

Belated Courtship?

The Uneasy Partnership between Brazil and the EU

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Summary

The EU accorded the status of “strategic partner” to Brazil in 2007. While the aim of this was to foster more effective cooperation with the Latin American giant, the record of the partnership is less than clear. While the strategic partnership was a clear acknowledgement of Brazil’s aspirations and status potential, it may have been sealed too late to have an impact on Brazil’s trajectory towards a more prominent global role, and may mean too little for actually changing the course of EU–Brazil relations.

For, viewed from Brasilia, the extent to which the special partnership has affected the relationship between the EU and Brazil remains an open question. Despite its new status as a strategic partner, Brazil’s foreign policy has been surfing on the waves of South–South cooperation schemes. So while the EU remains a market for Brazilian exports which cannot be overlooked, Brazil’s search for new partners and China’s increased prominence in its trade balance have provided a new range of opportunities in foreign policy.

As other states, including Norway, are now working out strategies to seal more formalized relationships with Brazil – and other emerging powers, for that matter – the strategic partnership between Brazil and the EU offers important lessons to take into account. While the strategic partnership was initially more valuable for Brazil, this did not last. Furthermore, it was unclear what the new label entailed in practice, and how it was supposed to affect actual cooperation patterns.

*A mighty pain to love it is,
And 'tis a pain that pain to miss;
But of all pains, the greatest pain
It is to love, but love in vain.*

– Abraham Cowley

The past decade has seen tremendous economic growth in Brazil, a development that has changed the country’s relations with its main trading partners, including the major global powers. Brazil now ranks as the ninth biggest trading partner of the EU.¹ Brazil represents an important destination for EU exports (EUR 35.7 billion), and the EU accounts for close to a quarter (EUR 37.7 billion) of Brazilian exports. But while this makes the EU an important market for Brazilian goods, Brazil is still remarkably less salient as a market to the EU, ranking well below its BRIC fellows China and Russia, and marginally below India.

Politically, Brazil has established itself as an indisputable partner of the EU, having shown great global aspirations, and having taken the lead in many South–South initiatives. Brazil thus became important enough to catch the interest of Brussels, and in 2007 the EU granted it “strategic partnership” status, together with the United States, Canada, Japan, Russia, China, India, and Mexico.

¹ For updated figures from the European Commission, see: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/brazil/> and http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113359.pdf.

In this Policy Brief we argue that, contrary to expectations, the status of “strategic partner” proved insufficient for bringing about more effective cooperation with the Latin American giant. Two reasons sustain this argument: first, the lack of substantive outcomes; second, the changing perceptions of the EU’s relevance for Brazil’s global outreach.

A Strategic Partnership

The year 2007 marked the beginning of a new turn in relations between Brazil and the EU, with Brazil accorded the status of a strategic partner of the EU. Various factors figured in the background to this decision. One important factor here was Brazil’s association with the “emerging powers” Russia, India and China through the BRIC label and partnership. Here we may note that among these four BRIC nations, Brazil was the last one to be considered an EU strategic partner. But whereas its growth rates have not been comparable to those of China – or India, for that matter – Brazil has other important assets. To the EU, Brazil’s important natural resources were central, as was the country’s great industrial diversity and innovation, combined with its vast domestic market. Equally important for pushing the partnership ahead were Brazil’s decisive role within Mercosur and its position as the largest recipient of EU investments in Latin America.

The perceived cultural proximity between the EU and Brazil remains another factor that has contributed to the consolidation of the strategic partnership: by and large, the two share many of the same values and principles. There are reasons to maintain that, among the BRICs, it is Brazil that converges the most with the EU at the normative level. They both have a strong commitment to the promotion of a multilateral order based on compliance with the rule of law, democracy, and respect of human rights, and they have tended to ratify the international regimes under the UN system.

Against this backdrop, also other factors contribute to explain why Brazil was granted such status by the EU.² First, the increase in Brazilian assertiveness on the international arena gave rise to perceptions that Brazil deserved a different status among the Latin American countries. Brazil’s leadership in establishing the agricultural G-20, its significant victories against the developed countries at the WTO and its progressive importance within the financial G-20 are examples of this assertiveness. A second reason relates to cultural proximity. Aside from the above-mentioned normative factors, an important illustration is the social dimen-

sion of Brazil’s foreign policy under president Lula, which had attracted the attention of European leaders. Here we may also mention the high-profile domestic cash transfer program known as *Bolsa Família*, which became a model for other countries and rapidly gained renown. Finally, European perceptions of Brazil as a regional leader contributed to the EU’s decision to establish the agreement with Brazil. In this respect, Brazil’s consolidated democracy also meant an opportunity for counterbalancing what were deemed radical voices from Venezuela and Bolivia within Latin America.

The establishment of the partnership allowed the relationship between the EU and Brazil continue to evolve and grow. Even in some of the most difficult trading conditions on record between the EU and Brazil, trade grew by almost 15% in 2008. Today, Brazil remains the EU’s most significant trade and investment partner in Latin America. While the strategic partnership may have been more a reflection of European reactions to considerable shifts in the global configuration of power in contemporary international politics, it may also have served both partners’ desire to gain legitimacy as global actors.

This being said, it may also be argued that the strategic partnership was initially more valuable for Brazil than for the EU in terms of global image. Whereas Brazil in 2007 was viewed mainly as a regional power, today most states have acknowledged its global reach. The strategic partner agreement meant one step forward in Brazil’s aspirations to enhance its global status. In this regard, its rapid recovery from the world economic crisis of 2008 certainly helped to convince the international community of the need to acknowledge Brazil’s new status.

Despite major nominal gains, however, it is unclear what this new label entails in practice. As Andrew Rettman has pointed out in the *EU Observer*, “the term ‘strategic partner’ is ill-defined in EU usage. In practice, it means boosting a foreign country’s diplomatic status and organizing summits and extra minister-level and expert-level meetings. But it can also be taken to mean an alternative to fully-fledged EU membership.”³ One EU diplomat has been quoted as noting that strategic partnerships are “like love – no one can define it. You only know what it is when you experience it.” Another EU diplomat remarks that the term had been thought up a few years earlier “without anyone ever really defining what it meant and whether, indeed, the others regard us as their strategic partners.”⁴

2 For a detailed analysis, see Estevão C. de Rezende Martins and Miriam Gomes Saraiva (eds.) *Brasil, União Europeia, América do Sul: anos 2010-2020*. Rio de Janeiro: Fundação Konrad Adenauer

3 Andrew Rettman (2010) “Ashton designates six new ‘strategic partners,’” *EU Observer*, 16. October. Available at <http://euobserver.com/18/30828>.

4 Ibid.



Strategic partners?

Despite the opacity surrounding the concept of strategic partnership, a special relationship with Brazil has become an important building block in the EU's relation with emerging powers, as political and economic differences with both China and India have surfaced. In the case of Brazil, it has created a different dynamics, evidenced by more transparent consultations on key multilateral issues. And while the partnership has few concrete outcomes to show, it has highlighted the extent to which the EU sees Brazil as an actor with whom it can engage on a routine basis with respect to all global themes.

Viewed from Brasilia, however, the extent to which the special partnership has affected the relationship between the EU and Brazil remains an open question. Despite its new status as a strategic partner, Brazil's foreign policy has been surfing on the waves of South-South cooperation schemes. This would indicate that EU-Brazil relations, especially under the Lula government, became cordial but distant. One central dimension of this problem is the gap between how the EU sees itself and how it is perceived by its global partners.

While the EU has long sought to project itself as a dynamic global actor, it still has limited room to accommodate new requests from external actors. Despite the partnership, Brazil has therefore continued to deal with EU states mostly through the means of intergovernmental relations.⁵ In this case, the EU seems to be diminishing in relevance, as Brazilian diplomats consider it more fruitful to communicate with traditional nation-states than with representatives of the EU in order to get things done.

The EU's lack of strategic appeal to Brazil is especially evident in the case of the reform of the UN Security Council, where Brazil has long aspired to and assertively campaigned for a permanent seat. While the USA has openly supported India's candidacy, the EU has remained conspicuously silent on the matter, largely due to the lack of internal consensus and to institutional limitations. But as Brazil rises, it has also become a more difficult partner to handle. The traditional powers have seen the Brazilian gambit in Iran and its recent votes on the Libyan case as cases in point.

While Brazil is in quest of greater autonomy, China represents an important piece in the Brazilian strategy. As Tullo and Cepaluni have noted, "In the works of

5 See Lessa, Antonio Carlos (2009) "No canteiro das idéias: uma reflexão sobre o conceito de parceria estratégica na ação internacional do Brasil à luz das suas relações com a União Européia," in de Rezende Martins and Gomes Saraiva (eds.), cited in footnote 2 above, at p. 122.

Latin American academics, autonomy is a notion that refers to a foreign policy free from constraints imposed by powerful countries."⁶ This clearly reflects Brasilia's skepticism regarding the role of the Washington, traditionally perceived as "old-style command relations with Latin America."⁷ Fears of US abuses in the region have contributed to the vision of the EU as a good counterbalance. This view gained importance particularly in the period when negotiations on the Free Trade Agreement of the Americas (FTAA) topped the agenda. However, since 2005 this has no longer been the case, and the EU has definitely lost clout. The fruitless inter-regional negotiations between the EU and Mercosur are a further reason behind the changing Brazilian perceptions of the EU's relevance.

In this context, Brazil's lukewarm embrace of the EU is also linked with the increased Chinese presence in Latin America. As Günther Maihold has argued,

the EU must realize that the new presence of China on the sub-continent has caused a profound change in this privileged partnership. It has had an impact on Latin America's perception of what Europe has to offer, even if the impact is not yet highly visible. Despite all the reserved and even critical evaluations of this situation's benefits for Latin America over the medium term, one must consider this element as the impetus for developing a new profile for relations between Europe and Latin America. In the current international situation, Europe is no longer something that the countries of South America need, but rather an option they can pursue or not pursue.⁸

So while the EU remains a market for Brazilian exports which cannot be overlooked, Brazil's search for new partners and China's increased prominence in its trade balance have provided a new range of opportunities in foreign policy. Briefly put, close cooperation with the EU is a valuable option for Brazil – but it is no longer essential.

The uneasy relationship between trade and aid has also affected the possibilities for EU-Brazilian cooperation. As Andrew Hurrell reminds us, many of the aspiring great powers

6 Vigevani, Tullo, and Gabriel Cepaluni (2010) *Brazilian Foreign Policy in Changing Times: The Quest for Autonomy From Sarney to Lula*. Lexington Books, p.1.

7 Ibid., p. 4.

8 Maihold, Günther (2007) *Relations Between Europe and Latin America: In Search of New Agendas and Formats* Working Paper 43/200, Real Insutto Elcano, p. 13. Available at: http://www.realinstitutoelcano.org/documentos/WP2007/WP43-2007-Maihold_Europe_Latin_America_Agenda.pdf

have identified themselves more specifically as developing countries and have understood their foreign policy options through the prism of North–South relations. This has been a persistent theme in the case of India; in the case of Brazil it has been a more ambiguous one, but one that is clearly in the ascendant under the present government. If so, what happens if that “developing country identity” comes into conflict with the ‘aspiring great power identity’?⁹

While Brazil in certain arenas touts its emerging great-power status, in other forums it represents the developing world, or even itself as a development partner. This tension makes close cooperation with Brazil potentially challenging for the EU.¹⁰

The EU’s recognition of Brazil as a strategic partner is a clear acknowledgement of Brazil’s foreign-policy aspirations and status potential. However, the strategic partnership may have been sealed too late to have an impact on Brazil’s trajectory towards a more prominent global role, and may mean too little for actually changing the course of EU–Brazil relations.

Conclusion: The Need for Relevance

Paradoxically, the EU lost relevance as seen from Brazil precisely when the latter was awarded a strategic partnership. While there is little doubt that the partnership has been important to Brazil, as it has contributed to fulfilling its desire for external recognition and legitimacy, it is insufficient as a measure that could substantively place the EU at the top of Brazil’s agenda, and vice-versa.

With other states now seeing the possibility of strengthening their relations with Brazil, the lessons that can be drawn from the strategic partnership between Brazil and the EU are important to take into account. Consider the case of Norway: Brazil is the locus of a major Norwegian financial investment and export market; it is the largest receiver of development aid, and is becoming increasingly more important as the site of Norwegian offshore drilling efforts. The case for the importance of Brazil to Norway is self-evident. But why should Brazil need Norway? That appears to be a more challenging question. And while there was a window of opportunity at a time where Brazil was courting recognition of its global aspirations – to which Norway could have contributed – that time has now passed. Any future partnership with Brazil must heed the experiences of the EU, and must involve deeds more than words. Any strategy aimed at increasing collaboration must focus on how to be relevant to a power to which more and more options are becoming available.

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⁹ Hurrell, Andrew (2006) “Hegemony, liberalism and global order: what space for would be great powers?” *International Affairs*, vol. 82, p. 19.

¹⁰ While the EU often flags its concern for development, its trade barriers affect many developing economies, including that of Brazil—a factor not without significance in explaining the EU’s challenges in cooperating closely with the developing world.



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