Altercasting Brazil into Regional Leadership: the role of small powers in creating regional leaders

Martin Egon Maitino
Graduate Student
Institute of International Relations
University of Sao Paulo

Feliciano de Sa Guimaraes
Assistant Professor
Institute of International Relations
University of Sao Paulo

Abstract
What is the role of small powers in establishing the position of regional leader for a country like Brazil? What contradictions arise between Brazil's desire to enact an such important role and the negative reactions of smaller neighbouring countries? This paper seeks to answer these questions by using role theory to analyze Brazil’s behavior as a regional leader in two crises: the 1995 Cenepa War and the 2006 Bolivian Gas Crisis. The comparison between the two cases provides insights both on the difficulties of implementing the role of regional leader, and on the role of smaller states in influencing the regional leader identity and performance. Our hypothesis is that the role of leader is achieved only in an interactional manner, with its attributions and characteristics being contingent to the reactions of small countries. These countries altercast identities with the leader in order to obtain gains, but at the same time they secure the position of the leader in the area. Therefore, small powers have the capability of projecting specific leadership roles in order to extract gains from interactions with leaders. We call these projections “positive and negative altercastings”.

1. Introduction
When analysing regional interactions in Brazilian Foreign Policy, some aspects stand out. In a series of occasions1, despite of its larger relative power, Brazil refused to take more assertive and severe actions against its neighbours. Is it because Brazil seeks to build a “consensual hegemony” (Burges 2007) and accommodate neighbours around its regional power structure or is it because Brazil regional power lacks recognition by its neighbours (Malamud 2011)? How are these aspects related to the Brazilian government’s hesitation in assuming labels such as “regional leader” while at the same time...

1 The negotiation of energy prices with Paraguay (2008), the gas crisis with Bolivia (2006) and the Argentina- Uruguay paper mill conflict (2002) are a few examples.
time the country is leading investments in infrastructure and regional development (Pinheiro and Gaio 2014)?

We believe that the literature on Brazil’s regional leadership is not able to answer these questions because it does not fully analyze an important dimension of foreign policy interactions: the role of identity. In our opinion, this dimension can be explored by merging the literature with Role Theory analyses (McCourt 2012). We aim to understand how the processes of establishing regional leadership are constructed in specific countries interactions and the role that identities play in such interactions. Our hypothesis is that the role of leader is achieved only in an interactional manner, with its attributions and characteristics depending on the reactions of the followers. In this sense, the role of regional leader is not a static material position, but contingent to specific scenarios in which multiple identities play a key role, especially the identities of small neighboring countries. There is no such position of regional leader per se, despite the unbalanced regional material distribution, but unstable regional leader identities that are contingent to each identity-based scenario. Although Brazil is more powerful than its neighbours, it cannot define and sustain its role unilaterally and indefinitely, having to respond to the expectations and reactions of secondary and small powers, changing its identity of leader constantly and according to these countries actions. We explain such moving identities by using the concepts of altercasting and role location.

Our paper explores the hypothesis in two cases where Brazil’s leadership was deeply influenced by smaller states in the region - the 1995 Cenepa War between Peru and Ecuador and the 2006 Bolivian Gas Crisis. In the first case, Brazil was forced to adopt the role of leader mediator by Peru and Ecuador, as well as by the Rio’s Protocol other three guarantors (Argentina, Chile and United States). Initially, Brazil was skeptical to play such role, but saw no alternatives due to smaller powers actions and identities projections. This is a case of what we call a hesitant leader created by a "positive altercasting" forged by Peru and Ecuador. In the second scenario, Brazil was constrained by the Bolivian discourse that characterized Brazil as an "Imperial State", which eventually forced Brazil to incur more costs and avoid violent reactions to the Bolivian gas nationalization. This is a case of what we call dominant leader created by a "negative altercasting" conceived by
Bolivia. In both cases, we will show how small powers shaped Brazil’s role as a regional leader.

This paper is divided in four parts. First, we review the literature on regional leadership and arguing that the use of role theory can foster studies in the subject. Second, we discuss the use of role theory for regional leadership. Third, we apply the role theory to Brazilian regional leadership. Finally, we discuss the two empirical cases.

2. Regional Leadership

In the literature of IR the concept of “leadership” appears indirectly and associated with the concept of hegemony (Underdal 1994; Tallberg 2006; Young 1991; Ikenberry 1996; Ikenberry and Kupchan 1990; Kindleberger 1981; Rosencrance and Taw, 1990; Lake 1993). In the regional sphere, however, the concept of regional leadership has been more studied recently (Destradi 2010; Prys 2010; Nabers 2008; Flemes 2006 and 2010; Flemes and Wojcewski 2010; Dent 2008; Van Langenhove and Zwartjes 2012).

In general, the literature on regional leadership understands the concept as something essentially behavioral resting on two structuring axes: the material axis - the economy, military power, etc - and the normative axis - ideology and institutional models (Nabers 2008, 11)². By definition, the concept of regional leadership is a highly disputed (Flemes 2007; Prys 2010; Mouron 2013; Pinheiro & Gaio 2014). Definitions vary from a regional power being merely a “materially preponderant state within a defined regional space” (Prys 2010) to attending several criteria, such as claims to leadership, possession of necessary power resources, employment of foreign policy instruments and acceptance of the role by third states (Flemes 2007).

As argued before, we believe that introducing a variable regarding identity may help to better understand how regional leadership is established. While some studies have used identity related concepts to analyse the establishment of leadership (Alden and Schoeman 2013; Burges 2006; Park 2013; Prys 2008; Easley 2012), none of these studies have used concepts of role theory. Studies in which “role” as a more defined concept was used (Prys 2008; Easley 2012; Alden and Schoeman 2013), the term was

---

² In this sense, the discussion on regional leadership is frequently linked to the discussion on regional powerhood, that is, the interchangeable use of the terms such as “regional power” and “regional leader” being a common trait (Flemes 2007; Flemes and Wojcewski 2010).
usually approached only laterally, through the idea of “national role conception” or by the use of typologies of roles, without taking “advantage of the explanatory power of role theory’s many rich concepts” (Thies 2009).

This marginalization of the concept of “role” in comparison to that of “state identity” follows a broader tendency in the literature of IR (2012). In addition to being a useful concept for connecting identity and action (McCourt 2012), exploring role concepts allows us to ask “relevant questions of where identities come from, and how and why they change” (McCourt 2012) which are otherwise passed over. Thus, we believe that the concepts and the theoretical framework of Role Theory can provide useful insights for the understanding of the dynamics of regional leadership because it locates more properly how states use identities to seek their goals3. More precisely, we explore the concept of “altercasting” and the ways small states shape the establishment and exercise of regional leadership by more powerful countries.

3. Role Theory, Role Location, and Altercasting

The use of the concept of "role" to understand social interactions has been widespread in social sciences since the 1930s (Biddle 1986; Thies 2009). It first attracted attention in the International Relations field in the 1970s through the work of K.J. Holsti and has since resulted in the development of a research program in Foreign Policy Analysis. More recently, Role Theory has received renewed attention, being propagated as capable of merging Foreign Policy Analysis and International Relations Theory (Thies 2012) and as a source of new insights in the agent-structure debate, accounting for both the state's agency capacity and the constraints generated by the international system and community.

We believe the concept of "role", referring here to both "positions in an organized group and to any socially recognized category of actors" (Stryker and Statham apud Thies 2009), and the existing conceptual framework of Role Theory can provide us with interesting ways of working with regional leadership. Role Theory highlights the fact that an individual's role behavior must take into account the role behaviors of others, being therefore an interbehavioral concept (Thies 2009) which is constituted in a social process

3 This has already been successfully accomplished by Wehner (2014) through the use of “role expectations” in order to account for the role played by secondary powers in regional dynamics.
(Wehner 2014). This allows us to conceive the multiple dimensions of an actor’s identity while at the same time understanding the construction and transformation of identities in an interactional way, influenced by the contacts with other actors and the structures of the system.

Based on Sarbin and Allen, Thies (2009) asserts that important actors in any role enactment can be divided in three: the role performer, the performers of counter roles (also referred to as “complementary roles”) and the audience, that is, those who observe the interaction between the first two. This implies that roles cannot exist alone, that is, for every role performed, there is an explicit or implicit counter-role. In this sense, the role of leader implies a follower, as the role of mediator demands actors in conflict that claim for an outsider to intervene in a conflict situation.

Thies (2009) defines role location as the “interactional process whereby an individual locates himself within the social structure”. By locating both the position of the Self and the Other, the actor must select a role appropriate to the situation. It is linked to two other important concepts, which can roughly be identified with internal and external dimensions of the process. The first one is that of “role conceptions” developed by Holsti, referring to policymakers (and other relevant actors) definitions of appropriate roles for the state. The other is that of “role expectations”⁴, in simple terms, “expectations that the Other ascribes and expects the Self to enact” (Wehner 2014).

It is important to highlight that actors face multiple role expectations and that sometimes there is disagreement domestically regarding the appropriate roles for a state. This leads to a series of difficulties because the ambiguity of role expectations and conceptions results in less predictability. As Thies argues based on Walker, “when role conception and cues are not consistent, the role location process becomes ambiguous and subject to role competition and role conflict” (Thies 2009).

As Thies (2009) affirms, the role location process is a “role bargaining process” between relevant actors. This is very important because, if one understands state actions as goal-directed, it introduces the possibility of a strategic use of roles - including claims, expectations and demands - by states in order to achieve other goals.

⁴Thies (2009) includes “role conceptions” as a subcategory of “role expectations”. While we believe this to be correct, we decided to treat it as a different concept in order to facilitate understanding
This agency dimension is most interestingly captured through the concept of altercasting. Weinstein and Deustchberger (1963) define altercasting as “projecting an identity, to be assumed by other(s) with whom one is in interaction, which is congruent to one's own goals”. Through this process, they seek to “persuade Others of their definitions of their role, by seeking to change the role of Others” (McCourt 2012), by “manipulating the cues in the encounter in order to influence selectively Alter's definition of the situation” (Weinstein and Deustchberger). Since the Other is also trying to do the same thing, the “actual roles taken, therefore, are the result of this process” (McCourt 2012).

According to Weinstein and Deustchberger (1963), altercasting is a “basic technique of interpersonal control”, in which actions are “ultimately directed at narrowing Alter's choice of responses so as to increase the probability of eliciting the task response”. The techniques used for constraining actions and projecting identities, however, vary a great deal. Altercasts can be direct, when one makes explicit the role he wishes the other to assume and “overtly make[s] the task response an integral part of that identity” (Weinstein and Deustchberger 1963, 456) or indirect, it is made through “multiform gestures of approval and disapproval Ego makes to Alter's responsive lines of action, which serve as signposts for the route he wishes Alter to take” (Weinstein and Deustchberger 1963, 456).

4. Is Brazil a Regional Leader?

Brazilian Foreign Policy has been giving a great deal of importance to the South American region in the past two decades (Burges 2008; Schenoni 2012). This can be seen both in the rhetoric and acts of the Brazilian government, such as leading the creation of institutions like UNASUR and the South American Defense Council, and providing financing for the integration of the region's infrastructure (via IIRSA and the national development bank BNDES). Such initiatives suggest that during the last administrations Brazil has accepted paying for the regional leadership costs. In the other hand, Brazil has never clearly assumed the role of leader. This strategy makes it possible
to accommodate domestic interests of those reluctant to pay for leadership costs and those who believe Brazil should have a more prominent role in the region\textsuperscript{5}.

The relative domestic consensus\textsuperscript{6} was achieved only because of the redefinition of region to Brazil. The analysis of speeches and actions shows that the Brazilian government virtually abandoned the idea of the "Latin American" region, making Latin America a secondary, and essentially cultural, concept (Gavião 2013, 17). Instead it started focusing on the construction of a South American region, excluding Mexico, a competitor for leadership and reducing the costs needed to exercise leadership.

However, just claiming its Regional Leader in South America is not a sufficient condition for Brazil to perform as such. It is necessary that other states accept Brazil's claim as well, and this is not so clear, making Brazil a case of "contested leadership" (Flemes and Wojczewski 2010). Many authors pointed out to the fact that secondary powers like Argentina and Venezuela do not recognize Brazilian claims in the global stage and compete with Brazil in the leadership of regional institutions. (Malamud 2011; Malamud & Rodríguez 2013). Wehner (2014) argues that "Brazil is recognized as having regional power hood yet framed under the umbrella of being a consensus-seeking actor". This means that, while Brazil is somewhat recognized as a regional leader, the implementation of such role is constrained by the secondary powers' expectations and actions\textsuperscript{7}.

Secondary powers' attempts to constrain Brazilian power are seen as essential features of the Secondary Power role, being related to the enactment of a "soft balancer" auxiliary role (Wehner 2014). It means that Argentina, Chile and Venezuela put restrictions for the unfolding of Brazil's rise, trying to prevent a future in which Brazil would be a global power with diminished needs for regional partners (Wehner 2014). This is achieved through a variety of strategies - not recognizing Brazil's claim for global

\textsuperscript{5} Pinheiro and Gaio (2014) examine this strategy more thoroughly and reach similar conclusions, arguing that Brazil is enacting the role of "development regional leader", being a reference model for development and assuming the role of paymaster.

\textsuperscript{6} Although it is generally accepted that most domestic actors accept that Brazil should incur more costs for leadership, there is still disagreement about the amount of costs that should be taken. This can be seen by comparing the positions of different political parties regarding Mercosur (see Oliveira and Onuki 2010) and was especially evident during the Bolivian Gas Crisis (see Cardoso 2010).

\textsuperscript{7} Pinheiro and Gaio (2014) agree, emphasizing an aspect that is central in role theory - that "any kind of leading role has to be continuously renewed".
powerhood\(^8\) by claiming that attributing this role to Brazil is not within their reach, institutional binding, denying Brazil’s claim to the role of “representative of South America” and, finally, by recognizing Brazil’s regional leadership in the Latin American region instead of the South American region\(^9\) (Wehner 2014)\(^10\).

However, we argue that recognition of regional leadership is not only given by secondary powers, but also by weaker states in the region - who will more often execute the role of “follower” than secondary powers in a shared leadership. Research about the expectations and strategies employed by these states is rare. Our hypothesis is that the weaker states accept Brazil’s regional leadership role, but in order to make Brazil incur higher costs of integration and to increase gains in their relations they try to altercast Brazil either as a “sub-imperial power” or a consensus builder\(^11\).

So it is fair to argue that the literature shows no permanent and objective answer to the question of whether Brazil is a regional leader or not, especially when one analyses how other states perceive Brazil in the region. According to Pinheiro and Gaio (2014), the difference is in "what sense Brazil sees itself as a regional leader and it is seen as such by its peers", that is, in the specificities of the role conception and role expectations.

4. The 1995 Cenepa War: the “positive altercasting”

We call the projection of identity exerted by both Peru and Ecuador towards Brazil in order to shape its role as a “consensus builder” as a “positive altercasting”. In other words, both countries saw Brazil as the only actor capable of finding a peaceful solution for the crisis. We show that the other three guarantors of the peace process were

---

\(^8\) Contrary to other secondary powers, Chile has recognized Brazil’s claim for a permanent seat in the UNSC. Wehner attributes this to support to claims by other G4 member states and by the low costs in supporting the claim, since it is seen as not realizable in the near future.

\(^9\) According to Wehner, Venezuela is the only secondary power in South America who recognizes Brazil’s regional powerhood in South America instead of Latin America. This is seen as due to the aim of creating a closed region that excludes the influence of the United States. Interestingly, Venezuela was frequently seen as a competitor for regional leadership against Brazil (see Fleines and Wojczewski 2010; Burges 2007).

\(^10\) We believe this last strategy can be understood as an altercast, with Argentina and Chile trying to cast Brazilian leadership into a broader region of influence, thus making it weaker because of lack of resources and competition with other claimants to leadership, such as Mexico, and with external powers, namely, the United States.

\(^11\) A third group of states that is relevant for the recognition of Brazil’s regional leader role is composed of the states outside the region, which could be related to the concept of audience in role theory. This gives rise to an interesting contradiction, which Vieira and Alden (2011) call the “paradox of regional leadership”: while Brazil’s regional leadership is contested within South America, it is recognized outside the region.
perceived by the belligerents as biased against them. So despite Brazil’s hesitant position at the beginning of the negotiations, Ecuador and Peru insistently pushed Brazil to a leading position, forcing Brazil to have a more assertive role in negotiations, and eventually performing the role of final and reliable arbiter. This leadership role was also supported by the United States, which wanted a rapid resolution for the conflict, but were perceived as biased and not willing to incur high costs.

The Peru-Ecuador case is the Americas only territorial dispute in which war has broken out several times since World War II, leading to a persistent rivalry between the two and seemingly perpetual border skirmishes. More recently, in early 1995, the two countries fought an intense nineteen days war along an undemarcated section of their border. The issue was only settled in 1998, with the Brasilia Peace Agreement. The treaty was the result of a long negotiation that started right after the ceasefire in 1995 by four Guarantors – Argentina, Brazil, Chile, and the United States – who had a very import role in coordinating efforts towards peace.

The Cenepa War of 1995 goes back to a conflict in the middle of World War II. In 1942 Peru invaded Ecuador with 15,000 troops against poorly equipped 3,000 Ecuadorians soldiers. The result was an overwhelming Peruvian military victory. Despite Peru’s victory the situation on the ground was a stalemate. It was only through the diplomatic efforts of the Four Guarantor nations to the Rio Protocol that a peace agreement was reached, which eventually established unstable borders between Ecuador and Peru. Four friendly nations brought Peru and Ecuador together, after a short but bitter war between them, to settle their differences by signing a treaty of “Peace, Friendship, and Boundaries,” known as the Rio Protocol. Their representatives also signed that treaty, “as guarantors that the Protocol would be faithfully executed by all parts.”

---

12 Between 1942 and 1948, the Ecuador-Peru Boundary Commission, with help from the guarantors at several important junctures, was able to reach a definitive demarcation of over 95% of the border without incident and in accordance with the Protocol’s stipulations. Various “technical problems” that arose during this process were referred to the guarantors, as specified by the treaty. Brazil, as coordinating guarantor, responded both quickly and effectively in the six cases that did arise and was able to find solutions acceptable to both parties in five of them including the area of the Cordillera del Condor, between the Zamora and Santiago Rivers, under the Brazilian Army Captain Braz Dias de Aguiar arbitral award of July 1945. The problem is that after an aerial survey by the US Army Air Corps, the Cenepa River was not geographically located as predicted by the official maps. Because of political tensions a 78-km2 area was not fully demarcated by Rio’s Protocol, becoming a focus of constant dispute in the future (Palmer, 2008).
Although Ecuador signed the 1942 Treaty, it never fully accepted the terms and continued to press its case through diplomatic as well as military means. In 1961 Ecuador unilaterally declared the Protocol “null and void”. Border skirmishes had previously occurred in 1981 and 1991, but it was not until 1995 that Ecuador raised the tensions by occupying some of the contested territory - Upper Cenepa River Valley - and not leaving, even after Peru initiated military conflict to force their withdrawal. This has led to an escalation of tensions and a six week undeclared war, which involved both ground and air combat.

Due to the political solution found in the 1942 Rio’s Protocol, the four guarantor states - and specially Brazil, as the “coordinator of the guarantors”- had a legal responsibility to play a leadership role in future negotiations. Acting accordingly to Rio’s Protocol framework, Brazil has called an urgent meeting in Rio de Janeiro to find a ceasefire. The Brazilian initiative has led to negotiations which, a month later, resulted in the Itamaraty Peace Agreement.

Talking about the first reactions to the conflict, the Brazilian diplomat Luis Felipe Lampreia – Brazil’s Minister of Foreign Affairs at the time - highlights a fact that helps us to understand the celerity with which Brazil located itself in the role of “leading guarantor”. In addition to the legal aspect, which had been given much weight since Brazil was legally binded to act a mediator, Lampreia mentioned the decision of president Fernando Henrique Cardoso to play an important role in South America conflicts and a preoccupation with the region’s international image. At the time Brazil was facing economic spillovers of the Mexican financial crisis, and a perception of South America or Latin America being a place for armed conflicts would be terrible for the Brazilian credibility abroad, making the achievement of a cease-fire an important goal of its foreign policy (Lampreia 2010).

Although conflicts continued throughout the months of January and February 1995, the initiative of the Guarantor States was welcomed by the belligerents. In January 26, for instance, after an escalation of the violence, the Ecuadorian government issued a message called “Peace with Dignity” in which “invited the guarantor states to continue helping us” and to install a civil and military mission in order to “visit the places of the
occurrences and appreciate the truth of the actions” (Lampreia 1995a, 9). Thus, in spite of maintaining the inflamed rhetoric, Peru and Ecuador were keen to support the claiming of the guarantor role by Brazil, Chile, Argentina and the United States. Such declaration, in which the Guarantor States were pushed into playing a more active role can be interpreted as a first altercasting movement from Peru and Ecuador towards the guarantors, trying to frame them as peace makers.

The altercasting of peace makers was not rare in the negotiations at least in the Peru and Ecuador’s relations with Brazil (Lampreia 1995a, 9, 43, 46; Lampreia 1995b, 5; Lampreia 1995c, 27). However, while Brazil preferred a minimalist strategy in negotiations (Spektor 2014), with guarantors mostly being responsible for creating channels of communication between the belligerents, Peru and Ecuador demanded that Brazil should have a more assertive role. At first, this happened due to the perception that Brazilian hesitations favored the other part in the conflict. A good example can be seen shortly after the achievement of the cease-fire, when Ecuador complained that “the delay of MOMEP (Military Observer Mission, Ecuador and Peru) favored Peru” (Lampreia 1995b, 5)13.

As negotiations developed, the parts saw a more assertive attitude as a way to overcome deadlocks. An interesting example happened in October 10 1997, when Peru told Brazil that “the last impasse would have to ‘die’ in the November meeting” or that would compromise Peruvian participation in the process. The Brazilians replied that the “guarantors did not intend to exercise undue pressures to hurry a solutions”, but reassured the Peruvian chancellor that they would make substantive suggestions during the second phase of negotiations (Lampreia 1995c, 27). That is, contrary to what we will see in the Bolivian Gas Crisis, the altercasting intended to suggest and support of the role of guarantor and assertive leader to Brazil.

The shared leadership could also be observed in the MOMEP performance. The military forces deployed in the area had 90 days to oversee the ceasefire and to establish a non-military zone in the Cenepa Valley, functioning as a buffer between the two armed forces. According to Higgins (1997), despite United States supplying most forces and

---

13 MOMEP was a Military Observer Mission created by the Itamaraty Accord in order to guarantee and oversee the cease-fire achieved between Ecuador and Peru. It was composed by armed forces of the Guarantor States (Argentina, Brazil, Chile and United States).
resources for the mission, Brazil assumed the leadership role in it. This is a result from both the lack of interest by the United States in the mission, with its involvement being at first limited to one year by the Department of Defense (Higgins 1997, 24), and by the Brazilian willingness to lead any military observation mission on the region. Recognizing these limitations, SOUTHCOM US Armed Forces Command pushed other Guarantor’s military partners to increase their roles and responsibilities, by first putting the entire operation under the command a Brazilian General, and later transferring the logistics and support operation to the other countries as well. The Brazilian military rose to the occasion and provided leadership, and later assumed much of the logistics role, as well (Kilroy Jr., 2009). It is interesting to notice, however, that despite Brazil’s acceptance of the leadership role in the MOMEP, the Brazilian General was denied the title of “Commander”, being labelled instead “Coordinator General” (Higgins 1997), showing how hesitantly the country faced its political decisions.

The importance of such kind of altercasting is clearer when we observe the negotiations after the achievement of a cease-fire. At this point, the Brazilian leadership seemed to be more hesitant than the United States who shared with Brazil the role of leadership. Although Brazil and the United States seemed at first to share the burdens of leadership, there were differences in the pace at which the Guarantors ideally wanted to see the talks proceed. While the Brazilians were the most willing to allow the discussions to proceed at their own pace, the United States was the most insistent on constant progress and rapid resolution (Simmons, 1999). Brazil was not interested or capable of compensating both parties immediately. Actually, in the early negotiation Brazil was prone to adopt a minimalist strategy in which the Guarantors would not impose conditions (Spektor, 2014).

Based on Rio’s Protocol and the Itamaraty Accord communication channels were open and frequent among the belligerents and Guarantors, but the negotiations advanced at a very slow pace, facing many obstacles. In June 1995, the Ecuadorian government admitted having troops stationed in a base within the demilitarized zone, claiming that the MOMEP had knowledge of this fact. As a response, Peru rejected the agreement negotiated and questioned the impartiality of the Guarantor States. In a secret memorandum the Brazilian diplomat responsible for the negotiations made clear that the
four Guarantors threatened Peru and Ecuador to collectively withdraw from negotiating in June 1995 and pushed them to fulfill their obligation on the ceasefire accord and follow the technical recommendation from the MOMEP (Lampreia 1995a, 29-40).

At this point, differences between the Brazilian and the US government’s expectations regarding negotiations appeared clearly. While the Brazilian government saw the event as problematic, but part of the long process of negotiation, the american Ambassador Luigi Einaudi hinted at the possibility of the United States leaving the process, with the continuity of American participation in the MOMEP conditioned to advances in the peace process (Lampreia 1995a, 40-42). Thus, within the group of Guarantor States, Brazil was pushed towards assuming a more prominent role of leading guarantor not only by Peru and Ecuador, but also by the United States.

Another pressure in this direction comes from Peru and Ecuador, as the other guarantors were increasingly perceived as partial. Peru perceived the other three Guarantors of the Rio Protocol as non-neutrals brokers. Chile had a long border rivalry with Peru, helping the Ecuadorians armed forces to build-up during decades. The Argentineans sold weapons to Ecuador during the conflict, and, during negotiations, the United States approved the sale of modern Israeli Kfir aircrafts that unbalanced the conflict towards Ecuador. Brazil was seen by Peru as an honest broker with no direct involvement in the border problem. Ecuador, however, saw Brazil as partially honest because during the negotiations of the 1942 Protocol – the first peace treaty signed by the parties on the matter - when Brazil’s role played by the Brazilian Foreign Minister Oswaldo Aranha was seen as sided with Peru. As the peace process developed, however, and Ecuador accepted its conduction within the framework of the 1942 Protocol (Simmons 1999), and it seemed to recognize Brazil as a leader in the mediation14.

Almost one year after the conflict Peru and Ecuador exchanged a deadlock issues list, although it was certain that the list was going to be difficult to be handled by the four Guarantors. In October 1996 both parties and the four Guarantors signed the Santiago Agreement in which they agreed on the mechanisms necessary to find solutions. The

14 This recognition can be mostly seen at the meetings between president-elect Jamil Mahuad and Brazilian representatives in which Mahuad asked Brazil to give him enough time in order to strengthen his domestic position before signing final agreements (see Lampreia 1995a, 54). Indirectly, this is also seen when Peruvians asked Brazil to present solutions formulated by Peru as if they were Brazilian suggestions (see Lampreia 1995a, 74; Lampreia 1995c, 39), suggesting Brazilians were seen as legitimate leaders.
diplomatic process to resolve the conflict moved from the procedural level to substantive talks with the signing of the Santiago Accord in October 1996. Based on this agreement, the Guarantors created a “Diplomatic Special Commission,” which Ambassador Einaudi referred to as the “diplomatic equivalent of MOMEP”. Brazil played an important role, hosting several talks with representatives from both countries and coordinating actions of the Guarantor States (Simmons 1999). Thus, Brazilian representatives contacted other guarantors in order to update them about information obtained in private meetings with the belligerents (Lampeira 1995a, 44-46; Lampeira 1995b, 7-10) and called and organized meetings between the parts and the guarantors (Lampeira 1995a, 37, 45; Lampeira 1995b, 5-6). It is interesting to notice that Peru and Ecuador approved this more prominent role, underlining the “importance attributed to the continuing effort of the guarantors, and, most specially Brazil” and proposing that the talks “continue to be celebrated in Brazil” (Lampeira 1995a, 46).

By having this structural mechanism in place to move forward, the Commission could finally tackle the major impasses to the conflict, which for Peru was the complete demarcation of the border, as established by the Rio Protocol, and for Ecuador it was the issue of free and sovereign access to the Marañón-Amazon (Kilroy Jr., 2009). In November 1997 Peru and Ecuador struck a deal on the list, especially on the free navigation for Ecuador on the Amazon basin (the Cenepa River gives such opportunity). The deadline to find a final agreement was May 1998 (Palmer, 2008; Laban, 2009).

Despite the efforts of the Diplomatic Special Commission by August 1998 no agreement had been reached. President Alberto Fujimori from Peru and Jamil Mahuad from Ecuador had had several meetings throughout the year with no final consensus on a key issue: the free navigation and trade along the Cenepa River. Facing mounting domestic pressure both presidents sent a letter to the Brazilian President Fernando Henrique Cardoso asking for mandatory arbitration on the final issues. In this letter both parties requested that the Guarantors should propose a mandatory issues package that included both MOMEP demarcation lines and the Cenepa river navigation solution as the final deal (Laban, 2009). As Simmons (1999) underlines, the Guarantors “had no explicit power under the protocol to render a legally binding decision on how the dispute was to be resolved”. Presidents Fujimori and Mahuad met President Cardoso in the Alvorada
Palace, Brasilia in November 1998. Cardoso suggested both presidents should send the final package to their respective Congress for approval. The Brazilian president was concern with any backlash from the presidents at the last hour, but Fujimori and Mahuad accepted the deal right away, signing the final peace agreement in December (The Brasilia Peace Agreement) (Spektor, 2014).

The last demand from Peru and Ecuador was a call for Brazil to change the way it was executing its leadership, calling for a direct settlement of the dispute. For fear of remaining deadlocked and wasting years of negotiation, Ecuador and Peru altercasted Brazil into the role of final arbiter, which was eventually accepted by Cardoso. Despite Brazil’s initial skeptical position, Peru and Ecuador projected the role of Brazil as an active leader in order to obtain gains. Brazil slowly moved from a hesitant position, in which the simple acknowledgement of leadership by others was promptly rejected to a position of credible leader. This is what we call “positive altercasting”, that is, the ability of small powers to project leadership in more powerful and hesitant countries. So the Cenepa war case shows evidences that becoming a leader also depends on how small power frame leadership in a way that the most powerful country is demanded to act sometimes against its original interest.

5. The 2006 Bolivian Gas Crisis: the “negative altercasting”

On December 18th 2005 Evo Morales Ayma was elected president of Bolivia with 54% of the votes and the promise of “putting an end to the colonial state and the neoliberal model”, with a special focus on “ending the permanent theft of Bolivian natural resources” through the “obligation of nationalization” (Morales 2006).

Evidently, this discourse raised awareness in Brazil, since the country imported most of its natural gas from Bolivia and the state-owned Petrobrás was the leading company in the Bolivian hydrocarbons market. Even prior to Morales’ inauguration, the elected president visited Brazilian authorities, discussing the nationalization. By using the issue of nationalization, Morales claimed to the State the role of national developer. Morales’ visit to Brazil and the discussion of these issues suggests the government examined the other relevant actors’ role expectations and predicted reactions before actually pursuing the role of national developer. The international consequences of the
nationalization were, then, not inadvertent consequences, but calculated risks developed by specific strategies.

A few months after the inauguration, the relationship between Bolivia and Brazil changed drastically. In March, the Bolivian minister of Hydrocarbons, Andrés Solís Rada declared that Brazil treated Bolivia as a “semi-colony” (Folha de Sao Paulo 2006a). In April, Brazilian private company EBX was expelled from Bolivia, generating tension between the two countries (Estado de Sao Paulo 2006a). Meanwhile, as pressures on Morales rose, negotiations between the government of Bolivia and Petrobras began to deteriorate (United States 2006b). With an eye on upcoming Constituent Assembly elections, the Bolivian government issued the nationalization decree in May 1st 2006.

The nationalization was filled with symbolic aspects. The day of the decree, its name (“Heroes of Chaco”, a reference to the 1930s war with Paraguay), the discourses and, most importantly, the occupation of the refineries by the army created a powerful image for the Bolivian president, showing political force both domestically and internationally. In the following day, the main Brazilian newspapers showed pictures of the nationalization in the front page, demanding vigorous reaction by the government (Cardoso 2010,113).

Surprisingly, the Brazilian government issued a bland statement the following day, declaring that Bolivia had the right to nationalize its resources and that nationalizations should be respected. President Lula da Silva even recognized the Bolivian right to raise prices and that Bolivia “needed help, not arrogance” (Cardoso 2010). The government was strongly criticized for this measure, being portrayed as “weak” by the press and political opposition15 (Cardoso 2010; Amorim 2006f). The opposition parties used the theme for domestic political competition, condemning the government for incurring in “excessive costs” in regional integration and its foreign policy for being “ideological” and not serving “Brazilian interests” (Cardoso 2010, 113). Even inside the government, this conciliatory approach to the nationalization was not unanimous, Petrobrás being against such tone. The company’s president at the time, José Sérgio Gabrielli declared he would

15 While questioning minister Celso Amorim in the Senate, senator Eduardo Azevedo from the opposition party PSDB declared “It seemed to us that it was an act in which Brazil did not position itself adequately and showed, truly, weakness and a certain submission, let’s say, to what worries us, that is this Hugo Cháves, Evo Morales axis” (Amorim 2006f)
freeze investments in Bolivia, declaring the “unilateral measures, taken in an unfriendly way, force us to react” (Cardoso 2010, 108).

With the Brazilian government facing strong pressures from domestic political actors, an immense reduction in Petrobras Bolivia's profits, and, arguably, bigger chances in a legal dispute, why did it choose a conciliatory solution, avoiding terms such as "diplomatic crisis"?

In order to fully understand such behavior, one must pay attention to discourses and declarations made by the Bolivian government prior to the nationalization and throughout the processes of negotiation. These statements reveal a Bolivian attempt to altercast Brazil as an imperial state - or, in Prys' (2007) terms, a Regional Dominator. In repeated occasions, the Bolivian president declared "Bolivia needed partners not bosses or colonizers" (Morales 2006; Roda Viva 2006; United States 2006a) and as mentioned, minister Solíz Rada fiercely criticized Petrobrás (Página 12 2006; Folha de Sao Paulo 2006), associating it with Brazilian geopolitical interests. On the day of the nationalization, Morales' party's (MAS) newspaper, "El Juguete Rabioso" featured a series of articles on Brazilian sub-imperialism and Petrobras (Folha de São Paulo 2006c).

This situation, combined with the fact that the nationalization was not previously communicated to Brazil, has been characterized by Hage (2008) as an "indirect strategy" used by Bolivia, taking Brazil by surprise and putting Brazilians authorities into a dilemma. A harsh and direct response would confirm Brazil's position as an Imperial State, a label that evidently would undermine Brazil's aspirations to roles of "Regional Leader" in South America and "Representative of the developing countries" in the world stage. In the other hand, the passive acceptance of nationalization would mean increasing costs in regional leadership and appearing soft-handed to a domestic audience in an electoral year.

Faced with the possibility of having its regional leadership undermined, Brazil chose a strategy that was clearly incompatible with an Imperial State. In a series of interviews then Foreign Affairs Minister Celso Amorim argued that the government approach was justified by several aspects of the Brazilian diplomatic and peaceful tradition. A harsher approach, he argued, was incompatible with Brazilian diplomatic style and the recognition of Bolivian right to nationalization was a logical conclusion of the principles that guide its policy (Amorim 2006a, 2006b, 2006c). By adopting a conciliatory
tone, Brazil had chosen to prioritize regional integration at the expense of its largest and most important state-owned company (Fuser 2007). Despite internal pressures, Brazil chose to maintain its role of Regional Leader even if it meant having higher costs.

Evidently, the choice of pursuing a positive leadership instead of imperialistic policies was not merely a question of principles - as Amorim put it: "it is not a question of being ‘the good guy’. This is good for us" (Amorim 2006a). According to Cardoso (2010), the interests that guided Brazilian policy on the issue were both an emphasis on regional integration and the economic development of Brazil - which meant not the short term profits of Petrobras but mostly the consequences of a rise in gas prices, possibilities of interruption in gas supply and the effects of a new political crisis in Bolivia. Another issue raised would be the maintenance of Bolivia under Brazilian influence vis-a-vis the growth of Venezuelan influence on that country.16

However, the strategy of “negative altercasting” made by Bolivia continued throughout the year. After the nationalization decree it was necessary to negotiate new contracts, taxes and prices with Brazil. So calling Brazil an "Imperial State" would best fit Bolivia’s national interest at the moment. La Paz continuously tried to politicize the negotiation, while Brazil tried to maintain discussions in technical levels (in more than one occasion, the government declared that negotiations were to be held between Petrobras and Bolivia, and not between governments).

An evidence that this negative altercasting was used as a negotiation strategy in order to raise Bolivia’s bargaining power and gains in the gas sector is the fact that Bolivian statements were usually made through international media or international summits. It was in an European Union summit - one day after a joint statement by Brazilian and Bolivian ministers confirming beginning of negotiations on new contracts - that Morales said Petrobrás had illegal operations and that Brazil had “bought the state of Acre from Bolivia for a horse”, declaring later that his “statements were distorted” when confronted by Brazilian officials (Folha de Sao Paulo 2006b; Estado de Sao Paulo 2006b). This kind of declaration was in great contrast with those given when Bolivian officials were

---

16 Chávez was an important ally to Morales during the period, supporting the nationalization and the Bolivian claims, as well as providing technical assistance to YPFB through Venezuela’s state company (PDVSA). Indeed, many, in the Bolivian opposition as well as in Brazilian media, interpreted Bolivia’s actions as a “manipulation by Chávez”.

---
interviewed by the Brazilian media, such as “Brazil is the bigger brother of the Bolivian people” and “Maybe the problem is the company [Petrobrás] and not the government” (Roda Viva 2006).17

Although Brazil maintained its discourse, the country started to take a harder stance in negotiations behind closed doors (United States 2006c). In the week of May 22nd, the minister of Foreign Relations, Celso Amorim, visited Bolivia as an effort to improve relations. During meetings, Amorim censored Morales on the use of troops, commenting “countries mobilize troops against enemies, not friends” and made clear he was not going to meet the Bolivian Hydrocarbons Minister Soliz Rada, a strong critic of Brazil. Bolivian attempts to seek financial aid and political support in the coca issue were rejected by Brazil. According to a secret cable from the United States, “Amorim told the Bolivians that Brazil wanted to cooperate but that the Bolivian government should be careful about what it does and says” (United States 2006b), reminding Bolivia of Brazil’s position as chair of IDB’s debt forgiveness program. In the joint declaration at the end of the visit, Bolivian support for Brazilian aspirations in the UNSC was reinforced (Brazil Ministry of Foreign Relations 2006).

In the eyes of the public the Brazilian government maintained its peaceful discourse. In interviews given by Amorim to Bolivian newspapers La Prensa and El Deber during his visit to La Paz (Amorim 2006d, Amorim 2006e), the minister acknowledged the existence of asymmetry problems in the Brazilian relations with smaller countries - although he separated the Bolivian issues from Uruguay and Paraguayans complaints about MERCOSUR. While stating that he understood the existence of feelings of exploitation, he claimed Brazil “cannot feel guilty for something it has not done” (Amorim 2006d) and underlined the fact that Brazil was slowly creating a domestic culture that recognized the need to address these problems in a positive way. These statements show that Brazil was still very preoccupied in rejecting the idea of being a Imperial State and reaffirming its role as a peaceful leader, who recognized problems of smaller

---

17 In an interview, Ildo Sauer, Petrobrás' director of Energy and Gas at the time of, declared there was an "image war, in which Petrobrás and the Brazilian government chose to lose in favor of Morales" (Cardoso 2010). The Bolivian government needed to show that it was facing a major Brazilian state company and Petrobrás decided not to answer critics from the Brazilian media in order to avoid further complications in Bolivia. Thus, the company sustained the image that it was suffering severe losses, even though it was facing a reduction in profits (Cardoso 2010).
countries and tried to help them, with Amorim (2006d) going as far as asking the smaller countries to “have patience with us”.

For the following months, negotiations seemed to have been successfully to Brazil, occurring mostly at technical levels between Petrobrás and the Bolivian government. They apparently reached impasses, and the Bolivian government faced internal difficulties with the nationalization process, the hydrocarbons minister being censored by the Senate\textsuperscript{18}. This suggests the Morales administration was not only facing problems in effectively implementing the nationalization, but also having difficulties controlling the Congress. While the government defended the minister, calling his censoring “anti-patriotic”, the dispute with Brazil seems to have weakened Soliz Rada’s position. In anticipation of the censure, it was vice-president García Linera who was sent to discuss gas prices with Lula, not Soliz Rada, who had been responsible for the negotiations with Brazil until then (United States 2006d).

The situation changed in mid September, when the Bolivian Hydrocarbons ministry issued a resolution that unilaterally gave YPFB (the Bolivian state hydrocarbons company) monopoly over the exportation of gas and oil. Under the argument that Petrobras’ had had extraordinary profits, some of its assets and the control of two refineries were confiscated without indemnization. The Bolivian attempt did not take into account the Brazilian electoral calendar, angering the Brazilian government and pushing it into a different direction. With closing elections, domestic disputes over Brazil’s role conceptions and on the amount of resources Brazil should spend in leadership, as well as the perception of Brazil as an important and respected country, acquired more relevance. Consequently, the Brazilian reaction was harsher - president Lula said “the Brazilian patience had ended” and there were threats of economic retaliations (Cardoso 2010).

The Bolivian government immediately changed its policy, suspending the resolution and weakening minister Soliz Rada, with vice president García Linera assuming completely the negotiations. Three days after issuing the resolution, Soliz Rada resigned, a fact seen as positive by the Brazilian government. The negotiations were

\textsuperscript{18} The opposition majority in the Senate censored the minister on August 23 for alleged violations of Bolivian laws and regulations by YPFB (United States 2006d). These were related to corruption accusations regarding a contract between YPFB and Iboamérica Trading, which resulted a few days later in the resignation of YPFB’s president and the nomination of a technocrat in his place (United States 2006e).
resumed in a different tone and in November 3rd a new contract was signed between Petrobrás and Bolivian state company YPFB (United States 2006f).

Analyzing the case through the lens of role theory, we note that Bolivia’s actions fit into the idea of “negative altercasting”, that is, in order to increase political gains the Bolivian government altercasted Brazil into the “Imperial state” role with relative success, improving its position in negotiations. The altercasting strategy reached its limit in September, when Bolivia failed to take into consideration Brazil’s role and reaction to more harsh actions before acting. By negatively altercasting Brazil as an Imperial state, Bolivia simultaneously questioned Brazil’s claims to the role of positive leader and secured Brazil’s position as real leader, but forcing it to expend resources otherwise it would not have spent. Since Brazil rejected the Imperial role, it had to answer to this altercasting with a positive discourse towards Bolivia which eventually made the most powerful country in the region expend more resources than initially expected. It was only when Bolivia crossed the line of full nationalization of Petrobras’ assets that Brazil could counter the discourse of Imperial State by Bolivia.

**Conclusions**

As we argue before, Brazilian policy makers have yet to find a consensus on which role the country should pursue in the region. Such difficulties around its own role location process can be explored by neighbors who seek to shape Brazil’s leadership behavior either to undermine its rise or to increase their own gains. In this paper, we show that small powers can either positively or negatively altercast identities with Brazil in a way that directly affect its role of regional leader.

We argued that Brazil’s enactment of the leadership role in South America is contingent to the expectations and reactions of not only secondary powers, but also of small powers. The analyses of both the Cenepa War and the Bolivian Gas Crisis cases show that Brazil cannot define its role unilaterally, being forced to change its goals and policies if it wants to sustain the role of leader. In the Cenepa War case, this is mostly evident when the Ecuadorian and Peruvian presidents send a letter to president Fernando Henrique Cardoso asking for a mandatory arbitration, thus demanding a change in the way the Brazilians were dealing with negotiations. In the Bolivian Gas Crisis,
this is made throughout the negotiation, every time the Bolivian government claimed that Brazil acted as an “Imperial Power”, pushing Brazil towards a more benevolent approach to the nationalization. So regional leadership should not be understood as a static material position, but rather as a role that is defined interactionally, being therefore, constantly renewed and changed.

Both cases also underline the importance of small powers in regional dynamics, showing they do not assume a merely passive role. As Role Theory states, the role of “leader” cannot be understood without the role of “follower”, and the agency capacity of the latter must be fully recognized. The literature on the role played by this kind of state in regional dynamics is still scarce, and future research may reveal interesting aspects of regional interactions. Finally, the paper shows that the merging of Role Theory with the Regional Leadership discussion may bring insights to the field, providing an useful framework to deal with identities in Foreign Policy Analysis and International Relations. While we have focused on the concepts of “role location” and “altercasting”, many other concepts and hypotheses may foster interesting studies. For instance, the ideas of “role conflict”, “role salience” and of “dissonance reducing mechanisms” may be helpful in the comprehension of the contradictions involved in Brazil’s simultaneous claims to the roles of Regional Leader and Global Power. Analysing identities interactionally, through the concept of role, emphasizing their unstable and sometimes contradictory aspects, may therefore bring important insights to studies of Regional Leadership and of particular countries foreign policy.
References


