Cooperation for Development, Brazilian Regional Leadership and Global Protagonism

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Panel FC03 - Leadership of BRICS at the Regional and Global Levels: Willingness, Capacity, and Legitimacy in an Era of Multipolarity

July 23rd-25th 2014

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ABSTRACT: This chapter aims to analyze Brazil’s regional policy towards South America during Luiz Inácio “Lula” da Silva’s government by discussing what kind of leadership the country was able to perform in the region during this time. The authors examine the role played by the policy of International Cooperation for Development on such regional leadership. Our central argument is that although Brazil has performed the role of a regional leader, there is a need for distinguishing leadership for regional matters – inwards regional leadership – from leadership for global issues – outwards regional leadership. We argue that inwards regional leadership was in fact successfully performed by Brazil in South America, mainly due to its role as a Development Regional Leader. On the other hand, we also verified that such leadership for regional matters did not always allow Brazil to act on behalf of the entire region on the global arena. Nevertheless, we argue that Brazilian diplomacy left behind the belief that, in order to have global protagonism, the country should use South America as a regional launching platform. Instead, Brazil has been making use of global coalitions such as IBSA and BRICS to boost its global role.

KEYWORDS: Brazilian Foreign Policy – Regional Leadership - Regional power - Regionalism - International cooperation for development – Luiz Inácio “Lula” da Silva government – IBSA
I. Introduction

In the Brazilian Foreign Policy literature, the reference to the Brazilian pursuit of an important international role is not new. Indeed, this is one of the most recurrent aspects ascribed to the Brazilian diplomacy (Lima 2005b; Silva 1995). Another ever-present feature regarding Brazil’s stance on the international scenario is its alleged drive for playing a leading role in the regional arena (Saraiva 2010; Silva 1995). This is also true as far as official statements are concerned. To give a recent example, former president Luiz Inácio “Lula” da Silva said before Itaipu Hydroelectric Board of Directors that there was a claim from the South American countries for Brazil to lead them1. Likewise, it is worth mentioning the critiques voiced by former minister of Foreign Affairs Luiz Felipe Lampreia (1995-2001), saying that leadership was something to put in practice, not to be heralded. Moreover, he claimed, leadership should be a continuous and consistent attitude2.

In our view, both the aims of having a more important international role and of exercising regional leadership are still very much present in the Brazilian foreign policy agenda. Nevertheless recent changes on the Brazilian stance towards South America (Hirst & Lima 2006; Hirst, Lima & Pinheiro 2011; Pecequilo & Carmo 2012; Saraiva 2010; Spektor 2010) should be taken into account in order to better evaluate each one of those aims, as well as their alleged connection, that is, the hypothesis that being a regional leader is a pre-requisite for having international protagonism. We argue that during Lula’s government (2003-2010) the Brazilian policy of horizontal cooperation for development strongly contributed to strengthen Brazil’s regional leadership as well as to diminish – if not totally extinguish – the instrumental nature of the latter to achieve global protagonism3.

3 When we say region we are referring only to the the South American states.

* The authors would like to thank Diana Aguiar, Eduardo Plastino, Janina Onuki, Julimar Bichara, Luciano Barbosa de Lima, Maria Regina Soares de Lima, Monica Hirst, Monica Salomón, Pedro Archer, Tatiana Oliveira, Tiago Martins, Tim Power, and Yuri Tonani, who have helped with the research, suggestions and/or comments to improve their argument. We also thank the editors of this book for their insightful comments and suggestions. Possible mistakes and omissions are the sole responsibility of the authors.
This chapter joins the debate about Brazilian regional performance by starting with the question of what kind of leadership Brazil has played – if the country has indeed played such a role – and in which areas. Our main hypothesis is that one should distinguish between two different kinds of leadership: *inwards regional leadership*; and *outwards regional leadership*. Whilst the former is defined as the willingness and the capacity to set formal or informal rules and patterns of behavior within the regional sphere; the latter is defined as the willingness and the capacity to lead regional partners in global matters. In this sense, the thesis that Brazil was likely to consolidate itself as a middle global power before gaining acceptance as a leader in its region (Malamud 2011) should be slightly revised. Although we follow the argument that “leading a region is not a precondition for global emergence” (Idem, p. 4), we argue, instead, that Brazil does play the role of a regional leader. In saying so, we contend that in particular issue areas Brazil fulfills the three necessary conditions that, according to Van Langenhove and Zwartjes (see Chapter 1) qualify it to play an *inwards* leading role in South America: (i) the willingness to act as a leader; (ii) the leadership capacity; and, finally (iii) the acceptance of this kink of leadership by other actors. Finally, we argue that, although it is not necessary to be a representative of its own region to play a relevant role in the international scene, Brazilian global protagonism is reinforced by its role as a Development Regional Leader.

To present our argument, we have organized this chapter in three sections. First we briefly discuss distinct views of Brazil’s regional leadership – or its lack – followed by our quest for a different approach to characterize leadership. Second, we address what kind of leadership Brazil has played in South America by means of implementing projects for development of two different types: credit lines for infrastructure projects and technical cooperation for social development policies. Altogether, these initiatives are strong indicators of Brazil’s position as an *inwards* regional leader – a Development Regional Leader, a label that captures and summarizes Brazil’s willingness and capacity, as well as the acceptance from its regional neighbors of Brazilian initiatives.

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4 It is important to underline that we are talking about public financing for foreign governments to purchase goods and services from Brazilian construction and engineering companies related to infrastructure projects that South American countries consider being relevant to their development. We are not interested in discussing the broader phenomenon of the expansion of Brazilian capital, a strategy that, though may also benefit from public finance support, does not necessarily aim to generate regional public goods such as infrastructure. For a discussion of the latter and its effects on national development see Masiero & Caseiro 2012; for the international expansion of Brazilian capital, see Actis 2012 and 2013.
for boosting economic and social development in the region. In the third section, we turn to the place IBSA Dialogue Forum\(^5\) has occupied on Brazilian foreign policy during Lula’s government and to its connection – if any – with Brazil’s regional leadership as defined earlier. By way of conclusion, we raise some ideas about the complementarity, though not dependence, between Brazilian regional leadership and Brazilian global protagonism.

II. To be or not to be a regional leader

The need for more precise categories is a central question for scholars and practitioners trying to qualify and rank countries in the international system. This is particularly more complicated when we talk about volatile attributes or situations. Leadership and power, for instance, are not static features. It is impossible to ascribe to anybody or to any country a kind of everlasting leadership position or major power situation. Those are relational and historically contingent categories, and therefore they are not only associated with the country’s own capabilities and behavior – which are not static either – but also to other countries’ capabilities and behavior, and consequently to the current configuration of the international system. In face of the identification of a power shift in global politics from the G7 to a group of emerging powers (Hurrell 2000), this debate seems to have become even more intense.

It is very much due to the difficulties around the definition of those categories that authors from different perspectives have been trying either to rank or to label countries’ power - great power, middle power, intermediate power, emerging power, global power, regional power – as well as to label different kinds of leadership – multiple, collaborative, shared, distributive, by concertation\(^6\). By doing so they attempt

\(^5\)From the outset, it is important to note that, although Brazil participates in other political coalitions with emerging countries and middle powers, such as the BRICS – Brazil, Russia, India, China and South Africa – and is even currently investing much more politically in the latter than in IBSA, the option to examine the place of the latter coalition in Brazil’s foreign policy and its relation to the issue of its alleged regional leadership agenda (instead of the BRICS) was due to the fact that the article examines in particular the period of President Luís Inácio Lula da Silva’s government (2002-2010), while the BRICS group was only formalized in the first presidential summit in 2009, that is, at the end of his second term.

to simultaneously take into account some of the particularities of each country and to avoid excessively detailed classifications. The bad news is that either we have dozens of different - and sometimes useless - typologies or, rather, we surpass actual and relevant singularities in the name of parsimony.

Notwithstanding the acknowledgment of the relevance as well as the complexity of the attempts to conceptualize power, it is not our aim to propose a new definition or alternative criteria to categorize it. Instead, we have decided to join the debate about different kinds of leadership, due to the importance of this category for South American current international politics. Therefore, we see leadership as a position created and nurtured both by those who present themselves as leaders, and by those within the same region and/or from abroad, who reinforce, through statements or actions the leading position of a country. Additionally, we argue that, when it comes to leadership, we have to think not only about who exercise it, but also about on which issues it is exercised.

As a volatile, and not structural, feature, a leading role has to be continuously renewed in order to be recognized as such. Indeed, when it comes to regional leadership we see it as an ongoing process which can always be disputed by regional neighbors – in the South American case, usually by Brazil, Argentina and, more recently, Venezuela (Flemes & Wojczewski 2010). Therefore, we are not facing a Shakespearean dilemma of “to be or not to be” a leader; but rather a kind of Pirandelian puzzle of “So It Is (If You – [We] - Think So)”. The main difference is in the way Brazil sees itself as a regional leader and the way it is seen as a leader by its peers, independently of the means through which this recognition is achieved and renewed.

Most authors agree with the idea that Brazil was not in a position that could lead to any easy or automatic acknowledgement of the country’s regional leadership in world affairs (Lima & Hirst 2006); or of a consolidated regional leadership (Vieira 2011); or even of a regional leading role at all (Hirst 2010).

According to Andrés Malamud, who has been giving close attention to this subject, leadership can be defined as “the capacity to engage subordinate states so that they adopt the goals of the leading state as their own” (2010, p.3, our emphasis). Unlike Malamud, we do not refer to leadership in such a way, since we understand the idea of subordinate states adopting the goals of another state as their own as an example of dominance, rather than of leadership. In fact, the idea of subordination seems to detract
or even to ignore a certain level of complementarity of interests and freewill, which can be identified in the case of Brazil and its neighbors. Indeed, we argue that the kind of regional leadership Brazil has performed during the Lula’s government should be seen as associated to its capacity to be a referential country for development policies, not only because it was able to take more than 30 million people out of the poverty in less than one decade (World Bank, apud Stolte, 2012, p.13), but also because it put in place a type of cooperation for development which served, even if asymmetrically, the actual interests of the South American countries, including Brazil. Indeed, as stated by Dauvergene and Farias, “Brazil has moved beyond the ‘traditional’ role of calling for development to being in a position to draw on its own experience to offer development solutions” (2012, p. 909), thanks to the fact that both the relative paucity of resources for Brazil to assume the role of paymaster and therefore to absorb the costs of region building and the lack of will to do so (Burges 2005, 2007, 2008) now belong to the past (Saraiva 2010).

Malamud also defines leadership as “the capacity to influence followers” (2010, p. 13). Even if we acknowledge that influence is a very difficult attribute to measure, this idea could help us to better understand the kind of leadership Brazil has actually played in the region. Even so, we should make a distinction between “the capacity to influence followers” (Idem) in regional matters and in global matters. In the case analysed here, we witness a kind of leadership that can neither be extended to all issue areas, nor qualify the leading country to claim the right and legitimacy to represent its neighbors in global issues. In sum we are not talking about a kind of comprehensive leadership or structural leadership, that is, the one that could cover all dimensions of a country’s interests irrespective of the forum of discussion. In fact, we argue that this kind of leadership no longer exists (not even great powers can benefit from this kind of leadership). On the contrary, we have opted for examining only one dimension of Brazilian performance in the region, one that can be seen as an example of a kind of leadership.

Now we turn to the concept of consensual hegemony, as crafted by Burges (2008) in his attempt to explain the leadership strategy of an emerging power like Brazil.
- a strategy, he concludes, in which Brazil has not succeeded. (Idem, p. 66). This concept was meant to substitute the somewhat worn out concept of leadership, as well as to be a tool to explain a kind of strategy that even if it fails to reach its objective, nevertheless “offers rewards that compensate for a failure to attain it” (Idem, p. 66).  

On the other hand, the concept of consensual hegemony proposed by Burges focuses “on a Gramsci-inspired vision that privileges the creation of consensus through the constructive inclusion of potentially competing priorities and the shaping of common positive outcomes” (Idem, p. 81).

Despite offering new ways to think about the which Burges offers in thinking particular characteristics of Brazilian behavior in South America, we do not subscribe entirely to Burges’ conclusions and indeed we take some of them as misleading. Firstly, we do not agree with the low importance Burges gives to the self-interest reasons of the South American countries on following the leader, which in the end he says can be rather apparent. And secondly, when Burges separates the idea of hegemony and the idea of hegemon in two distinct entities – “hegemony remains the constant, overarching structure, with the role of hegemon shifting between the embraced states depending on which participant is best able to coordinate and advance a specific aspect of the project” (Idem, p. 74) – he gives the structure – hegemony – a rather autonomous existence, which we are not prepared to follow.

Nevertheless there are several other elements of Burges’ thesis that are quite useful for what we are discussing in this chapter. For instance, some of the pieces of evidence he advances on Brazil’s increasing economic presence in the region, by means of private investment flows and public financing through BNDES; and moreover his ideas that Brazil could be seen as regionally predominant, but not a dominant state in South America (Idem, p. 74), are useful.

Having reviewed these contributions that scrutinize the concept of leadership for explaining the situation in South America which have greatly helped us to refine our own view on the subject, we will now present our understanding of Brazilian regional leadership and some examples to illustrate it.

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8 According to Burges, when the strategy fails “it demonstrates that the very attempt to form a consensual hegemony offers the leading state gains that can compensate for an ultimate failure in the larger project; the non-dominating nature of consensual hegemony allows for a series of shifts in the nature of regional relations that at least partially embeds the leading state’s interests.” (Burges 2008, p. 66)

9 In his own words, “The dominant group will go to the extent of making minor or tangential sacrifices, even in the economic realm, in order to co-opt the subordinate, creating a system of political economy which subtly, yet indelibly, commits the subaltern to preserving the hegemony for what at first glance may appear self-interested reasons” (Burges 2008, p. 71).
III. Cooperation for Development and Brazilian Regional Leadership

Brazilian Cooperation Agency (BCA) – the official agency in charge of coordinating Brazilian policy of international cooperation – defines SSC as mainly technical cooperation, based on the commitment to the construction of capacities for sustainable development, by means of integrating the human resources formation, organizational strengthening, institutional development, and the provision of public goods (Cintra 2011). Moreover, BCA excludes financial transfers such as the ones performed by the BNDES (National Bank for Economic and Social Development) to other developing countries out of its definition. In this sense, SSC for development should not be seen as the same of SS relations in general, although “for Brazil [they] have become intertwined dimensions in its foreign affairs”, as posited by Hirst (2011, p. 5). According to some scholars, Brazilian SSC for development is characterized by certain singularities, since the country perceives it as:

“(A)n institutionally grounded action built upon the capabilities of its state agencies comprising technical assistance, skills transference and capacity building. It is centered upon the notion of inter-state partnership, based on ideals of solidarity, the relevance of shared experiences and the value of exchanging capabilities to overcome the social and economic limitations imposed by underdevelopment” (Idem, p. 4).

By a different token, we could take into account the study by Lengyel and Malacalza (2011), who have written a very interesting essay on the variety of instruments and forms through which this kind of cooperation can manifest itself. In their view, SSC can include not only non-refundable loans but also refundable financing, considering Government Sponsored Investments (GSI) as a modality of SSC. According to them, GSI are:

“Investments sponsored/financed by governments and secured by bilateral agreements favorable to receptor countries, which do not impose real financial risks to the enterprises involved (...) and imply a relevant economic disbursement envisaging vital areas of development in the receptor countries.” (Lengyel & Malacalza 2011, p.11)

According to Lengyel & Malacalza (2011), then, we could indeed take – though not without consequences – the credit lines for infrastructure projects in South America together with technical cooperation projects for social development sponsored by Brazil.
as examples of SSC. More specifically, BNDES credit lines for boosting South American countries’ infrastructure could be seen as a kind of SSC, an example of GSI modality, since:

1. It provides “a relevant economic disbursement envisaging vital areas of development in the receptor countries”;
2. It is “favorable to receptor countries” by presenting lower interest rates and varied means of payment;
3. It also reduces expressively the “real risks to the enterprises involved” by reducing the risks of default.

Not being the objective of this article to engage in a conceptual debate about SSC, though, we decided to label the policy Brazil has implemented towards its South American neighbors mostly during the Lula government as *regional cooperation for development* (both of technical and economic nature, excepting those initiatives involving military equipment of any kind). In so doing, our aim was to get away both from the Brazilian official statements, which at times contradict the governmental practices, and from any other definitions which unwittingly succumb to the latter; we also wanted to avoid embracing definitions that could immerse ourselves in endless political contentions, without furthering the exam of Brazilian regional leadership, which is the core of this chapter.

Having said that, amongst several examples of Brazil’s new stance towards South America, we highlight some more consistent to the Brazilian cooperation for development: the support for the consolidation of the Initiative for the Integration of South American Regional Infrastructure (IIRSA); and the commitment to the Union of South American Nations (UNASUR), created in 2008.

To make both initiatives possible, Brazil has committed financial resources through two different institutions: one regionally based – FOCEM (Fund for MERCOSUR Structural Convergence); and other nationally based – the credit lines opened by BNDES to finance infrastructure projects developed by IIRSA or by national governments individually. Both initiatives were made possible thanks to Brazilian macroeconomic stability¹⁰. A challenge to many South American countries,

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¹⁰ It is worth remembering that this macroeconomic stability derives from the maintenance of many economic policies adopted during the previous government of Fernando Henrique Cardoso. However, during Lula’s administration, those policies were conjugated with a bigger role conferred to the State as a
macroeconomic stability has allowed Brazil to enhance its economic position in the region, as well as to achieve an international donor status, a happy encounter between the country’s economic necessities and the government political will to promote regional development in South America, as will be presented below.

Created in 2004 as an institutional mechanism towards the mitigation of regional inequalities, FOCEM\textsuperscript{11} is an excellent example of Brazilian distinctive commitment to the region, particularly to the issue of regional integration. But it is BNDES credit lines that better illustrate Brazil’s will to pay for the costs of helping to promote South American development by integrating it in sectors such as energy, transport and communication.

According to Schutte, in 2005 Guido Mantega, then BNDES’ president, publicly stated that the bank had “incorporated into its mission this strategic objective, acting as a funding body for the integration in South America”. (2012, p. 67)\textsuperscript{12}. The strategy was to allow BNDES to give loans to foreign governments mainly for contracting major national contractors and engineering services such as Odebrecht, Camargo Corrêa and Andrade Gutierrez (see Table I), to the extent that at least 35\% of the amount disbursed for each project was spent on imports of Brazilian products (Masiero & Caseiro 2012, p. 16). Data collected by Masiero and Caseiro (2012, p. 16) also shows that between 2008 and 2011, US$ 5.2 billion out of the US$ 9.9 billion BNDES lent to foreign governments and corporations for the procurement of goods and services of Brazilian companies went to Latin American countries. Moreover, it is worth noting that the Brazilian government employed large amounts of subsidies when financing such loans, since the national Treasure captured resources in the financial market under an interest rate of 11.7\%, and BNDES lent it under a rate of only 6\%. In this sense, the bank made the loans cheaper for its contractors, which was allowed by Brazilian government

\textsuperscript{11} Brazil is responsible for depositing 70\% out of the total, Argentina 27\%, Uruguay 2\%, and Paraguay 1\%. Inversely, Brazil and Argentina are allowed to withdraw just 10\% out of the fund, Uruguay 32\%, and Paraguay 48\%. Although it would not be correct to say that Brazilian commitment to FOCEM is devoid of interests, it does represent a dramatic change in the Brazilian stance towards the region, as long as it has materialized the country’s decision to pay for the most part of the costs of this regional integration arrangement. To know more about FOCEM’s structure, see Brazil’s Ministry of Planning, Budget and Management webpage, available at: <http://www.planejamento.gov.br/secretaria.asp?cat=156&sub=279&sec=10>. Accessed: 21 Apr. 2012.

\textsuperscript{12} Although we do not have the figures for South America disaggregated from Latin America, it is worth noting that in 2007, for instance, the percentage of infrastructure projects within the total of the projects financed by BNDES reached 98\% (Coutinho 2009).
subsidies (Leopoldo 2011). Additionally, BNDES’s loans were supported by regional payment mechanisms\textsuperscript{13} that aim to reduce the transfer of capital among the countries involved (Koblitz 2010a).

**Table I**

<table>
<thead>
<tr>
<th>Company</th>
<th>Countries</th>
<th>Continents</th>
<th>South-American countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odebrecht</td>
<td>35 countries</td>
<td>Central America, North America, South America, Asia, Africa and Europe</td>
<td>Argentina, Bolivia, Chile</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Colombia, Ecuador, Peru</td>
</tr>
<tr>
<td>Camargo Corrêa</td>
<td>9 countries</td>
<td>South America and Africa</td>
<td>Argentina, Bolivia, Chile</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Colombia, Ecuador, Peru</td>
</tr>
<tr>
<td>Queiroz Galvão</td>
<td>9 countries</td>
<td>Central America, South America and Africa</td>
<td>Argentina, Chile, Peru</td>
</tr>
<tr>
<td>OAS</td>
<td>15 countries</td>
<td>Central America, South America and Africa</td>
<td>Argentina, Bolivia, Chile</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Colombia, Ecuador, Peru</td>
</tr>
<tr>
<td>Andrade Gutierrez</td>
<td>40 countries</td>
<td>Central America, South America, Europe and Africa</td>
<td>Argentina, Bolivia, Chile</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Colombia, Ecuador, Peru</td>
</tr>
</tbody>
</table>

Source: Authors’ own compilation based on information retrieved from companies’ websites in January 2013. Companies websites.

Note: In this table we can see all South American countries where these companies have already been engaged in some infrastructure project.

\textsuperscript{13} The Agreement on Reciprocal Payments and Credits is an important example of such mechanisms. For more information on its definition and rules, see the Brazilian Central Bank’s webpage, available at: <http://www.bcb.gov.br/?RED1-INFOCCR>. Accessed: 10 Apr. 2012.
Although we have only selected projects related to the construction of physical infrastructure in the region, this does not mean that projects of distinct nature have not also been developed with Brazilian credit lines. They certainly have\(^\text{14}\). Nevertheless, our aim was to highlight only those which, besides incorporating the search for internationalization of Brazilian companies by contributing to the further diversification of the country’s trading relations (Burges 2007)\(^\text{15}\), could also be seen as providers of regional public goods, even if they also provide private goods\(^\text{16}\).

The figures released by the 2010 Foreign Ministry Report, show that between 2003 and 2010, the 80 ongoing projects financed by Brazilian public credits to South America, mainly through BNDES resources (Banco do Brasil was another source of resources), totaled US$ 10 billion (República Federativa do Brasil 2010). The report also lists the countries and respective areas that benefited most:

a. Argentina\(^\text{17}\): gas pipeline enlargement, aqueduct building, and support for aerial transport infrastructure. Estimated costs: US$ 2.72 billion. Firms: Odebrecht, OAS, Embraer;

b. Venezuela: building and enlargement of Caracas subway and building of a hydroelectric. Estimated costs: US$1.06 billion. Firms: Odebrecht e Alstom;


d. Chile: enlargement of Santiago subway and support to the road transports infrastructure. Estimated costs: US$ 559 million. Firms: Alstom e Mercedes-Benz Brasil;


These projects strongly “help[ed] the diversification of Brazil’s trading relations and a consolidation of South-South linkages by encouraging business to look in new

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\(^{14}\) For a comparison between Brazilian and Chinese support for emerging market multinationals, particularly regarding how the state policies encourage outward foreign direct investment as a domestic development strategy, see Masiero & Caseiro (2012).

\(^{15}\) It should, however, be noticed that the internationalization of Brazilian companies has not been initiated during Lula’s government, and that the expansion of Brazilian multinationals is not a product of a governmental planning. Nevertheless, it has highly benefited from public policies after 2003 (Actis 2013, p. 23)

\(^{16}\) For a discussion about physical infrastructure projects as regional public goods, see Araque Botero (2012).

\(^{17}\) Argentina has been one of the countries that most benefited from Brazilian infrastructure financing in South America (Koblitz, 2010a). In the years 2009 and 2010, for instance, infrastructure projects in the country absorbed more than 50% of BNDES’s loans to South America. The Brazilian bank possesses a financing portfolio especially for Argentina’s infrastructure projects, which is divided in three areas: gas pipelines, transports and sanitation (Koblitz, 2010b).
directions”, as said by Burges (2007, p. 1350). Indeed, these projects were quite successful in enhancing Brazilian exports from distinct sectors (Além & Cavalcanti 2005, p. 57), not only services but also those related to building materials (Antunes 2007, p.28; Leo 2009; Galvão & Catermol 2008, p.100). This is especially relevant when we observe the commercial relations amongst Brazil and its South American neighbors. Between 2002 and 2011, Brazil’s exports to South America have increased 504%, increasing from US$ 7.4 billion to US$ 45.2 billion. The continent constitutes a strategic trading partner in the sense that it absorbs mainly Brazilian manufactured goods, contributing to the value aggregation of Brazilian exports.

Table II

<table>
<thead>
<tr>
<th>Year/Country</th>
<th>Manufactured goods as percentage of Brazilian total exports to South American countries (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>85.4</td>
</tr>
<tr>
<td>Bolivia</td>
<td>89</td>
</tr>
<tr>
<td>Chile</td>
<td>80.5</td>
</tr>
<tr>
<td>Colombia</td>
<td>93.4</td>
</tr>
<tr>
<td>Ecuador</td>
<td>93.2</td>
</tr>
<tr>
<td>Paraguay</td>
<td>96.1</td>
</tr>
<tr>
<td>Peru</td>
<td>96.1</td>
</tr>
<tr>
<td>Uruguay</td>
<td>79.4</td>
</tr>
<tr>
<td>Venezuela</td>
<td>93.7</td>
</tr>
</tbody>
</table>

Sources: Authors’ own elaboration based on data provided by World Trade Organization (WTO), Brazilian Foreign Trade Association (2012) and Ministry of Development, Industry and Foreign Trade of Brazil (MDIC).

Certainly, BNDES credit lines for boosting infrastructure projects conducted by Brazilian enterprises in South American countries are not free of criticism. Such criticism arises from different sources. Following a liberal standpoint, BNDES support for few enterprises represents an excessive state intervention in economy, causing market distortions (Friedlander & Tereza 2009). Besides, according to representatives of Brazilian industry, the bank has benefited only a few large enterprises, excluding small and medium firms (Pereira 2010). There is also an important vector of criticism concerning social and/or environmental impacts of infrastructure projects, to say

18 As an example, Odebrecht is responsible for the insertion of circa 1.600 Brazilian suppliers of different sectors in several South American countries as well as in other continents (Gaio 2012, p.14).
19 Data released by the Ministry of Development, Industry and Foreign Trade of Brazil. For more information, see: <http://aliceweb2.mdic.gov.br/>.
nothing about the allegations of a likely imperialist behavior by the Brazilian government in South America (Costas 2012; Jesus 2012).

It is not our aim to scrutinize these criticisms. As well explained by Actis (2012), Brazil’s cooperation in South America envisages not only the region’s development, but also Brazil’s own development goals. The author adds that the expansion of Brazil’s multinationals in the continent has been understood by Brazilian government as both an instrument of national development, and regional cooperation for boosting neighbors’ countries development and infrastructure. Certainly, this difficult equilibrium between “development and solidarity”, as coined by the author himself, brings considerable challenges to Brazil’s cooperation and leadership in South America. According to Actis (2012), however, “solidarity” has predominated over national interests and development goals when it comes to Brazil’s foreign policy in the region.

We would like to add that although the benefits might also be private and to some extent asymmetrical between the partner-countries, the countries benefitted by the credit lines opened up by BNDES perceived this deal as an opportunity to help them solving their own problems of development, since they assist these countries in reducing their infrastructure deficits. In this sense, despite all the challenges and contradictions, South American governments continued to count on Brazilian enterprises and BNDES financial support when improving their infrastructure.

Certainly, infrastructure projects financed by BNDES and conducted by Brazil’s construction companies in South America have a great dimension and sometimes face an adverse reaction by indigenous communities, especially after the end of Lula’s government. In 2011, during Dilma Rousseff’s government, Odebrecht, for instance, decided to cancel a project for the construction of a hydroelectric in Peru due to pressure from local communities. Another example is the case of OAS in Bolivia in 2011, where president Evo Morales was compelled by indigenous movements to suspend part of the construction of a highway financed by BNDES\textsuperscript{20}. However, it is important to keep in mind that, despite some domestic opposition from interest groups, South America’s countries continued to count on Brazilian enterprises and financing for developing infrastructure projects – conflict being the exception, not the rule. In Peru, for instance, Odebrecht continues to be a major player in infrastructure projects, being

\textsuperscript{20} For more information on both cases, see Murakawa (2011; 2012).
in charge of many and diverse public concessions (Pupo 2012). By its turn, OAS remains present in Bolivia through offices and projects, as informed by the Brazilian construction company21. Even the litigious dispute between the Ecuadorian government and the Brazilian construction company Norberto Odebrecht in the year of 2008 – by far the most challenging episode on Brazil’s cooperative policies for boosting South American infrastructure –22 was not enough to impede further projects in this country to be financed by BNDES. In the end of 2012, the Ecuadorian government decided to build a new partnership with Brazil for the construction of another hydroelectric. Manduriacu hydroelectric is to be built by Odebrecht, the same company involved in the conflict of 2008, and will, once again, enjoy a US$ 90.2 million credit line from BNDES23. Ecuador’s ambassador in Brazil stated that “Brazilian construction companies traditionally conducted good projects”24 in the country. The ambassador added that, despite the 2008 conflict, Ecuador intends to appeal to BNDES’ financial support more often, especially in the financing of irrigation projects to be carried out by Brazilian enterprises (Serodio 2012).

The willingness of the Ecuadorian government to rebuild such partnership with the Brazilian government and Odebrecht despite the 2008 conflict – the only one of this kind in the period25 – could be taken not only as an indicator of regional acceptance of Brazilian leading role in promoting development through this kind of enterprise, but also that Brazilian financial support for infrastructure projects in South American

21 For more information, see the company’s website: http://www.oas.com/oas-com/home.htm.
22 In 2008, after blaming the Brazilian enterprise for malfunctioning in the San Francisco hydroelectric, president Rafael Correa decided to expel Odebrecht and took the case to an international arbitrage court. Correa stated that the country was not planning to pay for the US$ 243 million provided by BNDES for the project. As a consequence, relations between Ecuador and Brazil got strained and BNDES no longer financed new infrastructure projects in the country. According to Actis (2012), such episode constitutes an exception in Brazil’s posture concerning conflicts involving Brazilian private enterprises and South American governments, given Brazil’s choice to protect Odebrecht investments over preserving bilateral relations with Ecuador. In the beginning of 2009, Correa paid its full debt and bilateral relations got at ease. Brazil and Ecuador cooperation for infrastructure projects would be resumed a couple of years later.

25 Although illustrative of the line adopted by the Brazilian foreign policy to bear the costs of regional asymmetry, the cases of the nationalization of hydrocarbons in Bolivia in 2006 that hit Petrobras and was settled through a conciliatory action by the Brazilian government, and the one involving Brazil’s decision to meet the demands of the Assunção government to renegotiate the Itaipu agreement in 2009, would not fit as examples here since they did not involve the type of financing agreement with BNDES that we are examining.
countries can be very useful in the eyes of neighbor governments despite all of its alleged contradictions.

However, it is not only at the economic realm that Brazil has been showing its new approach to the region. Borrowing Dauvergene and Farias (2012, p. 905) views regarding power, leadership can also come from different sources, and therefore, can likewise be exerted through cooperative mechanisms. In this sense, it is to the role of technical cooperation projects on matters of social development, agriculture, education and health that we now turn, to see how they have contributed to the deepening of Brazilian commitment to the region. Indeed, these initiatives – of which Brazil has been the biggest promoter – were important assets for sustaining and enhancing the cooperation amongst its members by creating convergences and partnerships of strong path dependence, and a distinct Brazilian leading role.

Collecting accurate data regarding such cooperative policies implemented by Brazil in South America, however, does not constitute an easy task. One of the major challenges when evaluating Brazilian cooperation for development policies is having access to accurate statistical information regarding the financial resources employment – especially data related to the amount of resources actually employed in each cooperation project and to the resources employed in each receptor country. Although a few government agencies have offered a valuable contribution in gathering and processing official data in this area, it is still very difficult to find consolidated numbers that could allow us a more precise referencing. In face of this gap, the Ibero-American General Secretary (SEGIB) has been making a formidable work through its annual reports on SSC, in monitoring the flow of financial resources inherent to these cooperative policies.

In this sense, according to an annual report launched by SEGIB, since 2010 Brazil has been the main responsible for cooperation projects in South America, when it exceeded the projects offered by Cuba and Venezuela, the leading countries in the offering of cooperation projects in 2009 (Xalma 2010, 2011, 2012). In 2011, the country provided nearly 210 cooperation projects, followed by 120 projects provided by Argentina (Ibidem). In the same year, Brazil responded for 35% of all projects executed in the region and provided 75 of the total 192 cooperation projects of social dimension.

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One of the most relevant amongst such governmental agencies is the Institute for Applied Economic Research (IPEA), which is associated to the Secretariat for Strategic Affairs of the Presidency. For more information, see IPEA (2010a).
in South America. Concerning projects that envisaged services and infrastructure sectors, Brazil was responsible for 26 in a total of 69 projects. It is worth noting that, although Argentina also plays a relevant role in regional cooperation, the country only exceeds Brazil when it comes to cooperation actions, not cooperation projects. According to the same report, cooperation actions such as seminars and short courses on professional capacitation are more punctual, less complex and less expensive than cooperation projects. Otherwise, cooperation projects tend to involve more costs and envisage the long term. In this sense, while cooperation projects tend to subsist for about a year and a half, cooperation actions normally last a little more than one month.

Table III below presents an estimate of the economic disbursement carried out by offering countries, Brazil being the leading one:
<table>
<thead>
<tr>
<th>Offering country</th>
<th>Receptor country</th>
<th>Number of projects</th>
<th>Share of projects covered on this table (%)</th>
<th>Economic disbursement (US$)</th>
<th>Average economic disbursement per project (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
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<td>19.306</td>
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<td>11.228</td>
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<td>Others</td>
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<td>797</td>
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<td>Others</td>
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<tr>
<td>Colombia’s total</td>
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<td></td>
<td></td>
<td>7,807</td>
<td>1,115</td>
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</table>

(continues on next page)
### TABLE III (continuation)

<table>
<thead>
<tr>
<th>Offering country</th>
<th>Receptor country</th>
<th>Number of projects</th>
<th>Share of projects covered on this table (%)</th>
<th>Economic disbursement (US$)</th>
<th>Average economic disbursement per project (US$)</th>
</tr>
</thead>
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<td>1,653</td>
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<tr>
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<td>8,473</td>
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<tr>
<td>Others</td>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mexico’s total</strong></td>
<td><strong>89</strong></td>
<td><strong>52</strong></td>
<td><strong>224,750</strong></td>
<td></td>
<td><strong>4,886</strong></td>
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</table>

#### TOTAL

<table>
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<tr>
<th>Number of projects</th>
<th>Economic disbursement (US$)</th>
<th>Average economic disbursement per project (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>372</td>
<td>35,632,032</td>
<td>140,248</td>
</tr>
</tbody>
</table>

Source: Authors’ own compilation based on data provided by SEGIB (Xalma 2011).

In light of these figures, we would like to underline that from 2003 to 2012, Brazil has promoted more than 400 cooperation projects in South America. Most of these projects are mainly related to cooperation and transfer of knowledge in different sectors, such as health, fishing, agriculture, industry and energy. And many of them tend to share with other countries Brazilian national experiences in such sectors, both for bilateral and multilateral projects. Countries like Peru, Paraguay, Bolivia and Colombia were amongst the ones most beneficiated by Brazilian cooperation projects. Respectively, these countries have engaged in 76, 71, 68 and 53 projects with Brazil between 2003 and 2012.

In the case of Peru, the projects presented different purposes, like eradication of child labor, improvement of the country’s health system and transfer of knowledge in the elimination of extreme poverty and hunger. Bolivia, for instance, received Brazilian assistance in improving the country’s fishing sector as well as in labor capacitation for

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27 The following official figures about Brazil’s technical cooperation projects with South American countries were made available on our request by the Brazilian Cooperation Agency (Agência Brasileira de Cooperações/ABC), thanks to the endeavor of Luciano Barbosa de Lima from the ABC/South, Central America and Caribbean Division, in December 2012.
the biofuels sector and in the fight against hunger. Brazil also helped the Colombian health sector, mainly in issues concerning food and nutritional security. Likewise, Paraguay enjoyed Brazilian cooperation in the educational system, in the improvement of skilled labor for the energy sector, in the agrarian reform process, among others (ABC 2012).

Health and agricultural sectors have shown themselves to be more prominent in Brazilian technical cooperation towards South America. Concerning the health sector, one of the best examples of Brazil’s commitment to the region is its participation at the South American Health Council, also known as UNASUR-Health, in which the country plays a central role. Created on December 2008, UNASUR-Health is a permanent council constituted by the Health Ministers of the UNASUR member countries, seeking to constitute a space of integration concerning health by promoting common policies and coordinating activities among its members.28 The Council addresses five main issues: Health Surveillance and Response, Development of Universal Health Systems, Health Promotion and Action on Social Determinants, Universal Access to Medicines and Development of Human Resources Management. Brazil takes part at this Council mainly by the biomedical research and public health institute Fiocruz (Osvaldo Cruz Foundation), one of the most active and prominent institutions acting on human resources training and immunization. Fiocruz has indeed been an important instrument for enhancing Brazilian protagonism in the region29.

As for Brazilian technical cooperation in the agriculture sector, it is important to note the relevant role of EMBRAPA (Brazilian Agricultural Research Corporation), which has been involved in more than 70 cooperation projects in South America. It has been present in countries such as Bolivia, Paraguay, Uruguay, Peru, Guyana, Colombia, Argentina, Suriname, Ecuador and Venezuela. Its programs cover diversified areas, like food and nutritional security, soybean production, fish farming, family farming, livestock orientation, cotton production, potato production and commercialization chains, among others (Souza 2010).


Altogether, those projects materialize direct transfer of knowledge and expertise that have been generated and successfully implemented within Brazil (Burges 2012, p. 227). Moreover, they are good examples to illustrate the way by which Brazil was quite successful in crafting a kind of regional leading role able to bring, even if asymmetrically, economic and social benefits for both itself and its neighbors.

It is on this aspect that the Brazilian portfolio of cooperation in South America favors the spread of the Brazilian development model (Ayllón 2012, p. 198), to the extent that it offers a cluster of experiences, public policies and knowledge of its own (Idem), as well as professional qualification. In doing so, Brazil cooperation projects for development bring with them a Brazilian view, a Brazilian expertise and a Brazilian modus operandi, and, therefore, it crafts a kind of leadership that we label Development Regional Leadership.30

Despite all these and many other examples that bring a positive stance to Brazil from its regional partners, there are examples of stumbling blocks in the Brazilian capacity to lead its neighbors in view of attaining objectives with a global remit: the lack of support from Argentina to the Brazilian candidacy to the UNSC’s permanent seat; and the failure, in 2009, to get support from Mercosur members for Brazilian candidacy to the post of director-general of the WTO are two examples. Both illustrate quite clearly the decision of Brazil’s neighbors not to behave in a quid pro quo style. Despite accepting the country’s leading regional role for development (inwards regional leadership) derived from the credit lines for infrastructure projects and from the supply of expertise on capacity building by means of projects of technical cooperation, they do not take it as a passport for Brazil acting in their name outside the region.31 In summary, it is possible to see that Brazil’s regional peers tend to preserve

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30 We have no doubts that Brazil is also being able to craft another kind of important leading role in the region – or inwards regional leadership, as we mentioned above – by means of attitudes towards political stability in the region, such as its role on the negotiations amongst Colombia, Ecuador and Venezuela over the killing of a FARC leader by the Colombian armed forces within the Ecuadorian territory (VIEIRA & ALDEN, 2011:516); or on the Venezuelan crisis over the right of president Chavez taking office despite his illness. “Maduro: Dilma respalda decisão tomada por Judiciário”. O Globo, 10 Jan. 2013. Available at: <http://oglobo.globo.com/mundo/maduro-dilma-respalda-decisao-tomada-por-judiciario-7246902>. Accessed: 10 Jan. 2013. Nevertheless, in this chapter our aim is to highlight its role as a development leader in the region, in relation to which these actions cannot be taken as examples.

31 It is worth noting, that differently from the last contest for the position of director-general of the WTO (2009) when Uruguay presented its own candidate to run against the Brazilian one, in 2013 Brazil was the only South American country to run for the position. The Brazilian government and the WTO announced consensus over Brazil’s candidate, Roberto Azevedo. In this sense, there was an agreement amongst all WTO members, including Brazilian regional peers, on Azevedo’s candidacy. This could be seen as a signal that Brazil is succeeding to gain South American support and also as an indicator of the increasing international recognition of Brazil as a leading country on trade negotiations.
their own positions in global matters despite their acquiescence to Brazil’s prominent cooperation projects and infrastructure financing in the regional sphere. It is here that extra-regional/Southern coalitions (with partners from Asia and Africa), such as IBSA, have been helping Brazil to realize its global ambitions.

IV. Brazil and Southern coalitions for global protagonism

Created in 2003, the IBSA Forum (India/Brazil/South Africa Dialogue Forum) was conceived as a strategic partnership amongst emerging industrialized economies and democracies. Soon after its launching, the initiative was “transformed into a South-South inter-state cooperation based largely on soft power assets (…) articulating common goals, positions and values in world politics and economics” (Hirst 2011, p. 3).32 In 2004 the creation of the IBSA Fund (IBSA Facility for Poverty and Hunger Alleviation) gave more credibility to the commitment of its members to enhance South-South cooperation towards the mitigation of poverty and hunger33.

Based on a common political identity crafted by their alleged “common experience with colonialism or imperialism and the social and economic inequalities that came with it and accentuated over time”(Vieira & Alden 2011, p. 509) besides their common worries about a wide range of subjects (Idem, p. 508), IBSA is strongly committed to the promotion of matters of positive value for developing countries, contributing to bring this coalition to the category of a new pattern of Southern collective behavior in the international system. By way of example, we can mention IBSA claims for the democratization of global authority fora, including the reform of the UN, the IMF and the World Bank; its continuous efforts towards the promotion of a global alliance for development within the 8th Millennium Objective; its search for the implementation of social public policies towards the control of poverty; besides sponsoring other initiatives for international cooperation for development.

In doing so IBSA became a special forum for advocacy for the developing world and could therefore be seen as a soft balancing strategy (Pape 2005) aiming to challenge

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32 IBSA has a huge portfolio of agreements in very important issues such as international security, science and technology, health, education, agriculture, transport, etc. either as trilateral agreements or as collective proposals to be presented in the international fora for the reform of the present international regimes ruling these issues.

33 For more information about IBSA Fund see http://www.ibsa-trilateral.org/index.php?option=com_content&task=view&id=29&Itemid=40.
international norms, rules or practices that might adversely affect the interests of its members and - hopefully - to eventually change these norms. Amongst its achievements in coordinating positions on multilateral negotiations we can mention the negotiations at the WTO (Chakraborty & Sengupta 2006); its continuous advocacy for a distinct approach to international cooperation for development; the joint project presented to the UN Human Rights Council about access to medicines and the right to medical treatment, the approval of which could be interpreted as an example of success of the political cooperation towards development (Ayllón 2012, p. 196); as well as the demands for a new regulation of transnational capital flows (Stephen 2012, p. 304). Amongst other initiatives, those mentioned above give IBSA the status of one of the most relevant coalitions of southern countries to act towards the building of an emerging world order.

Brazil’s commitment to IBSA during Lula’s government has been underlined by several authors as one remarkable example of the country’s decision to choose the international coalitions of emerging countries as a central strategy of its foreign policy towards a better equilibrium in the international system (Vaz 2012; Vigevani & Cepaluni 2007; Onuki & Oliveira 2012). The very fact that IBSA is a partnership of large developing nations, which holds the question of UNSC reform amongst its main demands, illustrates Brazil’s strategy to look for other partners to strengthen its demands instead of linking its regional policy with this trade off. Moreover at IBSA Brazil did not play the role of a representative of its regional partners, which released Brasilia from having prior regional negotiations and for bringing eventual demands from its regional peers to the bloc: a situation which could easily harm Brazil’s own interests at IBSA, without actually guaranteeing any gains for its regional neighbors. On the other hand, Brazil’s commitment to regional cooperation devoid of a *quid pro quo* behavior towards realizing its global ambitions, also contributed to the image of Brazil not performing an instrumental regional-global role. And it is exactly this aspect that made Brazilian initiatives in South America and the country’s commitment to IBSA Forum as complementary, though not dependent on one another, as we will develop on the following and concluding session.

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V. Conclusion

During Lula’s government, Brazilian diplomacy left behind the belief that for having global protagonism the country had to make use of South America as a regional launching platform. Put differently, Brazil did not play the regional card to achieve global aims. And this is so not because Brazil’s strategy towards the global arena had changed, but mainly because Brazilian regional aims were modified. In other words, Brazilian policy of giving priority towards South America was an objective in itself in the direction of a better relationship with its neighbors. As a matter of fact, by comparing the time when Brazil used to look at initiatives of regional integration such as Mercosur as a tool to enhance its role on global politics in a kind of regional-global duplicity performance (Pinheiro 2000, p. 327) to the period 2003-2010 approximately, we notice that Brazilian commitment to South American development then did express a different approach towards the region – more prone to collective development as part of Brazilian national interests. In this sense, we argue that Brazil did exercise a regional leadership, but one of a different kind and for distinct purposes. In other words, we should not see leadership as a comprehensive concept – that is, one that could cover all dimensions of a country’s interests whichever the forum of discussion – nor as an instrument or credential for acting outside the regional sphere, but rather as the capacity to influence South American neighbors on matters of regional governance due to the outstanding impact that Brazilian “capacity development” projects of international cooperation had on modeling regional development. It is worth noting that we are not talking about the victory of one kind of development model over its rivals

36 Brazil actually calls it as “cooperação estruturante para o desenvolvimento”, which is a little different from UNDP’s definition of capacity development. Whilst for Brazil the “cooperação estruturante para o desenvolvimento” means the construction of capacities for development by integrating the human resources formation, organizational strengthening, and institutional development, besides refusing to replicate the traditional unilateral transference of technologies; or “proyectos creadores de capacidades nacionales con impacto social y económico sobre los beneficiarios que movilizan agentes de varias áreas y aseguran más apropiación y sostenibilidad” (Ayllón 2012, p.200); or yet a kind of assistance based on a “structural” approach, that is, “a sustainable plan of action to reach long-term socioeconomic impact on the ground (HIRST, 20111:5); for UNDP, “capacity development” “builds on this evolution and has three cornerstones. It is a continuing learning and changing process. It emphasizes better use and empowerment of individuals and organizations. And it requires that systematic approaches be considered in devising capacity development strategies and programmes”. UNDP-UNITED NATIONS DEVELOPMENT PROGRAMME. Capacity Development: Technical Advisory Paper No. 2. Management Development and Governance Division, Bureau for Policy Management, New York. 1997, 89 pp. Available at: <http://mirror.undp.org/magnet/docs/cap/Capdeven.pdf> Accessed: 12 May 2012.
(desenvolvimentismo over liberalism), but rather about one way of boosting regional development by means of credit lines for infrastructure projects as well as by means of public financing of technical cooperation projects that aim at economic stability and social progress in collective terms. Naturally, we are not unaware about the existence of competing ideological positions in the region as well as some level of opposition to the mode of development leadership searched by Brazil. Nevertheless, we state that despite some level of opposition and dispute, Brazil was able to maintain its leading position in the region both as an infrastructure projects provider of funds and as a pattern of how to make them feasible.

The kind of leadership Brazil has performed was very much of a collaborative and distributive nature, to pick up two patterns of leadership mentioned by Tokatlian (2010). It is so in the sense that Brasilia showed great inclination for sharing resources and for paying the costs for regional development and, in doing so, contributing for the social and economic development of neighbors in the name of a stronger regional stability and governance. Nevertheless, to say that Brazil was playing such a leading role on the regional sphere does not mean that the country did so devoid of interests. In other words, initiatives like those we cited above did help the country to enhance political links in the region and also brought benefits for Brazilian private investments, especially for the sectors which are brought to the scene as suppliers of goods and services, as well as for Brazilians living in South America countries (Spektor 2010, p. 36). In doing so, two important consequences followed: firstly, Brazilian government helped some of its big companies to internationalize and, at the same time, contributed to provide regional public goods that helped to boost regional development; and secondly, the government succeeded in articulating private domestic and public external interests much better by promoting a domestic constituency for the continuation of this policy, though it also brought some level of dissatisfaction from sectors that did not benefit from the same policy, or from those who disagreed with the criteria used to choose the benefited companies (Masiero & Caseiro 2012, pp.30-31). As we have already shown, the infrastructure sector absorbed a large part of Brazilian government

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37 It is worth mentioning that Chile, Colombia, Peru, all members of the Pacific Alliance, have also signed contracts with BNDES for financing infrastructural projects. See Brasil Econômico (redação@brasileconomico.com.br), 17/10/11; By Business News Americas staff reporter - Thursday, October 27, 2005; http://www.valor.com.br/politica/2603590/megaprojeto-brasileiro-no-peru-sai-de-papel#.ixzz2bZABo6zR; http://www.valor.com.br/empresas/2598548/olheiro-assumira-100-de-gasoduto-no-peru#.ixzz2bZBDd84d
support\(^{38}\), which contributed to its expansion in South America and in other parts of the world as well.

On the other hand, despite the acceptance of Brazil’s inwards regional leadership by its peers, Brazilian regional status could not be automatically taken as regional acceptance to lead those countries on global matters or to represent them before other countries or group of countries such as European Union. And it is in this sense that the IBSA forum could be seen as the other ambit of the Brazilian aims and strategy. Since Brazil started to develop new kinds of coalitions, such as IBSA, BRICS, BASIC, there is no need to work on the regional level as a launching platform for global protagonism (Vaz 2012). The interstate coalitions of regional powers like IBSA are important tools for making feasible the articulation of emerging countries who share the same objective of changing the present pattern of international relations towards their economic and political ascendance, since they seem to be more adequate and indeed more efficient, without high costs of transaction. In this sense, at IBSA Brazil could strengthen its condition of regional power to act in global matters, benefiting from this situation, without having to search in advance for a certificate from its regional partners to be a regional leader

Likewise, since Brazil has gained increasing global recognition and, therefore, it does not depend on a pre-regional endorsement to do so\(^{39}\), the regional links might also be beneficiaries of this situation. Indeed, it is not out of the question to think that this kind of intra-regional relationship without the expectation for trade-offs in global matters – either from Brazil as a paymaster or from the South American countries as beneficiaries – can indeed contribute to facilitate the relationship amongst Brazil and its neighbors, with possible positive results even for the debates at the global fora. In other words, to the extent that trade-offs are not put on the negotiation table, this relationship might slowly lead to a kind of recognition of Brazil’s credentials to represent South

\(^{38}\) See Table I above.

\(^{39}\) This lack of dependency between traditional regional leadership and global performance can be exemplified by the fact that, even after its defeat as candidate for WTO general-director in 2009, due to the lack of regional supporters, Brazil’s reputation and influence in WTO has not been damaged (Malamud 2011, p.9). Besides, we could also mention other Southern coalitions for specific issues of which Brazil is a member, in which the country – and perhaps also its partners – also benefits from its condition of regional power, without having to be a regional leader in its traditional meaning, such as BASIC (Conference of the Parties (COP) of the Framework Convention on Climate Change, created in early 2010 this coalition brings together Brazil, South Africa, India and China for matters of Climate Change; G-4 - India, Germany, Japan, and Brazil – the articulation for the reform of the Security Council of the United Nations (UNSC).
America in global *ford*\(^{40}\). But even if that does not happen in the future, Brazil has already presented itself as a regional development leader without – and definitely with no need for – bringing its neighbors to the global negotiation tables.

Before we finish this chapter, it is worth asking if Brazil has kept its role of *Development Regional Leader* after president Lula left the government. To answer that, we shall firstly take into account that during Lula’s government a great deal of initiatives were taken on the regional level, enough to put a high expectation on his successor - perhaps higher than we should. There are no doubts that president Dilma Roussef has given continuity to the policies that gave Brazil a position of a *Development Regional Leader*, despite the fact that she has been in office for half of the period president Lula was, and moreover despite the economic restrictions that followed the 2008 financial crisis, which had a major impact on her government since the very beginning. Nevertheless, we cannot avoid saying that she has been doing so in a more incremental way and in a less integrated policy towards the region. We thus see less activism from the state agencies and, as a consequence, a stronger presence of private and secondary actors acting in the region.

By way of conclusion, even if we cannot affirm for sure that Brazil can still be seen as an *inwards regional leader* during the current government of president Dilma Roussef – and it is even more difficult to say if that will happen in the hypothesis of her being re-elected for a second term -, we argue that, during Lula’s government, Brazil should indeed be seen as such since its policy towards the region addressed the three determinants of leadership according to Van Langenhove and Zwartjes (2012): willingness to act as a leader, capacity to do so and acceptance by its neighbors.

\(^{40}\)It is not out of question the hypothesis that the support Brazil received from its regional peers – Argentina, Paraguay, Bolivia, and Venezuela, among others – for the Brazilian candidacy to WTO general-director is an example of that. “Azevedo Rode To WTO Victory Mainly Due To Developing World Support”. Available at: <http://wtonewsstand.com/WTO-Daily-News/Daily-News/menu-id-446.html>
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