

BRAZIL/CHINA PARTNERSHIP AND THE UNITED STATES

José Augusto Guilhon Albuquerque¹

The purpose of this article is to assess the impact of Brazil's special relationship with China on Brazil's bilateral relations with the United States. The article contains four sections, including an introduction. The second one explores the so-called "strategic partnership" between Brazil and China. The third section examines how United States-China relations in the global system could affect both Brazil-United States and Brazil-China relations. Finally, based on the above analysis, the fourth section presents some recommendations for Brazil's strategic orientations regarding the current systemic transition in the allotment of global power. The present study is based on the review of current literature and on an extensive analysis of official statements by the Brazilian government.

Keywords: Brazil/China bilateral relations; Brazil/United States bilateral relations; strategic partnership; Brazilian foreign policy; world power transition.

A PARCERIA BRASIL-CHINA E OS ESTADOS UNIDOS

O objetivo deste artigo é avaliar o efeito da relação especial do Brasil com a China sobre as relações bilaterais do Brasil com os Estados Unidos. Este trabalho divide-se em quatro seções, incluindo uma introdução. Na segunda, examina-se a chamada parceria estratégica entre o Brasil e a China. Na terceira, analisa-se até onde as relações entre a China e os Estados Unidos no sistema global poderiam afetar tanto as relações Brasil-Estados Unidos, quanto as relações Brasil-China. Finalmente, na quarta, com base na análise acima mencionada, formulam-se algumas recomendações no que diz respeito às orientações estratégicas do Brasil a respeito da atual transição na distribuição do poder mundial. Este estudo baseia-se em uma revisão da atual literatura e em extensa análise de pronunciamentos oficiais do governo brasileiro.

Palavras-chave: relações bilaterais Brasil-Estados Unidos; relações bilaterais Brasil-China; parceria estratégica; política externa brasileira; poder mundial em transição.

LA ALIANZA BRASIL-CHINA Y LOS ESTADOS UNIDOS

El propósito de este artículo es evaluar el efecto de la relación especial entre Brasil y China sobre las relaciones bilaterales entre Brasil y los Estados Unidos. El artículo se divide en cuatro partes, con una introducción. En un primer momento (segunda parte), se analiza la llamada alianza estratégica entre Brasil y China. La tercera parte analiza cuanto las relaciones entre China y los Estados Unidos en el sistema global podrían afectar a las relaciones Brasil/Estados Unidos y Brasil/China. Finalmente, con base en el análisis anterior, se formulan algunas recomendaciones para las directrices estratégicas de Brasil con respecto a la actual transición en la distribución del poder mundial (cuarta parte). Este estudio se basa en una revisión de la literatura actual y en un amplio análisis de las declaraciones oficiales del gobierno brasileño.

Palabras clave: relaciones bilaterales Brasil/Estados Unidos; relaciones bilaterales Brasil/China; alianza estratégica; política exterior brasileña; poder mundial en transición.

JEL: F55.

1. Professor of international relations, Department of Economics, University of São Paulo (USP) and senior fellow, Wong Center for the Study of Multinational Corporations.

1 INTRODUCTION

The purpose of this article is to assess the impact of Brazil's special relationship with China on Brazil's bilateral relations with the United States and contains three sections. The first one explores the so-called "strategic partnership" between Brazil and China. The second section, examines how United States-China relations in the global system could affect both Brazil-United States and Brazil-China relations. Finally, based on the above analysis it presents some recommendations for Brazil strategic orientations regarding the current systemic transition in the allotment of global power. The present study is based in the review of current literature and on an extensive analysis of official statements by the Brazilian government.

2 BRAZIL-CHINA STRATEGIC PARTNERSHIP

The expression "strategic partnership" was applied to Brazil's bilateral relation with China during the Itamar Franco government (1992-1995), and remained in use throughout the governments of Fernando Henrique Cardoso (1995-2003), and Luiz Inácio Lula da Silva (2003-2011). Later, during prime minister Wen Jiabao's visit to Rio de Janeiro, in 2012, a joint communiqué enhanced the relationship to the level of "global strategic partnership". The expression usually assigns a special nature to the relationship between the two countries.

It was not until the Lula government, however, that bilateral relations between Brazil and China actually became unique, thanks to a combination of extraordinary growth in the flow of trade and investment between the two countries, with priority being given to South-South relations during the Lula government. During his presidency, and specifically as a consequence of the 2008 crisis, China became Brazil's biggest single partner in trade and investment, second only to the European Union (EU) and to the United States.

During his time in government, Lula made two official visits to China – in 2004 and 2009 –, and twice received visits from president Hu Jintao. According to his own count, Lula met his Chinese counterpart nine times between 2008 and 2009, an impressive figure. Therefore, one cannot ignore the uniqueness of the relationship between the two countries, but this does not necessarily define the nature of the relationship. Neither the extent nor the strategic nature of the partnership is clear. The expression "strategic partnership" seems, above all, to be a metaphor for the priority given by both governments to the growing volume of trade and investment between the two countries and to Brazil's aspiration to build closer political ties with the Asian giant.

A number of authors emphasize the strategic role of Brazil's partnership with China as part of the Lula government's priority for South-South cooperation as an

alternative to what had been the predominant trend up to that time, of insertion of Brazil into the economy of developed countries (Cunha, 2004; Oliveira, 2004; 2006).

Lima, one of the most respected experts on Brazil's priority to South-South cooperation, in a 2005 article does not give a single mention to China as a protagonist of this strategic South-South cooperation process (Lima, 2005).

Oliveira (2012) published extensively on Brazil-China strategic partnership. His book on the subject presents a compelling argument about the structural reasons favoring such a partnership from a historical, economic and geopolitical viewpoint. Undoubtedly thorough in his review of the Brazilian literature on the theme, and generally on South-South cooperation, Oliveira mentions a fair number of agreements and projects aiming for joint initiatives between the two countries and its strategic potential. It leaves little doubt about the assumed goals of the relationship but is scarce concerning how the partnership actually works outside government statements.

Besides, the concept of strategic partnership is almost totally absent in two dossiers organized by the prestigious Brazilian Center for International Relations (Cebri) a think tank created by the Brazilian diplomatic establishment, the first published in 2008, on *Challenges of Brazilian Foreign Policy*, and the other in 2010, on *Priorities for Brazilian Foreign Policy in the Light of National Interest* (Cebri, 2008; 2010).

In the 51 essays contributed by diplomats, business people, politicians, and academics, there are no references to China as a special partner or as a challenge to national core interests. Among these essays, Celso Amorim, then foreign minister, mentions China just once, when listing the countries forming the BRIC – then including Brazil, Russia, India and China. The former Brazilian president Fernando Henrique Cardoso also mentions China only *en passant* and Ms. Lima (2005), in an essay summarizing her own arguments in the aforementioned article, mentions China just once, in a list including India, Mexico, and South Africa (Cebri, 2008, p. 17, 23, 64).

Given this lack of correlation between the relevance attributed to the strategic nature of Brazil-China partnership, its central role in defining Lula's innovative foreign policy, and its ambiguous presence in the literature, it seems necessary to examine how this partnership appears in the presidential discourse. My general hypothesis is that the narrative of the Brazilian government on its strategic partnership with China is not based on factual evidence about the relationship between the two countries, both countries trade interests, political objectives or, generally speaking, the objective conditions for cooperation or conflict between them. The rationale for the special treatment given to the bilateral relations with China is symmetrically opposed to that given to the United States.

Bilateral relations, as a dimension of a country's foreign policy, is supposed to reflect that country's perceptions of both its core interests and the core interests of its partner. Besides, it must take into account the scope of that partnership, whether regional or global, including or not trade, investments, political and/or defense objectives. Finally, it should consider the existing or potential challenges and obstacles to that partnership, due to systemic, regime based, institutional or individual factors (Rosenau, 1969). Strategic partnerships, as a special class of bilateral relations, should consider, besides that, its systemic objectives, the existing or potential systemic challenges to that partnership and, above all, the country's soft and hard power resources in order to surmount systemic, economic, regional or domestic obstacles.

In order to assess the content and scope of the Brazilian government perceptions of its bilateral relations with China, I have undertaken a study based on discourse analysis. The study deals with perceptions of China and the nature and substance of its strategic partnership with Brazil, based on the analysis of both former president Lula's and current president Dilma Rousseff's speeches and interviews during their official visits to China.

In one of his speeches during his second state visit in 2009, president Lula uses a metaphor of three pillars that are supposed to sustain Brazil-China partnership. His use suggests the notion of independence between factors that sustain the same structure, that is, the partnership. Contrariwise, the idea of strategy necessarily involves not the independence of factors, but the notion of hierarchy: the target comes above the tools, the ends above the means, the conclusion above the starting point, the objectives above the actors, and so on.

My hypothesis, however, is that, as opposed to being independent, the three dimensions in Lula's speech on Brazil-China strategic partnership fit into a hierarchical structure in a nexus of causal determination. The three dimensions of the partnership pointed out in Lula's discourse are the identity between the two countries, the growing volume of bilateral trade and investments, and cooperation in international forums. The element determining the partnership is identity, which includes variables such as level of economic development, the existence of a large and rapidly expanding internal markets, and lack of basic, physical, and service infrastructure.

The second dimension of the partnership, the bilateral trade and investments element is a consequence of the basic identity between the two countries. This identity, in particular in relation to the needs of each of the two countries, for example, demand for mass products and new technology, is the principal factor determining the rapid growth in trade and investment between the two countries, and justifies the large potential for that trade and investment, which are the relevant variables of the bilateral trade element. Bilateral trade, in turn, has strengthened

the identity between the two economies since they were drawn together at the center of the world stage during the 2008 crisis.

All along his visit, Lula stresses this causal connection between common socioeconomic conditions, bilateral trade, and international cooperation. However, when he explains the BRIC countries' growing influence in the G20, his interpretation is a little different. The access of the BRIC countries into the G20 and the new voice they acquired at institutions such as the IMF and the World Bank are factors attributed by Lula to fiscal policies and to public investment programs adopted by the BRIC governments. In his speeches, he disregards the fact that these countries have been less affected by the credit crisis and were responsible for the little that remained of international trade and of the countries attractiveness to foreign investments.

This process of being drawn together to the world forums of international decision-making, adds new variables to the basic identity between levels of economic and social development. Consequently, the identity between Brazil and China involves new aspects, such as a common lack of voice and decision-making powers in international financial and political forums, which this partnership will address.

Therefore, identity determines the international partnership dimension as much as it affects bilateral trade. Consequently, the set of affinities that already determines the existence and great potential for bilateral trade relations, bring a further dimension to the partnership between the two countries, to the extent that it highlights possibilities of acting beyond bilateral relations, and of sharing tasks in order to achieve common goals.

Whenever this new element of the international partnership appears in the discourse, it is associated with the identity between the two countries and the international significance acquired by the two economies, because of that identity.

Let us turn now to president Dilma's discourse.² In her state visit in 2011, her narrative is very close to that of her predecessor.³ The same three dimensions of Brazil-China partnership are present: identity, trade and investments potential, and international cooperation. However, the identity between the countries is assigned to intergovernmental dialogue rather than to the common socio-economic conditions of the two countries. The potentially growing flow of trade and investments derives from complementarity rather than from socioeconomic identity and is driven by dialogue between the two governments. In its turn, international cooperation reflects the identity of social and political visions of both governments.

2. Public figures in Brazil are known by their Christian name. In president Rousseff's case, we will mention her as president Dilma.

3. A detailed analysis is available in Albuquerque and Yu (2014).

The causal nexus in Dilma's discourse is as follows: intergovernmental dialogue leads to exploring complementarity in the trade flow between the two countries. Given the complementarity of trade, intergovernmental dialogue further leads beyond complementarity, which, in turn, allows a qualitative leap in terms of trade and investments flow based in technology transfer. Finally, intergovernmental dialogue, inspired by the common vision that economic development and social justice are intrinsically interconnected, leads to cooperation in international forums.

We can conclude that the causal chain representation of Lula's government narrative about the alleged strategic partnership with China goes from socio-economic identity to growing trade and investments flow, which in turn reinforces the identity between the two countries and supports a cooperative prominence of the two countries in international financial decision-making forums. In the case of Dilma's narrative, the causal chain representation goes from the identity of visions about the interconnection between economic development and social justice, which, once supported by the dialogue between the two governments, allows both the governments to take advantage of economic complementarity and international cooperation. Only a new dialogue allows both countries to go beyond complementarity and by that allows for a quality leap in their partnership.

As we can note, our analysis points out to a bilateral relation strongly rooted in the complementarity between the Brazilian economy in the process of deindustrialization and a Chinese economy strongly prone to the consumption of commodities, and in growing process of industrial modernization. Nevertheless, this relationship is perceived as a win-win game – the crowning achievement of a deep economic, political and social partnership between the two countries.

3 BRAZIL-CHINA PARTNERSHIP AND THE UNITED STATES⁴

Presently, the core interests and goals of the United States are arguably overdetermined by two independent but interconnected challenges: the first one is the United States role in global governance, and the other is China's rise.

Comparing to the Cold War period, the role of prime guarantor of global governance involves bigger and growing costs, because its challenges are more complex, especially for a country whose resources of power and influence are declining. The decreasing ability of the United States to exert indisputable global primacy is a consequence of its domestic economic imbalance, which, in turn, is closely associated to the deterioration of its internal process of settling domestic political conflicts.

4. This section summarizes *Governança Regional e Global* (Regional and Global Governance) (Albuquerque, 2014a).

Besides, the United States is involved in a severe crisis of external credibility deriving both from its role in triggering the global financial crisis and its recent record of disastrous military interventions, which in turn negatively affect the country's stock of soft power. Obama's recent about-face on a red line not to be crossed by Assad's government in Syria's civil war does not add to his country's credibility concerning its ability to lead global affairs. The same applies to the controversy about the timing and the nature of Obama's reaction to Russia's annexation of Crimea by military intervention.

China's rise poses an additional systemic challenge to United States' global leadership. Chinese global performance has proved bolder than expected in several dimensions – be it on the economic and financial field, in expanding its military clout, or even in terms of territorial claims. More importantly, China's assertiveness has been directed to all continents, causing United States' trade and investment primacy and to some extent its political and military leadership to be challenged. Therefore, it becomes ever more difficult for the United States to face strategic challenges anywhere in the world, including in Latin America, without taking into account the People's Republic of China's core interests and political priorities.

Among United States strategic priorities in the shifting framework of international power, the search for a new domestic rebalancing of the economy and the internal political decision-making is paramount. This rebalancing is particularly vital as regards the American political system interinstitutional relations pointed out by many authors as a condition *sine qua non* for the country to keep on performing its global leadership. To achieve this rebalancing, it is imperative to recover United States' relevance – its primacy if possible – in global trade and investment, which has been worn down by China's global progress.

Obama's initiatives to revitalize the Asia-Pacific Economic Partnership (Apec), together with relaunching the trade and investment talks with the EU and the big boost given to the Trans-Pacific Partnership (TPP) seem to converge in this direction. Concerning the TPP talks, we should note that the Obama administration is trying to attract key countries in Latin America – Mexico, Peru, Colombia, Chile and also Paraguay and Uruguay – as part of its global strategy. It's an unprecedented initiative in a region always considered as an immediate extension of United States domestic priorities.

Let us turn to the impact of China's rise on Brazil-United States bilateral relations. The growing presence of Chinese trade and investment is becoming ever more visible in Latin America and even in the Caribbean, in such way that we might admit that a triangular relation among the three countries is a possibility not to be dismissed (Ellis, 2012; Tokatlian, 2007; Stallings, 2008).

The case of Brazil is emblematic once China has become, since 2009, the country's principal trade partner. Besides, Brazil alignment with China in the United Nations (UN) Security Council, as well as in other UN forums and agencies is currently more frequent than with the United States or other permanent members of the Security Council. Moreover, the opportunities for a South-South sort of cooperation between Brazil and China are manifold, especially when we take into account the so-called strategic partnership between the two countries. The potential for such cooperation to affect, or to be affected by United States interests in Brazil is significant. The same applies to Chinese interests being affected by any possible increase in Brazil-United States cooperation in Africa or in Asia, especially in East Asia.

In the case of Africa, Brazil and the United States have a record of friction in different periods. Brazil has consistently opposed United States decolonization policies concerning the Portuguese colonies but, in the late process of independence, after democratization in Portugal, in a period of strong attrition between the Brazilian military government and the United States, Brazilian diplomatic activism in Angola was crucial for the international recognition of the new regime, forcing the United States to follow. Furthermore, the new South-South activism of Lula's government towards Africa, as a part of a sort of pivot of Brazilian foreign policy to the "South" breaks new ground for mutual interferences between the two countries' policies in the region.

4 BRAZIL'S CONTRIBUTIONS TO GLOBAL GOVERNANCE: RECOMMENDATIONS

Finally, we can evaluate possible areas of synergy in Brazilian bilateral relations with the two countries and make some recommendations.⁵ First, let us enounce a general recommendation, which consists in adopting a rule of systemic caution: let us reserve any final prognostic about the outcome of the current shifting in the system of international power. The post-Cold War transition went through different phases, but it is still far away from its end.

China is undoubtedly a rising power but even if it outgrows the American economy, United States primacy might prevail for a long time. Granted Chinese peculiarities and serious domestic imbalances, it is impossible to predict when the conditions for competing with the United States for global leadership would eventually emerge. For similar reasons it is impossible to predict if such leadership shift will result in a soft landing, making possible a peaceful realignment such as the one that occurred between the British Empire and the United States in the early 20th century.

5. These policy recommendations are based on Albuquerque (2014a).

The second recommendation concerning Brazil's contribution to global governance is for the country to concur to a peaceful transition of the international system of power. It is in Brazil's core interests to avoid a tumultuous world order. Brazil can only concur to such a goal avoiding an exclusive alignment with China or the United States. It would require trying to reduce rivalries, to avoid taking sides in conflicting situations, and to advance in every possible stance, a positive agenda.

In a number of global stages, Brazilian contribution is becoming more relevant. In the quest for a sound global financial governance, Brazilian opportunities to participate are increasing. In this respect, Brazil should contribute to mitigating conflicts and not to spur attritions.

A more specific role derives from Brazilian unique ability to contribute for regional governance in Latin America. Brazil has a clear national interest in preserving the political and economic convergence in the Continent. In this sense, the country should adopt two courses of action.

First, Brazil should try and reverse the centrifugal trends, notably in Mercosur and Unión de las Naciones Suramericanas (Unasur), avoiding unnecessary conflicts, especially those opposing the Bolivarian countries to Chile, Peru, Colombia, Mexico, and even Paraguay and Uruguay. A subsequent step would consist in adopting a common positive agenda, for instance in clean energy and infrastructure. Even if a common agenda is difficult to achieve, a reduction in the conflictive tendency in the region meets the best interest of Brazil, the United States and China.

Another instance concerns cooperation and conflict among the three countries in Africa, where Brazil sustains an activist foreign policy, China moves forward in every domain – trade and investments, infrastructure, mining etc. – and the United States, while losing ground, has a record of humanitarian and development aid, occasionally in close collaboration with Brazil (combating Aids and malaria, for instance).

Brazil has accumulated a record of triangular cooperation in Africa, in collaboration with third parties has pioneered the development of technology for sustainable energy and tropical agriculture. Nevertheless, it is difficult to predict China's reaction to an increase of Brazilian involvement in Africa, let alone in collaboration with the United States. Anyway, Brazilian diplomats have received from Chinese sources positive signs concerning common projects of cooperation and investments in Africa.

For the same purpose of providing a common positive agenda with the United States and China, Brazil should reconsider its international trade agenda. Brazilian propensity to give an exclusive importance to the Doha round is not in the country's best interest, given that all relevant World Trade Organization (WTO) stakeholders, including China and the United States, are currently prioritizing bilateral, minilateral or regional negotiations.

Denying exclusivity to Doha opens the doors to a reappraisal of the most important negotiations currently available, involving our principal trade partners – United States, EU and China. In this sense, it is recommendable at least to apply for an observer status at the Pacific Alliance, the TPP and the Regional Comprehensive Economic Partnership (RCEP). The Transatlantic Trade and Investment Partnership, whose impact on the governance of international trade might be huge, affecting the Latin American economy, if it ever makes progress, it should be closely followed by the Brazilian diplomacy.

Briefly, Brazil's most important regional goal should consist in concurring to facilitate a convergence in the Western Hemisphere, avoiding centrifugal trends. From a global point of view, Brazil should concur to mitigate the rivalry between the United States and China and contribute to the peaceful power shift that will inexorably result from China's rise.

REFERENCES

ALBUQUERQUE, J. A. G. **Governança regional e global**. Policy paper prepared for Brazil-U.S. Bilateral Relations Task Force. Rio de Janeiro: Cebri, 2014a.

_____. Brazil, China, U.S.: a triangular relation? **Revista Brasileira de Relações Internacionais**, special edition, v. 57, p. 108-120, 2014b.

ALBUQUERQUE, J. A. G.; YU, P. F. Brasil entre China y EEUU: una estrategia con miras virtuales. In: CORTÉS, J. I. M. (Coord.). **América Latina y el Caribe – China: relaciones políticas y internacionales**. México: RED ALC-China, 2014.

CEBRI – BRAZILIAN CENTER FOR INTERNATIONAL RELATIONS. **Desafios da Política Externa Brasileira**, Rio de Janeiro, special edition, v. 1, a. 7, 2008.

_____. **Prioridades da Política Externa Brasileira à Luz do Interesse Nacional**, Rio de Janeiro, v. 1, a. 9, 2010.

CUNHA, L. F. **Em busca de um modelo de cooperação Sul-Sul: o caso da área espacial nas Relações entre o Brasil e a República Popular da China, 1980-2003**. 2004. Dissertação (Mestrado) – Universidade de Brasília, Brasília, 2004.

ELLIS, R. E. **The United States, Latin America and China: a “triangular relationship”?** Washington: IADB, May 2012. (IADB Dialogue Working Paper).

LIMA, M. R. S. A política externa brasileira e os desafios da cooperação Sul-Sul. **Revista Brasileira de Política Internacional**, a. 48, n. 1, p. 24-59, 2005.

OLIVEIRA, H. A. Brasil-China: trinta anos de uma parceria estratégica. **Revista Brasileira de Política Internacional**, a. 47, n. 1, p. 730, 2004.

_____. O Brasil e a Ásia. *In*: LESSA, A. C.; OLIVEIRA, H. A. (Orgs.). **Relações Internacionais do Brasil**. São Paulo: Saraiva, 2006.

_____. **Brasil e China**: cooperação Sul-Sul e parceria estratégica. Belo Horizonte: Fino Traço, 2012.

ROSENAU, J. N. **International politics and foreign policy**. Rockland: The Free Press, 1969.

STALLINGS, B. The US-China-Latin America triangle: implications for the future. *In*: ROETT, R.; PAZ, G. (Eds.). **China's expansion into the Western Hemisphere**. Washington: Brookings Institution Press, 2008.

TOKATLIAN, J. G. Latin America, China, and the United States: a hopeful triangle. **Open Democracy**, Feb. 9, 2007. Available at: <<https://goo.gl/jd8PNq>>.

