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UPDATE

BRAZIL @ THE WILSON CENTER

Woodrow Wilson International Center for Scholars

# Brazil - U.S. Bilateral Relations

## *A Dynamic Agenda for the 21st Century*

On June 4th, 2003 *Brazil @ The Wilson Center*, in conjunction with The Brazilian Embassy in Washington, and the Brazil Information Center, hosted "Brazil and the United States in a Changing World: Political, Economic, and Diplomatic Relations in Regional and International Contexts." This all-day seminar offered comprehensive information, commentary and discussion regarding the most salient points of Brazil's relationship with the US.

A draft version of a forthcoming book containing participant papers is currently available on the Brazilian Embassy's website: www.brasilemb.org/bookBrUS_relations.pdf

Minister Luiz Fernando Furlan

The history of U.S. - Brazil relations was covered by the opening panel, which discussed Brazil and its major development influences within a long view of socio-historical change. Noting past encounters with state nationalism, **Lincoln Gordon** of the Brookings Institution warned of the hazards posed by what he termed "unhealthy and negative nationalism" in Brazil. Despite publicized fears of anti-U.S. sentiment in Brazil he argued that current relations are quite healthy between the two states. Moreover, he indicated that bilateral trade disputes, which have characterized relations in recent months, are indicative of a healthy bilateral relationship insomuch as they are outgrowths of democratic state discourse in a globalized age. Presenting a different view, **Paulo Roberto de Almeida** (Brazilian Embassy) detailed the development of a hesitant and distrustful U.S.-Brazil relationship. While private investment has increased in Brazil since 1995, Almeida argued that Brazil needs the opportunity to develop further if it is to achieve an equitable and balanced relationship with the U.S. **Thomas Skidmore**, of Brown University, commented (in absentia) that Brazil spent significant resources promoting itself to Washington during the 1990's, perhaps at the cost of further and deepened state socio-economic development. He proposed increased export promotion for Brazil as a means to reduce its dependence on capital inflow and to redress the balance of payments. Skidmore also cast attention towards future Brazilian-U.S. trade policy and conflicts that may arise. **Eduardo Viola** (University of Brasilia) highlighted the influential role played by the Brazilian media in shaping the view of national society, both towards the U.S. and development policy in general.

A second panel discussed parallel paths of development and economic interdependence, focusing on historical and contemporary socio-economic development within a comparative framework. **John DeWitt**, a long-time foreign service officer and Adjunct Professor at the University of Florida, presented his views regarding the similarity of socio-economic development in Brazil and the South ern U.S. during the 18th and 19th centuries. **Eliana Cardoso**, a Visiting Scholar at Georgetown University, provided a critical assessment of recent economic policy and growth in Brazil during the last century vis-à-vis cross-comparison with South Korea. **Joseph Love** (University of Illinois, Urbana) and **Marshall Eakin** (Vanderbilt University) both provided comments detailing the similarities and differences in approach taken by DeWitt and Cardoso in their Brazil scholarship. Most notable among their comments, as also reflected by post-panel questions, was the assertion made by both DeWitt and Cardoso that institutions strongly influence the course of development. While history seems to have directed the path of institutional growth policy (i.e., in the form of plantations and influence in international financial organizations), current institutions may now be much more highly contested than ever before – due to globalization and its varied effects upon society. With this view, Love and Eakin attempted to bring both historical-based studies of development into the present global context of interdependence.


Eliana Cardoso

During a luncheon speech, U.S. Permanent Representative to the OAS Ambassador **Roger Noriega** described U.S. policy towards Brazil and Latin America under President Bush. While emphasizing the strong need for pragmatism in U.S.-Brazilian relations, Noriega noted that both states are nevertheless highly supportive of a multi-lateral trade agenda. In this context, Noriega argued that it would be possible to work together in forming a strong trade-based U.S.-Brazil partnership. He also discarded the notion that the U.S. has diminished attention towards Brazil and Latin America since September 11th, and underscored the importance of the FTAA for the region.


Roger Noriega

Building upon the address of Noriega, an afternoon panel included scholars commenting on regional trade issues and related hemispheric/multilateral negotiations. **Jeffrey Schott** of the Institute for International Economics discussed the challenges to trade liberalization between Brazil and the U.S. Noting that both countries have much to gain from bilateral trade liberalization, he stated that dialogue must continue on the issues of steel, citrus, sugar, telecommunications, government procurement, and tariffs in order to maximize possible benefits. In a similar vein, Brazilian Ambassador **Rubens Barbosa** argued for continued and balanced dialogue on trade issues, while also highlighting the difficulties of negotiating FTAA within the rules and guidelines set forth by the WTO. **Marcelo de Paiva Abreu,** from the IADB and the Pontifical Catholic University of Rio de Janeiro, contrasted the political obstacles present in Brazil and the U.S. which have hindered economic integration. He pointed to strong protectionist lobbies and resistance to close U.S. relations in Brazil, while noting that the U.S. tends to be ignorant of "how things work" in Brazil as it emphasizes "special goods" exemptions in negotia-

tions. Also commenting on the presentations was **Paolo Giordano** of the Inter-American Development Bank, who argued for a closer examination of the FTAA-WTO relationship and the role played by civil society in the FTAA process.

The last panel, entitled "Prospects for Bilateral Relations in 2003 and the Future," discussed the new presidential administration of Luis Inacío Lula Da Silva and its relations with President Bush and other major world partners. **Peter Hakim** of the Inter-American Dialogue argued that "neither the U.S. nor Brazil has ever found their relationship [to be] satisfactory." At the present, however, Hakim articulated that much of Brazil's possible international success lies with its internal accomplishments in the areas of fiscal policy, investor confidence, and sustained growth. **Thomaz Guedes da Costa** of the National Defense University disagreed with Hakim's evaluation, noting that Bush and Lula have much in common with each other. Da Costa argued, nevertheless, that Brazil needs to be much more proactive in its stance if it is to successfully reinvigorate U.S.-Brazil relations. That is, Brazil will earn the respect of the United States only when it is able to convince the Bush administration that it is an influential "shaper" within the state system. **William Perry** (William Perry & Associates) and **Maria Regina Soares de Lima** (Instituto Universitario de Pesquisas do Rio de Janeiro) both provided additional commentary. Perry indicated that both Bush and Lula are practical leaders, and that an idealistic prospect of continual and harmonious bilateral relations between the two states is unrealistic and harmful to useful policy formulation. Soares de Lima emphasized the many cultural linkages between the two states as an example of a growing Brazil-U.S. convergence in the post-Cold War era. While predicting future diplomatic and political difficulties (e.g., trade issues), she noted that the election of Lula was a very important event in and of itself – as it indicated a consolidation of Brazilian democracy. Within this context, she argued that a new state-based pragmatism is being formed in Latin America toward the U.S., with Brazil leading the way. **Luis Bitencourt** (Wilson Center) wrapped up the session by underscoring the panel's emphasis upon practical policy formulation, as it serves to highlight the extent to which a workable view of future relations can be constructed within Brazil and the U.S.

Thomaz Guedes da Costa and Maria Regina Soaras de Lima

**Luiz Fernando Furlan**, Brazil's Minister of Development, Industry and Foreign Trade, concluded the day-long conference with comments in support of further Brazilian-based academic inquiry. Furlan emphasized his commitment to improving exports and implementing social security reforms by the end of the year. Both Barbosa and Furlan indicated that the June visit of Lula to the U.S. would be highly beneficial for the deepening of U.S.-Brazilian dialogue, as it would assist in clarify issues of contention regarding the EU and FTAA.

***Thinking Brazil Update*** is an electronic publication of ***Brazil @ the Wilson Center.*** This project is founded on the conviction that Brazil and the U.S.-Brazilian relationship deserve to receive better attention in Washington. Brazil's population, size, and economy, as well as its unique position as a regional leader and global player fully justify this interest. In response, and in keeping with the Center's mission to bridge scholarly research and public action, *Brazil @ the Wilson Center* sponsors activities designed to create a "presence" for Brazil in Washington that captures the attention of the policymaking community. *Brazil @ the Wilson Center* is grateful for the support of the Ministry of Culture of Brazil, ADM, Cargill, ChevronTexaco, FMC, and The GE Foundation.

For mor e information please refer to our website at www.wilsoncenter.org/brazil or contact Alex Parlini at parliniaj@wwic.si.edu