FOREIGN AND SECURITY POLICY 26.06.2023 | Wolf Grabendorff

# Brazil is back from the dead

To restore Brazil's role as a leading power of the Global South, Lula has sought to revive the regional UNASUR organisation. But this is no easy task

Under the slogan 'Brazil is back', President Lula da Silva has spent most of his time since his third election victory in October 2022 travelling the world. Not only did Lula want to put a swift end to Brazil's isolation brought about by his predecessor Jair Bolsonaro, but he also wanted to restore his country's role as one of the leading powers of the Global South. That is why he departed for the US and China right at the beginning of his term in office, as it has been part of Brazil's self-image for many decades to count itself among the world's great powers while at the same time emphasising its neutrality between the blocs.

As a founding member of the BRICS states (Brazil, Russia, India, China, South Africa) – the organisation that stands for the increasing geopolitical weight of the Global South – Brazil is also trying to launch a peace initiative for Ukraine. However, this is viewed rather critically by Ukraine and its Western allies and as having little prospect of success. To avoid jeopardising his possible role as mediator, Lula has so far declined all invitations to Kyiv and Moscow.

Lula's invitation of all South American presidents to a summit meeting without a formal agenda at the end of May must be seen in the context of his efforts to revitalise Brazil's international role. At the last presidential meeting in 2014 within the framework of the multilateral regional organisation UNASUR (Union of South American States) initiated by Brasilia, the country's international weight – not only in the region – was still clearly visible. Since then, however, the country's economic importance has diminished, as its share of global value added has almost halved in the last decade.

## Working together beyond all ideologies

Even among the 11 participating presidents – the Peruvian president did not receive permission to leave from her parliament – the lack of political

weight was abundantly clear given the respective domestic political situations; in Argentina and Ecuador, new elections are likely to lead to the replacement of the respective presidents soon. The heads of state of Chile and Colombia, as well as Brazil itself, are under strong pressure from the opposition on account of domestic political reform projects. The current rather fragile political, economic and social situation overshadowed the presidential meeting but at the same time also reflected the decline in regional cooperation mechanisms that has been evident since 2017.

Above all, criticism by conservative governments on the 'ideological' orientation of UNASUR between 2017 and 2019 had led to the withdrawal of numerous countries (Argentina, Brazil, Chile, Ecuador, Colombia, Paraguay, Peru, Uruguay). Precisely for this reason, Lula stressed in his opening speech the need to work together beyond all ideologies, as no country in the region has the strength to meet the challenges of geopolitics and the globalised world economy alone. That set the pragmatic tone for the talks, since without the support of its neighbouring countries, Brazil can hardly assume the desired role as spokesperson for the region.

*As long as no democratic progress is visible in Venezuela, this is likely to continue to strain regional cooperation.*

Although President Lula had planned the presidential meeting as an initial spark for the resumption of the UNASUR cooperation, due to the presence of Venezuelan President Nicolás Maduro, the talks initially focused mainly on the ideological differences between those present. However, according to several of his colleagues, Lula was personally responsible for this, as he had not stressed the human rights violations and authoritarian policies in the neighbouring country enough, thus making it easier for Maduro to return to the regional community. Brazil's support for Venezuela and Argentina's BRICS accession further strengthened this impression. Venezuela is closely linked to the largest regional migration crisis with more than five million refugees and its repercussions on the domestic and neighbourhood policies of the various states. As long as no democratic progress is visible in Venezuela, this is likely to continue to strain regional cooperation.

## Cooperation in UNASUR and beyond

Nevertheless, the discussions on the multitude of common problems were marked by many points of agreement, which then found expression in the Brasilia Consensus. In the future, regional cooperation is likely to focus primarily on individual issues. Interestingly, among the six priority issues, three – infrastructure, health and security – have been adopted by the most successful regional working groups of UNASUR. This is particularly understandable in light of recent experiences with the disintegration of supply chains, the impact of the pandemic and the rise of organised crime. In all three areas, the need to continue the cooperation achieved through UNASUR has also been pointed out repeatedly in recent years by the relevant national institutions.

The three new priority themes – climate change, energy and trade – reveal their increasing regional relevance, especially in view of the very topical sub-themes. On climate change, Brazil, but also its neighbouring countries, feel responsible to act in view of the Amazon issue – notably after the expanded deforestation under former President Bolsonaro. On energy issues, the region sees itself well equipped due to its 'natural' advantages in the areas of renewable energies through solar and hydropower, even if efficient distribution mechanisms are still lacking due to a lack of cooperation. The countries of the lithium triangle – consisting of Argentina, Bolivia and Chile – are particularly pleased about the race between China, the US and Germany to participate in the extraction of the element, as they have more than half of the world's lithium reserves.

*The creation of a regional currency, the Sur ('South'), was at the heart of these discussions.*

On trade issues, the main focus in Brasilia was to facilitate regional trade. The stated goal is to work towards the establishment of a free trade area in South America. The creation of a regional currency, the *Sur* ('South'), was at the heart of these discussions. The reason for this is not only the reduction of transaction costs between individual countries by not using the US dollar, but also a possible avoidance of the considerable economic effect of US sanctions, especially against Russia.

In this context, the regional significance of the debate on a necessary de-dollarisation within the BRICS countries should not be underestimated, nor should the increasing clearing in yuan in trade exchanges with China in Brazil and Argentina. There was no doubt among the presidents that the path to a regional currency would be a very long one, as it would

probably be met with fierce resistance not only in the region itself, but above all in the US. Thus, the possibility of creating a regional unit of account – such as the ECU used to be in the EU – is to be explored first, in cooperation with the central banks.

The consensus reached in Brasilia shows that, in view of the serious problems in each of the states, the will to resume regional cooperation is definitely there, despite ideological differences and despite the fact that the name UNASUR does not appear in the final document. The mandate to the respective foreign ministers to present a progress report on the previous South American integration mechanisms within four months and to work out a roadmap for future cooperation in South America should pave the way for new multilateral policy approaches in the region.

---



**Wolf Grabendorff**
Ravensburg

Dr h. c. Wolf Grabendorff was Visiting Professor of International Relations at the Universidad Andina Simón Bolívar in Quito, Ecuador, with a research focus on foreign and security policy in Latin America. He was country representative of the Friedrich-Ebert-Stiftung in Colombia and Ecuador and programme director in Chile. He is now the editor of the volume Militares y Governabilidad, published in 2021.