
Lula's foreign policy: normalisation and friction

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Theme

After widespread relief in capitals around the world about Bolsonaro's failed re-election bid in October 2022, Lula has normalised Brazil's ties to the rest of the world. Yet at the same time, friction between Brazil and the West vis-à-vis the war in Ukraine, as well as Lula's controversial views regarding Venezuela, reveal more fundamental disagreements about global order. At the same time, domestic challenges are likely to make it harder for Brazil's President to sustain the high diplomatic pace shown so far and cede part of the foreign policy agenda to the Foreign Ministry.

Summary

Lula's electoral victory has been greeted around the world as the return of a more engaged, predictable and constructive Brazilian foreign policy, particularly in areas such as multilateralism, the fight against climate change and regional leadership. In several areas, the new government, which was inaugurated on 1 January, has fulfilled such expectations. Brazil's ties to major partners such as China, the US, Argentina and European powers are largely back to normal, and Brazil has, in many ways, regained its status as a key player in the Global South, reflected by Japan's decision to invite Lula to the G7 summit in April. Numerous Western powers have made significant financial commitments to the Amazon Fund, which was recently relaunched after having been suspended under Bolsonaro. After the relationship between Brazil and the EU had deteriorated significantly, ratification of the [EU-Mercosur](#) free trade deal is now back on the table, even though a final decision is unlikely to be made in the coming months. After having largely abandoned any attempt to engage its South American neighbours under Bolsonaro, Lula organised a presidential summit in late May in an attempt to take the reins of a continent that has been largely adrift over the past decade.

Yet, at the same time, Brazilian foreign policy has been overshadowed by a widespread consternation, in the West, over Lula's stance vis-à-vis the war in Ukraine –symbolised by comments such as considering both Ukraine and Russia equally responsible for the conflict, and that, according to Lula's top diplomatic advisor Celso Amorim, '[Russia's concerns over Ukraine must be taken into account](#)'–. While part of the most controversial statements may be attributed to Lula's habit of making improvised and off-the-cuff remarks, his comments also reveal deep-seated misgivings about the global liberal order, which is set to complicate ties between Brazil and the West more generally in the coming years. This does not mean, however, that Brazil will systematically side with China: for example, Brasília opposes Beijing's plan to invite additional countries to join the [BRICS](#) grouping to form an anti-Western bloc led by China. In the same way, it would be an exaggeration to say that Brazil clearly sides with Russia: after all, in February

2023, it was the only BRIC member to support a UN General Assembly resolution calling for an immediate withdrawal of Russian troops from Ukrainian territory.

Finally, despite significant potential to engage Brazil on issues such as climate change, international observers tend to underestimate the severe difficulties Lula is set to face on the domestic front, particularly if the economic scenario does not improve quickly. It must be taken into account that Brazil has just completed a decade of non-stop political upheaval during which all Presidents were either impeached or faced the spectre of impeachment, making it hard to place a sustained focus on foreign policy.

Analysis

Five months into President Lula's third presidential term, Brazil is back on the global stage, marking a sharp break from the Bolsonaro government's isolationist strategy that had led to a downgrade in ties to almost all major partners and diminished the country's role in international forums. [During Bolsonaro's four years in office](#), Brazil's President had picked fights with China, numerous European and Latin American countries and, once Biden came to office, with the US, which led Bolsonaro to initiate a process of de-escalation vis-à-vis Beijing. While the BRICS grouping became a political life raft for Bolsonaro and China was far less concerned about his re-election than the West, ties to China did not fully recover from Bolsonaro's anti-China stance during the first two years of his mandate.

[Bolsonaro's egregious foreign policy mistakes](#) and aggressive rhetoric vis-a-vis countless foreign leaders was so destabilising that Lula enjoyed a massive foreign policy advantage when he was inaugurated. Simply not being Jair Bolsonaro generated unprecedented global goodwill –particularly in the West– and a readiness to turn a blind eye on early signs that ties to Brazil would not be problem-free. After all, even prior to Lula's return to the presidency, an interview with TIME magazine a few months after Russia's invasion suggested Brazil and Europe would not be on the same page as regards Ukraine. In the conversation, Brazil's President [argued](#) that, even though he did not know Zelensky, he thought Ukraine's President was more interested in appearing on television than negotiating a peace agreement. In the same way, it was not lost on Western observers that Lula, as President, had embraced a protectionist strategy – [making ratification of the EU-Mercosur free-trade agreement potentially difficult](#)–, had often criticised the OECD (with which Brazil is in accession negotiations since 2022) and negotiated a nuclear agreement with Iran in 2010 that led to a crisis in Brazil's relations with the US.

Still, the strong preference for Lula in many capitals around the world has already been vindicated. A string of high-profile meetings with leaders from, among others, the US, the UK, Germany, Spain, China and many other leaders reflects the global willingness to have Brazil back at the table, and Lula's capacity to benefit from this highly advantageous situation.

Brazil's views on Ukraine and global order

Still, President Lula's rhetoric vis-à-vis the war in Ukraine and the West's reaction merits closer attention given its potential to have more far-reaching consequences for Brazilian foreign policy. Brazilian diplomats readily describe Russia's invasion as a flagrant violation of international law and another country's sovereignty, and President Lula himself has frequently recognised that Ukraine is a victim of Russian aggression. Furthermore, Brazil has supported, in February 2023, a UN General Assembly resolution calling on Russia to immediately withdraw its troops from Ukrainian territory, diverging from all other BRICS countries. And yet the Brazilian President has also made numerous statements that have put it at odds with Western governments, ranging from his assertion that Ukraine and Russia share the same responsibility for the war and that the US should stop incentivising the continuation of the war, which caused the US government to respond that Brazil was 'parroting Russian and Chinese propaganda'.

There are three issues that need to be taken into consideration to understand Lula's stance on the war in Ukraine. First, the Lula government's non-aligned strategy may strike observers as awkward and may in fact negatively affect ties to the West, but it needs to be seen as the continuation of efforts to preserve Brazil's strategic autonomy and hedge its bets in a world shaped by geopolitical turbulence of uncertain outcomes. This strategy has been part of Brazil's foreign-policy DNA since its independence, including efforts to move closer to the US to balance European influence in Latin America in the early 20th century, sit on the fence as long as possible during World War II and, more recently, strengthen ties with China to balance US influence. All this has traditionally been underpinned by the notion that Brazil should avoid becoming entangled in alliances and blocs that pin it down and rob it of its capacity to preserve its freedom to adjust its overall position according to its interests. While European –and particularly Ukrainian– observers have strongly criticised Brazil's position and sought to convince it that Russia's invasion was unprovoked, Brazil's position can largely be explained by broader strategic considerations unrelated to Ukraine per se. It thus only makes sense that Lula's position on Ukraine is not being challenged by the opposition in Brazil. While there are numerous critics who question Lula's ambition to mediate and his improvised remarks, few elected officials call on the President to fundamentally revise the government's position on the war in Ukraine. [Joining the West in imposing sanctions on Russia would risk reducing Brazil's strategic wiggle room](#) at a moment when it is very hard to assess how growing tensions and the emergence of a new Cold War will impact global affairs and Brazil's place in them.

Secondly, despite the limited size of the Russian economy and Brazil's trade relationship with Russia, the country's economic and diplomatic influence in Brazil –and the Global South more generally– is often not fully appreciated by Western observers. Around a quarter of the fertilisers Brazil imports hail from Russia and in the immediate aftermath of the invasion in February 2022, numerous Brazilian agricultural companies were deeply concerned and requested geopolitical analyses to assess the risk the conflict posed to their fertiliser imports. This explains why Brazil's Foreign Minister at the time criticised Western sanctions against Russia, for fear that they would increase the price of fertilisers or through indirect sanctions, make shipping companies refuse to carry the product to Brazil. Russia's political influence in Brazil should also not be underestimated. While Ukraine lacks a diplomatic structure and manpower in Brazil and much of the Global

South is very limited, Russia still possesses a large network of diplomats capable of making the government's case around the world. While Russian government-affiliated online platforms were banned in many countries in the West, that is not the case in Brazil, where websites such as SputnikBrasil share content in Portuguese which is then shared by other domestic websites. The portal Brasil247, for instance, popular among Brazil's far-left, at times refers to the war in Ukraine as a 'special military operation', suggesting that such texts have originally been published by pro-Russian or Russian government-affiliated websites. Finally, President Putin is relatively popular among Brazil's anti-American left –which regards Russia as the successor of the Soviet Union and one of the US's main antagonists– and the Trumpist right, which admires Russia's President for his conservative views and anti-woke stance.

Finally, Brazil's government –just like several others in the Global South– has a series of more profound misgivings about the nature of the global order that are often neglected by Western observers. For example, there is a perception among developing countries, including Brazil, that today's order has too many in-built hierarchies and special privileges for established powers that make the system less rules-based than Western rhetoric would suggest. The US, for instance, did not face economic sanctions in the aftermath of the Iraq War, and neither did any of those responsible for the war –and for well-documented atrocities– face the International Criminal Court. Another example is the NATO countries' decision to transform the UN Security Council resolution 1973, which green-lighted military action to protect the civilians of Benghazi in 2011, into a mission for regime change, producing a vacuum of power that nobody in Libya has been able to fill since then, contributing to regional instability across Northern Africa. Numerous other elements –such as the 'gentlemen's agreement' that allows the US to pick the World Bank President and Europe to choose the head of the IMF– reveal a continued pro-Western bias that is crucial to understand why the Global South has been reluctant to consider the war in Ukraine as the epoch-defining event it is in the West, and unwilling to join imposing sanctions against Russia.

This suggests two things. First, the West's focus should be to manage its differences with Brazil as regards the war in Ukraine, rather than trying to convince the Lula government to change its position. That also involves trying to bracket the issue in order to advance on other aspects of the relationship with Brazil. Secondly, Western observers should have no illusions about how the current Brazilian government would react [if a war broke out in Taiwan](#). Just like the case of Ukraine, Brazil would seek to maintain its form of neutrality, which –depending on the nature of the conflict (and how it came about)– has the potential to further strain relations between the West and Brazil.

Furthermore, disagreement between the West and Brazil (and the Global South more broadly) may emerge in other areas not directly related to armed conflict. Brazil's attempt to remain neutral amid worsening tensions between the US and China, for example, will be particularly challenging in the context of the emerging Tech War, which may see the emergence of mutually exclusive technological spheres of influence that allow few satisfactory options for fence-sitters. During the Bolsonaro years already, Brazil's strategic neutrality faced an unprecedented challenge, and as Brazil became subject to diplomatic pressure from both the US and China it 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-Brazilian security relations further down the road.

Domestic challenges and the main stakeholders in Lula's governing coalition

During the 2022 presidential campaign, Lula da Silva projected himself as a moderate and sought to engage the five groups that were most concerned about his return to power: (a) social conservatives; (b) agribusiness; (c) the 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 sought to reduce scepticism among social conservatives. Alckmin attempted to bridge the gap between the Workers Party and agribusiness, a bastion of Bolsonaro supporters, and early on normalised ties with China as a means of reducing the fervent anti-Lula sentiment among Brazilian agribusiness leaders. In the same way, Lula signalled he would not alter existing rules on Central Bank independence, a move likely to assuage the economic elites. Finally, Lula attempted, initially through former Defence Minister Nelson Jobim, to initiate a dialogue with the generals and, to a lesser extent, with the military police.

Five months into the Lula government, it seems evident that the President has made little headway in attracting the groups most opposed to him over the past years. Despite taking numerous agribusiness leaders to a high-profile visit to China in April and despite reporting high growth figures in the first quarter of the year, the sector in general remains highly sceptical of the President. The armed forces, currently on the defensive after their partial connivance with anti-democratic protesters that led the attack on the presidential palace, Congress and the Supreme Court in January, are unlikely to seek a rapprochement with the Lula government, so they continue to pose a threat to Brazil's democracy. Their relationship with Lula can be best described as an uneasy truce, and there has been no formal reckoning among the generals of the armed forces' excessive politicisation under Bolsonaro or their continued reluctance to once and for all accept civilian authority. The financial markets remain deeply sceptical of President Lula after his frequent attacks against Central Bank President Roberto Campos Neto and rumours that, unless Campos Neto lowers interest rates in the coming months, the President may try to force him out.

The fact that Lula gained only 50.9% of the votes in the runoff suggests how important reaching out to centrists has been to secure victory, and how easily Lula could have lost the race had he allowed the 'political wing' of the Workers Party –a common euphemism for the party's more radical left-wing members, which include the party Chair Gleisi Hoffmann– had played a more dominant role in the campaign. This dynamic helps explain why Lula could appoint a relatively centrist PT member as Minister of Finance, while more radical PT members were relegated to positions such as head of the Brazilian National Development Bank (BNDES). While more radical voices in the PT have frequently attacked Finance Minister Haddad over the past months, he can be considered, for the time being, to be safe in his seat.

On the foreign policy front, this dynamic has also been evident to some extent. While the Workers Party's overall philosophy is largely protectionist and Brazil concluded very few trade deals when it was in power from 2003 to 2016, this time Lula has signalled early on that he would like to see through the ratification of the EU-Mercosur trade deal, in part due to Uruguay's initiative to begin bilateral trade negotiations with China, which is a challenge to Mercosur's common external tariff. The recent visit of European Commission president Ursula von der Leyen to Brasília, during which Lula and von der Leyen said they both intend to conclude the ratification of the trade deal until the end of the year, is a welcome sign of pragmatism and suggests there is a willingness on both sides to bracket disagreements regarding issues such as the conflict in Ukraine. Among Brazilian policy makers, however, there is a perception that ratification may still fail, largely due to resistance among a number of European governments, above all France.

Yet in other areas, Lula's foreign policy rhetoric has been quite radical and aligned with the Workers Party's overall world view, as when he defended Venezuelan President Nicolas Maduro's 'democratic legitimacy' despite well-documented abuses committed by the Maduro regime that led the vast majority of observers (and democracy indices) to consider [Venezuela a non-democratic regime](#). While such rhetoric may please PT stalwarts, it irked more centrist elements of his governing coalition, in addition to mobilizing the far-right, which has long defended the unsubstantiated narrative that Lula would like to transform Brazil into a Venezuela, ie, that he is, supposedly, an authoritarian leader behind a democratic façade.

Perhaps the most important issue that will determine Lula's capacity to craft an ambitious foreign policy is how the President will be able to deal with a strongly conservative Congress that the government will struggle to work with. Indeed, during the month of May, Lula suffered a series of important defeats, raising questions about whether he spent too much time traveling abroad rather than personally attempting to appease legislators, who are seeking to preserve the gains made by Congress over the past decade, as Presidents in Brazil have successively become weaker. Managing the relationship with Congress and protecting the government's environmental agenda will be particularly important for Lula's foreign policy: after all, if Lula fails to make significant progress in fighting deforestation, and if Environment Minister Marina Silva is once again forced out –as occurred in 2008, during Lula's second presidential term– Brazil's capacity to project itself as part of the solution (rather than the problem) in the fight against climate change will diminish dramatically.

Conclusion

During the first five months of his third presidential term, Luiz Inácio 'Lula' da Silva has successfully reversed Brazil's unprecedented diplomatic isolation that shaped the Bolsonaro years. Considering the depth of problems that had arisen between Brazil and many of its main partners between 2018 and 2021 –ranging from the suspension of the Amazon Fund, financed by Norway and Germany, the breakdown of the presidential dialogue with Argentina and Bolsonaro's insistence on questioning the legitimacy of the US presidential elections in 2022–, Lula's foreign policy record has been quite impressive.

Yet it is equally impressive how quickly Brazil's international honeymoon –particularly with the West– has ended. While divergences in the geopolitical arena can be expected and are normal, the degree of the backlash in the West about Lula's Ukraine stance reveals how much the world has changed since he last occupied the presidency in 2010. While Lula's stance on [Iran's nuclear programme](#) and the Iraq War in 2003 also differed from those of several Western countries, they did not produce the same reaction, in part because Russia's invasion of Ukraine is, to some extent, seen as an existential threat by many Europeans. At the same time, Lula's position differs less from that of other leaders in the Global South than the European policy-making elites would like to admit, pointing to a broader division between the West and developing countries. The reluctance in the Global South vis-à-vis Western demands to take a more resolute stance against Russia points to broader misgivings about global order, as well as a widespread desire not to downgrade ties to Moscow, which retains considerable diplomatic and economic influence around the world despite Western sanctions.

What will mostly determine Brazil's foreign policy for the remaining three and a half years under Lula, however, has little to do with Ukraine or other global challenges. Rather, Brazil's domestic political situation –to a significant degree depending on its economic trajectory– will determine its role in global affairs and Lula's capacity to devote the time and energy necessary to consolidate Brazil's role as a global diplomatic powerhouse.