

Global Governance Brazilian Views from Cardoso to Lula

Tatiana Coutto¹

Introduction

Political leaders worldwide are confronted with a paradox: on the one hand, they are expected to solve major problems that affect the societies they represent. In fact, governments are usually regarded as the main – if not the only – responsible for creating conditions that lead to economic growth, ensuring financial and market stability, providing public services such as health and education, improving social indicators and environmental conservation, and so on. On the other hand, the population increasingly distrusts politics and political institutions, or simply do not formally engage in political participation.

The coexistence of policy demand and political distrust in numerous societies poses challenges for public administration entities throughout the world, and has become a major concern in a number of states as well as among non-governmental actors. In April 2010, during the meeting of heads of government of Brazil, India, Russia and China (Brics) in Brasília, Brazilian president Lula da Silva called for ‘creative and pragmatic diplomatic articulation’ capable of

tackling global problems. Lula da Silva’s message was straightforward: something must change in the way states participate in the international system. In the European Union, the Commission identified the reform of European governance as a strategic objective in early 2000. Since then, several programs that aim at narrowing the gap between EU citizens and Community institutions have been launched in order to increase public participation in political decisions and reduce the chronic problem of democratic deficit of which the EU has suffered since its early stages. In the now famous Prague speech of 2009, President Barack Obama has heralded a “new era of engagement” for the United States and his strategy to accommodate established and rising powers (Patrick, 2010).

The common denominator of these declarations is the perception that existing decision and policy-making rules are becoming obsolete, and that it is necessary to devise new rules that allow political actors worldwide to approach common challenges despite their various interests. This context provides room for the discussion of alternatives to handle transnational problems collectively according to the dynamics of this new scenario. The alternative ways of devising standards of rules that allow for coordination and cooperation among players from coun-

1. Centro de Documentação de História Contemporânea, Fundação Getúlio Vargas (CPDOC/FGV)

tries or regions, and across different political levels is generally named “governance”. However, the fact that several leaders agree that rules need to be changed does not guarantee that they will converge spontaneously to common positions. Whilst political actors can certainly align to deal with common agendas, their interests strongly differ on a number of issues, and the design of the new rules of the game has a number of points of tension and disagreement.

The modes of governance that actors consider more appropriate are based on their interests, but also take into account the preferences of other players, and the political-institutional context where decisions are made. Put shortly, the preference for a certain mode of governance in, above all, a strategic option of each player, or group of players (Diermeier and Krebhiel, 2003). Thus, such option is influenced by particular conceptions of the world system, and the role the actor expects itself to play in this scenario. Governance changes over time.

The aim of this article is to analyze how Brazilian views on governance have evolved since president Fernando Henrique Cardoso’s administration. To what extent do Cardoso and Lula’s administrations actually differ on this point? By which means have these views on governance translated into political institutions and how are they expected to influence Brazilian foreign policy in the coming years? In order to answer

these questions, the paper is organized as follows: first, the definition of the term ‘governance’ is discussed, and a brief historical overview on the emergence of governance debate is presented. The next section compares the views of Lula and Cardoso on this matter, and to what extent they have favored certain foreign policy strategies. Particular attention is given to the choice of critical partners that would allow Brazil to improve its global standing, and the relationship with the US and the EU. The final section lays down conclusions and suggests possibilities for further studies.

Definition

Governance can be broadly defined as a dynamic system of interaction among political players with varying interests that seek to devise rules that help them meet their preferences. The system concerns “every mode of political steering involving public and private actors, including traditional modes of government and different types of political steering from hierarchical imposition to sheer information measures” (Héritier, 2002). The numerous existing modes of governance result from the traditions and institutions by which authority is exercised over time, and express, for example, the process by which governments are selected and monitored, and their capacity to formulate and implement public policies, the level of corruption, and so on (Worldbank, 2009).

The concept of institution - humanly devised constraints that shape human interaction (North, 1990) - is central to understand the debate around forms of governance. Political actors (national administrations, non-governmental organizations, firms) are permanently engaging in formal and informal arrangements that allow them to overcome collective action problems and achieve predefined goals by informing and communicating with other actors (Milner, 1997). The interrelationship among institutions across political levels over time leads to the formation of developing systems of codes and practices (formal or not) that orient decision-making and the behavior of individuals and social groups. In a nutshell: the interaction of several institutional entities and the decentralization of decision-making and policy-making *loci* leads to the formation of a more complex system where players may have more possibilities to exert influence and authority over the others.

The attention driven by governance studies is the expression of something that scholars from Europe and elsewhere have noticed: although states remain the main actors in our predominantly Westphalian system, traditional notions of government fail to capture the complexity of today’s political decision-making processes. As a consequence, governance has been associated to changes in the role of the state and the international system, namely due to the need to engage emergent actors in cooperative arrangements, and to



respond to changing contexts. Such changes stem from conceptions of the international system, and from the way actors evaluate threats and opportunities for the coming years.

The way security is perceived by each player plays a crucial role in the definition of global governance structures. A broader conceptualization of threat and security stresses the need of *aggiornamento* of the UN Chart to include, for example: the adaptation of articles VI and VII of the Chart, which refer to the redefinition of what constitutes a threat to peace and stability of the international system, responsibilities of UN member states regarding peace keeping and the conditions that legitimate the use of force.

Changes in the United Nations system – and, in particular, of the Security Council (SC) – are desirable by countries as varied as Brazil, Turkey, Germany, Japan, the UK and France. In fact, the reform is regarded as inevitable by the majority of government representatives and members of national delegations to the UN.² Set up in the late 1940s, the organization no longer accurately

reflects the distribution of power across the international system. Over the last 50 years, the EU has become a pivotal, albeit *sui generis*, player; the URSS collapsed, and some of the so-called newly industrialized countries (NICs) no longer accept to merely follow rules, but rather seek to define them (Soares de Lima, 1990). As a consequence, they have articulated various *fora* (G-20, Brics, Ibsa, Basic) in order to formulate a common agenda and, whenever possible, common positions vis-à-vis established powers. These countries have managed to block disadvantageous negotiations, as in the Doha Round, for example. By contrast, they have so far fallen short of proposing an alternative agenda. So far, emerging powers, OECD countries and developing nations have not come to terms with the reform of the present world order.

Brazilian views on the international system and global governance: Cardoso and Lula administrations

The position Brazil has adopted since the early 1990s in the international arena reflects relative continuity guided by principles of liberal democracy and multilateralism. The country's different administrations have, over the past 20 years, underlined the importance of new forms of governance and institutional development as a means of addressing old issues differently, and dealing with "new global agendas".

Both Cardoso and Lula's governments express a strong commit-

ment with multilateralism and the improvement of Brazil's standing in the world scenario. Thus, both reflect the willingness to enhance Brazil's *actorness* vis-à-vis developed countries and international organizations.³ The main difference between the two governments regards the strategy to strengthen Brazil's insertion in the international system. Cardoso favored the commitment with OECD countries and regional integration (Vigevani, 2003); under his administration, the relationship with the US was defined as essential, cooperative and based on principles of international law and good political relations. Nonetheless, there has been sharp disagreement in what concerns trade (cotton, steel) and property rights regimes, which hampered the establishment of the FTAA as a hemispheric project. To Lula, such relationship remains strategic, but it is no longer regarded as the only alternative to achieve Brazil's economic and diplomatic goals.

Lula and the Minister of Foreign Relations Celso Amorim have also emphasized the importance of partnerships with African and Latin American/Caribbean countries, which has been translated in an increase of the number of consulates and embassies throughout the world, namely in Africa and in the Caribbean. This initiative has not been immune to criticism, especially from the Senate's Permanent Commission on Foreign Relations.⁴ According to the minister, such diplomatic representations respond to a demand for political support from private and

2. Lord Hanny, former UK representative to the UN. Declaration made upon the conference: "Why is the UN reform paralyzed?" which took place at Pontifical Catholic University of Rio de Janeiro (PUC-Rio), on 18/03/2010.

3. The concept of actorness is drawn from literature on the external dimension of the European Union. See, for example, Jupille & Caporaso (1998) and Bretherton & Volger (1999).

4. See, for example, public audience of the Commission on 29/04/2009.

state-owned companies, especially in business areas involving civil engineering, oil, mining and agriculture. Mercosur has gained a new momentum, in which Argentinean president Cristina Kirchner has been of fundamental importance, including in the commercial negotiations between Mercosur and the EU, which is Brazil most important investor and trade partner. All in all, initiatives to foster commercial integration and cooperation in South America through instruments such as Unasur meetings, agreements with Andean countries, and Mercosur enlargement with the entry of Venezuela⁵ represent the country's willingness to seek deeper and more intensive relations with its regional partners and neighbors. This movement results in large part from a more active participation of specific sectors that has been successful in coordinating industrial and foreign policies.

The rapprochement with African and Caribbean states – has been driven by the potential payoffs of this cooperation, as well as on shared values (colonial past) and on the existence of common problems (inequality, violence, environmental degradation). 'Solidarity' is also a highly frequent term in Lula's discourse, which draws a line between his and Cardoso's views. By calling for solidarity, Lula approaches the

developing world, but at the same time underlines Brazil's capability to help poorer countries in their pursuit for development. The quest for a more prominent role in the international system, on the other hand, has been a factor that has shaped the various overlapping arrangements advanced by emergent powers such as Brics, Ibsa, Basic and the G20 (Cooper & Antkiewicz, 2008).

Another important difference between Cardoso and Lula's priorities in terms of foreign policy and Brazil's insertion in the international system refers to a reconfiguration of the UN Security Council. Lula's second administration (2006-2010) has been particularly keen on an expansion of the SC, where Brazil, together with other world powers (Germany, Japan), would occupy a permanent seat. On one hand, a permanent seat would be the confirmation that Brazil has become a critical player in the international realm, mainly due to the adoption of new conceptions of security since the 1990s. Of particular importance is the concept of environmental and food security, where Brazil stands out as a key player in the definition of regimes to reduce the over exploitation of natural resources, to ensure the provision of agricultural (food) products and to mitigate the effects of ongoing changes in the environment and natural disasters. At the same time Brazil becomes increasingly aware of the costs of becoming a permanent member. The costs comprise for, instance, the opposition of middle powers

such as Mexico, Argentina, Italy and Spain, to name a few examples. Hence, a permanent seat requires the adoption of clear positions about highly sensitive political issues such as disarmament, non proliferation and the use of dual technologies by non democratic states. Historically, Brazil has avoided diplomatic options that lock out potential partners; instead, Brazilian diplomacy has spread the idea of Brazil as a mediator, an actor capable to engage in (in)formal talks with a wide number of states (Iran, Cuba, Venezuela, G7) without putting the stability of the international system at stake. A permanent seat would therefore represent a rupture with the country's diplomatic tradition.⁶

The reform of the Security Council depends on how security is conceptualized. An alternative that is currently under discussion in Brazil concerns the establishment of various 'security councils' that would work on different (albeit coordinated) security strategies. In that sense, the institutional reform of UN system would stem from a broader conception of threat and security. Such process does not lead to abrupt changes in today's governance framework, but to a continuous and gradual process of institutional evolution and change. Thus, a gradual reform in the UN system allows for the development of more specific arrangements (which would certainly include the institutionalization of the Brics) that can be carried out in separate *fora*.

5. Venezuela's membership still depends on ratification by the Paraguayan congress.

6. Interview with Brazilian ambassador Marcos Azambuja, January 2010.

Relationship with the EU and the US

Brazil regards the EU as an important economic partner and promoter of development; besides, the Union has provided institutional guidelines and inspiration to regional cooperation and integration initiatives proposed by Brazil to other South American countries. Already under Cardoso administration, Brazilian diplomacy (presidency, Ministry of Foreign Relations, executive branches and certain private actors) had identified the “advantages” of investing on a strategic partnership with the EU. Statements and informal declarations of Brazilian diplomacy welcome an strategic partnership with the EU because it somehow balances US influence and reduces the risk of depending on one power. Following the same rationale, Brazil-US relationship appears as critical to open spaces in EU overprotected policy areas, especially in what concerns agricultural products. On the other hand, testimonials of Brazilian diplomats and Community officials strongly suggest that a Brazil-EU relationship is more likely to promote institutional changes at the international level than Brazil-US partnerships.

The unique character of the EU and its overlapping levels of governance is perceived as a ‘space of opportunity’ to the development of more intense commercial relations between Brazil and the EU, along with cooperation in other realms such

as science & technology, energy and food security, for example. Brazilian strategy has been to approach not only EU institutions such as the Commission and the European Parliament. Thus, the mixed participation of Community institutions (namely the Commission) and Member States has allowed Brazil to establish various channels through which policy specific negotiations can be carried out. Examples of his strategy have contributed, for example, to the support of Scandinavian countries (most notably Sweden) to the use of Brazilian sugar cane-based bio-fuels, to French support to a Brazilian seat in the Security Council, and to the permanent dialogue between Brazil and Portugal on a number of issues. The Commission remains as the most important interlocutor when it comes to global issues such as climate change, natural resources’ management and biodiversity regimes. These are salient issue areas to Brazil and will become more important as scarcity of natural resources increase. Thus, increasing mobilization of domestic actors tends to pressure for the adoption of more strict environmental legislation, despite heavy lobbies exercised by construction and energy sector; there is demand from the international community for stronger regulation, and other players recognize Brazil as a key player. In a nutshell, there is a constellation of aspects that favor Brazil strong agency in this realm. So far, development concerns and the unwillingness of certain sectors to afford the costs of migrating to environmentally

friendly technologies and industrial processes, coupled with the relatively little importance Lula administration confers to environmental conservation have stopped Brazil from playing a decisive role

Final remarks

The existence of multiple levels of governance provides states with more flexibility to make and to apply rules in different realms of the international system. Thus, they provide room for the G20 to become a more institutionalized group, capable of introducing reforms in several organizations like the IMF, the World Bank, and the WTO instead of “simply” opposing to existing proposals. These multiple forms of participation drive attention to the fact that there is no “one size fits all” solution to problems with international impact. International challenges are increasingly trans-disciplinary; for this reason it is important to develop states and non state actors with flexibility to tackle different problems in more adequate for a. in other words, to choose the strategy and the institutional tools more capable of helping players meeting their preferences.

The financial crisis the world has gone through shows that the market alone has proved to be a bad regulator of collective action. In the absence of mechanisms capable of correcting predatory behavior, market will lead not to equilibrium, but to distortions that concentrate resources. Institutions

can mitigate inequality by punishing bad behavior and redistributing resources. The present institutions and legal structures are still generating inequalities, instead of correcting market failures. As a consequence, crises tend to replicate in other policy domains, such as environment, energy, migration and common resources.

The current international scenario creates conditions for these “new powers” to improve their global standing. The position expressed by Brazilian diplomacy today highlights the need to update existing institutions and to create new ones specifically designed to tackle novel issues of international relations. A combination of minilateralism - where smaller groups seek to define a common agenda as well as positions they will sustain vis-à-vis other groups of states or organizations - and multilateralism - a larger number of players and a wider variety of interests - has been advocated by the Brazilian diplomatic service.

Despite G20's increasing importance, it should be underscored that this is still a very heterogeneous group, with various points of tension between emerging and established powers, as well as within each group. In 1989, the fall of the Berlin wall announced the emergence of a world free of political and economic barriers, but the idea proved unrealistic in the subsequent years. By the same token, the so far increasing institutionalization of the G20 seems to herald a new era marked by the

participation of a larger number of states and non state actors. The recognition of the group's importance to overcome international crises drives attention to the need to develop arenas and mechanisms that allow for more cooperation. Both minilateralism and multilateralism are necessary to modify the rules that regulate and influence the behavior of states and global ruling elites (Rothkopf, 2008).

Brazil can benefit enormously from the strategic dimension acquired by issues such as environment, energy supply and food provision without compromising its diplomatic tradition of not locking out potential partnerships worldwide. As put by Brazilian diplomats Gelson Fonseca and Marcel Biato, the time of the great utopias has passed. Today, the only possibility is the existence of “negotiated utopias”, which provide a certain conception of peace, harmony and stability to be achieved through multilateral cooperation and the continuous development of (several and partially overlapping) governance structures.

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