

## BRAZIL: LADDERS AND SNAKES

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### Abstract

*Moksha Patam* is a game associated with traditional Hindu philosophy that was later marketed in England as "Ladders and Snakes".

The evolution of Brazil in the last twenty years, especially its trajectory as an "emerging power", can be analysed taking into consideration this ancient Indian game. Indeed, during the first decade of the 21st century, Brazil enjoyed a great political and economic bonanza. In its actions, both nationally and internationally, only the "ladders" seemed to prevail, which drove domestic economic growth, increased the social welfare of the lower and middle classes and promoted the country's international emergence.

However, in the beginning of the second decade of the new century, and in the wake of the 2008 crisis, the international game as a whole began to suffer complications. This systemic variable quickly combined with growing internal problems that dragged Brazil towards multiple "snakes" that plunged the country into economic recession, the reprimarization of the economy and corruption. In this context, it is then necessary to pose the question: what are the ladders that the Brazilian government succeeded to climb and stay in that position? What factors can explain the recent and increasingly frequent snakes Brazil is entrapped in? From a theoretical point of view, the discussion presented here is framed, in a broad sense, in the debates related to the rise and fall of powers in the international structure. To what extent do the internal and external factors that explain the future of a given State condition its position in the global framework? Taking into account the case of Brazil: what are the consequences - both regarding its achievements and its recent troubles - for its international path?

### Keywords

Brazil; emerging power; foreign policy; Brazilian crisis; PT governments.

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## BRAZIL: LADDERS AND SNAKES<sup>1</sup>

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### 1. Introduction

*Moksha Patam* is a game associated with traditional Hindu philosophy that was later marketed in England as "Ladders and Snakes". Based on its origins, the game emphasized two concepts: "karma" and "kama", or destiny and desire. In other words, the game was used to teach the consequences of good deeds as opposed to bad ones. Accordingly, while the "ladders" represented virtues such as generosity, faith and humility, the "snakes" represented vices such as lust, anger, murder, and theft.

The evolution of Brazil in the last twenty years, especially its trajectory as an "emerging power", can be analysed taking into consideration this ancient Indian game.

Indeed, during the first decade of the 21st century, Brazil enjoyed a great political and economic bonanza. In its actions, both nationally and internationally, only the "ladders" seemed to prevail, which drove domestic economic growth, increased the social welfare of the lower and middle classes and promoted the country's international emergence.

However, at the beginning of the second decade of the new century, and in the wake of the 2008 crisis, the international game as a whole began to suffer complications. In this sense, Brazil was able to stay out of these new difficulties only for a short period of time. This systemic variable quickly combined with growing internal problems that dragged Brazil towards multiple "snakes" that plunged the country into economic recession, the reprimarization of the economy and corruption.

In this context it is then necessary to pose the question: What are the ladders that the Brazilian government succeeded to climb and stay in that position? What factors can explain the recent and increasingly frequent snakes Brazil is entrapped in?

From a theoretical point of view, the discussion is framed, in a broad sense, in the debates related to the rise and fall of powers in the international structure and the consequent rearrangements of global power. From this perspective, the classic analyses carried out by Robert Gilpin (1987) and Paul Kennedy (1987) in the 1980s, as well as the neo-realist theoretical approaches of the 1990s (Krauthammer, 1991; Kissinger, 1994; Huntington, 1999) stand out. This research strand was further strengthened at the beginning of the 21st century (Amsden, 2001; O'Neil, 2001; Haas, 2008; Khana, 2008; Zakaria, 2009; Ikenberry, Mastanduno y Wolforth, 2009 y Acharya y Buzan, 2009).

The perspective of **neoclassical realism**<sup>2</sup>, in particular, is appropriate for this analysis insofar as this approach emphasizes the need to incorporate domestic variables into

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<sup>2</sup> Within neoclassical realism, Gideon Rose distinguishes three successive lines of work. First, the studies of Robert Gilpin, Paul Kennedy and Michael Mandelbaum, in the early eighties. Second, the research of Aaron Friedberg and Melvyn Leffler in the late eighties and early nineties. Finally, the actual neoclassical authors such as Fareed Zakaria, William Curti Wohlforth, Thomas Christensen and Randall Schweller (Rose, 1998: 155-156).



international analyses in order to have a better understanding of the policies conducted by state actors in the international arena (Rose, 1998: 147). Consequently, it is important to ask: in what proportion do the internal and external factors that explain the future of a given State condition its position in the global arrangement? Taking into account the case of Brazil: what are the consequences – of both its achievements and its recent troubles – for its international trajectory?

As a starting point for the analysis, it is argued that the combination of material capacities and influential resources allows explaining the situation of a given State in the world order, particularly from a political and economic point of view<sup>3</sup>.

With regard to Brazil's case, the argument is based on the idea that the government of Lula da Silva's Workers' Party (PT) joined this international game, from 2003 onwards, with strong intentions to climb up all ladders as they came about, underpinned by a serious, committed and ambitious domestic and external policy. However, as the years went by, mesmerized by a favourable international economic situation and a global environment that only seemed to praise the achievements of this Latin American country, the Brazilian government abandoned the path of effort. Thus, it settled for a comfortable economic policy that encouraged the reprimarization of the country, alongside a stance that endorsed, or at least pretended to ignore, an increasingly corrupt government behaviour (in association with private actors). As a result, PT governments, particularly after the administration of Dilma Rousseff, started losing the support of the majority of Brazilian society. In addition, pressures exerted from abroad – particularly by transnational investment groups and the world press – added to the withdrawal of support for the Brazilian political class, further aggravating the national crisis.

This work is based on a qualitative methodology with a high descriptive and analytical content, emphasizing the sequence of events linked to Brazil's case<sup>4</sup>. The time period chosen includes the three PT governments (two mandates of Lula da Silva and one of Dilma Rousseff) as well as the period encompassing Michel Temer's administration until today.

This article goes through the different ladders that the Brazilian government successfully climbed during the first decade of this century. Then, it examines each one of the snakes the country has met with along the way, starting in the second decade. Finally, it seeks to identify on what foundations Brazil can still sustain itself in order to rebuild itself and return to the game with new ladders that enable its long-awaited emergence.

## **2. Ladders: the PT government during the first decade of the 21st century**

During the first decade of the new century, hand in hand with the administration of Lula da Silva, Brazil commendably climbed up multiple ladders: sustained economic growth, social growth by means of the expansion of the middle classes, great international diplomatic activism, diversification of partners and implementation of what could be called a "showcase operation" tending to highlight the country worldwide.

Several analysts have identified this first stage as a bonanza period for the country (Rolland and Lessa 2010, Cervo and Bueno 2011, Cornelet, 2014, Cervo and Lessa, 2014). In effect, **long-term economic growth** also meant political stability. In the 2003-2010 period, Brazil had an average GDP annual growth of 4%. By the end of 2011,

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<sup>3</sup> It is important to clarify that strategic-military variables are not taken into account since they exceed the objectives set out in this work.

<sup>4</sup> To this, qualitative content analysis of documents was conducted (specialized bibliography on the monitoring of Brazilian policies, as well as official documentation of national and international organizations) and analysis of quantitative data.



it had become the sixth economy in the world, pushing Great Britain to seventh place (data from IBGE, 2011).

Regarding foreign trade, between 2003 and 2011 exports increased by 17%, surpassing the expansion of world trade (11.6%) (Cervo and Lessa, 2014:144). Likewise, a process of internationalization of Brazilian companies was conducted by means of growing incorporation into global productive chains (Actis, 2015).

According to Pierre Salama (2010:3), "it would be wrong to argue that the economic policy followed by Lula was a continuity of that defined by Fernando Henrique Cardoso: orthodox in monetary terms (high interest rates) and fiscal (primary budget surplus).

Although to some extent this is a founded explanation, it is simplistic. He adds that "Lula's policy, contrary to that of his predecessor, was aimed at achieving and accentuating the maintenance of demand levels based on the increase in the minimum wage and social transfers, the rise in public spending (after a tax reform) and credit facilities for consumption and production" (Salama, 2010:4).

Accordingly, another of the ladders that Brazil managed to climb through the **expansion of the middle classes** becomes clear. Indeed, since 2003, the lower middle class or "class C" became the largest in the country with 91 million citizens thanks to the rise of 27 million people who previously belonged to classes D and E.

With a family income of between 600 and 2,600 dollars per month, class C represented 37% of the Brazilian population in 2003, rising to 49% in 2008 (Getulio Vargas Foundation, 2010). According to data provided by the Institute of Applied Economic Research (IPEA) of Brasilia, for the first time in history the middle class exceeded half of the economically active population, standing at 51.84% of the population. This led to a marked reduction in poverty from 34.93% in 2002 to 25.16% in 2008 (IPEA, 07/08/2008). It should be noted that the increase in average income especially benefited the population with fewer resources located in the Northeast of the country.

It also started to be noticed that a good part of the new members of the lower middle class had more years of schooling, were more qualified and tended to sign formal work contracts (Sallum, 2008). It is important to bear in mind that many received a lot of government assistance through several ongoing social programmes, including the "Bolsa Família" (Family Allowance), the "Hambre cero" (Zero Hunger) plan, as well as those linked to education such as ProUni, FIES and ReUni<sup>5</sup>.

The described social policies also correlated in the external actions of the country. The principle "everyone is entitled to three meals a day", the moral basis of action in favour of the social inclusion of Brazilian citizens and the international inclusion of nations, implied a "multiplication of cooperation projects in the areas of agriculture, food, health and education sponsored both by the government and NGOs"(Cervo and Lessa, 2014:134).

In terms of foreign policy, a strategy of greater world visibility was developed, which was based on **intense international activity** through high-level multilateral and multi-spatial diplomacy. The Lula da Silva government carried out a clearly proactive external action, which was demonstrated by the numerous trips and bilateral visits made by the Head of Government and his Minister of Foreign Relations Celso Amorim<sup>6</sup>, as well as by the country's intense executive and technical participation in the most relevant world forums.

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<sup>5</sup> For additional information about the educational programmes see Sallum, 2008.

<sup>6</sup> In the period 2002-2010, the Brazilian president made 267 official visits to 83 countries around the world. Minister Celso Amorim, meanwhile, made 630 trips abroad and was received, at least once, in 106 states. In contrast, from 2003 to 2010, Brazil had the official visit of 281 heads of state and government from 108 countries and hosted 260 meetings with foreign affairs ministers. In other words, Lula da Silva received foreign officials on its territory an average of once a week (Ministry of Foreign Affairs of Brazil, 2011).



In fact, the government of Lula da Silva created and was the driving force behind multiple events for regional and global negotiation, such as UNASUR and CELAC in Latin America, and the Africa-South America (ASA) and South America-Arab Countries (ASPA) Summits. It was also actively present at global multilateral meetings held within the framework of the United Nations, the WTO, WHO, FAO and the COPs on Climate Change, among others, generating the creation of various pressure groups in defence of their interests. (G20 Agriculture Ministerial Meeting, BASIC). It was also one of the main promoters for the creation of forums composed of exclusively emerging powers such as IBSA or the BRICS. The government also sought the inclusion of Brazil in meetings traditionally attended only by the developed powers, such as the G7, in which the Brazilian State participated on several occasions as a special guest. Finally, the Brazilian government sought to demonstrate the regional and international importance of its country, promoting high-level political dialogues with the main traditional powers, that is, the United States and Europe<sup>7</sup>. In short, the government consolidated Brazil as a pole of regional power in South America and at the same time transformed it into a State with a relevant global insertion.

Within this same line of goals at international level, the TP government actively **diversified its commercial partners**. From this perspective, the Lula government encouraged the opening of new markets to include other developing countries in the external trade system.

As a result, while in 2002 Brazilian exports to non-OECD countries reached 38.5% of the total, in 2009 this amount rose to 57% (Amorim, 2010: 216). In this regard, Vigevani and Cepaluni (2007: 304) argue that the government of Lula da Silva encouraged the quest for autonomy by means of diversification, that is, both the partners and the strategic options of the country multiplied in order to achieve a better balance with the countries of the North.

Finally, the Brazilian government climbed the ladder of national and international greatness with the implementation of a "**showcasing operation**" to highlight the country worldwide, which earned it all kinds of praise, establishing a positive image of Brazil globally.

In this context, the "BRIC" concept acquired growing prominence in both the media and audiences in general, when they trumpeted the emergence of new powers that would replace existing ones. The "staging" of Brazil as one of the four global promises for the next fifty years - based on its economic potential - was the kick-start for the development of a Brazilian foreign policy increasingly shaped by global communication variables, that is, by the consideration of the "international community's gaze" and of the "national image" itself. From this perspective, it is worth mentioning the presence of a strong presidential figure, by means of which Lula da Silva placed himself at the centre of the national and world political scene<sup>8</sup>. In addition, the Brazilian government maintained a flowing communication with the national media in order to maintain good relations that would result in a higher popularity level for Lula (Breve, 2009). In the same way, Lula had an excellent degree of acceptance by the world press (BBC World, 31/12/2009). Therefore, the good opinion of Lula was replicated in the international image of Brazil, turning the country into a true centre of global attention.

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<sup>7</sup> In effect, the Brazilian government maintains a Global Partnership Dialogue with the United States, at ministerial level, and the European Union-Brazil Summits that began in 2007. Both are held annually (Ministry of Foreign Affairs of Brazil, 2011: 30-33)

<sup>8</sup> Having won the elections in the second round with 61.3% of the votes, he became the most voted president in the history of Brazil. For the 2006 elections, he won again in the second round with 60.82% of the votes, maintaining the support of the Brazilian people. Towards the end of his second term, Lula continued to have an 80% of positive image according to several Brazilian surveys.





It is also worth mentioning the publication made by *The Economist* (12/11/2009), entitled "Brazil takes off", which can be considered the corollary of all this recognition stage of Brazil by the media and international think-tanks.

Finally, the "showcasing operation" also involved the establishment of Brazil as a venue for mega events organized by civil society - social, environmental, sports - among which the 2014 FIFA World Cup and the 2016 Olympic and Paralympic Games in Rio de Janeiro stand out.

### 3. Snakes: Brazil from the second decade of the new century onwards

At the beginning of the second decade of the new century, the international scene as a whole began to show certain cracks. As mentioned above, the 2008 economic crisis that hit the developed nations strongly seemed, at first, not to affect the so-called emerging powers. In this sense, Brazil managed to stay out of these avatars but only for a short period of time. A series of domestic difficulties became increasingly present, dragging Brazil towards multiple "snakes": economic slowdown that later became a recession with major social setbacks, corruption, political-institutional crisis, reprimarization of the economy, decrease in multilateral diplomatic activism and finally what might be called the "international shame" effect.

Regarding the **economic slowdown**, according to World Bank data, the average annual growth of the BRIC economies was reduced by half in 2015, compared to 2010: "Average growth among this group has slowed from an average of 9 percent in 2010 to about 4 percent in 2015" (World Bank, 08/01/2016). Likewise, the growth of Brazil was slower than that of the rest of its acronym partners.

The lack of ability of Dilma Rousseff's cabinet to manage the crisis is one of the reasons that explain the deepening of the discomfort (Solano Gallego, 2016:147). The economy stagnated in 2014 and a **recession** began in 2015. In effect, "in 2016 the Brazilian economy was in a recession, with an estimated drop of 3.6% of the GDP, that is, a GDP reduction of more than 3.5% for the second year in a row". The total net public debt, on the other hand, "went up from 36.2% of the GDP at the end of 2015 to 44.2% of the GDP as of October 2016". Likewise, the lower economic activity had a strong impact on the tax collection of the federal, state, and municipal governments. The recession of the industry was maintained for the twelfth consecutive quarter in 2016, which continued to be reflected in a drop in its product, especially in the processing and construction industry (CEPAL, 2016:1-3).

The situation also led to significant **social setbacks**. Brazil is currently experiencing a situation of rising unemployment, a high rate of inflation in food prices and a decrease in the real income of workers. According to data provided by ECLAC, "the unemployment rate rose from 6.8% in September 2014 to 8.9% in September 2015 and to 11.8% in the same month of 2016. In the first ten months of 2016, 751,000 formal jobs were lost, representing a fall of 4.2% in total jobs". As for the real average wage, there was "a decrease of 2.4% in 12 months up to October 2016". Inflation reached a peak of 10.7% at the end of 2015, falling to 7.9 in October 2016. However, food prices maintained their upward trend, with an increase of 4% (from 12% in 2015 to 12.4% in 2016) (ECLAC, 2016: 4).

It should also be mentioned that since Temer took power, the agenda of social problems has been exacerbated by legislative projects that limit public spending and seek the reform of labour or retirement laws, aggravating an already discouraging panorama (Solano Gallego, 2016: 154).



The second snake that entrapped Brazil and that seems not to end is **corruption**. In 2013, the so-called "Lava Jato"<sup>9</sup> operation, that is, a corruption investigation into the procedures carried out by the state-owned company Petrobras was unleashed. According to Tibile and Moraes (2015: 7), this investigation "reveals with greater clarity the explicit and spurious links between the political and economic worlds." In effect, this first operation, as well as other investigations derived from it, exposed a network of corruption that involves both businessmen and various Brazilian politicians. Regarding the latter, it should be noted that, although at first the judicial process included several members of the Workers' Party (PT) in a leading role, "today we know that Petrobras' corruption scheme also involved the Brazilian Democratic Movement Party (PMDB) and the Brazilian Social Democracy Party (PSDB)" (Solano Gallego, 2015: 149).

The motivations that make it possible to explain the spread and deepening of acts of corruption in Brazil in recent years (both regarding the amounts of money involved and the number of members of the political and economic elite included in the scandal) refer to three main issues. Firstly, the request for bribes in the public works tenders, as demonstrated in the case of Petrobras. Secondly, electoral financing by highly concentrated private contributions, which encouraged an increase in corruption. In this sense, Marcelo Odebrecht, condemned to 19 years' imprisonment, declared before the Brazilian justice that "75% of the electoral campaigns were financed by means of undeclared payments. The businessman involved 12 of the 27 governors of the country and the five former Brazilian presidents alive (Infobae, 04/15/2017). Finally, the creation of political coalitions that guarantee the governability of the country has also been based on acts of corruption. In this regard, Brandon Van Dyck (2016: 19) wrote with irony: "in the multiparty presidential systems of Latin America, governability depends on the formation of legislative coalitions, and in the past two decades, Brazil has done better than almost all the countries of Latin America. Now it should do it cleanly". From this perspective, Cervo and Lessa (2014: 135) argue that: "the political system of party coalition easily displaces the governability of efficiency in favour of individual or party advantage".

It is pertinent to mention that the judicial investigations conducted did not stop generating controversy, especially due to certain legal abuses and because of the political selectivity shown at the beginning, insofar as they focused on PT officials with direct and clear negative repercussions on the initiated, simultaneously, against Dilma Rousseff in 2016.

However, in March 2017 the Brazilian justice requested the opening of 83 proceedings against politicians, an initiative that reached the leadership of the three main political parties in the country. The list contains a host of senior or former prominent individuals, including: Lula da Silva and Dilma Rousseff (PT); six ministers of Temer's current government; the last two presidential candidates of the opposition, Aécio Neves and José Serra; and the presidents of Congress<sup>10</sup> and of the Senate. The prosecution has also expanded the investigation to two more government ministers and former President Fernando Henrique Cardoso. The inquiries also extend to 29 senators, at least 40 deputies and three governors "(newspaper *El País*, 04/13/2017).

This list gives an account of the snake that threatens Brazil and which is linked to a deep **political institutional crisis**. In fact, the aforementioned economic and corruption problems went hand in hand with a series of social protests that started this crisis. The

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<sup>9</sup> Petrobras tendered its works to large engineering and construction companies in Brazil, as part of a programme encouraged by President Lula to stimulate the creation of jobs in the country. In order to favour the hiring of certain companies, the Brazilian oil company requested bribes that were around 3% of the budget, which were distributed among politicians and businessmen. The money was reintroduced in the system through hotel, laundries and gas stations businesses to be laundered. Then it was transferred abroad through "front" companies to accounts in China or Hong Kong (newspaper *El País*, 04/03/2016).

<sup>10</sup> The president of the Chamber of Deputies was Eduardo Cunha, architect of the impeachment against Rousseff, and who also ended up being dismissed and detained.



first wave of demonstrations occurred in June 2013, beginning in São Paulo and extending to other Brazilian locations. The protest was mainly carried out by the lower middle classes and was motivated, at first, by the increase in the cost of public transport. However, other claims quickly joined in, among which the people's rejection of the priorities of state spending, the recurrent acts of corruption and the manner in which public resources were being used. In this regard, the organization of the World Cup was strongly criticized given the exorbitant sums of money involved and the persistence of highly unsatisfactory public services throughout the country. It should be noted that, at that time, there were no claims due to socioeconomic shortcomings, as, according to the surveys of that time, the majority of the population (71%) admitted being satisfied with their standard of living and 43% had positive expectations about the future of the country (Ibope Institute survey in Infobae, 23/06/2013). That is to say, the main motivation for the protest was greater demands in terms of health, education and infrastructure, despite the fact that the economic situation of the majority of citizens had not yet been affected. The second wave of protests took place in 2015 and, unlike the previous ones, it was mostly carried out by the middle and high classes, whites and middle or old age, who demanded the fight against corruption and the departure of Dilma Rousseff from the government (Tible and Moraes, 2015:4). In this way, the problems associated with the increasingly unconcealed vices of national politics acquired total public preponderance. In spite of this, the growing dissatisfaction of large sectors of the Brazilian population - irrespective of the region, age or level of income - who had begun to suffer from a national socio-economic reality in clear regression should not be ignored. Consequently, the popularity of President Dilma Rousseff collapsed: "If at the end of the second Lula government nine out of ten Brazilians approved his management, by 2015 an inverse phenomenon was manifested: only one in ten trusted his successor in the Planalto" (Tible and Moraes, 2015: 6).

This situation led to the beginning of a political crisis in which the majority of Brazilian society manifests almost total lack of representativeness of the executive and legislative powers and politicians in general, a fact that, in turn, deepened the weakening of the PT as a ruling political party.

At the same time, in the Congress alliances began to weaken. Indeed, "allied" parties that led certain ministries began to vote against the national government of the PT in the parliamentary sessions. Faced with this, the political articulation was placed in the hands of Vice President Michel Temer of the Brazilian Democratic Movement Party (PMDB)<sup>11</sup> who had been the PT's main ally at federal level but ended up becoming the largest opposition party heading the political trial of Dilma Rousseff<sup>12</sup>.

The reported events caused serious governability difficulties and situations of political instability to this day - with new and scandalous accusations against the current President Temer, who has virtually no level of public support. The situation exposes the deep institutional crisis that involves all the most important political parties in Brazil.

On the other hand, the Brazilian state faces a fourth snake, which some specialists identify as the "**deindustrialization**" of the country that has as a correlate the "**reprimarization**" of the national economy (Cypher, 2009; Malamud, 2011; Salama, 2014; Cervo and Lessa, 2014; Hearn, 2015; Brun, 2016; Svampa, 2013, 2017). It is important to consider that this process exceeds the Brazilian case. Indeed, during the first decade of 2000, Latin America experienced strong growth due to a boom in the

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<sup>11</sup> The PMDB is a party without a clear programme. The party's strategy since the re-democratization of the country has been to stay on the side of power but without presenting candidates, taking advantage of the Brazilian electoral system, which practically prevents the winning parties from winning the parliamentary majority and forces them to look for allies (Solano Gallego, 2016: 155).

<sup>12</sup> In 2016, Dilma Rousseff was subjected to an impeachment process, in which fiscal irregularities were alleged. It lasted for eight months and culminated with the dismissal of the president.





prices of primary goods. The robust global demand for these products driven by the high growth rates of Asian nations was a unique opportunity for the region's economies.

In this context, in 2009 China became Brazil's first commercial partner, surpassing the historical position of the United States<sup>13</sup>. In the last decade, Brazil has exported mainly highly concentrated raw materials and imported goods from the industrial sector, more diversified and with a tendency to greater added value. As an example, between January and April 2016, soy represented 51.3% of Brazilian exports to China

(Brun, 2016:202). Consequently, Brazil's global export basket has been primarized, with a greater participation of basic products to the detriment of the manufacturing sector. Furthermore, "by competing with Brazilian products in domestic and regional markets, mainly in South America and the United States, China would also provoke the de-industrialization of the Brazilian economy, as well as its inability to move towards the production of higher-tech goods"<sup>14</sup> (Brun, 2016:202). As a result, the Brazilian economy in recent years has been characterized by low innovation and low competitiveness of production and service systems, with the exception of the agribusiness (Cervo and Lessa, 2014:135).

Faced with this process, the Rousseff's government remained inert so that due to the "end of the super cycle of commodities" (Svampa, 2017), associated with the slowdown of growth in China, the consequences for the national economy have been critical.

In the words of Adrián Hearn (2015: 63), "The current negative perceptions about China contrast with the initial enthusiasm aroused by Chinese funding during the tour of Latin America in 2004 by the then president Hu Jintao among politicians and industry leaders". Between 2005 and 2013, "Brazil received 31,400 million dollars of Chinese investment, becoming the fourth largest investment destination of the Asian giant after the US, Australia and Canada" (Hearn, 2015:63).

In sum, Brazilian economy's excessive dependence on agriculture has meant a setback in the value chain, which continues to be mainly based on exports of unprocessed soya.

From a foreign policy perspective, the next snake Brazil faced was a **decrease in international diplomatic activism**, once the hallmark of the government during the Lula da Silva years. It is important to clarify that both the style of President Dilma - with a lower charismatic profile than Lula - and the beginning of a much more complex economic situation after the financial crisis of 2008 led the new government to focus more on internal affairs. The international prominence of Brazil was then slightly diminished by the Rousseff government. Thus, "a large presence of Brazil in traditional multilateral organisms, global or regional, is maintained, mostly by the diplomatic machine, Itamaraty" (Cervo y Lessa, 2014:136).

The events that took place after the impeachment process against the president further exacerbated this situation, since all political views focused on domestic problems. Therefore, the Brazilian foreign policy left aside the motorization of multilateral negotiation instances. Within the framework of the emerging powers, in particular, Brazil relinquished its role as a catalyst for the agenda both within IBSA, which entered a stage of hibernation, and as part of the BRIC countries, where it was replaced by Putin's government as the main driver of initiatives within the group and, later, also by China, which, since the arrival of Xi Jinping, began to adopt a higher international profile.

In spite of what has been said, it is important not to forget that the systemic conditions of the international arena have also changed. In this sense, the erosion of the WTO as a result of the start of certain bilateral negotiations (the TTP and the TTIP), Britain's exit

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<sup>13</sup> The trade exchanges between Brazil and China soared since the beginning of the 2000s, reaching 46 billion US dollars of exports (Brun, 2016:201).

<sup>14</sup> In fact, cell phones, footwear, clothes and motorcycles are the sectors that lost most ground before China in the export markets (Jenkins, Barbosa, 2012: 78 in Brun, 2016:202).



of the European Union and the arrival of Donald Trump to the United States government formed a more complex and unpredictable international scenario which, therefore, added to the internal developments in Brazil.

With the arrival of Michel Temer, the great strategies of Lula are still maintained but through a reactive or follow-up foreign policy. As an example, Brazil continues to participate in the BRIC summits. Since Dilma was removed from power, the Chancellery became a space of power of the PSDB, which resulted in José Serra becoming a minister, who, in turn was, subsequently replaced by Aloysio Nunes, currently in office. From there, an attempt has been made to grant the country's foreign policy a more economic tone, in which negotiations with the old continent for the signing of a Mercosur-European Union agreement have become one of the state priorities (Cárdenas, 2016).

It should also be noted that the cuts in public spending implemented by Temer's new government have also involved the country's diplomatic machinery. In this sense, the closure of embassies in places considered "non-priority", such as Africa, was announced, in clear contrast to the policies implemented by Lula in the previous decade in relation to that continent (Vásquez, 2016:22).

Finally, Brazil has been entangled in recent years, especially since the events that led to Rousseff's impeachment, in the snake of "**international shame**." Indeed, from the perspective of state governments, particularly in terms of foreign policymakers, the international recognition and prestige aspirations have had as their correlate an irrepressible fear of shame and global humiliation. In Brazil's case, the last years of the PT government seemed to demonstrate a State that was more concerned with "managing" the country's international reputation than with addressing the real national needs<sup>15</sup>.

The fear of international disgrace is a novel element in world politics, and typical of a global interconnected and televised system, which especially affects the emerging powers in their eagerness to demonstrate that they are in a position to belong to the big leagues. As a result, the international image of Brazil has also suffered a severe setback due to the endemic corruption that has been unveiled but also as a consequence of a media campaign that was carried out from abroad and that appeared to aim the end of the government of Dilma Rousseff. Mónica Hirst (05/05/2016) states that there was pressure from abroad, "with clear messages in favour of the rapid exit of the PT government in Brazil". The report of The Economist (03/26/2016) entitled "Time to go" was illustrative in this regard.

She also adds that "the opinions of Latin American political leaders identified with their opposition counterparts in Brazil who defended the resignation of the president were frequent in the regional press". The truth is that since the beginning of the impeachment process against Rousseff, Brazil has been the setting of a series of intra-hegemonic disputes among the political-economic alliances (both national and international) that govern the country and that apparently have not yet been resolved.

Brazil's reputation has not improved to date, as different political and institutional scandals continue to appear. In this sense, only the holding of new presidential elections (scheduled for October 2018) can calm the waters to restart the way.

#### 4. Final considerations

It is well known that in the traditional Hindu game, the number of ladders is lower than the number of snakes, reminding us that the paths of good are more difficult to travel than the ways of evil. Going back to the initial question posed in this article, it is worth

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<sup>15</sup> This topic is further deepened in Giaccaglia, Clarisa (2014) "Poderes emergentes: ¿todo es sólo para la foto? El caso de Brasil", in revista Estudos Internacionais of PUC Minas, Belo Horizonte (MG), Vol. 2, no.1.



asking again: What are the ladders that the Brazilian government succeeded to climb and stay in that position? How much progress was made during this "window of opportunity" that currently seems to be closing?

As pointed out throughout this paper, the positioning of a given State in the global order depends on the combination of a series of internal and international factors.

From a domestic affairs perspective, the outcome of another political scandal around Michel Temer in 2017 has brought about new threats about Brazil's chances of overcoming the economic recession that it has suffered for two years. The truth is that the country has the structural conditions to overcome the present economic difficulties, so the uncertainty lies, in any case, in the time this recovery will require, given, above all, the resolution of the political crisis.

It is important to remember that despite the turbulent episodes the country is going through, democracy has not been questioned. The political parties, still very discredited, continue to act. Brazilian society, for its part, has shown growing and unprecedented levels of participation and has begun to ask for explanations from the main political and economic elites for their illicit acts.

In fact, one of the greatest strengths of Brazil lies in having achieved the inclusion, during the last decade, of millions of people into the country's middle class. Consequently, this social rise is what has led to the various civil protests, a recent event in the country's political history taking into account that Brazilians have discovered the possibility of demanding. Until then, "those who were born poor died poor. That started to change, and maybe it is one of the biggest social changes we have had in Brazil since the end of slavery in the 19th century" (Schmitt en Duffy, 18/09/2007). In addition, and despite the fact that the socioeconomic situation is unfavourable, poverty and inequality continue well below the levels of the 1990s. According to data provided by the World Bank (2017), the Gini index in Brazil went from 60.5 in 1990 to 51.48 in 2014.

In short, as noted by Tible and Moraes (2015: 14), in the last decades in Brazil, three important macro debates were won: democracy (end of the dictatorship), fighting inequalities (since the Lula da Silva administration) and political distribution (since the first protests in June 2013 that opened the citizens' demands).

However, a retrospective look requires that we also consider everything that needs to be reformulated if Brazil wishes to continue the path begun in recent years. In this sense, two issues are unavoidable. From an economic point of view, the primarization of the economy and, therefore, deindustrialization, are problems that must be seriously addressed by future governments to avoid that an excessive dependency of the international trade on agricultural products conditions the model of national development. Similarly, the social inclusion attained must go beyond the mere inclusion by "consumption", that is, based on an increase in purchasing power and include better access to education, health and infrastructure, as currently claimed by Brazilian society.

From a political point of view, a revision of the actions of the so-called progressive governments is required, which includes Brazil but also involves all of South America. In this sense, Maristella Svampa (2017: 63-64) affirms that the current conservative turn in the region is linked, to a large extent, "to the limitations, mutations and disproportions of the progressive governments". From a critical perspective, she argues that "Certainly, at the beginning of the cycle, all progressive movements involved enhancing a language of rights (social, collective, economic, and cultural) and opened a window for different democratization policies. But between 2000 and 2016, a lot of water ran under the bridge". In this sense, she adds that it is not the same to talk about "new Latin American left" and "populism of the 21st century": "in the passage from one characterization to another, something important was lost on the way, something that evokes the evolution towards models of traditional domination, based on the cult of the leader, his identification with the State and the search or aspiration to perpetuate himself in power".



Coinciding with this need for self-criticism, it is also pertinent to recall the words of another progressive Latin American, such as former Uruguayan President José Mujica: "if the left loses ground, then let it lose it and learn from it" (newspaper *La Nación*, 19/03/2016).

Therefore, returning to the path of national industrialization and improving bureaucratic mechanisms in pursuit of greater political transparency appear as two of the main goals to be taken into account by the Brazilian government for the next decade.

Regarding international factors, two aspects should be mentioned. With regard to Brazil's foreign policy, it is foreseen that the protagonism achieved in recent years will continue to take into account the transformation of Brazil into a State with global interests. The changes will then be based on the nuances that this role will adopt based on the systemic changes that have taken place - lack of recovery of world trade levels to the pre-2008 stage, Brexit, the arrival of Donald Trump to the executive power of the United States -, among the most significant. As a result, there seems to be an international role for Brazil, which will be still active but with lower levels of revisionism and, therefore, with a more status-quoist stance, also claiming the benefits of a diversification of partners that allows both good relations with the United States and the consolidation of links with the BRIC countries, especially with China.

A second aspect refers to the reorganization of political-economic alliances (both national and international) that govern the country. In a broad sense, it is appropriate to resort to the arguments of Ian Taylor (2006: 37), who assures that the appearance of the BRICs was an attempt on the part of the transnational financial capital - with the active help of the very elites of the BRIC countries - to promote the hegemony of liberal capitalism through the incorporation of emerging powers into the world order, so that they become new centres of accumulation and growth within the existing system.

However, the dynamics of the current global capitalism has shown that, for a growth model based on the expansion of the middle classes on the basis of consumption to continue, "another planet would be necessary" (Friedman, 10/03/2012). Therefore, the awareness that the distribution of dividends worldwide cannot be infinite, (particularly following the 2008 crisis which has still not been overcome) has provoked a series of intra-hegemonic disputes within the framework of transnational political-economic alliances. The Brazilian case must then be understood in that context: the crisis affecting the country involves the internal political and business sectors but also the global media and transnational financial actors have actively intervened.

The rearrangement of these alliances will therefore condition the future of the world system as well as the possibility that the South American giant may continue to advance up the ladders of the new international game in the coming decades. So that the "kama" (desire) stands higher on the "karma" (destiny) of Brazil.

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