

# Brazilian Foreign Policy: Neoliberal (re)Turn

Written by Fernanda Barasuol

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FERNANDA BARASUOL, SEP 10 2016

Brazil's new government, which came into power in May when President Dilma Rousseff's impeachment process began, appears to be steering the country down a neoliberal path. Since then, new President Michel Temer, who had been elected as vice-president on the same ticket as Rousseff, has appointed an entirely new cabinet – one that does not include any women or racial minorities. This move is one of many indicating Temer's commitment to conservative values and renewed neoliberalism in Brazil. By cutting cabinet posts to save money, selling national oil fields, and decreasing funding for social programs, Temer's government is clearly demonstrating its affinity for fiscal austerity. Brazil's foreign policy has been similarly remodeled. Under the guidance of new Minister of Foreign Affairs, José Serra, it has taken a right turn, one that brings it closer to the policies of the 1990s, before Rousseff's Worker's Party (PT) came into power.

### The 'Pendulum' of Brazilian Foreign Policy

Brazilian foreign policy has traditionally oscillated between two strategies, known as "Americanism" and "Globalism" (Pinheiro, 2000). Broadly speaking, these strategies are defined by a focus on bilateral relations with the United States, in the first case, and by an attempt to diversify foreign relations, in the second. Americanism was the first foreign policy paradigm of republican Brazil, resulting from a perceived "ideological convergence" (Pinheiro, 2000) and an idealistic yearning for solidarity among the republics of the American continent (Pereira, 2005). It has at times grown from this same ideological root, while at others it represents the more pragmatic view that an alliance between Brazil and its stronger neighbor to the north would be the best way for Brazil to gain leverage in the International System. Globalism is in large part a critical response to Americanism. It arose in the 1960s as an attempt to escape Cold War polarization, but also was and remains influenced by Dependencia theory (Pinheiro, 2000; Silva, 1995).

Although Americanist strategies have been more often adopted by right-wing governments and globalism by left-wing governments, this was not always necessarily the case. The military dictatorship which ruled the country between 1964 and 1984, for instance, though undeniably a right-wing government, adopted each strategy at different times. Prior to the 1990s, neither strategy necessarily accompanied different economic policies. From 1930-1990, Brazilian economy mostly followed the Import Substitution Industrialization model, while foreign policy oscillated between Americanism and Globalism.

In the decades since (re)democratisation, Brazil's foreign policy has continued alternating between somewhat more complex versions of these two strategies. "Americanism" has been paired with neoliberal economic policies and an emphasis on adhesion to international regimes. The center-right government of Fernando Henrique Cardoso (1994-2002) opted for this approach, while the center-left Worker's Party, which has been in power since 2003, has adopted a more Globalist stance. The Worker's Party's new Globalism brought revived concern with First World/Third World (or North/South) relations. This has been channeled into a desire for "democratic multilateralism" in which international organizations and regimes have inclusive decision-making processes which take into account disparities between developed and developing countries. Examples of this include Brazil's attempts to broaden United Nations Security Council membership, as well as its climate change proposals calling for different obligations for countries based on level of development.

### Foreign Policy under Temer

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Much like economic policy, foreign policy under the government of Michel Temer has strongly signaled a return to the strategies that defined the Cardoso era. The new Minister of Foreign Affairs, José Serra, a senator and twice-defeated presidential candidate (the first Minister with no diplomatic background since Celso Lafer in 2002), has often cited Cardoso's policies as inspirational.

Serra used his inauguration speech to delineate new administration guidelines and to stress how different they are with regards to his predecessors'. Serra stated that his foreign policy will not be guided by "party ideology" but will "reflect again [...] the values of Brazilian society". This is, of course, a not-at-all subtle criticism of PT's foreign policy, which Serra has, on another occasion, called "a retrocession" which led to no real gains for Brazil. His aim is, therefore, to have a foreign policy completely devoid of ideology –as if such a thing were possible.

What this means, in practice, is that Mr. Serra wishes to reverse those policies which he considers to be the fruit of PT's ideology. First among these is Brazil's relations with Latin American countries such as Cuba, Ecuador, Bolivia, and most particularly Venezuela. Serra has made special efforts to discourage Venezuela from taking over the presidency of Mercosur, including offering Uruguay trade deals in exchange for its support on the matter. In June, the Brazilian Ministry of Foreign Affairs released a press note regarding the violent situation in Venezuela with language even stronger than the American press release. The release was signed by the Minister, which in itself is unusual (official press notes are very rarely signed). These four countries, for their part, have already called back their ambassadors after the impeachment vote.

Still, in South America, Mercosur might take a back seat to bilateral agreements. Serra has mentioned it needs "fixing" and has suggested scaling it back to a free trade area, as it is currently a customs union. Mexico and Argentina have been singled-out as the preferred partners for such agreements in Latin America. At the same time, the new Minister has characterised multilateralism as a paralyzing restriction on Brazil's economic interests.

All this fits the narrative of a "pragmatic" foreign policy with a strong focus on trade. In fact, "commerce" and "trade" were the terms most often used by Serra in his inauguration speech, while his predecessors (Mauro Viera, Luiz Figueredo Machado, Antonio Patriota, and Celso Amorim) gave preference to "development" and "cooperation". Serra's agenda is a significant departure from earlier policies devoted to enhancing "soft power" and achieving more long-term objectives, such as investment in fostering South-South cooperation. While relations with countries such as India and China will still be prioritized – though they will lose much of their strategic edge – investments in Africa will probably suffer. African countries have been the largest recipients of resources devoted to South-South cooperation during the PT era – about 50% of the total (Leite & Pino, 2010) – which included investments in areas such as public health and agriculture. Now, a number of embassies on the continent will probably be shut down, and relations will focus on trade.

Finally, relations with the United States will certainly receive emphasis. While these did not diminish during PT's administration – as Serra himself affirmed – it is clear that they will become a cornerstone of Brazilian Foreign policy. During John Kerry's visit to Brazil this August, Serra expressed his hope that the visit will inaugurate "a new phase in the relationship between Brazil and the United States". Kerry's visit, at a time when many governments have maintained a neutral posture towards an administration whose democratic credentials are dubious, is a clear sign that the American government is not unhappy with this change in tone. Kerry even went so far as to say that "political discussions" in Brazil during the past few years had prevented bilateral relations from achieving their full potential. This is, of course, not surprising, since this new stance will very likely mean a foreign policy more attuned to American interests (as the Venezuelan case shows) while the more liberal economic policies will mean greater investment opportunities for American companies.

### **What Lies Ahead**

Even though recent polling has shown that a large majority of the population wants new elections and that only 14% evaluates his government favorably, there is no will among the political class to also impeach Michel Temer. He has taken a series of steps, such as curtailing investigations of corruption and granting a massive raise to the judiciary to guarantee this. Therefore, pending massive popular upheaval, it seems likely he will stay in power for the next two

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years.

José Serra might leave his post before then should he decide to run again for president in 2018, but even if that happens it is unlikely that his successor will hold different policy positions. Economic troubles have already encouraged a less assertive foreign policy and Rousseff's government, when compared with predecessor Luiz Inácio Lula da Silva's (2003-2010), demonstrates this. These troubles are unlikely to be quickly overcome, and this combined with the new administration's view of Brazil as "neither an economic nor political power" will lead to an even bigger retraction. The current policies will prevail for at least the next two years, and further if a right or center-right government is elected in 2018. If Lula returns to office in 2018, this could mean a return to his more active foreign policy, though the economic situation then will still be decisive.

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