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How Brazil Views the World

An Intelligence Assessment

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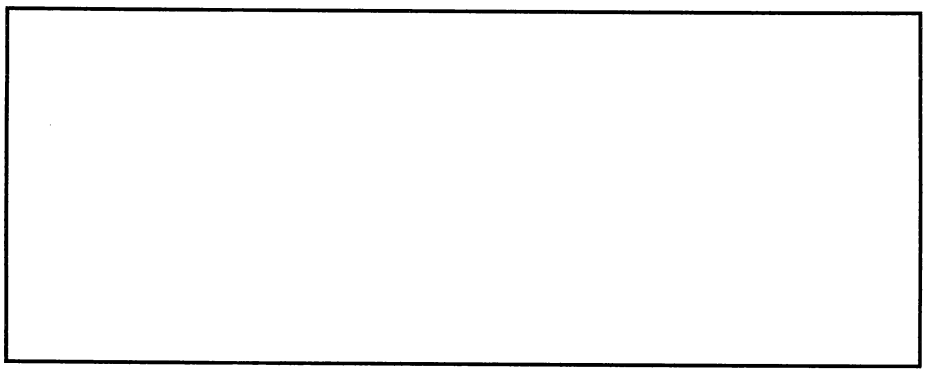

How Brazil Views the World

Central Intelligence Agency
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Roots of Brazil's World View

Brazilians believe their country is destined to emerge as a major power on the world scene. It is their long-held conviction that Brazil will eventually have a role commensurate with its vast size and population. These beliefs come naturally to Brazilians. More than 113 million strong, the inhabitants of one of the world's largest nations are inclined to think in terms of superlatives. They are mindful that within their borders flows the world's largest river, the Amazon, and that their country is a respository of tremendous mineral wealth. Brazil is the world's largest supplier of coffee and a major exporter of cocoa, sugar, and soybeans. Sao Paulo, one of the world's largest cities, is also one of the fastest growing. Brazilians make up the world's largest body of Roman Catholics. They are proud to be an offspring of the once-vigorous Portuguese empire and view their country as the logical center of a future Luso-African community of nations.

Brazil's sense of uniqueness arises from its being the lone Portuguese-speaking nation in Latin America. The Brazilians take pride in their linguistic and cultural differences with their Hispanic neighbors and point to the fact that Brazil's political development has been more peaceful that than of Spanish America. Because the Brazilians feel not only distinct from but superior to their Hispanic neighbors, they view Latin America as too confining a stage on which to act and thus look beyond it to the rest of the world.

Brazil is also unique among the LDCs, both in terms of size and degree of development. Brazilians are aware of this and derive considerable satisfaction from their belief that of all the world's aspiring peoples, they have the best chance to join the developed nations.

The desire to look beyond domestic problems and focus instead on the challenges of global issues is almost irresistible. The reason for this may simply be that the problems of the larger world are more intriguing, but it may also be that the Brazilian elite has deliberately chosen to divert public attention away from social problems it cannot or will not solve.

Recent Factors Affecting Brazil's World View

Brazilians take great pride in their country's economic growth and industrialization, especially the growth in exports of nonagricultural items, coupled with Brazil's increasing ability to exploit its natural resources. During the late 1960s and early 1970s, years of the so-called "Brazilian miracle," economic growth averaged over 10 percent annually. Even after a slowdown, growth remains on the order of 5 to 6 percent. Moreover, Brazil has become the world's largest exporter of iron ore, and it now exports electronic components and automobiles.

The country also enjoys relative political stability, which, together with skilled economic management, has allowed the Brazilians to con-

centrate on achieving the overriding goals of development and industrialization with relatively little interference from the give and take of civilian politics.

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Finally, there has been an absence of socioeconomic disruptions, even though there are potentially serious social problems such as income inequities, vast disparities in development from region to region, and class and racial distinctions. Some economists argue that the upper class now controls more of the national wealth than it did before the start of the regime's development drive. Not even government spokesmen argue that income distribution is fair, although the regime contends that it is now more equitable than before. Poverty has long been most widespread in the northeast, where 30 million or so rural inhabitants live on subsistence agriculture and are periodically forced by alternating droughts and floods to abandon the land and seek their fortunes in the teeming cities. The states of the south and east, on the other hand, have long enjoyed higher levels of income because of more favorable natural endowments of minerals and soil suitable for agriculture. Much of the population is either black or mulatto, and the darker one's skin the farther down the socioeconomic scale one is likely to be found. Very few blacks hold important positions in government or private enterprise nor, for that matter, do many of mixed blood. The large number of terms used to describe the various types and shadings of racial composition indicate a high degree of racial awareness.

There is clearly a potential for economically based social unrest, particularly in the large cities, notably Sao Paulo and Rio de Janeiro, as a consequence of the economic and industrialization drive pursued by the regime. The boom of several years ago resulted in the creation of new jobs and increased the demand for labor in the industrial centers. It also gave additional impetus to urbanization, swelling the population of the major cities and stretching the demand for social services beyond the government's capacity to respond effectively. The urbanization-industrialization process raised expectations while removing many people from traditional forms of social and political control. A greater proportion of the population is now directly affected by the ups and downs of industrial production, inflation, and overall variations in the national economy.

But Brazilians have developed various ways of overlooking, and in effect "burying" social issues, such as the inequality and paternalism that mark the relationships between white upper and middle class Brazilians and the black and mulatto lower classes. Carnival is used by rich and poor alike to mask unpleasant realities. It is not merely the national pre-Lenten celebration. For the poor, who are the most conspicuous participants, carnival is a major form of escape from the normal hardships of their lives. It is a unique opportunity to "take charge" with society's blessing and revel in the streets for days on end. For the not so poor, it is a chance to mingle with the masses and renew the conviction that theirs is an egalitarian society. Soccer, the national pastime, offers a similar, if less spectacular outlet. Rich and poor alike avidly follow the games, but it is the poor who derive a special satisfaction from seeing the game's stars—many of them of humble origin—receive the adulation of virtually all Brazilians. Those at the upper end of the socioeconomic scale go out of their way to praise the pageantry of carnival and the prowess of Brazil's top soccer stars, an indication of their strong desire to keep such pursuits uppermost in the minds of humbler citizens.

The average Brazilian probably does not believe that serious racial prejudice or class distinctions exist. Indeed, the national mythology holds that Brazil is a particularly tolerant land, a "racial paradise." Brazilians acknowledge the existence of poverty and regional disparities, but tend to believe these problems will vanish as the development process continues.

Brazil's Growing Presence Abroad

Brazil's foreign policy reflects several basic motivations. Perhaps chief among them is to

develop new markets and expand existing ones for Brazilian exports. This process is crucial to continued economic development. Another objective is to secure for Brazil increased prestige and recognition, along with political and diplomatic influence.

Brazil is also determined to achieve and demonstrate its independence of the United States in foreign affairs. This is not a new attitude, although resentment of US human rights and nuclear nonproliferation policies has recently heightened Brazilian sensitivities and evoked dramatic reactions such as Brasilia's severing last year of close military cooperation with the United States. A desire to "go it alone" has existed for a long time and is generally supported by civilians and military men alike. Historically, Brazil aligned itself with the United States, working particularly closely with the Allies in World War II and in the creation of the United Nations. But by the 1950s the beginnings of an independent stance were visible as Brazil refused to support UN actions in Korea and Lebanon and expanded its trade with the USSR throughout the Cold War. The conspicuously anti-US foreign policy stance adopted in the early 1960s by Presidents Quadros and Goulart was carefully repudiated when the military took over and wanted to be sure it had US support. Even so, while the generals sought initially to minimize differences with the United States, they have in the main followed a clearly independent course that predates current problems. Consequently, Brazil has for years reiterated that it follows no country's "lead" but strictly its own interests and has regularly opposed Washington on issues like the Non-Proliferation Treaty and in UN votes where its interests were at stake.

Brazil's vision of great power status is longstanding; Brazilians have always been concerned with the full range of world issues, not merely those of parochial interest. Brazil has traditionally been closely tied to Europe, especially Portugal and France, and its economy and defense were long tied to Great Britain. Brazil has long had an active, highly competent foreign service reporting home on a wide range of issues.

With the recent growth of its economy, there has been a substantial increase in Brazil's commercial presence abroad. Western Europe has replaced the United States as Brazil's largest trading partner; trade with West Germany is becoming particularly intense. The Brazilians have actively sought Japanese markets and investments; Japanese holdings in Brazil have increased eightfold since 1969. Brazil has become an arms exporter, supplying, among other items, armored personnel carriers to a variety of nations in Latin America and elsewhere. Recently, industrial items have replaced agricultural exports as the fastest growing earners of foreign exchange.

At the same time, diplomacy has also expanded. In the past several years, diplomatic relations have been established with China and several of the new African states, and diplomatic missions have either been established or upgraded throughout Eastern Europe and elsewhere. Brazil has clearly emerged as the most influential nation in South America, outstripping its traditional rival, Argentina. Brazil now holds sway over its smaller neighbors and is regarded as something of a model by Chile and others. Brazil has also expanded its diplomatic efforts to Mexico and Central America, areas in which until recently it showed little interest. Brazil's influence in Third World affairs is also the greatest of any South American nation.

Characteristics of Brazilian Foreign Policy

In the conduct of their foreign relations the Brazilians are pragmatic. They labor under relatively few preconceived notions and recognize that interests change over time, as do the means to promote those interests. For example, Brazil recently reversed its long standing pro-Israel attitude in hopes of currying favor with the Arabs, who supply most of the country's oil. This policy did not escape domestic criticism, but it has not been seriously challenged. In addition, despite a basic wariness of Marxism, Brazil gave early recognition to the Marxist-oriented regimes in Angola and Mozambique.

At the same time, Brazil's foreign policy tends to be highly sensitive and at times downright

defensive. In the last few years this has been in part a reflection of the prickly nationalism of Foreign Minister Silveira, long known for his advocacy of a foreign policy conspicuously independent of the United States. More importantly, it is a reflection of political uncertainty at home. The regime is acutely aware of its declining popularity, as evidenced by opposition victories at the polls in congressional and local elections and by the growing unhappiness of students, labor, the church, and even some erstwhile business supporters.

The regime is particularly concerned over the US position on human rights, which it attacks as an unwarranted intrusion into Brazil's domestic affairs. This truculence masks a very real fear that the United States, deliberately or not, will encourage civilian dissent and quicken the pace of demands for basic changes. While President Geisel and his designated successor, General Figueiredo, seem to favor a gradual liberalization, they do not want to be pushed by social forces. Moreover, the two must demonstrate to "hard-line" military critics of liberalization that normalization can be achieved without social pressures getting out of hand, lest the "hard-liners" impose an authoritarian reaction, which could only exacerbate the social situation.

In addition, Brazilian officials are concerned that the economic growth experienced thus far is fragile and vulnerable to outside forces. The development process is by no means complete and could be derailed.

The Brazilians tend to view certain US trade positions—such as countervailing duties—as harmful to the success of their development drive, fueled as it is by ever-expanding exports.

25X1 [redacted] the intense focus on rapid modernization tends to lead Brazilian decisionmakers to perceive almost all foreign policy conflicts as potentially threatening basic Brazilian interests.

The Brazilians view US nuclear nonproliferation concerns in a similar context, often saying that the United States deliberately seeks to constrain Brazilian growth. They point out the critical importance to them of nonfossil fuel sources of energy.

Foreign policy also is affected by a strain of nationalism that manifests itself in a number of ways. Despite the welcome that has been extended in recent years to badly needed foreign capital, there is nonetheless a substantial distrust of multinational corporations, and many Brazilians continue to believe that their economy is virtually "controlled" by non-Brazilians. Foreign oil companies have for many years been the particular objects of Brazilian suspicions. As early as 1950, President Vargas made economic nationalism a political issue with his slogan "the oil is ours" and outlawed petroleum exploration by foreigners. Only during the Geisel administration, when the nation's oil situation became desperate, did the government challenge popular sentiment by inviting outside oil firms to prospect. Even so, the basic distrust remains.

Over the years mistrust of foreigners has evidenced itself in other ways as well. Brazilians, for example, once regarded US attempts to encourage birth control not only as an intrusion, but as an attempt to stunt the nation's growth. Similarly, some Brazilians interpreted foreign-sponsored programs of inoculation against smallpox and other diseases as plots to infect the populace. Brazilians through the years have also harbored a vague fear that outsiders would exploit the vast Amazon basin, thought to contain great mineral wealth. To this day much of this area has not been integrated with the rest of the country. This fear was one of the factors behind recent efforts to build roads through the jungle and colonize remote areas. Moreover, the same suspicions probably prompted the law forbidding foreigners to buy rural land.

Brazil's foreign policy is ambivalent about the nation's role among the LDCs and its hoped for role as a major power. On some issues, such as higher prices for agricultural exports, Brazil's interests are clearly with the LDCs, who seek trade and other concessions from the developed world. At the same time, Brazil has at least one foot in the camp of the industrialized nations, as a country that exports manufactured products and has paternalistic relationships with smaller countries like Uruguay, Bolivia, and Paraguay. As a result, Brazil wants concessions from the West of

the sort the LDCs call for, but it is restrained in supporting these demands. The leaders of Brazil's conservative military government realize that they are politically suspect to many Third World governments, which view Brazil with a mixture of antipathy and envy. Brazil's leaders also know that as their nation becomes more developed, it will have even less in common with the LDCs and will see its interests more from the perspective of a developed power. In the meantime, Brazil is careful not to let its bigness and growing wealth incur the enmity of other Third World nations. While Brazilian diplomacy skillfully winds it way through this minefield, the pressure makes the Foreign Ministry wary and constantly vigilant.

Outlook

In some important ways Brazil's world setting favors its drive toward greatness. Brazil's vast territory is well endowed with most of the mineral resources needed to sustain economic growth, with the major exception of oil. Moreover, the potential for agriculture, already a strong sector, is impressive. At the same time, Brazil is isolated from the main currents of international tensions and problems. Within Latin America, Brazil is unquestionably the most influential nation, and its prominence is not likely to be seriously challenged. There is little prospect for a conflagration in South America that would impede Brazil's access to markets and raw materials or sap its strength and resources.

In addition, Brazil has a strong organizational and institutional framework with which to orchestrate its foreign policy initiatives. Besides the traditionally able Foreign Ministry, a number of other entities have well-established influence in the conduct of Brazil's variegated foreign dealings. Among them are the Finance Ministry, which directs overseas economic policy and trade promotion; the Bank of Brazil, the nation's largest commercial bank, which has tripled its overseas branches; Petrobras, the state oil firm, which prospects in and gives technical advice to several Third World countries; and the Brazilian Coffee Institute, which is more active than ever in promoting this important commodity. These organizations and others are effective and well staffed. Each, of course, takes its own bureaucratic position on major issues and has its own particular interests to defend. In short, the machinery of Brazil's foreign relations is sophisticated and complex, as is the case with the developed nations, whose ranks Brazil seeks to join. Both these factors reinforce Brazilian optimism but suggest an overly simplistic view of the future evolution of Brazil's foreign relations.

The reality is far more complex. Many other domestic and international factors are likely to complicate Brazil's foreign dealings. Brazil appears to be entering an era of political change, and over the next few years it seems almost inevitable that domestic political matters will occupy a growing proportion of the regime's time and energy. For years the regime has been free to concentrate on economic and foreign policy matters, in the absence of any meaningful civilian politicking or serious dissent. But 14 years of highly authoritarian rule by unelected generals, coupled with a much-faded economic picture, have produced civilian disillusionment even among erstwhile enthusiastic supporters of the military.

Few military men deny the existence of popular disenchantment, although an important minority do not agree that the civilians should be accommodated. Still, the consensus of the military appears to favor gradually easing the constraints on political expression and slowly increasing the degree of civilian participation in national decisionmaking. Brazil has a complex society, and military control over national life is thoroughgoing. Thus, the liberalization process will be lengthy and arduous at best, always with the possibility of unforeseen complications and setbacks. Indeed, no one knows just how far the military intend the process to go.

Civilian political pressures could become intense, compelling the military to channel even more of its effort into handling the domestic situation. In this event, there is the possibility of an authoritarian reaction spurred by conservative officers opposed to liberalization. A rightwing crackdown would further agitate roiled political waters. Should the political scene become trou-

bled, it would be still more difficult to concentrate on foreign issues.

There are important socioeconomic problems that at worst could impede further economic progress and at best are inconsistent with the notion of advanced development. Among them are illiteracy, which still affects nearly 20 percent of the populace; heavily overburdened social services in major cities; rising rates of infant mortality and malnutrition; and an educational system that fails to train engineers, administrators, and managers in sufficient numbers to run an increasingly complex, technologically oriented society. Perhaps the most serious problem is the highly skewed distribution of income in which the upper 10 percent of the population receives about 50 percent of total personal income, while the poorest half gets less than 15 percent. Brazil must overcome these and other such problems if it is to consolidate its drive to great power status.

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Even without domestic problems, Brazil will face formidable obstacles in the form of international economic forces over which it has no control. The oil crisis of a few years ago, which jeopardized the balance of payments and triggered a new round of inflation, is an example of Brazil's vulnerability to external factors. Although Brazil is industrializing, it continues to earn nearly half of its foreign exchange from the export of coffee, sugar, soybeans, and cocoa. For Brazil, therefore, the fluctuations of the international commodities markets pose a particularly vexing problem. Lastly, the prospect of recession in the countries that consume Brazil's agricultural and manufactured products is another ever-present source of concern. Brazil's economic development is so closely tied to the rapid expansion of its exports that shrunken markets for its goods can lead to serious economic setbacks.

The industrialized powers, which Brazil aspires to join, are closely watching Brazil's performance. Probably none is willing to risk irritating Washington by becoming closely identified with Brazil's efforts to distance itself from the United States. This appears to have been the case during the recent visit of President Geisel to West Germany. Brasilia saw the trip as the culmination of a long effort to demonstrate its ability to find alternatives to Washington's political and economic influence. The trip resulted in the reaffirmation by Brazil and West Germany of their nuclear and economic accords

To the extent that Geisel's larger political expectations were not met—the West Germans did not give the trip the play in the press Brazil wanted and tended to view it strictly in the context of West German - US relations—the trip probably was a disappointment. But the sojourn, which Brazil's press dramatized, has caused some concern in and out of the military, that Geisel has needlessly jeopardized relations with the United States.

The less than completely satisfactory response of the West Germans to Geisel's all-out effort to demonstrate his country's independence of the United States, coupled with domestic concern over the wisdom of alienating Washington, underscores the fact that there are limits to how fast Brazil's quest for greatness can proceed.

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This paper was prepared by *Office of Regional and Political Analysis, Latin America Division.*