diplomacy of Cardoso and Lula, who had externally legitimised presidentialisation by pluralising the actors involved in foreign policy-making (Cason and Power, 2006: 20).
Being the Modern Prince of the region, Brazil pretended to engage in a moral interaction, based on the recognition of the interests of other states. Through a continuous educational discussion, Brazil has established a political relation based on hegemony (Fontana, 1997: 108). As a previous Minister of External Relations during the Cardoso administration stated: “Brazil’s foreign policy has been based on dialogue and trying to create coalitions by uniting nations through the power of persuasion” (Lafer, 2001). This dialogue was possible thanks to the historical links shared by the member countries and sub-regional allies of South America. The commitment of these parties to the preservation of democracy and to regional socio-economic development was also relevant (Bernal-Meza, 2008: 156). Following the establishment of the Ushuaia Protocol (1998), Mercosur, Chile and Bolivia accorded to suspend the membership of any country whose democratically elected government was overthrown.

Brazil’s commitment to democracy in South America through Mercosur relates to its will to become a regional hegemon with global aspirations, its major goal being to reform the UN Charter by enlarging and becoming a permanent member of the UN Security Council (UNSC) (Almeida 2010b: 167). A longstanding goal defined by Itamaraty after the collapse of the Soviet Bloc, this claim gained new momentum with presidential diplomacy. Both Cardoso and Lula defined Brazil’s aspiration as part of the ‘democratisation of international relations’ with more power and representation of developing countries in the UNSC (Duarte and Trindade, 2008: 97). Cardoso was conscious of the opposition from regional partners like Argentina and México and so worked silently to achieve regional consensus, whereas Lula engaged in strong lobbying for “strategic allies” in developing countries, such as South Africa, India, China and Russia (Almeida, 2009: 171).

The political aspect of Mercosur and the efforts to reform the UN Charter prove how during the last two decades, Brazil has pursued South American hegemony; trying to instil its particular cultural and moral beliefs to its regional neighbours. The country aspires to leadership in many existential issues such as: rejecting nuclear proliferation as established in its Constitution, promoting the UN Framework Convention on Climate Change in Rio de Janeiro, and assuming peace-keeping operations (e.g. in its becoming the Commander of UN Forces in Haiti) (Pascual, 2007: 9-10).
Since the end of the Cold War, Brazil has followed diplomacy through reciprocity, including in all the development clauses of its treaties. This has been followed by the strategic move of getting involved in UN peace missions (Cervo, 2010: 17-18). President Cardoso extended Brazil’s participation in human rights issues and democracy protection in the inter-American political agenda (Hirst, 1995: 8 and SEGIB, 2007).

Lula embraced the same values as his predecessor but with a different rhetoric focused on social inequality and the eradication of hunger, and as a result emerged as the ‘Leader of the poor’ (Lula da Silva, 2003b). Amorim also highlights the country’s increase in funds for humanitarian assistance and the launching of Global Action Against Hunger and Poverty (2010: 225).

Although Lula’s Human Rights defence has been questioned because of his sympathy towards non-democratic regimes like Cuba and Iran (Almeida, 2010b: 162), its commitment to democracy is out of doubt as Brazil’s ambassador in the US asserts that Brazil is strongly committed to democratic processes (Aguiar, 2007: 12). Under every administration in the last twenty years, presidential diplomacy has been characterised by respect for the autonomy granted by democratic processes and the introduction of socio-inclusion policies to strengthen democratic stability at regional level (Herz, 2007: 18; Campos, 2007:21-22). Rubens Barbosa, former ambassador to the US, stressed the importance to see the region prosper in economic terms and consolidate its democratic institutions by expanding democracy, fighting against poverty, discrimination and organised crime (2001: 156).

3.2.2 Breaking with the non-interventionist tradition

To legitimise the predominant role of hegemonic nations, their leaders must be aware of the need to justify their dominant position in the system and have to undertake steps to do so (Ikenberry and Kupchan, 1990 :59). Presidential diplomacy has caused a major change in Brazilian Foreign Policy since 1990, leading to a dramatic reformulation of the country’s traditional principle of non-intervention in the affairs of other states. In the last twenty years Brazil has pursued a legitimisation model of normative persuasion.

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1 As demonstrated in the VII Ibero-American Summit dedicated to the “Ethic values of Democracy”.
through osmosis of norms and values from secondary elites. The country’s commitment
to democracy was intended to change the norms of other states. It was hoped that this
would eventually lead to a transformation of other states policies into democratic ones
and this would then converge with the hegemonic interests of Brazil in a process also
labelled as ‘belief before acts’ (Ikenberry and Kupchan, 1990: 57).

Predominantly, Brazil’s consensual hegemonic strategy has prioritised the defence of
democracy and sovereignty through strong words however; regional interventionist
actions have also been used to protect these values. The first significant Brazilian
intervention in South America took place in Paraguay in 1996. A general’s refusal to
comply with the presidential order caused a constitutional crisis that jeopardised
Paraguay’s democratic transition. With the turmoil in Asunción posing a real threat of
civil conflict, Brazilian ambassador D’Oliveira Dias decided to speak for his own
country, as well as for all the Mercosur members, in publicly condemning any attempt
to subvert democracy in the country and encouraging the President Wasmosy to resist
any move that forced him to step down. The overwhelming international consensus
achieved by both Brazil and the US rejecting military insubordination in Paraguay lead
to a successful resolution of the conflict (Valenzuela, 1997: 42:53). These events were a
triumph for Brazilian diplomatic intervention that was forged on a regional democratic
consensus and lead by President Cardoso.

In 1998, Brazil also collaborated to resolve a centenary border dispute between Ecuador
and Peru over some territories in the Amazon and the Andes. Brazilian mediation was
decisive for the signing of the Itamaraty Treaty (Government of Perú, 1995), where both
states in conflict decided to withdraw their troops from the regions in conflict.
Furthermore, with the Treaty of Brasilia (AFESE, 1998) Brazil arbitrated an end to the
Ecuador-Peru war. This was done in order to be able to push forward its continental
regional project, which would have been unviable amid an armed conflict (Burges,
national Commission expresses the importance of the agreement achieved to preserve
the ideals of peace, stability and prosperity in the American Continent”

Further successful interventionist measures took place in Bolivia. When in 2006,
President Evo Morales established the nationalisation of foreign oil companies’
properties; Lula combined a soft strategy of defending the legitimacy of the measure
based on the democratic nature of the Bolivian government, with the harder one of being determined to submit the conflict to US arbitration tribunal. Having pressured Morales to force the resignation of the Bolivian Minister of Hydrocarbons, his substitution for a more moderate one, lead to an agreement between Bolivia and Petrobrás with the Brazilian company being able to continue operating in the Andean country (De Sousa, 2006: 1-4). Despite heavy criticism within Brazil (Ricupero, 2010: 12), Lula’s presidential diplomacy generated consensus satisfying the main parties implied.

Lula has been vehemently criticised by the opposition party in Brazil for breaking national consensus over foreign policy; politicians and scholars such as Parreira claim that Itamaraty’s current attachment to Venezuela, Bolivia and Ecuador show a contradiction between State and Party interests (2010: 100). Despite this, new debate in foreign policy is generally positive as it is focussed around the inclusion of democratic demands previously blocked by military regimes. In this sense, presidentially led diplomacy takes into account the opinion of organised social actors, breaking with the traditional isolation of Itamaraty (Pinheiro, 2009: 8). Taking advantage of his leftist discourse, Lula has gained momentum to give new speed to regional integration. As he claimed in Venezuela: “I want to tell President Chávez that we are fulfilling a dream... The dream of integration, of not allowing that each subsequent government made us so distant being geographically so close” (Lula da Silva, 2005).

Brazil’s warrants its ‘intermediate hegemony’ strategy based on the benefits derived from democracy and the compliance guarantees of regional neighbours from rational cost-benefit calculations. If those states did not embrace democratic values it would risk them becoming isolated (Destradi, 2010: 119). When exercising a regional mediator role, however, Itamaraty shows respect and comprehension in relation to regional demands in order to make them acquiescent and to avoid being accused as a domineering hegemon (Grabendorff, 2010: 169). Acknowledging the concerns of other state actors, Brazil has assumed the complicated responsibility of maintaining political stability through democratic institutions in the region. Hence, Itamaraty has been implicated in other inter-American dispute resolution projects such as: becoming the leader of the ‘group of friends of Venezuela’ (including Chile, Colombia, Mexico, Portugal, Spain and the US) with the aim of bridging misunderstandings between the
Chavez government and opposition groups; leading the UN peacekeeping mission in Haiti (MINUSTAH) and trying to re-establish former president Zelaya in Honduras after his being toppled in a coup (Soares and Hirst, 2006: 31-32).

The MINUSTAH leadership, assumed in 2004, proves the country’s commitment to become the leader in South America. Being unable to assume all the costs, it also secured the co-operation of eight regional neighbours in the mission to bring peace, development and redemocratisation to the Caribbean country (Cervo, 2010: 17-18). Through it, Brazil has shown its willingness to establish a multipolar world and significant efforts to share *hard power* costs with the US. This has reaffirmed its will to act as a global stabiliser and claim autonomy over Washington DC (Duarte and Trindade, 2006:99; Grabendorff, 2010: 169)\(^2\).

\(^2\) The acceptance of the command of a UN Special Mission is also linked to Brasilia’s desire to obtain a permanent seat on the UNSC (Vigevani and Cepaluni, 2007: 1318-1319).
CHAPTER 4
‘SOFT’ HEGEMONY: SOUTH AMERICAN LEADERSHIP WITH GLOBAL AMBITIONS

4.1 Hemispheric division and the articulation of South America as a distinct region

The acknowledgement of South America as Brazil’s area of influence constitutes the third major change in the country’s foreign policy in the last twenty years. Following a strategy of autonomy through distance until the 1990s, Itamaraty’s professional diplomats remained focused on its own internal developmentalist strategy. Nevertheless, in the configuration of a post-Cold War world, President Collor de Mello together with his Argentinean counterpart Menem envisaged a new role for South America in the global scene. Hence, they pushed forward the embryonic integration efforts of their predecessors by setting up the economic project of Mercosur in 1990 (Cason and Power, 2006: 15).

It was during the presidency of Itamar Franco (1992-1994), however, when Brazilian diplomacy abandoned adherence to the “Latin American” geographical dimension in favour of prioritising the new concept of “South America” (Almeida, 2009: 170). The origin of this change is found in a reaction against what was seen as regional interference from the US with its backing of the FTAA (when Brazil was concentrating in increasing its power in South America through Mercosur). As the President declared in the 1994 Ibero-American summit: “We receive with great satisfaction the declarations of Bolivia and Chile expressing their intention to associate with Mercosur in what we consider concrete steps for the formation of a South American economic space...” (Franco, 1994). Unable to exert the traditional hegemonic and security pressures to its neighbours, Brazil opted to draw on the interrelation of economic factors
and ideas such as democratic values in order to become the central unifying actor of a potential South American region (Burges, 2008: 75).

During his last years in office, Cardoso made a special effort to make South America Brazil’s natural region. Consequently, he promoted the creation of a “South American Community of Nations” (CSN) in 2000 (Bernal-Meza, 2008: 161). Itamaraty acknowledged that regional leadership was necessary in order to become a relevant global actor. Therefore, by increasing its sub-continental influence, Brazil could promote its universal insertion as a global player (Costa Vaz, 2004; Grabendorff, 2010: 167). In the post-Cold War period, the country sought to preserve an independent voice within the international community, strengthening its responsibilities in regional politics, Third World agendas and multilateral institutions. Brazil broke with the idea of a single region of “Latin America” to link with a new emerging “South American” group in the international community, where it plays a consensual leadership role (Soares and Hirst, 2006: 21-29). Consolidating the hemispheric division, Cardoso was the ideologue behind the strategy of using a South American space to launch Brazil into the global scene. Lula emphasised this trend by stating: “The priority of my Government’s foreign policy, will be the building of a politically stable, prosperous and united South America.” (quoted in Duarte and Trindade, 2008: 86).

As OAS interventions were biased in favour of US interests, during Lula’s presidency Brazil launched the South American Security Council with the intention of filling a continental hegemonic void; trying to shape a geopolitical space more distant from the US. Adopting a regional consensual hegemonic position, Brazil attempted to achieve supremacy over its neighbour states by portraying its interests as common ones, even marginalising potential competitors such as Mexico by limiting its integrationist proposal to South America (Varas, 2008: 1-2). Moreover, even though bilateral relations between Brazil and the US have not been particularly fluent since 9/11 (with the Bush administration paying little attention to Brasilia’s crucial interests), Lula aspired to consolidate Brazil’s status as a regional power by fighting South American

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3 Even though the country is part of several co-operation organisations, including inter-American ones such as the Organization of American States (OAS), both Cardoso and Lula administrations have prioritised the idea of a South American region (Herz, 2007: 18)
hostility towards the North-American former president through dialogue, as shown in the Fourth Summit of the Americas in Mar del Plata in 2005 (Rohter, 2005).

Lula pushed forward Cardoso’s transformative foreign policy agenda, questioning the division between a developed North and a developing South. Brazil presents itself as a sophisticated polity working to overcome the inequitable development pattern. Establishing South America as the country’s natural domain, Brazil has embarked on an identity reconstruction process, increasing the confidence in its own capabilities with a communication strategy that emphasises common regional goals whilst also reducing neighbour’s fears of being dominated. As a consequence of presidentialisation, during the last two decades Brazil has been committed to capitalising on its economic strength guaranteeing the stabilisation of a wider South America able to exploit its resources to solve development problems (Burges, 2005: 1133-141).

Brazil launched a common security and infrastructure project through the South American Community of Nations (Unasur) in 2004 in order to consolidate its sub-continental political leadership (Vigevani and Cepaluni, 2007: 1323). This is a ‘soft’ hegemonic strategy based on structural consensus in South America with the long-term goal of becoming a relevant global actor. As ex-diplomat Souto-Maior declared in 2006: “... our regional strategy is to build a wider and sub-continental area, in order to reaffirm Brazilian leadership in South America to facilitate in the global scene an emerging power strategy” (quoted in Bernal-Meza, 2008: 161).

4.2 Regional integration to shape a multipolar world order

4.2.1 Unasur as South American political integrationist project

Having conceived South America as the area where to exercise its hegemonic supremacy and followed a ‘soft’ hegemony strategy, Brazil proposed a new set of rules based on regional integration. These rules were intended to create consensus among its neighbours and ensure their compliance in order to guarantee the country’s sub-continental predominant role. By fostering free-trade agreements and defending
democracy through Mercosur during the 1990s, Brazil envisaged during the first decade of the 21st century a more ambitious goal based on South American political integration.

Amid several random unstable integrationist proposals formulated by different Latin and South American leaders, Brazil utilised Mercosur, without Argentinean consent, to launch the South American Community of Nations (CSN) in 2004. President Cardoso had previously hosted a summit of South American countries in 2000, persuading the Andean countries and other states that had been on the fringes of regional integration to develop a flexible co-operation and integration treaty focused on infrastructure development and a security strategy with Brazil assuming a central role (Barbosa, 2001: 152; Bernal-Meza, 2008: 161-162). The constituent statement of CSN paved the way for future dialogue and co-operation between South American states on political and diplomatic action as well as fostering the socio-political, economic, environmental and infrastructure integration (CAN, 2004).

During the height of Venezuela’s sponsored Bolivarian Alliance for the Peoples of Our America (ALBA in Spanish) the CSN was renamed Unasur. Through Unasur, Brazil assumed some of its core values like social integration and reducing the asymmetry between states. It essentially adopted a Gramscian hegemonic position, in the sense that it claimed to defend the region’s interests and diminishing the competition for regional leadership formulated from Caracas. ALBA is built over the surpluses generated by primary resources in Venezuela and its members share their ideological commitment to socialism and an antagonistic position towards the US. Unlike ALBA, Unasur does not question free trade. This is even though Brazil has taken advantage of the election of left-wing presidents in the region to claim state regulation over markets and introduce social policies with the ambition of creating structural consensus among key regional actors (Serbín, 2007: 195).

In order to achieve consensus from South American civil society, Unasur has institutionalised a Social Summit before each inter-governmental meeting to strengthen its legitimacy. Considering this forum as an opportunity to consolidate its leadership inside this union and to achieve regional social acceptance, Brazil has developed (within Unasur) social mechanisms previously created for Mercosur. These include: the Working Commission, the Specialised Women Meeting or the High Authorities Meeting for Human Rights among others (Sebrín, 2007: 200-206). Hence, although the
ALBA states pretend to become Unasur’s leading group, Brazil, with its Gramscian hegemonic strategy, has adopted some of their social interests. It has done this without sacrificing its essential goals and has won widespread civil support to become the most influential country in the region.

In the context of presidential diplomacy, Unasur was regarded in Brazil as an opportunity for the country to assume regional leadership; a stance traditionally rejected by Itamaraty. It was also seen as a chance to boost some projects aimed at consolidating Brazil’s predominant status (Prieto Corredor, 2008). In the 2000 summit of South American presidents, Cardoso set up an infrastructure integration project known as Integração de la Infraestructura Regional na America do Sul (IIRSA), to form the substance of this leadership. IIRSA exemplifies Itamaraty’s consensual hegemonic strategy, as here Brazil promoted a homogenisation of national positions through patient discussion and encouraging an initiative that would lead to greater regionalisation of national economies. This bound its interests to the Brazilian market, in which they were becoming increasingly embedded (Burges, 2006: 37).

Unwilling to assume all of the funding in the context of Unasur, Brasilia welcomed Venezuelan resources to share the costs of the energy and infrastructure projects proposed (Duarte and Trindade, 2008:88). Furthermore, IIRSA emerged as a cost-free version of Brazil’s consensual leadership strategy, because even the projects funded abroad by the Brazilian Development Bank (BNDES) used to contract Brazilian consultants, engineers and suppliers (Burges, 2006: 39). This project was also assumed by Lula, whom in a South American summit in Venezuela asserted that: “The South American Community of Nations must be culturally and politically integrated, but above all it must be integrated through infrastructure, because without communication, without energy, without bridges, without railways and without airports, there is no integration at all” (Lula da Silva, 2005).

Throughout the Cardoso and Lula administrations, Brazil has sought to build consensus from its regional neighbours around the proposal of the construction of a South American Security Council. Brazil considers that South American states would benefit from having their own military structure, managing common military exercises, the creation of confidence mechanisms between them and having more security proportioned in their borders. Yet Brazil’s ultimate interest is to contain US influence in
the region (especially in Colombia) and to strengthen its position as a relevant global player with legitimate aspirations to reform the UN Charter (Gratius, 2008: 3-4). With the constitution of Unasur, Brazil has secured a multilateral forum to resolve South American crises collectively.\(^4\)

Unasur offers a new institutional umbrella to overcome the previous mercantilist reductionism which had lead South American integration, offering a durable stability with the purpose of reinventing regional relations and considering it a starting point for an institutionalised sub-continental dialogue (Fortuna Biato, 2009: 48-49). Brazil wants to legitimise its leadership of Unasur by introducing the claims of other states, whilst at the same time prioritising its own interests through initiatives such as the South American Defence Council and IIIRSA. Hence, the Brazilian ambassador to Uruguay recently claimed: “The BNDES has delegations in several countries with the intention of collaborating to integration projects” (da Souza-Gomes, 2011).

Brazilian efforts to create and lead a South American integration project through Unasur correspond to Itamaraty’s will to strengthen multilateralism in order to move forward and assume a more relevant role in the global setting (Vigevani and Cepaluni, 2009: 113).

4.2.2 Envisaging a multipolar world with new alliances

Brazil’s strategy to become the economic-political consensual leader of South America through Unasur is based on an ultimate goal to develop itself into an influential actor in a multipolar global scene. With different levels of intensity, therefore, all the administrations since the early 1990s have fostered cooperation with the South, approaching regional powers with global capacity (Bernal-Meza, 2008: 162). Through its ‘soft’ hegemonic stance, Itamaraty has used the potential of the Brazilian economy and the country’s strength in institution building to facilitate a structural consensus for the creation of a new international world order after the end of the bipolar world.

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\(^4\) As shown with the diplomatic crisis in 2008 between Colombia and Ecuador where Argentinean President Néstor Kirchner, lead the mediation efforts as Unasur Secretary-General (Amorim, 2010:229).
Almeida claims that diplomatic authorities and Brazilian leaders have proposed “Southern coalitions” to “change the power relationship in the world” to other developing countries (2009: 172). According to Jaguaribe it was during Collor de Mello’s presidency, after a first foreign policy phase of aligning with developed countries that Brazil got closer to the Southern Cone states with the appointment of Celso Lafer as Minister of Foreign Relations (Vigevani and Cepaluni, 2009: 35).

Gaining momentum from new relations fostered by Cardoso, Lula adopted an original South-oriented strategy. He opened new diplomatic posts, increasing the number of diplomatic personnel and diversifying his institutional visits abroad (Amorim, 2010: 231). The president envisaged relations with developing countries based on solidarity, co-operation and regional governance. This implied a more pro-active South focussed on the sharing of best practices such as provision of qualified workforce and offering scholarships at Brazilian universities (Burges, 2005:1141). As Lula stated in Equatorial Guinea: “The youth constitutes an extraordinary capital and it is important to recognise its rights and to offer them real mechanisms of participation in the political and economic fields” (quoted in Blasco, 2011). Furthermore, because of its significant cultural weight in Brazilian history and the opening of new markets, Africa has become a priority in the last decade also with the objective of securing the support of its countries to reform the UN Charter. Abandoning the previous paternalist relations towards this continent, Lula coordinated a new strategy with practical innovations, acknowledging the moral debt with Africa while at the same time, creating through common projects a social and political consensus to break the hierarchical North/South division (Burges, 2005: 1137; De Onís, 2008: 123; Saraiva, 2010: 169-179).

In his focus on the South, Lula made an effort to institutionalise several multilateral initiatives. The first was the IBSA Dialogue Forum in 2003, formed by India, Brazil and South Africa. This strategic partnership was built around three shared interests: commitment to democratic institutions and values, fighting poverty with development policies and enhancing multilateral institutions to guarantee stability in the economic,

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5 At this time, clear concern about participation in the international decision-making process became evident in the different the policies adopted by Cardoso and Lula. The former mainly pursued material benefits in the Southern countries, even though in his second term he approached countries like China, India, Russia and South Africa to consolidate diplomatic ties without institutionalising this partnership (Herz, 2007:16; Vigevani and Cepaluni, 2007.1322)
political and security fields (Soares and Hirst, 2006: 36). Committed to its ‘soft’
hegemonic strategy based on transnational learning, Brazil proposed an agenda based on
trade, science, technology and health agreements. Its intention was to use IBSA to co-
ordinate actions to counter-balance Western countries in multilateral forums and create
alliances in order to support its long term goal - to have a permanent seat in the UNSC
(Duarte and Trindade, 2008: 91). During the First Summit of IBSA in Brasilia, Lula
claimed: “Our capacity of influencing in our regions... strengthens the role of the South
in the major international debates and decision forums” (Lula da Silva, 2006).

BRICS (Brazil, Russia, India, China and South Africa) was another international
political organisation created as a result of Lula’s pro-active effort. Originally conceived
without South Africa, the first official summit took place in Yekaterinburg in 2009. The
group was structured as a coalition of emerging countries willing to challenge the
institutionalised powers. For Brazil, in a new vision of order and global power, this
grouping would be able to transform the future hierarchy of international politics,
increasing the relative influence of the country in the global scene (Bernal-
Meza, 2010: 9-11).

With these new alliances Brazil was becoming an emerging actor - leading a South
American region through Mercosur and Unasur and utilising this innovative socio-
political order into a new political reality founded in a multipolar conception of the
world. According to Fontana (1993: 10), this strategy coincides with a Gramscian
concept of hegemony and it has been followed by Brazil from its place at the heart of
the World Trade Organisation (WTO) since the first Cardoso administration. Former
Minister of Foreign Affairs Celso Lafer considered the WTO the forum par excellence
for Brazil, as each country has its measure of influence, possessing power initiatives
through the joint force of action and being democratically legitimised because the need
for consensus in the decision-making process (Vigevani and Cepaluni, 2009: 70).

Making the most of the new tri-partite alliance of IBSA, in the Ministerial meeting in
Cancun in 2003 in the Doha Round of trade talks, President Lula emerged as a leader of
the developing countries in changing the norms and practices of the trade round
coordinating the creation of the G-20 (Pascual, 2007: 5). Diplomatic victories, such as
the one achieved over the US when Brazil denounced its subsidies over cotton, showed
to the developing countries the advantages of participating in democratic multilateral
forums (Duarte and Trindade, 2008:96). Celso Amorim argues that the G-20 was formed to ensure the inclusion of a development agenda into the trade negotiations with agricultural products liberalisation being the top priority (2010: 218-219).

As a consequence of the creation of G-20, Brazil consensually assumed a role of an ‘indispensable intermediary’ between the North and the South, thus emphasising the need to include the emerging countries in the formulation of trade rules and paving the way for a new political reality (Soares and Hirst, 2006: 27; Cervo, 2010: 9). Even though some internal discrepancy exists about Brazil’s new role\(^6\), Lula’s main objective within the WTO was to promote a more open and participative governance (Lula da Silva, 2008). The country’s rising importance in the international scene must, therefore, be seen as a consequence of its ‘soft’ hegemonic regional strategy, limiting its predominant role to South America.

\(^6\) As illustrated in former Minister of Foreign Affairs Luiz Felipe Lampreia’s assertion that a coalition of emerging economies trying to make rich countries to make concessions is product of a mistaken logic (2010:20-22)
CONCLUSION

Through the course of this study I have argued that the change in Brazilian foreign policy between 1990 and 2010 has been a result of a diplomatic strategy based on consensual hegemony framed in South America. Instead of relying in traditional concepts of hegemony, Itamaraty has favoured a consensus-building strategy with Brazil at the heart of the region. Brazil has chosen to follow a hegemonic project based on dialogue and using a combination of material and ideational inducements to spread its norms and values around its area of influence. Destradi affirms that regional powers pursue a simultaneous policy mix of different strategies within this policy area (2010: 929). This analysis demonstrates that in the case of Brazil, various forms of these strategies have been applied (as the three main changes and the cases examined corroborate).

Firstly opting for a ‘hard’ hegemonic stance with a new economic foreign policy, the liberalisation in the country and the abandonment of autonomy through distance prompted Brazilian diplomacy to successfully use Mercosur as a tool to foster multilateralism with the building of sub-regional blocs. From a Gramscian hegemonic outlook, the success of Mercosur lies on the creation of a new economic and geopolitical setting in South America. Built upon a concept of open regionalism, Mercosur was consolidated by signing trade agreements with other regional states. Hence, it reinforced the success of Brazil’s inclusion and co-option strategy to its projects. As former president of Colombia Andrés Pastrana stated, the intra-bloc cooperation growth in the region had the insertion of South America into the global economy as a major objective. This was done following an open regionalist strategy whilst at the same time consolidating trade between sub-continental neighbours (Pastrana, 2000).

Acknowledging its predominant economic role in South America, Brazil proposed a middle ground project by launching SAFTA in opposition to the FTAA. Although Itamaraty’s project never prospered, the country succeeded in its co-option purposes by causing the political implosion of hemispheric integration while prioritising regional agreements (Almeida, 2010b: 171). What is more, Amorim highlights how, in a 2003
CAN Summit in Colombia, Lula proposed a common South American position in the FTAA negotiations in order to fulfil regional priorities and emphasised the need for dialogue between neighbouring countries to prioritise sub-regional integration (Itamaraty, 2011). By consolidating autonomy through diversification, Brazil could search for opportunities with economic agreements in the South, increasing its global economic influence.

The second chapter illustrates how Brazilian diplomacy changed by breaking the dominance and autonomy that Itamaraty had in this area. Having adopted an ‘intermediate’ hegemonic strategy, the presidentialisation of foreign policy-making emerged as a consequence of the democratisation of the country. The government fully adopted an ethico-political content of democratic values in its diplomacy, in order to accomplish a legitimate regional integration. The ultimate consequence of this Modern Prince role adopted by Brazil was to break with the previous regional non-interventionist policy in other countries internal affairs.

Brazil engaged in a moral interaction based on the recognition of other countries interests rough an educational discussion. Furthermore, the country established a hegemonic relation with its regional neighbours. Thus, Itamaraty’s commitment to regional democracy had as an ultimate objective to achieve the ‘democratisation of international relations’ by reforming the UN Charter. Despite the current disappointment due to the improbability of this reform, presidential activism and regional commitment to democracy has lead Brazil to achieve a differentiated position in relation to the other regional contenders; being far ahead the favourite Latin American candidate to a UNSC seat (Ricupero, 2010: 11).

Assuming the Gramscian assertion that every idea needs a centre of elaboration which the leader, the Modern Prince, has to adopt, Brazil’s interventionism in other states’ affairs in the last twenty years has to be contextualised in terms of its leading role in promoting democracy in the region. Unlike a domineering hegemon, however, Itamaraty favours words over actions and a strong commitment to democracy is compatible with abstinence from active intervention in regional issues. With this stance, Brazil has sought to dissociate itself from previous US activities in the region, opting instead for multilateral co-operation in order to avoid nationalist responses and promote its self-interested shared goals (Burges, 2008: 79-80).
Finally, Brazil adopted a ‘soft’ hegemonic strategy to create a regional structural consensus to make of South America a distinct region from Latin America. Itamaraty acknowledged that in order to promote the country as a global player with an independent voice, Brazil needed to be a regional leader. Thus, prioritising regional goals with the South American Community of Nations (Unasur), Brazil engaged in a common identity reconstruction process.

Brazil’s consensus building strategy has also been significant in trying to act as an intermediary between developing and developed countries. Lula’s ambitious project of leading the region has proved difficult as the rise of Bolivarianism and indigenism in Andean countries is at odds with the market-led integration practiced by Mercosur (Almeida, 2010b: 171). Nevertheless, Brazil has approved Venezuela’s entry to Mercosur in order to contain Chávez’s leftist populist initiatives through the trading bloc’s treaty obligations, like democracy and property protection. Therefore, Itamaraty intends to avoid conflictive situations creating a structural consensus with Brazil remaining the regional leader (Margolis, 2009).

Unasur’s most ambitious goal foresees the political integration of South America, based on two projects launched by Brazil, IIRSA and a South American Security Council. Cervo claims that Unasur, structured in four Councils, fully meets Brazil’s political, geopolitical and economic interests (2010: 25). Being a legal entity under international law the union pretends to express the unison political voice of its members in a multilateral setting. Furthermore, in geopolitical terms, external powers and organisations are precluded from intervening in the region as a conflict resolution procedure was created on the basis of South American international law doctrines. In economic terms, Unasur seeks to promote production, energy and infrastructure integration without replacing Mercosur or the Andean Community (Cervo, 2010: 25).

Itamaraty’s ultimate goal is to become an influential actor in a multipolar global scene. Assuming regional leadership and considering it a necessary move to transform the hierarchy of international politics, Brazil has fostered the co-operation between developing countries that are also regional powers. Institutionalising the approaches made by his predecessors, Lula has recently been able to consolidate some significant multilateral initiatives such as the IBSA Dialogue Forum, the BRICS and the G-20 within the WTO.
The main changes in policy from 1990 to 2010 have been caused by the country’s adoption of a consensual hegemonic strategy and by combining different forms of it. Forming a South American region centred in Brazil, the country has attempted to insert political actors into the international system, at the same time, defending its national autonomy. By assuming a regional hegemonic strategy, rather than opting for a simple leadership role, Brazil aims primarily at the realisation of its own goals, presenting them to secondary states as collective objectives by employing a combination of material incentives and ideational power instruments (Destradi, 2010: 917).

As Burges claims, when viewed from a neorealist or neoliberal institutionalist perspective, the consensual hegemonic project has been of limited success and it is persistently criticised by other South American leaders. Yet, from the Gramscian perspective upon which this concept of hegemony is built, Itamaraty has been able to build a region-wide collective action to advance its national priorities (2008: 80-81). Even though Brazil’s sub-continental leadership is still contested in some areas, its supremacy in the region is undisputable as Brazil has included many actors’ and social group demands to their social, economic and political structure of South America. Brazil’s new global alliances and its increasing influence at the WTO would have been impossible without establishing a hemispheric division and leading South America through regional political integrationist projects. Zakaria asserts that the world will soon face a true global boom with different areas of influence emerging (2008: 42-43), but only time will tell whether Brazil’s strategy will be successful in terms of increasing its influence internationally.
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