

Brazil's foreign policy strategy after the 2022 elections

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Theme

After years shaped by enormous economic difficulties –aggravated by a devastating COVID-19 pandemic– and growing diplomatic isolation, Brazil is heading towards a presidential election which will have a profound impact on the country's place in the world.

Summary

At the upcoming presidential elections, the two leading candidates represent two strongly diverging world views and differ on what Brazilian foreign policy should look like. Jair Bolsonaro has pursued an 'anti-globalist' and anti-environmental strategy and systematically utilised international topics to mobilise his followers –for example, by attacking China and by embracing Trump-inspired theories about voter fraud in the US elections and COVID-19 or by questioning the science behind climate change–, which has contributed to Brazil's growing isolation on the international stage, affecting the country's ties to the US, China and Europe. Lula da Silva, on the other hand, represents a return to Brazil's more traditional foreign-policy stance with a greater emphasis on multilateralism and a more cooperative international posture. Contrasting Bolsonaro's denialist stance in the realm of the environment, Lula da Silva has promised to prioritise the reduction of deforestation and protection of indigenous peoples, recognising that he could have done more on the environmental front when he was President from 2003 to 2010.

Yet despite occupying completely different positions on the ideological spectrum – regarding issues such as economic inequality, democracy, human rights, abortion, the environment and public health–, geopolitical realities will produce a number of challenges over the next years that both Bolsonaro and Lula would seek to address, if elected to govern for the upcoming presidential mandate, in a broadly similar fashion: in a world increasingly shaped by geopolitical tensions and great-power politics, Brazil will most probably continue to pursue its traditional strategy of seeking to preserve its autonomy and maintain cordial ties to all major centres of power, such as the US, the EU, Russia and China.

Analysis

Brazilian voters face a stark choice between incumbent Jair Bolsonaro and former President Luiz Inácio 'Lula' da Silva when they get to decide who will govern the country over the next four years. The outcome of the election is set to have a profound impact on Brazil's role in international affairs for years to come.

Known as an emerging power with global ambitions a mere decade ago, Brazil has experienced a near-constant political crisis since 2013 and its GDP has barely grown at all since then, leading to the catastrophic reversal of expectations that led to the election of the anti-establishment candidate Jair Bolsonaro in 2018. Over the past three years, the former army captain, whose rise symbolised a broad public rejection of the country's political elites, has sought to implement the most profound change in Brazilian foreign policy in decades. While past governments embraced the long-held consensus that multilateral forums provided the ideal platform for Brazil to defend its interests, the Bolsonaro government has systematically attacked international institutions and sought to align with the Trump Administration in areas such as the fight against climate change and addressing migratory crises. Marking a sharp contrast to previous governments' efforts to preserve cordial ties with partners from around the world, the Bolsonaro administration deliberately utilised foreign policy topics to mobilise followers or distract public opinion when necessary, be it by verbally attacking the governments of Argentina, Venezuela, China, France and the EU or, more recently, by questioning the legitimacy of Joe Biden's victory in the 2020 US presidential elections. In the same way, Bolsonaro sought to move Brazil closer to countries governed by allies, such as the US under Trump and Argentina under Macri, but bilateral ties soured when both men failed to win re-election.

This has led to a degree of diplomatic isolation of Brazil not seen since the country's democratisation in the late 1980s. The international perception that Brazil was governed by a radical was consolidated during the COVID-19 pandemic, when Bolsonaro embraced a denialist stance, actively sought to undermine social distancing measures and remains, to this day, one of the few heads of state who claims to be unvaccinated. Towards the end of his first presidential term, Bolsonaro became increasingly toxic in the West. When Brazil's President planned an international trip to Europe in response to Lula da Silva's visit to Berlin, Paris and Madrid, where he was received like a statesman, Bolsonaro was able to secure invitations from Moscow and Budapest, which he visited in late February 2022. The fact that Bolsonaro's only stop in the EU was Hungary, a country itself largely isolated in the bloc and of little economic or strategic relevance to Latin America's largest country, ended up underlining how minor Brazil's ties to Europe had already become.

The perhaps greatest rupture of all in Brazil's foreign policy did not occur with regard to any particular issue area, but vis-à-vis the foreign policy process itself. Bolsonaro not only chose Ernesto Araújo, a radical conspiracy theorist, as Foreign Minister, but also sought to actively erode the power of the Foreign Ministry itself, which the President and his sons, powerful politicians in their own right, describe as a hotbed of 'globalism'. While Araújo was pushed out in early 2021 after Brazil's powerful agribusiness began to fear that his anti-China rhetoric was endangering the country's bilateral ties to the Middle Kingdom and was substituted by a less radical bureaucrat, the Ministry's loss of influence is, to some extent, likely to be irreversible: when the federal government seemed to block the purchase of vaccines at the height of the COVID-19 pandemic, state governments readily occupied the vacuum of power and established structures to operate internationally and negotiate with foreign governments. In January 2021, São Paulo state Governor João Doria, who had previously opened international representations in several countries, oversaw the first vaccination using the Coronavac vaccine from China,

which the state government had purchased directly. Even when a future President seeks to empower the Foreign Ministry, state governments are unlikely to voluntarily give up the international protagonism they have accumulated during the Bolsonaro years.

Consequences of a possible second Bolsonaro term

In 2018, Jair Bolsonaro, a former army captain and political maverick known for his admiration of the military dictatorship, won the presidential contest thanks to support from three groups.

First, Bolsonaro called for a moral restoration of Brazil, garnering the support of voters who were tired of corruption and conservatives who disliked progressive issues such as LGBT rights, atheism and affirmative action. On the foreign policy front, the influence of this group translated into a rapprochement with Israel and a conservative stance at the UN, for example, opposing the use of the term 'gender' in resolutions, aligning with Pakistan, Russia and Saudi Arabia. The so-called 'ideological faction' of the government also included a number of radical pro-Trumpists who repeatedly attacked China, Argentina, globalism and science, which contributed significantly to Brazil's growing isolation.

Secondly, Bolsonaro emphasised public security in his 2018 campaign, promising to govern with the help of the armed forces, which began occupying a large number of political positions in the Bolsonaro government. During most of the first presidential term, more than 7.000 armed-forces officers (both active-duty and retired) joined the government, and generals have held numerous ministerial-level posts and the vice-presidency. The highly visible role of active duty soldiers in day-to-day politics set a deeply worrisome precedent for a country that emerged from dictatorship only a few decades ago, and which never fully came to terms with its past, evidenced by the military leadership's refusal to support a systematic independent inquiry into human rights abuses committed during the dictatorship. On the foreign policy front, this group played only a limited role, even though it reduced Brazil's legitimacy to speak out against democratic backsliding elsewhere in the world.

Finally, during the campaign Bolsonaro invited Paulo Guedes, a well-known liberal thinker, to become Minister of the Economy, promising large-scale privatisations and a radical liberalisation of Brazil's economy, a move that helped attract the support of financial elites and voters who believed a fundamental change was necessary in the realm of Brazil's economic management. The so-called 'liberal faction' helped Bolsonaro to be initially welcomed on Wall Street and at the World Economic Forum (WEF), yet Guedes' influence quickly waned when it became apparent that President Bolsonaro, an economic populist at heart, was unwilling to provide support for economic liberalisation. While Brazil did formalise its candidacy to join the OECD, everything suggests that member countries are unlikely to accept the country's bid as long as Bolsonaro is President.

During a possible second mandate for Jair Bolsonaro, the first group would probably play a somewhat more limited role on the foreign policy front, largely because Brazil's agribusiness grew increasingly concerned with the faction's virulent anti-China rhetoric.

At the same time, the ideological faction is likely to prevent the government from adopting a more cooperative stance in the realm of climate change or public health, considering how important Bolsonaro's denialist stance on both issues is to mobilise his followers. Given the topic's increasing importance in societies across the West, another four years under Bolsonaro would most likely further complicate Brazil's relationship with the EU and the US.

Bolsonaro's re-election would thus likely exacerbate Brazil's diplomatic isolation in the West, where the President's reputation is largely beyond repair. In the EU, political resistance to Bolsonaro would probably be too great to advance in the realm of two areas where rapprochement is possible: the ratification of the EU-Mercosur trade deal and Brazil's OCDE candidacy. To make matters worse, there is a significant possibility that a second presidential term for Bolsonaro could accelerate the country's democratic erosion, as has been the case in countries like Venezuela, Nicaragua, Turkey and Hungary. In fact, with very few exceptions –such as Fujimori's coup in 1992– democratically elected leaders with authoritarian ambitions need at least two terms in office to weaken democracy significantly. Such a scenario has the potential to further deteriorate Brazil's ties to the West.

That, in turn, will strengthen a trend that became visible in Brazilian foreign policy since 2016: presidential trips to the West have become increasingly rare, while leaders have emphasised international travel to Asia and the BRICS summits in particular. This precedes President Bolsonaro, since Michel Temer –who succeeded Dilma Rousseff after her impeachment in 2016– did not visit Washington a single time but did travel to China twice, in addition to Japan and India. Bolsonaro, despite having frequently attacked China, has become reliant on BRICS Summits to avoid diplomatic isolation and has not undertaken a single bilateral presidential visit in Western Europe or the US since Trump lost the elections.

Lula's return: back to normal?

Bolsonaro's main challenger, former President Luiz Inácio Lula da Silva, who is currently leading in the polls, has utilised his vast international network to project himself as an experienced statesman, in contrast to Bolsonaro's more aggressive international approach. In numerous interviews with international news outlets, Lula has made the case that, if elected, he would yet again turn Brazil into a country willing and able to contribute to addressing global challenges. In particular, Lula has emphasised his commitment to doing more to combat deforestation in the Amazon, an issue that has come to define Brazil's global reputation more than anything else. While his government's track record on climate change is far from perfect –as Lula himself has recognised–, deforestation did slow down during his time in office, and there is a reasonable chance that a Lula administration would succeed in substantially reducing deforestation, which would quickly attenuate the negative international reputation the country has acquired over the past years. Countries like Germany and Norway, which suspended payments made to the Amazon Fund in reaction to the Bolsonaro government's anti-environmental stance, would quickly resume their financial contributions and it is quite likely that the Biden Administration would be willing to enhance cooperation with Brazil in the realm of climate change with any government

ready to re-engage internationally on the subject. However, it is unclear whether the Lula administration will be eager to continue the process of acceding to the OCDE. Lula's former Foreign Minister and current key advisor on international issues has publicly criticised the organisation and said *being part of the OCDE would not produce significant benefits for Brazil*. While Lula would certainly reduce some of the resistance in Europe as regards the ratification of the EU-Mercosur trade deal, it must be borne in mind that Brazil's Workers Party governments, including that of Lula da Silva's, have been reluctant to promote trade liberalisation and it is far from assured that achieving ratification would be a priority in Lula's foreign policy.

Compared with 2002, when Lula was elected and ushered in a period of unprecedented diplomatic activism –in part thanks to domestic political stability and, later on, to high commodity prices–, Brazil is in a much more difficult position now. To begin with, contrary to what the incoming Lula administration sometimes claimed, he inherited a Brazil that was in remarkably good shape and internationally respected. If Lula were to become President in 2023, he would take over an economy weakened by a decade-long stagnation much worse than the notorious 'lost decade' of the 1980s, with profound structural deficiencies in the areas of public education and infrastructure, an unprecedented brain drain and an Amazon forest close to tipping point. In the same vein, Brazil's trade relations have changed profoundly over the past 20 years. Trade with Argentina, for instance, has fallen in absolute terms over the past decade, and declined dramatically as a percentage of Brazil's overall trade, weakening the voice of those in Brazil calling for a strong regional engagement. China, on the other hand, is Brazil's most important trading partner since 2009, explaining why Presidents have been keen to preserve the BRICS grouping. In 2022 *Brazil lost the position* as Argentina's top trade partner to China, symbolising a de-regionalisation of trade relations across South America. Still, from a diplomatic point of view, Lula da Silva may seek to re-establish a platform for regional dialogue, be it UNASUR or something similar, an effort that is likely to be facilitated by the fact that most countries in the region are currently governed by leftist or centre-left Presidents. Meaningful cooperation, whether in the realm of improving physical infrastructure across the region or acting jointly in the realm of global health –such as vaccine distribution– remains unlikely.

Those who expect Brazil, in the case of a Lula victory, to quickly return to its days of active engagement on the international stage, however, may underestimate how profoundly internal challenges in the coming years may limit the President's international role. Contrary to US Presidents, who sometimes increase their international activism when they are unable to push through meaningful legislative projects at home, Brazilian Presidents are only able to pay attention to foreign policy when things are going well on the domestic front.

Most importantly, the risk of the incumbent not recognising the result in the event of a Lula victory continues to be high, potentially leading to protest and post-election violence by radical Bolsonaro followers. The closer the result, the higher the risk of tension. The perception among electoral officials continues to be that if Bolsonaro loses, he will question the result and allege that the election was stolen. Bolsonaro consistently seeks to sow doubt about election integrity and said Brazil could have a 'worse problem' [of alleged fraud] than the US in 2020. The President's attempt to change the country's

electronic voting system to using paper ballots in the 2022 elections –which was rejected by Congress– should more likely be understood as part of a narrative that elections are vulnerable to tampering. The controversy is not new: in 2015 Brazil's Congress supported the addition of a 'voter-verified paper audit trail', a move rejected by the Supreme Court in 2018. Forty percent of Brazilians now support the change, in part due to the systematic propagation of conspiracy theories about election fraud on the social media. If Bolsonaro loses the elections, a replay of recent events in the US –including the incumbent's refusal to concede and the limited political violence that failed to stop the transfer of power– is a real possibility in Brazil. The consequences of such a scenario would be significant for Brazil's foreign policy. After all, a contested election result will almost certainly lead to a scenario in which a sizable number of voters who supported the losing candidate question the legitimacy of the incoming government. This, in turn, is set to make governing far more difficult, increasing the risk of domestic instability, which, in turn, makes it harder to design and implement a more active foreign policy.

In order to reduce the risk of such an event, Lula da Silva is increasingly projecting himself as a moderate and has sought to engage five groups that are, potentially, the most concerned about his potential return to power: (a) social conservatives; (b) agribusiness; (c) financial markets; (d) the military police; and (e) the armed forces. By picking Geraldo Alckmin, a conservative former Governor of São Paulo, as his running mate, Lula is seeking to reduce scepticism among social conservatives. Alckmin is already attempting to bridge the gap between the Workers Party and agribusiness, a bastion of Bolsonaro supporters. Lula also signalled he would not alter existing rules on Central Bank independence, a move likely to assuage economic elites. Marcio França, an Alckmin ally, could establish a dialogue with the military police. Finally, Lula has attempted, through former Defence Minister Nelson Jobim, to initiate a dialogue with the generals and, to a lesser extent, with the military police. Only the latter two have not been fruitful so far. The more successful his attempts are, the lower the risk of extreme polarisation.

Conclusion

A Bolsonaro victory in October would most likely deepen Brazil's isolation while a Lula victory would symbolise Brazil's return to a country supportive of international cooperation. Yet interestingly enough, regarding the question of how to address one of the country's most complex geopolitical challenges, Bolsonaro and Lula largely converge, reflecting a broad consensus among Brazil's foreign policy making community. In a world increasingly shaped by the return of geopolitics –symbolised by the US-China Tech War and the unprecedented Western sanctions against Moscow in the aftermath of the Russian invasion of Ukraine– and despite the differences between the two candidates, both a return of Lula and a continuation of Bolsonaro as President would see Brazil continue its foreign policy tradition of avoiding being part of alliances that can limit its autonomy on the international front. In practice, this means that Brazil will continue to be deeply reluctant to join the West in imposing sanctions against Russia. In fact, while Brazil's reaction to the war in Ukraine had been somewhat less clumsy under Lula than under Bolsonaro, who expressed solidarity to Putin during a visit to Moscow only days before the invasion, the overall response would have been broadly similar: strategic ambiguity and the avoidance of clearly taking sides. While supporting

two UN General Assembly resolutions condemning Russia, Brazil abstained from the resolution suspending Moscow from the UN Human Rights Council, and the Brazilian government actively opposed Western attempts to exclude Russia from the G20. Brazil's Foreign Minister, Carlos França, has furthermore been critical of Western sanctions against Russia, pointing to the negative economic consequences they would have in developing countries. While one can only speculate, nothing suggests that Brazil would have behaved differently if Lula had been President and, in fact, during the first two months of the war he has not been critical of Bolsonaro's overall handling of the crisis.

This overarching consensus in Brazil should not be misread as indifference to the plight of Ukrainians nor support for Russia's blatant violation of international law. Rather, it reveals a profound unease regarding the West's selective support of international rules and norms –after all, Brazilian foreign policy makers point out, the US did not suffer diplomatic isolation or sanctions in response to the 2003 invasion of Iraq–. In the same way, Brazil's more cautious approach reflects the belief that maintaining ties to other centres of power –such as Russia and China– help Brazil manage its highly asymmetric relationship with the US.

This suggests that even if China were to invade Taiwan, Brazil would most likely seek to preserve ties to all major powers, including Beijing. Just like other Latin American governments, Brazil has largely sought to position itself above the fray as the US-Chinese diplomatic relationship has worsened, quietly consolidating ties to both sides.

Since 2021, however, this strategic neutrality faces an unprecedented challenge, and US-China tensions over 5G are an instructive example of what is to come. After being subject to diplomatic pressure from both the US and China over the past few years, Brazil had to finally decide whether to allow Huawei to provide equipment for the construction of its 5G cellular networks. This pitted the Chinese firm, which has a long-standing presence in Brazil, directly against US-backed competitors –and there was no pleasing both sides–. Brazil's final decision –the construction of a public 5G network with Huawei and a government 5G network banning the firm– looked like an awkward compromise trying to have it both ways, but it was largely interpreted as a diplomatic win for China, which may lead to a downgrade of US-Brazil security relations further down the road. Navigating these tensions successfully will be the major foreign policy challenge of the next Brazilian government, whether led by Luiz Inácio 'Lula' da Silva or Jair Bolsonaro.