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*The role of South-South Cooperation on Brazilian Regional Leadership
and Global Protagonism*

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Abstract

This paper seeks to discuss Brazilian regional policy by assessing what kind of leadership Brazil has been playing and the role played by the policy of South-South cooperation for development on the former. Our main argument is that although Brazil does play the role of a regional leader, a difference between regional leadership for matters of regional governance and regional leadership for global matters should be done. Besides we argue that, although not being necessary to be a representative of its own region to play a relevant role on the international scenario, being a *Development Regional Leader*, helps Brazilian global protagonism.

I. Introduction

In the area of studies of Brazilian Foreign Policy the reference about the Brazilian search for having an important international role is not new. Indeed, this is one of the most recurrent aspects ascribed to the Brazilian diplomacy (LIMA, 2005b; SILVA, 1995). Another ever present feature regarding Brazil' stance on the international scenario is its alledged drive for playing a leading role in the regional arena (SARAIVA, 2010; SILVA, 1995).

To focus our attention in recent times, it is worth remembering the then president Luiz Inácio “Lula” da Silva’s statement before Itaipu Hydroelectric Board of Directors saying that there was nearly a claim from the South American countries for Brazil to lead them¹. Likewise it is worth quoting the critics soon after voiced by president Fernando Henrique Cardoso (1998-2001) former minister of Foreign Affairs, Luis Felipe Lampreia, saying that *“Leadership is something to put in practice, not to be heralded. It is a continuous and consistent action.”*²

In our view both the aim of having a more important international role and of exercising regional leadership are still very much present at the Brazilian foreign policy agenda. Nevertheless recent changes on Brazilian stance towards South America (HIRST & LIMA, 2006; HIRST, LIMA & PINHEIRO, 2011; PECEQUILO & CARMO, 2012; SARAIVA, 2010; SPEKTOR, 2010) must be taken into account in order to better evaluate each one of them, as well as their alleged connection, that is, the hypothesis that being a regional leader is a pre-requirement for having international protagonism³. We argue that during Lula government – particularly from its

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¹ In Portuguese “É impressionante como todos esses países estão quase a exigir que o Brasil lidere a América do Sul”. Available in http://www.bbc.co.uk/portuguese/reporterbbc/story/2008/03/080303_ams_abre1_diplomacia.shtml. Accessed in 4/05/2012.

² In Portuguese, *“Liderança é uma coisa que se pratica, não que se proclama. É uma ação continuada, consistente.”* Brasil já exercia liderança, diz ex-chanceler de FHC. Folha. com, 19/01/2003. <http://www1.folha.uol.com.br/folha/mundo/ult94u50530.shtml>. Accessed in 4/05/2012.

³ Spektor’s article on ideas of regional activism points to the new strategic concepts that have been informing Brazilian behavior in South America since the 1990’s: the one that sees Brazil enjoying power, prestige and influence without having to play the role of regional power; a second one arguing that the region could serve as a protection shield against the globalization threats to the country’s autonomy; and a third one, stating that the region could play the role of a launching platform for Brazil’s augment of power, prestige and influence (2010: 38). Unfortunately the author does not identify by whom and where those concepts were formulated since he has made use of classified sources to which he had privileged access that could not be named. This being so, it is hard to use this contribution to endorse or to disavow the hypothesis here developed. The maximum we

second term onwards – the Brazilian policy of horizontal cooperation for development has strongly contributed to give strength to Brazilian regional leadership as well as to diminish – if not totally extinguish - the instrumental nature of the latter for Brazil having global protagonism⁴.

This paper then joins the debate about Brazilian regional performance by stating that the question to be firstly placed is what kind of leadership Brazil has been playing - if the country is indeed playing such a role - and in which areas we can see that. This being so, our main hypothesis is that one should distinguish between *inwards regional leadership* - the capacity to set formal or informal rules and patterns of behavior within the regional sphere - and *outwards regional leadership* - the capacity to lead regional partners in global matters. In this sense, it seems that Malamud's thesis (2011) that Brazil was likely to consolidate itself as a middle global power before gaining acceptance as a leader in its region, should be slightly revised. Or said differently, although we follow Malamud's argument that "*leading a region is not a precondition for global emergence*" (Idem: 4), we argue that Brazil does play the role of a regional leader. In saying so, we argue that Brazil does fulfill the three necessary conditions mentioned by Van Langenhove and Zwartjes (see Chapter 2) to play a leading role in South America : (i) the willingness to act as a leader; (ii) the leadership capacity, and finally; (iii) the acceptance of the leadership claim by other actors. ,What is still has to be said though is of which kind of leadership we are referring to. In this sense what should be done is to establish a difference between regional leadership for matters of regional governance⁵; and regional leadership for global matters. Moreover

can do is to state that these ideas are present both in the academic community as, according to Spektor, in the diplomatic realm.

⁴ We shall stress that we are referring to the group of South American states as the region under focus, and not to Latin America which would make us to bring to the discussion Central American and Caribbean states, plus Mexico.

⁵ Here defined as a set of regional "*norms and institutions (of varying degrees of formality) and processes by means of which social goods-including wealth, power, knowledge, health, and authority-are constantly being generated and allocated by public, private, and nongovernmental actors through their*

we argue that, although not being necessary to be a representative of its own region to play a relevant role in the international scenario, being a *development regional leader*, in the way that we see it, helps to reinforce some aspects of Brazilian global activism.

To present our argument, we have organized this paper in three sections, besides this introduction and the conclusion. Firstly we briefly discuss distinct views by which Brazil regional leadership – or the lack of that – is presented, followed by our quest for a different approach to characterize leadership. Then we discuss the place South America occupies in Brazilian contemporary foreign policy agenda and which kind of leadership Brazil has been playing on the region by means of implementing projects of horizontal cooperation for development of two different types: credit lines for infrastructural projects in South America⁶ and technical cooperation for social development policies. Altogether these initiatives are strong indicators of Brazilian position as a regional leader - a *Development Regional Leader*, a label that captures and summarizes Brazil's willingness, capacity and acceptance by its regional fellows to perform a catalytic effect for the regional development, both economically and socially. In the following section, we turn to the place IBSA Dialogue Forum presently occupies on Brazilian foreign policy and its connection – if any – with Brazil regional leadership as presented earlier. By way of conclusion, we raise some thoughts about the complementarity, though not dependence, between Brazilian regional leadership and Brazilian global protagonism.

cooperative and competitive actions,” after Tom Farer and Sisk definition of global governance (2010:1).

⁶ It is important to underline that we are talking about public credits for foreign governments to purchase of goods and services from Brazilian based companies and not to the broader phenomenon of internationalization of companies – both public and private -, a strategy that though also beneficiary from public finance support, is related to commercial or productive companies, through which outward foreign direct investment flows. For a discussion of the latter and its effects on national development see MASIERO & CASEIRO, 2012.

II. To be or not to be a regional leader

The need for more precise categories is a central question on the attempts carried out by scholars and practitioners alike at qualifying and ranking countries in the international system. This is particularly more complicated when we talk about volatile attributes or situations. Leadership and power, for instance, are not static features. It is impossible to ascribe to anybody or to any country a kind of forever lasting leadership position or major power situation. Those are relational and historical contingent categories and therefore they are not only associated with the country's own capabilities and behavior – which are not static either – but they are also related to other countries' capabilities and behavior and therefore to the current international system configuration. Since a power shifting in global politics from the G7 to a group of emerging powers has been identified (HURRELL, 2000) this debate seems to have become even more intense.

It is very much due to the difficulties around the definition of those categories, that authors from different perspectives have been trying either to rank or to label countries' power - *great power, middle power, intermediate power, emerging power, global power, regional power* – as well as to label different kinds of leadership – *multiple, collaborative, shared, distributive, by concertation*⁷. By doing so they seem to simultaneously attempt to take into account some of the particularities of each country as well as to avoid excessive detailed classifications. The bad news are that either we have dozens of different - and sometimes useless - typologies or, rather, we surpass actual and relevant singularities in the name of parsimony. Notwithstanding acknowledging the relevance as well as the complexity of the attempts to conceptualize power, it is not our aim to propose a new definition or alternative criteria to categorize

⁷“El desafío de definir el rol como potencia global” by Juan Gabriel Tokatlian. *La Nacion*, 6/11/2010. www.opsa.com.br. Accessed in 2/05/2012.

it though. Instead, we rather follow a constructivist route as it has been identified by Hurrell in the literature (2000:1), seeing power, “*not as a category defined by some set of objective attributes or by objective geopolitical or geoeconomic circumstances; but rather as a self-created identity or ideology*”. As for leadership, we also see it as an identity or ideology created and nurtured by those who present themselves as such, and in a co-constitutive process, also created and nurtured by those within the same region or from abroad, by means of statements or actions that reinforce the position of the leading country as such. Additionally, we argue that when it comes to this attribute we have to think not only about whom, but also about which issues leadership is exercised. Finally, it is important to say that as a volatile and not as a structural feature, the acknowledgment of any kind of leading role has to be continuously renewed. Indeed, leadership is an ongoing process which can always be disputed by others- in the Brazilian case, usually by Argentina and more recently also by Venezuela (BURGES, 2007; FLEMES & WOJCZEWSKI, 2010). Therefore we are not facing a Shakespearean dilemma of “*to be or not to be*” a leader; but rather a kind of Pirandelian puzzle of “*So It Is (If You – [We] - Think So)*”. The difference being in what sense Brazil sees itself as a regional leader and it is seen as such by its peers, by whatever means this recognition is made and continuously renewed. Before we turn to which kind of leadership we are referring to when we label Brazil as a current regional leader, we would like to dialogue with some colleagues on that matter.

To start with two well known specialists in Brazilian foreign policy, Maria Regina Soares de Lima and Monica Hirst, they say that “*The expansion of Brazil’s political involvement in local crises, together with growing trade and investment activities with its South American neighbors, has not led to any easy or automatic acknowledgement of the country’s regional leadership in world affairs.*” (2006:32).

Moreover, as Hirst would state later on, Brazilian projection over the region is done on its condition of regional power, and not as of regional leader (2010).

Likewise, when examining IBSA perspectives for the future, Vieira and Alden argue that *“the key to building a sustainable partnership between India, Brazil, and South Africa is for these countries to acknowledge the importance of consolidating their leadership role in South Asia, South America, and southern Africa, respectively”* (2011:524) therefore ascribing to India, Brazil and South Africa respectively a non-existent, a weak, and an incipient leadership in their regions (IDEM, 525).

As for Andrés Malamud, who has been dedicating close attention to this subject, leadership can be defined as *“the capacity to engage **subordinate states** so that they adopt the goals of the leading state as their own”* (2010:3, our emphasis). Contrary to him, however, we do not refer to leadership in such a way, since for us the idea of *subordinate states* adopting the goals of other state *as their own* sounds more as an example of domination than of leadership. In fact, the idea of *subordination* seems to detract or even to not take into account a certain level of complementarity of interests and freewill we can identify in the case of Brazil and its regional fellows. Indeed, we argue that the kind of regional leadership Brazil has been currently performing should be better seen as associated to its capacity to be a reference model for development, not only for having taken more than 30 million people out of the poverty in less than one decade (World Bank, apud STOLTE, 2012:13), but also by putting in place a new model of cooperation for development which is able to serve, even if asymmetrically, the actual interests of the South American countries and Brazil’s own. Indeed, in many aspects, as stated by Dauvergene and Farias, *“Brazil has moved beyond the ‘traditional’ role of calling for development to being in a position to draw on its own experience to offer development solutions”* (2012:909), thanks to the fact that both the relative paucity of resources for Brazil assuming the role of paymaster and therefore

to absorb the costs of region building and the lack of will to do so (Burges, 2005, 2007 and 2008) now belong to the past (SARAIVA, 2010).

In the same opportunity though, Malamud brings to the definition of leadership the idea of “*the capacity to influence followers*” (2010:13). Even if we acknowledge that influence is a very difficult attribute to measure, this idea could help us to better understand the kind of leadership Brazil is actually exercising in the region. Even so, we should make a distinction between “*the capacity to influence followers*” (IDEM) in regional matters and that of the “*capacity to influence followers*” in global matters. In the case we are looking at, we are witnessing a kind of leadership that can neither be extended for all issue areas, nor be able to allow the leading country to claim the right and legitimacy to represent its regional fellows in global issues. In sum we are not talking about a kind of comprehensive leadership or structural leadership, that is, the one that could cover all dimensions of a country interests whichever the forum of discussion. As a matter of fact we argue that this kind of leadership does not even exist anymore (not even great powers can benefit from this kind of leadership).

Now we would like to turn to the concept of *consensual hegemony*, as crafted by Burges (2008) in his attempt to explain Brazil’s post-Cold War foreign policy or, as he states, to help to understand the leadership strategy of an emerging power, which after all, he concludes, Brazil had not succeeded to reach (IDEM, 66). This concept was meant to be a substitute to the somewhat worn out concept of leadership, as well as to be a tool to explain a kind of strategy that although does not always successful in reaching its objective, nevertheless “*offers rewards that compensate for a failure to attain it.*” (IDEM: 66), as Burges’ argument follows⁸.

⁸ In his own words, when the strategy fails “*it demonstrates that the very attempt to form a consensual hegemony offers the leading state gains that can compensate for an ultimate failure in the larger project; the non-dominating nature of consensual hegemony allows for a series of shifts in the nature of regional relations that at least partially embeds the leading state’s interests.*” (IDEM :66)

Differently from several theoretical perspectives on stake who usually associate the idea of hegemony to a coercive behavior by the hegemon, the concept of consensual hegemony proposed by Burges instead focuses “*on a Gramsci-inspired vision that privileges the creation of consensus through the constructive inclusion of potentially competing priorities and the shaping of common positive outcomes*” (IDEM:81).

Despite the advances this author does offer to think about the particular characteristics of Brazilian behavior in South America, in the end he comes to some conclusions that we do not subscribe and indeed we take as misleading. Firstly, we do not agree with the low importance Burges gives to the self-interest reasons of the South American countries on following the leader, which in the end he says can be rather apparent⁹. And secondly, when Burges separate the idea of hegemony and the idea of hegemon in two distinct entities – “*hegemony remains the constant, overarching structure, with the role of hegemon shifting between the embraced states depending on which participant is best able to coordinate and advance a specific aspect of the project*” (IDEM: 74) – he gives to the structure – *hegemony* – a rather autonomous existence, which we are not prepared to follow.

Nevertheless there are several other elements of Burges thesis that are quite useful for what we are discussing in this article. For instance, some of his evidences on Brazil increasing economic presence in the region, by means of private investment flows and public financing through BNDES; and moreover his ideas that Brazil could be seen as a *regionally predominant*, but not a *dominant state* in South America; and that “*consensual hegemony explicitly requires the active and willing engagement of other states, suggesting that potential leaders need not have the level of dominance seen in neorealist and neoliberal institutionalist approaches.*” (IDEM: 74).

⁹ In his own words, “*The dominant group will go to the extent of making minor or tangential sacrifices, even in the economic realm, in order to co-opt the subordinate, creating a system of political economy which subtly, yet indelibly, commits the subaltern to preserving the hegemony for what at first glance may appear self-interested reasons*” (IDEM, 71)

Having reviewed these contributions which have greatly helped us to refine our own view, we would now like to present our understanding of Brazilian regional leadership and some examples to illustrate it.

III. Brazil: a Regional Development Leader

To begin with we would like to state that we do not take South-South relations and South-South cooperation for development as equals¹⁰. Nevertheless we agree with Hirst saying that “*for Brazil [they] have become intertwined dimensions in its foreign affairs*” (2011:5). Brazilian international cooperation for development or SSC is characterized by certain singularities, as the country perceives it “*as an institutionally grounded action built upon the capabilities of its state agencies comprising technical assistance, skills transference and capacity building. It is centered upon the notion of inter-state partnership, based on ideals of solidarity, the relevance of shared experiences and the value of exchanging capabilities to overcome the social and economic limitations imposed by underdevelopment*” (HIRST,

¹⁰ We depart from the view that Brazil’s partnership with India and South Africa (IBSA) and their joint positions at World Trade Organization (WTO) meetings; Brazil, South Africa, India and China (BASIC) coalition at the 2009 Copenhagen conference; Brazil statements on world politics and security matters along with the other BRICS countries; and the establishment of the South American Defense Council (CDS) at the Union of South American Nations (UNASUR), they are all examples of SS relations, but not of SSC. As for Brazil’s Agricultural Research Corporation (EMBRAPA) projects of technical assistance in tropical agriculture in African and South American countries; Oswaldo Cruz Foundation of the Ministry of Health (FIOCRUZ) projects of capacity building in the field of diseases prevention, care and treatment again in African and South American countries; Social Development Ministry initiatives on capacity building towards the implementation of cash transferences projects in the former continents; and even the credit lines opened by National Bank for Economic and Social Development/ Banco Nacional para o Desenvolvimento Econômico e Social (BNDES) to finance infrastructure projects in Southern countries, as long as they improve capabilities for the provision of public goods by means of access to energy, transports, and other public services, those are examples of Brazil’s cooperation for development with the South.

2011:4). In summary Brazil SS cooperation for development is based on the commitment to the construction of capacities for sustainable development, by means of integrating the human resources formation, organizational strengthening, institutional development, and the provision of public goods¹¹. This policy became a landmark of Brazilian Foreign Policy from Lula government onwards and since Brazil has gone through an increasing process of *rapprochement* with the Southern countries in general and with South American countries in particular since Lula came to power, many initiatives taken towards the latter can be included on the SSC agenda.

Amongst several examples of Brazil new stance towards South American countries (CARDOSO, 2010, SARAIVA, 2012), we would like to highlight those more consistent to the Brazil's cooperation for development, such as the creation of the Fund for MERCOSUR Structural Convergence /Fondo para la Convergencia Estructural del MERCOSUR (FOCEM) in 2004; the support for the consolidation of the Initiative for the Integration of South American Regional Infrastructure (Iniciativa para a Integração Regional Sul-Americana/ IIRSA); and the commitment to the Union of South American Nations/Union de Naciones Suramericanas (UNASUR) created at the 2008 Summit, for the promotion of physical and energetic integration as well as for the mitigation of the asymmetries amongst its members by enhancing political dialogue, protecting the environment and promoting social cohesion.

The initiative to create the FOCEM in 2004, of which Brazil is the chief contributor (70% out of US\$ 100 million each year)¹² is indeed an excellent example of Brazilian distinctive commitment to the region, particularly to the

¹¹ For a discussion about the South-South Cooperation concept and history, see LEITE, 2012.

¹² According to the FOCEM rules, Brazil is responsible for depositing 70% out of the total, Argentina 27%, Uruguay 2% and Paraguay 1%. Inversely, Brazil and Argentina are allowed to withdraw just 10% out of the fund, Uruguay, 32% and Paraguay 48%. (<http://www.planejamento.gov.br/secretaria.asp?cat=156&sub=279&sec=10> Accessed in 21/04/12.

issue of regional integration. Created as an institutional mechanism towards the mitigation of regional inequalities, FOCEM has also been an important tool for confidence building amongst Mercosur members, despite its small amount of resources to do so. Although it would not be correct to say that Brazilian commitment to FOCEM is devoid of interests, it does represent a dramatic change in Brazilian stance towards the region, as long as it has materialized the country's decision to pay for the most part of the costs of this regional integration arrangement.

Besides FOCEM, there are also the credit lines opened by National Bank for Economic and Social Development/ Banco Nacional para o Desenvolvimento Econômico e Social (BNDES) to finance infrastructure projects developed by IIRSA or national governments to give more autonomy to South American countries by integrating it in sectors such as energy, transport and communication. It is worth noting that both initiatives, FOCEM and BNDES credit lines to South American countries were made possible thanks to the macroeconomic stability reached by Brazil since the year of 2003¹³. Macroeconomic stability – a challenge to many South American countries – then has allowed Brazil to enhance its economic position in the region, as well as to achieve an international donor status (Hirst et al, 2010, p. 24-25), a happy encounter between the country economic necessities and the government political will to promote regional development in South America., as we will see below.

According to Schutte, *“as far back as 2005, the president of BNDES, Guido Mantega, announced, during the first round of consultations for the construction of the South*

¹³ It is worth remembering that this macroeconomic stability derives from the maintenance of many economic policies adopted during the previous government of Fernando Henrique Cardoso. However, during Lula's administration, those policies were conjugated with a bigger role conferred to the State as a fundamental part of economic growth. The “strong state”, as Morais e Saad Filho call it, is understood, in this sense, as “capable of regulating the market to ensure a macroeconomic stability broader than monetary stability and, simultaneously, strengthen the market as the main producer of wealth.” (Morais e Saad Filho, 2011, pp. 525)

American Strategic Vision in Brazil, that BNDES 'incorporated into its mission this strategic objective, acting as a funding body for the integration in South America'. (2012: 67). Besides, as Schutte continues, "Between 2003 and 2009 the Brazilian government approved credit guarantees for about 100 BNDES financing projects already approved or pending approval in several countries of Latin America and the Caribbean, totaling about US\$ 15.6 billion" (IDEM)¹⁴. The strategy was to allow BNDES to give loans to foreign governments mainly for contracting major national contractors and engineering services such as Odebrecht, Camargo Corrêa and Andrade Gutierrez (see Table I), to the extent that at least 35% of the amount disbursed for each project was spent on imports of Brazilian products (MASIEIRO & CASEIRO, 2012:16). Data collected by Masiero and Caseiro also shows that between 2008 and 2011, US\$ 5.2 billion out of the US\$ 9.9 billion BNDES lent to foreign governments and corporations for the procurement of goods and services of Brazilian companies went to Latin American countries (2012:16). Before one says that these initiatives are nothing less than examples of a natural process of capitalist expansion abroad, it is worth noting that the Brazilian government employs large amounts of subsidies when financing such loans, since the national Treasury captures resources in the financial market under an interest rate of 11,7% and BNDES lends it under a rate of only 6%. In this sense, the Bank makes the loans cheaper for its contractors, which is allowed by Brazilian government subsidies (Leopoldo, 2011). Additionally, BNDES's loans are supported by regional payment mechanisms that aim to reduce the transfer of capital among the countries involved, which has been fundamental in financing

¹⁴ Although we have not the figures for South America disaggregated from Latin America, it is worth noting that in 2007 for instance, the percentage of infrastructure projects within the total of the projects financed by BNDES reached 98% (Coutinho, Luciano. O BNDES e o apoio aos projetos Brasil – América Latina. 2009. Available in <http://ceal-int.org/RD/abr09/bndes.pdf>. Accessed in 11 Oct . 2012.

infrastructure projects in Argentina, since this country often experiences the lack of capitals¹⁵ (Koblitz, 2010a).

Table I

Main Brazilian construction companies in South America			
Company	Countries	Continents	South-American countries
Odebrecht	35 countries	Central America, North America, South America, Asia, Africa and Europe	Argentina
			Bolivia
			Chile
			Colombia
			Ecuador
			Paraguay
			Peru
			Uruguay
			Venezuela
Camargo Corrêa	9 countries	South America and Africa	Argentina
			Bolivia
			Colombia
			Ecuador
			Peru
			Venezuela
Queiroz Galvão	9 countries	Central America, South America and Africa	Argentina
			Chile
			Peru
			Venezuela
OAS	15 countries	Central America, South America and Africa	Argentina
			Bolivia
			Chile
			Colombia
			Ecuador
			Peru
			Venezuela
Andrade Gutierrez	40 countries	Central America, South America, Europe and Africa	Argentina
			Bolivia
			Chile
			Colombia
			Ecuador
			Paraguay
			Peru
			Venezuela

Source: Companies websites.

Note: In this table we can see all South American countries where these companies have already been engaged in some infrastructure project.

¹⁵ The Agreement on Reciprocal Payments and Credits (CCR, in the Spanish abbreviation for Convenio de Pagos y Créditos Recíprocos) is an important example of such mechanisms. For more information on CCR's definition and rules, see, for instance, the Brazilian Central Bank's webpage: <http://www.bcb.gov.br/?RED1-INFOCCR>.

But although we have only selected projects related to the construction of physical infrastructure in the region, that does not mean that projects of distinct nature have not being developed with Brazilian credit lines. They certainly have¹⁶. Nevertheless our aim was to highlight only those which, besides incorporating the search for internationalization of Brazilian companies by contributing to the further diversification of the country trading relations (BURGES, 2007), could moreover also be seen as providers of regional public goods, even if they also provide private goods¹⁷.

The figures released by the Foreign Ministry Report of 2010, show that between 2003 and 2010, the 80 ongoing projects financed by Brazilian public credits to South America, mainly through BNDES resources (Banco do Brasil is another source of resource), totalized US\$ 10 billion. The report also lists the countries and respective areas most benefited (see Chart 1):

- a. Argentina: gas pipeline enlargement, aqueduct building, and support for aerial transport infrastructure. Estimated costs US\$ 2,72 billion; firms: Odebrecht, OAS, Embraer;
- b. Venezuela: building and enlargement of Caracas subway and building of a [hydroelectric](#). Estimated costs US\$1,06 billion. Firms: Odebrecht e Alstom;
- c. Bolívia: building of roads. Estimated costs US\$ 710 million. Firms: OAS and Queiroz Galvão;
- d. Chile: enlargement of Santiago subway and support to the road transports infrastructure. Estimated costs US\$ 559 million. Firms: Alstom e Mercedes-Benz Brasil;
- e. Paraguai: building of a bridge. Estimated costs US\$ 200 million.

¹⁶ For a comparison between Brazilian and Chinese experience support for emerging market multinationals, particularly regarding how the state policies encourage outward foreign direct investment as a domestic development strategy see Masiero & Caseiro (2012).

¹⁷ For a discussion about physical infracstuture projects as regional public goods, see Araque Botero, 2012.

Chart 1



Source: Pereira, 2011.

<http://www.fiesp.com.br/irs/coscex/pdf/transparencias_reuniao_coscex_09_08_11_-_ministro_joao_mendes.pdf. Accessed in 11 Oct . 2012

Argentina has been one of the most benefited countries by Brazilian infrastructure financing in South America (Koblitz, 2010a). In the years of 2009 and 2010, for instance, infrastructure projects in the country absorbed more than 50% of BNDES's loans to South America. The Brazilian bank possesses a financing portfolio especially for Argentina's infrastructure projects, which is divided in three areas: gas pipelines, transports and sanitation (Koblitz, 2010b). The main idea is to allow the utilization of Brazilian enterprises' expertise in such areas, aiming to foster Argentina's productive chains development (Koblitz, 2010a). In this sense, the country has already hosted all main Brazilian constructors, like Odebrecht, Camargo Correa, Queiroz Galvão, OAS and Andrade Gutierrez (see Table 1).

But again we have no doubts that these projects strongly “*help the diversification of Brazil’s trading relations and a consolidation of South- South linkages by encouraging business to look in new directions*”, as said by Burges (2007: 1350). Indeed, these projects were quite successful in enhancing Brazilian exports from distinct sectors (Além & Cavalcanti, 2005: 57), not only services but also those related to building materials (Leo, 2009; Galvão & Catermol, 2008:100). This is especially relevant when we observe the commercial relations among Brazil and its South American neighbours. Between 2002 and 2011, Brazil’s exports to South America have increased 504%, jumping from US\$ 7,4 billion to US\$ 45,2 billion. The continent is a strategic trading partner in the sense that it absorbs high quantities of Brazilian manufactured goods, contributing to the value aggregation of Brazilian exports:

Table II

Country/Year	Manufactured goods as percentage of Brazilian total exports to South American countries (%)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Argentina	85,4	89,4	91,3	92	91,8	93	90,7	94,8	90,9	89,9
Bolívia	89,01	88,4	90,7	92,8	91,1	92,7	95,2	96,1	97	95,6
Chile	80,5	76,5	76	79,1	67,6	64	65,2	76,1	68,5	52,7
Colômbia	93,4	93,5	89,5	88,7	87,9	91,2	88	83,7	86	86
Ecuador	93,2	88,3	91,8	87,6	89,5	89,5	95,5	92,7	92,6	90,0
Paraguay	96,1	96,6	96	93,1	95,7	95,2	94,7	92,3	93,4	92,3
Peru	96,1	90,6	88,1	82,8	72	78,7	80	74,9	83,4	81,9
Uruguay	79,4	80	82,2	86,8	86,1	88,1	90,4	89,3	88	86,3
Venezuela	93,7	92,1	88,6	89,6	87,3	82,9	69,3	66,4	52,4	55,1

Sources: WTO, Brazilian Foreign Trade Association (2012) and Ministry of Development, Industry and Foreign Trade of Brazil (2012).

Besides, as already shown by other specialists, these infrastructure projects reconstruct several parts of the production chain and, in so doing, they favour the multiply of Brazilian firms from distinct economic sectors that choose to act in those countries together with the infrastructure sector

(Galvão & Catermol, 2008:74; Souza, 2010)¹⁸. Nevertheless, we argue that although the benefits might be also private and to some extent asymmetrical between the partners-countries, the countries benefitted by the credit lines opened up by BNDES perceive this deal as an opportunity to solve their own problems of development, since it helps them to reduce their infrastructure deficits¹⁹.

One amongst other examples of how much those initiatives are seen as worth taken for the recipient countries and thus being so, could be taken as an indicator of regional acceptance of Brazilian leadership is the decision of the Ecuadorian government to open a new partnership with Brazil to have a U\$ 90,2 million credit line by BNDES for the construction of Manduriacu hydraelectric, once again implemented by Oderbrecht, notwithstanding the problems occurred in 2008 between Rafael Correa government and this Brazilian company²⁰.

However it is not only at the economic realm that Brazil has been showing its new approach to the region. We now would like to turn to the social perspective of the regional policy played by Brazil. After all, borrowing Dauvergene and Farias words, leadership, like power, can indeed come from

¹⁸ To give an example Odebrecht is responsible for the insertion of circa 1.600 Brazilian suppliers of different sectors in several South American countries as well from other continents (Gaio,2012:14).

¹⁹ Although being a statement made on the 1980s when the economic conditions for implementing these kind of projects were very weak, to say nothing about the ongoing government will to do so, we would like to quote the former diplomat, Miguel Ozório de Almeida, one of the main developmentalist voices within Itamaraty between 1950 and 1970. Being questioned if the Brazilian position towards African and South American countries was of a imperialist nature, he said: *‘Não, a ideia era alargar o mercado dos nossos serviços. O Brasil tendia a se tornar um país com uma tecnologia própria, muito mais adequada aos países do Terceiro Mundo do que as tecnologias da Europa Ocidental e dos Estados Unidos da América. E a nossa tecnologia estava fenecendo, por falta de uso. Quantas represas nós fizemos, depois de Três Marias e Furnas? Quantas usinas de aço com carvão vegetal nós produzimos, depois das primeiras grandes? Quase nada. Nós, com África e América Latina, teríamos condições de produzir para eles alto-fornos com tecnologia brasileira e não existentes na Europa e nos Estados Unidos da América. E, com isso, manter o nosso pessoal afiado, lá na ponta do sistema’* (p.119).

²⁰ For more information, see: Brasil vuelve a financiar obra local. El Universo, 13/11/2012. Available in : <<http://www.eluniverso.com/2012/11/13/1/1355/brasil-vuelve-financiar-obra-local.html>>.

different sources and therefore can be also exerted through cooperative mechanisms (2012 :905). It is to the role of technical cooperation projects on matters of social development, agriculture, education and health that we now turn, to see how they have been contributing to the deepening of Brazilian commitment to the region. Indeed these initiatives - of which Brazil has been the biggest promoter- are important assets for sustaining and enhancing the cooperation amongst its members by creating convergences and partnerships of strong path dependence and a distinctly Brazilian leading role.

According to an annual report launched by Ibero-American General Secretary (SEGIB), Brazil is the main responsible for cooperation projects in South America (SEGIB, 2012). In 2011, the country provided nearly 210 cooperation projects, followed by 120 projects provided by Argentina. In the same year, Brazil responded for 35% of all projects executed in the region and provided 75 of the total 192 cooperation projects of social dimension in South America. Concerning projects that envisaged services and infrastructure sectors, Brazil was responsible for 26 in a total of 69 projects. It is worth noting that, although Argentina also plays a relevant role in regional cooperation, the country only exceeds Brazil when it comes to cooperation actions, not cooperation projects. According to the same report, cooperation actions are more punctual, less complex and expensive than cooperation projects. Differently from cooperation actions, cooperation projects tend to involve more costs and envisage the long-run term. In this sense, while cooperation projects tend to subsist for about a year and a half, cooperation actions normally last a little more than one month. Brazil has been the main responsible for cooperation projects in South America since 2010, when it exceeded the projects offered by Cuba and Venezuela, which were the leading countries in the offering of cooperation projects in 2009 (SEGIB, 2010; 2011; 2012).

From 2003 to 2012²¹, Brazil has promoted more than 400 cooperation projects in South America. Some of them have already been concluded and others are still in execution. Most of these projects are mainly related to cooperation and transfer of knowledge in different sectors, such as health, fishing, agriculture, industry and energy. Generally, a large part of them tend to share with other countries Brazilian national experiences in such sectors. The projects can be bilateral, involving Brazil and another country, or multilateral, involving Brazil and more than one country. Countries like Peru, Paraguay, Bolivia and Colombia are among the most benefited ones by Brazilian cooperation projects. Respectively, these countries have been engaged in 76, 71, 68 and 53 cooperation projects with Brazil between 2003 and 2012 .

In the case of Peru, the varied projects present different objectives, like eradication of child labor, improvement of the country's health system and transfer of knowledge in the elimination of extreme poverty and hunger. Bolivia, for instance, has been benefited from projects that aim the improvement of the country's fishing sector as well as the capacitation of labour in the biofuels sector. The country has also benefited from Brazilian cooperation in fighting against hunger. Brazil has also helped the Colombian health sector, mainly in issues concerning food and nutritional security. Likewise, Paraguay has enjoyed Brazilian cooperation in the educational system, in the improvement of skilled labor for the energy sector, in the agrarian reform process, among others (ABC, 2012).

Many of these projects aim to provide regional development and not only to supply the needs of a single country, by so doing providing regional public goods (ARAQUE BOTERO, 2012). This is the case, for instance, of

²¹ The following official figures about Brazil technical cooperation projects with South American countries were made available on our request, by the Brazilian Cooperation Agency (Agencia Brasileira de Cooperaçao/ABC), thanks to the endeavor by Luciano Barbosa de Lima from the ABC/South, Central America and Caribbean Division, in December 2012

the technical cooperation in commercial and industrial issues, according to which Brazil seeks to promote the qualification of South American professionals as well as the adaptation of the continent to the international standards in such issues. Besides, Brazil has also promoted regional improvements in the educational system of Mercosur's member and associated states, by providing the exchange of professionals and skilled labor²².

But it is the health and the agriculture sectors which have more prominence in Brazil technical cooperation for development in the region and it is to them that we would like to give further attention.

Concerning the health sector, one of the best examples of Brazil commitment to the region is its participation at the [South American Health Council](#), also known as UNASUR-Health in which Brazil plays a central role. Created on December 2008, UNASUR-Health is a permanent council constituted by the Health Ministers of the UNASUR member countries, seeking to constitute a space of integration concerning health by promoting common policies and coordinating activities among its members. According to the official site *“It is also a consultation and consensus body concerning health, which intends to delve deeply into relevant themes and strengthen public policies aimed at improving the living conditions of the inhabitants of the South American continent”*²³. The Council addresses five main issues: Health Surveillance and Response, Development of Universal Health Systems, Health Promotion and Action on Social Determinants, Universal Access to Medicines and Development of Human Resources Management. Brazil takes part at this Council mainly by the Health Ministry biomedical research and public health institute Fiocruz (Fundação Oswaldo Cruz/Oswaldo Cruz Foundation) one of the most active and prominent institution acting on human resources training and immunization.

²² IDEM.

²³ <http://www.isags-unasul.org/interna.asp?idArea=37&lang=2&idPai=>. Accessed in 6th December 2012.

Fiocruz has indeed been a rather important instrument for enhancing Brazilian protagonism in the region²⁴.

As for Brazilian technical cooperation in the agriculture sector, it is important to note the relevant role of EMBRAPA (Brazilian Agricultural Research Corporation), which has been involved in more than 70 cooperation projects in South America. EMBRAPA has been in charge of cooperation projects that involve many South American countries, such as Bolivia, Paraguay, Uruguay, Peru, Guyana, Colombia, Argentina, Suriname, Ecuador and Venezuela. Its programmes cover diversified areas, like food and nutritional security, soybean production, fish farming, family farming, livestock orientation, cotton production, potato production and commercialization chains, among others.

Altogether those projects materialize direct transfer of knowledge and expertise that have been generated and successfully implemented within Brazil (BURGES, 2012:227). Moreover they are good examples to illustrate the way by which Brazil has been quite successful in crafting a kind of regional leading role able to bring, even if asymmetrically, economic and social benefits for both itself and its neighbors.

It is on this aspect that the Brazilian portfolio of cooperation in South America can be seen as the use of *soft power* towards crafting Brazilian regional leadership. Moreover this policy of cooperation favours the spread of the Brazilian development model (Ayllón, 2012: 198) to the extent that it offer of a cluster of experiences, public policies and knowledge of its own (IDEM), as well as professional qualification. In so doing, Brazil cooperation projects for development bring with them a Brazilian view, a Brazilian expertise and a

²⁴Ex-presidente da Fiocruz destaca importância do Unasul Saúde para América do Sul. Interview with Paulo Buss, 23/10/2009. <http://www.ensp.fiocruz.br/portal-ensp/informe/site/materia/detalhe/18861>. Accessed in 6th Dec. 2012.

Brazilian *modus operandi*, and in so doing crafts a kind of leadership that we label *Development Regional Leadership*²⁵.

Despite all these and many others examples that bring a positive stance to Brazil in relation to its regional partners, we had examples of stumbling blocks in the Brazilian capacity to lead its regional fellows for the country reaching some of its global objectives: the lack of support from Argentina to the Brazilian candidacy to the UNSC permanent seat; and the failure in 2009 of getting support from Mercosur members for Brazilian candidacy to the post of director-general of the World Trade Organization (WTO) being two remarkable ones. Both examples illustrate quite clearly the decision of Brazil's neighbors to not behave in a *quid pro quo* style: despite accepting Brazilian *inwards leadership* derived from the credit lines for infrastructure projects and from the supply of expertise on capacity building by means of projects of technical cooperation, they do not take it as a passport for Brazil acting in their name outside the region²⁶. Summarizing, it is possible to note

²⁵ We have no doubts that Brazil is also being able to craft another kind of important leading role in the region – or *inwards leadership* as we mentioned above – by means of political attitudes towards political stability in the region like its part on the negotiations amongst Colombia, Ecuador and Venezuela over the killing of a FARC leader by the Colombian armed forces within the Ecuadorian territory (VIEIRA & ALDEN, 2011:516); or on the Venezuelan crisis over the right of president Chavez taking office despite his illness. “Maduro: Dilma respalda decisão tomada por Judiciário”. O Globo, 10 Jan 2013, Available at <http://oglobo.globo.com/mundo/maduro-dilma-respalda-decisao-tomada-por-judiciario-7246902>. Accessed in 10 Jan 2013. Nevertheless, in this article our aim is to highlight its role as a development leader in the region, to which these actions cannot be taken as examples.

²⁶ It is worth noting, that differently from the last contest for the position of director-general of the WTO (2009) when Uruguay presented its own candidate to run against the Brazilian one, this time Brazil is the only South American country to run for the position. Moreover, we should also notice that Brazilian candidate, Roberto Azevedo, has already received the official support from Argentina “Candidatura de Azevedo quer resgatar importância da OMC” Avalilabe in <http://clippingmp.planejamento.gov.br/cadastrros/noticias/2013/1/2/candidatura-de-azevedo-quer-resgatar-importancia-da-omc/>. Accessed in 10 Jan 2013; and “Brasil faz campanha para ter membro na OMC” Correio Popular, 10 Jan 2013.. Available in <http://correio.rac.com.br/conteudo/2013/01/capa/nacional/22179-brasil-faz-campanha-para-ter-membro-na-omc.html>. Accessed in 10 Jan 2013. What could be seen as a signal that the Brazil is succeeding to engage South American countries – at least Argentina - to adopt Braziliann goals as their own – to make ours Malamud's words

that Brazil's regional peers tend to preserve their own positions in global matters despite their acquiescence before Brazilian prominent cooperation projects and infrastructure financing in the regional scope.

And it is here that extra-regional coalitions have been helping Brazil to put in practice its search for protagonism globally, this time together with its Southern partners from Asia and Africa. We then turn to IBSA, another good example of the shift on Brazilian foreign policy towards South-South relations.

IV. Brazil and Southern coalition for global protagonism

Created in 2003 following the Trilateral Foreign Minister Meeting held in Brasília, IBSA Forum (India/Brazil/South Africa Dialogue Forum) was conceived as a strategic partnership among emerging industrialized economies and democracies. Soon after its launching, the initiative was “*transformed into a South-South inter-state cooperation based largely on soft power assets (...) articulating common goals, positions and values in world politics and economics*” (HIRST, 2011:3)²⁷. In 2004 the creation of the IBSA Fund (IBSA Facility for Poverty and Hunger Alleviation) gave more credibility to the commitment of its members to

(2010:3), is better explained by two other reasons. Firstly by the similar postures, Brazil and Argentina have been presenting towards trade issues, since both of them have adopted protectionist measures lately (ABREU, 2012). And secondly by the increasing international recognition of Brazil as a leading country on trade negotiations.

²⁷ IBSA has a huge portfolio of agreements in very important issues such as international security, science and technology, health, education, agriculture, transport, etc. either as trilateral agreements or as collective proposals to be presented in the international *fora* for the reform of the present international regimes that rule these issues.

enhance South-South cooperation towards the mitigation of poverty and hunger²⁸.

Based on a common political identity crafted by their alledged “*common experience with colonialism or imperialism and the social and economic inequalities that came with it and accentuated over time*”(VIEIRA & ALDEN, 2011:509) besides their common worries about a wide range of subjects (IDEM, 508) -, IBSA is strongly committed to the promotion of matters of undisputable positive value for developing countries, contributing to bring this coalition to the category of a new pattern of Southern collective behaviour in the international system. According to its Founding Declaration the three member countries decided “*to hold regular political consultations on international agenda items, as well as to exchange information on areas of mutual co-operation in order to coordinate their positions on issues of common interest*”²⁹. By way of example, IBSA claims for the democratization of global authority *fora*, including the reform of UN, IMF and World Bank; it makes continuously efforts towards the promotion of a global alliance for development within the 80 Millenium Objective; it searches for the implementation of social public policies towards the control of poverty; besides sponsoring other initiatives for international cooperation for development. In so doing IBSA became a special forum for advocacy for the developing world and could therefore be seen as a soft balancing strategy (PAPE, 2005) aiming to challenge international norms, rules or practices that adversely might affect the interests of its members, and - hopefully - to eventually change these norms. Amongst its achievements in coordinating positions on multilateral negotiations we can mention negotiations at the WTO (Chakraborty and Sengupta, 2006 ; Oliveira &

²⁸ For more information about IBSA Fund see http://www.ibsa-trilateral.org//index.php?option=com_content&task=view&id=29&Itemid=40.

²⁹ IBSA Trilateral Forum, “Brasilia Declaration of the IBSA Trilateral Forum”, June 2003, available: , http://www.ibsa-trilateral.org/index.php?option=com_content&task=view&id=48&Itemid=27 (accessed in 4th December 2012)

Onuki, 2008)³⁰; its continuously voicing for a distinct approach for international cooperation for development, which should be “*guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit*”³¹; the joint project presented to the UN Human Rights Council about access to medicines and the right to medical treatment, which approval could be interpreted as an example of success of the political SS cooperation towards development (AYLLON, 2012:196); the decision to move from using US dollars to their own currencies in intra-BRICS credit and grant transactions, as proposed in Sanya in April 2011 (Stephen, 2012:304); as well as the demands for new regulation of transnational capital flows (Idem, ibidem). Amongst other initiatives, those above mentioned give IBSA the status of one of the most relevant coalitions of southern countries to act towards the building of an emerging world order.

Brazilian commitment to IBSA has been underlined by several authors as one remarkable example of the country decision to choose the international coalitions of emerging countries as a central strategy of its foreign policy towards a better equilibrium in the international system (VAZ, 2012: 178; VIGEVANI & CEPALUNI, 2007:283). Indeed IBSA has been “*instrumental in Brazilian foreign policy to leverage power globally*” (ONUKE & OLIVEIRA.2012: 8-9).³² Moreover, Brazil belonging to IBSA “*creates legitimacy in a way that other agreements do not [due to] the fact that this is an alliance between southern partners [and therefore] carries an important symbolic power on the global*

³⁰ It is worth quoting Amorim that “I can state with conviction that the G-20 would not exist without IBSA” (Celso Amorim, “The India-Brazil-South Africa Dialogue Forum and World Trade”, in The India-Brazil-South Africa Dialogue Forum, (Brasilia: Ministry of External Relations, Republic of Brazil, 2006),p. 6. Apud Stephen, 2012: 300)

³¹IBSA Trilateral Forum, “Fourth Summit of Heads of State/Government Brasilia Declaration”, April 2010, available: ,www.ibsa-trilateral.org., p. 5. Accessed 4 December 2012.

³² Onuki & Oliveira argument goes further (2012). They equal IBSA and Mercosur on this characterization, which I quite don't agree or rather I can think of Mercosur also playing this role if we think about this arrangement as part of a larger regional strategy, but not as Mercosur playing the same role on its own.

stage” (IDEM:2). The very fact that IBSA is a partnership of large developing nations and has the question of UNSC reform amongst of its main demands, might illustrate Brazilian strategy for looking for other partners to strength its demands instead of linking its regional policy with this trade off. Moreover at IBSA Brazil **does not** play the role of a representative of their regional partners, which also releases Brasilia for having previously regional negotiations and for bringing eventual demands to the bloc, an attitude which could easily harm its own interests at IBSA, without actually guaranteeing any gains for its regional neighbours. Likewise, Brazil could join its IBSA partners on issues they do not compete amongst themselves, despite clashing with Brazilian regional fellows without alienating the latter interests, although it might also bring problems of behaviour consistency.

When saying that there are advantages in not acting as a regional representative before this trilateral partnership, we are disagreeing with those who says that *“the absence of recognized ‘leadership/followership’ relations that characterize classic ties between a hegemon and its subordinate regional partners is limited at best, a fact that ultimately impacts negatively on IBSA’s abilities to act effectively on the global stage”* (VIEIRA & ALDEN, 2011: 524). 508). And although Vieira and Alden might be right on their view that this lack of regional recognition for IBSA members of their alledged leadership could bring problems in the years to come, they fail to demonstrate how that affects IBSA’s performance as a partnership currently. On the other hand, Brazilian commitment to regional cooperation devoid of a *quid pro quo* behavior towards global goals as we have seen above, also contributes to Brazil’s image of not performing an instrumental regional-global role.

And it is exactly this aspect that make Brazilian initiatives in South America and the country commitment to IBSA Forum as complementary, though not dependent. In other words, at the regional realm Brazil succeeded to act as a development leader; whilst at IBSA, Brazil searches for

international protagonism along its partners to the extent that IBSA “*represents an instrument of a power that brings leverage in terms of the country’s global influence*” (IDEM). We shall develop these thoughts a little further on the following and concluding session.

V. Conclusion

Brazilian diplomacy left behind the belief that for having global protagonism the country had to make use of the region as a launching platform. Put it differently, Brazil is not playing the regional card to achieve global aims anylonger. And this is so not because Brazilian strategy has changed, but mainly because Brazilian regional aims have been modified. As a matter of fact when comparing the time when Brazil used to look at regional integration such as Mercosur as a tool to enhance the role of the country on global politics in a kind of regional-global duplicity performance (PINHEIRO, 2000: 327), to the present days, we notice that nowadays Brazilian commitment to South American development does express a different approach towards the region – more prone to collective development as part of Brazilian national interests. It is in this sense that we argue that we are in fact watching Brazil exercising a regional leadership, but one of a different kind and for distinct purposes. In other words, we should not take leadership as a comprehensive concept – that is one that could cover all dimensions of a country interests whichever the forum of discussion – nor as an instrument or asset for acting outside the regional sphere, but rather as the capacity to influence South American neighbours on matters of regional governance due to the outstanding impact Brazilian “capacity development”³³

³³ Brazil actually calls it as “*cooperação estruturante para o desenvolvimento*” which is a little bit different of UNDP’s definition of capacity development. Whilst for Brazil the *cooperação estruturante para o desenvolvimento*” is meant to be the construction of

projects of international cooperation is having on the modeling of the regional development. It is in this way that we can actually talk about Brazilian regional leadership. But the kind of leadership Brazil is presently performing is very much of a collaborative and distributive nature, to pick up two patterns of leadership mentioned by Tokatlian (2010). In the sense that Brasília has been showing great inclination for sharing resources and for paying costs for the regional development and, in so doing, contributing for the social and economic development of their neighbours in the name of stronger regional stability and governance. That Brazil is playing such a leading role on the regional sphere does not mean that the country does so devoid of interests. In other words, initiatives like those we cited above do help the country to enhance political links in the region and also bring benefits for Brazilian private investments in the region, for the sectors who are brought to the scene as suppliers of goods and services, as well for Brazilians living in South America countries (SPEKTOR, 2010:36). It is important to underline that in so doing two important consequences follow: firstly, Brazilian government helps some of its big companies to internationalize and, at the same time, contributes to provide regional public goods that help to boost regional development; and secondly, the government succeeds in articulate private domestic and public external interests much better, by promoting a domestic

capacities for development by integrating the human resources formation, organizational strengthening, and institutional development, besides refusing to replicate the traditional unilateral transference of technologies and; or “proyectos creadores de capacidades nacionales con impacto social y económico sobre los beneficiarios que movilizan agentes de varias áreas y aseguran más apropiación y sostenibilidad” (AYLLON, 2012:200).; or yet a kind of assistance based on a “structural” approach, that is, “a sustainable plan of action to reach long-term socioeconomic impact on the ground (HIRST, 2011:5); for UNDP “capacity development” “builds on this evolution and has three cornerstones. It is a continuing learning and changing process. It emphasizes better use and empowerment of individuals and organizations. And it requires that systematic approaches be considered in devising capacity development strategies and programmes” UNDP-UNITED NATIONS DEVELOPMENT PROGRAMME. Capacity Development: Technical Advisory Paper No. 2. Management Development and Governance Division, Bureau for Policy Management, New York. 1997, 89 pp. Disponível em: <http://mirror.undp.org/magnet/Docs/cap/Capdeven.pdf>. Accessed in 12/52012.

basis, a positive constituency for the continuation of this policy, though it also brings some level of dissatisfaction from sectors that are not benefited by the same policy or from those who disagree with the criteria used by choosing the benefited companies (MASIERO & CASEIRO, 2012:30-31). As we have already shown, the infrastructure sector absorbs a large part of Brazilian government support³⁴, which contributes to its expansion in South America and in the other parts of the world as well.

On the other hand, despite Brazil *inwards leadership* acceptance by its regional peers, Brazilian new regional status cannot be automatically taken as regional acceptance to represent the latter on all global matters as their leader. And it is in this track that the IBSA forum can be seen as the other part of the Brazilian present aims and strategy. Since Brazil started to develop new kind of coalitions, such as IBSA, BRICS, BASIC, there is no need to work on the regional level as a launching platform. The interstate coalitions of regional powers like IBSA are important tools for making feasible the articulation of emerging countries who share the same objective of changing the present pattern of international relations towards their economic and political ascendance, since they seem to be more adequate and indeed more efficient, without high costs of transaction. Indeed, following Fletes and Vaz, those coalitions “*can be articulated independently from a sometimes questioned regional legitimacy, which could otherwise become a source for possible political constraints in global sphere*” (2011: 8)³⁵.

In this sense, at IBSA Brazil can reaffirm and indeed can make its condition of regional power to act in global matters even stronger, benefiting itself from this situation, without having to search in advance for a certificate from its regional partners of being a regional leader

³⁴ See footnote 14. And Table I above.

³⁵In the original, “Han permitido asimismo que esta proyección se produzca independientemente (...) de su, a veces, contestada legitimidad como líder regional, condiciones que podrían convertirse en una fuente posible de importantes constreñimientos políticos a escala global (Fletes y Vaz, 2011: 8).

Likewise now that the country has gained increasing global recognition and, therefore it might not depend on a pre-regional endorsement to do so³⁶, the regional links might also be benefited. Indeed, it is not out of the question to think that this kind of intra-regional relationship without the expectation for trade off in global matters – either from Brazil as a paymaster, or from the South American countries as beneficiaries -, can indeed contribute to ease the relationship amongst Brazil and its neighbors with possible positive results even for the debates at the global *fora*. In other words, to the extent that trade off are not put on the negotiation table, this relationship might slowly lead to a kind of recognition of Brazil credentials to represent South America in global *fora*³⁷. But even if that does not happen, Brazil already presents itself as regional development leader, without and definitely with no need to bring its neighbors to the global negotiation tables.

Nevertheless, to give rise to some speculations, we should also think about possible non-expected consequences stemming from the current scenario of IBSA coalition. Being part of an intermediate level within the international hierarchy, the successes of IBSA initiatives is very much based on the premises that its members do not compete for resources amongst themselves (at least not yet) and have more latitude for cooperation exactly because they are few and have many similarities. Nevertheless, the new Brazil' status in Africa supported both by the internationalization of Brazilian big

³⁶ This lack of dependency between traditional regional leadership and global performance can be exemplified by the fact that even being defeated in its candidacy for general director of WTO in 2009 due to not having been able to get regional supporters, Brazil's reputation and influence in WTO has not been damaged (MALAMUD, 2011:9). Besides, we could also mention other southern coalitions for specific issues of which Brazil is a member, in which the country – and perhaps also its partners – also benefits itself from its condition of regional power, without having to be a regional leader in its traditional meaning, such as BASIC (Conference of the Parties (COP) of the Framework Convention on Climate Change, created in early 2010 this coalition brings together Brazil, South Africa, India and China for matters of Climate Change; G-4 - India, Germany, Japan, and Brazil – the articulation for the reform of the Security Council of the United Nations (UNSC).

³⁷ It is not out of the question the hypothesis that the present support Brazil has received from Argentina for the Brazilian candidate at the WTO run for the general-director position is an example of that

companies and by technical cooperation projects for development³⁸, as well the increasing Indian presence in the continent could bring some kind of discomfort amongst these partners, therefore bringing damages to the IBSA coalition. In Africa, the emergence of Brazil and India can bring some annoyance to South Africa, since the continent, especially its southern region, is an area under historic South African influence. After all, borrowing Hurrell's words for institutions in general, for the sake of a more realist view about IBSA, the latter is not "*just concerned with liberal purposes of solving common problems or promoting shared values.*" [it is also a] "*site of power and reflect[s] and entrench[es] power hierarchies and the interests of powerful states*" (HURRELL 2000:3-4).

Finally, bringing the issue of regional leadership back to our discussion, we would also like to raise another important question so far not object of much attention: to what extent we could generalize the conclusions taken about the relationship between Brazil and its regional partners to the other IBSA members and their regional fellows. In other words, to what extent India and South Africa membership to IBSA is not also a consequence of change of their aims and/or their strategy towards their respective regional environment. Perhaps the search for responding this question could help us to improve the arguments here developed for the Brazilian case.

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³⁸ In 2010 27.5% of the ABC budget was destined for Latin America, and 42% for Africa" (14Brazilian Cooperation Agency – Ministry of External Relations (2011) *Brazilian Technical Cooperation*, mimeo. Apud, Hirst, 2011:6)

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