BRAZIL’S RISE AND DECLINE IN SOUTH AMERICA

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**Resumen/Abstract**
During the Lula da Silva administration, the Brazilian government has performed to consolidated a regional governance in South America putting renewed effort into building the country’s leadership in the region. Since 2011, when Dilma Rousseff came into power, the Brazilian links with its neighbours has been losing strength, as well as its role as a regional power has been declining. The aim of the paper is to analyse the changes in Brazilian regional strategy of leadership in South American issues, from 2011 onwards. It argues that, although Rousseff is part of the same political party, while the Lula government behaviour focused on building up of Brazilian leadership in the region on several different fronts, the Rousseff administration has behaved differently from its predecessor; the Brazilian efforts to build a leadership in the region would have reached a turning point affecting, therefore, its role as regional power.
Since 2003, in a shifting international scenario of increasing fragmentation and following the decline of the liberal world order seen in the 1990s, Brazil has taken assertive action to expand its participation in multilateral forums and debates on global political matters as part of a diplomatic strategy that envisages a reformulation of existing international institutions.

Brazil’s regional context has also proved beneficial. Since September 11, 2001, the United States has neglected its foreign policy towards Latin America to make way for its war against terror. The lack of any structured US behaviour in South America remained even when Barack Obama took office. Meanwhile, in the same year, Argentina (Brazil’s historical rival for hegemony in the Southern Cone) found itself weakened by the regional political and economic crisis. The rise of new governments keen to reformulate the political regime from the beginning of the century further reduced the alignment of these countries with the United States. It was the conjunction of all these factors that paved the way for Brazil to take an increasingly autonomous approach in the region.

When President Lula came to power in 2003, this strategy was clearly oriented towards building Brazil’s leadership in the region, seeking a bandwagoning response from its neighbouring partners, who would support Brazil’s proposals in the global scenario. With Dilma Rousseff’s rise to power, even though there were not changes concerning the discourse in the foreign policy general guidelines, her external actions faced changes and lacked proactivism. The Brazilian leadership in South America has started a downwards trajectory, which has gained strength with the 2014 elections and the impeachment.

Schirm (2010, 200) defines leadership as ‘the ability to make others follow goals and positions which these others did not previously share and/or to make others support an increase in status and power of the emerging power’. According to Nabers (cited by Nolte, 2011), “leadership also has a normative dimension because it depends on the ability of a regional power (or its leaders) to present its own particular worldview as being compatible with the aims of the regional followers; is conceptualised as discursive hegemony”. Nel (cited by Nolte, 2011) argues that “leaders as Brazil struggle not only for their own advantage but also for the recognition of developing countries as full and equal partners in the society of states”. Here, leadership is understood as a country’s capacity to influence the political trajectory of a specific region, creating consensus through mechanisms of soft power.
Those definitions do not focus specifically on the reasons that can lead a country to lose its leadership role, but they refer adjacently to the role of followers and to the external actors in the region. In the Brazilian case, although there has been an increase in the leadership cost, it was not the main reason for the decline. The greatest external power, the United States, has not altered its policy to the region. The motivations for Brazilian leadership decline are linked to the crises and the domestic economical strategic debacle, allied with a serious political crisis. Elements such as changes in the decision-making process and the rise of a president less inclined to deal with foreign policy have also influenced the fall of the Brazilian leadership role.

The aim of this paper is to analyse the South American aspect of Brazil’s decline in its own region, with a focus on the construction of its leadership in an asymmetrical context. It gives a brief historical overview of how Brazilian government has constructed its leadership base in South America. Brazil’s increasing prominence in the region under President Lula and the decline of its policy for the region under Dilma Rousseff are then analysed. Lastly, it analyses briefly the Brazilian decline in the region during Rousseff’s short second term. The concluding section looks at the perspectives of Michel Temer's behaviour toward the region.

**Brazil’s rise with Lula**

The election of Luiz Inacio Lula da Silva (2003-2010) changed the face of Brazil’s foreign policy with the adoption of proactive efforts to change the international regimes through persuasive tactics designed to favour countries from the South and/or Brazil’s own interests. The idea of enlisting other Southern nations, both poorer and emerging, in an effort to balance the power of traditional Western nations, was the springboard for Brazil’s new international approach. While coalitions with emerging partners were seen as a means to leverage its global actions, there were also efforts to establish an individual international leadership.

As well as raising its international profile, acquiring leadership in South America became another priority for Brazil. From the Brazilian perspective, these dual objectives were complementary and could be pursued simultaneously. Policymakers saw closer ties with neighbouring countries as a means of boosting Brazilian development and building a bloc with a stronger international voice (Gratius and Saraiva, 2013). Facing international issues, the Brazilian government sought to consolidate followers through
bandwagoning. Against this backdrop, Brazil perceived regional integration not only as a goal in itself but also as an instrument for autonomy and soft-balancing the US (Hurrell, 2006).

This approach to South America received political support during the Lula years and tied in with the objectives of developmentalists, autonomists from the diplomatic corps,¹ nationalist geopoliticians² and a pro-integration epistemic community that included political players from the Workers’ Party and academics who supported regional integration.³

The Brazil that Lula inherited was marked by political stability and economic growth, exacerbating the asymmetry between it and its neighbours. In terms of its economy policy, the government first maintained the features of liberalism and then gradually started to introduce elements of developmentalism such as building infrastructure. Economic growth went hand-in-hand with social inclusion and Brazil could “speak with greater confidence and authority” (Hurrell, 2010, 60). In this context, and in a bid to respond to domestic circumstances and this new regional balance (or imbalance), the Lula government’s foreign policy prioritised building a South American order under Brazilian leadership, with Brazil as an agenda setting voice and taking key responsibility for the integration and regionalisation process.

The government consolidated its soft power initiatives with a combination of bilateral deals and reinforced multilateralism. It prioritised the coordination of regional leadership with boosts to Brazilian economic development and geared its actions towards finding consensuses between different parties and determining how to respond to the different issues affecting the region, rather than prioritising traditional economic integration structures. The success of Brazil’s socioeconomic model during the Lula administration prompted its adoption in other countries, following Brazil’s example and with its technical assistance.

¹The autonomists form a school of thought within the Brazilian Foreign Ministry that defends Brazil’s taking of a more active, autonomous stance in international politics and of an assertive leadership in South America. See Saraiva (2013).
² Ideologues with a geopolitical viewpoint who defend regional integration around Brazilian leadership and interests, who had an influence on foreign policy for the region or who took part in government agencies. For example, see Costa (2003).
³ According to Haas’s definition of the capacity of the epistemic community to exert political influence, their members do so by “diffusing ideas and influencing positions adopted by (...) governments, bureaucrats and decision makers”, as well as by exerting “direct policymaking influence by acquiring bureaucratic positions” (Yee, 2011, p.44, mentioning Peter Haas’s ideas).
The Brazilian government’s strategy was two-pronged. First, it made initiatives within MERCOSUR, as an inner circle. In formal economic terms, the bloc is an incomplete customs union of an intergovernmental nature, but in practice it is an asymmetric integration process strongly marked by bilateralism. This feature of the bloc has enabled Brazil to maintain relations of a different nature with each of the member states. Brazil gradually took on the costs of making the bloc more cohesive by creating and implementing the Mercosur Structural Convergence Fund (FOCEM). The bloc was an important mechanism for Brazil to manage its relationships with its Southern Cone neighbours, especially Argentina.

South America was the other geographical sphere of action for Brazil. The consolidation of the South American Community of Nations in 2004 and its transition to the Union of South American Nations (UNASUR) in 2008 was where Brazil focused most of its diplomatic efforts. UNASUR was unlike the other regional initiatives that followed classic patterns of integration and became an important instrument for structuring regional governance. The organisation incorporated new topics such as political dialogue, energy integration, financial mechanisms and asymmetries. It adopted a post-liberal model of regionalism, with the political dimension gaining priority and the countries keeping their autonomy to decide on their respective development strategies since the benefits of integration and cooperation were asymmetrical. Based on this type of regionalism, strictly commercial integration ceased to play a major role.

Institutionally speaking, although UNASUR has a strictly intergovernmental nature that has guaranteed Brazil a degree of autonomy from its partners in the organisation as well as in its plans to project itself as a global player, it also has a complex institutional design. As it is not formally committed to any specific regional integration model, economically speaking, and does not fit any of the traditional free-trade-oriented

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4 Granja (2016) characterizes the process of asymmetrical integration as the existence of strong asymmetries, the fact that one of the members is potentially a regional leader and the fact that the intra-bloc relations are bilateral.

5 According to Nolte (2011), regional governance refers to a set of regional organisations and principles and rules designed to regulate the behaviours of states, as well as the process of creating such organisations and principles, which contribute to resolving problems in a region and foster greater benefits in intra-regional relationships.

6 Motta Veiga and Rios (2007) define the model of regionalism established in the region in the 2000s as post-liberal regionalism, which differs from commercial integration in that it highlights political aspects, regional asymmetries, physical integration and greater political coordination between the region’s countries, it being understood that Brazil would gradually take on the costs of the integration process.

7 UNASUR has 12 sectoral sub-committees that enable closer cooperation in different areas between government agencies from different South American countries.
economic integration formats, it can embrace different sub-regional initiatives, such as Mercosur, the Andean Community, the ALBA and the newly formed Pacific Alliance.

With such a flexible format, UNASUR gradually aligned the behaviour of the region’s countries on different sectoral issues. It proved important in responding to crises in the continent, whether of a domestic political nature (such as in Bolivia) or over borders (e.g. Colombia/Ecuador and Colombia/Venezuela). It also became the main channel of multilateral action through which Brazilian diplomats acted in order to build common positions with Brazil’s neighbours so as to ensure regional stability. However, Brazil’s actions in this area were not free from tension. Its position was challenged by social demands and the developmentalist-oriented economic strategies of some of its neighbours, which called for it to shoulder the full economic burden of regional cooperation. Meanwhile, Brazil’s plans to build a regional power structure and give a regional response to international policies alongside its neighbouring countries were met with mistrust. This put a premium on the cost of its regional leadership.  

The development of regional infrastructure was also incentivised. Its administrative entity, IIRSA, was incorporated in 2010 by the COSIPLAN (an UNASUR council). Regional investments in infrastructure financed by the Brazilian Development Bank (BNDES) and executed by Brazilian companies grew during the period, leveraged by IIRSA/COSIPLAN. By the end of Lula’s second term, a good portion of the funds invested in infrastructure in the region were coming from the BNDES.  

Parallel to UNASUR, the diplomatic corps under Lula introduced a complex cooperation structure between the region’s countries, giving priority to technical and financial cooperation. Technical cooperation started to be introduced in sectors such as education, agriculture, science and technology, and health, boosting the coordination with other countries in the region in non-commercial areas and the continent’s overall regionalisation.  

The legacy of the Lula government, inherited by a government of the same party, was a country on its way to becoming a global power and with the foundations set for regional leadership. The division of the Brazilian soft power strategy between

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8 About this topic, see Malamud (2009). He notes that some countries from the region have voted against Brazilian candidacies for elected positions in international organisations.
9 Its budget exceeded that of the Inter-American Development Bank for the region. For more on this topic, see Couto and Padula (2012).
10 See Hirst, Lima and Pinheiro (2010) on the new profile of the Lula government, the role of various governmental agencies and the South-South cooperation with South America.
MERCOSUR and UNASUR did not lead to problems of overlap or questions of loyalty. From Brazil’s point of view, both cooperation and integration initiatives contributed towards strengthening regional governance under Brazilian leadership.11

**A reversion of Brazil’s rising presence**

In the beginning of her first term, president Rousseff indicated that she would continue the foreign policy adopted by her predecessor. The autonomists followed the main positions adopted by Itamaraty, and the variety of governmental agencies involved in foreign policy remained, which was a factor accomplished during the Lula years. The developmental economic strategy in the domestic sphere was reinforced. The vision of the regional scenario that places South America as a priority was kept in the official speech.

But even though the strategies and the world views formally remained in course, as well as the foreign policymakers and the perspectives announced to South America, the Brazilian external behaviour, generally, experienced changes and a clear reduction to its proactivity. Cervo and Lessa (2014, p.133) define this movement as the "Brazilian decline in international relations". Brazil was losing protagonism in the global politics and in the regional sphere and its actions can be described as reactive. This change has been influenced by the international economical conjuncture and the internal economy, as well as the new dynamics of formulation and in the foreign policy decision making process.

The international scenario faced by the Rousseff administration was more difficult than the one faced previously. Since its beginning, the global power's economic crisis had been replaced by the economic recovery by the United States and, progressively, by the Eurozone. This alteration reduced the possibilities for actions by the emerging countries in the Group of Twenty (G20) and in other areas of international politics. They were unable to establish an alternative agenda to the global politics. The inability of the World Trade Organization (WTO) to take the Doha Round forward has impacted the international trade agenda, and the progress in the area of free trade regional groups made

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11 Malamud and Gardini (2012, p.122) have highlighted a scenario in which there is overlapping (or multilevel) regionalism, resulting in the coexistence of different kinds of regional integration, which could trigger stalemates between the institutions created as part of these initiatives, leaving the states subject to conflicting loyalties.
more difficult for the insertion of Brazil in the international economy. The end of the prosperity in the commodities prices and the reduction in the Chinese economy had an impact in the Brazilian trade policy.

Internally, the economic scenario suffered the impacts of the international financial crisis, which interfered the balance of payments. The new economic policy, implemented in a difficult conjuncture, reflected the managerial mistakes and brought problems to the Brazilian economy. The Gross Domestic Product (GDP) has been lowering and since 2014 its growth has stalled. The developmentalist project of Brazil, with the aim of increasing infrastructure in the country and in South America (with Brazilian Development Bank funding) was kept initially, but suffered with the difficult economic situation and the many initiatives were not concluded.

When it comes to the foreign policy formulation, since the beginning president Dilma Rousseff kept the same group of people in key positions in the Itamaraty, and she placed an important Workers’ Party (PT) as the President's advisor to foreign affairs. However, the presidential diplomacy and the role of the president in the agenda setting in the foreign policy, roles that Brazil performed in the Lula Era, were abandoned. President Rousseff demonstrated a preference for domestic issues, and lacked interest for external matters, particularly the ones that showed few diffused and symbolic gains, non-tangible in the short term.

Gradually, other federal agencies became responsible for technical issues in foreign policy, and the President's advisor for foreign affairs revolved around solving political crises in South America. The relation between the president and Itamaraty has been deteriorated. The deflation of Itamaraty as a political actor, the decentralization in various decision making agencies for foreign policy and the president's lack of interest made the decision-making process for agenda setting, that could belong to the president or to Itamaraty, belonged to neither.

The incomplete Brazilian leadership in South America, built during the Lula administration, faced a setback. In the realm of MERCOSUR, economic integration is being hampered by trade disagreements. Barriers against Brazilian exports have not been lifted and nationalisation measures taken in Argentina are warding off Brazilian investments. The Rousseff government seems less inclined to make concessions to its main partner and bickering in the economic field is unlikely to be resolved in the short term. Venezuela’s membership has also embroiled the trade dimension, since it has proved unwilling to adapt to the requirements of the common external tariff.
Little progress has been made in the institution of the MERCOSUR Parliament, and the adoption of its constitutive treaty has been postponed (Malamud and Dri, 2013). The crisis involving Paraguay and Venezuela has hampered progress in this sense.

In the political field, however, the increasing alignment of Brazil’s and Argentina’s positions has gone a long way towards making up for their economic differences. The Brazilian government is still keen to maintain close cooperation with Argentina to curb the resurgence of any kind of rivalry that might damage Brazil’s position in the region. Early on in the Rousseff government, the then three MERCOSUR partners acted together in response to the political crisis in Paraguay, resulting in its being suspended temporarily from the bloc, as well as – surprisingly – accepting Venezuela as a full member.12

Internal differences aside, MERCOSUR has continued to aspire to expansion. Since Venezuela joined, Bolivia has also applied for entry as a full member without giving up its membership of the Andean Community. Guiana and Suriname have signed association agreements, laying the groundwork for the formation of a free trade area covering the entire subcontinent.

UNASUR remains Brazil’s primary point of reference when responding to crisis situations. When Venezuela entered a period of political turmoil, there was a consensus regarding a weak initiative by UNASUR that had not yielded results. Brazil’s tradition of non-intervention makes it more difficult to build leadership in an area where there are differences regarding the best form of government. The fact that leaders from the Workers’ Party have continued to hold sway in the government’s response to crisis situations in the region and the president’s lack of interest in putting any effort into building a more substantial consensus have hampered Brazil’s capacity to fulfil its role as leader.13

The Brazilian initiatives in the organisation’s committees are effectively on hold.14 Brazil’s actions are more connected with developmentalism, prioritising bilateral ties with neighbours through technical and financial cooperation, while investments per se have declined.15 The Brazilian economy is going through a testing time and any calls to have the country cover the costs of regional cooperation are not seen in a good light by

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12 However, when Venezuela itself experienced political upheavals, MERCOSUR did not react and it was UNASUR which made moves to resolve the issue.
13 Information on this can be found in archives of Brazilian newspapers.
15 Article in Folha de São Paulo – América do Sul perde fatia nos investimentos externos do Brasil, 3 August 2013, Mercado 2, p.5 –reporting that the South American share in Brazil’s total foreign investments fell from 14.3% in the first half of 2012 to 5.7% in the same period in 2013.
the government. The prospect of building economies of scale is not on the agenda of the Brazilian private sector.

To make matters worse, while Brazil counts on support from its UNASUR partners for its global aspirations, it is unwilling to accept any kind of restriction on its autonomy of action, whether regionally or globally, thus raising the cost of its leadership to levels the new government seems unwilling to meet. The positions of the region’s countries on multilateral forums have not coincided in practice. As a positive element, Brazil received support from countries in the regional to the election of Brazilians in key-positions, like Roberto Azevedo to the director-general of the WTO.

The technical cooperation with the region has been specially affected. Although there has been a general downfall in its budget, statistics from the Brazilian Cooperation Agency show that the fall in the financial execution to Latin American and Caribbean countries was highest than the fall in other regions, when compared to the data from 2010 and 2014 16.

The creation of the Pacific Alliance was not consensually received by the Brazilian diplomacy, which reflected the absence of a clear positioning by the government.

CLACS was formalised in 2010, but did not receive any attention from Brazilian diplomatic circles. The responses to the impeachment of the Paraguayan president in 2012 and the political upheavals in Venezuela were coordinated by UNASUR, with CLACS playing no significant role. As well as CLACS’s difficulty in accommodating the differences between Latin American countries, there is overlap between it and UNASUR, and Brazil’s primary loyalty is to South America.

**From reversion to decline**

The start of 2015 corresponded to the beginning of Rousseff’s second term and of a difficult year to Brazil’s foreign policy. Rousseff’s re-election had been made possible, although the election period divided the country and left to the government a difficult

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16The annual financial execution of ABC represents the financial sum of its budget, of transfers to international organizations and the money transfer to organizations and governmental institutions to take place in the technical cooperation with ABC. The downwards tendency to the Latin American and Caribbean region was 92,87%, to Africa 74,46%, to Asia, Europe, Oceania and Middle East 71,29%. Available at [http://www.abc.gov.br/Gestao/AmericaCaribeExecucao](http://www.abc.gov.br/Gestao/AmericaCaribeExecucao), with access on October 05th, 2015. This can also be found at Saraiva and Bom Gomes (2016).
legacy of political composition. The economic and political crises that had worsened progressively in the previous year had started to appear in the new year, since the government faced difficulties related to the economic decisions made during the first term, and they resonated in the political realm, elevating the political cost of the coalition presidentialism.

In the first year of her second term, the president implemented measures of economic correction, which compromised the GDP growth and it retracted throughout the year. The internal balance account became out of control, and the inflation surpassed the limit established by the government. The Judiciary intensified the corruption accusations, mostly in the works of Petrobras, which brought to the surface the involvement of parliamentarians known for this practice, as well as names of members of the Worker's Party, of Petrobras, of large infrastructures contractors that also were acting in neighbouring countries.

The rupture of the government's coalition in the Congress, the affliction by the political forces who had lost the election by a small percentage of votes, the economic crisis and the litigation against large construction companies - which had been an important instrument of Lula's foreign policy and that still occupied a relevant locus in Rousseff's policy towards the region - paved the way for a larger politisation of the foreign policy\(^\text{17}\). The opposition accused Rousseff's foreign policy of being "ideological" or "partisan"\(^\text{18}\) and the biggest symbol of Lula's term, the investments implemented by BNDES in infrastructure, perished.

In this sense, the South American regionalism issues and, specifically, the questions related to the proactive Brazilian behaviour to neighbouring countries were the one that mobilized the political actors the most and that provoked divergences A vision of domestic political actors oriented inwards was gathering importance and it was an incentive to the critics regarding foreign policy and the internationalization of funding. Issues related to the involvement of large construction companies in corruption brought in the political agenda the infrastructure investments made in the region by BNDES and developed by those companies. For the first time since the Constitution of 1988, Congress

\(^{17}\) Politization of foreign policy is here understood as the incorporation of foreign policy themes in the internal debate, that take into account divergent points of views and preferences.

\(^{18}\) Although they did not explain properly what this typology meant.
denied the nomination made by the government of a diplomat to the embassy of the Organization of American States.\(^\text{19}\)

In practice, the visions that acted positively to a larger approximation of Brazil with neighbouring countries during Lula's years did not occur in Rousseff's second term. Those in favour of a developmentalist approach oriented themselves to internal problems; the Worker's Party was unarticulated with the political crisis; national geopolitics lost momentum in the formulation of foreign policy; and Itamaraty was politically deflated.

In regional terms, the fall of oil and commodities prices generated economic crises, and problems with macroeconomic management created instability on many countries in the region. Many progressive governments experienced economic challenges, with internal political contestation and instability. This process favoured the weakening of left-wing ideas in the continent. The election of Mauricio Macri in Argentina and Pedro Pablo Kuczynski in Peru were important events to the dismantle of an epistemic community in South America, that was pro-integration and that had geared itself towards post-liberal regionalist ideas.

In regards to the Brazilian behaviour in the region, Venezuela was the country that received most attention by the Rousseff government, as well as by other political actors of opposition. In 2015, were organized two trips of senators to Caracas, one in favour, the other against the Venezuelan government. Mismatched preferences and the possibilities of using the theme as an item of domestic politics were clear. Chancellor Mauro Vieira participated in UNASUR missions with the aim of recomposing the internal political situation, and the legislative elections by the end of 2015 were guaranteed. President Rousseff herself reinforced her support to the legislative process but in practical terms, faithful to the commitment of non-interference in domestic issues, the Brazilian government avoided more profound criticism to Nicolás Maduro government.\(^\text{20}\) Brazil's participation in the UNASUR councils was considered important in the diplomatic discourse, but in practice it was ineffective.

Regarding MERCOSUR, there have not been many developments in trade, neither intraregional or in negotiations with the European Union. However, in relative terms, its enlargement was noticeable. Bolivia was added as a full member and Suriname and Guyana

\(^{19}\) He was accused of being “Bolivarian”.
\(^{20}\) References to the Brazilian behavior to the region in Rousseff’s second term were based on Miriam Saraiva and Paulo Velasco article, “Brazilian foreign policy and the ‘end of a cycle’ in South America: where are we heading towards?”, estimated to be published in Pensamiento Propio, in a special volume.
as associated members. Brazilian government searched for more proximity to the Pacific Alliance from the MERCOSUR framework. The Brazilian government did not make many remarks on Macri’s victory and preferred to avoid friction in a moment that the domestic political situation was gaining strength. The expectation of the end of commercial barriers announced by Macri brought solace.

With the worsening of the political crisis and the deepening of the impeachment process, Brazil's diplomacy focused on the defence of president Rousseff mandate. The presidency started movements focused on recruiting support in international institutions and on crossing the international frontiers with the political divisions. Its foreign policy then prioritized the support of the maintenance of the government, excluding more traditional issues. Concerning MERCOSUR, it was mentioned to members of the regional group the application of the democratic clause and the temporary suspension of Brazil, but it would bring future risks to the existence of the integration bloc. Even with the general secretary declarations, UNASUR avoided discussing the problem.

**Prospects for Brazilian behaviour towards the region**

During the Lula administration, Brazil’s soft power initiatives were driven by both domestic and foreign factors. In the 2000’s, Brazil through Lula's government represented an important leadership and paymaster role in the regional cooperation process. Even though Brazil has not fully acted on both cases, in a fragmented international scenario, the country has developed during the decade a relevant role when it comes to an assertive participation in the regional politics. The costs of regional governance structure were in part divided by the countries of the region and, for the most part, it was delegated to the Brazilian government through technical assistance and investments, and of constructions of infrastructure. Important regional cooperation initiatives were suggested by the government of Brazil. Internally, it was created a movement that aimed at building a political front towards a Brazilian leadership project in the region and in the South American integration.

However, the combination of a favourable international scenario, economic stability in Brazil, and the rise to power of a government like the one headed by President Lula, which invested heavily in diplomatic efforts both regionally and internationally,
may now be consigned to history. Since Dilma Rousseff took office, the Brazilian economy has floundered and the country’s foreign policy has shifted away from regional interests towards a more pragmatic and short term perspective. Rousseff deflated the political dimension of the Brazilian behaviour towards the region relating to the actions of Brazil as a structuring actor in the regional institutions. The role of leadership and of paymaster was being gradually discontinued due to the political and economic crises.

The impeachment brought a new president and a new chancellor. Michel Temer has not demonstrated interest in foreign policy and Jose Serra is working on its own candidacy for president in 2018. In his first speeches, he was very critical of Rousseff’s foreign policy and suggested change towards the international institutions and approximation to the Western powers. But in practice, changes are very difficult to be implemented and have yet not been. Relations with Itamaraty are being re-established.

The economic and political crises that Brazil faces is an immobilizer element of foreign policy. But the energy was geared to South America, where the Brazilian behaviour has changed clearly. In partnership with Argentina, the Brazilian government was able to estrange Venezuela from MERCOSUR and the approval of Bolivia entrance was on waiting mode.

Nevertheless, little by little, the government gains strength and seeks for an approximation with likely partners, but without a short-term perspective of being a leader that requires any cost. On the contrary, Temer’s government is looking for ways to lead Brazil out of the crisis.

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