

Brazil in BRICS, a Manifest Destiny? Opposing views of Caracas and Itamaraty

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'The unity of our peoples is not mere illusion of men but an inexorable decree of destiny.' Simón Bolívar

'Men know how to convert obstacles into new ways of doing things, because for life the space of a crack is enough to flourish.' Ernesto Sábato

INTRODUCTION

The building of a new World Order is one of the hardest tasks of world diplomacy. The BRICS initiative seems to be a successful model of South-South cooperation in the sense that it constitutes an example of dialogue and counterbalance of power. This appears to have endowed its members the right to become 'the voice' of the South, but among the poorest countries of this region there is the fear that these emerging powers speak mostly in defence of their particular interests. As Wheeler highlights:

Countries of the South differ widely in character and their interests may diverge greatly [...] Even though these States occupy a common position on some issues and share certain of their goals and ambitions, their interests do not necessarily converge, even in their relation with the developed North.¹

These differences lead to fragmentation rather than cohesion in the efforts of the South to address its problems. Besides, the differentiation in power of the developing countries may be a limitation to participation at the multi-lateral level and even a potential risk in the sense that it can harbour a kind of predation on the South by the South. In other words, some may assume to speak for the rest, while actually, most of the time, they speak

for themselves. The systematisation of the monopoly of their discourse is a risk for the poorer countries whose interests are marginalised.

In the case of BRICS, as pointed out by Maria Regina Soares:

A relevant point is that global recognition comes along with regional recognition. For some authors legitimacy at a regional level is needed to attend international projection due to the fact that the global powers tend to value the emergent's contribution to regional stability; but this delegation of such a responsibility may reveal itself as a sort of sub imperialism carrying a loss of legitimacy or fear among their neighbors considering the differences of power potential.²

On this basis, the search for new political, economic and social practices represents a challenge to redefine new horizons in this matter. The necessity to familiarise ourselves with the different circumstances of our particular societies is a call to deepen the study, dissemination and promotion of the different experiences that take place daily in our continents.

Brazil in BRICS, a 'Manifest Destiny'? It seems so. Nevertheless, along with some authors we would like to warn about the dwindling of South America's importance on Brazil's foreign policy agenda precisely because of its status as a global player, which questions the legitimacy of its assumed advocacy on behalf of the region. We therefore invite you, dear reader, to keep your eyes wide open to the alternatives, in order to get a better understanding of this part of the South.

This chapter will review the increasing leadership of Brazil in South America in contrast with the Bolivarian option represented by Venezuela, two different versions of the nationalist impulses that confront post-liberal regional counter-tendencies at a time when the region faces important challenges imposed by its satellite status inherited from colonial times. The proposed case of study is an example of the current problems in implementing the integration dreamt by Bolivar³ and prescribed by the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC or ECLAC; Spanish: CEPAL)⁴ within the frame of the dependency theory. The argument is that the varying national strategies of insertion into the global economy are playing against it and explain certain regional reluctance against Brazilian foreign policy which is seen as a kind of sub-imperialism.

SOUTH AMERICA AND THE FRAGMENTATION OF THE NATIONAL STRATEGIES OF INSERTION INTO THE GLOBAL ECONOMY

The North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico, is a step towards the formation of a political and cultural entity that aims to maintain the global hegemony held by the United States in the 20th century. Meanwhile, South America, with marked deficiencies at the technical and scientific levels – among other limitations – struggles against its satellite status acquired in the last 500 years.⁵ Integration is seen as the best solution for regional problems, but there is no agreement on the best way to implement it, and therefore on the best way to insert itself into the world economy.

The failure of the WTO's Doha Round's call to eliminate agricultural subsidies⁶, helped to change perceptions in the region of the supposed advantages of free trade,⁷ resulting in a sort of 'post-liberal regionalism' that, in theory, would benefit the integration objectives. As noted by Motta Veiga and Rios:

The basic hypothesis of the 'post-liberal regionalism' is that the liberalization of trade flows and investment, and their consolidation in trade agreements are not able to generate substantial benefits, and in fact reduce the space for the implementation of national policies for development and the adoption of an integration agenda concerned with issues of development and equity [...] In the case of South American integration, the effect of this attitude of preservation is the reluctance to share economic sovereignty in areas that would be necessary to advance the integration objectives.⁸

But the region is far from having a common strategy. The fact that Peru and Colombia signed bilateral agreements with the United States while they were members of the Andean Community of Nations showed the growing gap between countries that are prone to integration in a broad sense (growth of commercial, economic, cultural and human flows) and those that prefer and promote a 'formal integration' within a political framework.⁹

The origin of this division is the taking of power, in several countries in the region, starting with Venezuela in 1998, of 'nationalist' governments whose very identity is bound to the criticism of the model of 'open integration' with a commercial agenda that took hold in the 90s. It opened a cleavage between 'liberal' countries that remained aligned with the view of openness to the global economy and those more 'nationalist' who sought to break with the former model by expanding the agenda. This major cleavage, however, does not reflect all the relevant divisions in the region. For instance, despite some common nationalistic rhetoric, the policies of Caracas, leader of the ALBA,

and Itamaraty, undisputed head of MERCOSUR, differ in their way of relating to the North and collide in the very institution that aims to unite them, UNASUR.¹⁰

According to Sorj and Fausto,¹¹ the difficulty in generating comprehensive consensus would not be circumstantial, but intrinsic to the post-liberal regionalism present in the region over the past ten years, and related to external and internal factors.

The global geopolitical changes, among which some authors emphasise, above all, the decrease in the relative weight of the US in South America and the rise of the importance of trade and investment with Asia in general and China in particular,¹² reinforce the regional centrifugal tendencies. For most South American countries, including Brazil and Venezuela, the region loses relative importance in the middle of exponential growth in trade flows with Asia, especially China, but also with other emergent powers such as Russia and Iran, depending on the political preferences of the governing elites.¹³ Sorj and Fausto (2010) examine this last point. In their opinion:

The dynamics of Latin American countries are not, and never were, a mere by-product of changes in the global system and/or the will and interests of powers outside the region. [...] Possible alternative models of economic and geopolitical insertion in the international system must be understood as resources that are creatively appropriated by national social and political actors, and translated into proposals for the government reflecting interests and ideologies of specific groups according to the different characteristics of countries or groups of countries in the region.¹⁴

Below we will take a look at the specificities of Brazilian and Venezuelan regionalism respectively.

BRAZILIAN REGIONALISM

In recent literature on foreign relations in Latin America, and particularly on Brazil's foreign policy, it is clear that Itamaraty, since the arrival to power of Lula da Silva, intends to become the political and economic leader of the region.¹⁵

Lula, as everybody came to know him, appointed a close academic as special counsel for relations with Latin America and instructed his foreign minister to reform the bureaucratic structure of the Foreign Ministry to reflect the renewed attention to the region. Besides, he implemented an intensive programme of visits to neighbours, was personally involved in South American elections, consolidated the mediating role of Itamaraty and

sponsored a flood of new regional initiatives, most notably the Union of South American Nations (UNASUR).¹⁶ He also served as the driving force behind the meeting of South American countries with Arab and African countries.¹⁷

However, this shift needs to be qualified. Brazil's commitment to the region tends to be selective and favours its national interest above all. The idea was that regional integration should serve as the primary objective for ensuring an increase in power and autonomy in its broader strategy of integration into the global economy and projection in the international system. That is why Spektor does not hesitate to say:

The logic behind Brazil's choices is not that of a South American entity being useful to promote regional coordination or manage common problems typical of the complex interdependence between porous borders in the region. Instead, the logic was to use a new regional order as a tool to assure a space to maneuver against the financial crisis and a dying and decadent MERCOSUR. Thus, the bet for 'South America' had less to do with new ideas on collective governance or on alleged common regional identity, than with a calculation based on considerations of power and autonomy.¹⁸

Over the past years, strategy has involved two processes, not necessarily convergent: First, an explicit expression of preferences for candidates, parties and governments of the 'left'. Second, the direct or indirect promotion of Brazilian companies in neighbouring countries, not by association but by acquiring local companies and/or taking advantage of opportunities to exploit natural resources in 'intensive government' sectors – that is, public or private companies that have state support, both political and financially speaking. But today, Brazil's bet is to leverage the regional infrastructure improvements with the construction of highways and waterways, in a plan that involves most of the neighbouring countries and is located primarily in the Amazon. Funding, as in many of the cases above, is covered by the Brazilian government through the National Bank for Development (Portuguese: *Banco Nacional do Desenvolvimento*, BNDES). According to experts, the credit extended by this entity has grown more than the funds provided by the IMF or the World Bank.¹⁹

The figures are revealing. In the case of Venezuela, according to Pedro Silva Barros and Luiz Fernando Sanná Pinto²⁰ from the Venezuelan branch of the Brazilian Institute of Applied Economic Research (Portuguese: *Instituto de Pesquisa Econômica Aplicada*, IPEA), the bilateral trade has multiplied more than sevenfold. The presence of Brazil has increased, as well as its technical cooperation, and this led to the representation of Brazilian public

agencies in Caracas.²¹ The biggest challenge, in their opinion, is to transform the cyclical growth of trade in a productive integration.

Katz, in a radical analysis of the role of Brazil in the region, does not hesitate to label it as ‘the candidate to command an oppressive multi-polarity’²² which, in his opinion, would enhance the association of local elites with hegemonic powers. For this author, the geopolitical rise of the BRICS likely includes a sharp conflict with the capitalists of the centre.²³ However, these conflicts would tend to be resolved through strategic alliances like those that have been formed in recent decades and that have led to striking asset purchases in the advanced economies by emerging multinationals and the controversial Eastern participation in the rescue of the US banks. Therefore, in his opinion, ‘a multi-polar scenario which includes them, would restructure oppression and obstruct popular emancipation.’

Whether one agrees with him or not, certainly, as Brazilian direct investment in the region increases, the risk is that political tensions will aggravate due to the fact that there are no appropriate mechanisms to manage them, given that UNASUR does not have the power or the formal instruments to define stable rules for trade and investment flows within the region. More appropriate for that purpose would be MERCOSUR and the Andean Community. These, however, lost strength in the same process that led to the creation of UNASUR.

The discomfort is so evident that some authors have dusted off terms like ‘sub-imperialism’ on the part of the ‘Giant of the South’ in the quest of its ‘Manifest Destiny’²⁴ Others, using a more modern language, have raised the question of whether it is a new ‘hegemon’. But apart from this dark side of Brazilian economic diplomacy, it seems that there is a positive perception of its leadership.

Within the less-developed countries of the region, typically Bolivia and Paraguay, the reaction to the danger of what is perceived as economic dependence becomes fear and resistance to ‘Brazilian sub-imperialism’.²⁵ But Gerardo Arellano, Director of the School of International Studies at the Central University of Venezuela, in an interview in April 2012, expressed himself in these terms:

At the regional level I think the Brazilian foreign policy has to review some sensitive areas regarding trade as the commercial dynamics at the interior of MERCOSUR, where Brazil plays as a hegemon and promotes asymmetries instead of interdependence [...] Once this has been taken care of, we will be able to say that we have a great leader who knows about dialogue, manages himself within the protocol, and therefore assures us an honorable representation in the global context.

In Argentina, according to Roberto Russell and Juan Gabriel Tokatlian,²⁶ Lula's Brazil, inherited by Dilma, is defined either as an 'unavoidable' country or as an 'essential' country. But overall it is acknowledged as 'predictable', 'institutionalised', 'serious' and 'efficient'. To these authors it is 'the idea of Brazil as a country you need to consider, may be accepted with resignation, anger or joy, but has no major cracks.'

Focusing on the political aspect, however, there is a rival, and this rival is the Venezuela of Hugo Chávez, which ironically incorporates the 'Giant of the South' as a cornerstone in its geo-strategic plan.

THE BOLIVARIAN ALTERNATIVE FOR THE AMERICAS (ALBA)²⁷

Most Venezuelan analysts agree that among the main purposes of Venezuelan foreign policy in the second half of the 20th century were the promotion of concepts like representative democracy and self-determination, the defence of the principles of sovereignty and not intervention, and the concretion of Latin American integration and international economic cooperation. The different thematic lines, according to them, were defined by the interests and identities of Venezuela as part of the American continent (in its Latin, Caribbean, Andean and Amazon dimensions), and also as part of the West, the so called Third World and the OPEC.²⁸

However, since 1999, Venezuela entered a new period in its political history with the victory of Hugo Chávez and the adoption of a new constitution, which decrees a 're-founding of the Republic and its institutions in the frame of the so called Socialism of the XXI century'. The transition from the IV to the V Republic²⁹ brought about a major shift in foreign policy based on a militant anti-imperialism, a more political Latin American integration and openness to other continents such as Asia and Africa, with the intention of promoting a multi-polar world and drawing a new global geopolitical map. South-South Cooperation is a central issue in the international agenda of the renamed 'Bolivarian Republic of Venezuela.', through which it seeks 'to promote a dynamic interaction between our countries in order to face with our own resources, knowledge and skills, many of our common problems due, to a large extent, to systemic deficiencies, asymmetries and inequities in International Relations'.³⁰

The victory of President Chávez in the referendum of 2004 propelled geopolitical changes and played a key role in the international arena. Using financial resources from oil revenues, he deployed an international strategy contingent upon continental integration based on politics: The Bolivarian Alliance for the peoples of our America (Spanish: *Alianza Bolivariana para los Pueblos de Nuestra América*, or ALBA). This alliance seeks to implement a

series of interstate consortia that Venezuela would lead, including PetroSur, PetroCaribe, PetroAndina, Telesur, the South Bank and Great Southern Gas Pipeline, to name only the most important.³¹ Besides this, the Venezuelan government has mentioned the aspiration of creating a South American armed force and a South Atlantic Treaty Organisation like NATO.

The Bolivarian Alternative for the Americas (ALBA) was designed primarily to contain the US hegemony as evidenced by its Declaration of Principles and other founding documents. This contrasts with the FTAA project and the overall neo-liberal model of development, which has deepened structural asymmetries and promoted the accumulation of wealth on the part of a privileged minority at the expense of the people's welfare. Thus, with ALBA, a new set of variables and concepts of strong ideological content was introduced, that, in general, promotes 'cooperative and complementary exchanges' and bolsters an ambitious programme of 'energy cooperation', the combination of which should compensate for asymmetries between the countries of the hemisphere and ultimately lead towards 'endogenous development', considered the only way to eradicate poverty and social exclusion.³²

This cooperation, referred to as the 'interamerican para-system' (Spanish: *parasistema interamericano*) by Héctor Constant,³³ is certainly a parallel system that aims to subvert the one in place. It was initially conceived in the context of the Third Summit of Heads of State and Government of the Association of Caribbean States (ACS), held in December 2001 on the island of Margarita, Venezuela. At that time, President Hugo Chávez stated:

We want a model that integrates us for real. Not a model that disintegrates us or that integrates some at the expense of the disintegration of others; that should not be the way. We propose that we think once and for all, in an alternative, even if we believe it is not possible. I think we could begin discussing about what might be called the ALBA, the Bolivarian Alternative for the Americas.... Certainly, integration is vital for us. Either we come together or we sink. Let us take the right decision, and choose the alternative.

In practice, it was implemented with the Joint Declaration signed by the presidents of Venezuela and Cuba on 14 December 2004. Subsequently, a number of other Latin American and Caribbean nations have accepted Chávez's call by signing the Peoples' Trade Agreement (Spanish: *Tratado de Comercio de los Pueblos*, or TCP) which aims to implement the principles of ALBA. These countries include Bolivia (20 April 2006), Nicaragua (11 January 2007), Dominica (26 January 2008), Ecuador (24 June 2009), Antigua and Bermuda (24 June 2009) and St. Vincent and the Grenadines (24 June 2009).³⁴ This can be seen as an achievement in itself.

As is obvious when reviewing the list of its members, what makes this proposal feasible beyond the abundant financial resources of Venezuela is the common socialist penchant of most governments and their antagonism against the US.⁵⁵ This common ideology allows ALBA to become an important voice in the region and in the international arena, which according to Héctor Constant⁵⁶ would count in making a positive balance thus far, despite the low level of institutionalisation and the lack of monitoring of agreements.

However, Chávez himself seems aware of the limitations of a proposal of this nature because it was not his only move on the regional chess board. Brazil has always been a key element in his geopolitical strategy. The bilateral relationship was buffered by ideological coincidences and a close personal bond with President Lula. This led to eight years of unprecedented partnership with Brazil that set a cooperation precedent. What is unknown is whether new Brazilian president Dilma Rousseff will follow the same path or if Caracas will keep this direction in a post-Chávez scenario.

All we can say right now is that the conclusions of the High Level Workshop in November 2004, which outlined the New Strategic Map of the Bolivarian Revolution, place Brazil in the context of two opposing axes: Brasilia together with Caracas and Buenos Aires would be part of the first one referred to by the government as the Orinoco-Rio de la Plata, which in its opinion, is susceptible to threats from the 'North American Empire'. The second, composed by Bogotá, Quito, Lima and Santiago de Chile, is called the 'monroist axis' in a clear reference to the Monroe Doctrine, meaning they are close to the 'enemy'.⁵⁷

This view had its first concrete manifestation in the request by Venezuela to join MERCOSUR and its subsequent withdrawal from the Andean Community of Nations (Spanish: *Comunidad Andina de Naciones*, CAN), where Colombia and Venezuela were the biggest and most active members. This move responds, according to local analysts, to Chavez's calculated policy to rebuild the South American geostrategic board under the ideological debate that has dominated Venezuelan foreign policy and its confrontation with the USA.⁵⁸

Some may think that the growing and challenging role of the Venezuelan president somehow overshadows Brazil's 'natural' leadership in the region. Certainly, they both count, each one in its own particular style, but they do not have the same weight. The truth is that the balance favours Itamaraty so far.

A 'MANIFEST DESTINY'?

For Martínez Meucci,³⁹ Brazil would be the 'clear beneficiary' of the 'regional fragmentation' and more specifically of Venezuelan radical policy, in the sense that being a 'moderate leftist' had allowed it to assume a mediator role in regional crises related to some of the ALBA members. This first occurred with the Table for Negotiation and Agreement (8 November 2002 to 29 May 2003), a hemispheric initiative of crisis management during a Venezuelan coup attempt in April 2002.⁴⁰ Brazil's mediator role emerged again during the Bolivian crisis in 2008, a result of Evo Morales' nationalisation campaign,⁴¹ and then again during the chaos generated by the Colombian incursion in Ecuador in 2009.⁴² With time, this role has increased its regional and global status.

For Gonzalez Urrutia,⁴³ the difference between these two leaderships has 'antagonist' edges. In his opinion, 'the militaristic, populist, ideological and confrontational geostrategic vision of Hugo Chávez,' implemented by assuming a protagonist role through intra and extra regional alliances (ALBA, as well as Russia, Iran, China), thanks to the oil industry, is very different from the Brazilian model, which looks for reforms but avoids confrontation, and whose diplomacy is handled with balance, discretion and efficiency. That is precisely the reason why, in his opinion, Itamaraty has arrived to neutralise not only the Venezuelan president's speech but what he calls his 'ambitious and unconscionable personalistic projects'.

Indeed, the South Bank, the proposal to build the Southern Gas Pipeline from Venezuela to Argentina through Brazil, the Pernambuco refinery that was to be built with capital from the two countries, and the aspiration of creating a South American armed force and a South Atlantic Treaty Organisation like NATO either waned with time or were replaced by Brazilian initiatives such as UNASUR and the South American Defense Council, in part because of the conflicting views of Caracas and Itamaraty.

On the other hand, according to González Urrutia,⁴⁴ Chávez warmly welcomed the creation of UNASUR basically because it is a forum without the presence of the United States, Mexico and Canada, which is in line with its radical rhetoric. However, in his opinion, this decision works against the natural geopolitical reality that, until recently, has identified Venezuela as part of the Caribbean too. Therefore, assigning the subcontinent such a huge geopolitical importance isolates and weakens the Bolivarian Republic. For him, the fact that Mexico, Colombia, Peru and Chile have formed the belt of the Pacific and the withdrawal of Venezuela from the Andean Community made things even worse.⁴⁵

Thus, we could say that the radicalism and excessive personalisation of Venezuela's foreign policy is both the motor that impells it and a risk to its

continuity. President Chávez's identification with the so called 'Socialism of the XXI century' may dissuade some important countries in South America to walk along with Caracas. Besides, the 'oil diplomacy' is vulnerable to economic crisis. A change in the price of the barrel, or a mismanagement of the Venezuelan oil industry, may affect the budget of the various projects going on within the ALBA.

Therefore, unless there is a change, Brazil will continue to capitalise on the almost general anti-liberal feeling of the region, but considering the different national interests and its status as a global player and as a member of the BRICS, serious doubts arise on the legitimacy of its assumed advocacy on behalf of the rest. Besides, as Itamaraty tends to diversify geographically beyond the continent, the prospect of an inertial evolution leading to the gradual reduction of the weight of South America in the foreign policy agenda now seems quite realistic.

CONCLUSION

Brazil, the largest and most populous country in South America, true to the old adage of 'Manifest Destiny', has the intention of establishing itself as the political and economic leader of the region, with the objective of strengthening its position in the international arena, considering that global recognition is concurrent with regional recognition. Thus, its bet for South America has less to do with new ideas for collective governance or for alleged common regional identity than with a calculation based on considerations of power and autonomy.

To its neighbours, whether they are 'liberal' or 'nationalists', the main issue then becomes how to live with and relate to the 'unavoidable' country. However, some authors warn about the dwindling of South America's importance on Brazil's foreign policy agenda precisely because of its status as a global player, which questions the legitimacy of its assumed advocacy on behalf of the region.

Meanwhile, the integration envisioned by Bolivar and prescribed by the ECLAC continues to tumble despite the growing awareness of its need within the dominant 'post liberal regionalism' that has characterised the region over the past ten years. As demonstrated by the study of the differences between Caracas and Itamaraty, the difficulty in generating a comprehensive consensus on this matter is due to the different national strategies of insertion into the global economy.

Considering the case of Brazil in the context of South America, the BRICS are probably just buying a better place in the system and once they are the forerunners, will forget about changing it.

Anyway, to give up is not an option. The union of our people is, as Bolívar put it, an inexorable decree of destiny. It is our duty to convert obstacles into new ways of doing things. The space of a crack is enough to flourish.

ENDNOTES

- 1 Wheeler, 2004, p.4.
- 2 Soares, 2010, p.156.
- 3 Spanish America at the time of independence, led by Simon Bolívar (most famously in the Jamaica Letter of 1815), had a vision of a confederation of Spanish American republics, forming a 'single nation', with a common policy towards the European enemy, and keeping the United States at arm's length. In that sense, in December 1824 Bolívar invited representatives of all the peoples and governments of America, except the United States, Haiti and Brazil, to a congress in Panama which did not reach its aim due to the particular interests of the different national elites. The various later attempts to create an American confederation, at conferences in Lima (1847–48), Santiago de Chile (1856), Washington (1856), Lima again (1864–65) and Caracas (1883, the centenary of Bolívar's birth), were also a failure for the same reason. See Bethell, L. (2010). 'Brazil and "Latin America".' *J. Lat. Amer. Stud.* 42, 457–485. Cambridge University Press.
- 4 The United Nations Economic Commission for Latin America and the Caribbean (UNECLAC or ECLAC) was established in 1948 to encourage economic cooperation among its member states. Raul Prebisch, its first director, known as the father of the dependency theory, went on to conclude that the underdeveloped nations must employ some degree of protectionism in trade if they were to enter a self-sustaining development path through the creation of an internal market. He argued that import-substitution industrialisation (ISI), not a trade-and-export orientation, was the best strategy for underdeveloped countries, and therefore integration was his recipe for the region.
 ISI was gradually abandoned by developing countries in the 1980s and 1990s due to structural indebtedness from ISI-related policies on the insistence of the IMF and World Bank through their structural adjustment programmes of market-driven liberalisation aimed at the Global South. Integration then started to be seen as a tool to get more power to negotiate the insertion in the global trade. This was the origin of a new paradigm which was called 'open integration'.
- 5 Mata Mollejas, 2010.
- 6 The Doha Round of multi-lateral trade negotiations in the World Trade Organization (WTO) is now more than a decade old, but there are growing doubts over whether the members of the WTO will continue to invest much political capital in this apparently failing enterprise. Little progress has been made since the disastrous Cancun ministerial meeting of 2003, and negotiators have become increasingly vocal in expressing doubts over whether the differences between major participants can be resolved. We may now be in a period of transition to a post-Doha negotiating framework, the principal theme of which may be the fragmentation of negotiations into separate initiatives that are based either on distinct issues (e.g. plurilateral negotiations on services) or participants (e.g. more regional and crossregional negotiations) (SELA, March 2012).

- 7 Bernardo Sorj and Sergio Fausto, ECLAC, July 2011 p.5.
- 8 Pedro da Motta Veiga and Sandra Rios, 2011, p.225.
- 9 Motta Veiga and Rios, p. 224; Bernardo Sorj and Sergio Fausto, p.5. Although, certainly, as highlighted by Sorj and Fausto (*op cit*: 5), the issues are intertwined, as the formal integration in part reflects and reinforces existing flow dynamics resulting from the expansion of trade and the internationalisation of enterprises. On the other hand, one of the integration objectives is to allow the expansion created by the economic dynamics to be developed within a common political project, in order to reinforce the virtuous and cooperative dimensions of the process, reducing possible tensions associated with the growing presence of external actors in national economies.
- 10 In December 2004 MERCOSUR and the Andean Community of Nations signed a reciprocal associate-member status agreement and issued the Cusco Declaration stating that they would create a political South American Community of Nations. The Declaration purposefully invoked 'Bolívar's dream', noting that it would be partially realising his vision of uniting Latin America. The original name of the union was changed to the current one, the Union of South American Nations, in April 2007.
- 11 Sorj and Fausto, *Op Cit*: p.6.
- 12 Sorj and Fausto, *Op Cit*: p.2.
- 13 As explained in detail by Pedro da Motta Veiga and Sandra Rios (2011: 201–224), when analysing the evolution of trade in the first decade of the century, by country or destination block, one may find that intraregional exports remained at 21 per cent of the total. In contrast, the share of Asia as a market had increased significantly. In the case of China it grew from 2 per cent to 8 per cent, which contrasts with a decline from 24 per cent to 14 per cent on the part of the United States. Something similar happens with imports. Intraregional imports figures have not changed considerably, while the share of imports from the United States and the European Union decreased, and that of Asia in general and China in particular has substantially increased. Regarding the behaviour of the extra and intra-regional investment flows, it is worth noting the growing importance of political factors related to domestic policies.
- 14 Sorj and Fausto, 2010.
- 15 See Bernal Mesa 2008; Gomes, 2010; Hirst, 2006; Vilalva, 2010; Ferreira, 2011. Spektor (2011:1), however, traces the beginnings of this new interest and places it in the late 90s, when, encouraged by the progress of the regional integration programme initiated between Brazil and Argentina during the government of José Sarney (1985–1989), his successors Fernando Collor de Mello (1989–1992) and Itamar Franco (1992–1994) moved in the direction of 'unprecedented doses of political, diplomatic and trade bonds with countries in the immediate geographical environment' through MERCOSUR. The option was formalised in 2000 under the government of F.H. Cardoso (1994–2002), who organised the first meeting of South American heads of state. But, undoubtedly, the regionalist turn of Brazil's foreign policy became more pronounced under President Luiz Inacio Lula da Silva (2002–2011), who was part of the turn to the left of the regional ideological pendulum.
- 16 The Union of South American Nations (Spanish: *Unión de Naciones Suramericanas*, UNASUR) is an intergovernmental union integrating two existing customs unions: MERCOSUR and the Andean Community of Nations (CAN), as part of a continuing process of South American integration. It is modelled on the European Union. The UNASUR Constitutive Treaty was signed on 23 May 2008, at the Third Summit of Heads of State, held in Brasília, Brazil.

- 17 Raul Bernal-Mesa, 2008; Jaime Baeza, 2010; Spektor, 2011).
- 18 Spektor, *Op Cit*, p.10.
- 19 See Luce Mathias, 2008, 'La expansión del subimperialismo brasileño.' *Patria Grande* N° 9, December. Verdum Ricardo, 2009. 'Finaciamento a megaproyectos: novos desafios.' *Contra Corriente*. Carlos Tautz, 2009, 'A Amazonia como alvo principal.' *Contra Corriente* (January).
- 20 Barros and Pinto, 2012.
- 21 EMBRAPA, the Brazilian Enterprise for Research on Agriculture (Portuguese: Empresa Brasileira de Pesquisa Agropecuária), cooperates on agricultural development. The CEF, one of the most prestigious Brazilian banks, supports the programme 'Mission Villa Grande' which aims to build three million homes by 2019, and has also backed the initiative to install the Bank of Venezuela's terminals in peripheral areas. Furthermore, the Brazilian Agency for Industrial Development (ABDI) supports the construction of factories that manufacture refrigerators and food-processing machines, and IPEA advises the territorial planning and industrial frontier hydrocarbon production in the state of Sucre and the Orinoco Oil Belt, in addition to conducting joint studies on production integration and infrastructure between Northern Brazil and Southern Venezuela.
- 22 Katz, *Op Cit*: p.34.
- 23 *Ibid*, pp.28–29.
- 24 The potential power of the 'Giant of the South' gave rise to the thesis on the 'manifest destiny of Brazil,' which speaks of its supposed right to exercise political, economic and military leadership in the region which was very popular in that country in the 50s of the last century. Then, the expansion plans of the North Calha Plan in the eighties and, some years later, the geopolitical doctrine of 'concentric circles' conducted by the military governments in the context of US policy during the Cold War security, led to the use of the term 'sub imperialism'. See González Urrutia (*op cit*: 11).
- 25 Mesa, C., 2011, p.72.
- 26 Russell and Tokatlian, July 2011.
- 27 The adjective *Bolivarian* refers to Simón Bolívar, after whom Bolivia is named and who is revered as a hero in Venezuela and to a lesser extent in the entire Spanish-speaking South America for his leadership of independence movements against Spanish colonial power.
- 28 Romero, M.T., 2009.
- 29 The numbering of the Republics responds to schemes formulated by academicians for a better understanding of Venezuelan history. The first three Republics are confined to the vagaries of the independence struggle. The fourth begins with the separation of Venezuela from the Gran Colombia in 1830 and ends in 1999 with the victory of Hugo Chávez and the adoption of a new Constitution. The so-called fifth Republic, at least in theory, refers to the transition from representative democracy to participatory democracy. See Hocevar, M. 2011.
- 30 Alcalay, M., 2003.
- 31 See Gonzalez, U, 2011: 129–130. Among them the South Bank, a monetary fund and lending organisation established on 26 September 2009 by Argentina, Brazil, Paraguay, Uruguay, Ecuador, Bolivia and Venezuela with an initial capital of US\$20 billion, is perhaps one of the most interesting. Nobel Prize winning former World Bank economist Joseph Stiglitz said that 'One of the advantages of having a Bank of the South is that it would reflect the perspectives of those in the south,' and that 'It is a good thing

- to have competition in most markets, including the market for development lending. See Rory Carroll, 2007, 'Nobel economist endorses Chávez regional bank plan.' *The Guardian*, 12 October. <http://www.guardian.co.uk/business/2007/oct/12/venezuela.banking>. Retrieved: 25 February 2011.
- 32 Hugo Chávez, 2003.
- 33 Hector Constant, 9 May 2012.
- 34 ALBA, report 2011.
- 35 Andrés Serbin, 2007: 18.
- 36 Constant, 2012.
- 37 The Monroe Doctrine was a policy of the United States introduced on 2 December 1823 which stated that efforts by European nations to colonise land or interfere with states in North or South America would be viewed as acts of aggression requiring US intervention. The motto was America for the Americans. The intent and impact of the Monroe Doctrine persisted with only minor variations for almost two centuries and it was interpreted as the US desire to control Latin America.
- 38 See González Urrutia, *op cit*: 7. However, we must not forget the precedent set by former Venezuelan president Rafael Caldera (1969–1973 and 1993–1998), who dreamed of the 'Conquest of the South'; he was the pioneer in calling attention to the importance of the Amazon. Chavez and Lula did not start from scratch. There were previous negotiations that undoubtedly opened the road for Caracas to pave with the force of ideology.
- 39 Meucci, 9 May 2012.
- 40 The Table for Negotiation and Agreement (8 November 2002 to 29 May 2003) was a hemispheric initiative of crisis management during a Venezuelan internal conflict, product of the coup attempt of April 2002. This enterprise took place through the *facilitation* of a negotiation process (headed by the Secretary-General of the Organization of American States, César Gaviria, and representatives from the Carter Center) between the Venezuelan government and the opposition. The facilitation was also supported by *preventive diplomacy* as exerted by 'Groups of Friends', led by Brazil.
- 41 Deadly violence over the nationalisation campaign of Evo Morales ended with the intervention led by Chile and Brazil.
- 42 This incursion led to increased tension between Colombia and Ecuador and the movement of Venezuelan and Ecuadorian troops to their borders with Colombia. The crisis was ended at a Rio Group summit on 7 March 2008 with a public reconciliation between the three countries involved.
- 43 Urrutia, *Op Cit*, p.10.
- 44 *Ibid*, *Op Cit*, p.8.
- 45 In relation to this last point, Mata Mollejas (2011:152–153) highlights the fact that MERCOSUR and CAN rely on two major watersheds: Rio de la Plata and the Orinoco river, which forces Colombia and Venezuela to find in the medium term 'a *modus vivendi* that optimises the use of their resources'.