

Brazil: Ambitious and Confident

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Voltaire suggested that the best government is a benevolent tyranny tempered by an occasional assassination. Democracy, however, would appear to get the support of approximately 50% of Latin America's population, even though many are suspicious of it and see it as an imperfect solution to authoritarianism. It is constantly challenged in the region by unemployment, poverty, corruption and crime (all fodder for populist politicians promising quick fixes) but it appears to be winning the day in Brazil, Chile and, despite recent challenges to the rule of Hugo Chávez, also in Venezuela. In Central America, El Salvador, Costa Rica and Panama continue to stand out as firm believers too.

Democracy's bastion, however, the United States of America, cannot be said to be as popular in South America and besides Central America and some Andean countries, relations with Washington remain strained. Some see the origins of this discord in the 1823 speech to the American congress made by President James Monroe from which the Monroe Doctrine, extending Washington's sphere of influence to include South America, emerged (more later). The present-day war in Iraq has only exacerbated the situation because, firstly, support for it has been lukewarm in Latin America and, secondly, it has deflected attention away from the continent after every indication at the start of the Bush presidency that improving relations south of the border was high on the agenda.

Trade liberalisation in Latin America, a central plank of Washington's foreign policy, has resulted in some bilateral deals but, so far, has not brought about the free trade area of the Americas that was hoped for. The new President of Panama, Martín Torrijos, has said, in fact, that he is interested in South America's own free trade bloc, Mercosur, which is indicative of the increasing regional support for this alternative to the United States-driven trade initiatives. Mercosur was

created by Argentina, Brazil, Paraguay and Uruguay in 1991 and its intention was to establish a common market and customs union modelled on accommodations reached back in 1986 between Argentina and Brazil.

Today, however, Brazil and Argentina are looking beyond the benefits of Mercosur. This has been brought about, in large part, by the economic ascent of China which could turn out to be the world's fifth largest provider of direct foreign investment in 2004, based on a study by the United Nations Conference on Trade and Development. In June 2004, actual foreign direct investment disbursements received by China reached USD7.97 billion and Brazil, South America's economic engine, is particularly keen to do business with the Chinese, hoping to develop a lucrative market as the Middle Kingdom's industries and urban population grow. This may come at the expense of weakening Latin American ties with North America.

Under Luiz Inácio Lula da Silva, Brazil has become less parochial and both more ambitious and global in its thinking. Its economy has diversified since the time that coffee represented 53% of exports (1964) compared with 1.8% in 2003. Besides being seen (with Washington's gratitude) as an arbitrator in regional disputes, for example in Bolivia (bolstering democracy), Colombia (negotiations with guerrillas) and Venezuela (Chávez and his political opposition), Brazil took charge of a United Nations peacekeeping force of 6,700 in Haiti last June. This happy country has been described by commentators as the poorest state in the hemisphere. (Offshore service providers take note: the World Bank says that it takes 203 days to register a new company in Haiti.)

Haiti illustrates many of the region's political and social tragedies which spring, it has been argued, from the Monroe Doctrine that set the stage for the short, but

significant, Spanish-American war of 1898, the precursor to the United States becoming a world power. That "splendid little war", as described at the time by the United States' Secretary of State, John Hay, gave territories to the Americans that included Cuba and Puerto Rico. The United States took control of Haiti in 1915 following political chaos (although Washington's fear of German expansionism and worries over American interests there were paramount concerns). Control by the Americans brought its own chaos (several thousand Haitians died in a revolt) and Haitian sovereignty was supplanted by a Washington-imposed constitution.

Although there are only 1,200 Brazilian troops in Haiti, by taking on this UN role in international affairs it is a defining and confidence-boosting moment for Brazil. Brazil has never suffered Haiti's seemingly endless catalogue of catastrophes because, through dint of history, it has avoided the turbulence of conquest and liberation that has been the historical norm in Latin America. When independent, Spanish-speaking South America evolved into over a dozen republics, the Brazilian ruling class continued to be unified and faithful to the institutions of monarchy, slavery and empire. Despite the inequalities of the system, this background meant that Brazil, once independent, inherited much more political stability than the rest of the continent did. Even Brazil's military rulers in the 1960s and 1970s were less ruthless than those in Argentina or Chile.

Appropriately for this fun-loving nation of samba and football, the Brazilian troops took 1,000 footballs with them for the children of Haiti. Time will tell, however, if Brazil, with its international ambitions and new confidence, will continue to play ball with the United States. After all, Voltaire also said that the world is a vast temple dedicated to Discord.

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