

We are Americans: let us negotiate

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The meeting of the American countries in Montreal is a good opportunity for a reflection on the on the foreign relations of Brazil. It is clear to us that we are a Southern Cone (Mercosur), a South American, and a Latin American country, but we have difficulty in acknowledging that we are an American nation. I can understand this difficulty. In the Americas there is a dominant country that, in addition to its economic and military hegemony, uses the name America as its own. Brazil, being the second biggest country in the Americas, resents this power, and rejects a closer American association and integration.

Our policy in relation to the proposed FTAA is indicative of this attitude. Since a free trade zone was proposed by President Bush father, in 1991, we have been resisting to it. First, saying that the Americans actually did not mean to sign such an agreement; second, plainly affirming that the American integration would “kill our industry”; third, trying to postpone as much as possible an agreement. Only recently a real advance took place: the Brazilian diplomats finally decided to discuss substantive matters.

How to explain this negative approach? Why we resist to view ourselves as an American nation, and prefer to define our country as “a global trader”? Why can't we be global traders and also Americans, as in fact we are?

To answer this question, first it is necessary to ask if the fact that we, besides being Brazilian, are Americans, are native of the American continent, is just a geographical question, or if it involves accrued political and economic solidarities? Neither the Americans strict, nor the Brazilians, are well aware of the existence of such solidarities. Yet, my first claim is that they exist.

If we don't count China, that is still dominantly inward oriented, there are three international power centers in the world: United States, European Union, and Japan. Which are the interest that these powers show in relation to Brazil and Mercosur? The Japanese are frank and explicit: they give clear priority to the East and South-East Asian countries. The Europeans are less explicit, but it is obvious that their priority goes to Eastern Europe, West-Asia, and North Africa. Both powers adopt a geopolitical approach.

The case of the United States is more complex. They are more than a global trader. They are a global power, with interests everywhere. Their economic and political

priority was always Europe and Japan. But they know that these, plus China and Russia, are exactly their worst competitors. They are, for sure, interested in East and South-East Asia – after all, they are also a Pacific power – and in Eastern Europe and West Asia, but they know that in these regions they are in a weaker position compared to Japan and Europe Union.

In contrast, in the Americas, although the Europeans and the Japanese may have some interest, the advantaged competitor is the United States. And, although not ready to admit, the American policymaking elites know that. That is why they insist in an FTAA, independent of the political party in office. The American government may confront internal obstacles, particularly among organized labor, but it will push the continental agreement as much as possible. And it will be readier for mutual concessions than the Europeans or the Japanese.

If it so, why Brazil resists? Why, instead, does Brazil not take the lead, and decides to push the trade integration of the Americas? Why does Brazil not, which has labor costs considerably lower than the United States and Canada, does not establish the conquest of the American market as one of its major economic strategies?

One explanation is protectionism. Brazilian policymaking elite did not realize that protectionism is not anymore a legitimate policy for Brazil, that Brazil, today, it will profit more from free trade than the rich countries – the self-denominated ‘defenders’ of free trade, which, in fact, are their worst adversaries.

A second explanation is lack of confidence in the Brazilian capacity to negotiate. As protectionism, that is a typical ‘old nationalist’ attitude. Brazil, according to this view, Brazil, as a weaker country, would be unable to defend its interests in negotiating the FTAA. If we negotiate, it is said, the problems that we have interest in discussing and resolving in our trade with the United States – quotas and subsidies on agricultural goods, antidumping as a protectionist strategy, restrictions to our exports of shoes and other labor-intensive products – would be relegated to the 15 percent of total trade that will be initially out of the agreement. . . Such approach is still a heritage of our colonial complex of inferiority. It involves insulating Brazil from the opportunities brought by globalization, without protecting the country from its negative effects.

There is a third and more vague reason. Making such agreement Brazil would lose its political independence in relation to the United States. We would be constrained to follow the American neo-liberal model of economic and political organization, instead, for instance, of the Renan (French and German) social-democratic model. But this makes little sense. I personally believe that the second model is superior to the first in political and economic terms. Yet, this is not the moment to discuss this issue. It is just not true that signing a free trade agreement with the US constrains Brazil to have the same poor social policies, and the same degree of social conflict prevailing in the US.

We have much to learn from United States and Europe, since we have a less efficient economy and a more unjust society than they have. But there is no reason to copy American poor institutions when there are better ones to be followed and adapted to our reality.

In conclusion, we are American as the American are strict. We have many common and some conflicting interests. The country in the world we are more solidary with is Argentina, but the one that represents the biggest opportunity for us is the US. Let us negotiate. I am sure that Brazil is mature enough to know how to defend its interests, instead of hiding itself in a corner of the world.