The Brazilian Foreign Policy of the Temer-Serra Administration: Political Retraction and Economic Subordination*

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• The “New Brazilian Foreign Policy”, summarized by José Serra in his inauguration speech, altered the pattern of Brazil’s international insertion from multilateralism to bilateralism, but its consequences are yet to be evaluated.

• At the regional level, it prioritized the project of Venezuela’s isolation, bilateral agreements, and the rapprochement with Mexico, with the OAS and with the Pacific Alliance.

• In the global field, the new government kept a low profile in multilateral relations and focused on the negotiations of the Mercosur-European Union Association Agreement.

Presentation

In May 2016, Michel Temer took over the leadership of the Brazilian’s Presidency on an interim basis, after the removal of Dilma Rousseff. The vice president was sworn in as de facto president in August, when the impeachment process opened against Rousseff had ended, after the second vote in the Senate. However, it is considered that since May, the new occupant of the presidential post has changed the political orientation of the country, in which the Brazilian Foreign Policy (BFP) was included.

After more than eight months of the new government, it is important to preliminary evaluate the new BFP. After all, what were its guidelines and priorities at the regional and international fields? Was there a big break from Lula’s and Dilma’s BFP or there were only small adjustments to an orientation that already existed?

Contextualization of the new Brazilian Foreign Policy

The beginning of the Michel Temer’s mandate, with the appointment of new ministers, their speeches, and the announcement of its political orientation, point to a clear change in respect to the previous government. One of the first turning points seen was the appointment of José Serra for the Ministry of Foreign Affairs (MFA): the head of Itamaraty has come to be a politician strictu sensu³, unlike his immediate predecessors - Celso Amorim, Antonio Patriota, Luiz Alberto Figueiredo and Mauro Vieira - formed by the Rio

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Branco Institute. Such appointment differs not only from the recent Brazilian chancellors, because “from the ten nominations for the leadership of the MFA made between 1985 and 2003, only three were for politicians with party affiliation” (2005, 7). According to Coronato & Leite (2016), the appointment of a name disconnected from Itamaraty represents a break of a tacit tradition of searching for a substitute on the diplomatic bureaucracy.

Thus, it is worth pointing out the debate that exists about the relative political isolation of the MFA, which assures it a considerable decision-making autonomy. According to Maria Regina Soares de Lima (2005), a factor that explains this trend is the lack of public opinion influence over the country’s foreign policy. On the other hand, there are pressures in the opposite direction – to a greater participation of other sectors from government and society in the formation of the BFP, that is, the “formation of a foreign policy’s production process that is more porous, plural, and democratic” (Faria 2012, 312). The indication of a politician as Serra, as said, breaks the tendency not to have politicians in the highest office of MFA. So, while it reduces the ministry’s isolation component, it can put in check the Itamaraty’s tradition of not being completely influenced by political-party disputes, in addition to providing a tendency that the BFP will swing even more with every government’s change.

In his inauguration speech, José Serra outlined the pillars of the so-called “New Brazilian Foreign Policy”, summarized in ten guidelines. In short, the discourse of the new minister sought, at the same time, to align itself with the guidelines of the new national government, led by the interim president Michel Temer, and also to deal with the new international conjuncture, marked by the intensification of competition in the economic, political and military sphere. Lucas Rezende (2016) points out that the “main metamorphosis was the supposed “de-ideologization” of BFP and the redirection of international relations from the south-south axis to the north-south relations in a return to the tradition of our Americanistic foreign policy”.

In this sense, the new administration emphasized the preference of bilateralism in detriment of multilateralism, focused in free trade agreements and partnership with traditional countries such as the United States and Japan. Many of the guidelines are related to the pursuit of market opening and with a reorientation of the Brazilian political posture in Mercosur, in the World Trade Organization (WTO) and in the BRICS. José Serra also pointed to the necessity of reduction of the “Brazilian cost” for increased competitiveness and productivity, and the need to protect the regional frontier (Ministério das Relações Exteriores 2016).

The new chancellor stated that “our diplomacy (...) must gradually upgrade and innovate, and even dare, promoting a great modernizing reform in objectives, working methods and techniques.” (Ministry of Foreign Affairs 2016, emphasis added). Not only the guidelines and positions presented in the inauguration speech, but the attitudes taken in subsequent months, represented a clear change in direction and in the conduct of the BFP. Both the notes issued by the Foreign Ministry, and the position adopted with respect to Venezuela in the impasse on the Pro Tempore Presidency of Mercosur symbolize this. Natalia Fingermann (Editora Mundorama 2017) also emphasizes the impact of the new positions of Itamaraty for South-South cooperation projects that already exist, such as the Food Acquisition Program (FAP) and the...
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Santos (2016) argues that the attitudes of the new Minister demonstrate a break from the “active” BFP initiated and led by Celso Amorim and Lula da Silva. The previous BFP was characterized by the search for Brazilian autonomy in the international scenario - with an emphasis on South-South cooperation and the diversification of partnerships. Though one could argue that this policy began to decline in the government Rousseff (Cervo & Lessa 2014), it is important to consider that the rupture of the transition Dilma-Temer cannot be compared to the decline in the conduct of the BFP on the Lula-Dilma transition⁵.

Cervo (2008 apud Amorim Neto 2011) concluded that the ideological guidance of governments has more influence on the foreign policy than the change of political regime. This is was clear in the transition of managements Lula-Amorim, Dilma-Patriota-Figueiredo-Vieira and Temer-Serra. Amorim Neto (2011) outlined a theoretical framework on Brazilian foreign policy (focusing on its relationship with institutional structures, constraints, and external and internal incentives), highlighting three determinants of foreign policy. In this way, both systemic factors, as “attributes of leaders, regimes, governments, and legislatures” (Amorim Neto 2011, 43), and military and diplomatic bureaucracies determine foreign policy. Thus, when considering the new BFP, it is important to bear in mind such determinants.

Analysis of the actions of the MFA and of the Presidency on regional and global affairs

In this section, we sought to review the main actions⁶ of the MFA and of the Presidency of the Republic in reference of the foreign policy in Michel Temer-José Serra administration. According to the Federal Constitution, Article 84, “it is up to the President of the Republic (...) to maintain relations with foreign States and to designate its diplomatic representatives, sign treaties, conventions and international acts, subject to the referendum from the National Congress” (Brasil 1988). Even though there are balances from the Legislative⁷ and from bureaucratic structures as the Itamaraty and the Armed Forces, the primacy of the Executive Power allows changes of direction in BFP, what occurred during the studied period. However, the limitations of the new BFP are due to structural internal and external aspects.

It is assumed that, despite the changes of political and strategic direction in the Temer-Serra administration, there weren’t innovations in the form and intensity in the country’s foreign relations, which is demonstrated by the character of the meetings and agreements signed. Also, there was a retraction in terms of its objectives in the international system, with an emphasis on free trade agreements and the promotion of exports at the expense of a broader development project for achieving state-building capacities and large scale strategic partnerships like the signed with France in the Lula administration. This occurs in part because of the internal political and economic instability and in part due to the strategy outlined by the New BFP.

At the regional level, the process of integration through UNASUR were seconded by bilateral meetings and the objective of excluding Venezuela from Mercosur. In the international field, the government has maintained a low profile in multilateral fora, and aimed to make progress in the negotiations of the Mercosur-European Union Association Agreement, a partnership with dubious benefits for both parts, and with no resolution so far.

The first diplomatic action of the Serra-Temer
alliance was at the regional level. Shortly after Temer’s inauguration (May 23rd 2016), as interim president until August 31st, it was created the Mechanism for Policy Coordination between Brazil and Argentina. Soon after, Serra has published a response to a Financial Times article, who claimed the existence of a rivalry between Mercosur and the Pacific Alliance. In contrast, the minister said that both regional blocks maintain good relations, with the objective of signing free trade deals and to increase its member-state’s global trade market share.

These two first initiatives paved the way for what would be one of the tonics of Brazil’s regional policy: the diplomatic isolation of Venezuela. In June, the MRE has released a note about the situation of conflict between the government of Nicolás Maduro and the opposition, pointing for the worsening of the human rights situation in the country (Ministério das Relações Exteriores 2016b).

In June 8th occurred the first official diplomatic visit to Brazil in the Temer’s administration, held by the Minister of Foreign Relations of Paraguay, Eladio Loizaga. On this occasion, two agreements were signed, one in aviation and another for construction of a bridge over the Paraguay River, between the cities of Porto Murtinho in Mato Grosso do Sul, and Carmelo Peralta, at the Department of Alto Paraguay (Richard 2016). This initiative is part of a larger project, the interconnection between the Atlantic and the Pacific Oceans, particularly the ports of Santos (Brazil) and Iquique, in Antofagasta (Chile) (Portal do Planalto 2016).

On June 12, the Foreign Ministers of Argentina, Brazil, Chile, and Uruguay have issued a joint statement on the situation in Venezuela, particularly on the acts of violence in Caracas. Two days later, Serra received a visit from the governor of the state of Miranda, the Venezuelan Henrique Capriles, the leader of the opposition to the government of Nicolás Maduro.

Another priority for the new management was the continuity of economic rapprochement with Mexico, a process initiated in the Dilma Rousseff government. On July 25th, Serra visited the country aiming to expand the bilateral trade preferences (Economic Complementation Agreement No 53 - ACE 53). In August and September took place, respectively, the IV and V Negotiating Round of ACE 53, dealing with issues such as market access, trade facilitation, rules of origin, technical barriers to trade, government procurement services and settlement of disputes. More specifically, these meetings sought to expand the preferential tariffs and include more agricultural and industrial products on Brazil and Mexico trade relations.

In September, the four founding countries of Mercosur - Brazil, Argentina, Paraguay, and Uruguay - have adopted the “Declaration on the Mercosur’s operation and on the Protocol of Accession of the Bolivarian Republic of Venezuela”. In sum, the declaration stated that Venezuela couldn’t take over the presidency of the bloc, which would be occupied by a joint coordination between the four countries. In addition, the country would be suspended from the block in December if not “fulfilled its obligations” in relation to Economic Complementation Agreement No 18 (1991), to the Protocol of Asunción on the commitment to the promotion and protection of human rights of Mercosur (2005) and on the Agreement on residence for nationals of States Parties to the Mercosur countries (2002).

On October 22nd, the member states of the OAS – Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, United States of America, Guatemala, Honduras, Mexico, Paraguay, Peru and Uruguay - issued a statement about the political situation in Venezuela. Four days later, it was announced a
new note, signed by Argentina, Brazil, Colombia, Costa Rica, Chile, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, and Uruguay.

On December 1st, Venezuela has been suspended from Mercosur. Soon after, José Serra attended an Extraordinary meeting of the Mercosur’s Council, together with the Ministers of Argentina, Paraguay, and Uruguay. The aim of the meeting was to deal with the liberalization of trade between member-states, the negotiation of a protocol for cooperation and facilitation of investment, the revision of the protocol of public procurement and the dynamization of the negotiations outside the block. In addition, Argentina became responsible for the Pro Tempore Presidency of Mercosur for the first half of 2017.

Two months earlier, on October, president Michel Temer took visits to Argentina and Paraguay. In Argentina, it was emphasized the cooperation in the areas of Defense, Nuclear, space and in science and technology. On the Mercosur subject, the joint statement stressed the need for a negotiation of a new protocol on Government Procurement, an agreement on cooperation and facilitation of investment, the approximation with the Pacific Alliance and with the European Union. On the Strategic component, the Brazilian President reiterated the support for the Argentinian sovereignty over Malvinas Islands, South Geórgias, South Sandwich Islands, and over the maritime areas nearby.

At the meeting with the President of Paraguay, Horacio Cartes, it was discussed the signing of an Automotive Agreement, the beginning of the works of the second bridge over the Paraná River, and another one over the Paraguay River, between Porto Murtinho and Carmelo Peralta. The infrastructure project called Bioceanic Corridor includes the roadway Campo Grande-Porto Murtinho (Brasil) – Carmelo Peralta-Mariscal Estigarribia-Pozo Hondo (Paraguai) – Misión La Paz-Tartagal-Jujuy-Salta (Argentina) – Sico-Jama-Porto de Antofagasta and other ports in northern Chile. The joint statement also mentioned the meeting of MFA and of Defense (2+2), held on April 4th 2016, which extended the military cooperation agreement between the two countries. In addition to the joint communiqué, it was assigned a memorandum of understanding for the implementation of the project “Strengthening the Connectivity”, which aims to create optical fiber networks with international providers and the submarine cables that come along the Brazilian coast.

On October 6th, the general secretary of the Organization of American States (OAS), Luis Almagro, was received by Minister José Serra. On this occasion, it was examined themes of the regional agenda and the relationship between Brazil and the OAS.

The first Serra’s extra regional visit occurred on May 28th to Cabo Verde for a meeting with his counterpart Luis Filipe Tavares, with the prime minister Ulisses Correia e Silva, and with the President Jorge Carlos Fonseca. However, this seemed to be a commitment derived from the previous administration, due to the absence of greater details of it.

In early June, the Minister attended the annual Ministerial Meeting of the OECD (a session called “All aboard for 2030”) and the discussions within the WTO Ministerial Meeting. At the OECD, Serra has adopted a conciliatory and cooperative tone, dividing the concept of sustainability in three spheres: environmental, economic, and social. Yet in the WTO, the Minister demanded a greater opening of its trading partners, because the global demand was becoming lower than the global production. He stated that “the capacity of the WTO
for being a relevant forum for negotiation is still in question”, and that therefore one should “try new routes” (Serra 2016a).

Thus, on June 22nd and 23rd it was held a meeting of the negotiators of the Mercosur-European Union Association Agreement. On that occasion, the two blocks responded to technical questions about the offers exchanged on 11 May 2001, including goods, services, investment, and government procurement, and reviewed the normative texts of the Agreement. They’ve also approached the second semester’s negotiation timing, which in October shall include the Committee Reunion of negotiations between the two regions in Brussels (Ministério das Relações Exteriores 2016c).

It is interesting to note that Brazil initiated a series of meetings with European countries, such as Netherlands, Switzerland, Finland, and Denmark, in order to make progress in the negotiations of the agreement between the blocks. From 10 to 14 October, it took place the 10th Round of Mercosur-European Union Negotiations, the first since 2012. However, there wasn’t a major step forward to be highlighted.

Also in the global arena, on a meeting prior to the 11th Summit of the G20, September 2nd, President Michel Temer traveled to Shanghai to attend to the Brazil-China High Level Business Seminar, a meeting materialized by the Trade and Investment Promotion Department of the Brazilian Ministry of Foreign Affairs and by the Brazilian Export and Investment Promotion Agency (Apex). The Minister of Foreign Affairs attended the event, such as the Ministers of Transportation, Ports, and Civil Aviation; Agriculture, Livestock and Supply, and Finances. The main panels attended by the Brazilian ministers were those related to infrastructure, logistics, industry and agribusiness sectors.

On September 4th and 5th, Temer attended the 11th G20 Summit, in Hangzhou, China. In his speech, he stated that spite of the collective efforts, global economy is still having a lower economic growth than before the 2008 crisis started. Thus it the international system remains The reasons for that are multiple. But there is no doubt that, between them, figures an international environment full of uncertainties that aren’t restricted to national borders (Temer 2016b).

Among the “uncertainties”, the Brazilian President highlighted the evolution of commodity prices, the world consequences of the monetary policy in developed countries, the volatility of the financial markets, and the spread of terrorism. Internally, he pointed out that the main challenge of the Brazilian State is of fiscal order, and that his government is focused on ‘promoting a structural adjustment of public spending in a 20-year horizon’ (Temer 2016b). Thus, the inflation control, the social security reform, and public-private partnerships are central projects of the administration.

Simultaneously to the beginning of the G20 Summit, it took place a BRICS leaders meeting, where Temer spoke about the need to update the structures of global governance, such as the International Monetary Fund (IMF) and the World Bank. At the strategic level, he welcomed the establishment of the BRICS Antiterrorism Working Group.

In the same month, alongside with the 71st UN General Assembly, Brazil participated in two meetings. At first, the Minister José Serra met the G4 – Germany, India, and Japan – whose main goal is to achieve a reform of the UN Security Council.
In his speech, Serra stated that “regarding peace and security, progress has been much slower,” because “the UN Security Council still has a core group of participants which reflects the world of 1945” (Serra 2016b).

The second meeting was held by the BRICS Ministers of Foreign Affairs, whose joint statement stressed issues such as the UN reform, the condemnation of terrorism, cooperation with developing countries, sustainability and environment, global economic governance, income inequality, health, and instability in Africa and Middle East. Minister José Serra, in his speech, highlighted the progress of the BRICS Development Bank, including the possibility of other countries to join the initiative. In addition, he pointed out that the international economy, despite showing signs of recovery, still had risks of retraction, particularly with the United Kingdom exit from the European Union. Finally, he pointed to the need for cooperation in the finance and health areas.

On October 15th and 16th, President Michel Temer attended the 7th BRICS Summit in Goa (India). In his speech, he warned about the “return of the protectionist temptation”, and that overcoming the Brazilian economic crisis will need a “combination of fiscal and social responsibility” (Temer 2016c). Besides that, he claimed that the BRICS were “priority trade partners and a source of investment” for Brazil, and that the so-called ‘ecosystem of innovation’, which had been highlighted during the G20 Chinese presidency, must integrate the BRICS countries’ national innovation systems (Temer 2016c).

On September 30th, the minister José Serra traveled to Israel by the time of the death of ex-President Shimon Peres. In addition, he met with the Israeli Prime Minister Benjamin Netanyahu, with the aim of strengthening economic relations, with emphasis on high technology defense and security Israeli products. On October 18th and 19th, President Michel Temer held a visit to Japan to sign a Memorandum for the Promotion of Investment and Economic Cooperation in the infrastructure sector, with a focus in the areas of transportation, logistics, information technology, communications, and energy.

On October 31st and November 1st, it was held the 11th Conference of Heads of State and Government of the Community of Portuguese Speaking Countries (CPLP). At the first day, there was also the 12th Brazil-Portugal Summit, whose joint statement addressed themes like economy, finance, trade, culture, education, and sustainable development. There were also discussions on the situation in Guinea-Bissau, and about the Association Agreement between Mercosur and European Union. In addition, there was the signing of a Memorandum of Understanding on Antarctic cooperation.

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On October 21st to 23rd, José Serra conducted a visit to Spain, where he also addressed the issue of the free trade agreement between Mercosur and the European Union. On December 7th, Serra also met with the United Kingdom’s secretary of State for International Trade and chairman of the Board of Trade, Liam Fox, approaching economic, trade and financial bilateral agenda. On the same day, in Davos, it was held a meeting between Mercosur and the countries of the European Free Trade Association – EFTA (integrated by Iceland, Liechtenstein, Norway, and Switzerland) – with the aim of negotiating a free trade agreement.

Final Considerations

The Brazilian Foreign Policy in the Temer-Serra partnership took new directions, although keeping some points from the Dilma Rousseff
government. The prioritization of the Mercosur-European Union Association Agreement, and the diplomatic isolation of Venezuela, allied with a low profile in multilateral fora, coupled with the pursuit of bilateral agreements, were the mark of the New BFP. Thus, “political retraction and economic pragmatism” seems to sum up the external orientation of the new Brazilian government, that put in a second place medium and long term project like national development, an autonomous international insertion, and the elevation of Brazil to the condition of great power.

However, its consequences are still to be evaluated. At the national level, the maintenance of trade surpluses and investments attraction will depend on the sustainability of the new economic strategy and the new BFP. Regionally, the prioritization of the OAS and the bilateral rapprochement with the Pacific Alliance countries can decrease the Brazilian bargaining power in front of other great powers, particularly regarding to the US, whose Donald Trump government seems to be focused in trade and production recovery with internal market bases.

Thus, it is worth asking what will be the Brazilian posture to the rise of political and economic conflicts between major powers such as USA, China, and Russia and regional powers. Choosing the European Union as an escape plan may be a neutral approach but it’s also risky, because it is not a single player in the International System. Besides that, the Brazilian free trade agreements approach doesn’t seem very innovative. Thus, the question is to see if the new BFP is to achieve good strategic partnerships like the one signed with France, and take the country to negotiate effectively with the other major powers such as USA, China and the allies from IBAS, G4, among others.

According to Rezende (2016), “it is true that the BFP on Dilma Rousseff administration didn’t keep up with Lula da Silva years. But it has maintained the progress made since then.” On the other hand, it can be said that the Temer-Serra New BFP political retraction was already visible on the chancellor’s inauguration speech. The discourse guidelines, as well as notes issued by MRE and the institution’s actions, point to the economic-commercial preference. Free trade and economic orthodoxy and the traditional partnership with North countries (Coronato & Milk 2016), can be illustrated by the binomial political retraction and economic subordination, as mentioned.

Finally, it should be noted that, as the BFP is a public policy (Milani and Pine 2013), it is natural that it can change from one government to another, since there are different interests and projects on conflict within the State. However, keeping some continuity and stability, as well as honoring principles historically defended by Brazilian diplomacy, are some of the expected attitudes, so as a foreign policy of strategic character based on international assertiveness and focused on Brazilian development.
Notes

3 Serra was a federal deputy and senator for the state of São Paulo in the early 1990s. During the government of Fernando Henrique Cardoso, he was Minister of Planning and Budget and Minister of Health. Subsequently, it became Mayor and Governor of the City and the State of São Paulo and, in 2014, he returned to be a senator.

4 Examples of these are the writes in response to a challenge of Latin American countries on Dilma’s impeachment, and a possible revision of Brazilian vote in Unesco with regard to the Palestinian Authority and the historic heritage in the Palestinian territories.

5 In this sense, it should be emphasized that the decline of the Dilma’s foreign policy wasn’t detached from the context of her government: the internal political-economic crisis and the world economic crisis. In that context, the possibility of expansion of the BFP was small.

6 The information not referenced in this topic have been collected from the MFA website.

7 According to Article 49 of Constitution, “is the exclusive competence of the National Congress (I) definitively resolve on treaties or international acts that give rise to charges or commitments to Brazil’s national wealth (Brazil 1988).

References


