

Democracy Postponed: A political economy of Brazil's oligarchic foreign policy
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This chapter examines the ebbs and flows of pressure to democratize Brazil's foreign policy and their implications for Brazil's Ministry of Foreign Affairs, Itamaraty, which claims a monopoly over the formulation and practice of the country's diplomacy. We hold distinct the questions of the democratic character of Brazilian foreign policy and the extent to which it is monopolized by Itamaraty (Lopes, 2013). Just as a state's monopoly over the means of violence tells us little about a country's democratic nature, the monopolization of diplomacy by a foreign ministry provides scant insight into the character of a country's foreign policy.

The paper makes five related arguments. First, Brazil's deepening insertion in the global strategic and political economy has led both to a certain democratization of its foreign policy and to a weaker hold by Itamaraty over policy formulation and implementation. In particular, the opening of the Brazilian economy implied that the lives and interests of a growing number of people were affected by the outside world and foreign policy suddenly mattered in very concrete ways. A degree of engagement resulted, both from the private sector and the public, which opened up the range of interests foreign policy was meant to defend and promote. At the same time, the higher public relevance of foreign policy also increased its political appeal, leading several of the country's successive Presidents, in particular Fernando Henrique Cardoso and Luiz Inácio Lula da Silva, to grab from Itamaraty a much larger share of foreign policy-making and diplomatic activities than before.

Second, by global standards and in spite of the opening just mentioned, Brazil remains relatively insulated from the vagaries of world affairs. The stakes at play in domestic politics still dominate electoral contests and make foreign policy issues a transitory and minor political side at best. As a result, broad-based public

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engagement in international affairs remains limited and democratization pressures weak. A policy regime best characterized as “oligarchic” results, albeit at times such interest engagement narrows even further for some issues or conversely broadens on others, creating both monarchic and democratic “moments.”

Third, the pressures on Itamaraty’s monopoly resulting from Brazil’s deeper global insertion have been reinforced by the peculiar institutional forms of the country’s engagement. For the most part, Brazilian diplomacy has invested in a broad range of poorly institutionalized regional and global multilateral mechanisms. Effective policy through such channels calls for the mobilization of political capital that diplomats can rarely muster, creating a space that could best—and sometimes only—be occupied by the country’s Presidents.

Fourth, the growing technical requirements of international policy-making has forced the generalists that overwhelmingly dominate the Ministry to rely on the expertise of other government departments or even outside think tanks and specialists, further weakening Itamaraty’s monopoly. In areas such as trade and investment the private sector is running several steps ahead of the government, creating more coordination challenges not just for Itamaraty, but also for increasingly internationally engaged departments like Finance, Agriculture, and Development, Industry and Trade.

Fifth, in spite of these structural, institutional and technical pressures, Itamaraty’s hold over foreign policy remains quite strong. To a certain extent this is due to successful resistance by a powerful sub-section of Itamaraty’s senior staff tightly focused on a defensive bureaucratic posture. Through the end of President Dilma Rousseff’s first term in office these influential policy-makers successfully mobilized the Ministry’s substantial prestige and general expertise to maintain their dominant position, an achievement greatly facilitated by the relatively marginal place of foreign affairs in Brazil’s broader policy arena.

The paper has three sections. The first briefly outlines the theoretical framework, which proposes to look at the institutional and political mechanics of foreign policy making and implementation as a policy regime, i.e. as a more or less institutionalized system of rules and norms that organize the activities of the social actors involved in policy-making and implementation. We then turn to the evolution of Brazil’s “insertion” into international strategic structures and the global political economy. This section maps out a few key democratic and monarchic “moments” over the last thirty years of Brazilian foreign policy and documents broader public engagement in foreign policy, namely slow moves towards a fuller, albeit never fully

realized democratization of the regime. The third section looks at the implications of the changing structural and institutional environments of foreign policy for Itamaraty's monopoly over the means of diplomacy, especially in recent years. It illustrates the main ways in which these dynamics have weakened the relative position of Itamaraty in Brazil's foreign policy regime, and its grip over the country's external engagement.

Given its scope, this chapter is by necessity somewhat impressionistic. It relies on relatively few key examples but we feel that they clearly demonstrate how the structural constraints and freedoms linked to the country's changing global strategic and economic insertion have played out very concretely in everyday foreign policy-making, affecting both the scope of interests it represents, and the range of actors that play a key role in it.

Democracy and foreign policy

Following Adam Przeworski, we understand democracy as the institutionalization of uncertainty for all social interests (Przeworski, 1991). Democracy is an arrangement whose institutional make up—normative and organizational—ensures that the outcome of the political process protects no one actor's interests in particular. Broad social engagement is thus a necessary condition to the democratic character of a given policy regime because the involvement of the few would likely lead to less uncertainty, or none at all, for their own interests.

Such broad engagement rarely happens in the real life of policy-making. The relevance and impact of most issues are simply too narrow to justify significant investment by large number of actors that would be implied in substantive and direct engagement. We thus propose a lower threshold and consider policy regimes democratic when a space exists for direct engagement, for open and public debate, when congressional as well as public engagement effectively takes place, and where the content of this debate in turn does influence the formation and implementation of policy. This would include regular media and public mobilization around an issue on a potentially mass basis, or within a more formalized context through institutions such as Congressional commissions or other consultative bodies that routinely convene and directly engage policy makers.

Even in well-established democracies foreign policy development and implementation is typically not very democratic, or at best only episodically so. Still, when international challenges of critical importance emerge, broad and fierce public

engagement sometimes results, creating democratic "moments." For most countries, most of the time, such moments are rare and foreign policy remains a side issue, the preserve of specialists and of special interests and, as a result, it is not a particularly democratic policy field. This also stems in part from the fact that the discussions and expertise involved are often esoteric, making the implications of the policies debated unclear for social interests and engagement, direct or indirect, less likely. Foreign policy making also usually takes place in spaces, physical or virtual, that are not truly open and whose access is in fact typically restricted.

In other words, foreign policy making is usually oligarchic, conforming to a policy regime where all interests are *not* submitted to the rule of uncertainty, even in well-established democracies (Daudelin, 1995). The one major exception among significant international players is probably the United States, where Congress and the President, for good or ill, *regularly* engages in very public foreign policy debates that reverberate widely through the media, and where a range of interest groups feed a lively and broadly-based discussion of foreign policy. The situation in Brazil, by contrast, is much more typical of the general trend. As table 1 makes clear--and will be discussed in more details in the next section--a number of significant changes in the country's foreign policy or in policies that profoundly affect its global insertion (e.g. trade liberalization) have taken place since the end of the 1980s without the issue ever becoming electoral themes, without broad-based formal public consultations, with limited Congressional inputs, and in the absence of broad public debate. Even in those rare instances where open public consultation does take place, the foreign policy elite, and Itamaraty in particular, keep close control on the process. This was demonstrated during the 2014 public consultations foreign minister Luiz Alberto Figueiredo Machado called for inputs on a possible foreign policy 'white paper'. Tellingly, the public presentations and discussions were conducted in the large formal meeting halls of the Itamaraty Palace in Brasília, not in regional centres away from the capital.

Table 1

Policy change	Year and presidency	Electoral theme	Public consultations	Congressional debate	Public debate
Rapprochement with Argentina	1985-1986, José Sarney	No	No	No	No

Unilateral trade liberalization	1989-1990, Fernando Collor de Melo	No	No	No	Yes
Establishment of Mercosul	1993, Itamar Franco	No	No	Yes	Limited
Signature of the Non-Proliferation Treaty	1996, Fernando Henrique Cardoso	No	No	Yes	Limited
Opposition to the FTAA	1994-2000, Itamar Franco, Fernando Henrique Cardoso	No	Limited	No	Limited
South American “pivot” (first South American Presidential Summit)	2000, Fernando Henrique Cardoso	No	No	No	Limited
Southern “pivot” (major investment in relations with Africa and Asia)	2003-2006, Luiz Inacio Lula da Silva	No	No	No	Limited
Establishment of the India-Brazil-South Africa Forum	2003, Luiz Inacio Lula da Silva	No	No	No	No
Market economy recognition of China	2004, Luiz Inácio Lula da Silva	No	No	Limited	Limited
Establishment of UNASUR	2004, Luiz Inacio Lula da Silva	No	No	No	Limited
Involvement of Brazil (with Turkey) in defense of	2007, Luiz Inacio Lula da Silva	No	No	No	Limited

Iran's right to develop civilian nuclear program					
Brazilian support for the admission of Venezuela in Mercosul	2006, Luiz Inacio Lula da Silva	No	No	Limited	Limited
Creation of the Community of Latin American and Caribbean States (CELAC)	2010, Luiz Inacio Lula da Silva	No	No	No	Limited

Two caveats suggest that the “baseline” political character of a policy regime does not tell its whole story. The first concerns the rapid changes that sometimes affect the social relevance or breadth of a given issue. Political and policy regimes, even stable ones, have “uncharacteristic” moments where elected Presidents behave and act like monarchs, or during which massive mobilizations support the policy decisions of autocratic rulers. To take an extreme and no doubt polemical example, the invasion of the Falklands by Argentina’s military regime should probably be seen as a profoundly democratic moment when a very broad range of social sectors converged in support of a decidedly undemocratic government’s decision. The strong emphasis with which Cristina Kirchner, by no means an apologist of the military regime, has recently seized upon the Malvinas as a major tenet of her foreign policy underlines the continuing strength and breadth of its appeal.

By contrast, one can also think of many “quasi-monarchical moments” in the foreign policy of Lula when little else but his own views and interests appear to have been at play [Table 1]. One case with significant adverse repercussions for Brazil’s manufacturing sector was Lula’s decision to seek Beijing’s support for a permanent Brazilian seat at the United Nations Security Council, by recognizing China as a ‘market economy’. Very clear objections to this policy were raised not only by Brazil’s industrial elite, but also in Brazil’s Senate Foreign Relations and National Defence Committee because market recognition makes it almost impossible to take anti-dumping action against China in the WTO. A more familiar quasi-monarchical moment was Lula’s May 2010 attempt, with Turkey, to broker a way out of the Iranian nuclear enrichment impasse, a policy for which there was virtually no domestic constituency outside of small pockets in the PT hard-core and some old-guard corners of the military.

Second, the monopoly of the means of diplomacy is but one possibility on a whole continuum of concentration of control over foreign policy development and implementation, and a priori, there is no reason to think that an authoritarian policy regime is necessarily monopolistic, or that a democratic one necessarily involves a fragmentation of policy praxis. On the contrary, while many dictators are fond of foreign travels and activism, diplomats and foreign ministers often play important roles along state leaders in very closed regimes: think for instance of Andrei Gromiko, who led the the USSR's Ministry of foreign affairs between 1957 and 1985, for instance. Conversely, extensive engagement around foreign policy decisions can take place while policy formulation and implementation, including complete control over international negotiations, remain firmly in the hands of the diplomatic corp.

These two parameters—democracy and monopoly—could be combined to create a two-dimensional matrix that defines four ideal-types of policy regimes. For the sake of simplicity we will look at each of them separately here, assessing a policy regimes' democratic character, and the location and degree of concentration of institutional control over it. We then organize and classify a few key policy “moments” of recent years from the standpoint of the breadth of the social and political engagement and the degree of fragmentation of policy-making that they involved.

A superficial economic and strategic insertion

A series of structural factors have historically helped to insulate and preserve the monopolistic and oligarchic tendencies in Brazilian foreign policy. In spite of its large population, cornucopia of resources and oft-ballyhooed “continental size,” Brazil has never been much of a player internationally. For most of its history Brazil has played no significant role in global affairs. Between the consolidation of its frontiers early in the Twentieth Century until its push for sub-regional integration in the 1980s, Brazil has also not been heavily involved in regional politics. A self-centred gentle giant with population centres along an Atlantic Coast that lies thousands of kilometres away from most of its Latin neighbours, Brazil has mostly turned its back on the continent.

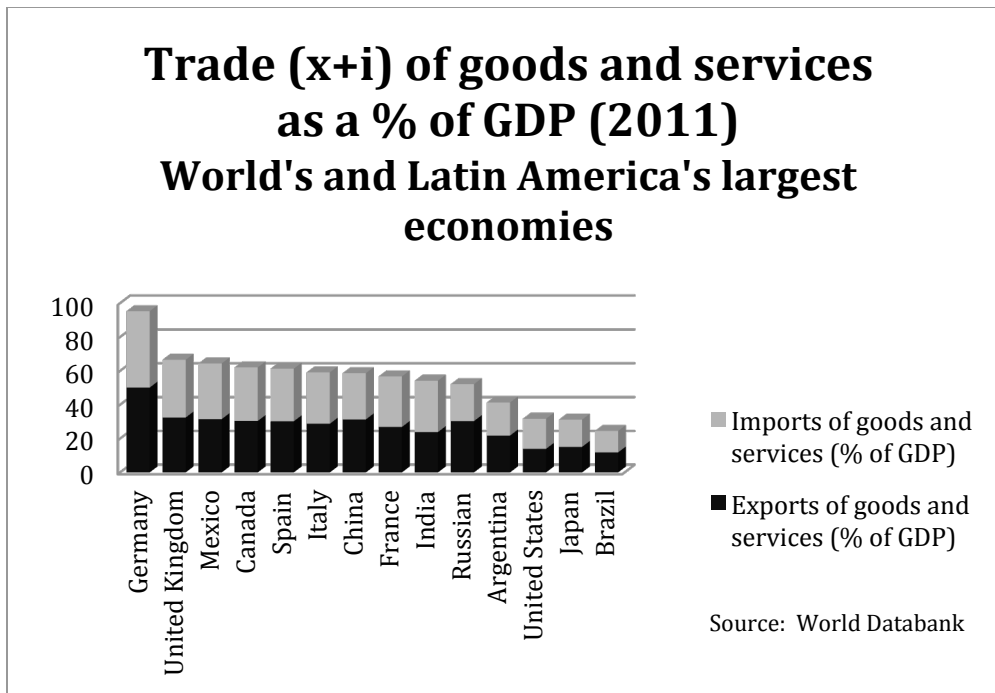
The overwhelming presence of the United States and Washington's credible claim to strategic prominence over the whole hemisphere have understandably preoccupied the country's political, military, and foreign policy establishment (Almeida and Barbosa, 2006; Bandeira, 2004; Crandall, 2011; Hirst, 2005; Smith, 2010; Spektor, 2009; van Eeuwen, 2010). In practical terms, this has not been very consequential

as the US' direct relevance in Brazilian politics and for its economy has been limited, except perhaps in a paradoxical way (Smith, 2010): America's strategic umbrella over the hemisphere has provided a de facto security guarantee against extra-regional intervention that has allowed Brazil to get away with remarkably limited investments in defence and national security.

One country that has historically preoccupied Brazil is Argentina, although its importance has both changed over time and diminished overall. Up until World War II, Argentina was recognized as a true strategic threat (Bandeira, 2003; Medeiros and Ferrza, 2010; Spektor, 2002; 2004; Vidigal, 2010), a status it progressively lost, with the last nail in this coffin being the nuclear agreement that committed both countries to terminating their atomic weapons programs. On the economic front Argentina's importance for Brazil has become significant, although it too has been declining in relative terms since the mid-1990s (interestingly, in keeping with the launch and development of the Mercosul). Today, trade with Argentina represents a small proportion of Brazil's GDP – 1.5% in 2012 – and it only matters because much of it, contrary to the rest of Brazil's other exports, is made up of manufactured products, which is consequential for Brazil's beleaguered industrial sector.

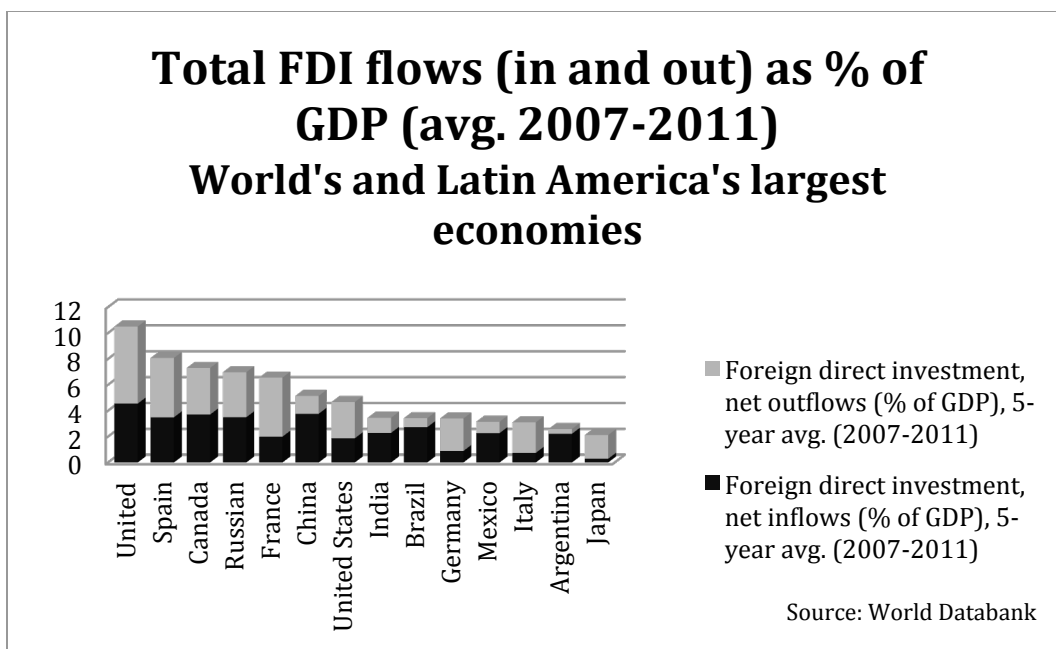
Traditionally, Brazil's most important external vulnerability has been its dependence on imported energy, primarily oil. Although Brasília had a limited capacity to act on this through foreign policy, what could be done was done swiftly. The giant Itaipu hydro project was quickly negotiated with tiny Paraguay and has proven to be critical to national energy security, still supplying seventeen per cent of Brazil's electricity in 2013. Guaranteeing oil and gas supplies proved much trickier and was essentially immune to diplomacy. For much of the last fifty years, Brazil was doomed to be a “taker” in the global energy game and to a certain extent subject to the political vagaries of otherwise marginal countries such as Bolivia, a central source of natural gas from the late 1990s on (Hollanda, 2001). This element of insecurity has changed in recent years thanks to massive offshore oil and gas discoveries that have effectively insulated the country from a global energy landscape that, anyway, doesn't look very challenging anymore.

Figure 1



Brazil's economic health depends in part on access to foreign markets for its products. That dependence has been increasing in recent years, but at just 27% of GDP it is still very small by global standards (see Figure 1). Moreover, Brazil's import and export matrix have become remarkably balanced with, on average for the last decade, about a fifth each in Latin America, the United States, the EU and China. Finally, a significant—and increasing—proportion of its exports are made up of primary goods, both minerals and agricultural commodities, whose prices have been at historical highs over the last decade and, in spite of recent declines for some of them, retain very good long term prospects (Veiga, 2007).

Figure 2



Access to capital is similarly unproblematic. Domestic investment is to a large extent state-driven and significant in scale (see Armijo in this book; Hochstetler and Montero, 2013). The size of an internal market that social reforms have deepened, the relative stability of Brazil's economy, and the potential of its primary goods export sector make the country a magnet for domestic and foreign private investment (Brainard and Martinez-Diaz, 2009). Furthermore, sound and relatively prudent economic policy over the last two decades have drastically reduced the views and priorities of both rich countries' treasuries and international financial institutions in the calculations of Brazilian decision-makers, which they used to haunt. Brazil's economy is not recession-proof or immune from external shocks, but its fate is truly in the hands of its own government. Lastly, while Brazilian companies have lately become quite active on global markets, these activities have been dominated by a small number of firms such as mining giant Vale and construction combines like Odebrecht, which often finance their operations with internal resources that in some cases have been earned and held outside of Brazil. Moreover, the size of these holdings remain relatively small when put in a global context and they are of minor importance to the country's economic performance (see Figure 2).

Figure 3



In sum, Brazil's peculiar and privileged insertion in the global strategic and political economies, anchored on relatively inelastic global mineral and agricultural export demand, makes foreign policy largely irrelevant to its economic stability and strategic safety.

Democracy and Democratic Brazil's foreign policy

In such a context, sustained engagement with foreign policy issues by broad sectors of Brazilian society and politicians does not make much sense. Unsurprisingly, therefore, foreign policy has played a marginal role in the country's political life, it has been virtually absent from electoral discussions, and it has only gained episodic prominence in Congressional debates. An interesting window into such marginality is the absence of controversy or debate surrounding the nomination of a foreign minister in Dilma Rousseff's first cabinet: whereas all other cabinet and senior administrative positions were claimed – sometimes forcefully – by the various parties of the governing coalition in exchange for political support, no one demanded Itamaraty. Rousseff was left free to pick Antonio Patriota, an experienced diplomat with extensive international experience, most recently as ambassador in Washington, but without public profile and, from a policy standpoint, an unknown quantity: what he thought about the country's foreign endeavours and stands simply did not matter to the public or to the political forces represented in the Brazilian Congress and *a fortiori* for the public at large.

Three caveats must be introduced at this point. The first is that Brazil's strategic and economic insertion, while still relatively superficial, has been deepening in recent years (Vigevani and Cepaluni, 2009): a doubling of the weight of exports as a proportion of GDP matters and implies that trade issues are likely to draw more interest – and *interests* – than in the past, although the change has more to do with rises in the price of commodities than in the physical volumes shipped (Figure 3). The second caveat is that while little if anything is at stake in foreign policy for Brazil's whole society, much is often at play for selected social, political and economic sectors. For example the ever-influential agricultural interests and the huge engineering firms – the *empreiteiras* – whose global presence has been expanding very significantly in recent decades (Fleury and Fleury, 2011), have noticed a change from Lula to Dilma. During the Lula years these firms could rely upon their president to act as door opener and their government as something of a facilitator, support mechanisms that largely disappeared as Dilma eschewed foreign policy in favour of domestic policy concerns. Lastly, even in the context of an essentially stable strategic environment, "things happen," from regional or local crises to policy decisions by neighbours or significant global players, which create conjunctures that affect broad interests. These caveats imply that while Brazil's foreign policy has remained essentially oligarchic over the last twenty years, it has also been poked by "moments" during which social engagement, be it practical or symbolic, became broad enough to be deemed "democratic." There were also moments in which foreign policy appeared to obey little more than the whims of the "reigning" president, and we propose to call such moments "monarchic."

In the next three sub-sections, we briefly look at a series of significant foreign policy decisions or broad thrusts that illustrate the prominence of oligarchic governance and the periodic emergence of democratic and monarchic moments in that policy landscape.

An oligarchic "situation"

The most important element in Brazil's foreign policy landscape over the last three decades has certainly been the country's re-engagement with the world. The military regime did have a clear foreign policy, and its peculiar modalities of strategic alignment and non-alignment were aptly characterized as "responsible pragmatism" (Lima and Moura, 1982; Spektor, 2002; 2004). However, it is difficult to negate that, given its size, population, resources and strategic importance in the Americas and in the world, Brazil during that period was very much "punching below its weight," both regionally and globally, an attitude wonderfully captured by

Vigevani and Cepaluni (2009) as a quest for "autonomy through distance." Such reserve, however, was abandoned once civilians were back in charge.

A major deepening of Brazil's international insertion started as a bi-product of the economic liberalization policies launched by the Fernando Collor de Mello presidency in 1990, pushing a substantial foreign policy shift onto Itamaraty to get the country to look outwards as a 'global trader' (Barbosa and César, 1994). Privatization processes were married with the launch of the sub-regional economic space Mercosul, positioning the bloc as an incubator to prepare Brazilian business for global competition. A deeper shift took place as a result of the privatizations when foreign investors brought in new managerial and production techniques or Brazilian managers of domestically held firms took the opportunity to systematically reform their corporate operations and begin a search for new international markets for their products (Amann 1999; Bonelli 1999; Fleury and Fleury, 2011).

The impact of Collor's efforts was almost immediate, with exports to the bloc-partners Argentina, Paraguay and Uruguay jumping from US\$1.38 billion in 1989 to US\$4.1 billion in 1992 and just over US\$9 billion by 1997. While still a relatively minor component of Brazilian GDP (and one that would drop precipitously with financial crises in Brazil and then Argentina), the exports were predominantly concentrated in manufactured products and created a sudden awareness amongst the Brazilian industrial elite that they needed to pay attention to the regional and international markets.

This new interest in external economic factors had a crucial impact on the negotiating stands taken towards the Free Trade Area of the Americas. While Brazil arguably never intended to sign onto the deal (Arashiro, 2011; Magalhães, 1999), a knee-jerk approach against the US-proposed hemispheric trade deal was avoided. As policy-makers involved in the process explained, many countries in Latin America that were becoming small but meaningful economic partners for Brazil found the idea of an agreement with the US appealing, which meant that direct opposition to the deal could be prejudicial to the emerging regional interests of Brazilian firms. However, there was also a clear sense from the Brazilian agro-industrial sector that they would be a net loser due to US subsidy policies that Washington refused to discuss; Brazilian industrialists were concerned that the advantages they had gained in Mercosur would be lost if faced with competition from US firms. The strategy devised by Cardoso and his advisors was thus one of never saying 'no' to the FTAA, but instead tying the whole process up in consultative processes and detailed technical discussions. In the end, the negotiations suffocated

on their own, largely as a result of a lack of momentum in the US, epitomized by the thorny political debates around the annual US farm bill and a lack of 'fast track' negotiating authority. Itamaraty implemented the policy, but the strategic direction and rationale was heavily influenced, if not directed, by the presidency and the country's emerging internationally-oriented industrial sector (Magalhães, 1999; Barbosa, 2011; Lampreia, 2010).

Brazil's deliberate turn towards Africa and the global South, during the Lula years, followed a similar path. While traditionally US- and Europe-centred sectors in Itamaraty and mainstream business elites saw the attention given to Africa and South America as an ideological extravagance that would fundamentally damage Brazil's core interests (Cabral, 2007), the response from Brazil's *empresiteiras* was one of delight. Trade with Africa is marginal, barely moving from 4.7% of Brazil's total trade in 2002 to 5.7% in 2012, or \$26.5 billion for the *entire* continent. Yet, this trade was highly concentrated in specific industrial sectors and underpinned by large investments from a small group of major resource and construction companies. Activities that the *empresiteiras* had been quietly undertaking in Africa and South America from the early-1990s, such as Odebrecht's large infrastructure projects in Angola, mushroomed in the 2000s, benefiting considerably from Lula's developing rock-star status in the global South. Parallel gains were made by companies like mining giant Vale, oil company Petrobras and electricity utility Eletrobras, all of whom engaged in a series of major foreign direct investment operations across the southern hemisphere: the *empresiteiras* won several billion dollar contracts for infrastructure projects such as airports, subway systems, ports, and hydroelectric dams – Odebrecht's global revenues in 2013 topped US\$ 40 billion – and Petrobras and Vale opened major new resource extraction operations, a notable example being Vale's \$6 billion (and growing) cash investment in the Moatize coal mine in Mozambique.

The Mozambique case highlights how the economic logic of the policy shift to Africa was tied to the outlook and interests of a small group rather than to wider societal interests or to the views of traditional elites. Just as Vale was ramping up its investment in Moatize and pulling in a string of *empresiteiras* to undertake the needed infrastructure construction, the leading Brazilian newspaper *O Estado de São Paulo* published an editorial complaining that Brazil's engagement in the country relied on little more than charm, and lamenting that China was investing one billion dollars in mineral exploration while Brazil's engagement was a paltry \$26 million dollar for an incomplete pharmaceutical factory (OESP, 2012). For the traditional foreign policy elite of Itamaraty the focus of attention had always been the US and Europe, with attempts to engage areas such as Africa little more than a

passing fancy (Dávila, 2010). Lost in this geopolitical focus were the economic interests of Brazil's *empreiteiras*, manufacturers and resource extraction companies, all of whom, thanks to state support, had larger opportunities in South America and Africa than in the more competitive markets of the US and EU. Although it could be seen as part of a 'democratizing' process because foreign policy was redirected in response to demands from a slightly wider interest segment within Brazil, the regime in the end remained very much oligarchic.

A Monopoly Challenged: Climbing over the Palace Walls

Aside from a limited movement towards democracy, the involvement of new actors and the challenge they represent for Itamaraty's traditional monopoly over the means of diplomacy represents a critical change in Brazil's foreign policy regime. We trace this second mutation to three main factors: the increased technical requirements of international engagement, particularly on trade and economic issues, which strains the capacities of a diplomatic corps that consists mostly of generalists; the weak institutionalization of the country's preferred multilateral channels of diplomacy (from Mercosul on), which leaves diplomats with few means to manage on their own important problems that arise in the country's foreign relations and forcing them to appeal to the President; and the growing if still episodic political appeal of foreign policy, which acts like a honey pot for politicians, particularly presidents. It must be emphasized, however, that without the structural push that deep economic or strategic insertion would provide, these dynamics have had a limited impact: in the end, Itamaraty remains very much in charge.

Generalists meet the technical turn in global affairs

The expanding scope and complexity of international negotiations and public policy puts a premium on the kind of technical expertise generally lacking in diplomatic bureaucracies that are staffed by generalists and value flexibility. This evolution puts pressure on diplomats to involve other branches of government or even outsiders in foreign policy development and implementation (Faria, 2012; Faria, Lopes and Casarões, 2013; Pinheiro and Milani, 2012). Professional diplomats are pushed towards coordination roles, which remain critical, but give them much less control and prestige than if they monopolized the whole "policy chain." Professional and institutional cultures, as well as bureaucratic rivalries predictably play themselves out, but with an additional symbolic dimension, tied to the special prestige of diplomacy and international affairs, long seen – especially by its wordly and polyglot practitioners – as a kind of aristocratic enclave. This change affects several fields, from nuclear energy and health to fisheries, telecom and

environmental issues. It is, however, around trade that this latent conflict has been playing out most intensely because trade negotiations are highly visible and their outcome very consequential.

Brazil is no exception and its deepening insertion has led to significant challenges to the monopoly that the Baron's successors (Barreto, 2001; 2006) have claimed over the country's trade policy. This became particularly apparent in the early 2000s as trade talks within the World Trade Organization began to heat up. For critics of Brazil's trade policy the Itamaraty old boy's networked approach to foreign affairs was a major problem. Marcos Jank, an agricultural economist at the University of São Paulo and the Inter-American Development Bank, as well as the founder of the think tank ICONE, the Institute for International Trade Negotiations in São Paulo, did not mince words: "Brazilian diplomats have a vast know-how when it comes to geopolitical questions, but their experience in conducting trade negotiations is small." (Osse and Cardoso, 2002). Jank later went on to extol Itamaraty and the quality of its diplomats, but with a huge caveat: "The diplomats do not have the capacity to evaluate the impact on specific [Brazilian] export sectors of offers to reduce or decisions to impose higher import tariffs by another country or trade bloc." (Jank, 2003).

Jank's criticism was effectively echoed within Lula's cabinet by two powerful new voices with distinct international interests. Luiz Fernando Furlan had left his position as head of the Brazilian food multinational Sadia to head the Ministry of Development, Industry and Foreign Trade. The Ministry of Agriculture was taken over by Roberto Rodrigues, a highly respected agronomist and engineer in Brazil. Both put major pressure on Itamaraty to open up the trade policy-making process, using technical studies from Jank's ICONE to demonstrate why shifts in Brazilian positions were necessary and how the international insertion of key sectors of the Brazilian economy had changed. By May 2003, the work of ICONE had proven its value in the run up to the Cancun WTO ministerial meeting and Jank and members of his team were included as technical advisors in the Brazilian negotiating teams for the FTAA and WTO (Gazeta Mercantil 2003a).

On a working level, Brazil's diplomats praised ICONE, with Itamaraty Economics Department head Ambassador Valdemar Carneiro Leão telling *Gazeta Mercantil* (2003b), that "Icône is very serious and we have the highest possible regard for it." In practice, however, the diplomats hold over the file was saved by the politicization of the file, as a broad and popular political agreement to block hemispheric and global attempts at fuller trade liberalization: to stop the FTAA in its tracks and to paralyze the Doha Round by building veto coalitions, negotiating skills were called

for, not expertise in trade law or agricultural economics. As global trade discussions heat up again, however, such status-saving situations may become scarce.

Encroachments by technical experts on Itamaraty's monopoly have taken place in other areas such as health, human rights and culture (Pinheiro and Milani, 2012). Compared to trade and economic issues, however, their relative marginality in international policy discussions and Brazil's limited global profile in these areas have limited their impact on Itamaraty control over the country's diplomacy.

Weak multilateral institutions and presidential diplomacy

Since the beginning of its democratization process in the second half of the 1980s, Brazil has been remarkably active as a multilateral entrepreneur. Aside from its fundamental place as the axis of the Mercosul common market, it played a key role in the establishment of the Rio Group, which started as a diplomatic device for South America to help disentangle the disasters of Central America's civil wars and of US involvement in them, but gained a second life as a forum through which the countries of the region could resolve their difference and coordinate action without Washington being present. With strong Brazilian impetus, the Rio Group became the Union of South American Nations (Unasul), which gained various "councils" with more specific mandates, in particular on defence and more recently on public safety. Finally, South America, Mexico and the Caribbean were brought together into the Community of Latin America and Caribbean Nations (CELAC), which, for the first time, convened all the countries of the hemisphere except Canada and the United States into a single organization.

Below these acronyms, however, there has been little substance (Daudelin, 2012). Indeed, a shared characteristic of all those endeavours was the extremely limited autonomous capabilities of their secretariats and administrative structures. In practice, they serve as little more than organizing committees for scheduled or emergency meetings of ministers and especially heads of state. The OAS and its secretary-generals, perennially shrugged off as weak and ineffective, look by comparison like paragons of institutional capacity and political autonomy. This is one of the main reasons why presidential diplomacy, whereby regional and bilateral issues are settled through the direct intervention of the president, has become such an important theme in debates about international relations in the region (Danese, 1999; Cason and Power, 2009; Malamud, 2005).

In that regard, the case of Mercosul is most striking. Even in as dense and complex an economic endeavour as this economic bloc, the tensions and crises that often

arise have almost always been resolved by direct presidential intervention. Despite nearly two decades of existence and even with the creation of a regional parliament, the bloc lacks a functioning dispute resolution mechanism or a secretariat with real power and sway (Malamud and Dri, 2013). Disputes thus quickly escalate to at least the level of minister and, when serious, they invariably require a presidential meeting for full resolution.

Efforts by Brazil to expand Mercosul and to build around it mechanisms of cooperation that would span South America did not even include the limited political and permanent institutional frameworks found in the bloc. The Cardoso presidency's 2000 approach to pan-continental integration – IIRSA, the Initiative for the Integration of the Regional Infrastructure of South America – explicitly side-stepped political questions by focusing on physical infrastructure. Lula reintroduced a political element to this framework through the Community of South American Nations, which then morphed into the Union of South American Nations, Unasur. While clearly meant to put Brazil in a leading political position, Unasur was formed without a centralized, permanent administrative structure that might develop an identity independent of its constituent member states. Thus when regional issues requiring collective management arose, such as the 1 March 2008 Colombian incursion into Ecuador to bomb a FARC rebel base, the Unasur response relied upon the direct intervention and coordination of presidents, not diplomats or non-existent regional public servants, to calm tensions.

The Unasur example shows that while Itamaraty plays an important role in Brazil's approach to regional governance, the mechanisms that are constructed, de facto and sometimes explicitly, require the direct participation and guidance of presidents and leave very little leeway to the diplomats involved. Such resistance to institutionalization has been most recently embodied by the creation, with strong Brazilian support, of the Community of Latin American and Caribbean Nations (CELAC). Not only does CELAC challenge the relevance and legitimacy of the most solidly institutionalized and politically independent grouping in the region, but it also replaces it with a structure that lacks a clear institutional structure with bricks and mortar permanence and some independent political leadership at the top. This ensures that substantive decision-making will only take place at the level of presidential summits.

Brazil's institutional entrepreneurship beyond the region follows exactly the same pattern. The India-Brazil-South Africa (IBSA) initiative (Lima and Hirst, 2009) and the Brazil, Russia, India, China (BRICs) grouping, both of which Brazil embraced enthusiastically, are also devoid of autonomous institutional capabilities and

represent little more than vehicles for periodic meetings of heads of states. The extent to which the recently created BRICS development bank will have a degree of autonomy remains unsettled, but there are few indications that its formal leaders will benefit from even as short a leash as those given to the presidents of the World Bank and the IMF. Finally, Brazil's keen support for the summit diplomacy that has typified the last decade takes that anti-institutional trait to its extreme. Summits – Ibero-American, Arab-Latin American, Brazil-Africa, Africa-South America – are indeed best seen as portable tents meant strictly for dialogues between chief executives.

The institutional deficit in Brazil's favoured form of multilateralism only makes sense for a country that has little need or will for sustained collective engagement and effective long-term supra-national governance. It creates a capacity gap at the international level, however, that makes Presidential engagement necessary for concerted action (Burgess and Daudelin, 2011). To that extent, it opens the door to episodic challenges to Itamaraty's monopoly, especially when the President, as was the case with Lula, finds significant political benefits in global engagements.

A honey pot effect?

Foreign policy rarely matters in domestic politics, especially for countries, like Brazil, whose borders are secure and whose economies remain largely self-centred. As a rule, electoral competition does not revolve around international affairs, nor can much "liquid" political capital be generated abroad and used domestically. Consequently, politicians typically have little to gain from active international engagement.

While this interpretation would hold for much of Brazil's recent history, Lula's two mandates stand as an exception, because so much of Brazil's "rise" on the global scene had a symbolic quality, especially for Brazilians (Burgess, 2005; Rohter, 2012). De Gaulle's famous – and possibly apocryphal – pun about Brazil's lack of "seriousness" was deeply resented by its elites, all the more so for being difficult to challenge in the face of the country's pathetic economic performance and disproportionately marginal role in the world and even in the Americas. From that standpoint, Lula's hyperactive international agenda within the context of economic stability and significant progress on education, poverty and inequality, radically redefined Brazil's international image, giving the country, at last, the status that most Brazilians felt it deserved. There is no doubt that seeing Lula being feted everywhere, by the rich and the poor alike, greatly helped cement his domestic stature. The transparent embarrassment of its elites, perhaps best embodied by the

"serious" media's early insistence on correcting his often tortured Portuguese, was replaced by a generic pride at the image of Brazil, modern, democratic and open, that he successfully projected in the world. For the poor, his international success neatly complemented the self-esteem effect that his election had created (Burges, 2005).

These peculiar reasons no doubt reinforced Lula's successful claim over the country's diplomacy. They were, however, probably peculiar to his mandates and to the normalization of Brazil's international status, following the stabilization of its economy. It is indeed difficult to imagine his successors drawing much political capital from an active international agenda, which may explain Dilma Rousseff's retreat into the domestic realm, above and beyond her lack of charisma and the somewhat bland nature, compared to Lula, of her political trajectory. The Golden Age of Presidential Diplomacy, in other words, may well be gone. With little prospect of changes in the country's strategic and economic environment, Brazilian foreign policy's substantive relevance for domestic politics is unlikely to increase much in the future. The kind of transformation of Brazil's symbolic status that happened at the turn of the Century is also probably a unique event. The challenge to Itamaraty's monopoly represented by presidential diplomacy, in other words, probably lies mostly in the technical turn of global affairs and in the thin institutionalization of Brazil's multilateral engagement in the world.

Conclusion

Recent discussions of Brazilian foreign policy have been dominated by four themes: the country's "emergence," particularly as a major *Southern* power (Lima and Hirst, 2006; Burges, 2009); the political character of its engagement in the world and the rupture represented by the PT's accession to power (Cervo, 2000; Vizontini, 2005); the quest for autonomy as an underlying and stable trait of its foreign policy (Hurrell, 1986; Fonseca, 2004; Vigevani and Cepaluni, 2009); and presidential diplomacy as a new "*jeito de fazer política externa*" (Cason and Power, 2009; Malamud, 2005). The analysis proposed here does not directly challenge those contributions. It tries instead to cut across them to build an interpretation of the country's recent foreign policy based on a political economy of its insertion in the world and of the impact of that insertion on some of the key characteristics of the Brazil's foreign policy "regime."

We argue that mainly as a result of the slightly deeper strategic and economic insertion of Brazil in the world, two dominant processes are changing the country's policy regime: a certain widening of the breadth of social interests that engage

foreign policy, representing less an effective democratization of that policy regime than the multiplication of democratic moments that see foreign policy more broadly debated; and a limited challenge to the monopoly of Itamaraty over the means of diplomacy, with the growing involvement of new actors, particularly outside specialists and the country's Presidents.

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