Paper title

Regional Integration Alternatives and Power Projection: Contemporary Brazilian foreign policy strategy to regionalism and International Insertion

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INTRODUCTION

Latin American history is marked by different moments in which endogenous and more autonomous national development was understood as a more viable and advantageous alternative if compared with the possibilities provided by the regional integration initiatives. During the major part of continent’s integrationist history measures have been seen by Latin American political elites as, at maximum, a complementary facet of domestic economic development (Vigevani, 2005). This is particularly important due the development led foreign policy in important countries like Brazil and México. Transformations occurred on international order in the last quarter of century had brought redefinitions that altered this perception in favor of regional and sub-regional integration.

With the advent of an interdependent scenario in Latin-America, regional integration passed from a romantic phase marked by predominantly idealistic integration projects to a pragmatic step characterized by effective cooperation initiatives that has led to current economic blocs formation on the region (Barbosa, 1991, 2010). MERCOSUR specifically has born into a political-strategic sphere and as European Union it was built over the tensions and rivalries that had historically marked relations between Brazil and Argentina. Treaty of Montevideo (1980) had a significant impact on the subject of regional integration. With it, it was abandoned the purpose of creating a free exchange zone in Latin America, opting to establish a system of bilateral agreements based on GATT resolutions. This occurred simultaneously with political and economic changes and created a favorable environment to Brazil and Argentine economic approximation.

Since its creation, with the signature of the Treaty of Asunción and it’s subsequently installation in 1991, MERCOSUR was considered by Brazilian decision–makers as the base for the country strategy of international insertion. The bloc provided to Brazil conditions to simultaneously exercise its political, trade and industry hegemony in the subcontinent and preserve Brazilian foreign policy multilateralist historical tendencies. Although this importance, South-America’s political persistent instability had conducted to a slow institutionalization of the bloc which already has born with a predominantly intergovernmental design. Besides the concrete obstacles and discontinuities, the integrationist project was never completely emptied. Brazilian government had been always worried on its promotion, acting as a paymaster and being responsible by the biggest load for its maintenance and effective functioning.

In 2003 the election of three pro-MERCOSUL presidents¹ has provided a bigger but not astonishing impulse to the integrationist process that even though everything continues passing for considerably tension regarding to

¹ Lula da Silva in Brazil, Nestor Kirchener in Argentina and Tabaré Vasquez in Uruguay.
economical asymmetries between the giant pair (Brazil and Argentina) and the two small and low profile associated (Uruguay and Paraguay).

The existence of competing alternatives for regional integration; particularly the previous project of the FTAA (Free Trade American Agreement) headed by United States was seen by the Brazilian foreign policy formulators as a threat to the country ambitions within regional political plan and on its broader interests. Brazilian decision-makers take efforts in order to escape of the free exchange hemispheric model proposed by U.S.A. In face of the immense disparities of power between the two countries one would expect that American alternative to regional integration had prevailed. However, American relative absence caused by government change and unexpected security priorities, favored Brazilian strategy. Brazilian plan consisted basically in procrastinate FTAA negotiations meanwhile lead the South American institutionalization, increasing the costs for the adoption of FTAA (Teixeira, 2011).

FTAA is no longer a risk to Brazilian aspirations on the region. After 09/11 attacks G.W Bush government abandoned what still remained of Clinton’s Pan-American policy. Obama administration don’t have any clear project to South America. His government is suffering the effects of world economic crisis and has inherited the huge problems caused by Bush’s foreign policy to Middle East. Current situation is characterized by an increasing of Brazilian political and economic presence in the region. Recently subcontinent faced the establishing of new integrationist measures and the raise of anti-liberal left wing populist governments in South America. Costs of hegemony, historical legacies and recent political changes pose some dilemmas to Itamaraty’s² South American plan.

But, contemporary what are the effectively competing integration projects on the region? What is the Brazilian strategic behavior towards alternative integration projects that threats Brazilian lead regional integration experience, MERCOSUR? Brazil as all the Latin American countries desires safe and large access to the North American “supermarket”. This match is marked by two great regional integration poles. One in the North of the continent that is clear represented by NAFTA³, led by the United States with its unparalleled economic power; and another one in the South, represented by MERCOSUR under Brazil’s leadership as more developed emerging power in the region. Recently another regional cooperation less focused on trade integration initiative was established: South American Union of Nations - UNASUR. The point of convergence and divergence between MERCOSUR and UNASUR remains unclear. Furthermore, scholars as Magnoli (2007) Gratius (2007) and

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² Ministério das Relações Exteriores-MRE or Itamaraty as it is best known is an institution internationally prestigious by its quality. Brazilian Foreign Ministry is nicknamed after the palace that used to occupy in Rio de Janeiro (Palácio do Itamaraty) before the transference of the capital to Brasília, located in the center of the country, during the 1960’s. Since the creation of the ministry on early Imperial times, Itamaraty has its rows filled mainly through meritocratic criteria.

³ Which basic free exchange institutional model would be applied in the eventual adoption of the FTAA.
Saraiva (2010) poses BAA (Bolivarian Alternative to Americas BAA in Spanish and Portuguese) as a third regional integration alternative; a project in open dispute, or evidently incompatible with MERCOSUR. This paper examines Brazilian foreign policy strategies to these blocs and the connections of these policies with Brazilian main international insertion agenda.

This paper is organized as follows: after the introduction, it’s presented the main theoretical and historical framework that informs this enquiry. Following to that, it’s analyzed some critical junctures that helps to understand the historical and political dilemmas that influence Brazilian foreign policy strategy, as the FTAA dismissal, the rise of American unilateralism and the Summit of Mar del Plata. In the next moment, one explores the two major strategic lines of handling with the integration alternatives, UNASUR and ALBA and its relations with Brazilian broad international projection. Finally, it’s posed the main conclusive arguments and interpretations of the research.

REGIONS AND THEORY

Regionalism is not a new phenomenon in world politics. As Louise Fawcett shows (2005), since the 50’s, with the beginning of the European integration experience, regionalist strategies proliferated in all continents. As a clear example of it, was the creation of the European Community of Coal and Steel (ECSC) in 1951, and in the 60’s the Association of the Southeast Asian Nations (ASEAN) and the Latin American Free Trade Association (LAFTA). All these experiences endured several objectives, but we can stress the main ones a as being: regional security in the context of the bipolar conflict, economic development and the creation of a political proximity of the member countries. Of these processes, the European experience has evolved to the European Union and ASEAN still fit to its objectives, although in a new context of geopolitics and economic challenges in these distinct regions. Latin American experiences of regional integration have not been so successful. Only in the end of the 80’s that regionalism was brought to life again. As some authors may confirm, one of the main causes of the lack of integration in the region was the constraints created by the USA-USSR conflict and its regional impacts as the fear of communist infiltration. But another older and deeper cause affected integration. As Leonel Itaussu Mello (1996) demonstrate, the historical disputes of the Portuguese and Spanish empires evolved in the animosity between the two major powers of South America: Argentina and Brazil. In this context, integration was quasi impossible by the lack of mutual trust measures.

This scenario has changed significantly in the last years of the 80`s. With the emergence of a condition of Brazilian preponderance (Mello, 1996) and the fall of the military-authoritarian regimes in the regime, the way started to make clear for regional integration in South-America. But what the theories that discuss regionalism and regional integration more properly says about these historical facts? There are two main thesis about the re-emergence or regional
integration in South of America. The first says that the main cause of the
Brazilian efforts of building a regional bloc, Mercosur, has to say with the fact
that the United States preference in signing Free Trade Agreements with its
North American neighbors, Canada and México. This comprehension is
presented by Richard Baldwin in his article “The Causes of Regionalism” (1997)
and the theory that is behind it is the “Domino Theory of Regionalism”. An
alternative understanding of the re-emergence of regionalism in South-America
defends that this process is one of the main response of the globalization
process, that it could aggravate the weaker condition of the peripheral and
undeveloped countries, as Brazil, Argentina, Paraguay and Uruguay. This way
of viewing the process finds its defenders in scholars such as Maria Regina
Soares de Lima and Monica Hirst (2006), Hélio Jaguaribe (2003) and Paulo
Fagundes Vizentini (2006, 2007). A core aspect of the theoretical features of
these authors on regional integration, is the influence of the ECLAC school (in
the 60’s and 70’s) about regional integration and its relation to economic
development and catch-up strategies. Beyond this, regionalism has often been
indentified as holding defensive characteristics in face of globalization.

One, without the intention of providing an ultimate historical interpretation
of the process of emerging South Cone integration, holds the idea that the first
thesis presented above does not support historical evidence. Not having the
intention to stay in this issue for long, it’s just need to remember the long
change of conflict to cooperation in the bilateral relation between Argentina and
Brazil. This process that started in the seventies: the Tripartite Agreement
(1979) on the common use of the Plata River Bay, the Nuclear Cooperation
Agreement between Argentina and Brazil (1980), signature of twelve protocols
of Cooperation between Argentina and Brazil (1986), Integration, Cooperation
and Development Treaty (1988). The approximating process of Brazil and
Argentina had its apices with the signature of the Treaty of Asunción, when
Paraguay and Uruguay fell in by the power of the attraction of the main actors of
the regional context in those times (Mello, 1996; Laffer, 2004; Cervo, 2008). An
important aspect of this process is that it began, if one may notice, until the re-
democratization processes in the South Cone (Mello, 1996; Vizentini, 2007) as
one of the results of the geopolitical problem resolution in the region and the
rise of Brazil as the main regional power.

Until the 80’s Brazilian foreign policy displayed, besides the traditional
multilateral-universalist political and commercial international contacts, a high
participation on multilateral international organizations such as UN general
assembly and the former GATT rounds. In these forums Brazil’s adopted a
proactive diplomacy compromised with developing countries demands
(especially on trade issues with developed states). This great international
presence contrasted with a low profile in Latin-American spaces of international
cooperation. However, this situation changed in late 80’s and early 90’s.
Redemocratization, emerging of neoliberal policies, approximation with
Argentine and the second wave of regionalism created conditions to Brazilian
decision-makers establish a new foreign policy agenda: South American regional integration. It was implemented in pragmatic bases, through intergovernmental; low institutionalized trade and economic regional integration (Barbosa, 1991, 2010, Almeida,2012). The preference for such model is linked with Brazilian foreign policy historical preferences, as well with new international insertion strategies adopted in recent period (Vigevani and Cepalluni 2011). The main objective of Brazilian foreign policy formulators is to preserve country’s leadership position on the region meanwhile projects Brazilian ambitions in world politics. The mean to secure regional power is cooperative hegemony. The instruments to achieve a more relevant position in world order are the traditional multilateralism and contemporary soft balancing strategies.

BRAZILIAN REGIONAL POWER AND COOPERATIVE HEGEMONY

This paper assumes that Brazilian strategy to South American regionalism can be explained through Cooperative Hegemony theory (Pedersen, 2002). This is essentially a new realist approach that explains regional integration as a medium-long term strategy employed by major regional powers. Cooperative hegemony main element is what Pedersen (op cit) denominates “power aggregation capacity”. The author defines it as the “capacity of a regional big power to make a number of neighboring states rally around its political project”. In general terms such capacities are constrained external structural factors, as well influenced by psychological elements and leadership strategies. According to Pedersen cooperative hegemony is mainly utilized by major regional states that are “military weak or weakened” that may seek to maximize or stabilize their influence through non coercive means employing a cooperative hegemony within a multilateral structure.

Brazil isn't a superpower and cannot be equally placed in the hall of the great powers. As asserted by Flemes (2007), a superpower “is a state with the first rank in the international system and the ability to influence events and project power on a worldwide scale; it is considered a higher level of power than a great power. It was a term applied to the United Kingdom and her Empire, which was followed by the Soviet Union and the United States during the Cold War. Currently only the United States fulfills the criteria to be considered a superpower”. Great powers, or major powers, are states that, through their abundant economic and military capabilities, are able to influence world politics decisively. Hurrell (2006) emphasizes the following elements to characterizing a great power: The capability to contribute to the international order; Internal cohesion to allow effective state action; Economic power, such as high levels of economic growth or a large market; and Military power, with the ability to compete with other dominant powers in a conventional war.

The research employs the analytic framework proposed by Daniel Flemes (op cit) to identify regional powers in international relations by four pivotal criteria: (1) formulation of the claim to leadership, (2) possession of the
necessary power resources, (3) employment of foreign policy instruments, and (4) acceptance of the leadership role by third states. These conditions need be regarded not as “covering law”. It corresponds to a heuristic instrument that can be adapted to South American contextual and factual context in order to better understand Brazilian foreign policy strategic actions. Brazil can be viewed as a regional power.

Military weaker when compared with great powers, Brazil has no great resources both on nuclear dissuasive power (Brazil don’t have atomic weapons) and conventional large strength to intervening with great military forces abroad. Economically Brazil is a more important player, however still cannot be compared with major economic powers such as E.U countries due to its dependence of foreign technology and capital. In the region that corresponds to its main geopolitical influence zone, South America, Brazil has a favorable situation, disposing of considerably more resources than the neighborhood states. Brazil is not a totally consolidated South American power. There is a marked contrast between the Brazilian self-perception, evaluation and regional image that Brazil projects abroad. For decades Brazilian foreign policy makers identify their country as the natural leader of South America (nonetheless peaceful and cooperative). However, international community have a tendency to to categorize Brazil as Latin American power in regional terms and as a medium power globally, often understood as member of the BRIC, IBSA, or G-20. The Brazilian international prestige contrasts with the regional perception. Many neighboring countries that tends to see with apprehension Brazilian leadership and power projection ambitions, both regional and the global (particularly his claim to a permanent seat on UN Security Council). Cooperative Hegemony through regional integration is the framework used by Brazil to enhance and stabilize its influence on the region (Gratius, 2007).

Brazilian elites and decision makers’ project aims to promote the country to a higher position on international scenario. This is made through a complex combination of multilateralism, low institutionalized regionalism and strategic alliances with other raising powers such as India and South Africa. Despites the fact that all these spheres of actuation are interconnected, this enquiry will privilege the regional dimension of Brazil’s international relations. Together the concepts of regional power and cooperative hegemony provide an adequate framework to analyze Brazilian foreign policy strategy to regionalism.

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4 Brazil's Military capabilities are weak if compared with great powers but are satisfactory to the region. However, Situation is currently changing with the new rearming program and the leadership of the UN peace forces in Haiti. These initiatives are connected with the Brazilian demand for a permanent place in UN Security Council and with the necessity to maintain the power in the region acting as a strong, but cooperative potency.

5 Brazil is the largest and most populous country in Latin America and the fifth largest in the world. Brazilian economy is the world’s sixth largest by nominal GDP and is expected to become fifth by the end of 2012 (Goldman Sachs, Global Economics Paper No:153).
REGIONS AND INTERNATIONAL INSERTION

Given the broader historical context, it is possible to discuss some theoretical questions that will help us to develop better the ideas of this paper. The first of it is the importance of regions in international relations. One of the main international politics analysts that give serious attention to these aspects is Andrew Hurrell. In his article “The Regional Dimension in International relations Theory” (2005), the author points that two main events may give sustentation to the recent importance of the region level, one is the rise importance of regional level of analysis in global politics, the another is the end of Cold War and rising attention to the dynamics of this level (HURRELL, 2005, p. 39). The author also points the importance of using International Relations theories, in opposition to analytical frameworks provided of the study of European Union regional integration.

Departing with this perspective, it is hold strong evidence on the rising importance of regional issues and experiences and its effects to the global order, especially in matters of economy and security. Globalization era has showed an unprecedented feature by being organized in regional way. This is clearer when one thinks in the size and importance of trade between the OECD. It’s no less true if we change focus to the Asian reality, that since the 1970’s it presents a vertically regional integrated economy, with Japan as core actor in the 70’s and the 80’s, now replaced by China as main economic pole and holder (GILPIN, 2002, 2004). In Latin America, especially in South America reality is not being so different. Since the foundation of MERCOSUR, the volume of regional trade between its members had risen comparatively with the numbers of until the existence of the bloc. After the decline in the years of the Asiatic Crisis in the last years of the 1990, since the year 2000 thes numbers has being rising, low but steady.

Scholars see in these economic changes real political transformation in the region. Hélio Jaguaribe (2005) and Paulo Fagundes Vizentini (2007) understand that is in process the creation of a geo-economic area in South American, led by Brazil. This integrated economic space, with a BRIC country in its head points out to the strategy of building an international insertion platform for the countries in the region, maintaining their autonomy towards the influence of United States (Vigevani and Cepaluni 2007, 2011). An important source of this understanding is the writing of Samuel Pinheiro Guimarães (2006), former general secretary of the Brazilian Foreign Relations Ministry. Although holder of a diplomatic discuss, that normally hides the real motivations, causes and intentions of a country foreign policy and politics, it presented the strategic framework of the regional integration played during the Lula’s administration. It is rooted in the concepts of the creation of an integrated geo-economic area and political stability in the region. This can be identified with the cooperative hegemony patterns of regionalism.
Developed within historical institutionalism, path dependence helps the analyst to understand how history matters and how it can be used to organize a historical analysis of political problems and issues. Encompassing a greater comprehension of the complexity of human affairs, as politics itself, this concept and method provides a way to understand the importance of regional integration for Brazil, its main critical junctures and possibility for change. Putting in path dependence terms, the research can assert that the Brazilian regional integration strategy suffers the historical legacy of Brazil first insertion in international economic a political order. First as a colony, second as a country within the influence area of United Kingdom and since the end of World War II linked to American influence and interests in the region. It’s known that this historical process is not linear as we speak of cooperation and conflict. In several moments Brazil had imposed to itself a needed distance from the Great Britain (in the period of the Paraguay War) and from the United States (During the Vargas authoritarian government 1930-1945; During the development oriented years of Juscelino Kubitschek and Janio Quadros 1956-1964, and during the Geisel military government 1974-1979), Moniz Bandeira, 2008).

Nowadays, a quite distance is imposed between Brazil and the hegemonic power. Following the FTAA dismissal occurred in late 1990’s, a new conformation was established on the region. South America developed a plural logic that accommodates different regional integration initiatives. These projects have distinct institutional profiles, orientations and political goals. This process can be traced through the analysis of the following critical junctures: rise of American unilateralism in Bush Administration (especially in regard to the preference of Meddle East as main geopolitical theatre) and the rise in the region of left wing governments with nationalistic and anti-imperialist discourse, related to a more ideological view of regional integration, represented in the political outcome of the Mar del Plata Summit.

Brazilian foreign policy to regionalism was effectively launched after under president Cardoso and enhanced by Lula’s government diplomatic efforts. It is founded on two fundamental projects: 1) the promotion of South American integration through low institutionalized, but more formal than a free trade area, model (MERCOSUR) and 2) Prevention and pacific resolution of conflicts in the region through political mediation (UNASUR).

HOW COULD FTAA BE NOT IMPLEMENTED?

The hemispheric free trade area framework proposed by United States began with George Bush “Initiative for Americas” announced by American president in early 1990’s. It has subsequently leaded to the creation of NAFTA. This agreement is basically a junction of two free trade accords, one with Canada and another with Mexico. North America Free Trade Agreement (NAFTA) was signed in 1994 linking two developed countries and a developing one by a zero tariff free trade accord. The treaty is extremely simple from
institutional point of view. It requires only restrict organizations to be in function. The Executive Secretariat is the solely large formal institution of the bloc. Essentially NAFTA operates through a normative engagement cadre that displays a condition of total products and services liberalization. Furthermore the agreement has a controversies resolution system recognized by the member countries. NAFTA was a deliberated lean document, intended only to dismantle barriers to trade and investment (Pastor, 2004). After its adoption NAFTA became to guidelines provider to all bilateral and multilateral negotiations carried by United States with its partners in the foreign. In Inter-American scenario one of its main tasks is to pave the way to install FTAA.

MERCOSUR has a markedly different path and institutional set if compared with NAFTA or the FTAA project. First of all, the south cone bloc is understood not only as an economic endeavor but also a political strategic alliance. On this point is significant to evoke that the major influence on the framework of regional economic integration in Latin America comes from Western Europe model. It happened early with the case of the Asociacion Latino-Americana de Libre Comercio (ALALC) created in 1960; also as for the Asociacion Latino-Americana de Desarrollo y Integracion (ALADI) generated 1980 In the same way for previous integrationist efforts mentioned, the Treaty of Rome directive lines had provided the main source of inspiration for architects of the Treaty of Asuncion signed in 1991. Nevertheless this influence, it wasn't the only one or even the main influence, since the drafters borrowed from other EEC and GATT treaties, as well as from the Benelux Convention of 1944 and The Hague Protocol of 1947 (Brunelle and Deblonk, 1996). These multiple references have led some analysts to define MERCOSUR, as being a very particular kind of "conceptual hybrid" (Almeida, in: Faria 1993)

Institutionally highly influenced by European Model, but adopting a much more feasible intergovernmental design, MERCOSUR has two main institutional structures. The political guidance of the bloc is carried by the Common market and minister’s council and the new MERCOSUR parliament. In economic issues it has a largely organizational arrangement which is composed by Common Market Group, the secretariat; Trade Commission, Consulting Forum and an Arbitrage Court. Different of NAFTA, MERCOSUR isn't just a combination of pre-existing treaties. Instead it is a consequence of a long range negotiations process involving Brazil and Argentina that has subsequently incorporated the Plata Bay countries under their influence sphere. After the Ata of Iguacu signature in 1985, approximation between Brazil and Argentina was initiated. In sequence was created a mixed high level commission to bilateral economic integration. It has led to Program for Integration and Economic Cooperation (PICF) in 1985 that along with several other protocols firmed between the two countries launched the bases to the Treaty of Asunció.

MERCOSUR scheme diverge of NAFTA-FTAA due, in great instance, to path dependent political and strategic dimension of the southern bloc. Brazil demonstrated clear disagreements with FTAA. Brazilian and USA interests
clearly clashed. If approved FTAA would adopt the same model of NAFTA: free trade and solution of controversies mechanism only. It was feared by Brazilian decision-makers, which saw FTAA as a threat to both Brazilian projects: consolidate leadership within the South America and become a global player. A free trade hemispheric zone would decrease significantly Brazil’s economic importance due to American asymmetry of economic power. Likewise, it would decrease seriously Brazilian marge of maneuver by jeopardizing his South American platform of projection.

Hence, Brazil started a plan to increase the costs of FTAA adoption by procrastinating the negotiations and introducing sensible themes. With this objective Brazilian negotiators evocated the juridical personality of MERCOSUR and the consequent obligation of achieve unanimity with the others member of the bloc before present their country formal positioning. Equally, knowing American domestic sensibilities, Brazilian diplomacy introduced the complex agriculture liberalization on the FTAA conversations. This strategy was complemented by reacting to American increase on preparatory bilateral engagements with other countries in the continent. Brazilian diplomacy searched to improve the power projection in the regional political system. This was made possible through the creation of multilateral instances seated on Brazil’s interests. This scheme gave time to Brazil. But, other elements must be taken in consideration. As demonstrated recently by Poggio Teixeira (2011) Brazil was benefited at least by three external factors in the FTAA issue: U.S government faced major difficulties to promote FTAA without “fast track” mechanisms which were denied by the congress due to internal politic disputes. Secondly Brazilian decision to promote the first South American summit initiated the strategy of promote a sub-regional system that enforces his position as a regional leader. Finally, a US sudden “absence” in South America was triggered by the new priorities on security and foreign policy in the post 9/11 attacks. Thus, Brazilian decision maker’s new conduct for South American foreign policy was influenced by the recent transformations on international arena and critical junctures.

RISE OF UNILATERALISM AND THE MAR DEL PLATA SUMMIT: CRITICAL JUNCTURES

a) Rise of unilateralism

The end of the Cold War brought with it critical changes in the importance of South America to the US geopolitical strategy. During the XIX century, South America wasn’t part of the US influence circle, but was object of a secular conflict and competition motivated logic between Brazil and Argentina, dispute that had evolved from the rivalry between the Portuguese and Spanish colonial empires (Mello, 1996; Moniz Bandeira, 2009). During the Cold War, United States security perimeter and influence area grew from the originally North and Central America, but including Venezuela, Colombia and Equator as
Nicholas Spykman understood (Cairo, 2008) to a hemispheric dimension, with the inclusion of South America, specially the countries of the South Cone. With that, the hemisphere was drag in to the Cold War, conditioning and reducing free options for a autonomous foreign policy. In this sense, only in a few moments, in the Brazilian case, of the period the presidency of General Ernesto Geisel in the military rule (1974-1979) and General João Figueiredo (1979-1985). With the end of the Cold War, South America turned to be a less important issue in the US geopolitical agenda. With the overwhelming victory against the USSR, the danger of a communist infiltration and control in any part of the hemisphere became an issue of the past. With this, South America, in a large sense, became a solved issue for geopolitics, and its importance grew in the sense of a progressive inclusion in the United States economic space, by the creation of the FTAA.

In the context of this new order, important authors of different schools of International relation as Joseph Nye Jr. (2002) saw the rise of a unilateral attitude by the US government, based in the unipolar order brought to life in the post 1991. As a unique moment in the history of the international system, the existence of one superpower brought with it the prerogatives of an imperial power, the one that should spread its domain by other means as force, like thought economic and trade. In this sense, the force and attention given by globalization, and all the issues related to it, had the utility to spread the capitalist system to the untouched ex-communist regions (i.e. Eastern Europe and Russia itself) by the economic force of the military superpower and economic locomotive in that days. In the discursive arena, this process was anchored in the idea of free trade, comparative gains (pre-condition for win-win games in trade) and the main force idea that now, the world was becoming one, single and united “global village”. In the beginning of the XXI century, in the early days of the Bush administration, the diplomatic and economic agenda to build an integrated economic space in the Americas had been dramatically shifted to a major importance of the security agendas, in the occasion of 09/11. In an interesting way, one of the unexpected outcomes to the regional politics was the marginal importance of South America in the US foreign policy agenda. With this, the Bush government trend of acting unilaterally in world affairs that interfere with its interests gave birth to the circumstance of lack of attention in South America as an important agenda issue. Other result of this process was the reposition of Latin America in a peripheral status and position in global issues and importance in the context of the US strategic needs (Zakaria, 2008).

b) “Mar Del Plata Crisis”

The Fourth Summit of Americas, carried through in the first days of November of 2005 in the Argentine city of Mar Del Plata could only been just a head of State meeting where the mere rhetorical acceptance of the intention to deepen the bows of the economic integration would prevail. However, what was verified in fact it in the end of the summit was the accented division between the
main continental political actors who had posed three distinct regional integration alternatives. The clearest exposition of this interest’s shock occurred during this meeting represents a critical moment for Brazilian foreign politics on the subject of competing integrationist projects. It has generated serious impacts on directive lines adopted by Itamaraty (Brazilian Foreign Affairs Ministry) and the federal executive in the defense of its interests in the international political scene. Rivalries between United States, Brazil and Venezuela in regards to regional integration model that should be implemented in Americas represents a significant matter for the Brazil’s current strategic behavior adoption on international political plane. Although this country form of leading with its differences with the US differ greatly in comparison with the Venezuelan strategic behavior.

During the meeting, Brazil had abstained to adopt a position markedly contrary to that one firmed by United States, leaving the critic role to Argentina as host country. Moreover, Itamaraty was strongly worried in having Brazil image associated with the Bolivarian group protests and claims under the Venezuelan president leadership. Likewise, before the summit, in the convention of Miami, United States and Brazil’s commissioned officials had established a series of trade politics commitments to be followed by them (Deblock; Turcotte, 2007). This “secret agreement” signed in previously in a WTO ministerial conference displays a picture of the existing coincident interests and antagonisms between the two great powers in the political inter-American scene. The agreements firmed between the two actors, even having not advanced as expected, supplies a good dimension of the ambiguity of political situation in Americas, specially the Brazilian trend to use a time gaining policy (MELLO, 2002). The position expressed by these two great political actors demonstrates the regional integration great lines, presenting some convergent points and practically irreconcilable differences.

NEUTRALIZING BAA AND MAKING UNASUR COMPATIBLE WITH MERCOSUR: AN ENGAGEMENT STRATEGY

A) BAA

As told above, South America is a key strategic scenario for Brazilian international objectives. It comprehends the core of its geopolitical issues, as “new threats”, and comprises the countries primary suppliers for energy supplies, as the Bolivian gas. Add to this, the creation of an integrated economic space in the region has direct economic gains, as creation of trade and scale economies in a cooperative hegemony pattern.

The progressive lack of importance of the region in the United States political and strategic attention brought the region back to the low profile status that Richard Mackinder has given to it, the status of a marginal space, away from the core of power conflicts and main objectives of world politics agenda. Paradoxically, this can be interesting for a rising power as Brazil. But the
rollback of the superpower from the region, thought as an window of opportunity can be closed with the emergence of a new challenger; in this case the Bolivarian Venezuela fits the figure. In this case, it’s imperative to ask if the rise of Venezuela, as a rising medium power fuelled with petrol resources and a discursive and ideological strategy based in “XXI Century Socialism”, poses a real threat to Brazil aspirations and condition of leader in the region.

During the XX century Venezuela has been a relatively stable country in South America politics and geopolitics, although having a border contentious with Suriname. Since Hugo Chavez government, Venezuela foreign policy had gain autonomist lines, characterized with the revival of the Bolivarian project. The idea that “La Patria es América” has its roots mainly in the writings and political legacy of Simon Bolivar, known in the Hispanic America as “the liberator”. Historically, this project failed with the dissolution of the political and territorial unity of the Spanish colonial empire in the Americas. In modern time, Venezuela has in its political actions and ideological discuss the objective of giving life to the Bolivar dream. One of the main instruments of the Venezuelan foreign policy objectives is the ALBA. In this country initiative towards the region “petro diplomacy” is giving the material support the discuss of solidarity in international relations, in order to build a win-win game between the less and the more developed countries in the regional level, initially. In it normative lines it holds the idea and proposal of other logic that power of international relations to the south countries, based in solidarity.

Initially, BAA build’s its image and proposals as being a different way to regional integration, particularly opposite to prior FTAA. It endorses social and economic objectives as priorities. According to this, the government of Venezuela proposed the creation of a “mechanisms that can compensate the existing asymmetries between the various nations of this hemisphere. It also draws on the existence of compensatory funds that can address the disparities which put weaker countries at disadvantage against larger powers.”

Since the beginning of the new century, Venezuelan diplomacy and foreign policy have been more pro-active and gaining initiative in sensitive regional issues. Chile, by signing a bilateral free trade agreement with the United States and the the deepening of the Colombian dependence and proximity to US in security issues gave the ultimate motive for Venezuela step out of the Andean Nations Community (CAN). Doing this, it already was aiming to gather in MERCOSUR, without leaving the leadership of ALBA.

Venezuela can be understood as a rising semi-peripheral power, but not yet a regional power. First, Venezuela lacks hard power resources if compared to Brazil; this can be exemplified by the difference of the traditional population, economy and territory variables. Second, it discuss on “XXI Century Socialism” does not attract the more strategic countries in South America as Argentina.

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6 ALBA initial members are Bolivia, Cuba, Dominican, Honduras, Nicaragua and Venezuela, the regional bloc is led by the former country. Some analysts believe in the possibility of the entrance of Ecuador, San Vincent and Grenadines. Mainly countries of Central America and Caribbean.
Brazil and Chile. This can be seen by the country profile and composition of BAA. And third, Venezuela entry in MERCOSUR pushes its strategy towards a strategic alliance with Brazil, sustained by the interest geopolitical areas prioritizes by the countries. This does not means that Venezuela will not try to change and influence the aims and future process of deep integration within MERCOSUR.

Other important political issue of the Venezuelan foreign policy and BAA is it explicit interest in closing cooperation and proximity with the Caribbean countries. It aims to project itself to the Caribbean countries, normally associated with the US economic and security influence area. When Venezuela finally enter in MERCOSUR (Currently Venezuela is depending on the Congress of Paraguay for admission), this is a gain for the enlargement strategy of MERCOSUR, inspired by Brazilian diplomacy since the 90’s in spite of deepening the experience. This view is based in the idea that beyond integrating the northern of South America with Venezuela itself, the opening connections with Central America and Caribbean creates more market opportunity for MERCOSUR countries, and more important, pushes North the United States economic and security perimeter and influence area. This is not a Brazilian explicit objective. Nevertheless this action, made by a third political actor (i.e. Venezuela), may provides political and strategic gains for Brazilian desire of creating a more autonomous area in South America under his cooperative hegemony.

In terms of Venezuelan interests, its foreign projection to the Caribbean area is an important issue for South American economic and geopolitical politics. It geographical determinants points to strategic a sub-regional area different of the one of Brazilian main concern. This can be sought by the country composition of BAA, as being mainly Andean and some Central America countries. It is important to note that historically Brazilian foreign policy normally did not tried to project its influence to Central America, understood as it making part of the US influence and security zone. But the pacific countries of South America constitute important strategic objective to Brazilian foreign objectives, as the rising proximity with Chile and Ecuador shows.

Certain aspects of BAA agenda can be compatible or convergent with Brazilian and other MERCOSUR’s states interests. Even with Brazilian Foreign policy is vigilant on this matter. Itamaraty understand that the undesirable BAA’s components should be dismissed through systematic cooperative hegemony mechanisms which potentially maximize Brazil’s political and economic influence on the region. This stratagem is intended to breakdown the already hard power lacking Venezuela. This is made using cooperative engagement instruments provided by Brazilian supported regional institutions (MERCOSUR and UNASUR). In sum, Brazilian strategy consists in neutralize ALBA by bringing Venezuela to the multiregionalisms logic. Participating simultaneously of BAA, MERCOSUR and UNASUR, Chavez’s country would slowly but surely lose the means to implement his ideological compromised project. This policy
avoids Venezuela segregation and prevents the growth of a potential contender in regional integration leadership.

BAA discursive focus on the struggle against poverty and social exclusion, and therefore represents the interests of Latin American peoples, in terms of socio-economic equity and political inclusion. This fits political initiatives of Brazilian foreign agenda on the multilateral front, especially in the UN. The development policy defended by BAA is based in the idea of endogenous development, common to Latin America by the old tradition of ECLAC economics. In the case of Lula administration and Argentina government, this kind of policy was interesting for it focus on national and regional capabilities, the ones that Brazil and MERCOSUR could provide as a regional public goods deliverer. But different from BAA, MERCOSUR funding diplomatic papers holds a more limited liberal option for development. Another core aspect of it is to give priority to integration in Latin American, aside with this a focus on the negotiation of relevant issues by regional blocs. It sees as possible to identify common interests, allowing the creation between the region countries do build “strategic alliances”. The major challenged faced by BAA is to prevent “sister nations from splitting up under the pressure to accept the FTAA.” This view is sustained by the common understanding of the North-South divide.

Perhaps one of the most important features of an approximation of Venezuela-ALBA with Brazil-Mercosur is the former explicit conflicting interests with FTAA. As was show previously in this article, Brazil since the 90’s has adopted the politics of gaining time with the FTAA issue. In meanwhile, it is trying to consolidate Mercosur and the South American integration. The problems faced by BAA and Mercosur with the FTAA agenda converge in similar issues, as with agricultural issues in FTAA, intellectual property and its social use, medicine and quality of food, liberalization, de-regulation and the privatization of services. But contemporary this issue isn’t as important as it was on the 1990’s.

ALBA seeks to promote important public goods to the countries of the region, as economic and social development, poverty reduction and the entrance of new social actors in the building of a new political scenario in the region. Although this claims aren’t deprived of political and influence interests by Venezuelan government. But this social and economic agenda is broader than that is presented in the main objectives of MERCOSUR, as seen in the Treaty of Asuncion. Another aspect that differ ALBA from MERCOSUR is its explicit aim to reach the Caribbean countries and preserving the idea of Latin America, differing from the Brazilian diplomacy trend to use South America concept then Latin America.

Last but not least, the views endorsed by ALBA, promotes the idea of a regional development and more political autonomy to the region. On the other hand, ALBA aims to establish an elevated institutionalized level that is contrary to Brazilian most preferred intergovernmental model, strong technical cooperation and an anti-liberal and anti-imperialist political positioning. This is
Cleary contrary to Brazilian foreign policy main path dependent preferences: multilateralism and non-align; autonomy seeker posture in international relations. Brazilian decision-makers believe that a deeper institutionalized regional integration would reduce Brazil’s sovereignty and decrease its foreign policy options. Furthermore the adoption of an ideological confrontation discourse concerning to USA is absolutely out of cogitation to Brazilian diplomacy. Thereby, Brazilian foreign policy formulators understand that the best way to deal with ALBA is allowing the compatible elements and mining gradually the incompatible elements through an elaborated engagement strategy.

This is not possible without a country or a group of countries able to provide regional public goods, as security, stability, economic growth and development. The main locomotive in this process is being Brazil, but in recent times, the old bilateral spine of sub-regional integration, Argentina and Brazil, is being strengthened with geometry of power and influence in the region, an axis formed by Argentina-Brazil-Venezuela in the effort of change South America in a different power pole. Brazil has accepted Venezuela’s intention of building a cooperative agenda because it can increase Brazilian power and control and integrate potential contesters on regional leadership. Although they had moments of tension, as in the Venezuelan support to Bolivia during the Gas Crisis with Brazil (2006), Venezuela cant openly confronts Brazil in the regional integration. Andean country is being gradually attracted to political arrangements and interdependences that favor Brazilian leading position in the integration process.

b) UNASUR

The apices of Brazilian strategy towards South America, especially to ALBA and Venezuela were the creation of UNASUR, its greater institutional power in it. After FTAA dismissal, in year 2000 Brazilian government launched a historic initiative: the South American Summit. It was an exclusive meeting of all South American presidents to discuss regional integration alternatives. It opened path to the Brazilian contemporary cooperative hegemony strategy. After three other South American head of states reunions In the 2004 South American Summit, representatives of twelve South American nations signed the Cuzco Declaration, a two-page document of intent announcing the establishment of the then-named "South American Community of Nations. The name of the bloc was changed on 2007 to Union of South American Nations (UNASUR). UNASUR was established under Chilean and Brazilian partnership, making clear the objective of creating a regional institution for regulating and solving regional problems without the interference of any major power, as the United States. This would be made through a multilateral consensual mechanism: South American Council of Defense (SCD). It was a clear response to Chavez manifested ambitions of use ALBA to create a South American military alliance (Oelsner, 2009). UNASUR and its leading part of Brazil sought
to show that this country, with the cooperation of other important actors in the region (as Argentina, Chile and Venezuela) can provide regional stability and conflict resolution by diplomatic and presidential diplomacy (Nogueira, 2008). This was clear during the separatist crisis in Bolivia in 2008.

UNASUR don’t create any complex economic integration project. In this sense it is not an obstacle or a concurrent for MERCOSUR. The organization adopts a purely intergovernmental executive centered decision making process. Unlike MERCOSUR, Union of South American Nations corresponds to an ample form of regional cooperation less focused on trade integration. It can easily accommodate several initiatives. One of the main elements that become compatible with UNASUR is the Initiative for the Integration of the Regional Infrastructure of South America (IIRSA). The project initiated in late 2000 (during the first South American Summit) corresponds to a development plan to link South America’s economies through new transportation, energy, and telecommunications projects. IIRSA is maintained by the Corporación Andina de Fomento (CAF), the Inter-American Development Bank (IDB) and the River Plate Basin Financial Development Fund (Fonplata). IIRSA projects fits in the Brazilian cooperative hegemony framework. Thus, since 2004, IIRSA passed to receive part of its resources directly from the Brazilian government bank BNDES, Banco Nacional de Desenvolvimento Economico e Social. Since then BNDES has financed projects ranging from the construction of hydroelectric plants in Ecuador and Venezuela, new roads in Paraguay, gas pipelines in Argentina, and even works to expand the subway in Caracas and Santiago (BNDES, 2005, 2009).

MERCOSUR and UNASUR are compatible projects. Indeed, they correspond to the basis of Brazilian South American Project. The first is essentially an economic process that assures Brazilian commercial power in the region. The last is a Political project through Brazil finds a vehicle to implement its leadership in terms of cooperative hegemony and maintain regional stability. The two related process fits in the regional integration concentric circles (Saraiva, 2011).

In the issue of regional integration and leadership, ALBA doesn’t appear to be abandoned as alternative regional bloc. However, in a Brazilian perspective that nowadays, and possibly during some time, Venezuela and its bloc lack the attractiveness and material power to face the Brazilian project of cooperative hegemony to regional integration. Venezuela’s open conflict with United States seems unsafe and non-advantageous to most regional actors. Despite of have its own idea of regionalism Venezuela pushes her to alliances and partnerships with the major regional power, Brazil. In this case, Brazil is compromised in pursue a greater power status using South America as a step stone on the way to achieve higher position in world politics (Flemes, 2007).
CONCLUSIONS

Brazilian Foreign policy to regionalism is fruit of a complex historical process that moved from idealistic political projects towards economic, security and infrastructural cooperation regional integration. After the FTAA lost of momentum, Brazil dispended political resources to promote his South American project in order to create a subsystem of power. Such strategy is connected with a broader international agenda that aims increase Brazilian status in world order.

This situation was greatly influenced by relevant path dependent mechanisms that established the configuration of power on the region. It is likewise product of critical junctures that promoted change in political actor’s perspective, leading subsequently to the adoption of new strategies for international insertion and power projection.

The leader position is important for a broader international insertion plan that aims to overwhelm the condition of regional power achieving the status of global power and player. A significant effort on this point is represented by Brazil’s purpose to explore BAA serious lack of effective hard power elements aiming reach to a political and economic agreement capable to improve MERCOSUR capabilities through the Venezuela’s incorporation in the bloc. As a consequence of limited BAA resources and its complementarity possibilities with MERCOSUR, Brazilian strategic behavior is more preoccupied with Cooperative hegemony promotion than with a straight clash with Bolivarian alternative. Such hegemony is supported through MERCOSUR economic integration and UNASUR political cooperation. These two processes are compatible and instrumental for Brazilian strategy that empties contending regional initiatives and helps Brazil to consolidate his leadership in South America.

This process is still in curse and relevant outcomes remains largely unknown, demanding more explicative efforts by foreign policy and regional integration analysts. The present work, as part of a larger research project on Brazilian Foreign Policy and power projection, seek to provide a contribution about this subject.

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