

Latin American Foreign Policies: Global and Regional Dimensions

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5 Brazil in the World: Multipolarity as Seen by a Peripheral ADC Middle Power

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More than is the case with any other Latin American country, Brazil's foreign relations must be analyzed in the global context. Brazil's broad-based national capabilities push it far above Mexico and Argentina and to the top of the ranks of both the less developed countries (LDCs) and the middle powers (Selcher, 1981b). Brazil is involved in a wider range of issues and with a greater number of partners beyond the Western Hemisphere than any other Latin American country, yet without the more publicized impact of Cuba in Third World political-military affairs or Venezuela in petroleum issues. Brazil has one of the more developed foreign policies in the region, in that its interests are flexibly framed on operational case by case terms rather than based on philosophic abstractions, and they are then backed up with sophisticated diplomatic and organizational skill. Furthermore, there has been more policy continuity between administrations than is typical for a Latin American country.

It is the purpose of this essay to provide an overview of Brazilian foreign policy in a comparative context within the still somewhat scant literature on multipolarity and emerging powers; to assess the extent to which Brazil has benefited from the global decentralization of economic and political capabilities during the 1970s; and to assess the way in which its changing status has affected its significance in the world, its goals, and its strategies. Brazil, as the largest state in its region, is one of the countries which stands to benefit most from multipolarity; so such an approach can shed some light on the nature of changes in global systemic influence relationships as well as on the conduct of the particular state being studied.

THE RECORD OF THE 1970s

An overview of the trends of the 1970s provides a balance sheet of the accomplishments and shortcomings of Brazilian foreign policy during a period of intense activity. Regarding its national base, Brazil developed into the tenth largest economy in the world (eighth in the West), with the thirteenth largest industrial sector. With an export value increasing from \$2.74 billion in 1970 to \$15.04

billion in 1979, it became one of the major nonoil-exporting LDC trading nations with South Africa, Hong Kong, and South Korea being the only nations in that category surpassing it in exports in the latter years. In 1979, 63.8 percent of Brazil's exports and 65.4 percent of its imports were carried out with partners outside the hemisphere (IMF, 1977 and 1980). The idea of imminent major power status, which gained acceptance in the years of the economic boom, became less credible after 1975. Energy costs (85 percent of the petroleum used is imported), a drop in economic growth rates, lagging social welfare levels, inflation (at a yearly rate of 113 percent by late 1980), and a huge foreign debt (\$55 billion by the end of 1980) became major hindrances (Selcher, 1981a). Yet, in its economic resilience and in the variety of its foreign undertakings, by 1980 Brazil had clearly confirmed itself as a nation seeking a claim to greater significance and one to be taken more seriously.

Brazil's Regional Foreign Policies

Within South America, the early years of the decade were marked by Spanish American concern about alleged Brazilian expansionist intentions and Brasilia's concept of "ideological frontiers" which were to be drawn against infiltration of leftist ideas. By 1980, a more favorable image of Brazil's role on the continent emerged, as systematic opposition to Brazil dwindled to narrow Marxist or nationalistic sectors which professed to see a Trojan horse in Brazil's apparently cooperative policies.

The most dramatic indication of the change in political climate was the rapprochement with Argentina, made possible by settlement of the troublesome Itaipu Dam controversy and a growing feeling of shared national interests vis-à-vis developed states, surpassing the traditional rivalry. During President João Figueiredo's visit to Buenos Aires in May 1980, the first visit of a Brazilian president to Argentina in forty-five years, ten agreements were signed providing for cooperation in hydroelectric utilization, science and technology, political consultations, coordination of grain exports, nuclear energy, and military equipment manufacture, among other sectors. Even though pains were taken by both parties to disavow hegemonic intentions, the complementary development of the two economies, is envisioned which would, if successful, profoundly alter international relations in South America. One consequence of closer Argentine-Brazilian ties is likely to be a downplaying of competition between the two in Bolivia, Paraguay, and Uruguay, which are currently well on their way to becoming client states of Brazil. United, the two nations could provide impetus for South American economic integration and a regional counterweight to U.S. influence, now receding. The possibilities are intriguing, but at present limited to speculation.

Figueiredo also made a counterbalancing visit to Chile in 1980, in less ambitious but cordial circumstances after which some observers asserted that these two visits helped challenge the international campaign against the military governments in Santiago and Buenos Aires. Given Brazil's domestic political liberalization, however, Brazilian officials discussed political trends at home but

scrupulously avoided any appearance of interference in the internal political process of a host nation. Furthermore, visiting Brazilian officials also skirted involvement with both the Argentine-Chilean Beagle Channel dispute and Argentine-Chilean relations in general. Nor was Brasilia interested in a southern cone security organization proposed by Argentina, judging it incompatible with political trends in Brazil. While Videla and Pinochet delivered speeches warning of the threat to Western values, Figueiredo spoke of peaceful coexistence and developmental cooperation, revealing some potentially problematic differences in world view.

Another symbol of Brazil's acceptance on the politically diverse continent was the accommodation reached with democratic Venezuela, which under the governments of Rafael Caldera and Carlos Andres Perez had shown suspicion of Brazil's political intentions in developing the Amazon and had been critical of its military government. The diffuse mistrust which was felt toward Brazil in Caracas began to dissipate with Brazil's 1976 Amazon Pact initiative (although Venezuela was slow to accede) and clear evidence of political liberalization in Brasilia. Broad understandings in trade, joint ventures, and technical cooperation were products of the visit to Caracas by Foreign Minister Saraiva Guerreiro in 1979, promising to end the mutual inattention which had for decades marked the Venezuelan-Brazilian relationship.

The Amazon Pact proved to be a useful instrument for conveying a cooperative image to the Andean countries as well, even if its substantive contribution to solving the Amazon's problems remains to be proven. The Andean Pact was created in part as a reaction against Brazil's weight in the Latin American Free Trade Association (LAFTA), and some observers claimed to see in it the foundations for a Spanish American grouping directed against Brazil. Not only did such a focus fail to materialize, but Brazil's skillful diplomacy capitalized on the Andean nations' Amazonian interests to put forward both bilateral and multilateral cooperative efforts making use of its own greater experience in Amazonian settlement. In the process Brazil worked out bilateral trade, joint ventures, and other agreements which were attractive enough to take Peru off the defensive and to serve as an example for other bordering countries. Brazil's breaking of diplomatic relations with the Somoza government of Nicaragua in its final weeks was regarded by Andean Pact members as supportive of their active diplomacy in the crisis. In 1980 a consultative mechanism was established with the Pact, as the basis for further cooperation and as a statement supporting international economic reform.

President Figueiredo, upon taking office in March 1979, declared Latin America to be the priority region for national diplomacy. In the first twenty months of his administration, he visited Venezuela, Paraguay, Argentina, and Chile--in marked departure from the two trips to Western Europe taken by his predecessor, Ernesto Geisel. During the same period, Brasilia hosted visits by the presidents of Peru, Mexico, and Argentina. Concomitantly, Brazil is strongly advocating a restructuring of continental economic integration through the Latin American Integration Association (ALADI), the successor of LAFTA, for which the country had

shown only lukewarm support. In addition to firming up Latin American unity vis-à-vis the industrialized states in multilateral negotiations, Brazil hopes a reinvigorated integration movement, with its economy playing the key role, would increase its own opportunities for trade and investment in South America.

In short, Brazil has effectively and peacefully consolidated its neighbors' recognition of its status as the principal or most influential nation in South America. To speak of this relationship as "dominance" or "consolidation of hegemony," based on geopolitical designs, however, is an overstatement and an unwarranted transposition to South America of the conflictful atmosphere of highly competitive national security politics more characteristic of some other regions of the world (D'Adesky, 1979; Tams, 1979).

Central America and the Caribbean remain areas of lesser concern to Brazil, although some ministerial visits took place during the first two years of the Figueiredo government. Brazil stays as noncommittal as possible regarding revolutionary movements in the region, and continues to be disinterested in resuming relations with Cuba. Several attempts were made to deepen relations with Mexico through presidential visits and package agreements, but past neglect and Mexico's economic preoccupation with the United States proved to be formidable obstacles. Little concrete progress was achieved through the 1970s, even on sales of more Mexican oil to Brazil though numerous binational projects now on paper may become operational in the 1980s.

Brazil's Global Foreign Policies

Relations with Washington were the source of the greatest friction in the decade. The Nixon and Ford administrations sought to court Brazil as the chief U.S. ally in South America, perhaps as a regional surrogate power under the Nixon Doctrine. This policy was based on the erroneous assumption that Brazil's subservience in the 1960s would continue through the decade of the 1970s. A 1976 memorandum of understanding set up a system of mutual consultation and cooperation which soon floundered. Brazil reacted positively to the promotion in status implied by the agreement, but did not intend to play the role of American protege. Although the Carter administration recognized Brazil as a country of growing importance, the relationship soured in 1977-1978 over the issues of nuclear power and human rights (Fishlow, 1978-1979)--two of the global functional concerns shaping U.S. foreign policy under that administration. These two points of conflict were further aggravated by trade disagreements unresolved from the early 1970s. Brazil and West Germany successfully resisted American pressure to overturn their nuclear agreement, while in response to American auditing of human rights performance as a precondition for continued foreign aid, Brazil cancelled a 1952 military assistance agreement with the U.S. and refused further American military aid. A period of coolness in relations followed, unalleviated by the prudent style of Carter's April 1978 trip to Brazil, as both Presidents Geisel and Figueiredo declined to include a visit to the United States in their foreign travels. By the end of the Carter administration, the prospect of

resuming closer relations on a new basis of more equal partnership was becoming accepted on both sides and most of the uneasiness of the 1977-1978 diplomatic "confrontation" had disappeared.

Brazil stood up to the United States and the Americans backed down, showing that relations with Washington were now manageable rather than overwhelming. As a result of Brazil's long-run policy of diversification toward Japan and Western Europe, the importance of the United States for Brazil was reduced, and hence the political leverage it could (or was willing to) bring to bear was less. Both a general retraction of American interest and influence in South America and Brazil's growing capabilities which provided new foreign policy alternatives combined to provide Brasilia with a wider margin of maneuver vis-à-vis Washington than either capital would have imagined twelve years earlier when many in Washington considered Brazil an American client state. If the 1976 Kissinger-Silveira memorandum recognized Brazil's significance to the United States, the results of the Carter-Geisel summit of 1978 recognized Brazil's efficacy in autonomous pursuit of its own interests.

Beyond the attractiveness of Western European and Japanese commerce, capital, technology, and finance, several other trends directed Brazil's attention to extrahemispheric matters. The increase in oil prices and uncertainties of supply necessitated finding new sources and means of payment, but little could be expected from Latin American producers relative to the size of Brazil's demand. Brazil's outwardly-oriented development model led to greater dependence on the global international system, which heightened awareness of the value of multilateral diplomacy in global forums and functional organizations (Selcher, 1978). Having taken care to establish the nation's Third World credentials, Brazilian diplomats built upon a record of interaction with developing countries in international organizations to promote Brazil as a leader in fostering a new type of interLDC cooperation, particularly in Latin America, Africa, and the Middle East.

The European Economic Community (EEC) became Brazil's chief economic partner in the 1970s, with West Germany in the forefront, followed by the United Kingdom and France. Although Western Europe is even less aware of Brazil's rising significance than the United States, more news about Brazil is published there than previously and the negative image of Brazil as a notorious violator of human rights has begun to improve. Consultative agreements with London, Paris, Rome, and Bonn, though not yet achieving the high-level dialogues envisioned, have had a positive qualitative effect, however slight, on the perception those capitols have of Brazil. The political liberalization experiment is being watched with special interest by Western European social democrats, and, if successful, would ease political relations with democratic governments considerably. The position of Brazil in Western Europe was highlighted by the visits of Valéry Giscard d'Estaing (1978), Helmut Schmidt (1979), and Adolfo Suárez (1979), and the signing of a cooperation agreement with the EEC in 1980 among other events.

Relations with Eastern Europe, in contrast, are restricted to trade and limited transfer of technology in energy matters, with Brazil's exports to that region far outweighing its imports. Poland

and the Soviet Union have been the major partners, importing mainly agricultural commodities. The heavily economic nature of Brazil's current policy toward this region was demonstrated in 1980, when Brasilia refused to join the United States in either the boycott of the Moscow Olympic Games or the curtailment of grain sales to the Soviet Union as a protest against the Soviet invasion of Afghanistan.

In Asia, Japan and China are the only countries with which Brazil carries on meaningful relations. (Attempts to expand ties with Australia during the 1970s yielded very little, while Brazil never had a program for South or Southeast Asia.) Japan and Brazil maintain an intense interchange in a variety of fields, but mainly in investments and trade, essentially a food and raw materials for manufactured goods exchange. Although the Japanese connection has proven to be valuable, its contribution to Brazilian development has fallen short of initial Brazilian hopes. During the latter half of the decade the rate of Japanese investment slackened because of greater attention to Asia on Tokyo's part and because of disagreements about conditions of investment in some large infrastructural projects in which Japanese businessmen were interested. Relations with China date to Brazil's recognition of the Peking government in 1974, which were followed by exchanges of commercial and high-level official delegations charged with establishing the foundations for longer-range trade and joint ventures.

Brazil's Middle East policy of "pragmatism" has been less than fully rewarding despite Brazil's adoption of a more pro-Arab stance on Israeli and Palestinian questions since 1975. Very few Arab investments were forthcoming by late 1980, though visits by Brazilian officials to Persian Gulf states continued. The trade balance has been very unfavorable to Brazil despite Brazil's aggressive commercial promotion and exchanges of several high-level missions. A set of package agreements negotiated with Iran under the Shah was ignored by the Khomeini government. Relying on Iraq as the single greatest source of petroleum (about 48 percent of supply) proved risky. First, the Baghdad government forced renegotiation of terms when Braspetro (subsidiary of the Brazilian oil company Petrobras) found large deposits, and then the 1980 Iraq-Iran war shut off supplies. For reasons such as these, Brazil has been trying to diversify sources of supply outside the Middle East, which in 1980 was the source of about 90 percent of its imported oil. Diversification remains hindered by long-term contrasts, by price differentials and freight costs, by oil type and quality, and by operational conditions of foreign ports. Another approach in use is to work on longer-term bilateral solutions for balance of payments problems with Arab suppliers rather than waiting for multilateral petrodollar recycling schemes to be negotiated.

Despite surges of interest in 1961, 1968-1969, and 1972, serious Brazilian attention to Africa dates from 1974, a year marking the end of Portuguese colonialism and the start of oil price increases. After 1979, a period of emphasis on joint rhetorical declarations, relations had yielded more substantive progress. The initiatives and investments are still heavily on the Brazilian side, while the Africans apparently have not yet worked out national policies. Economic, political, and cultural relations have

progressed rapidly enough to be taken seriously as probably the greatest cross-continental exchange among LDCs. The pace and level of official visits have picked up remarkably, including an avowedly political trip to five Front Line states by Foreign Minister Saraiva Guerreiro in late 1980. Relations are still mainly intergovernmental rather than transnational, with the sole exception of Nigeria where dozens of Brazilian companies are active. Nigeria and Angola constitute the major partners and test cases for further close relations, although other significant relationships exist. Nigeria is central because of its petroleum, market size, middle power status, and role in multilateral diplomacy. The current intensity of its relationship with Brazil and the rate of growth of interchange are truly impressive. Angola has shown sufficient receptivity to serve as a testing ground for the economic and political viability of Brazil's most extensive cultural links with the continent. In Africa, as elsewhere, Brazil is disadvantaged by its inability to transfer the amounts of capital, concessionary aid, and finance, and the kinds of long-term trade preferences which countries at a lower stage of development require. Politically, it has been able to overcome the burden of having supported Portuguese colonialism. Its commercial relations with South Africa and unfounded rumors of Brazilian interest in a South Atlantic Treaty Organization with South Africa, despite energetic official denials in Brasilia, constitute further obstacles to African policies which have not yet been fully overcome.

THE NETWORK OF RELATIONS

Having achieved nearly worldwide extension of its diplomatic and trade network in the 1970s, Brazil finds itself less dependent on any single country but more dependent on the international system than previously. Because Brazil's commercial relations are the leading edge of its foreign policy, the extent of diversification over the decade can be gauged by the changing destinations of its exports as shown in Table 5.1.

Besides the movement toward the European Economic Community, subsumed here in the Western Europe figures, the most prominent turn has been toward the LDCs, which rose from 16.9 percent of Brazil's sales in 1970 to 29 percent in 1979, and from 21.1 percent to 44.5 percent of its imports in the same period (IMF, 1977 and 1980). This importance of the LDCs for Brazil is expected to continue as the result of its policy of trading manufactured goods for raw materials (including petroleum) wherever possible in the Third World.

In addition to trading with more nations, Brazil greatly increased the number of commodities exported. Among LDCs, in 1972 only India exported a greater number of commodities, while only six LDCs (two of them significant trading nations, India and Mexico) had a lower degree of concentration of export earnings in a few commodities (Pirages, 1978: 233-235). Nor is Brazil unusually dependent on foreign trade; in 1976 it ranked only 83rd in exports per capita and 93rd in imports per capita, worldwide (Kurian, 1979: 116, 117).

TABLE 5.1
Distribution of Brazilian Exports, 1970, 1979

Region	Percent of Brazil's Exports	
	1970	1979
United States	24.7	19.0
Western Europe	44.1	37.4
Latin American Free Trade Association	11.1	15.2
Asia and Oceania	8.4	9.6
Middle East	0.6	3.7
East Europe	4.5	6.3
Africa	2.1	4.5
Canada	1.5	1.3
Rest of World	2.9	3.0

Source: Infobrazil bulletin, Center of Brazilian Studies, SAIS, The Johns Hopkins University. Vol. 1, No. 3 (March 1980), from the *Jornal do Brasil*.

Attracting foreign investment was another priority for Brazil in the 1970s, and a shift away from dependence on the United States is again apparent, toward West Germany, Switzerland, and Japan, as shown in Table 5.2.

One of the ironies of Brazil's more complex system of economic relations is that its international presence is now so widespread that its importance to most other individual countries remains low, even as Brazil's weight in the system as a whole has grown. While the foregoing rather conventional tables demonstrate the significance of various countries or regions for Brazil, as a percentage of its transactions, the opposite (and seldom examined) side of the coin is equally important when assessing Brazil's relative salience to other countries in bilateral terms. It may be assumed that those countries for which Brazil is a significant trading partner the higher the proportion of trade that Brazil constitutes in their exports and imports the more aware they would be of Brazil and the more likely they would value the relationship. Any political consequences could not be inferred directly, but would depend upon factors such as the role of foreign trade in the partner's economy, the type of goods traded, and the perceived degree of dependence or interdependence relative to national economic needs and easily available alternatives. The following tables (5.3, 5.4, and 5.5) rank the countries for which Brazil was a major trading partner in 1979, a year in which it accounted for 1.58 percent of the world's imports and 1.0 percent of the world's exports, by value.

Brazil has by far the greatest trading impact in South America's southern cone, especially in the three "buffer" states,

TABLE 5.2
Direct Foreign Investment and Reinvestment Registered in Brazil, by Major Countries of Origin

Country	December 31, 1971 (\$2.91 billion)		December 31, 1978 (\$13.74 billion)	
United States	37.7%		28.4%	
West Germany	11.4		15.3	
Canada	10.1		5.1	
United Kingdom	9.6		5.4	
Switzerland	6.5		11.9	
France	4.5		4.2	
Japan	4.3		10.2	
Panama	2.8		2.7	
Sweden	2.0		2.5	
Luxembourg	1.2		2.4	
Netherlands	1.2		2.2	

Source: Brasil. *Boletim do Banco Central do Brasil*, Vol. 15, No. 7 (July 1979), pp. 230-235.

TABLE 5.3
International Exports to Brazil as a Percentage of Total Exports, 1979

Country	Percentage of Total Exports which goes to Brazil	Country	Percentage of Total Exports which goes to Brazil
Uruguay	23.1%	Ivory Coast	2.1%
Bolivia	12.1	United States	1.9
Chile	10.2	Mexico	1.7
Argentina	9.8	Kuwait	1.6
Paraguay	9.3	Thailand	1.6
Iraq	9.3	Morocco	1.6
Congo	7.5	Netherlands	
Gabon	5.3	Antilles	1.6
Saudi Arabia	4.1	German Democratic	
Peru	2.4	Republic	1.6
Iran	2.4	Panama	1.5

Source: International Monetary Fund, *Direction of Trade Yearbook*, 1980 (Washington, D.C.: IMF, 1980).

TABLE 5.4
International Imports from Brazil as a Percentage of Total Imports,
1979

Country	Percentage of Total Imports which comes from Brazil	Country	Percentage of Total Imports which comes from Brazil
Paraguay	21.1%	Ecuador	2.7%
Uruguay	15.4	Venezuela	2.5
Bolivia	12.1	Hungary	2.5
Chile	8.6	Mexico	2.4
Argentina	7.6	Nigeria	2.3
Zaire	6.7	Mauritania	2.3
Angola	5.2	Suriname	2.3
Colombia	5.1	German Democratic	
Mozambique	4.7	Republic	2.1
Congo	3.4	Iraq	2.0
		Honduras	1.9

Source: International Monetary Fund, *Direction of Trade Yearbook*,
1980 (Washington, D.C.: IMF, 1980).

TABLE 5.5
Brazil's Participation in the Trade of the Great Powers, 1979

Country	Percentage of Total Exports which goes to Brazil	Brazil's Rank among all Partners	Percentage of Total Imports which comes from Brazil	Brazil's Rank among all Partners
United States	1.89%	15	1.55%	15
Japan	1.09	19	1.12	21
West Germany	0.76	23	0.86	23
United Kingdom	0.67	26	0.83	23
France	0.60	28	0.77	18
China	0.25	46	1.03	15

Source: International Monetary Fund, *Direction of Trade Yearbook*,
1980 (Washington, D.C.: IMF, 1980). Complete statistics for the
USSR are unavailable.

with lesser impact in Chile and Argentina. The predominance of Latin America and Africa is striking, indicating successful trade promotion on both sides of the South Atlantic. With the exception of Mexico, no Latin American country outside the southern cone appears on both lists. The growing Brazilian-Iraqi link shows up on both tables, but Brazil's success in exporting to other Middle Eastern states does not match its need for their oil. The presence of the German Democratic Republic on both lists reflects some success in Eastern Europe, but the absence of Western European nations indicates the low level of commercial salience Brazil has for them. In all, 41 countries received at least 1 percent of their import trade from Brazil, and 27 sent at least 1 percent of their export trade to Brazil.

Ties with the major industrial powers have been vital for Brazil's economic growth, but its role in their total trade picture has remained a reduced one. These statistics, when contrasted with those from Brazil's perspective, reveal some disparities in mutual sensitivity. As indicated previously, outside South America, there are few countries for which overall relations (commercial or otherwise) with Brazil are now a serious concern or a major item in the broad context of foreign relations, however important that same link is to Brazil.

If interdependence is defined in terms of interrelationships that are costly for each party to forego (Baldwin, 1979: 176), interdependence vis-à-vis the dominant states has been especially unequal for Brazil. This explains its sovereignty-minded reaction to the concept and its suspicion of U.S. appeals to take on "responsibilities" and "system-mindedness." Except for Bolivia, Paraguay, Uruguay, and Chile which involve only minor actors, Brazil depends much more on the globally significant countries than they depend upon Brazil. This imbalance is especially pronounced in relations with the U.S. and major power partners. For example, although the EEC was the market for 30.5 percent of Brazil's exports in 1979, Brazil received only 0.8 percent of the EEC's exports. Even for a major trading LDC such as Brazil, asymmetries in trading relationships with large developed powers are unavoidable, mainly because of differences in trade volume. With these asymmetries come differing values placed on the relationship, which confers the more consistent bargaining or influence advantage on the larger partner for whom the relationship is usually much less critical. Brazil is just one of a number of worthwhile options for its major partners in that its economy is diversified, competitive, and growing. Yet Brazil possesses no special attraction to compel engagement, endow it with a strong advantage, or promote ongoing serious attention by its larger partners. For the larger partner, the costs of switching to another option are likely to be less than for Brazil. This asymmetry explains in part why the 1970s attempts at special relationships failed to come to full fruition and why Brazil was much more interested in developing such ties (for its own mobility or tactical purposes) than were its partners.

Yet, within the limits imposed by its level of development, Brazil made considerable progress during the 1970s to lessen its vulnerability relative to three chief sources of trade dependency:

(1) high export product concentration, (2) geographic concentration of exports, and (3) geographic concentration in sources of supply (Holsti, 1978: 516). While scoring well on a fourth factor, ratio of exports to GNP, Brazil suffers increasingly from the need to keep exports high to cover imported energy costs and debt service, a vulnerability to international economic forces which it will not soon overcome.

THE RELEVANCE OF STATUS AS AN UPWARDLY MOBILE MIDDLE POWER

In the broader analysis of world economic and political trends, Brazil has long been considered a middle or intermediate power because of its position in an otherwise dissimilar grouping of some twenty medium-size states (in GNP terms) falling between the seven great powers and the small states in relation to capabilities. Because the characteristics and geopolitical positions of these states are so diverse, few generalizations have been made about them. Their international roles are limited largely to their own regions, but several of them are candidates for eventual major power status. In relations with superpowers, their strength can be enhanced by strategic location, possession of resources, industrialization, and adroit maneuvering, sometimes to the aid of their relationship with other middle powers or the major powers. In relations with smaller states, initiatives are limited in sectors of activity and number of partners, especially when dealing with nations on other continents (Spiegel, 1972: 99-105). Developing middle powers, anxious to increase their status, are also said to spend a considerable proportion of their foreign policy on efforts to publicize their significance and to increase the receptivity to them of more powerful developed states (for aid, technology, and capital) and of weaker less developed states (for raw materials and local and multilateral influence). The more domineering developed client states among their smaller neighbors, especially if they have hegemonic pretensions, thereby greatly shifting the local balance of power in their favor (Gonzalez Aguayo, 1975). Additionally, developing middle powers can be characterized as either satisfied with their position in the system (status quo) or bent upon improving that status (dissatisfied) (Pérez Llana, 1975).

Although these characteristics have been worked into analyses of Brazil's foreign policy, classification of the country as an LDC middle power provides limited detailed analytical insight into its foreign policy motivation and conduct. The ideas and country studies which have been advanced, nevertheless, caution against assuming that middle powers, including Brazil, are merely smaller replicas of the major powers, which are restricted in options and spheres of activity but likely to go through similar stages of foreign policy if they move up the capabilities scale.

International mobility within global multipolarity has also been a theme in analysis of Brazil's foreign relations (Roett, 1975a; Schneider, 1976). Within a systemic change framework, Cohen (1976) saw Brazil as a component of a diverse "new second order of powers," a tier of about twenty recently more influential states

taking shape below the level of significance enjoyed by the five central great power nodes of the U.S., the USSR, the EEC, the Peoples' Republic of China, and Japan. Because the competition for inclusion in the emerging tier is among regional contenders as well as vis-à-vis the center, Cohen foresees that between ten and fifteen countries are likely to be successful in attaining the new status in the short to medium runs. He lists prerequisites for such status as:

1. the success with which a national state can achieve some measure of intraregional superiority;
2. the strength of a state's extraregional ties to perhaps three to six other second order powers; and,
3. the ability of a state to gain sustenance from one or more great powers without falling into a condition of overwhelming subordination (Cohen, 1976).

During the 1970s, Brazil had considerable success in two of the three categories. It consolidated a widely recognized position as the most important and most highly industrialized South American state in a conciliatory manner, averting the potential resistance among its larger neighbors through skillful and cooperative diplomacy. Brazil increased its autonomy by reducing dependence on the United States through expanded and deepened relations with the EEC and Japan, centers of economic growth and benefactors of multipolarity. A relationship was initiated with China, but relations with the USSR advanced little. The area of least success was in promoting ties to extraregional second order contenders, where most of the progress with states of this type was registered with Nigeria and some initiatives with Mexico. The instability following the fall of the Shah derailed what could have been a promising cooperative arrangement with Iran, while despite the level of trade, broader ties with South Africa were limited by the effect of its pariah status on Brazil's African offensive. Within South America, a breakthrough in relations was achieved with intraregional contenders Argentina and Venezuela.

In the next decade, other extraregional second level contenders may become the objects of Brazil's attention as it intensifies interaction with other middle powers, but the current strategy emphasizes South America and Africa. The systemic effect of these links, supported by ties such as Brazil is beginning to maintain with lesser powers such as Iraq, will be to enhance Brazil's current level of attractiveness, competitive ability, and influence vis-à-vis the center as regional superior.

BRAZIL IN THE NORTH-SOUTH CONTEXT--AN "ADVANCED DEVELOPING COUNTRY" READY TO "GRADUATE"?

Because of its performance in industrial development, by the late 1970s Brazil was classified as an advanced developing country (ADC), a newly industrializing country (NIC), an upper middle income country, and a threshold country--all terms drawing attention to the

advantages Brazil enjoys in contrast to the majority of the nonoil-exporting LDCs, who fared poorly after 1973. From 1963 to 1976, Brazil's share of world industrial output grew from 1.57 percent to 2.49 percent, while its share of world exports of manufactures progressed from 0.05 percent to 0.41 percent in the same period (OECD, 1979: 18-19). Like other NICs, such as Mexico, South Korea, and Taiwan, Brazil has followed a model of outward-looking industrial growth with export expansion, experienced a rising trend in industrial employment, and gained an increase in real income per capita relative to the advanced industrial states. As a group, the NICs began to cut into the world industrial output and market shares of the advanced industrial countries, presenting them with competition in certain manufactured goods while they were suffering high unemployment, inflation, low growth, and balance of payments problems. As a result, Brazil became caught up in the concern that this competition was disruptive to the international trading system and had to be regulated, with the NICs exercising what American Assistant Secretary of the Treasury C. Fred Bergsten called "systemic concern" for the effects of their policies on other states and the international order. Some analysts interested in system management foresee a "graduation scenario" whereby countries in this class, with actual or potential power, would assume additional responsibilities and privileges through integration into the group of industrialized states, perhaps even the Organization of Economic Cooperation and Development (OECD) itself (Hansen, 1979: 173-207).

Brazil's Response to ADC Designation: Economic Aspects

Brazil resists international policy acceptance of an ADC or NIC category, interpreting such a designation as a threat to its competitive position, and seeing the concept of ADCs generally as a new focused protectionism which imposes burdens in the name of responsibilities and exacts a penalty for competitive success, with few advantages. The ADC label is disadvantageous in relations with the North because it implies limitations on manufactured exports and fewer trade and financial preferences, as attention goes to the poorest countries. Brazil argues that its manufactures exports share is entirely too small to be disruptive, nor does it wish to assume responsibilities in situations which it did not create and in which it is not a major participant. To the contrary, Brazilian diplomats maintain that the "advanced industrial" status of most Western nations imposes obligations on them to exercise enlightened "system-mindedness" toward the entire Third World, to lessen the standard of living disparity, and to increase the ability of those states to participate effectively in decisions on global matters. The new designation is seen primarily as a divisionary tactic to split Third World ranks. It also highlights economic policy differences Brazil has with other LDCs, a distinction which could hamper the current vigorous Third World emphasis which Brasilia is undertaking by implying that it may be willing to defect, given the proper inducements. The concept of graduation is rejected for political reasons as a defensive reaction of the North, meant to coopt Brazil without a real promotion in influence, to enlist it as

a guardian of established interests and norms in Latin America and elsewhere, and to undercut its enthusiasm for broader international structural reforms which would benefit it and the rest of the Third World much more.

Even though the United States, the principal promoter of the ADC label, does not present the idea in such negative terms (Bergsten, 1978), the question for Brazil is still a major political option rather than a narrow technical choice. Faced with a large foreign debt service and balance of trade problems, and having negotiated with the United States the phasing out of its own export subsidies, Brazil is reluctant to accept an uncertain institutionalized change in status which could obligate compliance with a schedule of concessions. Brazilian policy is to avoid having the advanced sectors of its uneven economy recognized as of industrialized state quality before the lagging sectors can be pulled up, which is expected to take a couple of decades. To avoid such a precedent, and to safeguard its LDC credentials, in 1979 Brasilia rejected an invitation to join the OECD steel committee, even though the country had just been recognized in General Agreement on Tariffs and Trade (GATT) as a major iron and steel producer. An interministerial study group concluded that Brazil would have little influence in committee decision-making and would prefer not to have to submit its plans for steel production expansion to the committee periodically, since that group represented the interests of established producers fighting a market slump and LDC competition. For Brazil, inclusion in either an OECD subgroup or a policy-relevant ADC category is seen not as a promotion but as increased restrictions by possible export quotas in a systematic multilateral way which would be more difficult to overcome than bilateral trade disagreements with industrialized partners have been. Such membership would also make it more difficult for Brazil to continue the practice of pushing for lower trade barriers in industrialized markets, while maintaining its own protectionist measures.

Whatever its formalized status, Brazil will have a more global impact in the 1980s because of the economic profile built up during the 1970s. Two interesting sectors of activity will be taken as illustrative, but certainly not exhaustive: South-South relations and international security affairs. As in the case of ADC status, Brazil will not be acting in isolation, but rather as part of global trends which will have relevance to policies in both developed and developing countries.

Brazilian interaction with other LDCs will be greatly intensified in the 1980s, as a more rewarding option than an institutionalized association with status quo industrial states. The national interest position between the First World and the Third World will continue for some time, as it is still courted by both sides. In all probability Brazil will continue to pursue a middle course, defending Third World interests generally while careful not to overestimate its capabilities for the sake of a misleading developed country status. It will also be cautious in paying heed to the differences it has with other LDCs, to avoid either a false identity of interests or group radicalization (Grabendorff, 1979). Brazil

will garner more benefits from bilateral South-South relations, expanding on the current pattern of package deals of trade, investments, and appropriate technology transfers with Latin America, Africa, and the Middle East. At the same time, it will promote LDC unity vis-à-vis the North, both to achieve some of its own multilateral objectives and to increase political acceptance among its new partners.

In view of the scant progress in North-South multilateral negotiations in the 1970s, Brazil may well become an articulate leader in advancing LDC collective self-reliance. With the continuing growth of its industrial sector, largest in the Third World, Brazil is assured of a key role as a partial alternative to industrialized states in exchange of raw materials and primary products for relatively inexpensive finished goods and technological know-how, such as biomass energy and steel production. The new ventures with Argentina and Nigeria should be indicators of the viability of this strategy which will take the form of a complement to, rather than a complete substitute for, relations with the North. An LDC-centered approach would be most attractive to Brazil in the pessimistic scenario of greatly heightened East-West tensions, a sharpened adversary tone of the North toward the South, lowered world growth rates, and generally shrinking economic space. It remains to be seen, however, whether Brazil will be willing or able to offer the necessary preferences and foreign aid to other LDCs sufficiently to promote this form of cooperation.

Military-Security Aspects of Brazil's ADC Status

Brazil's current military expenditures and force size are both quite small relative to the national base and are poor indicators of the country's potential significance in international security matters in the longer run. More important is the level of its industrial plant (computers, electronics, steel, airplanes, rocketry, etc.), linked with the establishment of the state-owned War Materials Industry (IMBEL), the goal of maximum feasible self-sufficiency in military equipment, and the drive to export a range of war materiel going far beyond small arms and ammunition. According to international military analysts, Brazil has reached a level of production capability in types of conventional weapons and range of advanced components which puts it in the same general league with China, India, Israel, and South Africa; above Argentina; and well above all other LDCs, including Taiwan and South Korea (SIPRI, 1977: 288-304). Brazil's growth in this field has been unusually rapid and diversified, and its motivation can be traced to a reaction to the decline of U.S. military exports to Latin America beginning in the mid-1960s. Resumption of U.S. supplies in 1973 was by then relatively unimportant to Brazil, beyond purchases of F-5s, and was soon rendered burdensome because of human rights stipulations, though cooperative agreements with U.S. producers continue.

Brazil's success in development of a defense industry, now largely national and supported by foreign investment and technology, will be augmented by IMBEL's association with foreign

(mainly European) companies which are to establish sophisticated equipment industries in Brazil to transfer technology and to manufacture for the local market and for export. Companies from West Germany, Italy, and Switzerland have shown concrete interest. Countries which have purchased completely Brazilian-produced equipment include Chile, Qatar, Abu Dhabi, Togo (Xavante jet fighters), and Libya (armored cars). Iraq has shown an interest in transport and fighter planes and some 2000 armored cars, while Nigeria sent a general to Brazil in 1978 to investigate the possibilities of equipment purchases. Sales may eventually be accompanied by training and technical assistance, as in the fighter sales to Togo.

For the 1970-1979 period, Brazil ranked second in total sales, close behind Israel, among developing country weapons exporters, with 21 percent of total Third World exports (SIPRI, 1980: 86). Brazil's rank of twelfth in world arms exports in 1978, with 0.4 percent of world sales (SIPRI, 1979: 75), is only a harbinger, because its new arms export industry began to have sales impact only in the late 1970s. Brazil is aiming principally for a larger share of the second-level conventional armaments market in conditions and specifications appropriate to Latin America, Africa, and the Middle East, regardless of political persuasion. Canada, the United States, the USSR, and China have also shown various degrees of interest in purchasing Brazilian military equipment. Brazil's emergence as a significant and increasingly technologically advanced secondary factor in international arms sales in a wider range of products will bring competition with established producers. Relative to these, Brazil is not yet engaging in operations of sufficient volume to pose imminent policy complexities for major military powers in their ability, unilaterally or multilaterally, to control weapons proliferation or to decrease volatility of subregional arms races. Even so, Brazil has the potential to be a "wild-card" factor in arms sales as its exports grow. Beyond the commercial aspect, Brazil is using the economies of scale thus provided to gain some political independence in pursuing modernization of its armed forces toward the level required by their mission and the size of the country.

Another international security issue in which Brazil will be involved concerns its policy of promoting nuclear cooperation with other developing countries, such as Mexico, Argentina, Venezuela, and Iraq. Although Brazil's nuclear industry is not yet advanced enough to support really sophisticated cooperative agreements, as it progresses, the temptation or potential may be for the transfer of sensitive technology in exchange for guaranteed and favorable access to petroleum in the Middle East, or furtherance of broader cooperation with Argentina which would be a concern to nuclear powers trying to maintain a nonproliferation regime (Jones, 1980). The evolution of Brazil's nuclear diplomacy will be observed by an increasing number of foreign ministries during this decade, especially since it is generally considered one of the nations with a nuclear weapons option. Of particular interest will be the course of Brazilian-Argentine collaboration in both nuclear energy and defense affairs, initiated in large part to resist U.S. political

pressures more effectively.

NATIONAL ROLE AND DIPLOMATIC STYLE IN FOREIGN POLICY

Brazil's international position shapes its foreign policy interests and sets out some strategic and tactical imperatives, which by constituting parameters for action result in regular patterns of behavior. In explaining these observable patterns in Brazilian foreign policy, the concepts of "national role" and "diplomatic style" are particularly insightful. According to Holsti (1977a: 130), a role conception is the configuration of "the policy makers' definitions of the general kinds of decisions, commitments, rules, and actions suitable to their state, and of the functions their state should perform in a variety of geographic and issue settings." Role conceptions derive from a wide variety of national and systemic sources and provide broad policy guidelines for specific types of foreign policy behavior, often carried out within a diplomatic style characteristic of that particular state.

Brazil's previous, more traditional role (i.e., pre-1970s, except for 1961-1964) can be put into global perspective by reference to one of Holsti's studies (1970) in which content analysis of official statements on national foreign policy was used for seventy-one states, mainly from 1965 to 1967, to construct a typology of the international roles which states perceived for themselves. Seventeen different roles emerged from the data, with the weighted average number of roles for each state at 4.6. Whereas the most active states all perceived themselves playing five or more roles, some up to eight, Brazil's weighted total (in terms of numbers of references) was only two roles for 1967-1968, which placed it among the more passive states.

Brazil's strongest role type was "internal development," followed by "independent" (pursuit of its own interests) and "regional-subsystem collaborator." Compared with the full range of roles expressed by states, Brazil fell toward the bottom of a passive category characterized by a narrow and restricted view of the world, with no sense of direction or commitment beyond reaction to specific issues, and with a tendency to deal either in sweeping generalizations or specific commercial problems. This unassertive role image contained little reference to national function in the international system beyond noninvolvement and minding one's own business, but with a willingness to cooperate with other states. A state characterized by this "law-abiding good citizen" posture of modesty, with no tradition of really serious engagement, would not, of course, be out to make a name for itself in influencing other states or reforming the system.

As Brazil became more seriously engaged in the international economic system during the 1970s, it took on a more active and complicated set of participationist roles. Remnants of the traditional self-perception, however, continue to affect its attitude toward exercising political influence, its style, and its international image. Because Brazil is not an advanced industrial society, and has some considerable capability weaknesses despite its

size, and because it has pursued a development policy which lacks really integrated national depth, it is still largely inner-directed and is building infrastructure rather than being concerned with (or being really capable of) exerting influence abroad (Selcher, 1980). Brazil is still consolidating its internal front, so foreign policy concerns are turned heavily to economic matters rather than to matters usually considered political. In the absence of strong security concerns in the military sense ("high politics," implying conflict), the "low politics" of commercial competitiveness, attracting foreign investments and technology, and access to raw materials and energy supplies have become the chief foreign policy concerns. To these ends, success is aided by projection of a benign image as a self-confident but unassuming, a rising but not threatening, intermediate power pursuing a responsible policy of prudence and restraint with an air of quiet competence.

Brazil would like to play the role of a serious and reliable partner in bilateral dealings with a wide range of states, and so pursues compromise-prone and noncombative multilateral policies aiming at broad political acceptability extending over lines of international tension. The Foreign Ministry is careful to avoid taking sides in others' disputes, whether among the great powers or within South America. Its policies stress coexistence and plurality rather than alliances and exclusivity. Brazil can achieve these multiple identifications by capitalizing upon its membership in diverse international groupings without regarding any single affiliation as definitive across all issues or as constraining flexibility in any given case. The image of ambiguity caused by this "responsible pragmatism" or resistance to alignments has occasionally been criticized as unprincipled opportunism by diplomats from ideological states or those heavily committed to one side of an issue, but, in general, the strategy has worked favorably for Brazil and has been respected by its numerous partners.

Brazil's geopolitical location and status as an ADC middle power have given rise to and reinforced a diplomatic style which is technically-oriented, particularly active in functional questions, nonideological, reasonable and gradual in approach, limited to matters directly affecting the country, and predisposed to disclaim any leadership or influence attempts or ambitions. Brazil purposely avoids taking a political lead because most major international issues are divisive and polarizing; it does not wish to alienate any of the diverse and demanding constituencies on which it depends. For example, Brazil avoids hosting any Third World meetings, to eschew a radical image or an appearance of ostentation.

Citing the country's "delicate position" in international affairs, Brazilian diplomats are well aware of their national limitations and of the common counterproductivity and unpredictability of influence attempts by major states. They are not yet ready to play in that bigger league, and in fact are quite critical of the principles of the current international political system which are determined largely by the conduct of the powers above Brazil in the hierarchy. Brazil consistently condemns hegemonies, interventionism, and the use of force (supposed prerogatives of the great powers) and disavows having hegemonic pretensions of its own

or designs to gain predominance in South America. Nor has it demonstrated any interest in playing the role of surrogate gendarme, or in replicating the relations of force practiced by the current great powers. In relations with other developing countries, Brazilian officials speak of "horizontal relations of cooperation" rather than "vertical relations of domination," and of constructing a new kind of international relationship different from the paternalistic or colonial relationships which characterized interaction between the West and former colonial areas. With the progress of political liberalization in Brazil, the theme of "democratization" of the international system with equitable distribution of its benefits became a part of foreign policy statements.

Brazil's diplomats give themselves maximum political maneuvering room and fully utilize advantages of the country's position by observing the following principles of cautious statecraft:

1. Avoid isolation, conspicuous exposure in a controversial position, and precipitous action. Shun rhetoric and grandstanding.
2. Play the best option without absolute (ideological or dogmatic) commitment, overextension, or unnecessary risk-taking. Maintain national freedom of action.
3. Keep all options open by not alienating important actors; avoid being drawn out, labeled, or pinned down.
4. Be particularly cautious about attempts at leadership or initiatives which imply responsibilities, outlays, or sacrifices that may burden future flexibility or allocations of resources. Practice selective engagement.
5. Trust bilateral relationships over multilateral and national over collective self-reliance. Diversify relations on a global basis to balance dependencies and multiply alternatives with states at all levels of development.
6. Maintain the LDC classification as long as possible, to safeguard preferential status and to avoid premature promotion to DC ranks. Follow the Group of 77 consensus in rhetorical terms and defend group solidarity, but separate the national interest in application.
7. Work for incremental gains in international economics, being willing to take a conciliatory approach to established interests rather than frontally attacking them in the name of creating a new order.
8. While economic interests are concrete, worth defending, and risking attrition over, beyond abstract declarations little is likely to be gained in trying to change the course of political currents. Therefore separate economic from political matters whenever possible.
9. Vital national political and security interests are limited to South America, with global political events crucial only as they affect Brazil directly.
10. When pushed to take a political stand on a distant question (Beagle Channel dispute, Nicaragua, Korea, Egypt-Israel, the Palestine Liberation Organization), finesse and avoid

commitment for as long as possible. Statements on such matters should be typically mild and justified in terms of universal values, principles of international law, or an international organization consensus. Avoid the appearance of giving in under pressure.

In putting these moderately reformist policy guidelines into practice, Brazil is not presently exercising all the political capabilities it can marshal and will not gain greater status recognition until it does exert more influence. Although this reticence to appear influential may be a continuation of a long-standing national self-image as a subject rather than a participant, a diplomacy of restraint is quite understandable for a middle power in Brazil's peripheral geopolitical position. Overt exercise of one's full capabilities may stir up resistance which would make future attempts to exert influence much less successful because of antagonisms created. Further, above and beyond the sheer elements of national capabilities, "a nation can increase its power by shrewdly estimating its exact power relative to other nations, by knowing just what it can and cannot do, and by making the most of a past reputation or a future promise of power" (Organski, 1968: 111). This maxim resembles the approach to influence which Brazil has adopted—one which has not abandoned aspiration to greater significance in the future, but one based on the belief that this enhanced influence is best cultivated gradually without provoking concomitant and troublesome startle reactions from neighbors or the topdog states (which Brazil may not yet be in a position to overcome). Such a strategy is facilitated domestically by both the low level of radicalism in national politics and the low levels of social awareness and concern about national foreign policy. Should either of these internal conditions change markedly, or should the success of gradual advancement falter, the viability of accommodationism could be seriously questioned—hence Brazil's ascension could take a more conflictful turn. Meanwhile, as in the case of Japan, the case of Brazil cautions that political influence does not flow inexorably from economic size, nor do all economically significant countries seek political importance.

NOTE

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