

The semi-periphery in Africa: the case of Brazil

(First Draft)

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At the dawn of the 21st century, the world is witnessing what has usually been called the new “scramble for Africa,” a phenomenon highlighted by an increased focus on the continent by “emerging countries”, theoretically, also an innovation. Undoubtedly, China’s presence is the main vector for the political change, regarding also the new world system configuration, as certainly 9,33¹ billion dollars, thrown at the African Continent in a less than a decade, are not an ignorable fact. China, though, is not the only nation interested in this economically growing arena, which has been traditionally open to foreign influence due to in great part its history, but also countries such as India, Brazil, Malaysia, Republic of Korea, Turkey, Saudi Arabia, Kuwait, United Arab Emirates, among others, which are jockeying for a greater influence in the future of the continent. Some of those countries could be seen in the African scenario as emerging players hunting international influence, others, as collaborative Southern partners, some of them, as both.

There’s a wide range of interests driving these countries’ strategies. One of the main subjects is foreign direct investment, although the UNCTAD² oversimplifies the fact, dividing the capital flows, in accordance with Dunning’s³ Eclectic Paradigm, as market-seeking, resource-seeking or efficiency-seeking, almost ignoring the political bias. Despite needs reflected in the FDI flows, other issues are usually at stake. South-south cooperation for projects to minimize poverty, investments in infrastructure building and technical capacity, military aid and a variety of multilateral arrangements between emerging countries and African states should be also considered. The influence of the emerging countries’ own agendas on the continent as a whole is not always positive, though. Questions related to sub-imperialism, land grabbing, labor exploitation and new dependency ties – i.e. more of the same – are frequently raised.

Brazil is an integral part of such countries’ influence and strategy for Africa, but it’d be difficult to forecast the impact of the continent’s regional issues on the Brazilian foreign policy going forward. Aside the unreliability of trying to anticipate trends nowadays due to the speed international landscape changes, it is important to focus the expectations on the right spot. In the case of Brazilian policies towards Africa, trends could be understood as expressed in the idiosyncratic views of two opposite groups acting in many spheres, including private, governmental, academic and third sector actors. The cleavage is mainly set among positions taken in the context of political

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¹ Source: *China Statistical Yearbook 2010*. Available at: www.stats.gov.cn/tjsj/ndsj/2010. The Chinese investments in Africa have grown since 2003. In the 1999’s special report for Africa (Foreign Direct Investment in Africa: Performance and Potential), the UNCTAD didn’t mention a single word about China.

² UNCTAD: *World Investment Report*, 2010.

³ The eclectic paradigm is visited at: J. H Dunning. *Alliance Capitalism and Global Business*. London/New York: Routledge, 1997.

ideologies, a perceived sense of optimism *versus* pessimism⁴, for example, or nostalgia *versus* “catastrophism”⁵. Taking into account this pendulous movement, the optimistic stream has flourished during the “Independent Foreign Policy”, program launched by Janio Quadros and followed by João Goulart during the 1960’s, during part of the military government in the 1970’s, the Itamar Franco mandate in the 1990’s, and, lately, through the entire Workers Party⁶ run at the government, first by president Luiz Inacio Lula da Silva and now, Dilma Rousseff. But there is also the negative perspective, which will be addressed first in this paper.

Why Africa?

Slavery and smuggling were the first ties between Brazil and the African continent. It is estimated⁷ that from 1531 to 1855 around 4.000.000 people landed in Brazil, amounting 41% of the African population dislocated for enslavement during the period. Those who survived the harsh conditions of the slave ships, and months at sea, were destined to work at sugar cane plantations, care for livestock, household duties and gold mines exploration. The first Brazilian law regarding slave life conditions was approved in 1835, but the ban on slave labor threat, due to British pressure, increased the traffic during the following decades. In 1850, slave trafficking was banished in Brazil and in 1871 the “Law of free womb” gave freedom to adult slave descendants. Slavery was officially abolished only in 1888 by the “Golden Law”, making Brazil one of the last countries in the world to end this type of “economic arrangement”.

Nowadays, the black and brown population in Brazil (classification based on a self-declared methodology) still face worst living conditions comparing to the rest. The two categories added together account for 50,7% of the population according to the 2010 demographic census. Although the general income inequality has been steadily shrinking in the last years, taking into account the population living under \$1.25 dollar a day (PPP), 70,2% declared themselves as black or brown. Their average income equates hourly to 56.7% of a white person’s income, without considering variables such as profession, educational level and region. Of Brazil’s urban population, only 69,4% of black and brown people have access to adequate water and sewage services, while among whites, this percentage raises to 82,2%⁸. Such inequalities give ammunition to many scholars⁹ who debunked Brazil’s popular belief of being a racial democracy as a myth perpetrated by the dominant elites to hide historical social injustice.

Despite the social improvement achieved during the last decade, Brazil is still keeping African descendents in an unfavorable situation. Going back to historical events, despite the enormous African Diaspora Brazil had by the end of the World War II, the revolutionary process of independence and political reorganization experienced

⁴ Mentioned by José Flávio Sombra Saraiva in *Política exterior do Governo Lula: o desafio africano*. Rev. Bras. Polít. Int. v.45, 2002.

⁵ Mentioned by the Brazilian ambassador José Vicente de Sá Pimentel in *Relações entre o Brasil e a África subsaariana*. Rev. Bras. Polít. Int. v.43, 2000.

⁶ Workers Party (Partido dos Trabalhadores).

⁷ Brazilian Institute of Geography and Statistics (IBGE). *Brasil: 500 anos de povoamento*. Rio de Janeiro, 2000).

⁸ Data reported by the (Federal) Institute for Applied Economic Research (Ipea) for the *Millennium Development Goals: National Monitoring Report*. Available at: www.ipea.gov.br.

⁹ As pointed in: Antonio Sérgio Alfredo Guimarães. *After racial democracy*. Tempo social. 2007, vol.3. Available at: www.scielo.org.

by the African continent that followed it was largely ignored in Brazil for a long time. The linkages with Portugal have prevailed over a more independent approach toward Africa. A good example of such second-fiddle approach by Brazil to Portugal's lead, was at display when the European country cut diplomatic relations with India due to the Goa's issue, having its claims represented by Brazil before the Indian government. On reinforcing its presence in the African Continent after World War II, Portugal took a position completely opposite to one of the tenets of the Brazilian International Relations: the people's self determination. That contradiction was not enough, though, to move Brazil away from Portugal influence in the African case, due to the Treaty of friendship of 1953.

Brazil took a similar instance with the issue of the French Territories. As pointed by Penna Filho, "Brazil witnessed the decolonization of Tunisia, Morocco and Algeria as a passive spectator, continuing with its detachment policy and giving discreet support for colonial powers"¹⁰. At that time, the Brazilian spirit towards Africa was one of commercial rivalry, as the continent would often take precedence by the European markets. Until the PEI (Independent Foreign Policy) carried by Jânio Quadros (1961) and João Goulart (1961-1964), Brazil would only recognize the new African countries after they had been "freed" by their old colonial dominators. The main reason was that Juscelino Kubitschek government foreign policy (1956-1961) was completely focused on attracting investors from some European countries, including those that had or had had colonies in Africa, in order to boost Brazil's industrial development. Even on the realm of culture, intellectuals in Brazil would unwittingly contribute to the Portuguese African domination subsiding with the Lusotropicalism concept, which would venerate Portuguese colonial system.

The PEI (Independent Foreign Policy) slightly benefited African-Brazilian relations, but its main concern was to expand foreign markets for Brazilian products (namely Latin America, the socialist world and Africa) without neglecting the traditional partners (North America and Western Europe). Considering the Jânio Quadros administration, despite the president's vehement declarations ("Portugal might lose Angola, but Brazil will not"¹¹) the concrete results would not go beyond abstentions at the UN General Assembly whenever colonial issues were discussed¹². With the military coup of 1964 – an extension of the Cold War and its obsession to prevent communism from taking root in South America – ties with Portugal were strengthened and the Apartheid regime of South Africa was quietly supported during the military rule of General Castelo Branco (1964-1967)¹³.

Brazil would change its position towards Africa for good only after the Antonio Salazar's authoritarian rule of Portugal ended, in 1974. However, even outside Portugal's sphere of influence, Brazilian interests were directed to oil-producing countries, to meet increased domestic oil demand, and to sell its manufactured goods to boost growth. Strongly grounded in those realist interests, Brazilian diplomacy started to recognize African countries, sometimes before their colonial masters (as in the case of Guinea Bissau) or even being the first country in the whole world to recognize

¹⁰ Excerpt from: Pio Penna Filho. *O Brasil e a África do Sul*. Porto Alegre: FUNAG/MRE, 2008.

¹¹ Jose Honório Rodrigues attributed to the president this declaration. As mentioned in: Amado Cervo and Clodoaldo Bueno. *História da Política Exterior do Brasil*. Brasília: UNB, 2002.

¹² Amado Cervo and Clodoaldo Bueno. *História da Política Exterior do Brasil*. Brasília: UNB, 2002.

¹³ For further details, see: Paulo Visentini. *Relações Internacionais do Brasil: de Vargas a Lula*. São Paulo: Fundação Perseu Abramo, 2002.

Angola's independency. Brazil's dependency on oil, though, was a detracting factor. The decision to send diplomatic missions to Africa, to quell dissatisfaction of national liberation movements with Brazil's ambiguous attitude, was a way to conquer confidence from ex-Portuguese colonies. Brazil had a qualified success on its trade goals with Africa during the 1970s, selling even almost 10% of its exports to the continent in some years. Nevertheless, during the 1980s, the pessimism regarding African future prevailed in Brazil and, together with the third world debt crises (known in Brazil as "the lost decade"), put a new damper on the relations with the African continent¹⁴.

During the 1990's, under the administration of Fernando Collor de Mello (1990-1992), Itamar Franco (1992-1995) and Fernando Henrique Cardoso (1995-2003), Brazil's concerns about regional integration (Mercosul), the neoliberal program imposed by the Washington Consensus, and with the multilateral instances reinforced by the emergence of WTO, put relations with Africa in the back burner. The resurgence of Africa in the Brazilian radar after the election of Luís Inácio Lula da Silva in 2003, can be seen from two different angles, according to Visentini¹⁵:

For many, the relations with Africa prove the solidarity dimension of the social programme of President Lula, while others consider these only as prestige diplomacy, a waste of time and money. Finally, some just regard these relations as business diplomacy, a "soft imperialism", which is only different from the Chinese presence in Africa by its form and intensity.

There are those to whom such "donor" posture adopted by Brazil is not enough to overcome the bonds that African countries have with their former colonial masters, and would never reach a noteworthy political capital. To professed idealists, it is simply a form of repairing past injustices, besides helping to build a fairer, multi-polar world, where Africa, Latin America and Asia will at last have a voice.

The seesaw effect

What has been discussed so far is an attempt to describe African-Brazilian relations through a negative bias. However, the same history could be told taking in consideration a more positive agenda built by both sides since World War II. The reason for going over the same historical facts is backed by the aforementioned cleavage that exists in Brazil regarding African politics. Such division is akin to the Putnam's¹⁶ approach on describing the two levels game, present at the interactions between international and domestic environments. At the national level, domestic groups pressure the government in order to force it to adopt policies favorable to their interests while the government tries to build coalitions among those groups. At the international level, governments try to maximize their ability to satisfy domestic pressures while trying to minimize the adverse consequences of these policies internationally. This game is plenty of room for rhetorical ambiguity, being the win-sets (the range of possible arrangements), crucial to implement policies.

¹⁴ For further details see: Pio Penna Filho. *O Brasil e a África do Sul*. Porto Alegre: FUNAG/MRE, 2008.

¹⁵ In: Paulo Visentini. *Prestige diplomacy, southern solidarity or "soft imperialism"? Lula's Brazil-Africa relations (2003 onwards)*. Seminar presented at the African Studies Centre in Leiden, Netherlands, in April 16th, 2009.

¹⁶ The process is described in: Robert D. Putnam. *Diplomacy and Domestic Politics: The Logic of Two-Level Games*. International Organization, Vol. 42, 1988.

This question (the need to consider the positions of domestic elites) raises a peculiar issue regarding the present subject: How are players supposed to evaluate trade-offs implicit in policies toward Africa, being these either based on ideological issues, or based in a more realpolitik approach, when most of the country's economical and political elites have no intimate knowledge of the African complexities? To give an example, even inside the Itamaraty, the Brazilian diplomatic body, the two approaches are constantly at odds. The issue is complicated further by the fact that diplomacy is determined by the executive branch of the government, which is periodically replaced, while its enforcement is carried on by public employees, who are in for the longer haul. In addition, some of them tend to support and propose actions that favor Brazilian traditional partners, the central countries, while the other half has a more challenging profile, will specially value any movement towards the global south.

This dichotomy is not exclusive of the spearhead of Brazilian foreign policy. At the private sphere, crucial to consolidate international connections, big corporations (such as Vale do Rio Doce), and engineering and construction firms (as Odebrecht), are generally in tune with government foreign policy, as their own reason of being is in great part due to their umbilical connection to the state that gives coverage to their monopolistic/oligopolistic situation. As the average business community is traditionally risk averse, it's very rare in Brazil for a CEO or an important entrepreneur to advocate more trade with Africa¹⁷. Whenever the government tries to stimulate their presence in the African markets through export credits or so, they will readily jump in order to pursue support to their interests located somewhere else.

Besides those examples, even inside government, an altruistic and ideologically determined foreign policy faces opposition, as was the case when a lawsuit was filed by a magistrate against the government when the President Lula announced the debt relief program to the African states. The worthless lawsuit claimed that the policy would harm the country and that the procedure would be responsibility of the Congress and not of the president. The arrangements with the other sphere of power are not easy in the Brazilian coalition-based Presidentialism, where the political support to the executive comes from the coalition it is able to arrange (on a party bases), exchanging back government positions, for example, at the ministerial level. As if underlining the fragility of the Brazilian political system, initiatives designed to usher developing trade policies, for example, or formulate strategies based on social or humanitarian obligations often defy the interest of corporate elites, and that's the case with Brazil's many initiatives focused on African needs.

Yes Africa

The same seesaw effect (sometimes whoever is empowered will favor a stronger African policy, sometimes not) allows the narrative told above to be recounted with a totally different perspective. It could be said that since Juscelino Kubitschek (who governed Brazil from 1956 to 1961 and actually sent two military missions to Africa, to Suez and to Congo) Brazil started to have a consistent African policy, sometimes

¹⁷ The bus maker Brazilian company Marcopolo, which keeps a plant in South Africa, should be mentioned as an exception.

interrupted by systemic constraints, as the Cold War context that forced Brazil to restrain its foreign overtures to the Americas¹⁸.

It also could be said that the PEI, (Independent Foreign Policy from the 1960's) had a pragmatic character, prioritizing the country's interests over ideology, while also maintaining an independent stance towards the Brazilian traditional partners, mainly the U.S.A. This policy also directed the country's attention to north-south, rather than focusing on the bipolarity issues at the core of the Cold War (east-west). That led to a strengthening of African-Brazilian relations, marked by the opening of embassies in Ghana, Senegal and Nigeria¹⁹. Also, not all the military administrations neglected Africa. The Itamaraty's first overtures toward Africa dated from the Emilio Garrastazu Médici (1969-74), arguably the harshest years of the military dictatorship. His successor, Ernesto Geisel (1974-79), continued Brazil's timid African policy as part of the Responsible Pragmatism Policy, which allowed Brazil to establish a dialog with the recently-independent nations in the continent, regardless of Portugal's interests in the region. An African division was created inside the diplomatic structure of Itamaraty and new embassies were set up in Guine Bissau, Mozambique and Angola..

This is not a negligible issue, given the fact that to be labeled an "Africanist" in Brazil during the 1970's was akin to be branded a "communist". Such policy culminated in 1975 with the recognition of Angola's independence. It was a crowning moment for the Itamaraty, as Brazil became the first country in the world to acknowledge the leftist government of Angola. It was a turning point in Brazil's independence toward Portugal and the U.S.-influenced policy that had marked the Cold War so far, and etched the general perception that the end of the colonial era was in fact irreversible²⁰. The results of the ideological shift can be easily seen in the trade flows: between 1972 and 1981 the Brazilian exports to Africa raised from \$90 million to almost \$2 billion, while African imports also increased to \$2 two billion²¹.

But after a decade of success in trading, with Brazil exporting industrial goods, food, automobiles, weapons and infrastructure services and increasing oil imports, the 1980's debt crisis soured relations with the African states²². During this decade, João Figueiredo (1979-1985) became the first Brazilian ruler and Latin American head of state to visit Nigeria, Senegal, Guinea-Bissau, Cape Verde and Algeria. His successor, Brazil's first civilian president since 1964, José Sarney (1985-1990) reaffirmed such diplomatic efforts, but failed to translate them to other fields of cooperation. He did visit Cape Verde, pay homage to South African Archbishop and 1984 Nobel Prize Peace winner Desmond Tutu, for his fight against racial segregation, and successfully proposed the creation of the South Atlantic Peace and Cooperation Zone (ZOPACAS²³).

¹⁸ As pointed by Paulo Visentini in *Prestige diplomacy, southern solidarity or "soft imperialism"? Lula's Brazil-Africa relations* (2003 onwards). Seminar presented at the the African Studies Centre in Leiden, Netherlands, in April 16th, 2009.

¹⁹ Amado Cervo and Clodoaldo Bueno. *História da Política Exterior do Brasil*. Brasília: UNB, 2002.

²⁰ Márcia Maro da Silva. *A Independência de Angola*. Brasília: FUNAG, 2008.

²¹ Amado Cervo and Clodoaldo Bueno. *História da Política Exterior do Brasil*. Brasília: UNB, 2002.

²² Paulo Visentini. *Prestige diplomacy, southern solidarity or "soft imperialism"? Lula's Brazil-Africa relations* (2003 onwards). Seminar presented at the the African Studies Centre in Leiden, Netherlands, in April 16th, 2009.

²³ Member countries: Angola, Argentina, Benin, Brazil, Cape Verde, Cameroun, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea-Conakry, Guinea-Bissau, Liberia, Namibia, Nigeria, São Tomé and Príncipe, Senegal, Sierra Leone, South Africa, Togo and Uruguay.

It was also Sarney who took the first steps for the creation of the International Portuguese Language Institute, that can be considered the milestone for the Community of Portuguese Language Countries (CPLP) that was officially launched in 1993 by his successor, Itamar Franco (1992-1995). Brazilian President Fernando Henrique Cardoso (1995-2003) visited South Africa in 1996 and, in 2000, signed the framework agreement for the Mercosul-SACU (Southern Africa Customs Union), but one of his administration's priorities was, in fact, to strengthen ties with already developed economies over emerging ones.

In addition, according to the Brazilian scholar Henrique Altemani de Oliveira, it is important to note that Brazilian foreign policy has been, historically, articulating a double insertion in the international arena: it both aims at narrowing its traditional ties with the West, while also establishing links with other Southern Hemisphere countries, identified by their common handicaps, and disadvantageous place in the world order. However, Altemani stresses that such ways of action do not "represent, for Brazilian foreign policy, the need to choose between the alternatives. Instead, those movements are perceived as complementary and corresponding to an attempt to decrease the dependence on the United States"²⁴. Brazilian-Africa relations can be also understood from the so-called "Universalist" perspective that has been an on and off component of Brazil's foreign policy since the World War II, as pointed by Antonio Carlos Lessa, another Brazilian scholar:

Brazilian International Relations has been characterized since the end of World War II, by the gradual establishment of Universalism, a process that reached its heyday in the seventies, meaning, historically, the accumulation of a certain prestige and the establishment of a minimum margin of extra freedom of maneuver, to be used in critical moments²⁵.

After this brief rereading of historical facts, now reckoned through a positive view, and reinforcing the contradictory nature of its relations with Africa, Brazil's policies can be also taken as quite consistent with a sense of egalitarianism and universalism, both components of a larger moral substrate that has been guiding the country's approach to its international relations. There was, furthermore, a major qualitative improvement with the election of Luiz Inácio Lula da Silva (2003-11), and, to a certain extent, of his successor, President Dilma Rousseff, as they both share common ideological bases and Rousseff is likely to continue Lula policies towards Africa.

One of the major initiatives of the Lula administration, developed to minimize economical discrepancies of African descendents in Brazil, is the institution of a "pay back of moral debt" policy to people of African descent. Created in his first year in office, the cabinet-level "Secretariat of Policies for the Promotion of Racial Equality" proposed initiatives to address racial issues, while assisting the Ministry of Foreign Affairs in matters specifically regarding Africa. Among its achievements, there is the creation of quotas and special courses designed to help African descendants who'd apply for government jobs, including at the diplomatic corps, and in admission exams to public universities; the legalization of "Quilombolas," lands occupied by descendants of escaped slaves; and the teaching of African history in universities and schools, which

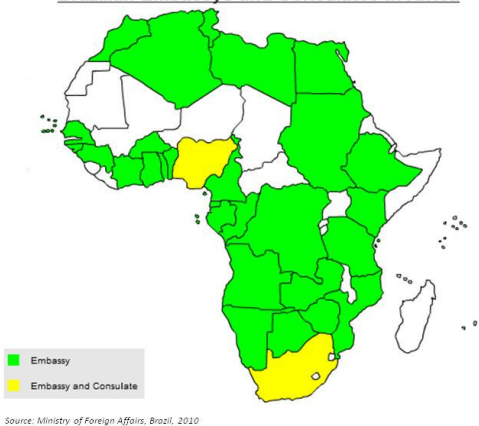
²⁴ Henrique Altemani de Oliveira and Gilmar Masiero. *Estudos Asiáticos no Brasil: contexto e desafios*. Revista Brasileira de Política Internacional. vol.48 no.2 Brasília, 2005.

²⁵ Antonio Carlos Lessa. *A diplomacia universalista do Brasil: a construção do sistema contemporâneo de relações bilaterais*. Revista Brasileira de Política Internacional. vol.41, 1998.

became law in 2003. As a result, 71% of public universities in Brazil have some type of affirmative action to benefit self-declared Afro-descendants.

Regarding Africa, in 2010, 40 graduate students from African countries were accepted in master and doctorate programs in Brazil, plus 240 (73% of the total number of students) were accepted for undergraduate studies, taking advantage of scholarship programs available for developing country students. Students enrolled in both programs (PEC-PG and PEC-G²⁶) get aid for transportation, education materials and a monthly stipend. In May of 2011, another student program began, within the scope of Community of Portuguese Language Countries (CPLP), the launch of UNILAB (Universidade da integração Internacional da Lusofonia Afro-Brasileira) that are expected to serve 10,000 students from the CPLP member. There are also 630 undergraduate students from Mozambique enrolled through distance learning at the “Brazilian Open University” program.

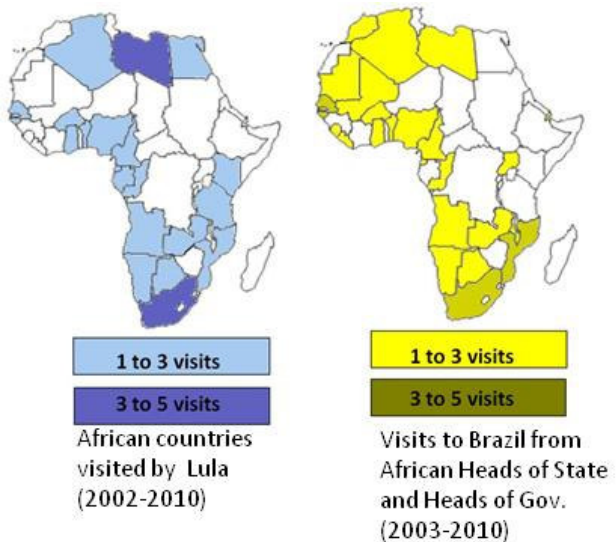
Brazilian Embassys and Consulates in Africa



Source: Ministry of Foreign Affairs, Brazil, 2010

Despite criticism, regarding the way Lula conducted the minimization of social contrasts in Brazil (sometimes demobilizing masses’ political concertation, for pacifying and mediating their voices²⁷), the Lula administration did manage to nurture an atmosphere of support for Africa during his term in office. While several pro-African issues came to be in Brazil, the Lula years saw Brazil opening 17 new diplomatic missions in the continent, to a total of 35 embassies there, ranking the country as fourth in diplomatic representation, behind only the U.S., France and China.

Lula traveled to Africa 11 times, and for some of the 29 countries he visited in the period, he was the first Brazilian president. African leaders reciprocated the attention, as Brazil has received 48 African Heads of State between 2003 and 2010. While some of former Brazilian presidents were strongly criticized at times to choose to visit far from democratic regimes in the region, Lula’s personal charisma and pragmatic approach (a reflection of the Universalist paradigm explained above) won over his critics. His gift for public conciliation and ability to speak with even the most reviled political leader as if they were old friends, became a trademark of Brazilian



Source: Ministry of Foreign Affairs, Brazil, 2010

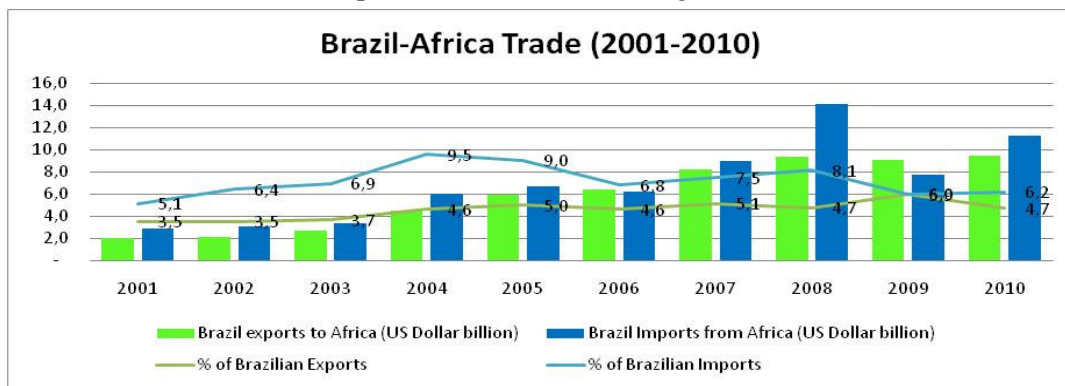
²⁶ “Programa de Estudantes-Convênio de Graduação (PEC-G)” and “Programa de Estudante-Convênio de Pós-Graduação (PEC-PG)”.

²⁷ For further information on this debate see: Thiago Melamed de Menezes in: *O debilitamento do trabalho na América Latina como vetor da perenidade do populismo*. Paper presented at the III National Seminar on Political Science, in September 24th, 2010.

diplomacy, and it was at full display during the international outcry over Iran’s nuclear ambitions in 2010. Despite the failure, Lula’s efforts won him praise and he survived unscathed by the political fallout that followed at the UN’s Security Council.

As for the future, Brazilian’s Chancellor Antonio Patriota, following the steps of his antecessor, Celso Amorim, has already showed willingness to improve Brazilian-African relations even before taking office as Minister of Foreign Affairs. In July, 2010, as General Secretary of Foreign Affairs, Patriota had promoted the First Course for African Diplomats, gathering representatives from 29 countries for a whole month. The type of event is widely perceived as a Brazilian diplomatic instrument of tender persuasion, often used to sway Latin American diplomats. Its strategic aspect was well showcased during the three days visit a group of African diplomats made to the Angra dos Reis Nuclear Power Plant complex.

Brazilian-African relations have also faced a boost with respect to trade flows during the last decade, largely due to the increase in commodity prices that benefited both partners. Considering that the whole 1990’s the trade flow between Brazil and Africa would barely go over \$2 billion per year, the first decade of this century has already showed great progress on commercially integrating the two regions. The trade pattern, though, is still centralized, with an average of 85% of Brazilian imports of oil to more than 50% of African imports consisted of food (sugar, meat, cereals, etc).



Brazil’s main commercial partner in Africa²⁸ is Nigeria (\$6.7 billion in trade) exporting crude oil and importing sugar, crude oil, beverages, chemicals and vehicles. Besides Nigeria, with trade higher than \$1 billion annually, are: Algeria (\$3,2 billion), Egypt (\$2,1 billion), South Africa (\$2 billion), Angola (\$1,4 billion) and Morocco (\$1,3 billion).

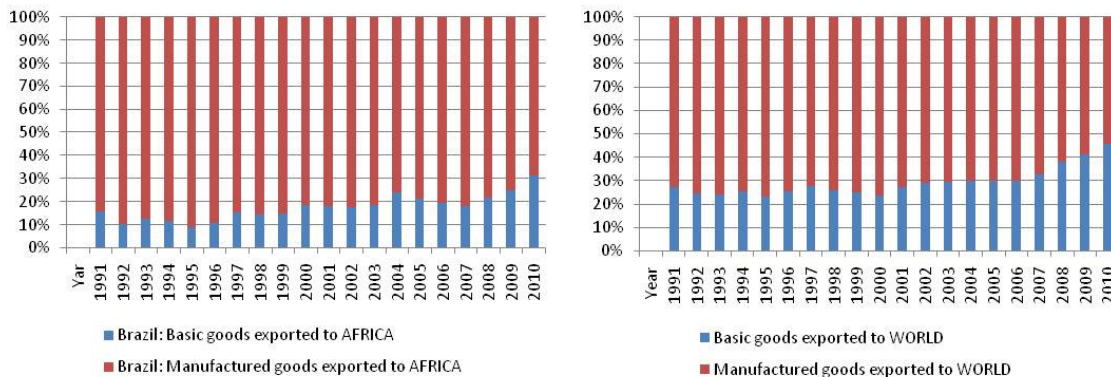
It is important to note that one the stronger pleas made by the pro-Africa policy makers in Brazil is that Brazilian manufactured goods are exported to those aforementioned nations priced competitively. In a developing country, the share of manufactured products in the export portfolio largely represents the country’s position in the

Trade Flow Brazil-African Countries (2010)



²⁸ Based on ITC Trademap 2010 data. Available at www.trademap.org.

international division of labor. Today, however, such percentage of manufactured/basic products exported by Brazil to the world or to Africa is slightly similar. While this would not be a determining factor for investing in African markets, the nature of horizontal relations Brazil wants to develop with African states could, in the long run, reverse the preference they have for their former colonial masters. Trade agencies that operate within Brazil also recognize Brazilian industrial exports an attractive technological fit for those markets.



Regarding FDI flows, unfortunately, there is not a unified source of information for Brazilian investments in Africa. The 2010 UNCTAD report²⁹ on South-South cooperation in Africa has mentioned no more than \$82 million dollars of Brazilian stocks in the continent in 2008³⁰. However, the same report calls attention to the problem, warning that “Significant amounts of FDI from developing economies (e.g. Brazil and Hong Kong, China) are directed towards offshore financial centers”. Newspaper sources, however, are sometimes more elucidating. The mining company Vale (present in Angola, the Democratic Republic of Congo, Gabon, Ghana, Mozambique, South Africa and Zambia) has invested \$2,5 billion in Africa and is planning to increase this amount to \$15/\$20 billion in the next five years (to be investes in Mozambique, Zambia, Guinea and Liberia) in order to be the third-biggest African copper producer³¹. The oil compay Petrobras (already present in Angola, Lybian, Mozambique, Nigeria, Senegal and the Tanzania) is planning to invest around \$3 billion in Angola and Nigeria until 2013 in order to explore what is believed to be the same geological conditions that might bring up the same ultra deep water reserves, similar to those announced recently in Brazil. It is also well known the presence of big engineering and construction firms, like Odebrecht, that have already made more than \$3 billion in revenues developing infrastructure projects in Angola, Lybia, Liberia, Mozambique, Ghana, Congo, Botswana, South Africa, Gabon and Djibouti.

Regarding trade development policies, African countries have started negotiating commercial treaties with nations of the Mercosul bloc. The group’s trade agreement with the SACU began talks in 2000 and is about to be concluded with the ratification by

²⁹ UNCTAD. Economic Development in Africa. South-South Cooperation: Africa and the New Forms of Development Partnership. New York and Geneva, 2010.

³⁰ The Brazil Central Bank shows a stock of \$124 million in 2009 in Africa, while the same database shows that more than \$50 billion dollars were sent by Brazilian companies as FDI to offshore countries, being the main destinations Cayman Islands, Virgin Islands and Bahamas.

³¹ Reuters. Brazil's big players in Africa. Available at <http://www.reuters.com/>

the nine nations involved. Also, the Mercosul signed a separate treaty with Egypt in 2010 and a similar one is being considered with Morocco. Brazil has also been promoting since 2005, the Summit of South American-Arab Countries (ASPA) as a mechanism for bi-regional commercial cooperation and political coordination, that might become fully operational in the near future. Brazil has also kept a permanent representation in the African Union (AU) and President Lula has been a guest at the ECOWAS summit in 2010.

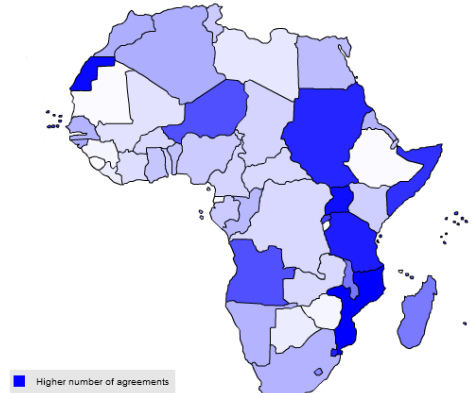
The issue of a permanent seat on the UN Security Council is also to be considered, either by the number of votes the African continent have at the UN General Assembly or by some support Brazil has already gathered within African states, as showed at the Africa-South America Summit final declaration of 2006. In addition, regarding security matters, the south coast of the Atlantic Ocean is a strategic concern nowadays due to the oil found in the brazilian pre-salt layer. Moreover, Brazil has troops in four, out of six UN peacekeeping operations in Africa (in 2010, Brazilian troops were in Western Sahara, Liberia, Cote D'ivoire and Sudan). Debt relief has been, likewise, an important platform for Brazil-Africa cooperation. As per the 2010 UNCTAD report³², Brazil “has cancelled \$369 million in debt owed by Mozambique, \$10 million owed by the United Republic of Tanzania, \$9 million owed by Mauritania and \$5 million owed by Guinea-Bissau”. Schlager³³, however, reported the total Brazil’s cancellation of African debts to be around one billion dollar.

Amplifying the scope of Brazil-Africa relations, there are interactions promoted within the UN, as well as the initiatives shared by Brazil and South Africa. Besides the G-20, group of countries that share the claim for subsidies’ reduction in the world’s wealthiest economies, Brazil and South Africa are part of a very unusual group: the India-Brazil-South-Africa (IBSA) Trilateral Dialogue Forum. Its survival strategy, to compensate the geopolitical distance, is centered in its institutional architecture. In terms of structure, the Foreign Ministries of the three countries keep their meeting in a system of Working Groups, gathering several representatives of many governmental instances of Brazil, South Africa and India, related to each theme treated.

The rigid structure of regular meetings serves as a palliative action to overcome the existing deficit in the integration of the three societies, and also should be considered that the political relevance of the IBSA forum is being threatened by the possibilities given by the growing group of Brazil, Russia, India China and now, South Africa, the BRICSA.

Besides multilateral arrangements, Brazil has a long history of bilateral treaties with African states, although 57% of them were signed after 2003, reflecting the Lula administration’s African focus. Currently,

Bilateral Agreements Brazil-African States (2010)



³² UNCTAD. Economic Development in Africa. South-South Cooperation: Africa and the New Forms of Development Partnership. New York and Geneva, 2010.

³³ Catrina Schlager. *New powers for global change? Challenges for international development cooperation: the case of Brazil*. Friedrich Ebert Stiftung. Berlin, 2007.

Brazil has 425 bilateral agreements with several African countries. Many of these are related to a general concept of “cooperation,” perhaps, the most relevant Brazilian performance in the African continent.

As per the Brazilian Cooperation Agency, Brazil has 250 ongoing projects in 34 countries³⁴, comprising 52% of total Brazilian expenditure with South-South cooperation projects. The initiatives are focused in areas such as “agriculture (including agricultural production and food security), vocational training, education, justice, sport, government, health, environment, information technology, prevention of industrial accidents, urban development, biofuels, air transport, tourism and justice³⁵”.

Angola	1,516,267.00
Algeria	24,780.00
Benin	236,380.00
Botswana	25,000.00
Burkina Faso	105,980.00
Cape Verde	2,231,199.59
Cameroon	276,000.00
Egypt	7,807.00
The Gambia	3,752.00
Guinea-Bissau	2,064,586.66
Mali	107,060.00
Morocco	172,908.00
Mozambique	1,959,834.00
Namibia	203,067.00
Nigeria	397,746.97
Kenya	190,140.44
San Tome & Principe	1,081,178.00
Senegal	532,128.91
Tunisia	94,824.58
Zambia	80,000.00
Zimbabwe	120,000.00
Total	11,430,640.15

production and food security), vocational training, education, justice, sport, government, health, environment, information technology, prevention of industrial accidents, urban development, biofuels, air transport, tourism and justice³⁵”. New cooperation subject are being developed such as culture, trade and human rights. In 2010 Brazil has also launched and International TV station for African Portuguese speaking countries and endorsed South Africa, via a trilateral memorandum of understanding, to receive images of the Sino-Brazilian satellite CBERS-3. Besides those initiatives, the production facility of antiretroviral medicines to be built in Mozambique is a fact to be highlighted.

Cooperation Activities (Brazilian investment)



³⁴ South Africa, Angola, Algeria, Benin, Burkina Faso, Botswana, Cape Verde, Egypt, Gabon, Cameroun, Ghana, Equatorial Guinea, Chad, Guinea Bissau, Gambia, Liberia, Lesotho, Mali, Mozambique, Morocco, Nigeria, Namibia, Kenya, Democratic Republic of Congo, Sao Tome and Principe, Senegal, Sierra Leone, Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

³⁵ Report from ABC (Brazilian Cooperation Agency). Brazilian-African Talks on Food Safety, Hunger Alleviation and Rural Development. 2010.

Very brief thoughts on the systemic conjuncture

After describing the importance that the latest Brazilian governments have given to Africa, it would also be central in this debate making a few considerations regarding the current world system structure. China has been factor as increased commodity prices have boosted the ability of promoting South-South cooperation to emerging countries. Beyond that, perhaps the world financial and monetary outlook should even be considered as a main reason. Central bank policies taken in the 1980s, of high interest rates in order to fight stagflation, are known for having caused a situation of quasi-permanent indebt, especially for emerging markets that had benefited from capital flows originated in the 1970s oil shocks. Besides this collateral effect, monetary policies targeting low inflation had reversed the profit rates between industrial investment and financial investment.

These events were in part cause for the so debated capital globalization during the 1990s, as Cold War barriers became obsolete. While capital flew from industrialized nations to emerging economies, seeking better return rates, in the semi-peripheral countries, this capital was allocated in the industry, not only in a national level, but also abroad. This could explain investments made by semi-peripheral countries in the periphery, namely, the investments of China, Singapore, Malaysia, India, Brazil and so on, in the African continent. Foreign direct investment originated in emerging countries also benefits these countries' currencies, alleviating the pressure caused by excessive capital inflows. No one denies that the current situation of China (that holds nearly \$3 trillion in reserves) and Brazil (with around \$300 billion) has had any precedent in the world's contemporary history, considering its peripheral (or semi-peripheral) position. The main reason for this is certainly the continuous surpluses these countries are capable to maintain in their current accounts, but are also due to the capital inflows.

Not only FDI, but also portfolio investments are increasingly flowing to emerging countries. It could be said that the BRIC's successfully propaganda has to be greeted for boosting the portfolios of Goldman Sachs, among other investment institutions. In addition, the industrial promotion as a development policy is a semi-periphery consensus, being the FDI interesting to policy makers to emulate the same strategy used by central countries inside their territories. The paradox resulting of this situation is that the central countries, in order to solve their domestic problems (inflation and class struggle) might have unwittingly promoted a strong shift in power on the world system level. The 1980's shift in the monetary policies of central countries is often accused by radical theory scholars³⁶ of being an attempt to flattening the increasing power of working classes by that time. The capital started to flow uphill³⁷, in the emerging countries direction and nowadays they are also responsible, considering gross fixed capital formation, for keeping the development of global manufacturing, whether in

³⁶ This very brief discussion is based on works of Ellen Wood (*Empire of Capital*, London: Verso, 2003), Franklin Serrano (*Relações de Poder e a Política Econômica Norte-Americana*. In: *O Poder Americano*. Petrópolis: Editora Vozes, 2004), François Chesnais ("Doze teses sobre a mundialização do capital. Lajeado, RS: Univates, 2005), ARRIGHI, Giovanni Arrighi and Jessica Drangel (*The Stratification of the World-Economy: An Exploration of the Semiperipheral Zone*. Review. New York. Volume X, Number 1, 1986), EICHENGREEN, B. (*A Globalização do Capital*. São Paulo: Editora 34, 2003), Susan Strange (*Mad Money: when markets outgrow governments*. Ann Arbor: Michigan, 1998), Immanuel Wallerstein (*O fim do mundo como o concebemos: ciência social para o século XXI*. Rio de Janeiro: Revan, 2003).

³⁷ TOLOUI, Ramin. *When Capital Flows Uphill: Emerging Markets as Creditors*. PIMCO, 2007.

their own countries or in others, less developed, which configures a very interesting “broker” position in the international division of labor.

Another factor attracting capital investment to emerging economies is the higher (compared to G-8 countries) interest rates, which are currently needed to prevent inflation for excessive demand caused, among other reasons, for the credit access promoted exactly by those international capital flows. Again, globalization in this case affects investors’ strategies and their constant search for safe heavens for their assets. The strange situation, though, is that this individual behavior, in terms of the real economy, is transferring the general prosperity central countries have achieved in the last century.

Another relevant circumstance is the indebtedness of the U.S. economy which drives a steady growth of the world’s monetary markets. As they issue money to assure liquidity of their own trade balances, they’re also injecting extra cash in world markets, which is promptly absorbed by emerging economies. In this scenario, even African economies become beneficiaries, as convenient, albeit temporary, receivers of extra capital. The point of this aside is exactly to highlight the particular state and contradictions of the current global monetary system. Never before in history was possible to the current semi peripheral countries to act in tandem with wealthier economies, regarding international insertion, which denotes an ongoing shift of power towards Asia, Africa and Latin America, and also could provoke a kind of backlash from world’s dominant powers.

To conclude, if emerging economies are applying similar strategies of wealth accumulation for international insertion, they must remain vigilant not to repeat the same asymmetric relations that may have put them in a disadvantageous position for such a long time. Such a moral angle might be one the positive features of Brazilian diplomacy, the legacy of thinkers such as Samuel Pinheiro Guimarães, who acted as General Secretary of Foreign Affairs for the Lula administration, and Celso Amorim, longest chancellor of Brazil’s government. The prevailing of these diplomatic forces in the Brazil’s ideological seesaw should be considered a benefit for African countries.