

The Foreign Policy of the Lula Government: The Record and Prospects

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Executive Summary

When, three and a half years ago, Luis Inácio Lula da Silva took over as the newly-elected president of Brazil, the Latin American country saw the beginning of a new era in which its foreign policy, more than before, aimed to be understood as an integral part of a national project and an important lever in the country's development process. However, this was no more than an intention at first. A down-to-earth look at the record in 2006 must be confined to palpable results.

The record includes a number of important issues with regard to which Lula and his team have committed themselves to a clear line of approach: the UN Security Council, alliances with strategic partners, the situation in the Mercosur, relations with Argentina, Brazil's leading role in South America, the WTO, multilateral and regional negotiations, relations with China and Russia, and Brazil's political weight in the world.

What seems to be of special importance to the foreign minister, Mr Amorim, who is considered an expert in multilateral affairs, is the question of the UN Security Council. Under his leadership, Brazilian diplomacy invested considerable sums in an ambitious lobbying programme in various parts of the world. What is important to Brazil now is the goal of reforming the UN Charter and winning a permanent seat on the UN Security Council. To succeed in the latter, the country has launched a diversified and far-ranging initiative including, among other things, taking over the leadership of the UN troops securing political stability in Haiti.

With regard to establishing alliances with strategic partners, Lula's foreign policy is based on the conviction that countries like Brazil, Argentina, and China not only share certain values and objectives but also some social and economic features, which makes closer cooperation useful. However, attempts to implement this conviction in concrete politics have not met with any success worth mentioning so far.

Regarding the Mercosur and the improvement of the region's economic opportunities, the government's learning programme covers the 'restructurisation', the institutional strengthening, and the enlargement of Mercosur. Once again, it has not yet been able to translate its good intentions into definite results in this case.

That relations with Argentina, whose cultivation has always required sensitiveness, deteriorated is partly due to the difficult economic situation of the neighbouring country led by Ernesto Kirchner and partly to the peculiar personality of the Argentinian president, who chose to stay away from several important regional and supra-regional meetings. What has further contributed to the tension is that Brazil itself found it difficult to accept a system of bilateral trade-protection measures that contravened both the spirit and the letter of the Mercosur agreement.

As to Brazil's leading role in the region and the development of a regional political block, Lula might have felt obliged to break a long-unchallenged taboo in the history of the relations between the country and its neighbours, and to involve Brazil more extensively in the funding of numerous integration projects. In this context, special importance was ascribed to creating a South American community of nations to guide the individual physical-integration projects. The

country's new leadership policy, however, met with opposition and/or indifference, and not even the full and associated members of the Mercosur approved of the Alca, a key element in the coordination of negotiating positions, some having secured access to the US market through bilateral agreements, thus depriving Brazil of access opportunities.

The foundation of the G-20 group at the WTO Ministerial Conference in Cancún and their appearance at subsequent conferences of the Doha Round was praised as a political success in agricultural negotiations. However, its efficiency is limited due to the fact that Brazil's position on subsidies and industry protectionism might become no less defensive than that of China and India. In the negotiations between the Mercosur and the EU, the illusion initially prevailed that a limited agreement might be of advantage to Brazil and the Mercosur, ignoring the fact that the frequently-invoked 'new geography' of international trade has already become reality, as shown, for example, by the massive exports of goods from Asia to northern industrial countries.

China, Russia, and Brazil's political weight in the world are of special importance in Brazilian foreign policy. Even before Lula assumed office, China was termed an 'ally' and a 'strategic partner' who might even shift the global balance of power. In the case of Russia, Brazil similarly focussed on 'strategic' rapprochement to help reduce the areas open for 'unilateralist arbitrariness'. In the debate about an Iraq resolution within the UN Security Council, Brazil tried to establish closer contacts with France and Germany. To highlight its own weight in the region, Brazil organised a conference of Arab and South American states. By taking numerous trips to Africa, Lula tried to reinforce the Afro-Brazilian component of his country's diplomacy and to gain support for the Brazilian objective of obtaining a seat on the UN Security Council. Brasília's diplomatic activities seem to be successful: The country has developed into a dialogue partner for many authorities and forums throughout the world, such as the G-8 and the World Economic Forum in Davos. Moreover, it was noted that Brazil endeavoured to create an alternative to the 'Washington Consensus' by forming the 'Buenos Aires Consensus', i.e. to draft a document which focusses not only on economic and so-called neoliberal regulations but primarily on the consideration of social issues.

Mr Lula da Silva repeatedly said that Brazil will no longer ask anybody's permission to take up its place in the world. In fact, the country has always spoken out clearly in diverse multilateral initiatives in favour of more democracy in international relations, one example being the initiative against hunger and poverty, now a UN working programme. It may be considered an extension of the national 'zero hunger programme' of the Lula government which, thanks to the mobilising force of Brazilian diplomacy, is now on the international agenda, although it does not yet have the momentum of a large-scale world campaign. Another example is Brazil's search for alternative sources of funds in the form of a nationally applied voluntary tax on international flight tickets, for instance, from which a central office could be funded which would manage the purchase of Aids drugs in support of poorer countries. To be sure, some of the initiatives that have been launched are not without their problems; however, a new spirit of international solidarity is making its presence felt that has been inspiring Brazil's foreign policy since Lula's inauguration.

Needless to say, the new guidelines have also been criticised. In view of the absence of sustainable agreements about opening up access to new and/or expanding access to existing markets, business circles, for example, have called attention to the danger of economic isolation and the loss of regional trade areas. All in all, however, Lula da Silva shows himself pleased with the concept and the success of his policy. That this success results from his intensive travel diplomacy is shown by the fact that the number of foreign-policy trips abroad and visits by high-ranking personalities to Brasília itself has reached unknown heights.

Lula's policy is supported particularly by academic and leftist circles; it is criticised by entrepreneurs and the mass media. Yet it is an issue that concerns everybody. Even in domestic-policy debates, the country's foreign policy is present – stronger than ever before. And it may be assumed that it will play a major role in the course of the presidential election campaign that was opened in the middle of 2006.