Artigo

A New Strategic Dialogue: Brazil-US Relations in Lula's Presidency (2003-2010)

Um novo diálogo estratégico: as relações Brasil-Estados Unidos na Presidência Lula (2003-2010)

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Introduction

Since 2003, until the end of Luis Inácio Lula´s da Silva term as Brazilian President in 2010, one of the most controversial issues of the country´s foreign policy was the status of bilateral relations with the US. For some, they have grown weaker because of Brazil's "new options", the reinforcement of the South-South cooperation axis;, for others, the alliance has grown stronger due to the strength of our political, diplomatic and economic profile.

The polarization of these evaluations stretched to the whole of Brazil´s external performance and reflects classical traditions of foreign policy, the bilateral-hemispheric (1902/1961) and the global multilateral (1961/1989). After the end of the Cold War, these traditions have clashed as a choice between the past and the future and reached their peak at Lula's two-term Presidency. From 1989 to 1999, the bilateral hemispheric option was dominant and, since 1999, the nation has been experiencing the comeback of the global multilateral view, in particular after 2003. From this period on, Brazil´s progresses in the world are significant, strengthening the South-South and North-South axis of our International Relations.

Examining the facts, the easy criticisms of the global multilateral option do not hold still and fail to understand the new role that Brazil is playing. This role cannot be linked almost exclusively to an alignment with the US (either pragmatic or automatic), but as part of an international system that shows traces of multipolarity and significant dynamics of multilateral alliances and institutions.

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Facing this scenario, joined by Brazil's choices in the last few years, the aim of this article is to argue that Brazil-US bilateral relations have grown stronger. It is also going to discuss the idea that growing "stronger" does not mean total convergence of ideas or interests, but a reality of building mutual understanding with shared views on some issues, respecting differences of opinion. In addition, the "Strategic Dialogue" established in 2005 represents US recognition of Brazil's stature in South America and the world; that situation, as in many other US bilateral relations (such as the ones with similar emerging nations as China and India), means, as well, an attempt to engage and contain these poles. Therefore, it's necessary to examine these complex patterns, presenting a balance of Brazil-US bilateral relations from 2003-2010.

A Brief Background: The 1990s

In January 2003, when Lula came into power, Brazil-US bilateral relations were facing a period of relative distancing, characterized by the absence of both crises and progresses. In 1999, still during Fernando Henrique Cardoso's (FHC) administration (1995/2002) and the last couple of years of Bill Clinton's (1993/2000) Presidency and the beginning of George W. Bush´s term (2001/2008), the Brazilian nation had slowly begin to adjust its agenda of foreign policy. This adjustment was symbolized by "asymmetric globalization" and projects of regional integration in South America. These policies were a break from the pattern of alignment that prevailed in the previous decade and were deeply criticized by some interest groups in the country.

Brazil-US bilateral relations during the 1990s, regardless of Itamar Franco´s administration (1992/1994), were characterized by the revival of the "special alliance", based on some assessments: the idea that Brazilian foreign policy in the 1960s-1970s promoted the nation's isolation in the world; that this situation caused its economic and political crisis of the 1980s due to a strategy of "autonomy through exclusion"; and that the country was weak. It was necessary to link its future to the US once more, as in the first half of the 20th century, leading to "autonomy through integration". Last, but not least, this was the "only" choice, since the US was the hegemonic power in the unipolar order created after the end of the Cold War.

From the "lost decade", Brazil entered the "bilateral decade", translated into the adoption of the economic prescriptions of the neoliberal Washington Consensus and of several regimes in the area of dual technologies (in particular the Non-Proliferation Treaty), the environment and human rights. The nation abandoned its national security priorities, depleting its Armed Forces, and its projects of development based on import substitution and the goal of being a middle power. During Fernando Collor de Mello's brief tenure (1990/1992), alignment was automatic, and, in the first term of FHC (1995/1998) the pragmatic

stance prevailed. Even though similar in logic (compliance to the main stream US agenda and, therefore, to the First World[1]), Collor's and FHC's tactics were different, since FHC envisioned the country as a regional power and Collor worked from a perception of weakness.

FHC's prospects of recognition were sustained by Brazil´s regional stature and its "responsible and legitimate" foreign policy, and benefited from "Plano Real", the stabilization plan that put an end to the economic crisis. Two main objectives were envisioned: the permanent seat at the UN Security Council and fair and open trade in regional and global terms. Brazil´s aim was to be a relevant player at the World Trade Organization (WTO), advancing agricultural talks from 1995 onwards and, in the region, in the Free Trade Area of the Americas (FTAA) talks. Launched in 1994, the FTAA project recovered US Latin American ideas of former President George H. Bush (1989/1992) proposing the creation of a hemispheric free trade area and good governance in the Enterprise for the Americas Initiative (EAI). In 1990/1991, the only results of the EAI were related to debt relief (Brady Plan) and the creation of NAFTA (North American Free Trade Agreement).

In neither of these scenarios Brazil gained its objectives and, although its efforts were clearly directed to promote good relations with the US (President Clinton and FHC did share excellent friendship), no benefits resulted from the reborn special alliance. Also, in 1998, in a context of economic crisis due to the failure of the neoliberal agenda, after his reelection, FHC promoted the adjustments mentioned. Which were the contents of these policies, asymmetric globalization and regional integration, that stretched, in some manner, to the next period?

The purpose of "asymmetric globalization" was to offer "constructive criticism" of globalization showing the need for adjustments in international governance and aid[2]. As Vizentini (2008) points out, Cardoso's move was more of a tactical, trying to recover its space in the First World and towards the US, than of a strategic nature. Although there was not a full recovery of the global-multilateral tradition, there was a more realistic account of the international system balance of power and Brazil's priorities. In relation to this balance, the perception of American unipolarity (which remained only in military terms) was replaced by the recognition of a trend towards multipolarity due to US relative economic decline and the consolidation of other poles such as China, EU, Japan, India, Russia and South Africa. Brazil should turn its focus to these areas of opportunities, in particular amongst developing nations and South America, also was being hit hard by the neoliberal crisis.

1 Other concepts that can be linked to this idea are the search for the "normalization" of the State and peripheral realism. (CERVO, 2008)

2 SILVA, 2009 offers an interesting account of FHC´s foreign policy evolution

FHC's promoted the revival of Mercosur[3] and the Integration of South American Regional Infrastructure (IIRSA), thus recovering the idea of the South American Free Trade Area (SAFTA[4]). IIRSA invested in projects of infrastructure, focusing on strategic sectors such as energy, transports, communication trying to reignite development. The project was launched in 2000 at the Brasilia Presidential Summit and was also a response to US initiatives that were recovering an interventionist stance at that same year: Plan Colombia, to help Colombia fight drug dealers and eradicate production of cocaine, which allowed the US to maintain troops in this country; and US growing criticism of autonomous actions in South America, including Brazilian foreign policy and the rebirth of the left, represented by Hugo Chávez in Venezuela and in many other nations, linked to neo-liberalism crisis.

Plan Colombia, and other US policies of this period (1998/1999) such as new pressures on Iraq were related mostly to domestic issues in the US, such as President Clinton's process of impeachment due to the Monica Lewisnki scandal,the growth of the neoconservative right, and the pending 2000 Presidential elections. No particular attention was directed to Brazil or Latin America, and processes like the FTAA and NAFTA stood still, once the US focused on strategic issues its internal agenda and in Eurasia. Republican George W. Bush's election in 2000 brought no changes, even though in his campaign he mentioned reviving the FTAA and giving more attention to the hemisphere (symbolized in his "America's Century" proposal).

W. Bush's goals were directed to Eurasia, holding a unilateral stance that devalued multilateral organizations, cooperation and non-security issues such as trade. Not only Brazil, but all nations were viewed as second rank partners, even traditional allies in Western Europe. These trends were deepened by 9/11/2001, the following Global War on Terror (GWT), the military operations in Afghanistan (2001) and Iraq (2003). Summing up this agenda, the 2002 National Security Strategy became known as the Bush Doctrine, stating that the US could act in a preventive and preemptive manner in the world. For Latin America this meant a focus on security issues: enlargement of Plan Colombia and the fight against "narcoterror" symbolized by Colombian Revolutionary Armed Forces (FARC); also it meant studies for the installation of Military Bases in the region and the definition of Brazil, Argentina and Paraguay common border ("Tríplice Fronteira") as a place of illicit activities ranging from terrorism to

3 In 1990/1991, the creation of Mercosur by Collor was linked to the neoliberal agenda and US projects. Supported by Menem in Argentina, the acceleration of the process of strengthening political and economic ties in the Southern Cone incorporated Paraguay and Uruguay. After Collor left power in 1992, Mercosur became the first priority of Brazilian foreign policy, and regained an autonomous profile.

4 In 1993, SAFTA was Itamar Franco´s government answer to US initiatives in the region and a means to reinforce Brazil´s compromise within South America and Meercosur.

organized crime. Brazilian diplomacy refuted all these accusations and refused to define FARC as a terrorist group.

Tough US distancing from Brazil was interpreted by some in the country as a result of FHC's changing tactics. In the last year of FHC's government, a division that would gain significant ideological weight in the next administration of Luis Inacio Lula da Silva was to begin. This group viewed South American integration, asymmetric globalization and new partnerships in the South as a break in the nation's commitment towards modernization and the First World (i.e alignment). These circles, in the next government, identified themselves as "Americanists", defenders of the bilateral hemispheric tradition and the vertical axis of IR. Other options of engagement, such as the global-multilateral, were narrowly defined as "non-americanist".

This polarization was still based on assumptions that were dominant in the 1990s, of Brazil's weakness and US strength, and also sustained its arguments in other political misconceptions regarding US foreign policy: (a) the direction of its priorities in the world, which since 1945 were very distant from its hemisphere; (b) the idea that the initiatives of the 1990s such as the EAI, NAFTA and the FTAA were designed to break the 1823 Monroe Doctrine ("America for the Americans") leading to cooperation, ignoring the fact that they were linked to US economic decline and the need to try to secure regional markets, worldwide confronted by Western Europe and Asia (Japan and China), preserving its sphere of influence; (c) the fact that the US was opening its markets and was compromised with trade multilateral talks despite since the 1980s protectionism and subsidies dominated its agenda coordinated by the Legislative, without differences amongst republicans or democrats and, at last, (d) the idea that the bilateral relation was a "one-way street" and that the US would change its views of Brazil due to its alignment. Quite the opposite, since the US tends to respect power, and not subordinate nations that cannot exercise regional roles.

There was a deep exaggeration of criticism directed to FHC's foreign policy that did not hold still. From 1999-2002, there were no great conflicts or advances in bilateral relations since neither one of the partners focused on each other. There were no benefits, but also no conflicts. And, from 1990-1998, no benefits came through either, although Brazil was showing a policy of alignment. Nevertheless, this fact was ignored and the pro-America coalition continued to defend the comeback of alignment. To make matters even worse for this group, the prospects of bilateral relations were worrisome.

In 2002, Brazilian Presidential elections were viewed with some concern by the US since the favorite candidate in polls was Luis Inácio Lula da Silva from the Workers Party (PT), who had already been a Presidential candidate in 1989, 1994 and 1998 elections. For the neocons, Lula's advance was seen as part of a dangerous "turn to the left" that Latin America was experiencing, influenced by the anti-hegemonic project of Venezuelan President Hugo Chávez and his "socialism for

the 21st century". In the heated environment of US politics and Bush's preventive doctrine, there were some hypotheses concerning the birth of a "Latin axis of evil", similar to the "axis of evil" of "rogue states" composed by Iran, Iraq and North Korea, identified as threats to US national security and world's stability. This "Latin axis", according to *The Washington Times*, a small newspaper linked to US radical right was composed of Venezuela, Cuba and Brazil.

Although leftist projects in Latin America were linked to the failure of neoliberalism and alignment trying to recover the economic and social agenda of the countries in the region, its tactics were different. Whereas Hugo Chavez in Venezuela, seen as the leader of this emerging bloc by the US had an anti-hegemonic stance, Lula in Brazil argued in favor of social democratic reforms. High level contacts in 2002 and 2003 among Brazil and the US, including Lula's team after election eliminated these doubts since the political and economic agenda to be followed showed some important level of continuity. This trend was also accompanied by adjustments in Brazil´s policies framework, ending the alignments of the "bilateral decade".

A Comprehensive Foreign Policy (2003/2010)

Not only Brazil, but several other nations in Latin America, Africa, Eastern Europe and Asia went through the 1990s with policies of alignment towards the US, including Russia, the former superpower of the Cold War. In a similar fashion, these nations were hit hard by crisis and the lack of political, economical and strategic benefits from the US, reflecting the preservation of asymmetries in multilateral talks and the absence of reform in international organizations. Faced by these constraints, these nations opted for significant changes in their domestic and foreign policies from the 2000s onwards. A new stance of pride and bargaining in International Relations was strengthened, generating new alliances amongst them and a different autonomous view of the US, which, for its part, is confronted by its own relative decline, altering the world's balance of power.

For Brazil, the beginning of Lula's administration represented a turning point which impacted the nation's stature and its role in the international system. In the particular instance of Brazil-US bilateral relations, its evolution can be divided in three phases since 2003 until 2010: 2003-2005refers to the first two years of Brazil´s new presidency and W. Bush's peak of unilateralism; 2005-2008 are the years of Bush's crisis and reform in the US and of Brazil's power consolidation; and 2009 onwards, Barack Obama´s beginning of mandate and Lula's term to end.

2003/2005: Regaining Brazil's National Power

In this period, Brazil focused on recovering the global-multilateral tradition, adding new strong components to its agenda. This agenda was conducted by Celso

Amorim at the Ministry of External Relations and Samuel Pinheiro Guimarães as Secretary General of External Relations (2003-2009), since the beginning of Lula's term. From 2009 onwards Guimarães has been ahead of the Secretary of Strategic Affairs and Antonio Patriota, former Brazilian Ambassador to the US (2007/2009), was named Secretary General. Lula also exercised an important role in Presidential Diplomacy, as a representative from the Third World.

One of the most significant changes was not only the recovery of the global multilateral agenda, but also as Vizentini´s (2008) points out, the new social dimension that was brought to diplomatic speech (fight against hunger and poverty, debt relief, disease control) and its assertive stature. To this social dimension, political and economical demands such as the reform of International Organizations and equal and fair trade were added. Brazil was no longer trying to "belong" to the First World, but to reaffirm its place as a leader of emerging nations. Instead of giving priority to the North-South vertical axis of foreign policy, the country focused on its traditional South-South horizontal relations with similar nations such as India, China, Russia and South Africa, and less developed countries (LDC). The affirmative projection on South-South relations increased Brazil´s bargain power towards the North, including the US.

Since 2003 Brazil invested in a serious of alliances of variable design: IBSA (India, Brazil and South Africa Dialogue Forum, for economic, political and technical cooperation); the G4 (Brazil, India, Germany and Japan for UNSC enlargement for new permanent members)[5]; and both G20s (trade and finance). The "trade" G20 was created in 2003[6], for the WTO Cancún Ministerial meeting, and the "finance" G20 gained new stance after 2008 due to US crisis (it was created in 1999). At the UN, Brazil is ahead of the United Nations Mission of Stabilization to Haiti (MINUSTAH).

Brazil put forward its projects regarding South American integration, following FHC's agenda, such as IIRSA, but with a strong political component of autonomy. The South American Community of Nations (SACN) was created, later on renamed Union of South American Nations (Unasur), and Mercosur was strengthened with new agreements and talks in progress in the region and with international partners such as the EU, Israel, SACU (South Africa Customs Union) and the South Asian Association for Regional Cooperation (SAARC). The South American and Arab Countries Summit (ASPA) and the South American Africa Summit (ASA) were held in Brazil. After 2007, the BRIC (Brazil, Russia, India and China) begun to be defined as the new pillars of world order as emerging nations,

5 Brazil is supported by Russia (in exchange for Brazil´s support to Russian candidacy to the WTO), China, France and Great Britain. US stance will be discussed ahead.

6 The "trade" G20 was led by Brazil and had as its members other developing and less developed nations such as China, India, Argentina, Chile, South Africa, Mexico, and represented a clear coalition of countries from the South.

beginning its process of institutionalization with two Summits (Yekaterinburg, 2009, and Brasilia, 2010).

Brazil-US bilateral relations in this first phase showed the same pattern of 1999-2002: absence of great conflicts and of significant progress. Although the US remained, until 2009, when it was replaced by China, the most important individual trade partner of Brazil, the paths chosen by the Bush administration set the US apart from its major partners during his initial term, in which unilateralism prevailed. Bilateral relations were included in this framework, in regard to the WTO, the FTAA and multilateralism. WTO and FTAA talks that extended to Lula's government benefited strongly from this foreign policy of autonomy, portraying a new strategic role for Brazil. This role sustained by demands of trade openness and fairness was not a complete break from FHC´s last couple of years. Nevertheless, Brazil was accused by the US, and by opposition groups in the nation (the "Americanists" which became to be portrayed quite more often in the media, openly criticizing the government), of being responsible for both talks deadlocks in this period. Let´s examine both issues:

– WTO – Since the creation of the WTO in 1995 and its First Ministerial Meeting, in Singapore, a clear pattern of talks emerged after the General Agreement on Trade and Tariffs Uruguay Round (GATT) represented by developed nations' lack of compromise in discussing agricultural issues (also supported by the Peace Clause, that imposed restrictions on agricultural panels till 2003), added to new pressures on developing countries to open their services markets. There was relative frustration since many nations such as Brazil, at the height of its alignment agenda, opened their markets for industrial good and were still unable to sell their agricultural products due to tariffary and non-tariffary barriers, subsidies and protectionism from the North. Also "autonomy through integration" showed no results in FHC's administration. Moreover, in 1999, at the failed Millennium Round in Seattle, developing nations were accused of being competitive because they did not abide to environmental and labor standards.

At the "rebirth" of WTO, the Doha Development Round (DDR), Brazil once more resisted these pressures and, in 2003, these divergences reached their peak at the Cancún Ministerial Meeting and after the end of the Peace Clause, Brazil intensified its diplomatic actions in WTO panels against the US and the EU. At Cancún, Brazil's leadership of the G20 coalition was criticized by US diplomacy in the immediate aftermath. Cancún repeated WTO's talks dynamics, with developed nations pressing for concessions and developing ones resisting. The US and the EU tried to break G20's alignment, but the alliance sustained its compromises. Robert Zoellick, head of the USTR at that moment, called Brazil "the country which only said no", repeating the pattern of "blaming" our diplomacy for the failures of talks, although US focus was solely directed to the GWT at that point of the Bush presidency. He mentioned that G20 would certainly have a short

spam of life. Zoellick's critics were repeated in Brazil widely, but fell short. Not only G20 survived until 2010, but had proven capable of sustaining its demands.

Different from the FTAA, the process of WTO talks and negotiations is still ongoing. The DDR remains open and nations continue to confront themselves in the panels conducted by the organization. The prospects of the DDR were also affected by the 2008 economic crisis, which favored US and EU protectionist policies. Although arguments related to the WTO tend to focus on Brazil-US bilateral relations, diplomatic clashes are not only directed to the US, but also to the EU. On the other hand, FTAA talks were centered on Brazil and the US, in spite of the rhetoric of hemispheric trade.

– FTAA – The same pattern of Brazil's resistance, and US negatives and pressures, extended to these talks. The first phase of Brazil-US bilateral relations under Lula was characterized by a very important period, when Brazil and the US shared the command of the negotiating process. At that time, 2003/2005, talks were already at crossroads, reflecting the absence of progress that was characterizing the whole project since its launch in 1994. Even then, with Brazil's alignment in place, FHC government defended stances that, as in the WTO arena, showed that the nation's compromises in trade were limited by some boundaries that reflected pragmatic economic interests.

Brazil and the US shared significant differences regarding the framework of talks and hemispheric arrangements. The US supported the FTAA to encompass all regional arrangements, so organizations such as Mercosur and the Andean Pact would cease to exist. Brazil argued in favor of preserving these ties and that the FTAA should be a composition of them (building blocs). Brazil demanded to link the FTAA agenda to WTO talks. Moreover, there was a clash regarding the pattern of talks and implementation of decisions: Brazil preferred single harvest, that meant that all issues and resolutions should be implemented at the end of all talks, and the US the early harvest, with the gradual provision of rules. US options were intended to put pressure on Brazil in order to reform its economy and open markets, in particular the attempt to separate regional and global talks.

Even if Brazil was trying to sustain a special relation with the US, autonomous trends of foreign policy remained, leading to a mixed position by the government, trying to defend the FTAA and Mercosur at the same time. During the whole process, the US clearly stated that it would not negotiate issues regarding its farm subsidies or protectionist practices and refused to address talks regarding products such as orange juice, soy, ethanol, cotton, tobacco, and others. Since the agenda was restricted from the beginning, the process was relatively doomed to fail, extremely constrained by US domestic policies and economic interests.

FTAA talks from 1994 to 1999 were held in one Summit (Santiago, 1998) and five Ministerial Meetings (Denver and Cartagena 1996, Belo Horizonte 1997, Costa Rica 1998 and Toronto 1999). Another issue during this period that concerned Brazil was Clinton's inability to gain the fast track mandate. In the US, trade talks

are a responsibility of the Legislative. Unless the White House obtains fast track, all decisions should be submitted to Congress afterwards, which limits credibility. US talks with Brazil were accompanied by appeals to members of Mercosur, such as Argentina, trying to weaken the bloc, and Brazil which was its leader. Argentina held a pendular stance, going back and forth Mercosur and the US.

In 2001-2002, when FHC left power, three Ministerial Meetings (Buenos Aires, Quito e Miami) and one Summit were held (Quebec, 2001). Clearly, the US had abandoned the project and Brazil sustained its previous position. It should be stressed that Bush even got fast track for these negotiations (renamed, TPA, Trade Promotion Authority), but trade and other multilateral issues were put at bay.

From 2003-2005, the US and Brazil shared the command of talks and there were no consensus until 2005, the proposed date to end negotiations. Two Summits, Monterrey (2004) and Mar del Plata (2005), were held but although there was a Brazilian attempt of proposing a "light FTAA" the process stood still. Bush's trade record in the region and the world is precarious for these issues were not viewed as priorities. The only US "advances" were bilateral agreements with small Latin American nations and CAFTA (Central American Free Trade Agreement) in which no concessions were needed. Latin America was second rank of US interests, focused on Eurasia, the ongoing Afghan war and the pending Iraqi conflict. The power vacuum in the Americas strengthened Brazil's South American projects and Venezuelan ones represented by the Bolivarian Alternative for the Americas (ALBA).

Either in the WTO or the FTAA talks, the crossroads was not Brazil's "fault" but part of more complex reality of US interests. Brazil clearly was searching for new opportunities, recovering its diplomatic stature and preserving its autonomy. These stances have broken the pattern of reducing bilateral relations, and even Brazil's International Relations as a whole, to economic and trade issues, a trend that prevailed in the 1990s linked to the concept of "normalization". Political and strategic matters were recovered, along the social agenda, envisioning a growing role.

This period also represented the process of UN talks regarding the Iraq War[7], that ended with US invasion, supported by the "Coalition of the Willing", composed by nations such as Great Britain, Spain, Portugal, Poland. Brazil stood along with France, Russia and Germany in the defense of the multilateral system, which also represented a rift in this period. Bush's unilateralism distanced the US from many other partners, including Brazil, with direct consequences for its hegemony. Summing up 2003-2005, Brazil and the US followed separate paths with very different results for both countries and their relations in the second phase, 2005-2008.

7 In 1990, Brazil supported "Operation Desert Storm" against Saddam Hussein as part of a multinational effort supported by the UNSC. Nevertheless, the country did not send troops to the Gulf, as Argentina.

2005/2008: A Re-Start

Lula´s first term represented the strengthening of Brazil´s external projection and a leap forward in South America and the world, a growth similar to the one led by its BRIC partners. Once more, the nation was to be praised as a relevant power pole in the region, the world and multilateral organizations, recovering its Third World leadership. After 2005 and Bush's reelection, the US showed opposite signs: isolation, weakness, crisis and overstretch, leading to a change in its relation to the world trying to share the burdens of its choices. US "comeback to multilateralism" was a product of its relative decline, conducted by former head of the National Security Council Condoleezza Rice, who became Secretary of State after Colin Powell´s exit. First it was only a reaction to negative trends. With the worsening of US crisis in 2007/2008, it gained strategic meaning, laying the ground for the next administration of Barack Obama (2009/).

What did this mean for Brazil and bilateral relations? From 2005 onwards, the US started a process of rapprochement with is regional allies, Brazil included. Brazil was visited in 2005 by both Rice and Bush (and Lula and Bush shared a very good personal relation such as Clinton and FHC had previously). This year of 2005 represented the official beginning of Brazil-US strategic dialogue, which meant that bilateral relations would embody regional and global issues. To stress the meaning of "Strategic Dialogue", it should be remembered that the US only shares this kind of dialogue with nations such as China, India and Great Britain. Brazil was invited to Middle East talks and, in South America, it offered an alternative to Chávez.

Lula was already seen by America´s diplomacy as a "responsible leader" of the left, accompanied by Michelle Bachelet in Chile. Chávez was still viewed as dangerous, as his influence spread across the Andean region to Equator and Bolivia, with the elections of Presidents Rafael Correa and Evo Morales. Only President Alvaro Uribe's Colombia was clearly aligned to the US. It was Brazil, the most relevant power pole in South America, the one that could work as a regional balancer and an honest broker. Addressing the Strategic Dialogue, President Lula stated that,

> When I was elected for Presidency, several people anticipated the deterioration of Brazil-US relations. They were completely wrong. Quite the opposite, our relations are, nowadays, facing one of their best moments. Economic and trade relations were enlarged and our political dialogue gained a high level. We both understand, the US and Brazil, our political and economic importance and the responsibilities that come from this (...) For all these reasons, we are very enthusiastic that the US is willing to include Brazil among the countries with which it maintains a privileged strategic dialogue. At this landmark (...) US-Brazil relations are significant and its improvement is a legacy for the ones who will come forward (SILVA, 2005, s/p)

Patriota (2008) mentions that this Dialogue represents the maturing of bilateral relations and the balanced mix of converging and diverging ideas that are common to power relations among great nations. WTO talks and the reform of multilateral organizations showed no progress in this second phase, Brazilian products[8] still face barriers on the US markets, such as antidumping and fitossanitary measures, additional import tariffs and subsidies to American producers in several areas. Patriota indicates that this situation offers a significant toll on Brazilian exports and slows the growth of bilateral trade. Brazil has been more active in other markets, mainly amongst South countries. As Lima (2005) points out, one of the most relevant aspects of Lula's agenda was this diversification of markets. This search of alternatives allowed Brazil to be less vulnerable to the world economic crisis in 2008. In relation to the US, Table 1 below shows the trade patterns of the last decade.

Table 1
Brazilian Trade Brazil and United States US$ FOB

Year	Export US$ FOB (A)	Import US$ FOB (B)	Balance Results (A-B)
1999	10.675.124.224	11.741.047.942	-1.065.923.718
2000	13.189.576.929	12.899.226.083	290.350.846
2001	14.208.572.954	12.905.492.013	1.303.080.941
2002	15.377.822.589	10.287.452.316	5.090.370.273
2003	16.728.079.047	9.569.454.702	7.158.624.345
2004	20.099.235.400	11.357.061.637	8.742.173.763
2005	22.539.731.875	12.666.508.176	9.873.223.699
2006	24.524.748.523	14.657.479.678	9.867.268.845
2007	25.065.048.412	18.723.280.625	6.341.767.787
2008	27.423.048.799	25.627.961.850	1.795.086.949
2009	15.601.628.031	20.030.382.627	-4.428.754.596
2010**	8.953.658.378	12.075.872.253	-3.122.213.875

Source: SECEX
** Calculado até o mês de junho

In the security arena, the US maintained Plan Colombia, the alert in "Tríplice Fronteira" and the 4th Fleet was put to work again with ships patrolling the South Atlantic. The region of the South Atlantic, since the mid 1980s has been a focus

8 See, in this regard, *Barreiras a produtos brasileiros no mercado dos EUA*. Embaixada do Brasil, Washington DC e FUNCEX. 2007. [http://www.funcex.com.br/material/estudos/Barreiras2007.pdf]. The products that most suffer barriers are: orange juice, ethanol, sugar, tobacco, chicken, pork and cow meat, fruits and vegetables and iron.

of differences between Brazil and the US, as the country proposed the creation of ZOPACAs (South Atlantic Zone of Peace and Cooperation) and the US presented OTAS (South Atlantic Treaty Organization, similar to NATO). For Brazil, the goal is the defense of a demilitarized region, and for the US to gain new ground in the area. During the 1990s the debate reached a low point, but it came back due to the discovery of new oil and gas reserves by Brazil, "pre-salt" and Angola and the nation's autonomy[9]. Environmental (the preservation of the Amazon, global warming, sustainable development), human rights and security issues are also present. Brazil sustained all its projects and the relation came forward.

US recognition of Brazilian efforts was not the main goal of Lula's policy, but was a natural development of the strengthening of our diplomacy. It showed a clear understanding of the international system trends towards multipolarity (power redistribution) and of the US. Any realistic account of US foreign policy indicates that, in history, this country values powerful partners, in particular in moments of crisis. The US, in fact, needs its partners to be stabilizers in each of their regions and tries to balance each one of these allies in different manners, in order to prevent their alliances against the US ("divide and conquer"). The Bush era deepened the process of counterbalance against the US (named soft balance by the American literature) due to its unipolarity: IBSA, trade G20, the Shangai Cooperation Organization are examples of these initiatives. Rice needed to recover these ties in order to prevent the deepening of this process, harmful to US hegemonic interests.

In 2007, during President´s Bush visit to Brazil, both countries signed a Memorandum of Understanding to Advance Cooperation on Biofuels that was presented as a very important step on bilateral cooperation. The Memorandum focused on joint research regarding biofuels, mainly ethanol, and on studies for the creation of an ethanol commodities market. Although opportunities in this area, including production in third party countries and environmental issues, are still being hailed as very significant, and Brazil has an important competitive advantage in sugar cane ethanol production, US markets still remain closed to our exports[10].

The ethanol issue is one of the most significant examples on how US markets can be closed to Brazilian products that are highly competitive, suffering two kinds of taxation: a 2,5% tax import and U$ 0,54 added per gallon. This second tariff per gallon will expire in January, 2011 and as Ambassador Vieira points out "the most likely scenarios are three: expiration of the tariff as scheduled; its renewal at the current value; or its renewal at 45 cents a gallon, on a par with the subsidy for blending ethanol with gasoline" (VIEIRA, 2010, p. 10). Although during his

9 Brazil is also working to enlarge its national maritime borders due to this strategic oil reserves.

10 The pressure against Brazilian ethanol in the US come from a variety of sources: corn producers, from which US ethanol production derives, and the energy sector lobby (oil industry).

campaign in 2008 and soon afterwards US President Barack Obama regarded the development of biofuels and a new energy paradigm for the country as a priority, the reconversion of the American economy is slow.

In spite of trade barriers, strategically Brazil is being viewed by the US in a different light. In 2008, Rice included Brazil as a "stakeholder of international order" alongside China, India, Russia and South Africa. Rice also defined Brazil as a "regional leader and global partner", stressing the relevance of its social agenda and the progress of the country as a "multiethnic diplomacy". (RICE, 2005 and RICE, 2008). The support for UNSC enlargement was also present, but still loose. Analysts as Onis (2008), Stuphen and Hachigian (2008) and Zakaria (2008) stressed Brazil´s and other emerging nations[11] role in the world´s balance of power, and the need for the US to deepen its relations with these "strategic partners". The third phase of Brazil-US relations is rooted in these changes started by Bush and Rice, and continued by Democrat President Barack Obama.

2009 Onwards: A Regional Stabilizer and a Growing Global Role

Since 2009, and in his campaign during 2008, Obama designed a program of domestic and international change for US leadership, in the midst of its deepest crisis since the Great Depression of 1929. Bush´s policies led to an economic breakdown and political isolation that was deeply affecting American hegemony. Rice's agenda managed to reverse some of these negative trends and its proposals were adopted by the future Obama presidency in its "smart power concept[12]". The growing role of emerging nations, less affected by the crisis, gained relevance, and the finance G20 meetings of 2008-2009 were presented as examples of US new type of cooperation with other nations in dealing with the reform of economic institutions. Expectations extended to other multilateral forums and also in specific bilateral relations including Brazil.

Obama's administration fell short, because once more the President focus had to be elsewhere than Latin America, Brazil or reform. US main demands were domestic and he had to deal with the GWT, and the wars in Iraq and Afghanistan. The promised leadership on the environment was not fulfilled, including the prospects on biofuels. Furthermore, he has to deal with constant opposition from Republicans and from his own party, which affect his ability to try to balance the reforms the US need.

The fight over building bipartisanship consensus affects US ability and its legitimacy (leading to changing positions and clashes in some matters in international affairs between the State Department, the White House and the

11 Khanna (2008) defines Brazil, China, Russia, India as leaders of the new "Second World".

12 Smart power is a concept created by US academic Joseph Nye that combines hard and soft power into one, meaning the use of military, ideological, institutional, economical and other resources in a balanced manner.

Pentagon). In spite of winning the Nobel Prize in 2009, Obama, in the first year of his administration was unable to reach forward to US allies. Obama was only able to launch a new National Security Strategy (NSS-2010), promote the renewal of the Afghan mission and the withdrawal from Iraq in 2010.

What has this meant for bilateral relations under Lula's Presidency? Here, it is necessary to make a separation between long term strategic issues and current affairs.

In relation to current affairs, themes like the WTO and the FTAA stood still, as well as the reform of the UNSC, the G8, the IMF, the World Bank, and other institutions. Brazil and other emerging nations sustained a significant leadership in these issues. In bilateral terms, in 2009 one of the most significant disputes with the US was settled at WTO: in the cotton dispute Brazil was authorized by the WTO to retaliate the US in almost U$ 830 million. After a year of bilateral talks, in 2010 Brazil agreed to postpone the retaliation until 2012 when the US promised to review its Farm Bills and illegal practices, and to the create a fund to help Brazilian producers (for a list of WTO's Brazil's panels check PECEQUILO, 2009).

The US sustained its bilateral policies with Cuba, Venezuela and Colombia from a hegemonic stand, mixing them with promises of engagement and dialogue: for Cuba, there was the temporary suspension of Helms Burton law, which imposed sanctions on companies that traded with this country until February 2010 and fewer restrictions on trading food and medicines and travels, but the embargo remained; in relation to Venezuela, US promises to engage Chávez went no further and in Colombia, the fight against drugs continued, added to the project of installing seven US military installations. In 2010, this project was rejected by Colombian Congress, after the end of Alvaro Uribe's term and beginning of Alvaro Santos's tenure.

The 4th Fleet revival was maintained and the US showed growing concern over autonomous actions from Unasur, mainly the newly created Council of South American Defense (CDS), and the growing presence of China in Latin America (and also the EU). In Haiti, after the earthquake, the US acted more decisively with MINUSTAH, but after the worst peak of the crisis, Brazil and the UN remained as pillars of engagement. The Honduran crisis represented a mixture of conflict and partnership, in particular due to US changing positions: after the Coup against Zelaya, Brazil and US condemned these actions and pressed for the return of the democratic legitimate order. After Honduran opposition resistance and Zelaya's refuge in the Brazilian embassy, the US ended up supporting the coup whereas Brazil sustained its position. After the election that led Porfirio Lobo to power, the White House soon recognized the new administration and Brazil refused to. The crisis represented the difficulties of American diplomacy in sustaining a coherent stance and Brazil´s new field of action in Central America, in which it later proposed the Community of Caribbean and Central American

States (CELAC), in which the US would not be participating (as in Unasur). In all these issues, OAS participation was minimum.

The same pattern repeated in Iran nuclear talks: Brazil and the US started as allies and ended following distinct paths; that ignited a new round of criticism by "Americanists", since Brazil was "getting out of its league" and harming its bilateral relations. In the beginning of 2010, Brazil, Turkey and Iran closed a trilateral agreement regarding Iran's nuclear program, which was initially supported by the White House in its new engagement policies. However, after closing the deal, Brazil and Turkey were criticized by the same US, which continued to seek UNSC sanctions against Iran's nuclear program and unilateral actions, including threats of a military invasion made by some Pentagon high ranked officials. Brazil and Turkey sustained their stance, and the situation regarding nuclear proliferation in Iran is still ongoing as of the second semester of 2010.

Added to this, Brazil is slowly recovering its nuclear program and its Armed Forces potential. Brazil does not wish to become a military power, but is working to recover its defense capabilities and technological assets. Regarding the nuclear issue, the focus is to invest in uranium enrichment, for which the country has comparative advantages in uranium reserves and technology (Resende Plant) and the project of the nuclear submarine. The country has clearly established its compromises with the NPT, the Tlateloloco Treaty and other regimes from the International Atomic Energy Agency (IAEA), and still abides to defense of the development of sensitive technologies for peaceful use as in the 1960s.

These episodes, and US periodical criticisms of Brazil´s agenda, were held as proof of the alleged "failure" of the global multilateral option and the South-South axis. Critics failed to understand the new stature of Brazilian diplomacy in the first decade of the 21st century vis à vis the US, other nations and multilateral institutions that means our steady involvement in a whole set of difficult and different issues. Therefore, we come to the long term strategic issues: in the real world, bilateral relations kept growing strong and, for the long run, Brazil and other emerging nations resilience is well recognized by the US, even in its new NSS,

> The starting point for that collective action will be our engagement with other countries. The cornerstone of this engagement is the relationship between the United States and our close friends and allies in Europe, Asia, the Americas, and the Middle East – ties which are rooted in shared interests and shared values, and which serve our mutual security and the broader security and prosperity of the world. We are working to build deeper and more effective partnerships with other key centers of influence – including China, India, and Russia, as well as increasingly influential nations such as Brazil, South Africa, and Indonesia – so that we can cooperate on issues of bilateral and global concern, with the recognition that power, in an interconnected world, is no longer a zero sum game (NSS-2010, p. 11)

Whereas considering bilateral relations in particular,

> We welcome Brazil's leadership and seek to move beyond dated North-South divisions to pursue progress on bilateral, hemispheric, and global issues. Brazil's macroeconomic success, coupled with its steps to narrow socioeconomic gaps, provide important lessons for countries throughout the Americas and Africa. We will encourage Brazilian efforts against illicit transnational networks. As guardian of a unique national environmental patrimony and a leader in renewable fuels, Brazil is an important partner in confronting global climate change and promoting energy security. And in the context of the G-20 and the Doha round, we will work with Brazil to ensure that economic development and prosperity is broadly shared. (NSS-2010, p. 53)

Will this come easily? Not so often and it will depend on the circumstances involved and mostly on US domestic policies. For the US, as much as pivotal States need to be engaged, they need to be contained as well. Brazilian political and economic goals will continue to suffer some restrictions, and the country should still pursue them into the framework of its other alliances of variable design. In the case of Brazil, as well as other nations, the hegemonic power looms in the world and it cannot be disregarded in any strategy. However, the US is not the only partner to be reckoned with. The dilemma is well presented by Vieira,

> Sometimes Brazil and US perceptions will converge and the dialogue will be easier, as on climate change. In other cases, we will have different perceptions, diagnoses, and solutions, as with Iran. What is true in each case, however, is that, to quote US Ambassador to Brazil Thomas Shannon, "The US needs to get used to the idea that, from now on, it will come across Brazil in places where it previously would not expect to find Brazil." (VIEIRA, 2010, p. 7)

Final Thoughts

Still rifted by ideological polarizations, in particular in Brazil, bilateral relations with the US have grown stronger in the last decade. As China, India, and Russia, Brazil is viewed as a regional and global power that, in spite of lacking military power, is able to influence the political and strategic scenario. As Obama mentioned the need for the US to exercise its "smart power", Brazil has been able to enlarge its influence in the world by making use of its soft power: alliances of variable design and a new diplomatic speech for the South. For the future, the core of Brazil-US bilateral relations will continue to go forward as both nations understand and respect each other's changing roles in the coming multipolar world.

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Abstract

The aim of this article is to examine Brazil and the United States bilateral relations from 2003/2010 and their strategic patterns during the Presidency of Luis Inácio Lula da Silva. The goal is to understand the development of this dialogue in the 21st century and its previous background in the Post Cold War world, identifying its evolution and change due to Brazil's growing regional and global role and US relative position.

Resumo

O objetivo deste artigo é examinar as relações entre o Brasil e os Estados Unidos 2003 e 2010 e os seus padrões estratégicos durante a presidência de Luis Inácio Lula da Silva. Busca-se compreender o desenvolvimento deste diálogo, no século 21 e sua formação anterior no mundo pós-Guerra Fria, identificando a sua evolução e transformação, devida ao crescimento do papel regional e global desempenhado pelo Brasil com relação aos Estados Unidos.

Key-words: Brazil Foreign Policy; US Foreign Policy; Brazil-US Bilateral Relations.

Palavras-chave: Política Externa Brasileira; Política Externa dos Estados Unidos; Relações Brasil-Estados Unidos.