SUMMARY:
This chapter is divided in three parts. First, it introduces the Brazilian foreign policy main directives: economic and social development as well as border delimitation with other South American countries. Secondly, it shows the situation of Brazilian relations after the Cold War with the countries and regions of the World: the US, the EU, Latin America, China, Africa, India and other regions. Finally, it looks at Brazilian national interest in the UN and on the following fields: on energy, on environment and on defence.

1. Historical background: the main directives of the Brazilian foreign policy

Brazilian society was formed within traditional monarchic and aristocratic Portuguese lines. When the Portuguese royal family left Lisbon to Rio de Janeiro at the wave of Napoleon invasion of Portugal, they transferred its political culture and structures to what was so far a Colony. In 1822 Brazil was declared an independent monarchical state. The Ministry of Foreign Affairs was created in 1834 and it served well the Emperor in dealing with international disputes and with the building up of a legal foreign representation to Brazil.

Brazil was a centralized monarchical State until 1989 when a military movement declared it a federation. The new-born Federal Republic of the United States of Brazil was regarded by the intellectual leaderships of the military as the best way to modernize and westernize Brazil. The emerging USA federal model as well as August Comte’s positivist principle of Order and Progress written at the new Brazilian flag were established as the guiding principle to move the nation away from backwardness.

The history of Republican Brazil has been a struggle to move away from Portuguese political tradition, from agrarian economy, from slavery, colonialism and its consequences towards economic and political modernization. Political ups
and downs during the Twentieth Century Brazilian political life can be understood as a conflict between a will to change by emerging new social groups and the resistance from traditional Brazil and its colonial heritage.

The troubles of internal rebellions and external wars Brazil has faced since colonial times were dealt and solved by the preservation of the centralized state structures created at the Monarchical period. A centralized political power in which the federative units depended on central government was conceived as the only way to keep national integrity. The guidelines for consolidating Brazil as a powerful and important entity as well as to modernize its political culture and Brazilian elites are set out within this strong and centralized State model.

The bearers of the Brazilian State are the two most important State bureaucracies that emerged during Brazil’s monarchical empire and expanded their political role in republican times: the military and the diplomacy. The military thinking combined elements from traditional political culture with a will to modernize exploring the idea of progress and nationalism. The relevance of the military as an actor was very much a consequence of past internal and external conflicts like the Canudos War and the Paraguay War as well as of the social and political ascension of poor and black Brazilians through military ranks in these wars.

The Brazilian Foreign Office, known as Itamaraty, served well the Monarchy and adapted itself to serve even better the Republic. It gradually developed a sense of how Brazil should find its own way in the Eurocentric world order. Not much different to the Military concern on order and progress, the idea of modernization was taken by the national diplomacy as the centrepiece of Brazil’s national interest. It was during the formation of Brazil’s first State structures at the end of the Nineteenth Century and early days of the Twentieth Century that Itamaraty gained today’s importance and developed its expertise.

The most important issues of Brazilian Foreign policy were set at the Monarchical years and in the first decades of the Republic. They were: (i) to clearly establish Brazil’s territorial borders; (ii) to overcome dependence, to achieve economic development and to become a global trader; (iii) to be a global player on issues of regional and international affairs.

**BORDERS**

The very first important challenge to Brazil was to clearly define territorial borders with its neighbouring countries, all of them troubled with unending wars and rifts
due to the collapse of Hispanic America. *Itamaraty* has played a central role on exploring the resources of *soft power* to negotiate and reach consensual agreements on borders limits based mainly on the principle of *uti possidetis*. As new and more precise measuring techniques were developed along the Twentieth Century, these agreements were improved.

From 1851 to 1972 Brazil had established and refined border treaties with its ten neighbouring countries covering 16,886 kilometres, containing 202 lakes and 9,321 km. of rivers and channels. More than 5,632 border marks have been set so far. Today, when marking borders is no more an issue, the main activity of Brazil’s Borders Division is to maintain and keep the borders marks in good condition.

The works of Brazilian diplomacy, particularly of the Baron de Rio Branco and other *Itamaraty* diplomats were so successfully done that, contrary to other South American nations, Brazil has no dispute or conflict with any of its neighbours on territorial issues.

Repression on arms and drugs trafficking as well as enhancing borders control have become the central issues related to borders for Brazil today. Following the track of Brazilian good diplomatic relations with South American countries, new joint initiatives and treaties have been celebrated in order to patrol the frontiers, guarantee security for communities on both sides and develop a multi-agency cooperation capable of facing these major security threats.

Besides and with the unfolding of regional integration initiatives, Brazil has invested on the creation of a South American common regional infra-structure on roads, energy and transport what has made traditional border issues a thing of the past. The positive prospects with today’s developments concerning policies on borders issues results from Brazil’s long stand in favour of the use of diplomatic means to achieve solutions for disputes over borders as well as to search for partnership, consensus and cooperation.

**ECONOMIC AND TRADE DEVELOPMENT**

Until eighty years ago, Brazilian economy was agrarian and depending on export of primary products. During its Colonial times, Brazil was a source of wood and sugar for Europe. At its Monarchical years, gold and coffee were the two sources of revenue for Portuguese exploitation of Brazil. After independence from Portugal, Brazil developed a strong and rich aristocracy based on exports of raw
materials and food. Gradually, national elites regarded that a growing gap between an industrial North and an Agrarian South would enhance the existing colonial and dependent links Brazil still had with Europe. As members of a newly-independent nation, Brazilians regarded their options being limited by the imperial interests of the Great Powers and by the continuation of its colonial unequal economic and trade relationship. At that point, Brazilian elites set out as key national goals to reach economic development by industrialization and to turn the national economy into a global trader.

Industrialization started at Sao Paulo State and was financed with profits coming from coffee exports. New industrial elites have emerged and urbanization followed. In the 1950s more than 80 per cent of Brazilians lived in rural areas. In 2010, about 85% of Brazilians are living in cities. The building of a modern State capable of creating an educational and social network to attend demands of a growing middle class was also a goal. Universities and technical schools to train skilled labour were created on the basis of traditional Law, Engineering and Medicine faculties. From the 1950s to now, the federal government, states and major cities created a growing network of schools, universities, technical schools, hospitals, research institutions and other bodies to attend the growing need to transform a rural and uneducated population into a skilled labour force.

During 1930’s Vargas regime, Brazil enhanced its bilateral relations with some European countries, particularly with France, Germany and Italy, in order to attract investments, skilled work force and diversify its exports. The US was already Brazil’s biggest trade partner in the 1920s and it grew in the period between the two World Wars. In order to increase trade with Europe, Brazil acted to become exporter of many new primary products to Europe too.

The War reduced drastically the trade with Europe while the US and Brazil moved to consolidate a strong security and trade partnership. In 1947, with the end of Vargas’ regime and political democratization in Brazil, there was a positive atmosphere and a belief that the furthering of the successful partnership with the US would give Brazil the means to achieve economic and social growth. Unfortunately the Cold War attracted all US attention to the growing tensions in Europe and Asia. As a consequence, Brazil and the rest of Latin America were considered no more a priority.

With a reduced set of options to search for new markets, since Europe and Asia were under reconstruction, Latin American hopes for development have turned to both the Organization of American States, and above all, the United Nations. The
most important achievement at that period was the creation of ECLAC, the Economic Commission for Latin America, in 1951 under the umbrella of the UN. ECLAC became a very important think tank on development thinking by formulating and supporting development policies and fostering regional economic integration.

With the reduction of tensions between East and West and the recovering of Japan and other European countries in the 1960s and 70s, Brazilian diplomacy regarded that is was time to undertake again its project of strengthening and diversifying its industry and trade.

Parallel to that, Brazil and Argentina have begun a slow set of initiatives towards cooperation in technology, infra-structure development and trade. These initiatives have led to the formation of Mercosur, a project aiming to bring fast growth to the region by creating a common market, integrating and connecting the economies of the region as well as creating a new powerful international political entity.

In recent decades Brazil has been achieving many of its goals concerning modernization and technological development and transfer. Nevertheless, it acknowledges that there is still in some areas a technological and educational gap to overcome. Lately, Brazil’s government has put in place a set of policies involving international cooperation in order to reduce this gap.

Until 1970s most of Brazilian trade was concentrated on a few products and sent to one big partner, the US. Brazil has today a diversified trade portfolio in terms of products, and regions of the world. In general, 25 per cent of trade with Asia, 23 per cent with Latin America, 20 per cent with the EU, 12 per cent with the US, and 20 per cent with the rest of the world. According to the IMF and The Economist, prospects on the economy are so positive that Brazilian GNP is regarded to be among the big five GNPs in less than two decades.

Last but not least, Brazilian economy has become the main source of South and Latin American economic growth. Brazil is leading today a process of infra-structure and economic regional integration that embraces all South American countries from the Southern Cone and the Andean region. This new integration wave is similar perhaps to the one Europe has been through during its early common market period.

Brazil has doubled its per cent share within the total share of international trade. It is expected that Brazil’s international trade will reach a total of 500 billion of US
dollars in 2011. Its trade is no more concentrated on one region or country. For many analysts, its goal of becoming a global trader has been reached.

The possibility of Brazil, together with other emerging countries, help Europe out of its financial and economic crisis indicates that the time when Brazil was politically independent from Portugal but financially dependent on the Great Powers is over.

GLOBAL PLAYER

Since the years when Napoleon invaded Portugal and the Portuguese Royal family fled to Brazil making Rio de Janeiro the headquarter of its Empire that Brazilian elite regarded that it needed to understand and actively participate in world affairs.

The 1889 Republican proclamation followed by the exile of the Emperor has directed this drive toward the Americas. The newly-born United States of Brazil searched a closer partnership with its inspirational model, the United States of America. This would counterbalance British hegemonic presence in Latin America and reduce European influence in Brazil. It also created a positive setting for the consolidation of republicanism in Latin America and for Brazil to peacefully deal with its borders issues.

The end of the First World War provided an opportunity for Brazil to closer participate on world affairs. Brazil was among the four non-permanent member of the Council of the League of Nation and had a permanent and active delegation there from 1919 to 1926 when it decided to leave it due to what was regarded as weaknesses of this international body. In the years before the Second World War relations between Brazil and European powers increased mainly due to their growing need for raw materials and other primary goods. Germany became a trader partner almost as important as the US. The War redirected Brazil’s interests again closer to the US and Brazil joined the Allied operations in Europe after its 1942 declaration of war against the Axis powers.

At the end of the World War, Brazil was a key player in the creation of the Organization of American States and in the signing of its central treaty. The Rio Defence Treaty pledges the nations of the Americas to act jointly against any aggression in the hemisphere security zone, stretching from Alaska south to Tierra del Fuego. Brazil also played an important role in the creation of the United Nations, being among its first members.
The high expectations with the onset of a new post-War era of progress collapsed with the sudden emergence of the Cold War. Bipolarity has reduced the prospects for global change to a dispute between two rigid blocs. This limited and disappointed those who expected an era of cooperation and development. It was only at the end of the 1950 decade that Brazil managed to fully retake its global policy.

From the 1960s onward Brazil re-stressed its independent national diplomacy. Political alignment with the US was no more automatic. The enhancement of links with West and Eastern Europe, Asia, Latin American and African countries were regarded as a central aim that would lead Brazil again into the centre of international affairs and make it possible to Brazil stand as equal to international powers.

During the 1970s Brazil went through a stage of rapid growth and social change. The importance of the US in Brazilian economy and trade was reduced and Germany and Japan became new important partners. At this point Brazil reached a very important agreement with Argentina on cooperation on nuclear research. This was the first step to further cooperation on security and to the birth of Mercosul project.

Today, the economy of Brazil has reached the level of economic global power and prospects about its continued growth are very positive. Its economy has become the powerhouse of South and Central America. Its borders have been defined and the national State is capable of showing its presence in every part of its territory. Brazilian actions to support and develop a South American Union has established the region as a priority to Brazil’s powerful economic interests and political leadership.

Brazil is becoming a even stronger player in many international organizations. It leads UN peace-keeping troops and national reconstruction in Haiti. It has become a great donor and aider to the nations of Africa, Central and South America. Brazil supports international organizations such as the UN as major fora for dealing with global problems and regards a multi-polar World as the best political setting to guarantee peace, justice and order in the international system.
2. The relations with the main areas of the world since the end of the Cold War

The US - The US has been a major Brazilian partner in investments, trade and security since the end of the Nineteenth Century. It has also provided Brazil with a Presidential and federal political model that has been the decision-making core of national modernization process. For decades Brazil exported raw materials and imported industrial goods from the US. But in the 1960s Brazil concluded that an unequal and automatic partnership was no more desirable and that it was necessary to transform the strong Brazil-US links into a more pragmatic and equal relationship. Brazil thus acted to diversify its partnerships with other parts of the World in order to best achieve Brazil’s national objectives.

In spite of Brazilian search for strengthening overseas relations, the US has remained the individual country that has more investments and trade with Brazil until a few years ago. A very close relationship in terms of cooperation on defense and security issues has been kept since the end of the IIWW in spite of what political party is in power on both sides.

The emergence of Brazil as a global actor with a global network on trade and investment has fueled its relationship with the US. Today, among other things, there is a partnership on high technology products such as airplanes; there is a growing interest by the US on Brazilian bio and clean energy technology as well as in its agricultural and energetic potential. There are hopes that a common interests on energy, trade, investment, education and technology may lead to a stronger and new relationship among both countries. US perception of Brazil and Latin America has improved lately and a new and balanced US-Brazil relation might be a solution to help the US overcome its economic difficulties and change once and for all its approach towards South America into an even stronger partnership.

China - Trade and investment between China and Brazil rocketed in the last ten years. China is today Brazil number one trade partner. It surpassed the US in trade exchange and its potential for continuous growth is huge. In 2011 China will buy from Brazil twice than the US or the EU. China buys mainly raw materials and agriculture product and for that reason Brazil has been pushing to diversify trade with China and to enlarge trade on industrial and high technological products too. Right now both sides are realizing that they need to define the terms of their complex relationship in order for it to continue producing benefits. Growing Chinese investments in Brazilian high tech industry during 2011 is a good sign that
a stronger partnership is emerging. Investments on Brazil from other Asian countries such as South Korea indicate that there is a tendency for a move towards a technology oriented relationship in agriculture, energy, services and industry. This trend might consolidate Asia as Brazil number one regional economic partner.

China and Brazil also shares the view of a multi-polar world in which international organizations such as the IMF, World Bank would have enlarged the participation of emerging countries of the South from Africa, South America e Asia.

**Europe and the EU -** European countries have a long and strong relationship with Brazil. They have been sources of investment, migration and a mirror to Brazilian culture. While France, Italy, Portugal, Spain, Germany, Britain share with Brazil support for a multi-polar World, the European Union history is regarded as a model for Latin and South American integration. Europe represents the major source of foreign culture in Brazil and the European element continues to grow as the core of Brazilian culture while new waves of Europeans arrive to work and live in Brazil.

Germany has traditionally been Europe number one investor and trader with Brazil, while France, besides trade and investment, has also been a partner on technology for defense.

In the last decades the European agriculture subsidies have become Brazil’s greatest difficult with the EU. Brazil has supported free trade at the WTO while the EU has not responded in a positive way. Though relations and trade with individual European countries have grown, in many issues, Europe seems to be lagging behind other regions such as South America, Asia, Africa and Central America. The importance of these regions to Brazil is growing fast and this new scenario is helping to shape a new post-Cold War global system.

**South and Latin America -** South and Latin America integration has been a goal Brazil has pursued in the last three decades. In the 1980s, Brazil and Argentina moved from suspicious to close cooperation on trade, science and investment. Argentina has become a key trade partner for Brazil becoming rapidly its second main trade partner. South America has gradually taken from North America the status of number two in trade and investments with Brazil. The ongoing South American Union aims at enlarging the very successful aspects of Mercosur by physically and economically integrating the economies of the whole region and creating a dynamo similar to that fueling integration in Europe. Progress has been made in terms of security cooperation too. The newly-created South American
Defense Council has been regarded as aiming at enhancing dialogue and creating a common regional defense capable of representing the region on a multi-polar global World.

Trade between Brazil and other South American countries were US$ 12 billion in 2003. In 2010, it reached US$ 83 billion. Intra-regional trade is consolidated and the region is disputing with Asia the title of Brazil’s first regional partner.

**Africa-** Brazil shares with Africa many important values ranging from cultural aspects to economic and security. It includes a drive towards economic and social development as well as awareness about its responsibility to play a key role on Southern Atlantic security. Brazil has supported African decolonization since it started at the end of the Second World War and has vigorously opposed apartheid in South Africa. In the last decade many Brazilian companies have been engaged in Africa and there is a growing set of cooperation in agricultural technology, education, health and training. Brazil has pardoned African poorest nation’s debt of near US$ 1 billion and is committed with African development. Brazil regards the continent of Africa as an emerging regional and global player and believes that a stable South depends on a rich, democratic and peaceful Africa working together with South American countries.

**Russia and India** - Russia is a traditional buyer of Brazilian agriculture and raw materials. Trade among both sides has increased and a set of agreements on technology, science and defense have been signed. These agreements have been regarded as breakthrough on Brazil-Russia relationship. As members of BRICS, Brazil and Russia have taken close decisions on key international matters and work for a multi-polar world system.

Trade between Brazil and India has increased and India businesses are investing on agriculture and pharmaceutics in Brazil. India is interested on Brazilian industrialized products as well as raw materials and agriculture goods. The potential for growth on trade and investment among both sides is immense. In terms of international security, Brazil, Russia and India have clearly supported the consolidation of a multi-polar balance of power and are engaged in finding solutions to widening their and other emerging countries role in major international organizations.

India has also taken a number of international initiatives together with Brazil like the creation of IBSA (India, Brazil, South Africa), G20 and other political networks to support the emergence of the developing nations. India has increased
its trade and investment exchange with Brazil to the point that in a matter of seven to ten years it might be among its major partners.

Brazil has enhanced its economic and diplomatic relations with many other developed countries, such as Canada, Australia, Sweden, Denmark, Poland, Romania, Czech Republic, Slovakia, Norway, South Korea and developing ones, such as Turkey, Egypt, South Africa. Brazil looks for partners not only to have strong trade links but to work together on issues that Brazil regard as central to its future such as energy, technology, education.

In order to achieve Brazil’s international goals, the structure of Itamaraty has been enlarged and foreign and diplomatic affairs are part of everyday debate on the academy and the press as well. There is a growing number of graduate and undergraduate schools and departments of international relations in Brazilian Universities and Colleges while traditional self-centered Brazilian society has become more responsive and concerned with international issues. This all indicates that Brazil has reached a new level on its search for overcoming its colonial structures, modernize and become a key global.

3. The national interests on energy; defense; UN

**Energy** - Since the 1970s oil crisis Brazil has decided to invest in research on bio-energy, alternative and clean energy as paramount to its ambitions of using its resources for producing energy for development, becoming independent from oil imports and become a global player. Ethanol has very successfully substituted fossil oil as a major source of energy for cars. This, together with D&R and the construction of new hydro-electric plants have placed Brazil at the vanguard of energy research and production. Today 40 per cent of energy in Brazil comes from hydropower, 30 per cent from petrol, and 30 per cent from ethanol, gas, wind and other sources. There are new technologies developed in Brazil already producing energy from garbage and sewage material that are proving to be profitable and are regarded as new solutions to deal with waste from big Brazilian cities.

Brazilian reserves on natural oil and gas at the sea have increased enormously with new findings and with the development of new technologies to process it. This represents that Brazil has the potential to become a major energy producer and
exporter in years to come. As solar energy is becoming cheaper the use of this technology is growing particularly in remote areas of Brazil. But similar to wind energy, Brazil is still using a very small amount of its sunlight potential.

In Brazil there has been a growing concern with balancing protection of the environment and energy production. Brazil has decided not to build more nuclear energy plants and continue to invest in technology and in producing energy with a lower environmental impact. These two great assets, the environment and energy, are regarded by Brazilians as central for national and regional growth and for shaping the future of the planet.

**Defense and the UN –**

Brazil has defined itself a country with no enemies in a region where poverty and underdevelopment are the real threats to combat. Brazil has had for decades a firm cooperation on security and defense with its European partners and the US. Lately it has established closer ties with its South and Central American neighbors. The 2008 formation of the South American Defense Council, including all South American nations, represents a new level of regional cooperation in favor of security and stability on the area. As transport and trade links increase between Brazil and its neighbors, there is a growing need to combat crime and guarantee that the border areas as safe to economic development.

Brazil has always supported a stable international community based on the leadership of international institutions and the respect of international law. That is why it supports the reform of the UN. It regards that a multi-polar world where all Continents are represented is the best way to guarantee a stable new international order. As one among other emerging powers it sees itself as an active player on the UN Security Council as well as on other international fora. For Brazil, as for most countries in the World, there has come a time to make the heritage of colonialism and imperialism a thing of the past and to let all regions of the World benefit from economic change and participate in global politics. Brazil thinks it has an experience and a history that might contribute for this new order to prevail.