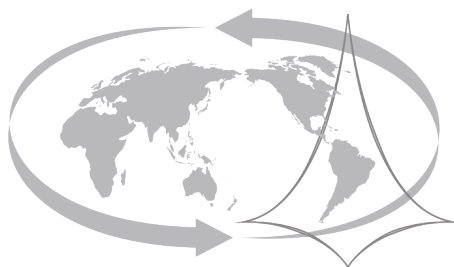


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About the Journal

AUSTRAL: Brazilian Journal of Strategy & International Relations is an essentially academic vehicle, linked to the Brazilian Centre for Strategy and International Relations (NERINT) and to the International Strategic Studies Doctoral Program (PPGEEI) of the Faculty of Economics (FCE) of the Universidade Federal do Rio Grande do Sul (UFRGS). Its pluralist focus aims to contribute to the debate on the international political and economic order from the perspective of the developing countries.

The journal publishes original articles and book reviews in English, Portuguese or Spanish about themes that lie in the vast area of Strategy and International Relations, with special interest in issues related to developing countries and the South-South relations, their security issues, the economic, political and diplomatic development of emerging nations and their relations with the traditional powers. The journal's target audience consists of researchers, specialists and postgraduate students of International Relations.

The journal will try, through its publication policy, to ensure that each volume has at least one author from each of the great southern continents (Asia, Latin America, Africa), in order to stimulate the debate and the diffusion of the knowledge produced in these regions. All of the contributions will be subjected to a scientific review.

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Contact

Universidade Federal do Rio Grande do Sul

Faculdade de Ciências Econômicas

Av. João Pessoa, 52 sala 33-A - 3° andar - CEP 90040-000 - Centro

Porto Alegre/RS - Brazil

Phone: +55 51 3308.3963 | Fax: +55 51 3308.3963

E-mail: austral@ufrgs.br

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EDITOR'S NOTE

Paulo Fagundes Visentini¹

Two years ago, our editorial was entitled *Brazil, the weakest link of the BRICS?* (#4), and last year it was named *The Economic War and the silence of the Academy* (#6). For some readers, they seemed to be exaggerated analyses. However, the extreme political polarization of the Brazilian elections and the subsequent accelerated anti-corruption processes of “*Operação Lava Jato*” (*Operation Car Wash*), on the one hand, and the fast financial-economic and diplomatic-military deterioration of international relations, on the other, show that such editorials made sense.

The Brazilian opposition groups (and their external allies), in fact, did not accept the fourth consecutive defeat at the polls in 2014 and seek, through various means, to question the government's legitimacy. The large internationalized Brazilian companies, the energy and the science and technology sectors have been largely affected, which partially explains the fragile economic situation. Externally, the opposition seems to make an effort to ward off South American integration, South-South cooperation and the participation in the BRICS in Brazilian diplomatic agenda.

As the Brazilian currency and the Chinese stock markets suffer from speculative attacks, Russia is still under pressure due to European and US sanctions, also hindering the preparation of the 2018 Soccer World Cup in that country. On the other hand, in Europe, the issue on the Ukrainian conflict and the Greek crisis is far secondary on the agenda now. The flow of refugees, which crossed the Mediterranean Sea, from the ungoverned Libya to Italy, was surpassed by others even more expressive. Syrians, Afghans and others walk in massive waves through the Balkans, heading to Germany and other nations. Many rules of the European Union appear to be suspended in a regressive movement. And Hungary, which in 1989 demolished the fence

¹ Professor of International Relations at Universidade Federal do Rio Grande do Sul. PhD in Economic History, Universidade de São Paulo. Director of the Brazilian Centre for Strategy and International Relations (NERINT). E-mail: paulovi@ufrgs.br.

that separated it from the “free world”, hastily built another one to keep out the refugees.

Intervention and support for opposition movements in Iraq, Libya and Syria is one of the most significant factors that originated the current migration problems. The arrival of hundreds of thousands of people in the region, who the West classified as victims, became a human tsunami during the summer holidays in the northern hemisphere. Europe then found itself without a response and could not prevent their arrival or send them back. Even the internal borders of the European Union started to be monitored, an unprecedented event in half a century. It is strangely surprising that Europe did not expect such consequences and have no idea what to do to solve the problem.

More than isolated events, these are part of a systemic process. To address such questions, in this edition we have, among others, articles from former Minister Celso Amorim, about the scenario in the defense area, the researcher Steven Colatrella, on the theoretical foundations of the world economy and a virtual Third World War, added to analyses regarding the Brazilian Navy (João Roberto Martins Filho), the significance of the 60th anniversary of the Bandung Conference (Analúcia Pereira and Klei Medeiros), the foreign policy of Angola (Igor Castellano) and the innovative Diplomacy of Pope Francis (Anna Carletti), and other important considerations.

* * *

We appreciate the sponsorship of the Office of Research of the Deanship of UFRGS, through the Support Program for Journal Editing (PAEP) for translation, editing and printing, as well as the whole team who worked on the editing and translation, particularly assistant editors, Vitória Gonzalez and Isadora Coutinho. We are also grateful to the Professor Cristina Soreanu Pecequilo for the revision of the English versions. And we inform with satisfaction that AUSTRAL journal renewed its Editorial Team, adding prestigious names, committed to the project, starting a new phase.

GRAND STRATEGY: FOREIGN AND DEFENSE POLICY IN A CHANGING WORLD¹

Celso Amorim²

On January 2nd 2014, a bomb attack in Beirut wounded 60 people and took the lives of at least five of them, one of those being the Brazilian Malak Zahwe. The young Malak, who was born in Foz do Iguaçu, lived with her family in Lebanon and was shopping with her stepmother when the explosion occurred. A significant Lebanese community lives among us and a growing number of Brazilians in Lebanon. We have a close and direct link with that country. As the barbaric assault in January 2014 reminded us, this connection is, above all, a human link.

Tragic situations as that one reinforce the understanding of that we are part of a global society. The indifference to the challenges we face abroad is no longer tolerable. Isolationist attitudes such as “we should not involve ourselves in matters that do not concern us” reveal not only insensitivity, but also a high lack of realism and misunderstanding. One effect of the much-vaunted *globalization* is that “all issues are ours.”

We have a clear interest in world peace and we must help preserve it. That was what Brazil tried to do, in some cases successfully and in others releasing seeds that would germinate later. We attracted Cuba to the Rio Group and to the Community of Latin American and Caribbean States (CELAC). Today that country coexists peacefully with all nations of America. Together with Turkey we strived to reach a deal with Iran about their nuclear program, which demonstrated that there was ground for searching solutions to that thorny issue through dialogue. Today, in both cases, we congratulate the pro-

¹ Paper partially based on a lecture delivered at the Escola de Guerra Naval on May 14, 2015.

² Brazilian diplomat and former Minister of Defense. Throughout his career, he served as Minister of Foreign Relations of Brazil. Researcher of the Brazilian Centre for Strategy and International Relations (NERINT).

gress made by the greatest power in the world.

On another occasion, I stated that Brazil should not be satisfied with being a peaceful country, but should also seek to be a “peace provider” country. For this purpose, Brazil should adopt a *grand strategy* which combines foreign policy and defense policy. Naturally, diplomacy is the first line of defense of our interests. And dialogue should be its main instrument. But in a world where conflict is far from being extinct and the great powers often resort to unilateral actions, diplomacy must have the permanent support of defense policy.

Much is being said about soft power since Joseph Nye, a Harvard professor and a former US assistant secretary of defense, coined the term. It is an innovative concept that applies to many characteristics of Brazil and its people, its culture and its tradition of peace. But no country asserts itself in the world only by the attraction of its culture and habits. And there are situations, as we experienced during World War II, in which soft power itself is not enough to prevent attacks or incursions that could affect our sovereignty. So, at the same time we cultivate and exercise our soft power, we should strengthen it. Our soft power, expressed in the ability of cooperating in a mutually beneficial way with other countries, will be enhanced by our hard power, which is able to deter threats and turn the defense matters collaboration with our neighbours and partners (for example, the protection of natural resources) into reality.

The until now successful experience in Haiti, through which we contributed to restore order in that country, gave back to Haitian people the capacity to decide about their destiny, and is also an example of the combination of soft power and hard power in a situation that wasn't an immediate threat to our country. In Haiti there was a very real risk that a sister nation, with which we have many affinities - and that, after all, is not so far from us -, fell under control of armed gangs, a perverse combination of former military coup officers and drug dealers. It was because of Haiti that we coined (or we borrowed from the African Union, until now I am not certain about it) the concept of “non-indifference”.

The presence of a frigate of Brazil's Navy in the maritime component of the United Nations Interim Force in Lebanon, UNIFIL, is another illustration of how the use of military instruments may strengthen the diplomatic action in the pursuit of peace. In spite of the great difficulties that Lebanon is facing, we are sure that we are fulfilling our responsibility to this friendly nation. In addition, we reinforce with our military presence the assets for an eventual political and diplomatic action, when conditions in that region allow. One or two decades ago, the participation of a Brazilian warship in operations

in the Mediterranean Sea, one of the most traditional geopolitical chessboards of the world, would be seen as highly unlikely. Today, even the critics of Brazil's involvement in seemingly distant issues, such as the Middle East, do not seem to doubt the importance of our contribution to UNIFIL. This evolution is in a way related to the direct impact of the 2006 war between Israel and Lebanon, when seven Brazilian died and three thousand compatriots were evacuated by air to Brazil in a coordinated operation by our Ministry of Foreign Relations with the decisive support of our Air Force. I was in Beirut the day after the cease-fire and I could see with my eyes the eloquent proof of the proximity between the two peoples: t-shirts of the Brazilian team and flags of Brazil in the midst of the rubble and destruction caused by the Israeli bombing.

Our participation in Lebanon, as well as our diplomatic action in situations such as the one that led to the "Tehran Declaration" on Iran's nuclear program, and also the invitation to participate in the Annapolis Conference on the conflict Israeli-Palestinian³ emphasize the importance of reflecting about our challenges and of defining our interests. We have to think about our role in the world without questions and autonomy. The conception of an authentically Brazilian *grand strategy* – combining foreign policy and defense policy – will result from a wide public dialogue about our challenges and priorities, which involves political, diplomatic and military resources, with the participation of academy, media, productive sectors (employers and employees) and society in general. The publication in 2013 of the Defense White Paper and revised editions of the National Defense Policy and National Defense Strategy should be seen as part of this dialogue.

Much has been written about the fluid nature of international reality. In the last years of the twentieth century, after the end of the Cold War, we went from bipolarity to a kind of "consented unipolarity". Later, in the new millennium, the world has evolved into a mixed structure, which preserves the characteristics of unipolarity at the same time that approaches to a multipolar world in some ways. At the same time, we watch arise in the horizon a potentially new bipolarity, with China assuming, *mutatis mutandi*, the role of the old Soviet Union, without the ideologic fervor.

We live in a time of fast and deep changes, marked also by ambivalence. The emergence of new actors and the so-called "asymmetrical threats" often mentioned by defense and international relations scholars has not eliminated the former agents in the world order. And the conflict between the States has not disappeared from the horizon. Even in times of economic glo-

³ I talk about these two themes in two of the narratives of my most recent book "Tehran, Ramallah and Doha: memoirs of an active and proud foreign policy" (Benvirá, 2015).

balization, nation-states still keep their importance and sovereignty remains a guiding principle. The “international community” was often used to justify actions that correspond to the interest of one or more of a great power. The “responsibility to protect”, as enshrined in UN resolutions, was invoked in situations where the real goal was “regime change” and not, as claimed, the “protection of civilians”. Multilateralism has not overcome the defense of national positions.

In the wake of the global financial crisis of 2008, it took shape in the United States an extensive debate about the supposed decline of their relative position in the world. Four years ago, when I was at Harvard for a month, in a fellowship of the famous Kennedy School of Government, after leaving the Ministry of Foreign Relations, I could attend many discussions and debates in which the relative decline (or not) of the United States was a central object for American scholars themselves. I was back to that institution in 2015 after leaving the Ministry of Defense and I verified that the axis of the discussion had changed. Today, more than multipolarity, it is the rise of China, its economic influence and, above all, its maritime projection strategy that raise interest and apprehension. More than any other one, the logic of national interest determines the definition of positions. It is in this context that one should understand the stimulus for Japan to take over again a military and strategic role, which was abandoned after World War II.

In a world where ideologies lost importance in the definition of national policy, State coalitions, more than ever, reflect a variable geometry. Despite Washington’s efforts, governments of major European economies did not evade to participate in the Asian Development Bank, led by Beijing. The former group of seven major industrialized economies, the G7, has evolved into the G8, with the temporary incorporation of Russia (more in due to its nuclear status than to their economic relevance), and then to the G20, that has included emerging economies and that was defined by the President of the United States as having the primary role in economic and financial issues. The recent resurgence of the G-7 does not change this picture. And in reality, it is a fact much less relevant than the increasing coordination among members of the BRICS. Some authors have come to find that, with the gradual dissipation of the surplus power of the superpower, there would be given the conditions for a so-called “G-Zero”, in which nor the United States could lead and neither other countries be willing to follow. Fareed Zakaria, among others, drew attention to what he described as “the rise of the rest”⁴.

Whatever these “Gs” are, we now have a complex reality that does not

4 Zakaria, Fareed. “The post-American world and the rise of the rest”. (Penguin Books, 2009).

fit the models dictated by the “single thought”. There is a wide consensus that there would be an ongoing decentralization of power in the political, economic and cultural fields, and even (perhaps less) in scientific and technological fields. Multipolarity, even though imperfect, has raised hopes of a world more balanced and free from hegemonic powers. However, in the military field, unipolarity continues to prevail on a large scale. It suffices to recall that defense spending in the United States exceeds the total military spending of all other countries. The advances of this country in areas such as cyber have no equivalent in other powers.

Despite this superiority, varied psychological and social factors, especially the growing aversion to the deaths of fellow compatriot graphically transmitted by modern media, reduce the margins for the projection of military power in other regions. If television has contributed in some way with their tragedy-filled images of napalm victims to hasten the end of the Vietnam War, one can imagine what could be done by the social networking, the twitters, etc. in a similar situation nowadays. Therefore all the incessant search for means of destruction “without risk” or very low risk as the drones and the threats of cyber warfare. Even less advanced forms of low-risk attacks were applied, for instance, in military operations against Serbia in Kosovo, where the air strikes were carried out at high altitudes making it impossible the accurate discernment of targets. In both cases, the side effects on civilian populations increase considerably.

The exception to this aversion to risk exposure occurred only - and with the qualifications above - in situations when the safety of the American people itself was perceived as directly threatened, as happened on September 11. Despite all the revulsion caused by the so-called “Islamic state”, the number of assorted air against ISIS or ISIL militants is infinitely smaller than what was verified in the Second Gulf War, which resulted in the overthrow of Saddam Hussein.

The usually shared assumption is that, in a “post-hegemonic world”, the international institutions created at the end of the Second War would be maintained. With the probable overcoming of United States by China as the world’s greatest economy in the next decades, it would be convenient for the whole world and for the United States itself that Washington abandoned the logic of exceptionalism and adhered, more strictly, to the rules of multilateral institutions. The courageous initiatives of the Obama administration towards Iran and Cuba allow some optimism, despite the resistance of more conservative Americans sectors.

This would also bring benefits to other countries, ensuring some level of stability to the international relations. However, regarding the developing

nations, these benefits will only be full if the commitment to international norms is accompanied by effective reform of decision-making process of these institutions, starting with the UN Security Council. But in relation to this topic, the largest opposition seems to come not only from the still greater power - that keeps an ambivalent position about the enlargement - but also from other quarters, including China, our partner in the BRICS, what once again underlines the complexity of relations between States in the contemporary world.

In a recent article, Kofi Annan and Gro Harlem Brundtland⁵ made a proposal for an interesting compromise: long term mandates, with indefinitely long mandate members able for re-election. But even this mid solution seems difficult to adopt in the short and medium term, since it implies a reform of the San Francisco Charter, requiring the ratification of the eventual amendments by 2/3 of member states, including the so-called P5. A G-20 that started to mind also themes related to peace and international security – with no harm to UNSC’s detention of the last decision power – seems to offer the best hope of a greater degree of decentralization of international order, injecting “fresh air” into discussions about these themes.

Regarding the Middle East situation, at a certain point, the major powers seemed to understand the importance of a wider participation of countries from various regions, including developing nations. Washington’s invitation to Brazil, India and South Africa to participate in the Annapolis Conference in December 2007 illustrates this kind of understanding. It is evident that informal arrangements such as the G-20 cannot replace the need for a reformed Security Council, which must remain a strategic goal for the Brazilian foreign policy, with consequences to the defense policy. The reform of the UNSC is necessarily part of the “Grand Strategy” of Brazil.

The authors that admit that there is a decline (absolute or relative) of US hegemony point out the contradictions involved. The political and military presence of the superpower in many conflicts and crises around the globe, which is a consequence of global hegemony logic that resulted from the end of the Cold War, may drain vital resources for investments in other areas such as the environment, health or education. A reduced involvement would imply reviewing compromises with many allies and, in general, disengagement of a series of operating theaters. Depending on the point of view, such an evolution can be seen as positive or negative, but it would have important implications for the international order.

5 Available at: http://www.nytimes.com/2015/02/07/opinion/kofi-annan-gro-harlem-brundtland-four-ideas-for-a-stronger-un.html?_r=0

Published in the framework of the American debate, a common point to these theses is the recognition of a downward trend, discreet but noticeable, of some of the asymmetries between the superpower and the other States. The assessment of some of these “declinist” theses could strengthen the perception that the redistribution of global power is still an unpredictable range phenomenon. For now, it’s not possible to tell if the new post-unipolar order will be consolidated as a multipolarity, that is, a distribution of the world power between a certain number of States – or groups of States – in a relative balance, or whether, as exposed above, it will take the direction of a new bipolarity, this time between the United States and China.

Looking at the world from our point of view and, with the indispensable realism, it seems right to affirm that it will still persist for some time if not a unipolar reality, at least a *unipolar mentality*. The most worrying aspect of this mentality is that it is not purely descriptive or analytical, it brings together a prescriptive element such as “we have to accept reality and adapt to it”. In other words: according to this narrow vision, Brazil would have to continue to play a secondary role in the global scenario, submitting itself to the dominant power strategy and seeking, at most, to extract advantages from a subordinate association.

Equally dangerous is the correlation between hegemony and stability. In the “hegemonic” view, which prevailed in the immediate “post-Cold War”, stability would be guaranteed by a certain “benign domination”. As the past decade has demonstrated, the thesis that the hegemony generates stability is misleading. In the opposite direction to the superpower own interests, including the expansion of terrorism, the invasion of Iraq and the subsequent destabilization of the precarious Middle East order are eloquent proof that hegemony leads to insecurity, not stability.

Thucydides, in his masterful narrative about the war between the Hellenic peoples, perfectly understood this point. At the beginning of the “History of the Peloponnesian War”, the Athenian historian explains that the origin of the conflict was because Sparta realized the excessive accumulation of power in Athens. In another part of the book, Thucydides makes an explanation of transcendent importance about the subject and still valid today: “I do not blame those who wish to dominate, but those who surrender hastily. It is part of the nature of man to dominate those who surrender him, as it is to resist those who attack him”(IV, 61). These words aptly apply when seeking to explain the opposition of several States to the attack on Iraq in 2003. Such opposition also reflected the concern for the integrity of the normative system of the United Nations Charter, which outlaws the use of force without the prior and explicit authorization of the Security Council (except in cases of

legitimate defense, a concept that should always be interpreted cautiously and narrowly)⁶.

Historical perspective sheds additional light on the reason why Brazil started to work tirelessly, from the beginning of the last decade, in order to stimulate the incipient multipolarity elements of the contemporary world. Not only from the angle of the principles, but even from the pragmatic perspective, unilateralism stimulated by the hegemony brought consequences contrary to those desired. The goal of multipolarity was sought by Brazil on several fronts, such as the high priority given to the integration of South America; the demand for the democratization of decision-making bodies of the United Nations; the search for more justice in trade negotiations at the World Trade Organization; and the articulation with new partners in the developing world, such as members of the IBSA and BRICS, but also with Arab and African countries. Needless to say, economic, cultural and human motivations were also present to varying degrees in these efforts. The multipolarity, based on multilaterally accepted norms, provides the most favorable conditions. The multipolarity, based on multilaterally accepted norms, provides the most favourable conditions for Brazil to define autonomously its interests and carry out a *grand strategy* that includes not only the dimension of a peaceful country, but of a *peace provider country*.

We are in a period of transition between the unipolar mentality, the risk of new bipolarity and the promise of multipolarity. It is against this background that it is necessary to examine the dynamic areas of some of the situations with potential for conflict in the current reality. One of these situations is the disputes over maritime territories rich in natural resources in Asia, where different States demand the extent of their jurisdictions on overlapping areas. We have witnessed a competition involving regional powers such as China, Japan, South Korea, the Philippines, Vietnam and India, as well as extra-regional powers such as the United States. Recent developments in these areas indicate, first, an effort by the US government to reorient its political-military engagement to the so-called “pivot to Asia”.

In an editorial, an important newspaper of the United States supported the measures of the Japanese government toward a bigger flexibility in the use of military force and demanded the formation of an alliance of democracies in Asia to counterbalance - in the words of the editorial - China's rise. In Asia, the insufficiency of confidence-building, promotion of transparency and definition of common rules of conduct mechanisms is a ponderable fact in the analysis of the development of that region.

6 On the brink of the Second Gulf War, supporters of a military attack largely used the idea of preemptive self-defense, which is full of dangerous implications.

Another area that is stage for major changes - not all in a positive sense - is the Middle East. The so-called “Arab Spring” raised high hopes that several countries would walk toward more democratic political systems with greater popular participation. But with the possible exception of Tunisia (and even this country is subjected to violent terrorist eruptions that put into question the government’s ability to face the attraction of fundamentalist doctrines), what could be seen was the degeneration of the democratic movement in factional conflicts, as in Syria, or the pure and simple retrocession toward authoritarianism, as in Egypt.

In recent years, concerns emerged about the future of the territorial *status quo* created by the famous Sykes-Picot Agreement between France and Great Britain, that predicted the end of the Ottoman Empire at the end of the First War. It could be even positive if the routing of changes had occurred peacefully - which obviously is not the case. The famous phrase of Marx that “violence is the midwife of history” fully applies to the Middle East, but not in the direction of social and political progress, as advocated by the German thinker.

The possibility that the Middle East map ceases to exist as drawn about a century ago is seen more with apprehension than with hope. Some of the actions of the great powers contributed strongly to this evolution. Political support and the provision of weapons to rebellious factions fuelled fundamentalist sectors, just as, at the other extreme, military aid to authoritarian governments did not stimulate the search for solutions through dialogue.

On the other side of the scale, the recent agreement between the P5 + 1 and Iran creates a positive expectation for forwarding certain issues such as the future of Iraq and Syria (and the related issue of the so-called “Islamic State”), regardless of the fears, for different reasons, of some countries in the region such as Saudi Arabia and Israel.

In the Middle East, strategic factors are mixed up with interests on access to natural resources and emphasize ethnic or religious cleavages. Until recently, Syria had been a microcosm of these tensions. Today it disputes this position with Iraq, not mentioning Yemen. The agreement sponsored by Russia and supported by the United States in September 2013, which foresees the destruction of Syrian chemical arsenal, was an encouraging sign of the opened space for diplomacy. Few people know that the special envoy of the Director of the Organisation for the Chemical Weapons Prohibition in this important mission is a Brazilian, Ambassador José Artur Denot Medeiros, who for five years was our representative at the OPCW.

In the case of Syria, it is common to hear the known (and correct) refrain that there is no military solution to the conflict. At the same time,

the behavior of the great powers by arming one or other side of the civil war contrasts with this vaunted pacifist conviction. The destabilization caused in Libya and in the North Africa by the Anglo-French-American military intervention against the Gaddafi regime in 2011 fits into the same scenario.

To the drama of the refugees is added the plight of immigrants. Although external interference in the Syrian conflict has not reached similar proportions, it's necessary to register that the conflagration in that country has spilled over into neighboring countries, as became clear in the bombing in Beirut that killed our compatriot Malak Zahwe.

The threat of an aggressive "Islamic state" goes from the Middle East to almost the Gulf of Guinea. Crises such as Syria's require an attitude of respect to the UN rules and of a joint work with all interested parties that may have influence the ongoing political process, including - in the case - Iran. What I want to denote is that, on the contrary to what we often see being defended, foreign intervention is a remedy that usually attacks the patient, not the disease. The situation in Iraq post-2003 has been a sad demonstration of that, while the country is threatened by ethnic and religious conflicts and by the proliferation of terrorist groups.

A situation that highlights the growing fluidity in the contemporary international reality is comprised of vast spaces located beyond the national jurisdiction of sovereign States or in their limits, which is the case of the deep seas, the high latitudes and the outer space. These areas are not free from pretensions of hegemonic control (and I do not speak here of a single superpower) at the expense of the rights of the coastal States or the rights of exploitation according multilateral rules of conduct. The opening of new routes and the exploration possibilities in the Arctic gave impetus to the discussion of the subject. An editorial of the *Financial Times* noted in the region that "for now, the struggle for resources remains polished. But it may not last, if the discoveries happen in advance of the game rules". Obviously, this risk is not limited to the Arctic. It extends to all parts of the world where the competition for natural resources will tend to intensify, as the global demand increases. The South Atlantic, area of our interest, will not be free of it.

Cyberspace is another dimension in what is visible the engagement of the major powers with economic and military purposes. Because it is a recent phenomenon, the cyber warfare is still not fully known. However, it is questioned, in analogy to the prevailing conceptions at the time of World War I, if it is not being created a "cult of cyber offensive". This impression is reinforced by initiatives such as the decision taken by a major country, the Great Britain, to develop offensive capabilities (not just defense) in the cyber field. The honest approach to the subject by that country's Minister caused

wide repercussions. But certainly London is not the only capital to pursue this path. The case of the Stuxnet virus, that attacked Iran's nuclear program, should be studied carefully, especially when you know the tendency in certain circles to extend the concept and scope of the non-proliferation to the "counter-proliferation".

According to some experts, new war technologies like cybernetics, but also unmanned aerial vehicles, will erase the traditional distinctions between "war" and "peace," "military" and "civilian", "foreign" and "domestic" and "national" and "international", with the potential to invert the logic of aversion to the risk that I mentioned before. More broadly, what is emerging on the horizon is the possibility that it will be set up a permanent state of belligerence between opponents countries, even more because the boundaries between espionage and war are not precisely defined. To David Rothkopf, editor of the *Foreign Policy* journal, it is a new kind of war that is called the *Cool War*, opposed to the *Cold War*. In the Cold War mutually assured destruction (significantly known as "MAD", its acronym in English) by nuclear weapons prevented the superpowers to attack each other. In this new kind of war, a little 'hotter' than the last, each contender might be able to "attack constantly, without triggering an open war". Countries such as Brazil cannot remain indifferent to the signs that these lines of thought may come to prevail.

The common denominator of the territorial tensions in Asia, the risks of fragmentation in the Middle East, the rivalry on the seabed and the militarization of cyberspace, among several other fluid areas of the international system, has the potential to spread globally, inevitably affecting Brazil and our strategic environment, beginning with South America and the South Atlantic, in the sequence. Some of these elements of tension are naturally more distant from us, while others inspire more immediate care. However, all of them have systemic repercussions, and may be factors of vulnerability for the Brazilian and other South American countries' interests, which collectively interests us to protect.

A reasonable balance of world power is a fundamental, though not sufficient, condition for the maintenance of peace. This is one of the proposals of grand strategy of Brazil, combining soft power and hard power in order to provide peace. We must be adequately able to defend our territory, our people and our interests. The purpose of these and many other measures is to assure the Brazilian possession of means that can remove threats and aggressions that we can suffer at any time and originated in any framework.

To defend, deterrence is not enough. It's necessary also to cooperate. This has been and must remain the basic principle of the defense policy in the Brazilian strategic environment. With the neighbors of South America,

we are deepening trust, transparency and a shared vision of Defense goals, bilaterally and through the Council of South-American Defense. The defense of South America is a responsibility of the South Americans. It is important the gradual consolidation of this view in the policies of all countries of our subcontinent. The recently created South American School of Defense (ESUDE in Portuguese), headquartered in Quito but acting in a decentralized form, is a major step to deepen and to extend the traditional cooperation that we already have with other South American nations. We should take this cooperation to new areas such as industry and high-tech, as aerospace and cybernetics (which has already begun to happen) as well as to countries that, in due to their incipient development, are more vulnerable to the interference of extra-regional interests.

Also in the South Atlantic, it is noteworthy the cooperation we have provided to the formation of the Coast Guard and naval capacity of Cape Verde and the assistance that the Brazilian Navy is giving to the African Union, with regard to maritime safety. The Brazilian Navy, in a pioneering way, extended the cooperation with Namibia and has participated in the discussions and exercises related to the security of the Gulf of Guinea. And it's not just for solidarity, which is also relevant. It's a direct interest of Brazil, considering that a great part of our trade with Africa passes through there, especially our oil supply. Through ZPCSA⁷, we unite efforts so that our ocean is a zone of peace and cooperation, free of nuclear weapons and all sorts of strange rivalries to our strategic environment.

The realistic understanding of Brazil's defense needs in the world has distinguished precursors. It was with a great foresight that Rui Barbosa, in a piece of 1896, argued that "peace is the essential clause of our progress. But (...) the first condition for peace is respectability and the respectability of the force". Or, in a current terminology: soft power must be supported by hard power.

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ABSTRACT

In the last years of the twentieth century, after the end of the Cold War, the world has evolved into a mixed structure, which preserves the characteristics of unipolarity at the same time that approaches to a multipolar world in some ways. In an international reality marked by its fluid nature, the emergence of new actors and the so-called “asymmetric threats” has not eliminated the former agents in the world order. And the conflict between the States has not disappeared from the horizon. In this context, diplomacy must have the permanent support of defense policy. Therefore, in the Brazilian case, the paper presents that the country should adopt a *grand strategy* that combines foreign policy and defense policy, in which soft power will be enhanced by hard power.

KEYWORDS

Grand Strategy; Foreign Policy; Defense Policy; Brazil.

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THE CAUSES OF WORLD WAR 3: CLASS, GEOPOLITICS AND HEGEMONY IN THE 21st CENTURY - A RE-READING OF ARRIGHI, THROUGH McDERMOTT, SCHUMPETER AND VEBLEN

Steven Colatrella¹

Introduction

In recent months, world politics has taken a turn from an emphasis on issues of globalization to those of geopolitics. The years between the 2008 financial crash and the Spring of 2014 had been dominated by the themes of austerity, investor confidence, ratings agencies, Global Governance and a gradual and incomplete reeling in of US military commitments in conflict zones. But since the US-EU sponsored coup provoked the Ukraine crisis, and with the conflicts over the South China Seas Islands and renewed US military commitments in West Asia in the mix, economics appears to have given way to politics. Thus we find a new emphasis on geopolitical competition, NATO aggressiveness, great power conflict and competing hegemonic contenders.

The events since at least the beginning of the Ukraine crisis suggest that the analysis of Arrighi and Silver in *Chaos and Governance in the Modern World System*, and of Arrighi in *Adam Smith in Beijing* is being borne out: the decline of US hegemony and the rise of an alternative bloc with China at its center may after all be met with the assertion of US military power intended to thwart – and all but end – the cycle of hegemonic powers that Arrighi

1 Professor of International Relations of John Cabot University in Rome, Italy. Author of *Workers of the World: African and Asian Migrants in Italy in the 1990s*. E-mail: stevencolatrella@gmail.com

identified first in *The Long 20th Century*². But the very possibility of such action being in a position to end a secular, structural cycle at the very heart of the modern world system suggests that contingency plays a role, if not an equally significant or efficacious one at all times and places³. This means that identifying who the key actors are, what the fault lines are of their alliances and hegemonic blocs, and what their strategies and options are becomes important not only for analysis, but most urgently to enable us to construct alternative alliances, structures and strategies that might give us a chance to pull the world back from the abyss. We should pay close attention to a theme that is central to, but not explored in depth in Arrighi's work. This theme is the relationship between alliances of class interests – including of particular factions of class interest – and agencies of state power. By the latter I do not intend necessarily a completely united state or national interest behind such a state or alliance (as in the realist school's formulations). Seeing state agencies as heterogeneous and constituted by and in relation to divergent interests in society, can help us understand more precisely why some strategies win out over others at various moments. Thus, the previous period of open markets and globalization, with its emphasis on trade and more or less peaceful development of a world market as a common good in fact is more closely related to the current return of legitimate fears of world war than is at first apparent. I will show further on how this argument is related to the analysis of class developed earlier in the paper. Our approach is toward alternative strategies that might make it more likely that movements, class alliances and states may be able to undo the causes of a third world war before they reach a horrifying fruition.

The shift to geopolitical discourse in mid-2014 was that much more notable in that it followed almost immediately public declarations by US President Obama that the current hegemonic power was leaving behind a decade of war (in Afghanistan, Iraq and elsewhere) and the announcement of significant cuts in military spending.⁴ All these changes were presumed to be part of a new emphasis on diplomacy encapsulated in Obama's declaration that the US' new standard for foreign policy would be "don't do stupid stuff."

2 Giovanni Arrighi, *The Long Twentieth Century: Money, Power, and the Origins of Our Times* New York and London: Verso 1994.

3 See the explication of Marx's argument in "The 18th Brumaire of Louis Bonaparte" by Massimiliano Tomba, in Max Tomba, "Marx as the Historical Materialist. Re-reading The Eighteenth Brumaire." *Historical Materialism*, Vol. 21, Nr. 2 (2013), pp. 21-46.

4 Though US policy makers had previously emphasized the so-called "Pivot to Asia": see "Remarks by President Obama to the Australian Parliament" November 17, 2011 www.whitehouse.gov; The phrase "Pivot to Asia" comes from an by then Secretary of State Hillary Clinton: Hillary Clinton, "Engaged America is Vital to Asia's Future" *Foreign Affairs* November 2011.

While the mainstream Western media explanation for this shift is Russia's President Putin's supposedly more aggressive posture toward the world, and the Ukraine crisis in particular, we can at the very least say that this narrative is highly contested by alternative interpretations of the evidence.⁵ We can go even further and note that from the expansion of NATO in the 1990s and early 2000s to the overthrow of the elected government in Kiev, that it has been the US and its NATO allies that have shown the greater willingness to provoke, rather than Russia.⁶ At the same time, the South China Sea has become the scene of growing tensions as China asserts sovereignty claims over some islands there, some of which are likely oil sources and others of which could be important bottlenecks for sea lanes. Japan's Prime Minister Abe has been extraordinarily vocal in a number of international venues using rhetoric about China and the need to confront it that is hardly diplomatic.⁷ Other countries in the region including Vietnam and the Philippines have also expressed concern and made clear their intention to build up their naval forces in the region to block Chinese ambitions. Japan has begun a significant military build-up while also changing decades-long policy and selling its weapons to other countries (notably India) and changing its law to allow its forces to be used outside its national borders and maritime territory. India, for its part, has become the largest international purchaser of arms, buying from Russia, Japan, the US and Europe.⁸ India's new Prime Minister Modi, in the course of a mere three week period in the late Summer and early Fall 2014, held summit meetings with the leaders of Japan, China and the US. China and Russia meanwhile moved to build closer economic ties, providing for the beginnings of a monetary system that would be independent of the dollar zone.⁹ This agreement allows for free exchange of currencies within the Shanghai

5 Among others, John J. Mearsheimer, "Why the Ukraine Crisis Is the West's Fault: The Liberal Delusions That Provoked Putin" *Foreign Affairs*, September/October 2014; Steve Weissman, "Meet the Americans Who Put Together the Coup in Kiev" Reader Supported News March 25, 2014; Steve Weissman, "Part II: Meet the Americans Who Put Together the Coup in Kiev" Reader Supported News April 4, 2014.

6 See Mike Whitney, "Did Putin just bring peace to Ukraine?" in Counterpunch, Sept.5-7, 2014 <http://www.counterpunch.org/2014/09/05/did-putin-just-bring-peace-to-ukraine/> and Mike Whitney, "Uncle Sam Does Ukraine" Sept. 10, 2014, <http://www.counterpunch.org/2014/09/10/uncle-sam-does-ukraine/> among others.

7 "China's Disputes in Asia Buttress Influence of U.S." *Int. Herald Tribune* Sept. 23, 2010; "Shinzo Abe takes a dangerous gamble" *Economist* Jan.4, 2014

8 "India has learned to flirt with the world—and suitors everywhere are dazzled" *Obsession* Sept.9, 2014

9 "Vladimir Putin's Asia-Pacific Economic Cooperation (APEC) Summit Speech: Trade in Rubles and Yuan Will Weaken Dollar's Influence" *Global Research*, November 11, 2014; "Moscow's 'Mr. Yuan' Builds China Link as Putin Tilts East" *Bloomberg* Sept. 24, 2014.

Cooperation Organization., Meanwhile to two powers have agreed on a large, long-planned-for gas pipeline from Russia to supply Chinese needs, a move that left EU countries concerned about the sources of Winter fuel.¹⁰

Whatever this was all about, it wasn't about providing investor confidence for the markets, reassuring investors or creditors or abiding by the requirements of ratings agencies, themes that seemed to have all but replaced politics in recent years.¹¹ For decades, leaders in the West had implied, and on occasion explicitly argued, that globalization and free trade would make the world safer, and more secure and lead to making major wars unthinkable. Regional spheres of political influence and hegemony were outdated, perhaps even national interest itself. These theses were dubious in the best of times, but were just as dominant in political discourse for all that. Now it was the supposedly up-to-date globalized vision of the world that seemed as outdated as Cold War ideology had seemed a mere 12 months before. What had happened?

Giovanni Arrighi, in *The Long Twentieth Century* first demonstrated a centuries-long cycle throughout capitalist history in which successive hegemonic powers had arisen, created new bases for the organization of capitalist production, markets, international relations and the distribution of wealth and power. That book ended with the hypothesis that the hegemony of the United States of America was drawing to an end, a decline signaled as in the past by the growing importance of finance in place of production and commerce in the US economy (Fernand Braudel's famous "sign of Autumn"). Arrighi further hypothesized that some Asian power, at the time most likely Japan but perhaps with an alliance with China would continue the trend of capitalist history of expanding the scale and representativeness of hegemonic powers in the world system. There was a catch, aside from the nagging question as to how likely a Japan-China consortium really was any time soon – though Arrighi to his credit did not make forecasts, rather seeing the gap in power relations between the US and Japan as a potential obstacle for the cycle's renewal. The military power of the US as hegemonic state was not like the quite relative – at best – military superiority of previous powers like the Dutch (who in fact were formidable mainly through their ability to finance other armies along with some major innovations in military training) or the British (whose military advantages were of mobility - the Navy - and their

¹⁰ Gazprom says unable to meet rising gas demand from Europe for now" Reuters September 17, 2014

¹¹ See my analysis of the class content of this seeming replacement of economics for politics as a hieroglyphics of rule in Steven Colatrella, "Meet the Global Ruling Class: Telling the Players with a Scorecard" *Counterpunch* November 24, 2011.

access to the Indian military on behalf of the British Empire and financed by Indian taxpayers).

Rather, US military advantage was absolute. In the concluding essay in the collection *Chaos and Order in the Modern World System*, Arrighi and Beverly Silver underlined the meaning of this paradox: that the greatest threat to the normal cyclical functioning of world capitalism was precisely what seemed to have long been its ace in the hole, its chief protection from all serious threats, namely the power of the US military. That military, should the ruling elites in the US decide to not follow precedent and to instead resist going gently into that good night by financing the next hegemonic power, presumably China, might be in a position to not only block such a transfer of world power as armed force trumped economic power and capitalist necessity. It would also in doing so launch the world over the precipice and into the abyss of global, and even nuclear holocaust. This parallel development, of US decline, crisis and military aggressiveness, and of Chinese economic growth and hegemonic candidacy, was the theme of Arrighi's final work, *Adam Smith in Beijing*. That book posited that Adam Smith's contention that a real world market system, one based on fair play, might mean a gradual lessening of the structural inequalities of capitalism, level off global and domestic economic conditions, and provide for a multi-centered political world in which any number of major countries would interact in the market place as nominal equals. For Arrighi, the possibility in concrete terms in the 21st Century was that unlike the hegemonic universalism of the US, Chinese hegemony might mean a world market without the full dominance of any one power. It might instead mean greater flexibility for national sovereignty for each individual nation-state. This could in turn provide the basis for a program that could appeal to countless national states that would have a stake in a new order that went beyond US hegemony with its bullying and its ideological insistence on homogeneity of social organizations and policies.

From this brief and admittedly over-simplified summary of Arrighi's analysis, we can certainly state that one quite cogent and relevant explanation for what has happened over the past few months as I write this essay in the late Fall of 2014 is that two interconnected developments have taken place: first that China has developed a network of states in cooperation with its sponsored projects: with Russia in particular but also through the loose affiliation of the BRICS countries (Brazil, Russia, India, China and South Africa); the Shanghai Cooperation Organization (Russia, China and bordering Central Asian countries); through influence in ASEAN and APEC¹² and any

¹² "China and Japan's Standoff in the East China Sea: It Could Get Very Ugly" *The National Interest* November 25, 2014; Gilbert Rozman, "Asia for the Asians: Why the China-Russia

number of bilateral relationships (China is the primary trade partner of India, of Brazil, the EU, Russia and Japan among many others); and through its growing influence in Africa.¹³ The latter is based on a far more respectful and equitable relation of trade and investment, rather than IMF structural adjustment and austerity, debt and occasional aid, as has been the case with the US and the West.¹⁴ China therefore has moved to assert its candidacy for hegemony sometime in the future or else to lead a move toward a post-hegemonic multi-centered world order. It has also begun to establish a key parameter for that world order, namely to restore national state sovereignty over domestic policies and over trade and economic policies as the main principles of the world economy. In other words, replacing the neoliberal globalization and global governance, which has often used human rights as an excuse for “humanitarian intervention”, and other major aspects of the US-led world regime of the past few decades. At the same time, the US has showed greater and more aggressive willingness to use its military power to prevent the rise of any possible contending power or alliance of powers to contend with it for hegemony and to block any closer connections in particular on the Eurasian continent between China, Russia and the EU (or Germany at least) that would create an alternative world economic sphere to that run by the US.

So it is not hard, nor by any means incorrect, to conclude that the worst case scenario identified by Arrighi and Silver, military means of preventing a post-US world, has taken a step or two toward becoming a reality in the second half of 2014. One hypothesis of Arrighi’s work is that China could prove to be the center of an alternative and potentially larger alternative hegemonic bloc founded on a different basis for renewing the capitalist world as has happened in the past. This hypothesis also seems confirmed by the various connections, networks and agreements that China has been involved in with various other national states recently. So, we do not have to abandon or even to strongly amend or criticize the Arrighi-Silver theses.

Friendship is Here to Stay” *Foreign Affairs* October 29, 2014; “Russia ratifies Economic Union and readies trade in currencies other than dollar” *The Examiner* October 3, 2014.

13 Horace Campbell, “China in Africa: Challenging US Hegemony” *Third World Quarterly*, Vol.29, No.1, 2008, pp.89-105; Howard W. French, *China’s Second Continent: How a Million Migrants are Building a New Empire in Africa* New York and Toronto: Alfred Knopf 2014; Dorothy Grace-Guerrero and Firoze Manji, eds., *China’s New Role in Africa and the South: A Search for a New Perspective* Cape Town, Nairobi and Oxford Fahamu and Focus on the Global South 2008.

14 Indeed, President Obama’s apparent response to the Chinese presence in Africa, other than continuing with his predecessor’s creation of Africom – the US military command for Africa, is a five year \$7 billion plan for providing electricity to the continent that has fallen far short of its goals to this point: “Obama plan to ‘Power Africa’ gets off to a dim start” Reuters November 28, 2014.

What we do have to do is worry. A lot. Because as Arrighi and Silver themselves made clear, should these two developments, military might turning hegemony into mere dominance blocking the renewal of the capitalist hegemonic cycle and the growing interconnection of a part of the world into an alternative hegemonic order grow together, world war on an even more catastrophic scale than that of the two world wars of the 20th Century beckons.

I believe, however, that by analyzing more precisely a number of intermediate questions addressed to these theses and to the world situation itself, and by identifying more precisely both actors and processes, we can get a better handle on a number of key issues: first, why is this danger of war happening now? Why not five years ago or five years from now? Why is it taking the particular form it has? Who is benefitting from the US turn toward militarism (or intensification of a militarism that has always been there to be more precise), who is allied with whom or likely to be? What are the conditions under which war is most or least likely? What possible scenario could lead to outcomes that would mean any of the following: US hegemony renewed but on a different, and less dangerous or violent basis? And end to neoliberalism and the injustices and inequalities that are at its core? Chinese or Russian-Chinese significant influence or even hegemonic leadership in moving to a world with more than one center but less risk of war despite that? Or even an end to or the first steps toward a supersession of capitalism itself and the construction of a basis for a different world order?

Full answers to these questions are obviously beyond the scope of this paper. But I do hope herein to provide a framework for analysis and intervention that will make it easier for us, in the spirit of Marx's *Eighteenth Brumaire of Louis Bonaparte*, to fall neither into the trap of exaggerating the role of individuals or small groups as agents nor of overstating the static or automatic nature of large-scale processes. In particular, by re-reading Arrighi along with other thinkers on both processes and social actors, and in particular by restating the relationship between classes, class factions, states and state agencies and interests and political alliances both in domestic and international politics, I hope to shed light on why this crisis has occurred when it has and under the circumstances and with the form that it has. I also hope to show where the strong lines of defense and the weak points might be in structures and institutional arrangements, as well as in alliances that are currently herding us to world crisis and world war. More specifically, by emphasizing a more complex model of class-state relationships, and examining these in the wider context of international politics and world order, and thereby, hopefully in the spirit of Marx showing the role of contingency even in admittedly structural and long-term processes, I hope to suggest where we might look to for an-

swers to how to unblock the systematic stalemate of rising hegemony versus military dominance and provide for more options. At the same time, I hope to help us avoid betting on false solutions or those that are at best ways of merely postponing the reckoning (helpful as buying us some time might be) and to show why rooting as it were, for “either side” in the growing conflict over world hegemony and why a return to a free trade, neoliberal globalization world order (say, the world of the 1990s) as a peaceful alternative to the risk of great power competition and war is not an option; instead we must see that that world order is itself one the major causes of world war 3.

States and Classes

Arrighi does not put the questions of class formation and class conflict front and center in his *The Long Twentieth Century*, nor in *Adam Smith in Beijing*, though issues of class conflict play a more explicitly important role in the latter. But here I am less concerned with the quite practical explanation of Arrighi that one cannot do everything at once in investigating a world system than in the practical question of how classes and states are related. In particular, who is in charge – the dominant class or the state authorities? What are relations between these two assuming that it is possible to distinguish one from another? Are they necessarily complementary? Are they conflictual but nevertheless functional to the needs of one another or at least are their conflicts subordinated to a larger common interest in either suppression and exploitation of non-ruling classes or in a hegemonic project in the larger world system?

Arrighi does go into these issues on a case-by-case basis in *The Long Twentieth Century*, so that in discussing for example the Dutch hegemony, he makes clear that the success of the Netherlands was that its dominant class of capitalists had to compromise with both other interests that had access to state power and with a social movement from below in the form of Calvinism. These struggles within Dutch society gave the Dutch rulers – both state authorities and capitalists, the experience they needed to understand more fully and more deeply and to develop solutions to the social problems facing the world system in the 17th Century. He also makes the extremely interesting and suggestive comment that the proto-hegemony of Venice was the closest we have ever seen to a purely capitalist strategy and logic in a hegemonic state power¹⁵ (as well as a likewise interesting and suggestive discussion of how Singapore seemed in the 1990s to have reproduced Venice’s model of

¹⁵ Arrighi, *The Long Twentieth Century*, p.34.

capitalist state strategy). Arrighi distinguishes between two strategies that are based on different logics: a territorial one and a capitalist one.¹⁶ The ambiguity is that he never quite spells out specifically whose strategies these are: the states' or the capitalist classes'. In naming the various phases of capitalism for Venice, Genoa, the Dutch, Britain and the United States as succeeding hegemonies who expanded the scale and reshaped the institutional content of the capitalist world system, Arrighi appears to be saying that it is the states and their rulers who ally on a more (capitalist strategy) or less (territorial strategy) close basis with a capitalist class so as to have maximum access to mobile capital that use and decide on or have imposed on them one or the other strategy.¹⁷ He does, however, argue that there is a legitimate case to be made, and being made by various theorists whom he discusses, that the result of the later phase (post-Reagan) of US hegemony is the growth of greater autonomy of global business corporations to the point where they, not states, now make the law that the latter must abide by or pay the consequences rather than the reverse.¹⁸

But rather than remain there, Arrighi makes clear that the autonomous power of non-territorial business interests, especially finance, and class interests and class organization operating beyond the space of places and instead in the space of flows, may have grown over the centuries in scale and power, but it is not unique to globalization, to the 20th and 21 Centuries, or to the phase of US hegemony. Rather it has been a continuous and consistent, though changing in form and content and scale all along, of the whole 500 year history of the modern world system. Indeed, citing Weber, Arrighi shows that the combination of political units of roughly comparable dimensions and power and mobile capital operating outside or beyond the territorial authority of these states creates a world market for mobile capital in order for states to increase their power in relation to one another.¹⁹ Thus what is considered an innovation of the era of globalization is in fact a constant and indeed a pillar of the modern world system and arguably the most unique factor distinguishing it from any of its historical predecessors. But two additional realities attenuate the effect of mobile capital: first, the need of mobile capitalists for protection

¹⁶ Ibid., p.34.

¹⁷ Actually in *Adam Smith in Beijing*, he does state explicitly “both logics refer primarily to state policies” in a footnote distinguishing between his analysis and that of David Harvey: Arrighi, *Adam Smith in Beijing*, p.212, n.2.

¹⁸ Though even here, Arrighi seems to warn against taking this view too far as in his critique of Toni Negri and Michael Hardt's approach to *Empire*, in which “no national state, not even the US, can form the center of an imperial project.” Arrighi, *Adam Smith in Beijing*, p.175.

¹⁹ Arrighi, *Long Twentieth Century*, p.12; Max Weber, *General Economic History* New Brunswick, New Jersey: Transaction Books, 1981, pp.335-557.

by a state powerful enough to protect them (“political exchange”)²⁰ and the related but different reality that is at the center of Arrighi’s research project, namely the central role of successive hegemonic state powers in organizing the capitalist world system, transforming its content and increasing by qualitative factors its scale in each phase. Arrighi never quite states it explicitly, but he strongly implies that the end game of the capitalist system is its inevitable end in a world empire based on a hegemonic bloc or state so large in scale and so powerful as to be able to incorporate mobile capital within its territorial authority system as a feature of itself. Thus, while mobile capital and the strategic choices of capitalist classes operating the space of flows outside state territorial authority are crucial to understanding the power relations in the modern world system, indeed are **the** central factor in understanding why which state is **really** the one with the greatest power or most influence in shaping the world system, determining outcomes, distributing wealth and power and determining historical outcomes - a point which alone would already have made *The Long Twentieth Century* arguably the most important book on international relations ever written –the strategies referred to by Arrighi are those of capitalist states and their rulers. He and Beverly Silver are interested in particular in those states and rulers presenting themselves on the world stage as prospective hegemonic powers in a position to provide leadership to an ever larger coalition of states, a large and decisive sector of the capitalist class worldwide, and an ever wider proportion of the world’s working population²¹. Thus wider political questions, and not only opportunities for profits, however decisive at times these are in determining who wins out politically domestically and internationally, are, for Arrighi and Silver (in particular relying here on the analysis of *Chaos and Order in the World System*) the focus of strategies for hegemonic leadership in the world system. I am, in other words, fairly confident that in discussing strategies, Arrighi intends state strategies for gaining influence, power and eventually hegemony in the world system, not principally strategies by capitalist classes as such.

If this is the case, and here I don’t claim that despite my confidence about Arrighi’s intentions that the case is open and shut, then the strategic choices available to and made by various capitalist classes that have monopoly or privileged control of mobile capital in the world system or within the borders of territorial power containers (states) or both are not really explored except implicitly. The Genoese bankers, diffused throughout Europe in their

20 See the different approach of Charles Tilly, *Coercion, Capital, and European States AD 990-1992* Oxford, UK and Malden, Massachusetts 1992.

21 This latter theme, of the relationship to the working population of the world, is more prominent in Arrighi and Silver, *Chaos and Governance in the Modern World System*.

Piacenza fails ally with both Portugal and Spain though eventually settle on Spain as their “protection” as a favored state power kept on a leash by the mechanism of the state debt. The role of the gold standard in keeping Britain’s credit good and ensuring it privileged access to mobile capital is described by Arrighi as crucial to British hegemony and its rise as THE financial center of the world system until the early 20th Century. But the decision, whether explicit or implicit of financial capital to settle within Britain and to see its own interests as a class as all but synonymous with the state interests of the British Empire (in a way that was never imaginable for example in the Genoese-Spain relationship) is not explored as such. This is understandable as again, one cannot put everything in a book. Nor do I see it as a weakness in Arrighi’s theory. But I do see it as a research agenda to explore, one beyond the scope of this paper of course. But the larger question, namely of the bases on which classes, some of them fully resident (if not necessarily solely active) within the borders of territorial states and some of them largely outside of those borders both in terms of the residence of their members (families and individual property owners) and of their activity qua capitalists (investments, trade, provision of credit, employment of workers, etc.) is of importance to us today in understanding what just happened.

How, in short, did the attempt to unite the ruling classes of the world into a global ruling class based on finance, global corporate investment, a common outlook (neoliberal globalization), global governance institutions (IMF, WTO, G20 etc.), informal gatherings (Davos, Bilderberg) and the effective subordination of virtually every state in the world to these interests and philosophical principles under the guidance of members of this class (uniting essentially political and economic elites around a common class outlook) fail? How and why has it given way to a more traditional and explicit competition and approaching conflict between alternative hegemonic blocs, one led by the current hegemonic power the United States, and most though not all of its NATO allies and some Asian ones, and one led by China with Russia as an ally based on a projected new infrastructure linking Eurasia, the Middle East and Africa with some allies elsewhere? It is clear that in asking this question we first need to affirm that the question itself confirms the relevance of the analysis of *The Long Twentieth Century*, Arrighi and Silver’s *Chaos and Order in the World System*, and Arrighi’s *Adam Smith in Beijing*. But it is equally clear in asking this question that we must distinguish between different class interests and their differing relationships to states.

In particular, different kinds of capitalists, their differing environments – political-cultural, geographic, and socio-economic – and different state agencies within the same state – need to be understood to embody dif-

fering strategies both with regard to class conflict and state policy domestically and, more importantly for our purposes here, with respect to the alternative approaches to the world system as a whole. But who do we mean by capitalists in the first place? Here Arrighi's argument in *The Long Twentieth Century* is most interesting, and based in part on the research of others into the process of (capitalist) class formation. Capitalist classes do not remain the same over time. There is a "circulation of elites" in which the families that make up the dominant sectors of capitalists in one phase historically give way to other families connected to innovative strategies and new forms of business activity and new sources of profit-making generation to generation.²² The previously dominant sectors, those who had in the generation or so before the present had privileged or monopoly access to the most profitable areas of activity later give way to newcomers but have on hand an enormous accumulation of available capital. Thus, as Braudel states and as Arrighi repeatedly and usefully paraphrases, finance is "a sign of autumn", a phase, that is, that like the owl of Minerva takes wing at dusk. The capital accumulated by previous elites is made available to the newly most profitable sectors and so leadership of the capitalist class is always a hybrid: with a residual prestige and influence of the predecessor elites who were themselves once, or whose immediate ancestors were once themselves the innovators of new sectors of business activity and profit-making, and a newly rising sector of capitalists engaged in and experienced in the new forms of business and the newer class relations arising from and influencing these in turn, and therefore, in condition to be attuned to the issues facing society as a whole in the present though of course willing to deal with these only on terms favorable to their class interests.

This cyclical renewal also implies and in fact historically and empirically seems to involve, the rise of new state strategies and new state powers. The new capitalist activities and classes need state sponsors and protectors and a privileged relationship with a state or coalition of states and in turn any state and rulers seeking to present themselves as potential leaders of the world system need a privileged relationship with the most profitable business activities and the most powerful classes of mobile capitalists. This analysis is partly based on an empirical finding by the historian Henri Pirenne²³ but is also similar to the analysis in an interesting essay by Joseph Schumpeter²⁴ and to the work on the transformation of the modern capitalist class in the age

22 Arrighi, *Long Twentieth Century*, pp.86-87.

23 Henri Pirenne, "The Stages in the Social History of Capitalism" *American Historical Review*, Vol. 19, No.3, April 1914, pp.494-515.

24 Joseph Schumpeter, "Social Classes" in Joseph Schumpeter, *Imperialism, Social Classes: Two Essays by Joseph Schumpeter* New York: Meridian Books, 1955.

of corporations by John McDermott.²⁵

Pirenne makes clear that the newly arising capitalist classes are not the same as those that had predominated in the previous phase, but rather develop from their involvement in new business activities and new connections in the world economy.²⁶ Schumpeter is concerned with the movement up and down the pyramidal hierarchy of the capitalist (and other) class (es) and sees movement in and out of a class as a mere extension of this, albeit one that encounters greater obstacles (cultural, status, political-juridical etc.) in the process.²⁷ But, and this point will prove more important as we arrive at our own conclusion about actual and potential class alliances today, Schumpeter stresses that the decline of an entire class must be linked to the decline of some legitimate and recognized social function with which it is closely associated or over which it has a monopoly.²⁸ For since the Financial Crisis of 2008, the creditor class has openly failed in carrying out its privileged function of providing credit to the rest of the economy. But other classes have arguably increased in their socially necessary utility.

McDermott, like Arrighi, Pirenne, Schumpeter and Braudel, argues that while the family and not the individual is the appropriate unit of analysis for studying classes' individual members. But McDermott argues that a change takes place according to McDermott around the end of the 1890s. This period corresponds to the end of the Great Depression of 1873-96 which in Arrighi's schema is the signal crisis of British hegemony, and financial turn, which simultaneously begins to see the rise of the succeeding hegemonic power the United States. Arrighi notes in *The Long Twentieth Century* that US and German business increasingly come under the rubric of large corporate organizations that use economies of scale and in particular vertical integration to achieve these economies, thereby internalizing production costs as well as, and this was the novelty of the corporation, transaction costs (markets).²⁹ McDermott sees this development in class terms, and indeed one

25 Especially in John McDermott, *Corporate Society: Class, Property, and Contemporary Capitalism* Boulder San Francisco Oxford: Westview Press, 1991.

26 Pirenne, "The Stages", pp.494-495; pp.506-508. According to Pirenne, the older capitalist families move into landed property and become aristocracies. Arrighi and Braudel emphasize their role as financiers later but the connection may be clearer in our contemporary category of the FIRE sector of the economy: Finance, Insurance, and Real Estate.

27 Schumpeter, "Social Classes" p.159.

28 Ibid. p. 136 and p.167.

29 Arrighi, *Long Twentieth Century*, p.282: "In particular, the vertical integration of processes of production and exchange – which became the single most important feature of the US regime of accumulation – played no role in the formation and expansion of the nineteenth century British regime."

of his advantages as a theorist and historian of economic agency is to see processes, forces, institutions as being embodied in groups of organized humans, that is as classes.³⁰ Thus, while Arrighi focuses understandably on the German challenge to Britain, demonstrating that German efficiency of production achieved by corporate organization did not really make up the larger difference in economic power between Britain and Germany, and later on the internalization of transaction costs as such in the US case where corporations could take advantage of the continent-sized economy, territory and population and so internalize markets in more than one sense, McDermott is interested in two other phenomena: first, how forces of production in the form of those with technical know-how are incorporated (pun intended I am afraid) into the business structure of the capitalist class and the social and political class meaning of this integration of one class into the processes of another, and second, the transformation of the capitalist class, and with it property itself, through the rise of the corporation.³¹

For the corporation as well must be understood in class terms, so as to avoid reification of an organizational form. And the corporation is a form of organization of the capitalist class that overcomes private property strictly speaking in the form of family property.³² Thus, capital, the organization of business activity and the businesses themselves, as well as the products and processes (carried out by the managers, professional-technical experts and working class) are the common property of the capitalist class as a whole, organized in the “business community” consisting of the immediate owners of stock, but more importantly of the board of directors, the investor community, the business press and other related parties organized in institutions related to the specific company, the industry or industries it is involved in (thus in many cases the regulatory agents intended to provide a countervailing power over private business)³³. In short, the corporation is the organization of the capitalist class as a class, and it allows that class with a flexibility similar to that provided to mobile money capital as explained by Braudel, Weber and Arrighi: individual members of a capitalist family are no longer obligated to be engaged directly in running a specific business activity or organization, nor to be connected to or knowledgeable about a specific industry or technical production process or commercial network, and indeed may make career choices in the arts, politics, foundation work, and so forth as the family’s value is

30 McDermott, *Corporate Society*, p.54: “The middle element is the bearer of technology in our society...”

31 *Ibid.*, p.21 and *passim*.

32 *Ibid.*, pp.4-6.

33 *Ibid.* p.115.

maintained not by their direct activity any longer but as members of a collective organization, the capitalist class. (Interestingly, Marx analogously saw “private” property in Greek or Roman city-states as being the mere individual case of property rights derived from citizenship in the city and as members of the ruling class or property holding classes of those cities, so what appeared to be an individual characteristic in fact was a sign of a membership in a collective without which the property held was neither meaningful nor possible).³⁴

According to McDermott, who is careful not to push his argument beyond what the documented history will demonstrate, but who nevertheless provides us with a highly suggestive reading based on class struggle, the turning point was the 1894 Pullman Strike in the United States. The strike, a solidarity action by the Railway Workers Union organized by Eugene V. Debs, shut down the entire rail network of the United States, defeating the most powerful capitalist organizations in the land. But more to the point, the industrial union, by organizing workers as a class, outmaneuvered the capitalist class which was divided by their internal competition both commercial and family-based. Organized by family networks, and so divided in their interests, capitalists found it hard to set up a united front against this new, well-organized and united opponent in a mass showdown of strength. With the union workers in control of working conditions and movement of goods by rail – this in 1894 before the internal combustion engine, or air travel had provided business with alternative means of getting goods to market – the working class could control and use a veto power over the transport and movement of any goods produced and so over the production conditions and working conditions for the whole capitalist economy in the US.³⁵ The intervention of the army, sent in by President Grover Cleveland (born in my hometown), and a supporter of the Gold Standard and so of the world of British hegemonic capitalism, and his Attorney General Richard Olney, saved the capitalists for the time being. But the lesson was learned: never again could intra-class competition, business competition over market share, be allowed to politically divide the capitalist class in the face of a united, common enemy. Instead, competition had to be utilized to reduce the unity of the working class and other opponents of capitalism (including small business, farmers, merchants, as McDermott demonstrates) while capitalist class relations had to be organized and subject to planning according to class interests.

34 Karl Marx, *Pre-Capitalist Economic Formations* New York: International Publishers, 2000, p.73.

35 McDermott, *Corporate Society*, pp.65-67; but the excellent description of the full implications of the Pullman Strike is in an earlier work: John McDermott, *The Crisis in the Working Class and Arguments for a New Labor Movement* Boston: South End Press, 1980, pp.69-98.

This development, embodied in the corporation, which only appears to be a form of private property while in fact it is a form of collective, class-owned property, managed in the interests of the capitalist class as a whole, or at least in the case of each company, of the relevant sectors of that class, provides an answer to a paradox of modern political science: namely, why does the dominant class in a capitalist society characterized in recent decades by electoral politics not have its own political party in most countries? The answer is that they don't need one, they have their own form of class organization, the corporation. But the corporation turns out to be just as complex as a political party, for it too is a relationship between classes and not only the organization of one class against those of other classes.

As John McDermott demonstrates, Weber's ideal type of a bureaucracy cannot apply to a corporation, which instead is best understood as a relationship (McDermott's term is "corporate form"), a hierarchical relationship of power and control, between three classes: the capitalist class who are now understood to be the Board of Directors, CEO and a few other top management position, major shareholders (whose role is however seen as more passive), and "stakeholders" such as the business press, top managers at relevant regulatory agencies, investors, rating agencies etc.; the technical-professional class who now largely embody the scientific, technical, intellectual, engineering, mathematical, software and other relevant knowledge for the processes of value production and accumulation of a given corporation, that knowledge that in Debs' time was still largely in the hands of skilled workers, and which historically had been in the hands of craftsmen and artisans and guild-members but which had been put under control of management by the introduction of Taylorism (Scientific Management); and the working class. While the latter is still the numerical social majority, if faced as the corporation is intended to accomplish, by a united front of the common interests of the other two classes, making up between 20% and 30% of the economically active population, the working class is largely defanged as a powerful force in society, since workers are subject to competition in the labor market under conditions where they are increasingly de-skilled, but where one class holds managerial power and another the necessary technical and scientific knowledge and skill to make the modern economy run profitably.

While in management control, scientific expertise only momentarily rested with management itself, as the separation of the business owner or manager from the day-to-day production process gradually gave way to management as capitalist qua capitalist, that is as manager of money and of the cycle M-C-M'. For the corporation, by making property in capital collective, essentially makes property into claims on revenue streams. The capitalists as

top management are those with the largest share by far, and with the main role in determining, though in a negotiated process based on the power relations between classes at any given time, place and industry, the shares to go to the other two classes.³⁶ Since maintaining political class stability, their own rule in other words, requires an alliance with the technical-professional class, whose scientific and technical skills are also needed for the production, circulation, commodification, financialization and profitability of products of all kinds and to offset the numerical superiority and needed role in value production of the working class itself, a disproportionate share is likely to go to this class to keep it loyal. Its loyalty is further to be guaranteed by the fact that it is presumably only under capitalist conditions that its work, which is of intrinsic interest to its class members – scientists, doctors, software writers, lawyers, and so on – can be carried out, and so only in corporations that this work is possible.³⁷ At least this is the relatively pessimistic note of McDermott's brilliant *Corporate Society* of some years ago. More recently he likewise sees signs that this alliance may not be quite so solid as it appears or as it has been till now. But more on this point further on.

For our purposes three points are to be highlighted for now: first, that the corporation provides an organizational form making capitalist class unity more likely; second, that any capitalist arrangement, and the hegemony of any capitalist class, must be understood in its context of hegemonic, but problematic relationships with other classes in what Gramsci calls “a historic bloc” – that is a political-social-economic-cultural array or “assemblage” in Deleuze and Guattari's phrase. In more prosaic terms, we refer to an alliance of classes organized around a particular vision of civilization that is consistent with the hegemony of a given capitalist class and a given state power or alliance of states to govern and give shape to the world capitalist system; third, that family-based firms once corporations achieve the internalization of transaction costs, operate within a dual-sector economy in which they are subject to market forces which are no longer autonomous as in Adam Smith's theorization, but instead are an instrument of social control over those smaller firms and their prices as part of the larger process of capitalist production as a whole (as shown by Marx himself in *Capital* Vol. 3).

Capitalist unity is never a given. Competition is not just an epiphenomena of the market. Rather even a political reading of capitalism, such as

36 McDermott, *Corporate Society*, p.87-89; see the analysis of ratings agencies as part of the capitalist class community that McDermott posits in Timothy Sinclair, *The New Masters of Capital: American Bond Rating Agencies and the New Politics of Creditworthiness* Ithaca: Cornell University Press, 2005.

37 McDermott, *Corporate Society*, p.137.

Arrighi's own or those of Harry Cleaver³⁸, Charles Perrow³⁹, John McDermott, Dyson and Featherstone⁴⁰ to name a few, necessarily involve understanding capitalists as being in competition for power, influence, value and profits, organizational command and control, status and privileges, or, at the pinnacle of power itself and the apex of the world system itself, hegemony. Such hegemony is exercised over, and involves the ability to give form and content to the world system as a whole. But capitalist competition is also not always a zero-sum game as Arrighi makes clear. At key moments in the historic cycles of hegemony, particularly during the commercial expansion (before the commercial contraction that leads to the financial turn as a "sign of autumn" in each hegemonic cycle), competition takes place as it were according to rules. These rules of engagement are largely those laid down by the hegemonic power of the epoch (Venice, Genoa-Spain, the Dutch, the British, the US) in institutional forms, juridical regulations, cultural mores and practices, so that capitalist coordination and cooperation does usually require a hegemonic power to provide a framework within which the competition can take place not as a zero-sum game but as a win-win context in which expansion means rising profits for the capitalist class as a whole.

The corporation is not necessary to this process *per se*, since Arrighi demonstrates that this phase has repeated itself for centuries, well before such organizations existed or at least were common. But an organizational form clearly reduces transaction costs (even the Genoese bankers had the consortium of San Giorgio) and makes such cooperation easier. We might add that many of the theories of international cooperation, by leaving out the dynamic of capitalism, its various phases of development (as explicated by Arrighi), and any class content in deciphering the interests involved, reduce the issue of cooperation to a logical puzzle applicable by game theory.⁴¹ In the real

38 Harry Cleaver, *Reading Capital Politically* Austin: University of Texas Press, 1980.

39 Charles Perrow, *Organizing America* Princeton: Princeton University Press, 2002 argues that the modern large corporation arises for reasons of political control – over markets, small businesses, industries and workers, not out of any greater economic efficiency that it embodies or brings about.

40 Kenneth Dyson and Kevin Featherstone, *The Road to Maastricht: Negotiating Economic and Monetary Union* Oxford and New York: Oxford University Press, 1999, makes clear that the EU as an economic project and the Euro were designed and implemented for strictly political motives.

41 This lack, and a lack of class analysis and how the dynamics of class – interclass and intra-class interaction – may be involved are the main limitations of otherwise useful and insightful works such as Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* Princeton: Princeton University Press, 2005; and Elinor Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action* Cambridge and New York: Cambridge University Press, 1990.

world real interests prevail and those interests that are most powerful are not only those of states, but as Arrighi shows, of capitalist classes linked to states, or in alliance with states, particularly hegemonic ones. This is where the short essays by Schumpeter on Imperialism and Classes come in handy. For while Arrighi is undoubtedly quite right in slapping Schumpeter down for his characterization of pre-capitalist organizations as engaging in conquest without any rational motive, Schumpeter's larger point about imperialisms in historic times is that they are nearly always linked to a specific class interest within the imperialist community.

Nor do analogous class interests necessarily lead to the same outcomes in this regard. Not all farming classes, nor all aristocracies, nor all financial interests etc. equally likely to support or oppose imperialism. It depends on the specific socialization, formation, view of the world, and of course especially material gain – economic, political or territorial – that is to be obtained by imperialist adventure, empire building or attempts at gaining regional or international hegemony. While Schumpeter veers off from what is otherwise a model essay of historical sociology twice – once to make the claim about irrationality on the part of non-capitalist organizations which betrays an Austrian School view of market capitalist behavior as the only rational kind, and the other time to completely abandon the historical narrative to engage in a strictly logico-theoretical discussion of why market capitalists would have no interest in imperialism – he does develop for us useful tools in three ways – 1) he shows that imperialism is always linked to a class content,. This helps understand attempts to gain hegemony, to defend it, **or** – and here we arrive at the main priority of the author of this paper – to find an alternative order to it and to capitalism as a world system. We need to identify, analyze, theorize, and develop in practice as well as in research agendas, and to organize in real world politics, concrete class interests as a “historic bloc.⁴²” Such an alternative historic bloc likely would see the advantages to their own fullest development and benefits in an abandonment of hegemony and capitalism; 2) Schumpeter shows that imperialism requires some popular support or public opinion on its side. If it doesn't have to be a majority, it cannot be merely the top fringe of the most elite class that supports empire-building. Thus the need for “dominance” within a hegemonic community as well as internationally to be combined with “hegemony,” with a degree of consent or leadership in Arrighi's terms. Class interests involved in a hegemonic project may therefore not benefit from such a project to the same degree as the capitalist or ruling class or elite interest that is the leading edge of such a project. Thus,

42 Quintin Hoare, Geoffrey Nowell Smith eds., *Selections from the Prison Notebooks of Antonio Gramsci* New York: International Publishers, 1971, p.137:.

a potential fissure point may exist if an equally or more compelling project could be presented to class interests allied with that part of a ruling class that is hegemonic; 3) finally, that there is a real world dominant capitalist class interest in imperialism, militarism, and territorial expansion. That interest is what Schumpeter calls “monopoly export”.

To be sure, Schumpeter insists that modern capitalism reduces the likelihood of imperialism and war, and conquest, because a) market capitalism involves a common interest in the market as a public good (to use today’s language), in other words, being trade partners benefits all, grows the “pie” of the world economy in the way that Arrighi suggests happens during the commercial expansion phase of a hegemonic cycle, and so creates an interest in cooperative competition that makes war unlikely and counter-productive; and b) the modern working class has no interest in nor gain to be made from imperialism or militarism either; c) there is ergo little interest on the part of the two dominant classes of capitalism, bourgeoisie and proletariat in militarism, war or conquest and empire. But Schumpeter also admits, returning from the imaginary world of libertarian (as they call themselves today) free market model building logic to the real world of historical capitalism that “monopoly export” constitutes a real material force and class interest in imposing on state power its interest in conquering and guaranteeing access to resources for supply inputs, gaining monopoly access to and domination over foreign markets, and controlling sources of labor power.

It should be said that even monopoly export – and it is a useful phrase that bears meditating on – is not always equally imperialist, nor only competitive and aggressive, nor immune to seeing the advantages of capitalist cooperation. On the contrary, one could argue that competition qua level playing field market competition among price-takers in Adam Smith’s sense means creating a common, public good in the form of the market itself. Such a public good requires some institutional form to guarantee its continued fair working in the interests of all but with unfair advantages to none. If such a condition has ever existed at all, it has necessarily been highly ephemeral for reasons made clear by Karl Marx in chapter 32 of *Capital* vol. 1 “The Historical Tendency of Capitalist Accumulation”, and for reasons underlined by Karl Polanyi in *The Great Transformation* is in fact for any real length of time an impossible dystopia. Instead, for large monopolistic capital, the expansion of profits in a growing market, where profits are taken off the top as it were, through dominant positions at key points in the accumulation process, and cooperation with other large capitalist interests is advantageous at this stage so as to precisely avoid too much exposure to market forces and to likewise avoid price wars among monopolistic firms that would be self-defeating to all

involved.

Instead, common capitalist elite interests that transcend immediate local interests are most likely to come to the fore at this point. How to divide up resources, preferred markets as spheres of influence (here economics and geopolitics nearly merge), legal jurisdiction, rules and suppression of hostile classes, among other things, can take precedence when the system as a whole is in a phase of expansion. And the most current such mini-phase was the rise of globalization during the 1990s through the economic collapse of 2008. In truth, and in Arrighi's framework, this expansion was relative, and a sub-phenomenon of a larger financial expansion, but it nevertheless meant rising profits and expanding opportunities for profit-making for global corporations, able to capture the most profitable business activities worldwide within their networks. This cooperation-competition exists outside of, and in command of market forces. The latter are instead today imposed on smaller businesses such as suppliers, on workers, farmers, governments and other weaker social forces and classes. This competition-cooperation uniting large capital has been the material basis for Global Governance, which I elsewhere have defined as the attempt to unite the world's economic and political elites into a single class and to unite these interests worldwide across national and cultural boundaries.

That project has now broken down. Global Governance as a project and has failed as a class. Corporate structure enabled capitalists to more closely resemble their own mobile capital, able to move around beyond the limitations of their own family, cultural, ethnic or national backgrounds, creating again a material experiential basis for uniting capitalists and political elites globally. But when the expansion of profitable investment opportunities contracts, when markets shrink and profits are threatened, the global corporation and mobile finance capital as well become paradoxical: on the one hand cosmopolitan, globalist, borderless, on the other able to use a privileged access to state power that if anything has been enhanced by the closer relationship to political elites forged over the meantime (more on this process below). They are therefore more likely to come into conflict with other analogous interests that are closely tied to other state interests and that may come to see greater profit opportunities in an alternative order in which their monopoly power includes monopoly access to powerful states and privileged access to territory, resources and sources of labor power. In that case, we are thrown back to old school hegemonic conflict between competing powers. These are the main causes of World War Three.

Arrighi shows for example that it was not US financial interests on Wall Street that supported what became the winning US strategy for eventu-

al hegemony: protectionism, vertical integration by corporations and export from a position of strength. Finance instead constantly urged for a Free Trade policy, closer integration into and support for the British-run Gold Standard regime⁴³. It was instead industrial corporations that adopted the winning strategy, and these, as well as large agribusiness needed to maintain export markets after the Second World War. Truman's Cold War policy provided the framework needed to achieve the continued infusion of liquidity in the form of US dollars that went on until 1973 saw the negotiated end (though the actual end was two years later) of the Vietnam War, coinciding with the first oil crisis.⁴⁴ Yet as Polanyi makes clear, finance had been a force for peace at least among European powers during the Hundred Years Peace⁴⁵ that followed Waterloo under British hegemony, but that same power – of finance over industry as a class interest in Britain, at the same time was the basis, along with Britain's position as world entrepot, of British hegemony and its territorial empire. In short, analogous class interests can be the social bases of differing policies with regard to imperial expansion and hegemonic candidacy. US finance **before** World War Two and even in the postwar world was not the basis for US hegemony, its Cold War policy, or the military-industrial complex. But since the "Financial turn" of October 1979, when Federal Reserve Chairman Paul Volker dramatically raised interest rates, and especially since the end of the Cold War in the early 1990s, US based but increasingly global finance has been one of the main pillars of US hegemony and of globalization as policy and capitalist form of expansion.

Globally-active corporations, only some of which are (often only nominally) based in the US, have an interest in maintaining globalization as a form of capitalist expansion. But when markets shrink, competition begins to sting and lose its cooperative-class nature. Then companies feel themselves "working for the public" – to use Arrighi's phrase about US manufacturers during the Great Depression of 1873-96 when prices fell continually along with profits –and issues like control of natural resources, (and therefore) territory, and the labor forces, suppliers of raw materials and inputs and labor power that go along with those territories begin to be important. At this point global companies may either go to the national state with which they are most closely associated by national origin or by their business activity, or they may see the US and its allies as their protection on a global scale. The latter option was, in my view, a significant basis for Global Governance as a form of global ruling class unity.

43 Arrighi, *The Long Twentieth Century*, pp. 294-5.

44 Ibid. pp.296-7.

45 Karl Polanyi, *The Great Transformation*, p.10

But we see in retrospect that this strategy was two-sided: on the one hand it united the ruling classes of the world in common exploitation of workers and peoples around the world, developing a common class culture based on “elite socialization”⁴⁶ at Davos and in participation at G20, EU, WTO and other summits; it also advanced a developing cosmopolitan ideology that formally opposed racial, gender, ethnic, religious, national, and sexual preference identities as bases for hierarchy *among elites*, while leaving class inequalities to grow to unprecedented levels. On the other hand, US hegemony and NATO were the protective umbrella under which the ruling class could camp, further assured by increasingly integrating the more open to globalization sectors of political elites of every important nation. Though the distinction remained between financial-economic elites and political elites, increasingly their world views coincided around globalization and financial hegemony as forms of civilization that were not to be questioned or criticized.

But the very same US hegemony brought with it the power of the US state. When competition ceases to be friendly and cooperative because it serves the interests of each at the elite global level, and instead becomes a struggle over scarce resources – oil, water, territory, food sources, raw materials for a country’s productive machinery or for powerful global companies competing for access and running to one or another powerful state to help insure these, the power of the US state is not going to be neutral. Especially since these conditions are precisely those in which other states will be active in moving to ensure their own economic bases, shore up the corporations with which they have a favored relationship and be willing to take more risks in accomplishing these things. The US however, with a policy of “full spectrum dominance” has made clear that it will tolerate no potential competitors for hegemony. Again the relationships are paradoxical but all the more dangerous for this fact: globalization has utterly gutted much of the manufacturing base within the territorial borders of the United States, and simultaneously first diffused industry worldwide to the Global South, and then largely concentrated it within the borders of China. This process has led, particularly since the Asian Financial Crisis of the late 1990s, to the rise of China as an industrial, increasingly technologically savvy, if still well behind the US and much of the West, and military power. That is, the very policy of financialization has, as in the past, provided the conditions for the emergence of a potential successor hegemonic power to the United States.

46 Ernst Haas, *The Uniting of Europe: Political, Social and Economic Forces 1950-57* Stanford: Stanford Univ. Press 1968. See how I have expanded this concept in Steven Colatrella, “In our Hands is Placed a Power: Austerity, Worldwide Strike Wave and the Crisis of Global Governance” *Socialism and Democracy* vol. 25, no. 3 November 2011 pp.82-106.

For industrial corporations based in the US were in the end companies first and industrial second. To be sure this outcome was somewhat in doubt for a time: the growth of a rationalist and technocratic approach to corporate strategy and governance was quite prominent in the 1950s and 60s.⁴⁷ It was precisely after the financialization in the early 80s that we began to see instead financial markets intervene in corporate management with instruments such as the pioneering “junk bonds”, hostile takeovers, shareholders’ rebellions and other moves to restore the essential capitalist qua capitalist (M-C-M’) nature of corporations; these were restored to being seen as large pools of money that happened in a given time and place to produce or carry out a specific activity but which increasingly could not be understood to be defined by that activity, nor to any particular place or workforce composition (see David Harvey’s discussions of how capital creates environments and breaks them back down again when their costs outweigh their profitability). Thus even manufacturing companies in the US have increasingly relied for profits from their own financial departments (such as GMAC for General Motors) rather than sales of industrial products.

Here I think we see the limits of how far Polanyi’s analysis can take us: this is not the free market, as a self-regulation mechanism that requires all activity to be available on the market and treated as commodities (including land, labor and money as Polanyi stresses). It is no longer “The need of a constantly expanding market for its products” (itself the phase Arrighi defines as “commercial expansion” in a historical cycle of hegemonies) that now “chases the bourgeoisie over the whole surface of the globe.” It is rather the free flow of money capital that must be allowed “to nestle everywhere, to settle everywhere, establish connections everywhere.”⁴⁸ And, since, as Arrighi makes clear, the financialization phase, the “sign of autumn” in particular involves the transfer of mobile capital from production and commerce into state debt, it is public debt that is the epicenter of today’s efforts at profitability, with two added twists in today’s version – the use of debt to dismantle the public sector (privatization) to provide a material basis for future expansion and profitability, and the extension (globally) and intensification (into private debt on a vast scale, essentially transforming the latter into a public issue of policy and class composition⁴⁹) of the penetration of debt into a form of class rule.

47 See for example, Reinhard Bendix, *Work and Authority in Industry* Berkeley: University of California Press, 1974, p.319 and pp.308-341

48 Karl Marx and Frederick Engels, *Communist Manifesto* in Karl Marx London: The Collector’s Library of Essential Thinkers 2004, p.25.

49 See for example, Andrew Ross, *Creditocracy and the Case for Debt Refusal* New York: OR Books, 2013.

Any state that does not want to be in debt to global finance, any state that rejects conditions (or to use the IMF/World Bank term, “conditionalities”) imposed by creditors, that seeks to default, renegotiate, or protect its citizenry, towns and firms from the most extreme impositions, or that resists privatization of most of its public sector, that rejects or even seeks compromise of central bank autonomy from governing authorities (elected or not) quickly feels the wrath of the United States government, its military allies, ratings agencies, investor transfers of mobile capital and interest rates “gaps”. That much public debt was incurred recently either in bailing out failing banks during the financial crisis of 2008-9, or from the wars fought by the United States only underlines the power relations at work. Any attempt at an alternative source of credit or even of investment not tied to the ratings of global finance are seen as hostile to this regime and to its state ally the United States government.⁵⁰

Along with this clearly aggressive form of finance, which far from being a source of world peace as in time of British hegemony is instead a key class interest in war, come the other foundations of US hegemony in recent years: the dollar as sole reserve currency, the vast network of US military bases around the world and the resource the control of which is the basis for the placement of much of that military network, namely oil.⁵¹ Control of oil, a commodity that goes into the production of nearly every other commodity⁵², is a major policy priority worldwide for the United States and has been for a long time.⁵³ To gain monopoly or effective monopolistic control of oil worldwide would enable the United States to dictate terms of economic development and world power relations for the foreseeable future. It would also, of course, preclude any massive turn to alternative, renewable energy sources that could not be controlled easily by the US militarily and by the corporations involved in oil and that are closely allied to the United States. Since oil has until recently been purchasable and saleable only in US dollars worldwide,

50 See the current attempts by US courts to prevent Argentina from paying other creditors than the US-based ones that the same country defaulted on back in 2001. See also the attempts to overthrow Hugo Chavez in Venezuela, a government that withdrew from the IMF, and the hostility toward the government of Evo Morales in Bolivia.

51 Kevin Phillips, *American Theocracy: The Peril and Politics of Radical Religion, Oil and Borrowed Money in the 21st Century* New York: Viking, 2006 traces some of the links between finance, the dollar, oil, war and religious politics.

52 See C.GeorgeCaffentzis, “The Work Energy Crisis and the Apocalypse” in *Midnight Notes, Midnight Oil: Work, Energy, War 1973-1992* Brooklyn: Autonomedia 1992 on the theories of Sraffa and the role of oil in the reproduction of capitalism.

53 See William Engdahl, *A Century of War: Anglo-American Oil Politics and the New World Order* London: Pluto Press 2004.

and is priced in dollars, the control of oil and the monopoly privilege position of the US as the sole source of dollars⁵⁴ links finance, the US state, especially its most powerful entities such as the Treasury Department and the Federal Reserve, and the US military to oil.⁵⁵ This is the class nexus that is tied to a form of financialized globalization, military aggressiveness, debt as a form of both domestic social control and class power and global dominance, and the means of payment in the world economy for oil and most debt. That the US is the world's largest debtor does not in itself weaken this strategy inasmuch as the US can produce dollars at will, though doing so on a large enough scale would mean ruin for its main creditors such as China, Japan, Taiwan and Wall Street itself eventually.

The class basis of Global Governance cannot therefore be understood to have provided for an alternative to US hegemony in the form of multipolar world politics, global plurality, let alone global democracy⁵⁶. Rather, Global Governance as a political form has been, as I argued elsewhere⁵⁷, involved the attempt to merge political and economic elites through the interrelations of political power and finance globally around a common class power and project, with a common global class perspective. The US state, and especially its military power, in this version were to lose their territorial character to the degree possible, as well as any ethnic-cultural characteristics remaining, but at the same time to become “globalized” along with NATO as the main political-military protection for that class, but with other states falling in line as

54 See Susan Strange, “Persistent Myth of Lost Hegemony” in *International Organization* Vol. 41, no. 4 (Autumn 1987) pp.551-7, among others.

55 See the discussion of the connection between finance, the political right and oil in Kevin Phillips, *American Theocracy: The Peril and Politics of Radical Religion, Oil and Borrowed Money in the 21st Century* New York: Viking 2006.

56 This is the error in ElkeKrahmann, “American Hegemony or Global Governance? Competing Visions of International Security” *International Studies Review*, Vol. 7, No.4 (Dec. 2005), pp.531-545. As advocates of multilateral policy-making such as Bill Clinton, Madeline Albright (who called the US “the indispensable nation”), John Kerry etc. always made clear, the issue was not US hegemony – military and political dominance and international leadership (hegemony) on the one hand and giving way to a non-US-led world on the other, in which the US would at most be *primis inter pares* but rather between the US working closely with allies and other nations and through the multilateral global governance organizations like the UN, G20, WTO, IMF and NATO, or going it alone as was largely policy during the GW Bush administration. This is where the theory of “Empire” of Toni Negri and Michael Hardt overstated the case for a fully globalized, de-localized form of sovereignty as well, as events have made clear since the publication of Toni Negri, Michael Hardt, *Empire* Cambridge: Harvard 1999. See the critique on just this point of that work by Arrighi and Silver,

57 Colatrella, “In Our Hands is Placed a Power” op.cit., and Steven Colatrella, “Global Governance and Revolution in the 21st Century: Strikes, Austerity and Political Crisis” in *New Politics*, Vol. XIII, No. 3, Summer 2011.

well. Essentially the autonomous nature of the state from direct class rule by capital was to be ended, and that process, it must be said, has advanced to a great degree, with agencies of the state that are most removed from popular pressure like central banks growing in power (indeed, what used to “economic policy” is now largely governed by these along with global organizations like the IMF, the European Union “troika”, and WTO). But the ceding of power by the US per se to any other state power or to a community of nations without a hegemonic power was never on the agenda, even if some elements of capital might find that scenario acceptable or appealing.

Conditions 1) and 3) in Schumpeter’s analysis outlined above are thus realized: there is a real, powerful class interest in hegemony and in an aggressive and even militarized form of maintaining it, and there is a specifically capitalist interest in this project, all libertarian ideological cover that free trade means the end of national conflicts notwithstanding. But lacking 2) that is a class ally, the hegemonic project risks collapsing into mere domination without hegemony (leadership) every bit as much as if it lacks national states and foreign sectors of capital willing to follow the hegemonic power’s leadership. The national states are beginning to have second thoughts, as the rest of this paper will make clear. And while some can be counted on to continue to support the US at all costs, many of these will do so less because of the model of capitalism that US hegemony brings along with it than for strictly geopolitical, that is territorialist motives. One thinks of Japan, some other Southeast Asian nations like Vietnam and the Philippines here, and of the countries in Eastern Europe for example. Even alliance with India (about which more below) is driven as much by concerns with Asia’s geopolitical map now as with enthusiasm for globalization as in the 1990s.

John McDermott has identified the technical-professional class of highly educated workers as a key ally of capitalists (qua top management and the investor class) against the working class majority in the era of the corporation. He also insightfully argued that this class is a mass constituency class for globalization.

McDermott writes of this class:

A mass or populous social formation, it comprises a substantial proportion of a modern work force, typically 20-30% in a developed economy, perhaps 5-15% in a less developed one, though concentrated in the main cities.

It is a truly international class. Active in both the advanced and the less developed parts of the world, its members 1) share convergent occupations and places within the modern productive apparatus, government as well as

private, 2) thanks to convergent, often identical secondary, university and post-graduate or special technical education. Members of the class also 3) share similar social/material life consumption patterns, 4) kindred cultural and political preferences, 5) commonly send their savings to the developed countries, 6) often work for the same institutions, 7) enjoy over-lapping frequency and kinds of international travel and tourism, and, often, 8) have other direct personal or institutional connections, as through educational background or family links.⁵⁸

This class is essential to modern production. In its form as middle management it certainly cannot be considered as an ally to the working class, but as professionals: laboratory specialists, scientists, medical personnel, software writers, engineers, technicians, programmers, graphic designers, architects, and so forth there are reasons to think that it may have some of the characteristics attributed by Thorstein Veblen to the engineers, technicians, designers of his own time. While McDermott posits that the long training and skilling of such a labor force means that a bi-modal law of value may now be in operation and may justify structurally higher pay for highly educated professionals (yeah I wish !) this in itself does not necessarily mean that an alliance with capital in its presently hegemonic form is necessarily a permanent reality. Indeed there are signs that this alliance has broken down in recent years in the wake of the economic collapse of 2008 and the subsequent recession, one-sided recovery in which gains are going to a small minority⁵⁹. While a global class is likely to want a global economy, the gap between promises and realities suggests that there might be more than one globalization possible under current material possibilities, and if the current version is not benefitting the most global class, one necessary to a contemporary advanced economy, then other possibilities open. Is a non-capitalist globalization possible? Is it possible for the technical-professional middle class to carry out their creative, intellectually challenging and intrinsically interesting forms of work

58 John McDermott, "A Mass Constituency for Globalization" *Rethinking Marxism* Volume 20, Issue 1, 2008 pp. 151-159, p.152.

59 Robert Reich, "The Choice of the Century" *New York Times*, Nov. 12, 2014 reports that fully 100% (!) of the gains of the recovery have gone to the top 10% of income earners in the US and 95% to the top 1%. That would leave the second 9% after the top 1% receiving only 5% of the gains, meaning a disproportionately low gain compared to their numerical presence, let alone the crucial position they play, as McDermott argues, in the economy. And if such a class in the wealthy US could be instead 20-30% of the population, the material basis of alliance would appear to rather thin. See also Paul Krugman, "Graduates versus Oligarchs" *NY Times* Nov.1, 2011, which demonstrates that over the past 30 years college graduates have not disproportionately benefitted income-wise from growth, with virtually ALL of the benefits of increased national income in the US going to the top 0.001 percent.

without dependence on strictly capitalist institutions (M-C-M') for whom no project, regardless of how fulfilling, rational, beneficial, materially possible or justifiable is to be performed unless it generates profits for them? Is a different Gramscian historic bloc imaginable?

The Eurasian Pivot

In a very real sense, Arrighi's last work, *Adam Smith in Beijing* is a sequel and a conclusion to *The Long Twentieth Century*, and a concluding chapter to what I see as a trilogy including *Chaos and Governance in the World System* co-edited with Beverly Silver. For *Adam Smith in Beijing* posited the possibility of China leading a different development model based on a restoration of national sovereignty in the choice of economic and social model best adapted to each country as its government and peoples see fit. But this was linked with a world market including all countries and bringing about that increasing parity that Adam Smith saw the world market eventually leading to if freed of Western hegemony. The West imposed its greater military and technological power on non-Western states. *Chaos and Governance* ended with a joint essay by Silver and Arrighi seeing a fork in the road ahead: either a benign acceptance by the currently hegemonic US that its day in the sun was setting and that it could remain a major power among others in a new world order based on greater cooperation, or use of its unprecedented military superiority to impose its will on the capitalist system itself, reducing other profit centers to tributary states and becoming the center of a world empire. In this case, and the irony is not lost on Arrighi, it would be the capitalist country par excellence, the United States that would constitute the greatest danger to the continued existence of capitalism. Its power might suffice to finally end the more than 500 year-long series of cycles of historical accumulation and the transfer of hegemony from one power to another that has been the precondition to its own reproduction on an ever greater scale. Thus at first glance we might seem to have a choice – if we are allowed to choose – between a Chinese-led benign world market order of equals or a world empire with the United States at the head.

But things are a bit more complicated than that scenario would indicate. Indeed as Arrighi makes clear, the most that we can say with some surety is that exactly what direction China will take is impossible to foresee, and that the odds of a world market economy in which China leads as in a synthesis of Western and Asian models of economic development (the "Industrial Revolution" and the "Industrious Revolution") have increased over the past few years. Likewise the chances of great power conflict and systemic chaos have

increased. Still, a few things are clear: China's leaders have no intention of remaining dependent on US and Western domination of world money supply nor of US monopoly power over oil and natural resources; China and Russia both have not ceded their geopolitical national security either to Global Governance institutions, nor to the US and NATO, which on the contrary they quite rightly see as the greatest threats to that security, nor to an ethereal globalization in which spheres of influence, geopolitics and war are things of the past; and both are at best impatient and at worst have become suspicious of the US' continuing military adventures.

China's setting up of Silk Road, of the Asian Investment Bank, its sponsorship of the Shanghai Cooperation Organization, its joint opening of a new gold window with Russia, and its series of bilateral agreements, with Russia and the other member nations of the Shanghai Cooperation Organization (SCO), with Qatar, Canada and even Britain allowing direct trade in each other's currencies (instead of in dollars), and its building of a transoceanic canal in Nicaragua⁶⁰ all make clear that any dependency on mobile finance tied politically to the United States is out of the question for China. Russia wishes to avoid reliance on these same sources however possible, and for that reason has moved closer economically and diplomatically with Beijing.⁶¹ This fact alone would put these two major powers in the target sites of the US. China's setting up of alternative funding sources to those sponsored by US hegemony such as the IMF and World Bank – providing investment in Africa, infrastructure in Eurasia and buying Russian oil and through invitations to join the SCO to Iran (as well as India and Pakistan⁶²), and bilateral accords with Qatar to purchase oil from these countries and some in Africa increasingly without the use of dollars - all these activities mean conflict with the US unless the latter is willing to cede its privileged control of world money gracefully. Which, it now seems, is unlikely.

Meanwhile, Russia's justifiable anger at the expansion of NATO nearly to its borders and the proposed invitations to Georgia and the Ukraine to join NATO, and the EU as a halfway house to NATO. means that geopolitics are back on the map. The expansion of NATO however, we need to recall, took place principally under Bill Clinton's administration, that is during the high

60 "China's Nicaragua Canal Could Spark a New Central America Revolution" The Daily Beast November 30, 2014. <http://www.thedailybeast.com/articles/2014/11/30/china-s-nicaragua-canal-could-spark-a-new-central-america-revolution.html>.

61 James Petras, "Russia's Vulnerability to EU – US Sanctions and Military Encroachments" Global Research November 9, 2014 argues that it is precisely the state-connected capitalist class that is a weak link for Putin's attempt to remain independent in this crisis.

62 Which joined in 2015.

point of “peaceful” globalization and the seeming irresistible move toward Global Governance. If for this reason only, any attempt to forestall the risk of world war, of competing would-be hegemonic blocs, by appeal to the previous phase of multilateral policy-making, international organizations and expansion of world trade is doomed to fail: as surely as the First World War, the Great Depression, Fascism, Stalinism, the New Deal and World War Two followed by the Cold War all had their roots in the attempt to create a self-regulating market as a model for society in the late 19th and early 20th Centuries as Polanyi demonstrates, so the “New Cold War” is an aspect of the larger reality Polanyi noted of a “double movement” toward and away from subordination of more of society’s life and institutions under control of the self-regulating market and of mobile capital, today in the form of the use of debt to impose privatization society-wide.

NATO expansion has been about three related issues: maintaining indefinitely US hegemony and preventing the rise of any challengers to that order, including major regional powers; dominating sources and routes of oil and natural gas; and imposing neoliberal rules and the use of debt to privatize and integrate into the globalized order of corporations, global finance and US hegemony any country or sector that has not already been so fully integrated. If US policy and Wall St. have been to some degree self-deluding with regard to just how much China was willing to place its society and economy under these power relations, suspicion of Russia was deeply seated I think for several reasons. While the history of the USSR’s apparent challenge to US domination is one, I think there is a *longue durée* history of Russia at work here as well. Russia was never fully integrated into the World Capitalist System as a peripheral country, even if some sectors of its economy approximated this relationship.⁶³ Indeed, “Russia Stays out of the Third World” is the title of Stavrianos’ chapter on Russia during the rise of capitalism as a world system. The power of the Russian state and the maintenance of non-privatized property relations in land among other factors kept Russia independent of full integration as a mere source of raw materials or labor power for centuries. The Revolution of 1917 and subsequent Soviet regime reinforced this relative distance from the domination of capitalist relations. Certainly even the Soviet Union needed

63 This is made clear by L.R. Stavrianos in his magisterial *Global Rift: The Third World Comes of Age* New York: William Morris 1981, pp.68-74; obviously here we enter classic terrain of Marxist debates: VI Lenin, *The Development of Capitalism in Russia* VI Lenin Collected Works Volume 3 Moscow: Progress Publishers, 1977 of course famously argued the opposite, in the context of Russian Marxism’s debate with the Narodniks. This means that the debate over Russian integration into the capitalist world system is inextricably intertwined with the debate over the Russian mir common lands. This is an issue of worldwide importance today but is beyond the scope of this paper.

some access to mobile capital, and its limited access to this source of power and resources meant falling behind the West in the late 1970s and 1980s during the move into high-tech. And the Shock Therapy program⁶⁴ of the early 1990s in which a mere seven oligarchs gained enormous control over much of the Russian economy, and during which the industrial base of a superpower was dismantled left it a source of energy commodities and weapons on the world market. This was the closest in the 500 year history of capitalism that Russia has ever come to full integration and dependence on capitalist forces.⁶⁵

Further, the United States continued to recognize Russia even after the Cold War had ended as its virtual lone potential military challenger, mainly due to Russia's maintenance of a large stockpile of nuclear weapons, and of a still large, if somewhat rusty conventional military within reach of the borders of NATO members, a fact ironically made more relevant precisely by expanding NATO ever closer to Russia's borders. That Russia has moved against the oligarchs under Putin, has continued capitalism but with the most powerful businesses close to the Russian state and its leaders, and has a vast supply of oil and gas outside US control means that it remains a potential threat. This combination of military power and positioning itself as a major source of oil and gas to both Europe and Asia, and therefore a force that could break any US stranglehold on other world economies, means that the US has continued, with only the briefest of pauses, its attempts at nuclear first strike capability through the development and deployment of a missile shield. The second Bush administration's withdrawal from the START treaty, the deployment in Poland and the Czech Republic of parts of the system, and the provocation of a sponsored coup in the Ukraine in the past year, followed by a series of aggressive moves, including sanctions, a propaganda effort worldwide through official statements and US-related media portraying Russia and its President as an aggressor, the hostility toward Syria's government, have all made clear to Russia that it is expected now to back away from any pretensions to national security and geopolitical interests, to sovereignty over its own natural resources and whom it may sell these to, and to any participation

64 See among others Naomi Klein, *The Shock Doctrine*, and Marshall I. Goldman, *The Piratization of Russia: Russian Reform Goes Awry* London and New York: Routledge, 2003, as well as Michel Chossudovsky, *The Globalization of Poverty and the New World Order* 2nd edition Pin-court Quebec: Global Research 2003.

65 Here my analysis challenges the admittedly sometimes brilliant formulations and hard research of Lenin himself in *The Development of Capitalism in Russia*. But while Lenin accurately described a tendency, I think for the sake of his polemic which had immediate political consequences (the debate with the Narodniks over working class versus peasant revolution) he overstated the case, particularly by underestimating the degree to which land had been privatized in pre-Revolution Russia.

in any alternative model of development other than neoliberal globalization under the dominance of finance tied to the United States and its allies.

Instead, Russia had over the previous decade moved ever closer to Germany, as an old dream of Lenin's, of German technology linked to Russian resources began to take form. But Western ties are now in danger over diplomatic issues, demonstrating what James Petras calls a strategic weakness of Putin's strategy for restoring Russian sovereignty and economy after the meltdown of the economy and society during the Yeltsin years.⁶⁶ With China's demand for oil high for its own economic growth, and thanks to geographical convenience, Russia has recently moved closer to China. Together, the two powers have begun – not without difficulties and contradictions admittedly – to construct an alternative to the dollar, to Western finance and even to globalization itself. That alternative, based on national sovereignty over development models, trade without dollar dominance (through acceptance of each other's currencies or of gold, or trade in kind with oil for products), loose military alliance, and the close infrastructural integration of virtually all of Eurasia, is now out in the open, if not yet in full swing.

China is financing and has planned the close tying together through infrastructure such as high speed rail the whole of Eurasia, from its own Pacific Coast through ports it has constructed in Pakistan and through Central Asia to Turkey, Venice and Berlin⁶⁷ and so to the Mediterranean and Europe and the Middle East. A German-Russian economic alliance⁶⁸, made more difficult by the NATO-US-EU coup in the Ukraine, but not off the table entirely (as German policy makers now appear considerably divided), would link the EU, or a substantial part of it to such a project. The Eurasian Economic Union came into being in May 2014 and ambitions for it, or some successor are vast. Such a union would be immune to US domination of the seas – it would have access to all the natural resources and labor and the transportation infrastructure over land through Chinese funded and built high speed rail of all of Asia and Europe, plus access to the Indian Ocean, the China Sea and the Persian Gulf. Added to China's remarkable presence in Africa – over one million Chinese now live on that continent and Chinese investment and infrastructure have increasingly integrated large parts of Africa to Chinese led economic

66 James Petras, "Russia's Vulnerability to EU – US Sanctions and Military Encroachments" Global Research, November 09, 2014

67 Pepe Escobar, "Further On Down the Multi-Polar Road: China's Silky Road to Glory" Counterpunch, Nov. 14-16 2014

68 Realist George Friedman in *The Next Hundred Years* New York: Anchor 2010 argues that a Russian-German alliance, not a Chinese hegemony is the real story of the 21st Century.

development⁶⁹, these processes could lead to precisely the phenomenon at the center of Arrighi's research agenda: the rise of a successor hegemonic power, able to reorganize the bases for capital accumulation worldwide for the system as a whole, and on a larger geographic scale, combining economic and political dominance with leadership perceived to be in the interests of all or most of the world elites and an expansion of the distribution of the benefits of the system to a wider part of the world's population. For Arrighi one way to express this possibility is the realization of Adam Smith's hope that the market economy would distribute the technological, economic and political-military advances to every country, creating a roughly equal condition among the world's nations such that they would find peaceful trade and development in their mutual interest. For the moment, it would appear that the worrying scenario that Silver and Arrighi identified in their concluding essay in *Chaos and Governance in the World System* is instead a more likely outcome. That scenario is the breakdown of the system into chaos due to the declining hegemonic power resisting change, in this case the use of US military might, unprecedented in its destructive capability or its global reach, to prevent such a new system from arising.⁷⁰

As the authors state, "US adjustment and accommodation to the rising economic power of the East Asian region is an essential condition for a non-catastrophic transition to a new world order." They add that, as in the past, a new order, just as Marx argued with regard to each new ruling class, must rule based on a much wider social class basis than previous ruling classes (the Dutch hegemony represented national bourgeoisies, the British rule included settler colonial elites and later the free trade-oriented elites everywhere, and the US' initial hegemony involved a semi-New Deal of de-colonization, and welfare state guarantees for workers in industrialized countries):

An equally essential condition is the emergence of a new global leadership from the main centers of the East Asian economic expansion. This leadership must be willing and able to rise up to the task of providing system-level solutions to the system-level problems left behind by US hegemony. The most severe of these problems is the seemingly unbridgeable gulf between the life-chances of a small minority of the world population (between 10 and 20 percent) and the vast majority...

This is an imposing task that the dominant groups of East Asian states have hardly begun to undertake. In past hegemonic transitions, dominant

69 See Howard W. French, *China's Second Continent* New York: Knopf 2014

70 Giovanni Arrighi, Beverly Silver, "Conclusion" in Arrighi & Silver eds., *Chaos and Governance in the World System*, pp. 288-9.

groups successfully took on the task of fashioning a new world order only after major wars, systemwide chaos and intense pressure from movements of protest and self-protection. This pressure from below has widened and deepened from transition to transition, leading to enlarged social blocs with each new hegemony. Thus, we can expect social contradictions to play a far more decisive role than ever before in shaping both the unfolding transition and whatever new order eventually emerges out of the impending systemic chaos. But whether the movements will largely follow and be shaped by the escalation of violence (as in past transitions) or precede and effectively work toward containing the systemic chaos is a question that is open. Its answer is ultimately in the hands of the movements.⁷¹

The movements of 2011, with their protest of the 99% against the 1% seem to have generalized some of the themes of the mass vanguards of the previous anti-globalization movement of the late 1990s. With their demands for direct democracy and an end to the use of debt to exploit labor and expropriate land, resources and public goods, these movements may have provided an agenda for future popular pressure on those who would present themselves as leaders of a post-US hegemony world order. But the current leadership of Russia and China (and of Iran, Syria, or other allied countries), or for that matter of the EU however divided it may now be between Atlanticist pro-US globalization and Eurasian integration, are hardly attentive to or interested in meeting such demands.

The classes that have an interest in such a Eurasian alternative include Chinese industry and finance, Russian oil and gas, and industrialists across Eurasia who have not benefitted from the dominance of global finance and from an over-valued Euro (which however devalues German exports compared with the Deutschemark). They constitute a bloc arguably wider in their social connections than global finance, but they are hardly democratic in nature. To be sure, the absurdity of a world economy in which the three largest economies: the United States, the European Union and the People's Republic of China are all oriented toward global export despite their vast populations, skilled or increasingly skilled labor forces and considerable continental scale resources, rather than toward a primarily national or regional development project based on a modern version of an "industrious revolution" is inexplicable except as being in the interests of a more powerful class or alliance of classes than the alternative. So the potentially even wider appeal of a continent-scale development project is apparent. But the repressive state forms of both major powers aside – these speak for themselves and give pause for the moment to any rosy view of such an alternative given the brutal forms that

71 Arrighi and Silver, "Conclusion" in *Chaos and Governance in the World System*, p. 289.

social control takes in both countries (not that it is very gentle in the United States or Europe in recent years either) – the fact that fossil fuels for example, or that relations with Central Asia or African countries have at least a tinge of old style colonialism means that Chinese industry and Russian oil may not provide that much more of a representative historic bloc that has globalizing corporate America and international finance.

I will conclude this paper with some thoughts instead on John McDermott's middle class of professionals, technicians, middle managers, and scientists, on the working class, and on potential allies and common projects. But first one last thought is in order on Arrighi's own theory of succeeding hegemonic powers.

Arrighi points out that each new hegemony while moving forward toward organizing the world system on a larger scale, with a wider social base, also moves backward historically, returning to elements that characterized the hegemonic power that preceded the one that it replaces itself. Thus, the Dutch merged capitalist interests with territorial state integration in echo of Venice, the British organized finance internationally on a capitalist basis similar to Genoa, but also expanded the territorial state-global finance alliance, the United States based its hegemony on large corporations similar to the Dutch East Indies Company, and on supporting national independence and so forth. Arrighi suggests that East Asian capitalism recalls the smaller-to-medium scale of family based firms in a market economy that characterized the British economy nearly throughout its hegemonic period. I would suggest that, while this East Asian backward movement to recall British capitalism is real, there is an alternative periodization possible. For I think that in a sense there have two different versions of US hegemony and not just one. From 1945 to 1979, the US based its rule on industrial corporations using vertical integration to internalize markets, a New Deal domestically and military Keynesianism internationally and distance from, if not hostility to, the potential power of global finance. As Arrighi himself writes, when, after 1979, the US allied itself with finance, the implications were vast:

US neglect of the principles of sound money since Roosevelt and Truman had a social purpose – at first the domestic and then the international New Deal. Working hand in hand with private high finance meant abandoning everything the US government had stood for, for almost half a century, not just in monetary matters but in social matters as well.⁷²

In a sense, it was not the successor hegemony but that of the US

⁷² Arrighi, *The Long Twentieth Century*, p.319.

itself that recalled British policies and forms. The appeals to free trade, the mantra of free markets and the libertarian-individualist philosophy that has been dominant now for decades, as well as the return of a global economy instead of one based within national containers of power are all returns to British forms by the US itself. This in a way left the path open to China and its allies in any alternative hegemonic project to return not to British forms from American ones, but to the previous American ones – the national state rather than global finance in control of money creation, the concern with employment (though much is left to be desired of any Chinese version of the New Deal so far it must be said), welfare policies like the “Harmonious Socialist Countryside” and the recent relatively pro-worker changes in labor law – and while family firms undoubtedly remain important -- the rise of global corporations based in China. Yet beyond this return to American hegemonic forms i.o., the project of uniting a vast part of the world’s regions in a connected market economy with some infrastructure facilitating transport and communications also harkens back further – to the world economy before the rise of capitalism itself – the one originally connected politically by the Mongol Empire.⁷³ This is interesting if only because it suggests that the Smithian view of Arrighi, that a world market economy of roughly equal states, without hegemony based on a predominant state power allied with a dominant capitalist class may be possible on similar geographic bases as the last non-capitalist world economy.

The class basis of post-capitalist society, or, the republic

So, we have a global class of finance that aggressively needs to settle everywhere, nestle everywhere, relying on debt to expropriate (privatize) and exploit every resource and activity, linked to a powerful hegemonic state with a global network of military bases seeking complete control of oil and its availability, and imposing its own currency at all costs as the only world money; a growing alliance of states, including radical left populist governments in Latin America, China itself, Russia, large parts of Africa and many others in various stages of frustration with or opposition to the hegemonic regime, but with large sums available especially on the part of China, and with considerable energy resources; vague but increasingly defined geopolitical alliances on one side of this equation or the other, with some key states (India for example, and perhaps Germany) playing now one side, now the other in a confusing pattern. We know that no state project, national or international has much

73 Janet Abu-Lughod, *Before European Hegemony: The World Economy 1250-1350* Oxford and New York: Oxford Univ. Press, 1989.

likelihood of success without support from a powerful class or coalition of classes in society in at least a key state or states. And no classes, no matter how important (such as industrialists in domestic Britain for example in the late 19th and 20th Century, or plantation owners in post-Civil War America) are likely to see their own goals met without support of state power and so without their needs coinciding with those of state or national interest. Is there a configuration of class interests with state interests able to break the monopoly of power of global finance, global corporations and the US military-corporate complex, while either democratizing or remaining independent of the more repressive aspects of the Eurasian infrastructural project led by China and Russia? In other words, is there an anti-cause to the Third World War that has lately appeared on the horizon?

This paper cannot definitively answer that question of course, but does seek to at least delineate the sources where such an answer might be found. This author has already argued that the struggle against debt and austerity has been led by a working class increasingly global in experience, and has been especially evident in specific sectors. These include transport and logistics, public institutions and services as a frontline of defense of existing and remaining welfare states and against the privatization of the public sector tout court, and export sectors of key countries of the Global South (textiles and shoes in Vietnam, jute and garments in Bangladesh, and electronics in China to name a few).⁷⁴ I have also argued that immigrants, engaging in collective action in reaction to the use of debt and structural adjustment programs by Global Governance institutions (the IMF and World Bank), present the possibility of a globalization of the working class as a political actor and that this possibility has been realized in some times and places.⁷⁵ But an additional element, namely what are today often called “the creative class” or “knowledge workers” – John McDermott’s technical middle class, seem to me to be key to any possibility of transcending both the current and dangerous conjuncture and of developing an alternative world system to the capitalist one that has been dominant for the past five centuries. Such an alternative would not be based on what Veblen called “absentee ownership”⁷⁶, that is on purely monetary and profit-oriented control and rights to decision-making regarding the use of wealth and the capacity to make and distribute useful goods and services. Rather it would rely on the ability to use the accumulated knowledge of

74 Colatrella, “In Our Hands” op.cit, and Colatrella, “Global Governance and Revolution” op.cit.

75 In Steven Colatrella, *Workers of the World: African and Asian Migrants in Italy in the 1990s* Trenton and Asmara: Africa World Press 2001.

76 Thorstein Veblen, *Absentee Ownership* New York: Viking Press 1923

human society embodied as Veblen saw in scientists and in technicians and engineers, and as McDermott argues in an actual class of people – the middle strata or middle class of professionals and technicians. An alliance in which this class and its logic were important elements might well prove compatible similar to the vision of Arrighi and Adam Smith. Markets for products disciplining businesses that are not dominant over these, and in which the point of making money is to purchase useful things for oneself, one's household or for a community or to use in the further production of useful things, and the Marxian view of production for use and not profit, and the Marxist-Feminist view of necessary work for social reproduction and not surplus labor for exploitation, and the emphasis on the protection and expansion of the commons – all these visions and others of a better life might prove compatible, mutually reinforcing, expressing different elements of a historic bloc, a popular alliance transcending capitalism and beyond hegemony.

For Veblen, absentee ownership, essentially the use of finance and credit to control business activity for profit rather than for production, is based on a feudal logic foreign to modern science.⁷⁷ “As industry, as a process of workmanship and a production of the means of life, the work in hand has no meaning for the absentee owners sitting in the fiscal background of these vested interests.”⁷⁸ In contrast, “The technological system is an organization of intelligence, a structure of intangibles and imponderables, in the nature of habits of thought” and as McDermott argues, this logic exists, as all logics do, in the form of existing classes in the real world, “It resides in the habits of thought of the community and comes to a head in the habits of thought of the technicians.”⁷⁹ Today, questions such as renewable energy and the very fate of our species on the earth in the face of climate change involve questions of sustainable agriculture, of renewable energy, of the harnessing of the energy of the sun, of wind, water, hydrogen, and cold nuclear fusion; of the most recent discoveries in science and the possibilities of utilizing them for human purposes, such as the ability to transform light into matter⁸⁰, basic materials like enzymes into nourishing food⁸¹, computer software into production

77 Veblen, *Absentee Ownership* p.51.

78 Ibid. p. 216.

79 Ibid. p.280.

80 “Scientists discover how to turn light into matter after 80-year quest” by Gail Wilson 19 May 2014 Imperial College Londong http://www3.imperial.ac.uk/newsandeventspggrp/imperialcollege/newssummary/news_16-5-2014-15-32-44

81 “The 3D Fruit Printer and the Raspberry That Tasted Like a Strawberry” Michael Mollitch-Hou MAY 27, 2014 <http://3dprintingindustry.com/2014/05/27/3d-fruit-printer-raspberry-tasted-like-strawberry/>

through 3-D printing, and space exploration consistent with relativity⁸², while traveling on solar energy-producing roadways⁸³ to name a few. Yet this is not just a question of discovery of existing natural forces, it is precisely what Marx referred to as the development of the productive forces, these forces being, first and foremost today, the collective capacities of modern knowledge put to use to transform the world. Veblen understood this very well:

In the twentieth century, the technicians have become one of the standard factors in production; as much so as the country's natural resources of timber, coal, oil, and ores. Indeed, these things are natural resources instead of being features of the landscape, because the technicians know how to turn them to account. And the extent and variety of the country's natural resources are constantly increasing, because and by so much as the technicians are continually learning to make use of a larger number and variety of these things. The question of natural resources is, after all, a question of technical insight.⁸⁴

The same point can be made today about anything from genetic codes to solar power, from whether and how quickly the vast Eurasian, African or American hemispheres might be traversable to our place in the universe and the connection of humans to life itself.⁸⁵ In short, today wealth exists as much in the person and capabilities of the working population collectively as in raw materials, money and capital, or industrial plant and technological infrastructure or computer programs and code. Indeed, all of the latter depend on the ability of knowledgeable workers for their invention, existence, maintenance, extension, further development, utility, and indeed and crucially their profitability or their usefulness to those in power in war or peace.

The finance capital regime, recently dubbed "Creditocracy" by Andrew Ross⁸⁶ and backed by US military power, by using and embedding in a network of debt every social activity of every sort is clearly a further development of the absentee ownership regime that Veblen criticized almost a hundred years ago. The alternative Eurasian infrastructural hegemonic project led by China, and including Russia clearly requires the most massive presence and centrality of knowledge workers of all kinds – scientists, engineers, tech-

82 "We Could Travel to New World in NASA's Starship Enterprise" *The Verge* June 13, 2014;

83 www.youtube.com/watch?v=qlTA3rmpgzU

84 *Ibid.* p.272.

85 As the first episode of Neil DeGrasse Tyson's program "Cosmos" made clear.

86 Andrew Ross, *Creditocracy and the Case for Debt Refusal* New York: Zero Books 2013. The phrase was coined by Mario Monti, former director of the national Bank of Italy and ex-technocratic (non-elected) prime minister of that country.

nicians, and so on, as well as skilled workers in the more traditional sense. So if one alienates this crucial class that John McDermott has seen as a mass constituency for globalization and the other requires its abilities on a huge scale, this class is in a position to make demands and also to assert itself as a potential leader of society in alliance with other classes who might benefit from its abilities, vision and program. Just as Adam Smith saw market society as a non-capitalist way to produce not profits and money but useful goods in a beneficial way, Karl Marx saw the cooperation and the production process as coincident with, but distinct from the valorization process of self-expansion of capital, and Veblen saw industry as separate from business as such and following different and increasingly opposed logics, McDermott may have found a distinction between globalization as such – the greater integration under modern conditions of the population of the world in an economy in which professional workers are crucial to producing wealth – and capitalism in which this process, to use Veblen's phrase is "sabotaged" by its subordination to profitability.

If the global finance historic bloc of US hegemony therefore were to become anathema to the most highly skilled sector of "the 99%", the Chinese-Russian alternative requires their skills and might be somewhat autonomous of a strictly or purely capitalist profit logic (though not statecraft and power conflict logic, which may be equally alienating to this class and its working class allies). But its reliance on fossil fuels, income derived therefrom, and the use of these as a major source of power is also likely to lead to disillusion on the part of a class capable of imaging, constructing, discovering and providing alternatives to the use of these and for whom protection of and repair of the world's ecology is arguably emerging as a priority and litmus test politically. Russia's own use of oil and gas for influence and China's search for the same through bilateral relations in Africa and the Middle East may not seem morally superior in the end to the US attempt to monopolize these same resources and willingness to go to war over that control. Indeed, this aspect of the populist left governments in Latin America – despite the popularity of their redistributionist and welfare programs – has led to mass protests and conflicts not with the right or pro-US bourgeoisie but with the very base of these governments in Venezuela, Bolivia and Ecuador. The "export monopoly" of now quite large corporations in China and the gas and oil state capitalists and private allies of Russia are not likely to be dramatically more to the liking of a professional class that seeks to work to use science and knowledge to make the world more livable and sustainable for all than are the bankers and militarists of US-global finance hegemony. Even if some aspects of their project, such as the infrastructural linking of contiguous areas and

the use of natural resources for national and regional development and not only for profit without regard to where these are realized may be closer to the priorities of a class concerned with how things get done and doing them well than with money for its own sake.

In short, no hegemonic project can work without the active participation of scientists, engineers, medical doctors and trained personnel, technicians, software writers, international law experts, teachers, researchers, laboratory technicians, professors, programmers, physicists, chemists, biologists, and so on. It is not clear that the class which embodies in its persons, its abilities and know-how needs to subordinate the future, its own work and capacity to transform the world to either of the currently contending hegemonic projects. But history also demonstrates that without some access to political power, no class, however important is able to itself assert social hegemony (leadership of other classes). Is there any sign of political circumstances favorable to an alliance of classes with an interest in a non-capitalist globalization or in a transformation of national states and alliance thereof that would be consistent with such forces? The distortion of the European Union into a mere force for imposition of privatization and the power of finance through the use of public debt would seem to have forestalled one of the more hopeful possibilities, given the relative concentration of knowledge workers in Europe and continuing concern with quality on the part of much of the population and cultural tradition in Europe. The role of such professionals in the mathematical algorithms, computer software, use of social media and other techniques in both election victories of President Obama, despite the betrayal of the hopes of so many of Obama's supporters and activists in these campaigns, suggests how powerful such a class can be when mobilized. And while overstated, the focus on the use of social media in the revolutions of the Arab Spring and even the highly sponsored (by the US) "color revolutions" in former Soviet republics, protests in Turkey, and elsewhere, likewise suggests how effective this class can be if moving autonomously. The recent and decisive rejection of the sexism and racism involved in the "gamergate" initiatives suggests that politics is increasingly coming to the fore within this class. The formulation of "99%" by Occupy all but explicitly tied the professional middle class to the working class, small or self-employed businesses (those who are subject to market forces rather than large corporate power that internalizes markets to use them to exploit smaller suppliers), artisans, students (future professional workers), small farmers, and other sectors of society.

Any alternative to capitalism will sooner or later have to find a way to directly confront mobile capital, that power that has enabled various, specific historical capitalist classes to outmaneuver and dominate all but the most

powerful states and to in any case impose their interests on these as allies in successive historical cycles of accumulation and hegemony. The rise of theories of public banking and credit, of money as a mere public utility and of “modern money theory” – which interestingly (shades of Arrighi’s forward and backward movement) takes certain insights of state theories of money from the German aborted effort at hegemony. It promises to theorize Keynes’ dream of “capital as a free good,” of basic incomes guaranteed to all as the new universal suffrage. What Andrew Ross calls “a mixed economy” of the public and the commons (the latter based on self-management) may be developing as an increasingly coherent expression of actual practice around the world by movements and authorities looking for a way out. All these are hopeful signs. A society in which the previously dominant forces such as capital were made public utilities to finance useful projects and usable production for human needs might be one in which there were distinctions of status based on individual contributions to a common good but not class inequalities. I mean class inequalities in the sense of either hereditary and inherited and large differences in wealth, status, privileges, and power or access to these or in the sense of differences in power by one group over another structurally. This would mean a society in which markets served a larger common good but were not used as instruments of social control by exploiting classes, and so in which democratic institutions could be the places where a collective dialogue of difference could be mediated to achieve results of benefit to most or all. Such a society and such an international order of societies of this sort might be called justifiably “a classless society” or could be called by the more traditional name for a polity of citizens whose differences did not result in structural inequalities and exploitation – a republic. As Immanuel Kant argued, world peace requires a world community of republics, that republican form and content of governing, meaning open dialogue and openness to criticism by authorities with the people take priority, creating a virtuous circle of continual perfecting of a never fully perfected polity.⁸⁷ And Machiavelli makes clear that more than one republic is needed, because republics need a dynamic of criticism, of imitation, of diversification and competition, to maintain the virtue and virtuous circle of republican interaction between people and authority, and to maintain a creative international situation.⁸⁸ And so a worldwide community

87 I am grateful to Massimiliano Tomba, whose forthcoming work I have translated in manuscript form into English from the original Italian: Max Tomba, *Beyond Human Rights: Re-reading Kant on Justice*, for this understanding of Kant as a republican.

88 J.G.A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition*, Princeton: Princeton University Press, 1975, p.88; See also the brilliant discussion of Machiavelli and republicanism in Antonio Negri, *Insurgencies: Constituent Power and the Modern State* Minneapolis: University of Minnesota Press, 2009

of republics based on a new historic bloc, new technologies and new forms of organization, interacting in a virtuous cycle with markets as instruments to enhance republican equality and liberty and human well-being and not as masters, and with money made a public utility subordinated to human need and creativity are the pieces of a puzzle whose progressive asymptotic perfection however necessarily incomplete may prevent World War 3.

But whether these pieces of the puzzle, the forces in the field of new mass working classes in the Global South⁸⁹, the common struggle against debt and expropriation, against war and the degradation of the environment, and the professional middle class embodying the highest levels of human knowledge can construct together an alternative to capitalism and a hegemonic bloc free of domination remains to be seen. The fate of any such project cannot be foreseen and while it must find some access to political power and construct a historic bloc, the answer to such questions, and so of any future post-capitalist republican order remain, as Giovanni Arrighi and Beverly Silver wrote, “ultimately in the hands of the movements.”

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ABSTRACT

This article investigates some of the reasons behind the events that led to a recent shift in international relations towards the global geopolitical and a renewed competition between the great powers. The aim is to point out important ideas of authors and put them to dialogue between each other. It calls attention to the possibility of an

alternative political and economic bloc being built around China against a decline of US power. These points are deepened when it is identified other key features of the current system that involves the discussion about classes. The current configuration of class alliances and states involves the complex dynamics of the working classes in the Global South, the use of debt as a means of domination by the economic and financial world, as well as the new professional middle class - that give values to knowledge, technology and democracy. It is these relationships and their interface with the existing political power that permeate the revival of the global geopolitics, influencing not only current events, but also any possibility of thinking an alternative for governance and international framework - or even the failure of this and a consequent and possible new conflict worldwide.

KEYWORDS

Third World War; Class; Geopolitics; Hegemony.

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NAVAL RELATIONS BETWEEN THE UNITED KINGDOM AND BRAZIL DURING THE COLD WAR: THE CASE OF THE PURCHASE OF THE VOSPER FRIGATES

João Roberto Martins Filho¹

In this article we analyze the case of the acquisition of Vosper frigates by the Brazilian Navy in the early 1970's. We believe the process of purchase of these ships not only sheds light on naval issues, but also on foreign policy, by revealing the dispute for the Brazilian military market by the United Kingdom, since the late 1940's. Since then, it is clear that the United Kingdom did not conform with the United States monopoly in providing weapons to Brazil. In spite of adverse conditions, marked by the American willingness to provide obsolete ships for our navy through investments with no return, British diplomacy took care of relations with our naval force, carefully examining the signs of dissatisfaction in officers and waiting for the moment to resume old dating back to the time of our Independence. Although the issue does not appear in our international relations theory and text production, the purchase of the frigates was considered a strategic point for the relations between both Brazil and the United Kingdom. In our perspective, it anticipated in a few years the rapprochement with Europe, dated to the years in charge of President Geisel.²

1 Associate Professor of the Department of Social Sciences and of the Political Science Doctoral Program of the Universidade Federal de São Carlos (UFSCar). He has occupied the Cátedra Rio Branco in International Relations at King's College, London, and the Cátedra Rui Barbosa of Brazilian Studies at Leiden University, Netherlands. E-mail: djrm@ufscar.br

2 To address this issue, one must face the theme of the relationship between the Navy, technology and policy, which includes the understanding of naval decision-making process, the issue of innovation contained in the imports of naval equipment and relations between state and shipbuilding industry in developed countries. Our analysis is based both on official sources from the Brazilian Navy and interviews conducted by the author with the naval officers, as in British diplomatic documentation. This article was supported by FAPESP (process 2011/07520-4). The opinions, assumptions and conclusions or recommendations expressed

By ignoring the question of the purchase of weapons, the text production on Brazilian foreign policy in the dictatorial period missed an important aspect of the relationship between the authoritarian Brazil and the European democracies. The few authors who have focused on the so-called “European dimension” of our foreign policy tended to locate its emergence in a subsequent period to the purchase of the frigates. For them, it is a Geisel’s government phenomenon, with its foreign policy of detachment from the United States and its internal policy of detente. Thus, according to one of these authors:

The approach to the capitalist democracies of Western Europe had dual purpose: it meant a great relativization of the US presence on the domestic political scene (...) and indicated to the most favorable sectors to liberalization that the regime effectively was democratizing itself, so much that it was being accepted by important democratic governments.³

However, in the case of Britain, it is possible to say that a pinnacle in trade relations was in the Medici administration, when the sale of military equipment hereby mentioned happened. These trades represented a context of search for autonomy by many developing countries, which led them to seek an alternative to the transfer of obsolete naval material, American or Soviet.⁴

The domestic decision-making process

In the case of Navies such as the Brazilian, the relative autonomy enjoyed by the armed forces within the state and the lack of concern of society and non-military institutions with defense makes the decision-making process related to the purchase of warships and other equipment remain essentially a naval force task. In general, this process has its origins in ideas arising within the naval engineering sectors. Those manage or not to convince the upper echelons of the need to make acquisitions. Both from the engineers

hereby are those of the author and do not necessarily reflect the views of FAPESP. The author is a researcher at CNPq. I thank Ludolf Waldmann for his careful reading of the first version.

3 Antonio C. M. Lessa, *Brasil, Estados Unidos e Europa Ocidental no contexto do nacional-desenvolvimentismo: estratégias de diversificação de parcerias: 1974-1979*. Masters dissertation, UNB, Brasília, 1994, p.94 and p.290.

4 Sami Faltas refers to “Indonesia and several Latin American countries” that “had turned to Western European sources to supplement their U.S-supplied equipment” anticipating an option later adopted by India, Taiwan and Egypt. See *Arms markets and armament policy: the changing structure of naval industries in Western Europe*, Dordrecht/Boston/Lancaster, Martinus Nijhoff, 1986, p.59.

and from the hierarchy, generally divergent groups are formed around the options placed on the table and/or how to acquire them: by donation or purchase, in this or that country. These groups constitute what we will henceforth call the “technological parties”, which may or may not express deepest disagreements, being political differences or different naval strategies. Once approved by the Navy hierarchy, their aspirations are taken to the federal government. The case of the acquisition of the frigates was no different.⁵

After World War II, the Brazilian Navy started to receive secondhand American ships, mostly destroyers, practically donated to the country through the lend-lease arrangements made in the time of the conflict. Dissatisfaction with these ships, which at first was a significant technological advance for our Navy, was already visible in the late 1950’s, especially among Navy engineers. Thus, Admiral Coelho, chairman of the Frigates Construction Commission in the UK in the early 1970’s, argued that the US ships received during and after the Second World War “never represented necessarily what the Navy needed” mainly because they were designed for the needs of another country and in other strategic context.⁶ According to the Admiral, the US was surprised by Brazilian aspirations. Nonetheless, since 1961, the construction of escort vessels in the country started to be contained in plans of the General Staff of the Navy (EMA). This was followed by studies conducted at the Naval War School about the needs of ships for the Navy, within the maritime traffic protection strategy in the South Atlantic.

Under President João Goulart’s administration, the EMA and the Minister of the Navy, Admiral Paul Bosisio, approved studies that predicted the future need of 28 frigates to fulfill the mission. In late 1963, the Minister Sylvio Motta supported the idea of drawing up a multiannual program of investments and funding of defense, set up in the first naval Director Plan,

5 The frigates are escort vessels, both for anti-submarine use and general employment. Before its acquisition, the skeleton of the Brazilian fleet consisted of other escort ships, known during the war as escort destroyers and later simply as destroyers. These ships basically fulfilled typical functions of anti-submarine warfare, strategy attributed to Brazil by the United States in the context of South Atlantic defense in an eventual global war between the two sides of the Cold War. The Navy also had two cruisers - Barroso and Tamandaré - the first being the flagship of the fleet. The second hosted President Carlos Luz in the crisis that preceded the inauguration of Juscelino Kubitschek, known as the “General Lott’s preemptive strike”. See Julio de Sá Bierrenbach, *1954-1964: a political decade*, Rio de Janeiro, Public Domain, 1996, p.34.

6 Admiral Coelho started in 1959 the first contacts with the US Navy to build in Brazil, with US support, escort vessels better suited to Brazilian needs. See José Carlos Coelho de Sousa, *A History of the frigates*, Rio de Janeiro, Naval Club Publisher 2001, p.8. This book is the main source on the case examined here. It was supplemented with both interviews and questionnaires addressed to the official directly involved in the process, from a list obtained from the naval officers.

which despite its clear limitations, “was, after all, a basis of thought and action to the Navy in its entirety, not just a small group of potential leaders”, which for some officers would have been a plan “beyond political and ideological differences”.⁷

After the 1964 coup d'état, Admiral Mello Baptista replaced Admiral Motta and previous plans were temporarily suspended for having as patron an Admiral who was minister in the deposed regime. The Baptist administration expressed the views of the most radical sectors of the Navy. At the same time, President Marshal Castello Branco appointed former Minister Paulo Bosísio to the place of Marshal Taurino de Resende in the final stage of Investigations General Committee in charge of recommending political and military rights repeals to the ones accused of having ties to the Goulart government. In the context of the time, Bosísio was seen as a moderate.⁸

Soon after, in January 1965, the President brought him back to the ministry of the Navy, amid the crisis between the Navy and the Brazilian Air Force, given the presidential decision to destine the air parcel of the three forces to the Air Force - the so-called “ship aviation crisis” considered by Viana Filho the longest and most difficult crisis faced until then by the President.⁹ According to the chief of staff, the Admiral agreed with change proposed by the President: “For him, the solution met the principle of economy of means, avoiding the existence of aircraft from the Navy and from the Army, and ensured air coverage needed to the surface and sea forces of the Navy, since the planes of the Fleet, although belonging to the Air Force, obeyed the command of the Naval Force, while on operations”.¹⁰

7 Mozart Padilha de Souza, “O Plano Diretor: realidades e perspectivas da Marinha”, *Revista Marítima Brasileira*, 2. Trimester 1971, p.108-114, p.110.

8 Luis Viana Filho characterized him as an “illustrious Navy official”, prudent and moderate and supporter of the measure taken by Castello Branco give the Air Force the exclusivity of carrier aviation, as appropriate action for the rationalizing of means. See *O governo Castelo Branco*, Rio de Janeiro, Biblioteca do Exército e Livraria José Olympio Editora, 1975, vol. I. p. 202. See also John W. Foster Dulles, *President Castello Branco: Brazilian Reformer*, College Station, Texas A & M University Press, 1980, p.78 et seq.

9 See op. cit., p.204. Dated January 6, 1965, US Embassy document to the State Department reported a conversation with Commander Julio Pessoa, a President Castelo Branco’s assistant. To Pessoa, “the President would not be popular in the Navy because he defends the creation of a Ministry of Defense”, but Castelo “does not feel that such dissatisfaction would rise to dangerous levels.” Also according to the American version of the conversation with the Brazilian official, President believed that the Ministry of Defense was an economic necessity and would eventually be created, but considered that the Navy opposition would be able to block it. By then, Castelo wanted to keep the minister Mello Baptista, despite rumors about his retirement. “Airgram n. A-697”, generously given to the author by researcher Carlos Fico.

10 Luís Viana Filho, op. cit., p.203. As result of the presidential decision, the Navy would main-

Notwithstanding, the Navy was in a tense situation. The inauguration of the Minister was marked by a violent speech by his predecessor. Bosísio took over defending the unity: “Two aspects - said while in his inauguration - will guide my administration: union and cohesion within the Navy and the union between the Navy and the other armed forces”.¹¹ Mello Baptista represented since the mid-1950’s the extreme right, more used to politics than to force modernization.¹² In June 1965, the main ally of Motta, Admiral Rademaker, was punished by the new Minister, with the support of significant sections of officialdom. He allegedly made critical comments on the Castello Branco administration.¹³

The inauguration of the former Minister of Goulart turned out to be an indispensable step towards naval modernization. The wider context was given by the progress of administrative methods adopted by the new regime, especially the concept of programme budgeting from the USA.¹⁴ In this context, the Minister Bosísio resumed the aforementioned Director Plan.¹⁵ Aside expertise boards in the Navy, a group was created just to take care of shipbuilding. This group should define, for the first time in Navy history, the type of ships that would be built, and should also budget the acquisition plan for sub-

tain the helicopters and the Armed Forces would be with fixed-wing aircraft.

11 Cited in Viana Filho, *op. cit.*, p.204. Also see Foster Dulles, *op. cit.*, p.114.

12 Former President Geisel recalled in his testimony to CPDOC researchers that the Admiral integrated, since the 1950’s, with his colleagues Rademaker, Aaron Reis, Saldanha da Gama and Mario Cavalcanti, the “group of Dionnes”, the most radical Navy group, referring to the five twins born in Canada. View Maria Celina D’Araujo and Celso Castro (eds.), *Ernesto Geisel*, Rio de Janeiro, Editora Fundação Getulio Vargas, 1997, p.219.

13 *Ibid*, p.142. Rademaker would later be Minister of the Navy of government Costa e Silva, composing in 1969 the military triumvirate that replaced the President when he turned away for health reasons, to the possession of the Médici general. In the government of Médici, he was Vice President.

14 For the Navy, such efforts were “precursors of its implementation in the Brazilian government, in anticipation of the adoption by the Executive”. See Mauro Brazil, “Considerações sobre o Plano Diretor da Marinha”, *Revista Marítima Brasileira*, 2. Trimester 1971, p.115-128, p.116.

15 According to a source from the Navy, “the emphasis on budget discipline and planning as a global instrument of action of the Government allowed it to be reborn as early as 1965 with enlarged prospects. New policies and guidelines had been established, guiding the formulation of Basic Plans. There was determined commitment to give the Plan a permanent structure, by developing a Systematic Detailed and setting up a Coordination and Control Group, subordinated to the Navy General Secretariat”, see Mozart Padilha de Souza, *op. cit.*, p.110. Another author points out that “at the end of 1966, a committee appointed by the then Minister of Marine devoted to the systematic revision in the Director Plan, in order to remove the flaws so far observed and harmonize the Navy plans with the proposed programme budget technique.” In this process, the PD is no longer seen as a document going to be seen as a systematic planning. Mauro Brazil, *op. cit.*, p.118.

mission to the Presidency.¹⁶ Hence arose the Ten-Year Navy Program of 1967. There is no evidence that this plan was linked to any revision of the naval strategic doctrine, then focused on anti-submarine warfare. The factors that originated it were more related to the difficulties posed by the United States to acquire modern equipment, visible especially after the obstacles placed by Congress on military sales to Latin America in the context of conflict between the legislative and executive powers, caused by the Vietnam War.¹⁷ Issues such as the ban on American equipment use against ships from the same source (even fishing boats), and the difficulty of getting spare parts for the old vessels transferred by the US also weighed in the decision.¹⁸

The Ten-Year Program envisaged the construction of 10 frigates, and 13 other types of boats.¹⁹ Regarding the former, the initial guideline of EMA stated that they should already be in service in their marines.²⁰ Shipyards in the Netherlands, Germany and the United States sent visit invitations to the Navy. In July 1967, the then commanders Coelho and Vidigal were appointed by Admiral Rademaker, then minister of the Navy under Costa e Silva admin-

16 Coelho de Sousa, op. cit., p.13-15.

17 See John Roberto Martins Filho, "As políticas militares dos EUA para a América Latina, 1947-1989", *Teoria & Pesquisa*, 46: 101-135, jan. 2005. Indeed, US diplomatic documents since 1966 show a tense climate between Brazil and the US on the issue of armaments. In late 1966, the Embassy of Brazil in Washington document, written in Portuguese and available in the US diplomatic files mentioned "the establishment of restrictions on military aid to Latin America imposed by Law 89-583 of 19 September 1966". See "Aide-Mémoire", Washington DC, in October 27, 1966, assigned to the author by Carlos Fico.

18 For Commander Fernando, finding that the ban could create problems to the fishing inspection activities in Brazilian waters emerged from the so-called "lobster war" conflict by France, in the early 1960's. As for difficulties in the maintenance area, the same source mentioned the practice of the US Navy to move its inventory of parts of ships taken out of service to private dealers, which made the purchase very expensive. Testimony of Commander Fernando Costa to the author, Rio de Janeiro, Naval Club, July 15, 2008. Ludolf Waldmann Junior remembered that, with the lobster war, the US ended up in an unusual situation: either supported France - then part of NATO - or Brazil by the Rio Treaty. Eventually require that Brazil did not use the leased ships. Brazil rejected the demand mentioning the Rio Treaty in its defense. See "Tecnologia naval e política: o caso da Marinha brasileira na era dos contratorpedeiros, 1942-1970", Masters dissertation, UFSCAR, 2013, p.119.

19 For the then captain of corvette Lafayette Paulo Pinto the initial program involved the acquisition of 20 frigates. The official presented comparative tables of the original plans and what was actually approved by the government Castello Branco in em "A Marinha e a construção de navios de guerra no Brasil", *Revista Marítima Brasileira*, 2. Trimester 1974, pp. 19-44. According to the captain Fernando Costa, chief of staff of the head of EMA, Admiral Moreira Maia at the time, the approval of the program was "the last government act signed by President Castelo Branco and was brought to him by the minister Roberto Campos." Testimony quoted.

20 Coelho de Sousa, op.cit.,p.16.

istration, to visit four countries.²¹ In August, at a meeting with the Minister, it is decided to make contact with the US Navy in order to establish the manufacture of two Bronstein frigates in Brazil.

At that time, it started to become clear to the involved officers that the United States, having proved to be unwilling to solve the problem of financing, had no interest in meeting the Brazilian expectations. In this context, the general secretary of the Navy, Admiral Adalberto Nunes de Barros, formed a working group with representatives from all sectors of government that would have to approve the external financing. The working group became then an inter-ministerial commission. In August 1968, a year after the choice of Bronstein, the US had not yet presented a proposal for funding. According to Admiral Coelho's report, the support of Admiral Nunes (now the head of EMA) and Admirals Carlos Auto and Hernani Goulart Fortuna (EMA members) was decisive for the decision to review the idea of acquiring frigates already in use. They decided then to purchase a new design of ship, with equipments identified as state of the art.²²

The decision was a landmark in the history of the Navy.²³ New negotiations with the United States confirmed that the question of funding would not be solved, strengthening the pro-European position of Admiral Nunes.²⁴ With the succession crisis of President Costa e Silva, in September-October 1969, the last decision of the Minister Rademaker was the cancellation of the choice of Bronstein and the breach of the American option.²⁵

Early in the Medici government, thanks to the work of the aforementioned officers, the then Minister Adalberto Nunes drafted an explanatory

21 On that occasion, the Hamilton frigates were examined (USA), Leander (Great Britain), but not Van Speik (Netherlands) and Cologne (Germany), which were not in the port. *Idem*, p.22-25. In this text we will follow the usual naval formality of calling "lieutenants" the initial three stations of career; of "commanders" the corvette captain stations, frigate captain and captain of sea and war and "admirals" the three general officer of the Navy posts.

22 Basically, this meant that the propulsion was the mixed CODOG (Combined Diesel or Gas Turbine), and the frigate would feature computerized naval tactical systems, Ikara rocket launchers, anti-submarine helicopters with MK-44 torpedoes, advanced sonar systems, anti-submarine torpedoes, Seacat anti-air defense missiles. Sousa Coelho, *op. cit.*, p.33-37.

23 For Sousa Coelho, it was over, thus, "with guinea complex, which in the past led to excessively timid and ultra-conservative choices". See *op. cit.*, p.33.

24 Believing in the British diplomatic documents that will be later examined, Admiral Nunes was not only pro-Europe but decidedly pro-British. Anyway, he was a firm supporter of autonomy from the United States. In the inaugural lecture which issued the April 30, 1970 at the Naval War College, he alluded "to the demands imposed by the need to create an effective naval power and of our own (emphasis given by him) - consistent with reality and national possibilities" for defend the optimization of administrative processes. See Mauro Brazil, *op. cit.*, p.116.

25 *Idem*, p. 38.

memorandum requesting authorization to hire financing of up to US\$ 250 million for the purchase of 10 frigates. As we shall see further in the text, in diplomatic backstage, Britain had already presented attractive terms of financing, in the midst of negotiations for the purchase by Brazil of the Oberon class submarines. The President gave the green light. The EMA then approved the data-sheet, sent to shipyards abroad. The subject interested the main European shipyards.²⁶ After further visits to European shipyards, the Navy Material General Direction chose as finalists the firms Vickers, Yarrow, Vosper Thornicroft and Blohm und Voss. It is clear by then that the US\$ 25 million available for acquisitions would be enough only for the purchase of six frigates. In the end, according to the official version of the Navy, the financing conditions were the most important: it was decided that English frigates would be bought, in a negotiation with the Vosper shipyard.²⁷ However, this version should be taken with caution. In large naval acquisitions, this rationality not always prevails. As we shall see, by examining the British diplomatic documents, influential sectors of the Navy had always preferred Vosper.

In June 1970, a Brazilian delegation went to England to inform Vosper of the intention to acquire six frigates. It consisted of Admirals Coelho and Alcantara and members of the inter-ministerial group aforementioned. According to the first, the decision to build two frigates in the country, in response to the shipyard posture, which stated that it had no interest in building more than four vessels to a single client, was an impromptu decision and did not constitute intentional aspect of technological autonomy policy.²⁸ Thus, out of six frigates, four would be manufactured in Woolston shipyard, near Southampton, and two in the Navy Arsenal of Rio de Janeiro (AMRJ). On further examination of the British documentation that aspect would be confirmed.

In August, the final version of the contract was concluded and signed with pomp and a big ceremony, as we shall see in the next part. The deal was

26 In the UK, Swan Hunter, Cammell Laird, Scotts, Yarrow, Vosper Thornicroft and Vickers; in Germany, Blohm und Voss associated with its biggest rival Howaldtswerke-Deutsche Werft; Italy, Vantieri navale del Tirreni and Riuniti, and the Netherlands the Verolme. Ibid, p.40.

27 Idem, p.40-45. For Commander Fernando, “what came here to be traded was not the Mark-10 frigate, but the Mark-11 frigate, which is the class bought by Argentina, Hercules class. This was the project that Vosper was developing with the MOD - I embarked in one of these frigates, Amazon class, project that was purchased and commissioned and worked a long time for the British Navy. The Mark-11 was a little larger than the Mark-10. The difference was more about concept, arms, etc., but it was a project given by the MOD to Vosper. The Brazilian option was the Mark-10 “. Statement given to the author.

28 Idem, p.64-66. To Admiral Armando Vidigal, “the decision, therefore, was not the result of a deliberate attempt to acquire the building technology of these vessels.” See *A evolução do pensamento naval estratégico brasileiro: meados das décadas de 70 até os dias atuais*, Rio de Janeiro, Clube Naval, 2002 p.11.

seen at the time as “the largest made by South Coast shipyards and probably the largest by any British firm”, providing work in those facilities until 1979. A consortium of eight British banks provided the financing of around 100 million pounds.²⁹ The frigate *Niterói* (F-40), which gave its name to the class in Brazil, was thrown overboard in February 8, 1974 and incorporated in November 20, 1976, followed later by the *Defender* (F-41), *Constitution* (F-42) and *Liberal* (F-43). In Brazil, *Independence* (F-44) and the *EU* (F-45) were built later. The names paid homage to vessels that participated in the war for independence in 1822 and 1823. Some might sound ironic, though, given the political regime in Brazil then.

From the United States to the United Kingdom

The purchase of the ships in Britain marked the end of an era. For the first time since the beginning of World War II, ships that would constitute the foundation of the Brazilian fleet were to be purchased in Europe, ending a period of obsolete destroyers transferred to the country by lend-lease.³⁰ One could say that the acquisition of the frigates was a return to the period before World War I, when Brazil purchased the battleships *Minas Gerais* and *São Paulo* in England.³¹ As occurred in the early twentieth century, in the early 1970's, naval purchases constituted an important issue in relations between Brazil and Great Britain.

As stated in his memoirs, the British ambassador to Brazil at the time affirmed that British exports doubled in the passage from the 1960s to the 1970s, and “this was helped a lot by such governmental purchases as, for example, those made by the Brazilian Navy”. In the same book, the diplomat celebrates the restoration of the relation between the Brazilian Navy and the British: “This admirable service is not only modeled very closely on the Royal Navy in matters of uniform but also has a great tradition of buying ships from Britain. When they decided to replace obsolete ships, we were fortunate in having an excellent type of frigate which was just what the Brazilians needed; they also bought three submarines from us”.³²

More than two decades earlier, in early 1948, after selling 130 new

29 “Vosper to sell Brazilian Navy £100m frigates”, *The Times*, September 30 1970.

30 As we shall see, an exception to this rule was the sale to Brazil in the mid-1950s *Leviathan* aircraft carrier, under construction, here baptized *Minas Gerais*.

31 See João Roberto Martins Filho, *A Marinha brasileira na era dos encouraçados, 1895-1910*, Rio de Janeiro, FGV, 2010.

32 Sir David Hunt, *Memoirs: military and diplomatic*, London, Trigraph, 2006, p. 311.

military airplanes to Argentina, the British diplomacy pointed out the new situation: “By this policy of practically giving away war material, it looks as if the US Services Departments had found a means of cutting the ground from under the feet of any competitor and so ensuring that LA shall be re-armed exclusively with US equipment”.³³ The British dilemma as faced in Latin America was resumed by the British diplomacy like this: “Few of the larger countries will want to tie themselves exclusively to the US chariot wheels. The problem for us is to retain a reasonable share of the trade in arms with LA without unduly indisposing the Americans”.³⁴

During the Dutra administration (1945-1950), however, it was not possible to change the new framework. Only with the election of Vargas the British ambassador saw an outlook of improvement.³⁵ However, with the signing of the Brazil-US Military Agreement, in March 15, 1952, it would soon become clear that the new superpower was not willing to allow Britain to regain its former position as arms supplier to Brazil. On the other hand, the obsolete nature of the equipment assigned to Brazil would stimulate the Foreign Office not to abandon their expectations of exporting more modern military equipment for our country. The effort eventually resulted, at the end of 1952, in the sale of 70 Meteor airplanes to the Brazilian Air Force.³⁶ Regarding the Navy, at the same time, the British naval attaché in Rio de Janeiro assessed: “We can not expect the US Naval Mission in Brazil to welcome our competition, but there is no reason why we should lose good business on account of the susceptibilities of the Americans”.³⁷

In March 1945, the Foreign Office stated that it was essential to maintain a naval attaché in Brazil. With the creation of this post, Brazil was able to have its own naval attaché in London.³⁸ However, in the early years after the

33 FO371 / 68277, cited in Moura, “From ‘automatic alignment’ to ‘difficult pragmatism’: shifts in Brazilian foreign policy and Their impact on Anglo-Brazilian military contacts, 1945-1954”, London School of Economics & Political Science, MA International History, September, 1994, p.11. In its report for the period from January 1946 to March 1947, the British air attaché in our country mentioned possible outcomes of contacts to be made between the naval former attaché of Great Britain in Brazil, now representative of Hawker and senior FAB (FO371 / 61215, cited in Leandro Moura, p.12. In the same attaché report for 1949, there were new hopes of sales of aeronautical equipment to Brazil (FO371 / 81290, cited in idem).

34 FO371/61305, cited in Leandro Moura, op. cit., p.9.

35 Commenting an interview with the elected President in October 1950, in which he suggested that Brazil could seek to Europe when it was not attended by the US in its economic assistance and technical expectations. Moura, op. cit., p.12.

36 Moura, op. cit., p.15.

37 ADM166/6065, citado em Moura, op. cit., p.16.

38 Moura, op. cit., p.7.

war, the attaché plowed into infertile soil, though not without better future harvest expectations. In his report on the period from January 1946 to June 1947, he referred to the rumors that Brazil would be interested in acquiring “a small modern aircraft carrier”, seen as “an absolute necessity for the requirements of their Navy,” although nothing concrete had been done.³⁹ In February 1952, Her Majesty’s naval attaché referred to the Brazilian interest in fulfilling its shipbuilding program, which, in the view of the Brazilians, could “re-establish the political tradition of having units of the Brazilian Navy built once again in the British shipyards”.⁴⁰ The program cited included the purchase of two light cruisers, one or two aircraft carriers, 6 destroyers and 10 minesweepers.

Indeed, the late 1952 marked the exchange of letters between the naval attaché in Rio de Janeiro, H.C. Ranald⁴¹, and various government departments in London - Foreign Office, Admiralty, Ministry of Defence, the Treasury Department - on the subject of selling six destroyers and the competition posed mainly by France, which would be willing to conduct business with the use of “barter with compensation”, which means that a part of the payment would be received in the form of goods, an option not offered by the British government. At that time, the attaché also considered as competitors of his country the Netherlands and the US. Three British shipyards - Armstrong, Yarrow and Samuel White - joined forces to present a proposal to Brazil⁴², but negotiations did not progress and the program was canceled.

In April 1954, the British Embassy in Brazil acknowledged the discussed terms. In the letter accompanying the British attaché’s annual report, the Ambassador in Rio de Janeiro, Sir Geoffrey Thompson, admitted that, in his opinion, our Navy had no strategic relevance whatsoever to the Queen’s

39 Moura, op. cit., p.12. Ludolf Waldmann noted that, in 1944, Getúlio Vargas urged the United States to transfer two aircraft carriers. It is the first time the acquisition of that ship appears from the then minister of naval program of the Navy, Admiral Alexandrino, in 1922. Then, in his ministerial report of 1945, Guilhem Admiral presented a naval program that included the acquisition of two passenger ships airfields Independence class by US transfer. See op. cit., pp. 86-88.

40 ADM116/6065, citado em Moura, op. cit, p.14.

41 In a document from 1954, there is allusion to this oficial as naval, military and aeronautic attaché.

42 At the time, the usual accusations of corrupt practices in the negotiations were made by attache: “The most important fact that has come to light since my report of November 4 was the agreement by the three British agents to divert one percent of the contract value for the man who is in a position to advise the Minister of the Navy on the proposal to be accepted “(HBM Naval Attaché, Rio de Janeiro to The Director of Naval Intelligence, Admiralty, 10th December, 1952). See offices in ADM 1-23976, *Sale of British warships to Brazilian Navy*.

plans, “since the United States had undertaken the primary responsibility for the reorganization of the defence of this part of the world”. As he concluded, “at present, therefore, the Brazilian Navy is primarily of interest to us as a possible market for the sale of British warships and auxiliary vessels”. Then the ambassador summed up the general framework of Anglo-Brazilian naval relations after the signing of the Brazil-US military agreements:

The chief difficulty in offering to sell ships and other naval equipment to the Brazilian navy is that the United States, who are anxious to keep the Brazilian Navy closely tied to their own, are likely as soon as they hear of British competition to offer similar equipment at knock-down prices and if they do there is nothing clearly that we or any other European power can do about it. Nonetheless, I think that it is worth while for us to continue to make bid as occasion offers, since it is always possible that the Brazilian navy may place an order in the United Kingdom, and, if or when this occurs, we benefit economically and also earn some small dividend in a slight increase in influence.⁴³

Finally, Ambassador talked about the good relations between the two Navies, using as an example the Brazilian good will to allow in their ports the stopover of British ships in transit to and from the Falkland Islands, unlike what happened with the Chilean Navy, and obviously, with the Argentinian. In a report of the end of March 1954, the attaché expressed the dismay of a naval force, which had already been the most powerful in the world and now had to content with a subordinate place against the US naval power:

The Navy is very pro-British and has a great respect and admiration for the Royal Navy and its traditions. The Brazilian Navy would like to model itself on ours because it realises that apart from tradition and experience our methods are very economical in manpower and therefore more suited to Brazil’s needs. In the circumstances this is not possible and the Brazilian Navy is now heavily indoctrinated with American ideas.⁴⁴

Nevertheless, the beginning of 1954 marked the question of the possible purchase of a light aircraft carrier by the Navy of Brazil. The strategic

43 “British Embassy, Rio de Janeiro, to Anthony Eden, Foreign Office”, April 12, 1954. FO 371-108850, Annual reports for 1953 and 1954 for Brazilian Navy. In the report of March 31, 1954, the attaché showed concern and rumored about offers from France (destroyers and aircraft carriers), Netherlands (destroyers), Japan (aircraft carrier), Italy (submarines) and the United Kingdom itself (the six vessels mentioned above and “incomplete hull of the Leviathan light aircraft carrier”).

44 “Naval attaché, British Embassy, Rio de Janeiro to British Ambassador, Sir Geoffrey Thompson”, FO 371-108850.

reasons for the acquisition were explained to the Foreign Office by the British ambassador in Rio de Janeiro:

The chances of this going through still seem remote, but from the political point of view it should be born in mind that that Brazil is very anxious to achieve a status of a major power and that the addition of an aircraft carrier to the Brazilian fleet would contribute substantially and strikingly to this end and would enable them to be one up on the Argentines.⁴⁵

Indeed, in January 1954, the British naval attaché reported to the Department of Naval Intelligence in London contacts from the EMA in order to probe the British Navy on whether to offer the aircraft carrier Hercules to Brazil.⁴⁶ For the attaché, the main reasons for this option were: 1) that such a ship would be essential for a modern Navy; 2) prestige (not acknowledged); 3) the quality of British ships; 4) the affordability of Hercules; 5) the possibility of extending the payment period.⁴⁷ According to the British official, the head of EMA, Admiral Atila Monteiro Aché, urgently needed a letter from the attaché explaining the offer of Hercules, which he intended to present to Minister Guillobel, as part of a document that exposed points that should be changed in the Ministry policy, in the view of the EMA Admirals. The attaché's response once again brings to light the Anglo-American naval tensions: according to the British official, he explained to the Brazilian Admiral that if the Admiralty authorized him to write the letter, it would be implicit that the letter "would not be used as a red cloak to infuriate the American Bull into offering a Carrier free, or cheap, or on loan for 20 years as I have heard rumours of such proposals".

In response, the Brazilian Admiral supposedly said that the US never

45 "British Embassy, Rio de Janeiro to American Department, Foreign Office", January 8 1954. FO 371-108849, *Negotiation for sale of aircraft carrier to BN*.

46 The ship was valued at £ 2 million in state he was in. It was expected that over 4 million pounds would be needed to complete it, which should only occur in late 1957 as the attaché claimed to have unofficially reported to the Navy Brazilian months before.

47 According to the attaché, the messenger of the EMA was the Director of Naval Aviation, Admiral Olavo de Araujo, for whom Guillobel Minister was becoming "too political, despite of the real interests of the Navy." The main point of attack was the construction of numerous naval bases, even if the Navy had no ships to use them, rather than the acquisition of 10 helicopters and aircraft carriers. For the attaché, the revelation of these differences was much more than expected to hear. "Naval Attaché, Rio de Janeiro, to The Director of Naval Intelligence, Admiralty", 11th December 1953. For a defense of the construction of these bases ("for the future strength, own a great naval power and not to the current Brazil"), see Renato de Almeida Guillobel, *Some assessments of the naval administration*, Rio de Janeiro, Naval Press, 1959, p.16. The bases in question were built in Val De Cans (Pará), Recife, Natal and Aratú (Bahia).

would provide the carrier to Brazil, for they had already made clear that, in their view, “Brazil did not need naval aviation, let alone an aircraft carrier”. Such a statement would be anchored in the American strategy to get Brazil only to escort convoys from its coast, to the Caribbean, leaving the rest to the US Navy and would be seen by Brazilians as a “selfish and arrogant” attitude. For His Majesty’s attaché, “the Brazilian Navy does not want to be treated purely as a naval tool of the U.S.A. and considers that Brazil must be suitably armed to fight private wars if she wishes to do so, without American help”.⁴⁸ Finally, the attaché gave an assessment of Guillobel minister’s stance, divided, in his view, between the desire to mark his administration either for the purchase of the desired carrier or for the pressures of the head of American naval mission, Admiral Whitehead, as part of shortage of reserves, which put the Ministry of the Navy against the Ministry of Finance.

The attaché’s office requested approval of the Admiralty and the Office for him to write the required letter, and concluded alluding to air material purchases that should follow the purchase of the carrier. A few days later, the embassy in Rio de Janeiro wrote to the Foreign Office warning that the delay in response placed the attaché in bad situation with the head of EMA. Demonstrating the importance that the British government gave to the sale, London’s answer came out immediately: “You may tell Brazilians that Leviathan is available.”⁴⁹ Three weeks later, the embassy informed London that in February 4, President Vargas had authorized the Minister of the Navy to buy the Leviathan at a cost of 7 million pounds.⁵⁰ This was followed by an intense exchange of correspondence between Rio and London given the fact that the correct price was 9.9 million pounds, which shocked the EMA. Finally, in February 25, 1954, the Brazilian Navy received the Admiralty’s memorandum formally offering the ship.⁵¹ In December 1956, already in the Kubitschek ad-

48 In 1969, a US report would state that the Brazilian naval force had expectations of becoming a small force, but a modern one, and mentioned the opinion of at least one top naval officers, for whom “Brazil’s Navy officers could not sit on the beach and watch US Navy units patrolling its waters.” See US Department of State, Director of Intelligence and Research, Research Memorandum, RAR-14, August 25 1969. Ten years earlier, the holder of the Navy folder on the second Vargas referred to the commitments made by Americans during World War II , “of which, with the passage of time, and well according to your usual procedure for us, they so easily forgot.” See Guillobel, op. cit. , P.6.

49 “From Rio de Janeiro to Foreign Office”, January 15 1954 e “From Foreign Office to Rio de Janeiro”, January 15, 1954. FO 371-108849.

50 “From Rio de Janeiro do Foreign Office”, February 9, 1954. FO 371-108849.

51 “Admiralty to the Foreign Office”, 25th February, 1954. In March of that year, the Admiralty, making the reservation that it should be heard in the choosing, listed the shipyards in the UK with experience in building aircraft carriers, which could finalize the Leviathan: Harland & Wolff (Belfast), Vickers Armstrong (both in Barrow as in Tyne), Fairfield, Swan Hunter &

ministration, the acquisition of a ship of the same class, the *Vengeance*, here baptized *Minas Gerais*, was completed.⁵²

In the new British Naval attaché's report for the year of 1954, besides reporting positive changes occurred in the command of the Navy after Getulio Vargas's suicide, talks about the alleged desire from a part of naval officers to escape the straitjacket of US aid returned: "There is a growing feeling amongst a number of Brazilian Naval officers, in particular the more far seeing Captains and Commanders, that they should once again model themselves upon the Royal Navy rather than upon the Navy of the United States". To the official, the Brazilians resented the wasteful methods from the US Navy, and showed themselves susceptible in front of the arrogance of the Americans, who seemed likely to dictate the direction of the Brazilian Navy. However, he admitted that any change in the current situation could only be gradual and would depend on a reduction of size of the US naval mission in Brazil.⁵³

The Anglo-American tensions reappeared in 1963 when the British naval attaché in Rio de Janeiro received the request of the firm Shorts, from Belfast, who had been contacted by the Brazilian Navy, interested to know whether the missile *Seacat* could be installed on destroyers assigned by the USA. Consulted by the Foreign Office, in May, the Admiralty replied that "in general, it is not our policy actively to promote missile sales to Latin American countries", but "as regards SEACAT for Brazil, it would be difficult to refuse a direct request for its sale if a firm order where to be placed". It was suggested that the information should be provided without greater commitment, with the warning that some consideration should be given "to U.S. susceptibilities on this subject", once "their policy statements indicate that they are opposed to the export of sophisticated weaponry to Latin America countries". The document concluded with doubts about whether Brazil was able to buy the missiles, given the political and economic instability of the country.

In September, Shorts Brothers warned the authorities that it had received an urgent request from Brazil to present a proposal of sale of the *Sea-*

Wigham, Carmell Laird, John Brown, Alex Stephens & Sons and Hawthorne Leslie. See "Foreign Office to Naval Attaché", 15th March, 1954. FO 371-108849.

52 Ludolf Waldmann Júnior, *op. cit.*, p.110.

53 The report is signed by the master J.C.Cockburn. Unlike the praise made by former attaché to the Minister of Marine Vargas, Renato de Almeida Guillobel, Cockburn depreciates him, praising the new minister, Admiral Edmundo Jordan Amorim do Valle, appointed by Café Filho. See "Naval Attaché, British Embassy, Rio de Janeiro, to British Ambassador", December 23, 1954, FO 371-108850. The captain of the British Navy is equivalent to our captain of sea and war.

cats. In the following month, Ambassador Fry himself argued that the deal would be hard to refuse, given similar contacts with Chile and Argentina, but the internal situation in Brazil, “which some believe is now near to civil war”, could be an obstacle. The diplomat reminded that the weapons in question were basically defensive and that the Americans would not like it, but neither did the British government like it when they sold to aircraft the Australian. In 23 October, the Embassy reported that a group of Brazilian officials would visit the firm in Belfast and called for a clear position of London on the sale. The response of the Foreign Office came a week later:

For the moment, we cannot go further than the present formula that Shorts may tender subject to the approval of the UK government to supply. The Americans still take the view that Seacat contains American know-how and that we cannot release them to a third power without their permission on security grounds. Although we are in effect sidestepping their objections in the case of Chile, the Americans had not yet yielded.

The dispatch concluded with the observation that if a firm order from Brazil was presented, it would be necessary to consult the Americans and, “if the reaction is negative, take a decision whether we can ignore American objections”.⁵⁴ With the advent of the military coup in Brazil, the deal was postponed. Finally, the country lowers its original ambitions to buy three Seacats missile stations, to be installed in Minas Gerais, and bought only one unit, which was installed in 1966, in the destroyer *Mariz e Barros*.⁵⁵

In September 1965, the Arms Working Party, inter-ministerial organization overseeing arms sales in the British government, discussed the information from the naval attaché in Rio de Janeiro that the Brazilian Navy was interested in acquiring 12 antisubmarine frigates. For the attaché, Brazil would build the hulls and buy engines and equipment in the UK. At the time, the AWP discussed the objections of the Treasury, based on the economic situation in Brazil and the assent of the Foreign Office, according to which if the UK did not sell to Brazil, another country would do and the British Navy was interested in selling ship to our country.⁵⁶ In 29 September, the British Embassy reported to London that a representative of Yarrow made in Rio de Janeiro a presentation of a frigate to the Shipbuilding Committee of the Brazilian Navy. At the meeting, the Brazilians have confirmed their interest in 12

⁵⁴ About the dispatches referred to in this paragraph see FO 371-167927, *Supply of arms to Brazilian Navy*, 1963.

⁵⁵ Ludolf Waldmann Júnior, op. cit., p.127.

⁵⁶ “Extract from the minutes of Arms Working Party Meeting of 2-9-65”, FO 371-179273, *Construction of Yarrow Frigates in Brazil*.

antisubmarine frigates and suggested the British firm to present a proposal for sale. According to this source, the Brazilian Navy officers were interested in building one ship in the UK and the rest in Brazil, and mentioned the Mauá, Verolme, Ishikavajima shipyards, besides the Navy Arsenal itself. The representative of the English shipyard would have supposedly visited these firms.⁵⁷ The subject returned to the AWP later that month and it was decided “to invite the Navy Department to continue their negotiations with the Brazilians and to report developments to the Arms Working Party before entering into any firm commitments”.⁵⁸

The British and the frigates sale

It took four years so that indications would come up that the laboriously maintained contacts after World War II were about to give more concrete results. In 1970, the British defense attaché, by introducing his annual report for 1969, after noting that the presence of the United States “has also largely dictated Brazilian choice in the organisation and equipment of their Armed Forces”, announced: “There are now signs that the Brazilians want to look elsewhere”.⁵⁹ To the official, given the limitations of the national technology, the Armed Forces would be breaking free of the American straight-jacket. For instance, in the naval plan, there would be orders for two submarines of the Oberon class, built by Vickers in Barrow-in-Furness, here baptized Humaitá and Tonelero. Later in the same document, it was stated that relations with the US Navy would be “on the whole, good but there are signs of growing impatience with avuncular patronage”. Relations with the British Navy were seen as “very cordial”.

57 “British Embassy to Foreign Office”, 29 September, 1965, FO 371-179273.

58 “Extract from minutes of Arms Working Party meeting of 28/9/65”, FO 371-179273.

59 “Report on Brazil Armed Forces”, FCO 7-1512, 1969. Later, he complimented: “The services will continue to be oriented USA and, one suspects, irritated at the same time”. On the American side, in early 1968, a letter sent to the Secretary of State in charge of the Latin American region suggested that he informed the Brazilian ambassador, Leitão da Cunha Vasco “the difficult problems we are facing with Congress due to acquisition certain types of military equipment by Brazil and other countries in the Hemisphere”, while states: “We are hopeful that we can have a favorable determination soon, which will allow cooperation with Brazil in the construction of two destroyers of Bronstein class.” In the same text, it is clear that the American concern was the purchase of Brazilian jets in other countries, given the difficulties to acquire the F-5 Americans, suggesting to the Secretary to make clear to the ambassador that “all of our aid program external will be seriously affected by the Brazilian decision.” See ARA Covey T. Oliver to The Secretary, “Briefing Memorandum”, March 22, 1968, also assigned to the author by Carlos Fico.

However, the most important was the selection of frigates from particular requirements, which, as expected by the attaché, British industry would be able to attend. In the part of the report dedicated to the Brazilian Navy, the attaché wrote down: “It is expected that during the 70’s about 50% of the present fleet will be scrapped while 56 new vessels should be commissioned”, and described the beginning of the acquisitions planned by the Ten-Year Programme 1967-77, featuring orders for two minesweepers *Schutze* and the start of construction of six patrol boats in the Arsenal of Rio Navy, besides the rumours of modernization - with new electronics and possibly with missiles – of the aircraft carrier *Minas Gerais* and cruisers *Tamandaré* and *Barroso*. In the report body, the official reaffirmed the same: “there is the prospect of the UK selling a frigate design”. And he stated: “‘First of class’ construction would be in UK - thereafter the remainder would be made in Brazil, possibly with outside assistance”.⁶⁰

It also said that the decision on the frigates was delayed by the departure of President Costa e Silva, in August 1969 (due to a stroke). With the tenure of General Medici, there were signs that the new Minister of Navy, Admiral Adalberto Nunes de Barros had urgency to resolve the issue. However, he recognized that the choice was complex because it involved financial terms offered by the supplier nations, in this case the United Kingdom, the United States and Germany.⁶¹

For the British, the Navy was divided between two “schools of thought”, presented as follows: “The conservative one urging the selection of a well tried conventional design, and the more realistic on which wants to buy a modern design with a reasonably long expectation of useful life”.⁶² For the British officer, there were no significant political divisions in the Navy, summing up the internal tensions to possible conflicts of personalities.⁶³

60 FCO 7-1512.

61 In the list of finalists, there were Bronstein, Leander, Köln, Mackenzie, Type 21 and Yarrow Mark 8. For a detailed description of the basic design of this frigate (Mark 1), see the probably paid article “A fragata Yarrow”, published in the journal *Revista Marítima Brasileira*, 2. Quarter 1970, pp.126-133.

62 In the diplomatic documents exchanged between Rio and London, starting in July 1970, referring to the final financial arrangements for the sale of the frigates, one of the arguments used to convince London’s financial authorities on the need for flexibility in negotiations was the presence of a supposed “British faction” in the Brazilian Navy, which prefer “to order from countries Whose industry is strongly established locally”. See “Britnavatt, Rio de Janeiro to MOD”, 31 July 1970 *Naval sales from United Kingdom*, FCO 7-1511.

63 In his assessment, the Brazilian naval force admittedly had superior preparation than other Latin American navies, but the obsolete floating material harmed their performance. The Navy was considered as the most efficient of the three Brazilian armed forces.

In the mid 1970's, at the final stage of financial terms adjustments, there were intense exchange of telegrams between the embassy and several British government departments (besides the Foreign and Commonwealth Office, the Ministry of Defense and the Export Credits Guarantee Department, and Treasury, which sent a representative to Rio) focusing on issues such as the increase of the maximum established for British exports to a particular country, the inclusion in the funding of costs of frigates to be built in Brazil, the inclusion of the funding of the Australian missile Ikara, and the total period of payment by Brazil. There were tripartite negotiations involving the ECGD, the Vosper's shipyard, and the Finance Ministry and the Navy in Brazil, represented by Admiral Alcantara (Director General of Naval Material). In correspondence, the embassy insisted that the business of frigates was the largest made by the UK in recent years and that Brazil had increasingly solid economic and financial conditions. According to Brazilian sources, it involved 98.65 million pounds, and the fourth English frigate delivery time would be 351 weeks from the date of January 8, 1971.⁶⁴

It is clear from the documentation that the idea to build two frigates in Brazil originated in Vosper's lack of interest in compromising its shipyard with the construction of six ships for just one client, as well as the impossibility of another English shipyard (Vickers, mainly, whose representative in Rio also participated in some of the talks) to take part in the order. Still, resurfaced allusions to different positions within the Navy. In a telegram from the beginning of August, Ambassador Hunt reports to London the results of the aforementioned negotiations, saying that because of the ministerial decision by the formula 4 + 2, there were two streams of opinion in the naval force: on the one hand, older admirals denoted "strong preference" for the construction of all six frigates in the UK; on the other, there was "a small group of opinion, basically composed of young officers, to promote local construction because of nationalist reasons." The letter concluded: "In the absence of any offer to build ships NOS 5 and 6 in the United Kingdom, the Navy resorted to local construction as the only solution which would allow one submission to the minister of finance in the near future".⁶⁵

Another important theme to be addressed in the same telegram was the need of the MOD to act more decisively towards the Vickers firm, for it to manifest as soon as possible about its interest in building the two frigates, so this issue could come to an end. It was clear at that time that the shipyard Vosper was only concerned with the four frigates under its responsibility, not

64 Fernando Moraes Baptista da Costa, "Fragatas classe *Niterói* – 25 anos depois", *Revista Marítima Brasileira*, I. Trimester 1997:111-137, p.112.

65 Telegram from Sir David Hunt to ECGD, 4 de agosto de 1970 em FCO 7-1511.

caring whether the other two would be made in Brazil or in the UK. The broader interests of the British government and the most immediate targets of the shipyards were quite clear.

Indeed, the British diplomacy had clear interest that the six ships were made in the UK. According to the ambassador, the Minister of the Navy's decision to make two ships in Rio de Janeiro represented "a less satisfactory position for us than the total supply, both military and tradewise."⁶⁶ However, once the decision to do two frigates in Rio was taken, there was an attempt to convince the financial experts in London to rethink the negotiations, describing the differences within the Brazilian government, divided, he said, between the clear choice of the Navy in favor of the UK, and the arguments of the Brazilian economic area, mainly the Finance Minister Delfim Netto, on whether to consider other suppliers.

The possibility of reopening the bidding constituted a strong argument from the Ambassador to convince the trade officials to give in on minor points. Vigorous supporter of diplomacy as the preferred vehicle of the commercial interests of his country, Sir David Hunt made clear his position on the importance of giving in to close the deal, "particularly when we consider that this would be a massive military engineering and technical consolidation of the trading bridgehead we have just recently established after a long time out of the market in these latter areas".⁶⁷ On the same day, the diplomat wrote to the Foreign Office:

The frigate deal is not only important in itself because of its size, but it is, in my view, the biggest single factor which will swing the decision whether we succeed in regaining our old position in Brazil. The Navy's decision to come to us for their re-equipment has tremendous economic and political consequences.⁶⁸

Referring to the good condition of the Anglo-Brazilian relations in the early 1970's, he would claim some time later: "All this was much to my taste because, for some years now, I had been convinced that economics were really more important than politics". And completed: "As I used to say to my staff: 'It is trade that pays for our salaries'".⁶⁹ Soon after, the British Treasury

66 *Idem* in FCO 7-1511.

67 *Idem*, in FCO 7-1511.

68 See telegram of 6 August FCO 7-1511. Twenty days later, celebrating the closing of the deal, Sir David Hunt wrote to FCO: "There should be a lot of naval sales to come, apart from the inevitable replacement business." See telegram of August 25, 1970 in *idem*.

69 See Sir David Hunt, *op. cit.*, p.311.

Department gave the green light for the funding, with payment deadline of eight years, “as long as the contract is signed immediately.” On the same day, the ambassador in Rio referred to the desire expressed by Admiral de Sousa Coelho, appointed head of the frigates acquisition commission in the UK. His desire was that before the signing of the Memorandum of Understanding, the MOD advised the Navy in their subsequent relations with Vosper shipyard service that would be paid by Brazil.⁷⁰

From there, the embassy became concerned in convincing London on the need to meet national expectations about the pomp and ceremony of signing the contract. “The Brazilian Navy attach considerable historical and emotional significance to this transaction which is the first major phase of the modernisation of their fleet”, said Hunt. And advised: “I support their attitude: the decision to by British was not an easy one for them in view of their close relationship with the United States”. Based on this, the Ambassador suggested “that formal signature take place in the most impressive of circumstances you can arrange”, referring to the possibility of a meeting with the Queen.⁷¹

London, however, doubted that the involvement of the royal family was practicable, given scheduling difficulties (it would be the Monarch vacations) and the level of the Brazilian authorities. In 21 August, the Ministry of Defense supported the position of his colleagues in the FCO. In the end, the contract was signed in 29 September at the Admiralty House in London, attended by the Minister Delfim Netto and the Minister of Defence, and the high command of the Navy from that country.

Arms and foreign policy

In his report sent shortly after to London, Ambassador Hunt evaluated in triumphal terms the size and prospects of the business. Alluding to the sale of submarines, a year earlier, he said: “These two transactions, in addition to contributing massively to our growing exports to Brazil, should also if properly handled establish a dominant British technical influence in the Brazilian Navy for the next twenty years”. Further, he described the historical trajectory of the Brazilian option for the British ships, citing the difficulties posed by the Americans to the most obvious option from Brazil to use their resources

⁷⁰ See telegram of 6 August FCO 7-1511. Totalling over 100 million pounds, the payments would be made every six months, in sixteen installments, the equivalent of 80% of the total price, starting on 01/04/76 and ending on 10/01/83. See telegram of August 26, 1970 in FCO 7-1511.

⁷¹ Hunt to Foreign Office. October 5, 1970 in FCO 7-1511.

to get the Bronstein frigate. Also alluding to the success of the official visit of Queen Elizabeth to Brazil in November 1968, accompanied by two Leander frigates of the Royal Navy, followed next year by the visit of a British squadron, which included two submarines of the Oberon class, the same class as those that would be built for our navy.

According to the ambassador, later negotiations on the purchase of submarines of this class included the proposal of binding the signing of the contracts “to a promise of advantageous financing for frigates and components supplied from Britain including local cost credits for some Brazilian construction” by the office of the British Embassy business. The proposal would have been formalized with the Brazilian Ministry of Finance on March 18, 1969 “in a lettre handed to Admiral Adalberto Nunes, then Chief of the Brazilian Naval Staff”.⁷²

The balance sheet was marked by vainglorious assessment of the Ambassador about the prospects opened up by the purchase of the frigates by the Brazilian Navy. He said: “The decision to adopt British designs as standard for the largest units in the new Brazilian fleet involves a decisive switch from U.S. to Brazilian standards and equipment not only in the ships themselves but in armament, supporting services and training systems”, what could mean “a proliferation of British export opportunities in many fields outside those covered by the main contracts”. “No less important”, he continued, “will be the renewal of close contacts between the two navies”, that could already be seen in the process of building of the submarines. “If we handle these opportunities well the next generation of Brazilian naval officers should speak English with the accents of Southampton or Barrow just as, almost to a man, as the present Captains and Commanders speak it (when they speak it at all) with those of Brooklyn and Newport News”.⁷³

Such hopes were not limited to the naval sphere. For Sir David, “these contacts may assume increasing political importance” in the tables of Brazilian tendency towards a “Southern Hemisphere Strategy”, which would involve

72 See *idem*, p.5. It should be noted that this part of the negotiations is a new element, not mentioned until today in the official history of the Brazilian Navy. In the same document, Sir David Hunt mentions a story in which German option was impaired during the visit of German ships to Brazil. On the occasion, when asked by Brazilian officials of how he evaluated his frigate, the captain of the German navy would have referred disparagingly to Köln frigates. See *idem*, p. 7.

73 As usual in the British diplomatic documentation, the Ambassador refers ironically to the limitations of the country where he is headquartered. For him, Vosper's firm had to be commended for the patience with which negotiated with the Brazilian officials, what ensured success “for understanding that they should fulfill the formidable task of teaching Brazilians to build warships.”

collaboration between Brazil, Argentina and South Africa, possibly being later extended to other nations such as Australia. In the diplomat's view, although registering that such a strategy did not make much sense in terms of defense, it would interest the British, which could futurely provide frigates to these countries. The British representative concluded his enthusiastic assessment with special treatment recommendations to the Anglo-Brazilian relations. For those to work, it was necessary that his country imitated in some respects the American model of offering multiple advantages in military equipment negotiations.⁷⁴

In fact, in subsequent years, the relationship between the two Navies was seen as one of the crucial aspects of relations between the UK and Brazil. Thus, writing to the Ambassador of Her Majesty in Brazil, to thank his annual report for the year 1974, the head of the Latin American Department of the Foreign and Commonwealth Office, Hugh Carless, remembered:

The continuing connection and cooperation between the navies of Britain and Brazil form an important strand in the Anglo-Brazilian relationship. We should therefore be glad to have from you in due course a summary of your views on the role and future of the Brazilian Navy and the possibilities open to us for maintaining and possibly improving the good relations that now exist in the naval sector.⁷⁵

Thus, the diplomatic documentation left no doubt about the importance of the frigates business for the British government, largely derived from the relevance of the naval defense industry in the economy of that country. As pointed out by the Dutch Sami Faltas, in his analysis of the European armaments market in the period between 1960 and 1980, unlike the United States and France, where prevails the aerospace industry, "in Britain and the Netherlands, and to a lesser degree in Italy and the F.R.G., the naval industry can be a more useful approach to the armaments industry as a whole. Its relative importance is larger in these countries and it is commercial and outward-looking".⁷⁶ For him, until 1960, only Britain could produce their own ships, an aspect that has changed significantly in the following decades, with the development of the shipbuilding industry in several European countries. In this context, the British competitiveness comparatively decreased. At the same time, there was a clear internationalization of markets since the late

74 On the Brazilian side, the negotiation ended with the award of the Order of Naval to Merit Ronald Dickinson on 26 November. He represented the British government in negotiations with the Brazilians.

75 See FCO 7-2761.

76 Op. cit., p. 18.

1960's.⁷⁷

But the most important to note is that the sale of warships is a State decision, in which politics and economics are closely linked. As noted by Fal-tas:

Foreign policy considerations and other political factors affect every single decision to import or export warships. Buyers and sellers can use arms sales negotiations to reinforce or challenge existing spheres of influence. Negotiations on arms sales are regularly linked to other types of negotia-tions on political military or economic relations.⁷⁸

The same author emphasizes that arms negotiations are a two way street:

The major arms-supplying states use arms transfers to increase their in-fluence on other states, both inside and outside their sphere of influence. For their part, arms importers use negotiations on arms deliveries either to enlist or enlarge the support of a major power for their policies, or to become less dependent on a single supplier. Buying one's military equip-ment from various suppliers makes one less susceptible to pressure from any single source.⁷⁹

In this effort, of course, these countries were not looking for nuclear submarines or large surface ships. Sales hereby referred relate primarily to smaller ships: conventional submarines, destroyers, frigates, corvettes, fast attack equipment, minesweepers, amphibious ships and coastal patrol, etc.⁸⁰ It is worth noting, however, that purchases of escort ships were still divided half and half between the material used and new material, even in the late 1970's.⁸¹ In the buyer's side, there were fewer countries able to acquire escort ships than smaller attack boats. In the supplier's side, in the early 1970's it begins to consolidate the trend of concentration of new warships industries in

77 *Idem*, p.30-31, p.52 and following pages.

78 *Idem*, p.58.

79 *Idem*, p.59.

80 The same author thus describes the market share of these types of vessels in the period of 1960-1980: 10% for conventional submarines; 28% to escort vessels; and 61% for fast boats. *Op. Cit.*, p.66.

81 "In the field of destroyers, frigates, and corvettes, we find little evidence of change in modes of procurement throughout our period (1960-1980)". And continued: "It is interesting to note that imports of used warships in the late seventies still accounted for more than half the overall demand for escort warships in the outside market, whereas domestic construction and new imports maintained a comparatively small share of the market". *Op. cit.*, p.67.

Western Europe, where the technology contained in these equipment would be originated. At the same time, exports are the mainstay of European military shipbuilding industry. According to the quoted author, “without warship exports, most naval industries could not continue at their present capacity, and several could not survive at all”.⁸² Another important trend in the supplier side in the period examined is the technology “transfer”, more precisely the manufacture of some ships of the same class in shipyards located in the purchasing countries:

the period under review saw an increase in the number of transfers of warship-building technology from one country to other, an increase in the number of countries exporting such know-how, and an increase in the number of importing countries. An international market for warship-building technology seems to be emerging”,- said Faltas referring to the 1970’s.⁸³

In the first three post-war decades, the number of countries that built the aforementioned types of ships has significantly increased (from 9 to 37). As a result, the share of European suppliers in this market of warships technology “transfer” would rise from 10 to 70 percent during this decade, especially West Germany, whose share rose from nothing to 40 percent, with production mainly submarines and fast attack vessels.⁸⁴ Some specifics mark the German naval industry: a long tradition in the construction of submarines and other vessels; independence from the state and, to a lesser extent, restrictions on the export of military equipment. Nevertheless, a key factor in the German success was the willingness of its shipbuilding industry to satisfy the desire of buying countries such as Argentina and Turkey, of manufacturing their submarines locally.⁸⁵ At the end of the decade, the importance of this type of business had grown to a point in which European marines changed their own equipment with an eye on its attractiveness to foreign buyer merchants.⁸⁶ Another topic to be discussed is the growing importance of the equipment in shipbuilding. Europe was also able to maintain hegemony

82 *Idem*, p.69.

83 *Idem*, p.73.

84 On the demander side, while in the 1950s countries such as Brazil did not receive virtually no technology “transfer”, in the late 1970’s, at least half of these businesses went to countries without advanced shipbuilding industry. Among them, there were Argentina, Brazil, Colombia, India, Ireland, Malaysia, Peru, Portugal, Singapore, South Africa, South Korea and Turkey. *Idem*, p.75-77 and note 14, p.95.

85 *Idem*, p.79.

86 It was the British case of Type 2400 submarine and Type 23 frigates. *Idem*, p.83 and footnote 29, p. 96

in this area, but in this case the difference between the weapons and other equipment installed on their ships and installed on boats sold to foreign navies produced scale problems in European shipbuilding production, which shall not be minutely detailed hereby.⁸⁷

The British were particularly willing to meet the demand for Navies such as the Brazilian for advanced technology frigates, for its own Navy had demanded such ships in previous years. Indeed, as NATO sought opposing to the Soviet Navy, it was especially relevant for the British shipbuilding industry to build escort ships.⁸⁸ Some authors attribute this characteristic to the post-war economic situation - which led this country to focus on more affordable alternatives - besides the naval strategy reasons: the prevailing belief, then, in the supremacy of air power, leading to emphasis on aircraft carriers, which needed escort vessels.⁸⁹ Anyways, most of the ships produced in British shipyards during this period were frigates. This was the context in which the British developed the aforementioned Leander frigates, made between 1961 and 1971, and considered a landmark to this type of ship.⁹⁰ Hence, the early interest from the British government in strengthening its naval industrial park by selling frigates to countries such as Brazil. The fact of belonging to NATO, of course, did not mean that Britain did not actively compete with its allies in the search for markets for their ships.⁹¹ Finally, Brazilian purchases may have contributed to the brief peak of British naval military exports in the early 1970's.

87 Faltas, op. cit., p.160.

88 As recalled by Eric Osborne, referring to the period of 1955-1967: "The naval power with the greatest output was Great Britain. In this period, destroyers and frigates smaller came to represent the majority of the British surface fleet". See *Destroyers: an illustrated history of their impact*, Santa Barbara / Denver / Oxford, ABC Clío, 2005, p.139.

89 To the author, "rightly or wrongly, the main objective of NATO doctrine appears to be to prevent a re-enactment of the Battle of the Atlantic, with Soviet submarines playing the part of German U-boats". See Sami Faltas, op. cit., p.28.

90 Leander constituted an evolution - in the design and the radar and air traffic control installations - from the commonly used British frigates, known as Type 12, developed in the 1950's. The design of the Type 12 frigates, "in its various incarnations provided the backbone of the Royal Navy from about 1965 to 1985". See Eric Grove, "Major surface combatants," in Robert Gardiner (. Org), *Navies in the nuclear age: warships since 1945*, London, Conway Maritime Press, 1993, p. 50-51. Osborne said some experts considered the frigates of this class among the best of its kind built in the era of missiles, op. cit., p. 252. Twenty-six ships were thrown overboard, fourteen more for export (six were made in the Netherlands and six in India). Measuring 372 feet, they carried two guns of 4.5 inches, four missiles SAM Seacat, a MK 20 Limbo, and a Wasp helicopter. Moving 2350 tons. Some units were still in use in smaller navies in the early twenty-first century.

91 See Faltas, op. cit., p.27.

In 1965, the so-called Geddes report, produced for the British government, recommended that the domestic shipbuilding industry should focus on a small number of specialized shipyards, three for surface ships. In subsequent years, the British Navy consolidated a trend to manufacture “leader” ships (*lead*, first in the class) in these shipyards and “follow-on” ships in a slightly larger number of firms. In the analysis of Faltas,

for the specialist warship builders – *Vickers, Vosper Thornycroft, Yarrow* and *Brooke Marine* – specialisation meant a virtually total dependence on the government for the provision of Royal Navy orders and for help in securing export contracts for warships.⁹²

He argued that, in the 1970’s, the militarization of some of the largest and most modern shipyards was clear, guaranteed by national and international orders.⁹³ Among the British companies in the early 1970’s, Vosper was the only one exclusively specialized in medium-sized vessels, and, on the list of experts, was the newest one.⁹⁴ Therefore, it was crucial for this firm the design of Amazon class frigates, developed in cooperation with the Ministry of Defense. This project would result in the MK-10 and MK-11 models, from which originated our Niterói class. The importance attached by both Vosper and by the British government to the sale of frigates to Brazil has to be seen in this broader context.

In May 1976, President Geisel made his state visit to the UK. At that time, the domestic opposition in UK came to an apex, including from the Labour Party itself, which was in power. It opposed to the approach of the British government with the Brazilian dictatorship. Without understanding the history of Anglo-Brazilian naval relations, it is difficult to understand a fundamental aspect of the relations between the two countries in the 1970’s. At the end of that decade, Brazilian military purchases in Britain were varied and substantial. In this context, the history of relations between Brazil and Europe during the military dictatorship had new meanings if considered an aspect so far largely ignored in the context of the relationship between democracy and dictatorship: military relations, especially in the case of Anglo-Brazilian

92 See chart 27 in op. cit, p.204: “Specialisation in British warship building”.

93 Between the mid-1950s and mid-1970s, the percentage of shipbuilding within the production from British shipyards went from 16% to 42%. See Faltas, cit., p. 205.

94 “And of course that, being the youngest, the Vosper had a big dispute with the other shipyards. The battleships were Vickers, Saldanha, which was our training ship, Vickers. The Argentine Navy also bought in Scotland. Then the Vosper did a really great effort - and perhaps some advantages have arisen therefrom to Brazil - to get contracts. “ Cited testimony of Fernando Costa to the author.

relations towards the naval arms rapprochement between the two countries in the 1970's.

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ABSTRACT

This article aims to analyze the case of the acquisition of Vosper frigates by the Brazilian Navy, which took place in early 1970. Besides being an illustrative case of foreign policy disputes, it demonstrates how economic interests can define the foreign policy of nations. The business of frigates is considered strategic for the relationship between Brazil and the United Kingdom.

KEYWORDS

Naval Relations; Brazil; United Kingdom; Vosper Frigates.

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A COMPARATIVE ANALYSIS OF IMPERIAL JAPAN'S PREDICAMENT IN CHINA AND U.S. QUAGMIRE IN POST-SADDAM IRAQ: SIMILARITIES, LESSONS AND IMPLICATIONS

Masahiro Matsumura¹

1. Introduction

Over the last decade, U.S. hegemon has gradually presented clear signs of relative decline in the shifting international distribution of power, particularly in contrast to significant China's rise (National Intelligence Council 2012). Also, the hegemon has suffered huge fiscal deficits and financing problems consequent upon the so-called Lehman Shock of fall 2008, involving marked economic structural vulnerabilities. Most recently, the United States has continually faced a possible invocation of sequestration that will inescapably lead to large defense spending cuts and, then, the weakening of its military hegemony (Barno 2011).

A huge military expenditure of the protracted U.S. war on terrorism in the greater Middle East, with a major focus previously on Iraq and now on Afghanistan, has considerably worsened the U.S. national finance, significantly affecting the post-Lehman national economy. Today's hindsight shows us that the G.W. Bush administration mistakenly overreacted to the shocking terrorist attacks of September 11, 2001 directly on the economic and military centers of the continental United States, with massive military intervention in Afghanistan and then Iraq for the purpose of nation-building and democracy-building in multi-ethnic environments.

¹ Professor of International Politics and of National Security of the Law Faculty of St. Andrew's University (Momoyama Gakuin Daigaku) in Osaka, Japan. E-mail: masahiro@andrew.ac.jp

To explore why the U.S. committed such a strategic blunder, this study is intended to provide an alternative perspective that is based on a Japanese ecological-historical approach to the Eurasian landmass in general and the Japanese empire's historical experience in the 1930s and 1940s on the Chinese continent in particular. More specifically, this perspective is also relevant in analyzing the international politics of counter-insurgency warfare in different geographic regions, including not only the East Asia but also the Middle East.

Traditionally, Western and Japanese scholars in international studies do not communicate each other very well, especially when they analyze international politics and diplomacy in the 1930s and the 1940s, centered on the China question. This is because the mainstream of the Japanese scholars have primarily discussed the details of the Japanese historical experience, without presenting any good theories or efforts to theorize their narratives. Certainly, a majority of the scholars have had their core disciplinary training primarily in diplomatic history, not in Western political science in general and international relations studies in particular. Yet, diplomatic historians usually have at least an implicit framework of their narratives. This study is designed to fill in such a gap, given that most of the Japanese scholars devote themselves to the active intellectual discourse in Japanese in which little Western-styled theories and theorization are demanded.

More specifically, given the language barrier, Western scholars, particularly those in the United States, remain uniformed of Japanese works on the Japanese empire's predicament in China in general and the counter-insurgency warfare there in particular, and, as a result, continuously lack reference to the Japanese works. Yet, this study will argue that the Japanese perspective is most relevant to grasp the U.S. quagmire in post-Saddam Iraq and the continuing war on terrorism in the greater Middle East, given a series of striking parallels between the two cases despite their great temporal and spatial distance. In fact, as analyzed below, the U.S. government, military, and people today have fallen into the very similar pitfalls that once excruciated the imperial Japanese counterparts. This study is not intended to defend the Japanese war-related wrongdoings, though it conjectures the scope and extent of them were far limited than generally believed. Nor does it endorse the dark side of U.S. military activities in Iraq. Instead, the study will simply highlight the background, nature, and implications of being entrapped into counter-insurgency warfare in the developing world, such as China in the past and the Middle East today, particularly with a focus on post-Saddam Iraq. U.S. experience in the Vietnam War is irrelevant for policy prescription due to its quintessential nature as a war of national liberation in the context of the Cold War.

So are U.S. experiences in the post-Second World War democratization of occupied Germany and Japan, given that both needed no nation-building but reactivation of indigenous democratic tradition, as demonstrated respectively by the Weimar Republic and the Taisho Democracy.

Certainly, it may sound very odd to compare and contrast the past East Asia with today's Middle East. This impression is well taken, given the clear division-of-labor between global analyses and area studies in the teaching and research of international relations and comparative studies, and given the assumption that each geographic region possesses a unique political culture and a political dynamics to be explored. To challenge such a conventional commonsensical understanding, this study will emphasize the importance of the dichotomized categories of the developed vs. the developing worlds in its attempt to comprehend the dynamics of counter-insurgency warfare, related political phenomena, and politico-military outcomes across regions.

The following analysis will first present a series of striking parallels between the past Japanese and the contemporary U.S. experiences. Second, the study will provide a theoretical perspective on why the two cases share astonishing commonalities. Thirds, the study will explore the implications of the perspective to international politics, with a focus on the future of the U.S. hegemony.

2. Striking Parallels

On September 2, 1945, the Second World War ended with the surrender of the Japanese empire to the U.S.-led Allied Powers. At that time, the Japanese army still deployed more than one million soldiers in China proper (Jowett 1999) in addition to some eight hundred thousand soldiers in Manchuria (NIDS 1974). In fact, Japan was entrapped with the protracted counter-insurgency warfare in China, arguably, for 15 years since the Manchurian Incident of 1931. Concurrently, Japan waged a full-fledged inter-state war with the United States from 1941 to 1945, although the latter possessed overwhelming material and military power to which the former could never rival. This means that Japan already bogged down in China and expended great material and human resources, when it launched the war against the United States.

1) Political Goal, *Casus Belli*, and Protracted Occupation

It begs the question what the Japanese imperial army forces did in China for 15 years and, more specifically, if they constantly fought Chinese

insurgency forces and guerilla groups, while committing atrocities as often described in stereotyped mainstream historical accounts (Bentley et al 2011). The records show that full-fledged battles continued briefly for the initial six months or so, and that, for the rest of the 15 years, the Japanese forces were engaged in today's equivalent of counter-insurgency warfare, while facing sporadic skirmishes and guerilla attacks. The Chinese forces, including Nationalist, Communist, War-lords', were so poorly organized, equipped, and trained that they could not effectively counter the Japanese forces, which was then the only modern army in Asia. Yet, the Japanese forces could not take their organizational and technological advantages vis-à-vis the Chinese counterparts in urban warfare. Furthermore, the one million soldiers hardly satisfied manpower needs that were essential for the maintenance of peace and order in major cities, and, as a matter of course, could not at all effectively control the vast rural areas outside these cities (NIDS 1968; NIDS 1971).

Prior to the invasion of China, the so-called "single-blow argument", or the then Japanese version of "Shock and Awe", was the short-lived leading voice in the Japanese public discourse (Imaoka 1999). Rather, the "single blow" resulted in weakening the Republic of China central government under the Nationalists, involving acceleration of political and armed struggles among the Chinese. The Nationalists were severely divided. The Communists tried to diminish the popular support for the Nationalists while taking advantage of the united common front with them against Japan. The situation was further complicated by local warlords and large-scale organized criminal bandits. The Japanese government rejected any negotiated settlement with the routed Nationalist government, on the grounds that it refused to make any compromise while continuing its resistance by relocating itself deep into the hinterland, centered on Chongqing as the interim capital. Consequently, the Japanese government could not find any effective negotiation counterpart to reach a political settlement and was forced to install a series of puppet governments across the continent. The Japanese government vainly pursued Sinicization of local security troops in order to lessen its own military burden (Tateyama 1999; Tanaka 2014; Billingsley 1994).

It is needless to say that the past Japanese and the contemporary U.S. quagmires share striking similarities. The two countries seriously underestimated resistance after a major military victory, naively believing an idea that military victory will automatically lead to political triumph.

Surprising enough, major Japanese newspapers and other historical materials including diaries of ordinary soldiers at that time show that not only the Japanese government but also the people justified military operations in China, by appealing to the noble cause that Japan would salvage the Chinese

people suffering from deepening disorder there, and by bringing about modernization and prosperity (Maesawa 2004). With protracted military presence there, however, Japan had lost the cause itself. This is because that the Japanese forces in China ended up to be utter occupation troops although initially intended to serve as savior. Under the cause, the Japanese could not demonize the Chinese as immoral and evil enemy who deserved total destruction and liquidation. This is in sharp contrast to the United States that used extensive strategic bombardment against the Nazi Germany and the militarist Japan, and atomic bombs against the latter.

Again, another astonishing similarity is that, in 2003, the American people strongly supported the war against Iraq under the name of freedom and democracy, but soon saw the cause severely undermined by the protracted military presence there as well as by the inability of finding weapons of mass destruction in the post-war Iraq as *casus belli*. Whatever justification may be, the very existence of one country's troops on the soil of a third country over an extended period of time, if without the latter's genuine consent, will inescapably be a compelling case of foreign invasion.

2) Uncontrollable Front Expansion

Mired in China and then being pressed hard by the military, the imperial Japanese leadership expanded war fronts across China and, eventually, the greater East Asian region as whole. Originally, the war front was limited to Manchuria and northern China proper, but, in the ensuing period, the leadership opened multiple fronts across the continent one after another. The leadership continued to commit such a strategic blunder, motivated in part to secure the minimal spheres of interests by ensuring security in the area surrounding the spheres. Facing undiminished insecurity, this approach only resulted in a downward spiral of expansion, occupation, and another expansion. The Japanese leadership continuously raised stakes of the counter-insurgency war, while no individual leaders were willing to accept political responsibility of the unwinnable situation in China and the coming crushing defeat with the United States (Morley 1983).

Again, this has another distinct commonality with the so-called "Rumsfeld's Rules": if you cannot fix a problem, make it bigger (Frum 2007). In fact, the Bush administration implemented significant troops surge in Iraq (Bush 2007a), while dispatching the second aircraft carrier battle group and the second expeditionary strike group (Abbas 2007; Reeves 2007). The administration also hinted it would open the second war front with Iran, and possibly the third one with Syria (Bush 2007b). Obviously, the administration

was unaware of bearing a mind-set similar to that of the militarist Japan's leaders and having a propensity falling into the comparable pitfalls.

3) Atrocity and International Law

On battlefield, atrocities are prone to being committed in counter-insurgency warfare. The so-called Rape of Nanjing has long been considered as an infamous exemplar (Chang 1997). After extensive archival researches, however, many Japanese historians have come to a consensus that 300,000 as the alleged death tolls is a fabrication of the Chinese Nationalist Party Propaganda Department. In fact, the estimated pre-occupation population of the City of Nanjing was around 200,000 (Higashinakano 2005). Yet, there is an extensive discussion among them regarding the probable execution of at least some several thousand Chinese soldiers. After Japanese forces approached to the city, the then-capital of the Republic of China, the Chinese commander fled away. Consequently, Chinese soldiers fell into panic and hid themselves into the safety zone created for civilians while taking off their military uniform, wearing civilian cloths instead and still carrying weapons (Higashinakano 2003). Their act constitutes a serious breach of the customary rules on warfare, codified today as the Geneva Convention, which requires a uniform and an insignia essential to distinguish between combatants and non-combatants. Failure to observe this requirement is subjected to execution. Yet, facing the great difficulty of coping with the inexperienced magnitude of the disguised deserters, the Japanese forces most probably implemented mass-scale execution without taking necessary court-martial procedures.

This is similar to the counter-insurgency warfare in Fallujah, Iraq. In fact, the U.S. forces there annihilated the city, killing virtually everyone there, both young and old, men and women, after proper warning and procedures. The insurgents in the city did not observe the Geneva Convention regarding the requirements of being combatants. Thus the U.S. troops were compelled to kill all of them, when necessary, in order to avoid their sporadic, organized, or suicidal attacks with hidden arms and explosives (West 2006).

Last, not least, the Japanese empire faced strong Chinese nationalistic rejection of the Japanese vested interests in China that were legitimate under international law. At that time, Japan as well as other Western powers possessed a variety of colonial and semi-colonial interests and concessions in China, based on treaties and agreements. In particular, Japan obtained them at the expense of large cumulative military spending and war casualties, including those entailed in the Sino-Japanese and the Russo-Japanese wars. No wonder that the imperial Japanese government and people saw the protection

of the interests and the sphere of influence as the lifeline for national security and prosperity. Certainly, these vested interests came into existence in the context of Western imperialism and colonialism. But the Japanese government and people then believed that the eventual elimination of the interests had to be carried out through step-by-step procedures as required under international law, given that the interests themselves were originally established as international legal arrangements. This sense was particularly strong in Japan, because the country was forced to conclude unequal treaties with Western powers prior to the start of modernization, and because the country itself went through such a tormenting and time-consuming revision process of the treaties (Kawakami 1937; Townsend 1939; MacMurray 1935).

Under the Washington Treaty system, however, Japan and Western powers agreed to dismantle these legal arrangements over time. Nonetheless, the Republic of China government and people rejected following peaceful legal procedures and instead often resorted to obstruction and violence. This propensity was evident even earlier in the last days of the Qing Dynasty, as typified by the Boxer Rebellion of 1900 which attacked Western and Japanese embassies in Beijing. As the Jinan Incident of 1928 and the Tongzhou Mutiny of 1937 demonstrated, Japanese consulate staffs, military personnel, and even civilian residents in China became targets of Chinese vandalism and atrocities, including butchery, rape, and terrible mutilation of corpses. A series of Chinese provocations against Japanese lives, property rights, and vested interests accumulated a strong sense of frustration in Japan, leading to a surge of popular support for armed intervention in China. This process was a chain of events characterized by Chinese provocations and Japanese overreactions, leading to Japanese invasion in China over time. At the bottom line, there existed unabated Chinese resentment and resistance to the imperialistic Western inter-state system in general and international law in particular. (Kawakami 1937; Townsend 1939; MacMurray 1935).

Again, this constitutes another impressive parallel between the past Japanese and the contemporary U.S. quagmires. The United States has been deeply engaged in the Middle East for geo-strategic and geo-economic reasons, especially oil. The United States also has played the security guarantor role of Israel whose existence has been firmly established under international law. On the other hand, the Arabs have rejected the legitimacy of Israel's existence per se. The United States have experienced the Iran hostage crisis at its embassy in Teheran (1979-1981), the 9.11 attacks, and the brutal hangings of American civilian contractors in the occupied Iraq (Gittleman 2004), among others. The United States kept military presence, once in Saudi Arabia and Iraq, and now in the Gulf region and other countries through proper interna-

tional agreements, while having exercised a series of military actions across the region.

Over the decades, the world has seen a chain of events of Arab provocations and U.S. overreactions across the region, which peaked with the concurrent military presence in Afghanistan and Iraq under the Bush administration. Today's hindsight tells us that its military policy to Iraq lacked a sense of prudence. Yet, out of the accumulated sense of frustration and anger, the American people then supported the administration firmly to take a reckless approach at least at the early stage of the armed conflicts in Afghanistan, Iraq, and the greater Middle East. With its troops mired in Iraq, the United States reduced itself over time from a self-appointed agent of freedom and democracy to an unwelcomed armed interventionist, and, for many Arabs, simply to an aggressor. At the bottom line, there exist undiminished Arab resentment and resistance to the Western inter-state system in general and international law in particular.

3. How to explain the similarities

Why did the Chinese once demonstrate unabated resentment and resistance against the imperial Japan? Why do the Arabs today behave very similarly vis-a-vis the United States? Why is making an exit from protracted counter-insurgency warfare a very difficult enterprise?

To answer these questions, it is crucial to comprehend the essential features of the process of world history, especially those over the last several hundred years. Yet, a genuine world history started with the advent of the Mongolian empire in the 14th century, which covered an overwhelming portion of the Eurasian landmass. Before the empire, there was simply a heterogeneous mixture of regional and local histories without a dynamics as an integral whole, but no world history. The Mongolians first built a Eurasia-wide network of communication and transportation by horse. Even after the breakdown of the empire, imperial order continued to exist as the predominant organizational mode of a large-scale human society. The empire broke into several regional ones, later replaced by, for instance, the Tamerlane, the Mogul, the Ottoman, and the different Chinese empires.

Under an imperial order, individuals identify themselves first and foremost as the subjects of an empire. Their parochial ethnic, religious, sectarian, local, class, and other identities become secondary and oftentimes insignificant focal points of socio-political conflicts. This is because an imperial order tolerates peaceful coexistence of many communities that are based on diverse identities, while never failing to mercilessly annihilate rebels as typi-

fied by the practice of the Mongolian empire.

Later, the imperial mode of order faced unsurmountable challenges stemming from the rise of nation-state. This is demonstrated by the fact that traditional empires eventually crumbled away into disorder, subjugation, and underdevelopment at the hand of major modern Western nation-states. Their military power overwhelmed that of traditional empires in terms of social organization, technology, and industrial production. The political evolution from absolute monarchical polities to bourgeois revolutions on the one hand and the emergence of the industrial revolutions on the other hand made effective combination of these factors.

Surprisingly, the key to the transformation lies in the medieval age that only Western Europe and Japan experienced (Umesao 1974). These two were not invaded by the waves of the Mongolian nomadic corps thanks to topographic features and tough resistance. The nomadic corps could not march *en masse* into the Japanese mountainous archipelago, while the mountainous terrains, large rivers, and temperate vegetation prevented the Mongolians from advancing into Western Europe. Due to the similar topographic and climatic features, small political communities came into existence both in Western Europe and Japan, and the communities continuously fought one another through which to nurture belligerent strategic cultures and to accelerate their mastery over military skills. No wonder that the last two to three centuries have seen that the Western inter-state system has been predominant while traditional empires disappeared after crushing defeats with Western powers and Japan which made a successful entry into the Western inter-state system.

Today, many peoples in the developing world face great difficulty in nation-building as a major precondition of nation-state building. This is because the disappearance of imperial orders have left them with multiple identities, such as ethnic, religious, sectarian, local, and class, that are overlapping somewhat, yet significantly competing and even conflicting one another. Without a cohesive national identity, peoples after empire cannot define their uniform societal interests as the basis of settling social-political conflicts, particularly the allocation of wealth and politico-economic opportunities as related to the allocation. As a result, these peoples have been unable to build alternative political orders. This is what exactly happened in the post-Saddam Iraq as well as in China after the breakdown of the Qing dynasty.

In sum, it is crucial to understand that today's world is in the continuing macro-historical process ensuing after the breakdowns of imperial orders and the subsequent disorders. That is, the Middle East is in the post-Ottoman process, and, to a lesser extent, China in the post-Qing one. Japan played a central role to form Chinese national identity, given that it was a resultant

of continued Japanese cultural, economic, political, and military pressures after the 1895 Chinese defeat in the war against Japan. As Mao told that the Chinese would not have been able to salvage themselves from severe fragmentation to unification under the Communist Party without Japanese pressures (Mao 1964). These pressures continue to exist even today, although the military pressure is weak. In fact, while the Chinese still possess competing ethnic, local, class and other identities and lack a deeply entrenched sense of national identity, anti-Japanese sentiments often turn the incoherent identity temporarily cohesive, often affecting the stability of Sino-Japanese relations.

Similarly, growing anti-American sentiment has generated a significant unifying effect on Middle Easterners across the region, both Arabs and non-Arabs, who would otherwise remain fragmented indefinitely due to their competing and conflicting identities. Ironically, it is American cultural, economic, political, and military pressures in general and the intensified U.S. armed intervention after 9.11 in particular that have brought about expedient alignment, although still temporary in nature, among traditionally sectarian foes, such as the Sunni Hamas, and the Shiite Hezbollah and Iran.

Both Japan and the United States have been involved respectively in China and the Middle East as highly interventionist modernizers. Their involvements have resulted in the two regions' cultural, economic, social, and political transformations, while having concurrently mitigated and compounded the socio-economic and socio-political contradictions of these regions. Japan and the United States are, therefore, partially responsible for the problems that China and the Middle East struggle to solve or manage. Yet, the root cause lies in the lack of a solid or deeply entrenched national identity, without which a stable political order cannot be built, and without which development and modernization and, eventually, freedom and democracy, cannot be realized. Blaming Japanese and Americans and trying to reduce all the problems to them simply constitutes evasion to confront painful realities.

4. What to do about the Middle East

Henceforth, the study has made it clear that, as typified by the imperial Japanese and the contemporary U.S. leaders, the world has not been fully aware of the central importance of the macro-historical process after empire and the serious constraints on social engineering to achieve modernization and development, and freedom and democracy. This is understandable because the Japanese underwent the mediaeval age in the Far East, and because the Americans inherited the experience of West European mediaeval age in the far West. It is necessary to lower the level of expectation regarding the

scope and tempo of the achievable transformation in the developing world after empire.

In order not to repeat Japanese mistakes in China, the Americans must realize that the utility of military instruments is very limited. The problem is macro-historical in nature, and the solution must be political in essence. Military instruments are effective only when they are employed to achieve well-defined and hence limited political objectives.

As the imperial Japan was long mired in China, the United States won't be able to make an easy exit out of the Middle East. Yet, the premature withdrawal of military forces will likely worsen the situation to the extent that the United States would be compelled to give up even the minimum political goals set prior to armed intervention. Whiles stakes are very high, less ambitious goals have to be set.

Given the Japanese experience in China, the United States are well advised not to be deeply involved in nation-building, on the grounds that they will inescapably shoulder almost all the burden to secure the domestic security order of a nation in the making. The United States must not intervene in a zero-sum sectarian civil war and have to restrict itself to shielding a Middle Eastern nation-state in the making from foreign infiltration, particularly from Iran, Syria, the Al-Qaeda, and other extreme jihadist group, and to ensuring the survival of poppet governments that it has installed, for example, in Baghdad and Kabul. It has to be noted that the instantaneous creation of a coherent national identity is impossible and that, should there be a precarious one, it is an anti-American identity.

Based on the Japanese failure in China, the United States is urged not to open a second and a third war front: it must not fall into the Rumsfeld's approach. Otherwise, the United States would most probably suffer from horrific losses of human and economic resources and, as a result, face debilitation of the global predominance and leadership. In the worst scenario, the United States might lose all the strategic bridgeheads and military presence in the region.

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ABSTRACT

This study will first present a series of striking similarities between the imperial Japanese predicament in China and the contemporary U.S. quagmire in post-Saddam Iraq. Second, the study will provide a theoretical perspective on why the two cases share such commonalities. Third, the study will explore the implications of the perspective to international politics, with a focus on the future of the U.S. hegemony. The study is based on the basic understanding that the developing world across regions today has continued to suffer the ongoing single macro-historical process consequent upon the breakdowns of empires as the once-predominant organizational mode of human societies. The analysis argues for the central importance of a stable national identity for modernization and development as well as freedom and democracy.

KEYWORDS

Counter-insurgency Warfare; Imperial Japan; U.S.; China; Post-Saddam Iraq; National Identity.

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THE EMERGENCE OF THE PERIPHERY IN THE WORLD SYSTEM: FROM THE BANDUNG CONFERENCE TO THE BUENOS AIRES CONFERENCE (1955-1978)

Analúcia Danilevicz Pereira¹
Klei Medeiros²

Introduction

The history of the world system implies the existence of central and peripheral regions. Before decolonization, relations among the periphery happened in a reduced scale and were mediated by the center³. In this sense, the Bandung Conference and other multilateral mechanisms such as the Non-Aligned Movement and the G-77 inaugurated a new stage in world history, being the kickoff of the development of South-South relations. For the first time, the periphery of the world system began to organize itself through shared principles, values and ideas that served as the base for a strategy for external action in a context of Cold War. In this first moment, the main demands were the acceleration of decolonization and the guarantee of non-alignment

¹ Professor at the International Relations graduate course and at the Doctoral Programs of International Strategic Studies and of Political Science at UFRGS. Researcher of NERINT/UFRGS and coordinator of CEBRAFRICA/UFRGS. E-mail: ana.danilevicz@ufrgs.br

² MA student of Political Science at the Universidade Federal do Rio Grande do Sul (UFRGS), International Relations undergraduate student at the same university, BA in Administration at the Pontifícia Universidade Católica do Rio Grande do Sul (PUCRS). Researcher at the Center for International Studies on Government(CEGOV). E-mail: kleimedeiros@gmail.com

³ For example, the triangular trade flow that linked Europe with America and Africa, that focused on factors of production amongst the three continents created one of the main mechanisms of the social engineering process of the modern era: the systems of plantation in America. (Osterhammel and Peterson 2005). This was a South-North-South arrangement on which there was a small leeway for the development of autonomous relations amongst America and Africa.

with neither of the great powers, maintaining an autonomy that would allow sovereignty and self-determination. In this sense, this article aims to characterize and historically analyze the evolution of relations among the periphery, highlighting the moment of prelude of the present South-South Cooperation, developed between the decades of 1950 and 1970, which established the basis for an economic, political and social agenda that would be rescued in a certain matter in recent time, however, under new basis of organization.

As the articulation between India and China played a fundamental part in the accomplishment of the Bandung Conference, there is in the present time an important discussion concerning the role that intermediary countries have been playing for the promotion of South-South Cooperation. The semi-periphery stands as the legitimate speaker for the development of Southern countries, but, at the same time, it is accused of acting in the same way as countries from the center, under the logic of market expansion and of its strategic interests in a global range. Therefore, it is fundamental to have a discussion that rescues the essential principles of the Bandung Conference, which were established guided by principles such as the non-interference in other countries internal affairs and by the need of developing horizontal relations among underdeveloped countries that should be based on cooperation and reciprocity.

Historically, it's accurate to recognize Europe during the feudal era as the peripheral region in relation to the Arab-Islamic world (Northern Africa and Middle East), where regional systems worked under a tributary logic, in which the distribution of resources was made in accordance with the centralization of power. Various pre-capitalist forms existed in Europe, as well as in other regions, based on the organization of labour and capital in great mercantile cities. This pre-capitalist forms developed themselves precisely in Europe given the context of the maritime expansion (and consequently territorial) and reflected the creation of a new capitalist world system, in which Europe would no longer be the peripheral region (Amin 1997).

The capitalist world system experiences, through the centuries, cycles of accumulation and retraction, with the consequent rise and fall of great powers. If, until the 19th century, there were successive European countries hegemonic periods, that were developed due to the competition among States over flowing capitals, the 20th century was characterized by emergence of the *Pax Americana*, after two world wars that realigned the balance of world power. In economic terms, this did not mean the relegation of Europe into a new peripheral condition, given that right after the Second World War a great part of North-American investments was destined to the reconstruction of the European continent, within the logic of North-North Cooperation. Such attitude

was necessary to give continuity to the expansion of the capitalist world system and to secure the monopoly of the Northern capitalist powers over global governance. Brazil's failed attempt of being the sixth permanent member in the Security Council of the UN showed that the Third World would not have voice in strategic international issues.

Given that the capitalist world system expanded itself due not only to the interstate competition over the flowing capital, but also due to the formation of political structures with broader and more complex organizational capacities to control the social and political means, what was verified among the powers of the North was not only competition, but also an increased concentration of political power (Arrighi 1996). To Latin-American countries and Afro-Asiatic colonies, which were a great part of the global population and territory, little room for maneuver and action for their development and autonomy would be granted. In spite of that, the political dimension of the socialist subsystem represented, during the Cold War, a possible alternative in a context in which the struggles for national liberation claimed for greater autonomy and independence from the capitalist metropolis. It is within this context that the idea of the Third World, the Non-Aligned Movement and of the substitution of East-West political fight for an economic North-South struggle⁴ raised.

Within this context, the present article attempts to set a historical and analytical approach about the emergence of the periphery, its main demands and forms of articulation. In order to do this, methodologically South-South relations different moments will be identified. Geographically, the expansion of Third World ideas and practices will be highlighted, which, in a first moment, were concentrated exclusively in parts of Asia and Africa (the Bandung Group) and only later consolidated in Latin America, in particular in the 1970s. Furthermore, in accordance with the theory for collective action (Olson 1965) the characteristics of the organizational arrangement among the periphery will be highlighted, as well as its strategies for action and the instruments used to guarantee bloc cohesion in each period. At the same time, the place of the periphery in the contemporary world system will be pointed out (Amin 1997; Amin 2010; Arrighi 1996; Wallerstein 1992);

In the first section of this article, the initial phase of South-South relations will be analyzed, with the Bandung Conference as the starting point for the establishment of a common strategy, as well as the principles and values that would conduct the relations among the countries of the Third World. Ins-

4 The mix of the ideas of national independence and socialism was the main ideological source from which some Third World principles were developed (also, it should be mentioned that the majority of nations that took part in the Bandung Conference declared themselves socialists).

stitutionally, the Non-Aligned Movement (NAM) and the G-77 were created, and the first political and economic initiatives for cooperation among Southern countries were presented. The new independent countries (in a formal sense) reacted to neocolonialism through an attempt of establishing horizontal relations with countries that faced common problems, such as inequality, poverty, hunger and high rates of child mortality.

This claims, presented in the principles of Bandung and the many conferences that would later refer to the subject of development then, would start to be defended within the ambit of the UN that would constantly institutionalize and cover the agenda of South-South Cooperation. For that, in the second section of this article, the main questions presented by Southern countries in terms of political and economic agenda in international organizations will be highlighted, in the context of the strengthening of the bipolar dispute during the Cold War and the 1970s. In 1978, for the first time in a UN Conference, the concept of South-South Cooperation was used. From the 1980s onwards, there was a mitigation of the relations among the periphery, in the context of the deepening of the East-West dispute, the multiplication of neoliberal experiences and of North-South cooperation under conditionalities, mainly the demands for fiscal adjustments and economic austerity as criteria to receive aid. So, in the third section of the article, which consists in the conclusions, the present moment of South-South Cooperation will be analyzed. After the reflux of the neoliberal decade, South-South Cooperation reached a new political mood in the form of coalitions of variable design, that add a component of revision of the international order in terms of East-West as well of North-South relations.

1. From Bandung to Havana (1955-1966): decolonization and the emergece of a Third World agenda

The first phase of the Cold War happened during another expansion of the capitalist world system, under North-American hegemony. The early years after the Second World War were characterized by the search for influence zones by the US and the USSR, as well as by the reconstruction of Europe, through the Marshall Plan⁵, and by the transformation of Japan into a kind of US protectorate. Through Asia in general, national liberation movements began to develop and would later spread to Africa in 1960's decade.

5 For Asia, a kind of Marshall Plan, the Colombo Plan, that forecasted US financial aid for the rebuilt of Asian nations hit by war and the socioeconomic development of countries in the region.

The fact that the movements for liberation occurred initially in Asia granted that continent a *status* of leadership in the process of formation of the Third World. The Bandung Conference was the manifestation of such Asian protagonism in the movements in favor of decolonization.

As placing themselves as the third force in the Cold War game, Asian countries, in particular India and China, broke with the idea of bipolarity and brought about the idea of a premature multipolarity. In this sense, *Pax Americana* brought with it a greater instability, given that, unlike what happened in the successive European hegemonies in earlier centuries, the periphery stopped being directly related to the center, in the form of colonies. The fact that India and China, unlike the Soviet Union, were victims of colonization, granted them a greater degree of legitimacy to be the speakers and leaders of the Third World, which carries implications in the external projection of both countries in the 21st century.

US action in Asia was already present in a sense of being a substitute to French and English presence and to pressure socialist regimes in the first stage of the decolonization (China, Korea, Vietnam) and of the nationalist fights (India and Indonesia). In Asia, the US was interested, as the new economic power, in investing their capital surplus and in expanding the tentacles of their transnational enterprises. In this sense, it was in favor of the abolition of forms of protectionism, supporting the decolonization. For that, part of their strategy consisted in creating a new pole of power in Asia, Japan, through the restoration of the Japanese economy, besides the investment in relations with Taiwan, securing the sovereignty of the island, which had a strategic value due to its proximity with China (Visentini 2011).

Specifically, the issue with Indonesia motivated the realization of the Colombo Conference, where the articulation of a neutralist front to counterweight the action of the Americans, which took the place of the French in the conflict, was addressed. The Colombo Conference was attended by India, Pakistan, Indonesia, Burma (Myanmar) and Ceylon (Sri Lanka) and was a sort of rehearsal for the Bandung Conference⁶ that would occur a year later. In

6 It is worth mentioning that before the Second World War and the movements of decolonization, several conferences that united the former European colonies were realized. The examples were the Berlin and the Brussels Conferences. In 1926, at the Berlin Conference India presented a report that showed “the limits that the policies of traditional European powers imposed on any effective effort in favor of peace and the conditions of cooperation amongst Europe and Asia. The first mistake of the European people- as read in this report- is that they always focus almost exclusively on international problems from an European point of view; the second is that they never acted in order to eliminate the eventual cause of hostility of Asia towards Europe” (Guitard 1962, 11). In the Bandung Conference, the leaders Sukarno and Nehru remembered that the first manifestation of solidarity amongst the oppressed people happened

1954, India and China jointly declared the five principles that would conduct their relation: pacific coexistence, reciprocal respect for the sovereignty and territorial integrity of both parts, non interference with internal affairs, non aggression, equality and reciprocal privileges.

A year later in the Bandung Conference, for the first time leaders representing the Asian and African peoples reunited, inaugurated the Afro-Asiatic solidarity and the emergence of the Third World in the international scene. The Conference represented the first step towards awareness regarding the role that the new independent countries were to play in the world, as of representing the excluded, the oppressed and the rejected in the great international discussions of the center. At the time of the conference, the majority of the countries in Asia had already conquered their formal political independence and in Africa the struggle for national liberation had already started. In this sense, the Conference united different groups of the same movement for emancipation, each going through their own stage of development, besides uniting countries with distinct political systems, from monarchy to socialism. The heterogeneity of the countries, which could have been an obstacle for their collective action, was overcome by their shared desire of leaving underdevelopment behind. Bandung, therefore, represented an attempt to turn around the logic of the Cold War and bring about the debate of North-South instead of East-West, and to make a position as an alternative power pole that would make the Cold War far more complex than it could appear to be.

The fundamental principles agreed by the participating countries were, above all, the struggle against colonialism and racism, the right of all peoples to self-determination (principle that was already covered by the UN Chart, but would be reinforced), the fight for independence and for freedom of choice of States regarding their political systems and options of external insertion during the Cold War. Non-alignment, in this sense, did not necessarily mean an equal distance, but in fact meant that the countries could have the freedom to position themselves as they chose (example of that was the fact that Chou En Lai, during the Conference, wavered in the direction of the United States, proposing to the Americans a joint declaration of pacific coexistence).

at the Brussels Conference in 1927, and in Berlin in 1926. In accordance with Guitard (1962), "Berlin was the capital of a Germany that was deprived of colonies and that became a refuge of the first nationalist of the British, French and Dutch nationalists. It was there that the representatives of the colonized nations, supported by the USSR, emboldened and helped by certain political, literary and scientific personalities of the European left and by some governments of Hispanic America, impatient with US economic tutelage- the Congress was financed by nationalist China and Mexico- decided that they would celebrate in Brussels in 1927, a congress of the oppressed people (...). Albert Einstein and Ms. Sun-Yat-Sem among others participated in this Conference." (Guitard 1962, 12).

Thus, Bandung meant the first concert among the periphery regarding a strategy for collective action in the global scene. Besides that, it represented the origins of a culture of the South (Wallerstein 1992), and of a Third World agenda, with its priorities related to social development, and not only an economic one. Moreover, Bandung prematurely launched the idea of the need to recognize the differences, something that is getting stronger in the 21st century (Fraser 2007). At the end of the Conference, a statement regarding five questions was declared: A) Economic Cooperation; B) Cultural Cooperation; C) Human rights and self-determination; D) Problems of the dependent people; E) Promotion of Peace and World Cooperation.

Regarding economic cooperation, the urgent need of promoting the economic development in Afro-Asiatic regions was highlighted, respecting national independence, through technical assistance (the term that has been recently replaced by “technical cooperation”) among the participants or through multilateral or bilateral agreements with the rest of the world. The creation of a special UN fund for economic development was also requested, and it was recommended for Afro-Asiatic countries to vary their exports by manufacturing raw materials and fomenting inter regional fairs and regional delegations exchange programs. Besides that, it demanded the creation of an international agency for atomic energy, insisting on the need to use such energy for peaceful means (Guitard 1962).

As for the cultural cooperation, the final declaration valued Africa’s and Asia’s intellectual wealth and recommended the development of scientific, literary and artistic missions, the exchange of books, teachers and students. In the section “Human Rights and self-determination”, the need of a full adherence to the UN Charter and the Universal Declaration of Human Rights was confirmed and the need for already independent nations to help other colonized countries to achieve their sovereignty was confirmed. Concerning the “Promotion of peace and world cooperation” the desire for expanding the amount of international organizations was manifested and it was solicited to the UN Security Council a chair for Afro-Asiatic countries to participate in its ambit. Furthermore, the defense of disarmament and prohibition of weapons of mass destruction were reinforced, as well as the suspension of nuclear tests (Guitard 1962). At last, the final statement of the Bandung Conference signaled Ten Principles for Coexistence, which are:

Chart 1 – Bandung Ten Principles of Coexistence

1. Respect for fundamental human rights, as established in the goals and principles of the UN Chart;
2. Respect for the sovereignty and territorial integrity of all nations;
3. The recognition of equality of all races and all nations, small or big;
4. Non-intervention and non-interference in other countries internal affairs;
5. 5) Respect for the right of each nation to defend itself individually or collectively, as established in the UN Chart;
6. **a)** Rejection of every agreement of collective defense that would serve the particular interests of great powers, whatever they may be;
b) Rejection of every pressure that a power, whatever it may be, tries to exercise over another;
7. Abstention from acts of threat of aggression or use of force against the territorial integrity or political independence of a country;
8. Resolution of all conflicts through pacific means, such as negotiation or conciliation, arbitration and resolution in courts, as well as other pacific means that may include the interested countries, as established in the UN Chart;
9. Stimulation of mutual interests and cooperation;
10. Respect for justice and for international obligations;

Source: Guitard 1962.

The Ten Principles of Bandung translate the global strategy of the countries of the Third World, in a Cold War scenario. The main concern is to avoid a direct or indirect conflict between the superpowers and to avoid the repetition of the alliance system that culminated with the Second World War, which could generate a new global conflict. In the economic field, the conference materializes what Samir Amin (2010) calls “ideology of development”, which reached its peak precisely between 1955 and 1975, phase of the pike of American hegemony in the world system. Development, at that time, was seen as “a will to develop productive forces, to diversify production, namely industrializing it, as well as a will to the national State the direction and control of this process” (Amin 2010). In addition to symbolizing the emergence of the periphery in the world system, Bandung also influenced and inspired the creation of the Non-Aligned Movement (NAM), after the Belgrade Conference, in 1961.

The principles of Bandung were adopted by NAM and their accom-

plishment became a standard for countries to adhere the bloc. The idea was to stimulate an active participation in international politics by the part of member countries, acting based on basic principles, values and ideas, such as self-determination; national independence; sovereignty; territorial integrity; opposition to the *apartheid*; non-adhesion to multilateral military pacts and independence of non-aligned countries from the rivalries between the two blocs in dispute; struggle against imperialism in all its forms and manifestations; struggle against colonialism, neocolonialism, racism and foreign occupation and domination; disarmament; non-interference in other States internal affairs and pacific coexistence among all nations; rejection of use or threat of use of force in international relations; fortification of the UN; democratization of international relations; socioeconomic development and restructuring of the international economic system; as well as international cooperation (NAM 2015).

These principles were already discussed at Bandung, but they would be institutionalized after the Non-Aligned Movement, which would act to secure that the peoples oppressed by foreign occupation and domination could exercise their inalienable right to self-determination and independence. Such action would be hindered by the great diversity within the bloc, in ideological, political, economic, social and cultural terms. Countries such as Cuba⁷ would have a greater contestatory posture facing American power and, in certain situations, would defend the Soviet Union before the NAM, rejecting the thesis of two imperialisms and defending that the USSR, as a socialist and anti-imperialist country, would in fact be an ally of the Third World (Fernández 2003). Other countries fought precisely for gaining more autonomy towards the Soviet Union, such as Tito's Yugoslavia, for example.

In this regard, marked by a strong idealist component, the coalition had difficulty in evolving due to economic and political heterogeneity among its members, which made harder an incisive collective action in favor of development (Soares de Lima and Hirst 2009). Moreover, several recently inde-

7 From 1959 till 1967, the priority of the Cuban foreign policy was to stabilize and to consolidate the revolution. During this period, however, there was a support for guerrillas in Latin America and the defense of progressive causes all around the world, which is defined by Fernández (2003) defines as the export of revolution. In this phase, Cuba was expelled from the OAS and isolated from the rest of the continent, and sought Moscow's economic and moral support, even though there was disagreement regarding how the revolutionary strategy should be. So, this was not a period of significant convergence between Cuba and the Soviet Union, mainly because the Soviet Union felt unease due to Cuba's participation in NAM, for example. From 1968 to 1974m Cuba and the Soviet Union reached a closer relation due to Cuba's support of Czechoslovakia. Therefore, with economic and military aid and protection, Cuba was free to exercise a greater international protagonism in the 1970s. (Fernández 2003)

pendent countries were still tied to indirect domination by more powerful industrialized countries (in spite of the formal independence), which hampered the mobilization for an autonomous path of development (Linhares 2006).

Despite this, the demand for accelerating economic development in the Third World and, above that, for fomenting a more balanced trade between North and South, was widely defended by peripheral countries at the time. In this sense, the creation of the United Nations Conference on Trade and Development (UNCTAD) and the appearance of the G-77, in 1964, represented the capacity of influencing and of the political weight that developing countries would then exercise within the ambit of the UN, pressuring for a new international economic order more fair and equal. The goal of the G-77 is, therefore, to provide the means for the countries of the South to articulate and promote their collective economic interests and to improve their capacity of joint negotiation in the UN system.

In the Joint Declaration of the G-77 at the Geneva Conference in 1964, problems regarding the commercial deficit in developing countries and the deterioration of trading terms were highlighted (Grupo dos 77 1964). In the Chart of Algiers, of 1967, it was emphasized the need of a new global agreement regarding commodities, given that developed countries augmented their degree of protection over several agricultural products (while the average price of primary products exported by developing countries has diminished 7% since 1958, the export prices for the same products in central countries have risen 10%). According to the Chart,

With a few notable exceptions, the terms and conditions of development finance are becoming more and more onerous; the proportion of grants is declining; interest rates are increasing; repayment periods are shortening and development loans are becoming increasingly tied. Discriminatory practices and arrangements in the field of shipping and increasing freight rates have aggravated further the balance-of-payments position and hindered the effort to promote the exports of developing countries. (Grupo dos 77 1964).

The Chart of Algiers symbolized, therefore, the first joint and organized claim over subjects that would be readdressed and still be in discussion in the 21st century, as the issue on tributary barriers of developed countries over agricultural products. The Chart signals that the G-77 is based on the assumption that “In a world of increasing interdependence, peace, progress and freedom are common and indivisible” and, “Consequently the development of developing countries will benefit the developed countries as well.” (Grupo dos 77 1964). Thus, there is a clear notion that the responsibility for the devel-

opment of the peripheral countries lies as well on developed countries, being a collective global action. The Chart also highlights that developing countries must reduce the inequalities among them, given that even within the Third World itself there are countries more industrialized than others.

In this extent, it is worth noting that the G-77 Conference in Algiers was preceded, a year before, by a conference that would mark the beginning of the solidarity that included, besides African and Asian continents, the Latin-American continent. That is the Trilateral Conference in Havana, of 1966, that founded the Organization of Solidarity of the People of Asia, Africa & Latin America (OSPAAAL). This conference would have a character of revolutionary solidarity, condemning imperialism, colonialism and neocolonialism. While the G-77 would have a character associated to the UN and would set economic development as the center of debate, the Trilateral Conference would carry the denunciation of social problems, such as hunger, poverty and misery in the Third World, and had a normative character in the sense of fomenting and instrumentalizing the struggles for liberation throughout the world.

Therefore, what is observed in this initial phase of development of South-South relations (1955-1966) is an attempt to first consolidate the decolonization of Afro-Asiatic peoples through national liberation struggles and, at the same time, present an agenda of development for the Third World, bringing for the first time to discussion in international organizations issues such as poverty, misery, hunger, racism and economic inequality. At that time, autonomous multilateral mechanisms connecting the periphery of the global system were created, such as the Bandung Conference, the Non-Aligned Movement and the Trilateral of Havana, which would serve to instrumentalize the strategies of external politics of Third World countries during the Cold War, providing the basic principles and values that go beyond economic character, possessing a social and political dimension. At the same time, mechanisms such as the UNCTAD and the G-77, reinforce disparities in international trade and pressure for an agenda on development that takes into account the agro-exporting character of Third World countries and strengthens their industrialization.

It is worth noting that the emergence of these agendas on development is strongly related to the promises that the world system under American hegemony presented to developing countries, confirming the “ideology of development” (Wallerstein 1992; Amin 2010). And, so being, the *Pax Americana*, as mentioned, is already born with a character of instability, in a great part due to the appearance of a more autonomous periphery. According to Arighi (1996), “they were promised the right to self determination and develop-

ment (that is, aid for developing countries, in order to equate their conditions to that of wealth and well-being standards established by Western nations)” but as consequence “expectations were generated, which began to present a serious threat to the stability of North-American hegemony and eventually were responsible for anticipating its crisis”. In this regard, the emergence of the periphery possesses systemic implications and, in this initial moment, would contribute to the crisis of the American hegemony and the beginning of a conservative reaction that would reach its peak in the decade of 1980.

2. From Lusaka to Buenos Aires (1967-1978): The new International economic order and the emergence os South-South cooperation

The phase that started with the turning of the decade of 1960 to 1970 marks the beginning of the decline of American hegemony due to the Vietnam War and the appearance of competitors at the economic level, such as Europe and Japan, that rebuilt themselves precisely trough the North-North Cooperation developed by the US during the post-war. According to Wallerstein (1992), while the period of 1945 to 1967 was characterized by political and military domination and an irrefutable US cultural leadership, the period that came after that was one of systemic reactions to their hegemony, reactions which differed from classic anti-systemic movements (nationalism and socialism), and were connected to the global revolution of 1968, the wars on Algeria and Vietnam and to the emergence of the Third World. Moreover, in the cultural sphere, the very ideology of development was getting weaker, given that the new decolonized countries realized that national independence did not mean complete liberation form economic ties and, consequently, started to more vigorously denounce systemic inequalities.

What was verified, then, after 1967 was the strengthening of an agenda on economic development that had already been launched in the middle of the 1960s by UNCTAD and the G-77. The Non-Aligned Movement itself would acquire a more economic connotation. As Amin (2010) highlights “the Non-Aligned Movement [...] would progressively shift its stance from a political solidarity based on the support of liberation struggles and refusal of military pacts to an ensemble of economic demands towards the North”. Furthermore, this period represented the first dialogues in UN in order to instrumentalize South-South relations and to deepen the idea of technical cooperation among developing countries. Geographically, the inclusion of Latin-American countries in the agenda of the South was reached, bringing with it the economic agenda developed by CEPAL in the decade of 1950, with

the denunciation of the deterioration of trading terms of the countries of the region.

The economic context of the end of the 1960s, it is worth mentioning, is one of decline of the participation of developing countries in the global trade exports from a third in 1950 to a sixth in 1969. Moreover, there was an increase in the negative impact of the decline of financial flows in terms of percentage of developed countries' Gross National Product (GNP) to developing countries and of the crescent financial flows from developing countries to developed ones, through debt payments, shares, royalties and financial and commercial services. Poverty in developing nations was evidenced as a critical problem, within an unequal economic global context inherited from the colonial past. In this sense, the occupation of part of developing countries' territories by past metropolis or minority governments deprives these groups of their natural resources and is itself an obstacle for their development.

Given this scenario, the Lusaka Conference, of 1970, brought with it the notion of *collective self-sufficiency*, that is, peripheral countries should not wait for the benevolence from rich countries to create a new international order. This meant Third World countries were responsible for their own development, with “a greater control over their natural resources, a search for their own scientific and technological development, for improvements in their educational systems, as well as for external measures (greater technical and economic cooperation among these countries, associations and increase in commercial exchange, etc.)” (Pino 2014, 164).

Besides the economic agenda, in Lusaka it was also reinforced the need to: a) take effective and concrete measures against all forces that violate non-aligned countries' independence and territorial integrity of non-aligned nations; b) keep up with the efforts to promote the dissolution of great military alliances, in circumstances that would secure the safety of all people; c) affirm the right of all people to participate equally in international relations, being the democratization of international relations an imperative; d) offer support for disarmament; e) intensify joint efforts to end colonialism and racial discrimination (for that end, it was reiterated their moral, political and maximum possible material support to national liberation) and; f) carry on with their efforts in the sense of strengthening the role and efficiency of the UN, as well as of promoting its universality, granting, for example, to the Popular Republic of China its rightful place in the organization, and the admission of other countries, including those that are divided (MNAL 2015).

The Lusaka Conference, therefore, materialized the idea that peripheral countries were then responsible for their own development, representing an increased awareness of their trajectories by emergent nations, not leaving

aside, however, the denounce of inequalities and injustices in the international economy arena. In Lusaka, it was demanded of the member countries a fair use of natural resources that promoted social well-being, employment, income and social opportunities. In 1973, the Non-Aligned countries presented the Chart of Algiers, positioning themselves in favor of the end of conflicts in several Third World regions. For the Middle East, the Chart claimed for the acceptance of UN resolutions that obliged Israel to evacuate occupied territories in 1967; condemned illegitimate appropriation of Palestinian territory and claimed for the establishment of rights for the Palestinian people. As for Southeast Asia, the Chart celebrated the Paris Agreements which were considered a victory for the Vietnamese people; condemned North-American interference in Indochina; encouraged countries to help in the reconstruction of Vietnam; condemned the invasion of Cambodia, affirming that the government formed by Prince Norodom Sihanouk was legitimate; supported pacific reunification action pursued by Korean people and the withdrawal of foreign troops from South Korea. For Africa, the Chart of Algiers condemned racist regimes that relied on economic, political and military support from Western countries; denounced unequal aid that certain African countries received from NATO; affirmed that only armed fight could put an end to colonial domination in the region. For Latin America, the Chart condemned the existence of colonial domination in the region and stated its support to the fight of the people of Puerto Rico for their freedom and independence; besides, it demanded that the US would remove their military forces from territories of Cuba, Panama and Puerto Rico, and returned them to their rightful owners.

During the Algiers Conference, in 1973, member countries sent the UN Secretary General a request to convene an extraordinary session of the General Assembly, in order to debate problems concerning feedstock trade and development. A year later, the Declaration on the Establishment of a New International Economic Order (Resolution 3.201 of 1974) was achieved, in order to foment the commitment of member countries on distributing natural, economic and human resources more fairly, determining an increase in the aid for developing countries, the promotion of favorable conditions of financial resources transfers to peripheral countries, as well as State sovereignty in the management of natural resources and economic activities. At the same time, the Program of Action on the Establishment of a New Economic Order (Resolution 3.202), sought to instrumentalize and guide the practices of the countries, including in one of its items the need to reform the International Monetary Fund (IMF). In 1974, the Charter of Economic Rights and Duties of States (Resolution 3,281, of December 1974) was also elaborated.

In this sense, the New International Economic Order was represent-

ed by a group of proposals (most of them from Third World countries) that aimed at expanding UN institutions, presenting a challenge for International Law at that current time (Rajagopal 2003). Concerning cooperation practices, in the 1970 decade, the criticism regarding the North-South assistance model increased and the concept of South-South cooperation started to be theoretically developed, and was operated and regulated through several international organisms, but specially in the UN: in 1972 the work group on technical cooperation among developing countries (TCDC) was created and, in 1974, the Special Unit on Technical Cooperation Among Developing Countries, associated to the United Nations Development Program (UNDP), was established and was “the focus of South-South cooperation inside the organization, by promoting, managing and coordination this cooperation and linking the UNDP and the G-77” (Pino 2014, 65).

Then, at the first time, in the Buenos Aires Conference of 1978, there was an attempt to organize and institutionalize the practice of South-South Cooperation within the UN. The Buenos Aires Action Plan, which was a result of the debates of the conference, developed the concept of technical cooperation based on reciprocity and horizontal character, instrumentalized by the exchange of knowledge, information, technology and management techniques on the field of public politics regarding education, health, agriculture, among others. The year of 1978 was a milestone for South-South Cooperation given that, for the first time, peripheral countries jointly established concepts and principles, emphasizing the idea that the social practice of one country could be applied to another to generate development. Summing up it referred to “the promotion of self sufficiency of developing countries and of strengthening their capacities to analyze, identify and solve their main issues” (Pino 2014, 66). In order to instrumentalize, organize, and promote the practice of South-South Cooperation, the High Level Committee for South-South Cooperation (subsidiary organ of the UN General Assembly) was created, which became an important normative entity concerning cooperation among developing countries.

Considering the evolution of the relations among the periphery at period, what was observed at the systemic level was that South-South Cooperation became increasingly institutionalized within the UN, while autonomous mechanisms of action, such as the Non-Aligned Movement, started to lack importance, becoming more of dialogue forums and ideological manifestations. In terms of collective action, it is weakened as the number of members increases and, in order to be effective, it requires some members to be willing to handle the economic and political costs in a disproportional manner, in the name of the cohesion of the group. Thus, the initial moment of South-

South relations was marked by challenges to coordinating collective action, but also by a greater boldness from the countries of the South to present their demands, after the decolonization of the majority of Afro-Asiatic countries. The progressive industrialization of the periphery, according to Amin (1997), weakened the typical polarization of the capitalist world system, and contributed, in the period analyzed, for the decline of American hegemony, which became increasingly contested, in the form of anti-systemic movements and the eruption of Marxist-Leninist regimes in the Third World.

Conclusions

The period from 1955 till 1978 marked the consolidation and establishment of an agenda for the periphery and the international insertion of a third bloc in the international Cold War order, contributing for the decline of the American hegemony. This period was divided in two main phases: from 1955 to 1967 there were national liberation conflicts in Africa and Asia, non-alignment and development of the first arrangements connecting the global periphery such as the Bandung Conference, the Non-Aligned Movement, the UNCTAD and the G-77; and from 1967 to 1978, demands were concentrated on the fight for a new international economic order and on the need to develop and institutionalize South-South Cooperation. As a consequence, in this first moment, a sort of conservative reaction is observed during the decades of 1980 and 1990, that would serve as an obstacle for South-South Cooperation and to place the periphery within a North-South cooperation logic, given the advances of neoliberal principles, which demanded, as a condition for cooperation, that developing countries pursued fiscal adjustments.

In this sense, the logic of the periphery in the decade of 1980 and beginning of the 1990s is a reflux of the social agenda on development and of the cooling down of typical arrangements of the Cold War, such as the Non-Aligned Movement. However, after the middle of the 1990 decade, a new impulse for South-South Cooperation was verified, reorganized under a new power logic observed with the end of the Cold War, this time with the emergence of an active semi-periphery. During the period analyzed in the present article, from 1955 to 1978, it was verified that peripheral countries struggled to act according to a logic of collective action, given the heterogeneity of their members. The most powerful countries of the Third World, such as China, India and Brazil, acted according to the power logic of the Cold War, frequently distancing themselves from dealing with the costs of leading the Third World. Therefore, there was not a complete consonance between the external action of the periphery and of the semi-periphery. China, specially, when al-

lying itself with the US in the decade of 1970, contributed to counterweight Soviet power, under the logic of the strategic tripolarity developed by Kissinger and Nixon. Brazil, even though having experienced some moments of a more globalist paradigm and of diversification of its partnerships with other continents, for the majority of the period was aligned to the North-American logic of ideological border doctrine, keeping the communist threat away from Latin-American countries. As for India, the country went through an approximation to the Soviet Union, in particular after the Americans supported Pakistan, and with it established an axis from Aden to the Strait of Malacca, opposing the Sino-American axis.

In this sense, the initial moment of the emergence of the periphery starting at the Bandung Conference was characterized by a moderate participation of the middle powers, which tried to place themselves under the power logic of the Cold War, seeking the advantages of an alliance with one of the great superpowers. However, in the present moment of South-South Cooperation, with the end of the Cold War, semi-peripheral countries have started to act in a more synchronized manner with the periphery and among each other, establishing blocs such as BRICS and IBSA. These new arrangements have a reformist character of the international order, and seek new solutions and forms of cooperation to deal with problems concerning development, an issue of extreme importance for the periphery. The creation of the Bank of the BRICS and military cooperation have signaled a crescent leading role of these group of countries, which have carried themselves as the speakers for developing countries through their models of cooperation, distinct from the North-South logic that was predominant during the decades of 1980 and 1990.

China has based its cooperation on the principles of equality and mutual benefits, absence of political and economic conditionalities and a component of implicit criticisms against the alleged second intentions of North-South Cooperation. More recently, the country has been focusing on economic cooperation and built of infrastructure in the continent, in a sort of geoeconomic dispute with the old powers inserted in the region. India, for its turn, has been contributing to the insertion of intensive technological goods and pharmaceutical products at low costs in the African continent and its cooperation is specially focused on the areas of Information Technology, nuclear energy, airspace technology and renewable energies. For instance, Brazil has been investing in a diplomatic high profile and in a technical model of cooperation, in particular with Latin America and Lusophone African countries, through the sharing of technical expertise and social technologies from government organs and public Brazilian companies such as the Ministry of Social Development (MDS), Ministry of Health (MS), EMBRAPA, FIOCRUZ,

and others. In this sense, the periphery in the post-Cold War period has a broader range of strategic options, what implies that it has been benefited with the greater multipolarity, which created new alternatives of alignment and cooperation. This does not mean that South-South relations are solely an expression of solidarity and altruism, given that they are still subject to the interests of National States as autonomous unities.

Nevertheless, history has thought, that the emergence of the periphery may bring with it a kind of conservative reaction, such as the observed during the decades of 1980 and 1990. In this sense, it is important to pay attention to the systemic reactions of traditional powers to the emergence of new poles of power, specially the BRICS. Another point worth noting is the fact that the situation of the periphery depends heavily on how the semi-periphery acts, which can surrender itself to the logic of high politics and be used as a chess piece by the superpower in its own game. The construction of hegemony, as Arrighi (1996) stresses, has a component of leadership, such as, the ability to turn an individual will into a general one. This way, strategic options of semi-peripheral countries must take into account long term impacts over the periphery, in order to build mutual trust. The BRICS, therefore, must build institutional mechanisms that give voice to the periphery, and not only to seek concentration among them. As the BRICS presented an alternative model for the financial and monetary monopoly of the Bretton Woods System, in the political field there should be more discussions considering an alternative system for the UN, a system that should be more democratic and that takes into account the weight of the periphery, in terms of political unities and in relation to the rest of the world, as well as in terms of population and participation in the global economy.

This is not only a question of searching for solutions in both the institutional and international level, as the Neoliberal theory in International Relations proposes, but also of thinking in more realist ways about strategies that unite semi and peripheral interests and add to a greater balance and decentralization of world power. Therefore, in the present context, of hegemonic crisis, what matters is the dispute of ideas, values and principles, directly associated to the capacity of the semi-periphery to produce alternatives and solutions for development. The periphery (above all, Africa) can benefit from the geoeconomic struggle between the center and the semi-periphery, as investment and cooperation alternatives multiply. Nevertheless, it is for the periphery to establish its own priorities and forms of action, which may or may not recover the coordination strategy of the Bandung and the Non-Aligned Movement period.

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ABSTRACT

This article aims to analyze the initial stage of development of South-South relations and the emergence of the periphery, taking into account that South-South Cooperation, as known today, gave its first steps in the context of the Cold War, with the decolonization of Afro-Asiatic countries and the formation of the first arrangements connecting the global periphery, such as the Bandung Conference and the creation of the Non-Aligned Movement, the G-77 and of the UNCTAD. In this initial phase, the goal was to guarantee decolonization and non-alignment. Since the decade of 1970, countries from Latin America and Sub-Saharan Africa began to be increasingly involved with the agenda of the Third World, in an attempt to foment political, economic and technical cooperation among developing countries. South-South Cooperation became progressively institutionalized within the UN, in particular due to the Buenos Aires Conference in 1978.

KEYWORDS

Periphery; South-South Cooperation; Bandung Conference; Buenos Aires Conference; BRICS.

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ANGOLA'S REGIONAL FOREIGN POLICY: CHANGES FACING THE SYSTEMIC ORDER (1975-2010)

Igor Castellano da Silva¹

INTRODUCTION

International Relations have been increasingly concerned about the role of regions in the distribution of global power and regional systems as unit of analysis that enables theoretical and empirical progress in the subject. Southern global regions, including Africa, have been one of the most important parts of this process, raising the attention of the Brazilian foreign policy and academic community. However, the understanding of the Southern regional systems' dynamics evolution leaves space for important advances, among them, a clearer interpretation over how and why regional systems change and what is the role of foreign policies from systemic units in this process. Studies about regions have focused almost exclusively on regional powers analysis and much little on the stance of secondary powers in current orders. Perhaps these analytical difficulties (lack of a bottom-up perspective of the regional relations) even have impact on the difficulties advancing integration processes in the global South, which often lack the representation of minor powers' interests. The Southern Africa case follows such pattern and available analysis focus predominantly on South Africa, with scarce understanding of the characteristics and causes of other systemic units' behavior. Despite the importance for regional and continental relations, little is known about the regional foreign policy of countries like Angola, a secondary strong

¹ Professor of International Relations of the Universidade Federal de Santa Maria (UFSM) and coordinator of the Study Group of State Capacity, Security and Defense (GECAP). PhD in International Strategic Studies, MA in Political Science and BA in International Relations at the Universidade Federal do Rio Grande do Sul (UFRGS). Associate researcher of the Brazilian Centre for African Studies (CEBRAFRICA) and of the Center for International Studies on Government (CEGOV) of UFRGS. E-mail: igor.castellano@gmail.com

power, whose actions impact significantly on the regional dynamics.

In this context, the research aims at answering how the foreign policy of Angola evolved facing the transformations in the regional system as from 1975 (year of its independence). More specifically, what does explain the Angolan foreign policy facing the regional orders established in 1975-88 and 1989-2010? Assess Angola's role in the Southern Africa international relations is fundamental to understand the magnitude of the challenges faced by the regional order centered on South Africa. Between 1975 and 1988, Angola was the most threatening secondary power of the region, given its revolutionary attitude against the actual conservative order and Angola's capacity of attracting extra regional forces to the disputes involving its domestic conflict. After 1989, Angola remained an important player in regional policy, mainly in the security area, and increased significantly its State capacities since 2002, what generated important impacts on its foreign policy.

The argument hereby sustained is that regional foreign policies of main or secondary regional powers can be understood by the country's position in favor of the continuity or change of the systemic order and its impetus for action for the fulfillment of such project. Regional foreign policy, in turn, is derived from a complex process of construction of the State, whereupon foreign policy defining elites (EDPE) will look for materializing their political projects and will answer to internal and external pressure according to the State capacities available. Between 1975 and 1988, Angolan EPDEs looked for deploying a developmental political project of strengthening the State (though without success) and changing the conservative regional order characterized by South Africa dominance. High internal and external pressures were responded to with a big momentum for action, mostly from the availability of natural resources (oil) and foreign support (USSR and Cuba). After a brief interregnum of accommodation of the external pressure and attempts to internal dialog, the 1989-2010 period observed a renewed impulse for changing the former liberal regional order also centered on South Africa and for overcoming internal and external pressure through the increase of State capacities then. After the lowering pressure on both fronts, Angola adopted a less impetuous, more restrained and keen foreign policy², regarding significant changes

2 The analytical model adopted by the study enhances the role of the construction of the State as changing factor in the regional system. One of the ways the construction of the State impacts on the regional system is by means of the systemic units' foreign policy. States act facing established systemic orders (formal and informal institutions that sustain the establishment of rules about behavior and benefits' distribution in the system) according to its EDPEs' interests and the pressures (threats and power asymmetry) that they face internally and externally. Although the availability of natural resources and foreign support helps in the capacity of action in some countries, actual State capacities available for the governing elites on the coercion scope, capital

in the regional order.

The first section of this article addresses Angola's foreign policy facing the regional order between 1975 and 1988, enhancing the process of construction of the State (context, State capacities and State-society relations) and an assessment of its foreign policy making (EDPE political project and its security against internal and external pressure) and execution (posture towards *status quo* and impetus for action in the system). The second section does the same to the 1989-2010 period. The conclusion brings about the results, which constitute a wider study involving foreign policy in the Southern Africa regional system. (Castellano da Silva 2015)

STATE, ELITES AND FOREIGN POLICY IN ANGOLA (1975-1988)

The Southern Africa regional system order, as it was formed since the 20th century, began to gradually be centered on South Africa and be sustained by four basic pillars, maintained until the decline of the *apartheid* at the end of the 1980 decade.³ On the political pillar, the conservative order was based on the inheritance of the colonial system on territorial *status quo* and on the defense of sovereignty by the State, followed by a system of governance centered on the strongest States. In the economic field, conservatism (protectionism and mercantilism) concurred with liberalism, since the last one favored the centrality of South Africa's position. Such centrality was sustained because of logistical (infrastructure) and financial axis, and commercial relations centered on the Rand economic pole. On the social pillar, the conservative order was based on socio cultural dominance by the elites bounded to the colonial project and on discriminatory and segregationist systems. In the security sphere, the primacy of national security was maintained, with special attention to security challenges produced by the movements for national liberation. The independence of Angola and other regional revisionist countries represented the growing contestation of the order centered on South Africa.

and legitimacy will define the sustainability of external action and the conditions of natural resources' extraction in the society (Castellano da Silva 2015).

3 For analytical purposes, systemic orders can be assessed in the political, economic, social and security axis. The order's political base embodies values, rules and institutions that conduct the system's territorial distribution, the principles that conduct the diplomatic relations and the guarantee of the States' political surviving. The economic base concerns values, rules and institutions that conduct the subject of the economic relations (trade and goods and services' flow principles). The social base indicates values, rules and institutions bounded to the social relations' subject and to the priority established for regional populations' different kinds of rights. The order's security base is related to values, rules and institutions that regulate the organization and behavior over the security matter.

Nevertheless, the interests and conditions of action of those new States would be determined by their particular processes of State construction.

The Built of the State in Angola (1975-1988)

Angola, previously the jewel of the Portuguese colony (Birmingham 2002, 137), became the center of the African geopolitics in 1975. The war that followed Alvor Agreement (January 1975) lasted almost thirty years after its independence (in November 1975) and became a spiral of conflicts that, at least until 1989, centralized the regional and global dispute in the continent. Angola was the stage of intermediate regional (South Africa and Zaire) and global powers (Cuba), as well as global great powers' (USA, USSR and China) strategic interests. Such international relevance, notwithstanding, was subjected to complex local and regional dynamics and lost impulse in the end of the 1980 decade. Its economic potential⁴ and strategic geographical position, with wide coastal area and several connections that integrate the inner part, contributed to the ongoing relevance of Angola in the regional geopolitics. Besides that, the complexity of the movements for national liberation composition and the increasing insertion and support of regional and global actors granted visibility to its position. The movements emerged from the politicization of ethnic identities predominant in Angola (*kongo*, *mbundu* and *ovimbundu*)⁵ and admitted secular ideological aspects in a diverse way. However, their identification with wider nationalist political ideologies increased, mainly coming from the People's Movement for the Liberation of Angola (MPLA).⁶

4 The country has quite significant oil, gas, diamonds and water's reserves. Its weather and land enables great agricultural fertility, represented in the coffee production.

5 The ethnic differentiation was increased during the colonization, resulting in three main groups. The *kongo* shared the ancestry of the Kongo Kingdom and lived on the border with Zaire (inclusively they widely adopted the usage of French). The *mbundu* had bigger interaction with the Portuguese and cultural assimilation. They were associated to modern and Western urban mixed populations. The *ovimbundu* were originated from the central upland from where they were removed to serve as labor for Northern coffee plantations, what increased the conflict's potential with the other groups. As the socialization was grounded in these relations, political identity and mobilization had a big connection with those divisions. The People's Movement for the Liberation of Angola (MPLA), created in 1956, had support ground on the *mbundu* (20% of the population, predominantly around the capital); The National Front for the Liberation of Angola (FNLA), emerged in 1963, was bounded to the *kongo* population (mostly on the North); and the Union for the Total Independence of Angola (UNITA), was based on the support of the *ovimbundu* population (40% of the population, prevails on the Center-South) (Bauer and Taylor 2005, 145).

6 Unlike UNITA and FNLA, MPLA looked for articulating a national Project. MPLA's approved in 1974 project, in the Inter-regional Conference for Militants, guided this process through the education of the people in free areas, including the alphabetization and the teaching of Ango-

That movement assumed the Leninist-Marxist nationalist ideology and raised support from USSR, Cuba and East Germany, since the 1960 decade, which was fortified as it got closer to its independence (Shubin 2008, 15). Its rivals, in turn, remained tied to particularistic identities and raised support from USA and China.⁷

MPLA's victory in the liberation war, after the Carnation Revolution in Portugal (1974), and the disruption of the Alvor Agreement (it established a transition government) by a quick and violent removal of the Portuguese, led to the construction of a revolutionary State. With the era of the peaceful independences coming to an end (1960 decade), the promise of the rise of movements for national liberation that increased their performance in the 1970 decade, in Angola, Mozambique, Zimbabwe, Guinea-Bissau and Cape Verde, was to overcome the maxim of Nkrumah: "Seek foremost for the political realm and all the rest will be given to you as a supplement" (Mazrui 2010, 125). It was necessary a full State, economy and State-society relations reform, in search for autonomy and development. The embracement of the scientific socialism and a restructuring of the State, based, leastwise projected, in the Marxism-Leninism was the alternative seen as more adequate by movements as the MPLA and the Front for the Liberation of Mozambique (FRELIMO). At the Party's First Congress in 1977, MPLA adopted the Marxism-Leninism and declared itself a vanguard party. Nevertheless, the process was constrained because of low State and society capacities and various external and internal pressures. Finally, in the mid-1980s the Marxism-Leninism ideal had to be increasingly abandoned on behalf of surviving.

State Capacity: coercion, capital and legitimacy

The main challenges for the construction of the Angolan State were linked to the reduced capacities inherited from the Portuguese colonial State (including the destruction caused by the liberation war) and to the challenges that came up with the internal war, supported by foreign forces. In the new State project, the priorities were to set national order and to promote econom-

lan History (Wolfers and Bergerol 1983, 109).

7 FNLA remained tied to the *kongo* identity, Holden Roberto's anticommunism, and the black peasants' liberalism linked to coffee production in Cazengo – what guaranteed Zaire and USA's support. China equally sought to face the movement supported by the USSR and ended up supporting the group. UNITA kept its regimentation in the *ovimbundu* (political force on the upland, in Huambo and in the coastal city of Lobito) and counted with Jonas Savimbi's ideologically undefined and charismatic leadership. His conservative posture (and by consequence, anti-MPLA) was defining of South Africa, USA and, in less degree, China's support (Birmingham 1992, 47–50).

ic capacity, by means of a politically educated and mobilized society. In the reconstruction tasks, Cuba was fundamental to reduce the power vacuum in the military, administrative, medical, educational and security public services (Birmingham 1992, 52).

The coercive capability challenges were significant because of the need for building a national army from the liberation forces, which had to be capable of facing similar capacity rival armed forces. Two moves were adopted for this task: (i) the construction of a sturdy army based on the identity of the MPLA (FAPLA - Armed Forces for the Liberation of Angola) and (ii) the direct cover by outward security forces in the inner combat, achieving a differentiated combat experience. The alliance with Cuba was central to the goal of organizing defense forces that could protect 2000 kilometers of border with Zaire and the same distance with Namibia.⁸ The attempt to increase the coercive capability was complemented by the participation of popular militiamen (structured in the liberation war) in urban and rural defense against terror campaigns of the National Front for the Liberation of Angola (FNLA) and the National Union for the Total Independence of Angola (UNITA). However, the difficulty of penetrating the Southern territory still remained, which came to be controlled by UNITA and South Africa, and of keeping control over Cabinda, an exclave at Congo-Kinshasa Northern shore, of great wealth of oil (half of the national petroleum) and known by the presence of separatist groups' activities (Front for the Liberation of the Exclave of Cabinda – FLEC), supported by the French intelligence service.

Regarding the capital sphere, what matters is that Portugal, since 1915 (First World War context), had incremented the colony economical exploration, increasing investments in infrastructure for access and leakage of products like coffee, diamonds and oil.⁹ Along with the independence and the adoption of Marxism-Leninism, came the nationalization of farms and business abandoned by the Portuguese during the liberation war (most of them headed for Portugal, Brazil and South Africa). The government tried to establish a centrally planned economy, which looked for the State reconstruction and wars efforts maintenance. It nationalized the central bank, reappointed

8 In August 1976, an agreement between Angola and Cuba guaranteed the continuity of FAPLA's training. The biggest challenge was building forces "*strong enough on the ground to withstand the SADF - Africa's best NATO equipped army*" (Wolfers and Bergerol 1983, 130).

9 Portugal built the Benguela railway (started in 1911 and finished in 1921) to offer the transportation logistics of the Katanga region in Congo up to the Port of Lobito. It initiated the diamonds' extraction with the creation of the Diamond Company of Angola, in 1917, and increased coffee and other goods' (fishing and manufacture) and forced cultivations' production (besides coffee there was corn, bean and wheat). The oil production increased as from the 1950 decade, and in the 1960s foreign companies started investing in the sector, mostly North-American.

as People's Bank of Angola, and embraced industrialization incentive politics as a tool to build socialism. The project foresaw the labor joint, which would rise from local population, including from old rival groups and exiled Angolans (Wolfers and Bergerol 1983, 110–11). Nevertheless, there was some difficulties to improve “[...] because of the lack of capital (diverted to defense), qualified labor, spare parts and inputs and the destabilizing effects caused by South Africa and UNITA's sabotage, besides its own managing incapacity” (Visentini 2012, 71). Thus, due to the economy's precarious state (after the liberation war and along with the civil war), lack of bureaucratic capacity and reduced economic support from the communist bloc, that model was gradually abandoned. In the mid-1980s, there was an inclination to the market forces: the growing influence from western economy could be seen in the oil companies, banks, food and transportation processing.

The State legitimacy, in turn, was grounded in MPLA's authority and identity and in distributional politics. The main attempt was building a politically educated society and that it would rebuke the fragmenting attitude of insurgent groups like UNITA and FLEC. MPLA looked for instigating the idea of nation, enhancing the civility in the party and in the revolutionary element as basis for national culture. Africanism was tolerated and encouraged towards historical rescue (to relive the major traditional Angolan languages), although religions were harassed (Marcum 1987, 75). However, there was little integration and national identity wasn't enough. The increase of the State distributional capacity was directed to the social rights. Health and education were prioritized. In 1975, the Constitution already ensured for all the right to health care; the National Health Service was institutionalized and, in two years, health services became fully public.¹⁰ On the education field, in 1975 there was an educational reorganization project that reassembled the liberation war, when circa 90% of the population was illiterate in Portuguese. MPLA's Congress, in 1977, initiated the process of restructuring the Angolan educational system and created a model that integrated regular students and workers. Also, it encouraged access to university education in order to prepare a task force for the party and officers for FAPLA. Notwithstanding, Eastern and Southern populations complained about the marginalization on

10 The focus on preventive medicine and on the people's education, with Cuban support, enabled the integration of the traditional medicine to the scientific medicine. Provincial hospitals were reformed and sustained by health centers in smaller towns. In terms of human resources, there was a big challenge, since 90% of the expatriated abandoned their jobs in essential services of the State. Cuba provided doctors and technicians while Angolans were trained. Eastern German, USSR, Yugoslavia, Bulgaria and Netherlands also sent volunteers. Massive campaigns of vaccination executed by volunteers were fulfilled (one of them, from 1977, was awarded by the World Health Organization (WHO)).

the part of the central government and turned out being the recruitment basis of UNITA, generating obstacles to MPLA and the State legitimacy.

State-society relations

The MPLA party dominated politics in Angola since 1975. Following Marxist-Leninist principles, the party was embedded in all of the States and public life's spheres. The government was composed by the party's leadership, mainly ruled by urban educated groups, usually *mbundu* and *mulattos* elites, even though it would encourage the rise of national interests over tribal and ethnic loyalties. (Wolfers and Bergerol 1983, 123–4; Malaquias 2000, 109). Therefore it refused to accept the usage of affirmative action to guarantee political participation of other ethnic groups in the government (Marcum 1987, 75). MPLA's political project aimed at establishing an egalitarian society, a planned and industrialized economy, and national autonomy and development. More than a simple ideological alignment, the Marxist-Leninist model was attractive as “[...] *promise of governmental efficiency, authority, and social discipline in the Soviet model*” (Keller 1987, 11).¹¹ Its top priorities were political education and economical reorganization. However, its capacity for such was low and the goals aimed by the State had to be gradually more flexible, and the envisioned autonomy turned out being put in second place facing the State's need for surviving and for maintaining its unity (before internal fragmentation) and the regime's (before alternative movements/parties).¹²

MPLA articulated alliances in a power strategy of popular participation that sought approaching society through popular committees and masses' organizations. Despite that, because of MPLA's predominantly urban formation basis, groups distant from the capital turned out to be excluded from the party's structure and became sources for the opposition (Marcum 1987, 74).¹³ The difficulty in terms of dialogue with rural regions far from

11 In February 1977, MPLA opened the Party's National School and declared adherence to the scientific socialism. In the first MPLA's Congress, in December 1977, it opened the MPLA-PT (Work's Party, in Portuguese, *Partido do Trabalho*). This adopted a pyramidal organizational form and assumed political, economic and social leading role over the State (Marcum 1987, 72–3).

12 The dependence on the Cuban and Soviet support and on Western capitals resulted, concomitantly, in the loss of State autonomy facing external pressure and in the flexibility of its internal (Marxism-Leninism) and external (developmental regional order) revolutionary political project.

13 For example, tensions came up in the relationship with the workers articulated in the National Union of Angolan Workers (UNTA – in Portuguese, União Nacional dos Trabalhadores Angolanos), as MPLA supported the syndical centralization and the vertical organizations to

Luanda, the reduced participation of the peasants in the political process and tensions with some workers contributed to the strengthening of more threatening opposing groups. After MPLA's stabilization in power, its biggest internal challenge came to be UNITA¹⁴ (and FLEC in a minor degree), since the governing elite was never timely able to consolidate the State's power along all the territory because of the constant war (perhaps with the exception of the 1976-1978 period) (Malaquias 1999, 24). Even with these existing difficulties in the construction of State's capacities, internal and external threats could be confronted due to foreign support, including for the extraction of their abundant natural resources (oil), which bailed revolutionary regional politics.

Elites and Regional Foreign Policy in Angola (1975-1988)

Angolan regional foreign policy derived from this ample process of State construction and from the centrality of MPLA's elites. The president figure was relevant to the formulation of central guidelines of foreign policy. However, the party and its internal organs established the political objectives and primal action lines. The main decision spheres of MPLA were three: (i) the Party's Congress, which gathered an assembly of delegates and established general political guidance; (ii) the Central Committee, which formulated specific politics in areas of its secretariat's responsibility, including the Foreign Policy and Defense and Security departments; and (iii) the Political Bureau, organ elected by the Central Committee and more influent from the party, possessed the power of supervision of partisan policy implementation (that is, possessed great interference in the agenda). Relations between party and Executive ruled the foreign policy decision process. If the president, standing as the party's president and head of government, was constrained by MPLA's political-ideological action lines, he also had the capability of affecting the foreign policy by his particularities in the sense of implementation and by means of eventual agency spaces. Besides the president and the party, militaries turned out becoming gradually a vital input source both in domestic and foreign politics, due to internal and external security challenges (Malaquias

include every worker in fields of activities. UNTA criticized the government's management for not implementing a workers' democratic participation in the production supervision (Wolfers and Bergerol 1983, 118-121).

14 UNITA did not have a clear political platform neither an ideological position. It maintained an ethnical speech of alignment to the *ovimbundu* and other Western and Southern Angolan groups (Tvedten 1997, 30-1). Peoples from these regions resented this pattern due to marginalization in the central government's politics since the colonial era. However, the group detained an important charismatic leadership, Jonas Savimbi, and significant foreign support, what enabled it an effective reorganization after 1975's defeat.

2002, 15, 19).

Besides that, the existing pressures at the EDPE contributed to the conformation of the regional policy. The main pressures throughout the period were originated in the relations between internal groups (UNITA, FLEC) and their external allies (South Africa, Zaire, USA). South Africa stood out as the guarantor of the conservative regional order, who noticed in Angola a great threat to the maintenance of such order. Zaire, a secondary action country from the region, also noticed in Angola threats to the stability of a conservative order of neocolonial profile. Although great defenders of the liberal international order, the US prioritized regional stability and its gradual and safe transition to a liberal order, moving away from the possibility of radicalisms. Everyone's actions, nevertheless, only tended to increase the regional tensions, once they made use of the force and had found, in Angola, a State and regime determined to guarantee its autonomy.

As a consequence, between 1975 and 1988 Angolan regional foreign policy was based on the attempt of transforming of the regional order as a means of increasing the State and the regime's chances of surviving. In the long term, such strategy enabled the construction of a regional environment gradually favorable to the Angolan State unity and territorial integrity. The fulfillment of this strategy followed various fronts. Bargain instruments, as the support to the *South West Africa People's Organization* (SWAPO) and to the African National Congress (ANC), were seen in a double way. Primarily, they were ideologically relevant, as a revolutionary and solidarity pan-African form (Marcum 1987, 79). Secondarily, and most important, both movements were taken as bargain instruments facing UNITA's main supporters. The revolutionary solidarity, although, was only one of three instruments adopted in the big regional strategy. The second of them was the configuration of regional alliances, what resulted in its ingress to the Frontline States (FLS) and the articulation of the *Southern African Development Coordination Conference* (SADCC). At last, there was basic support from all those action fronts: the politics of strengthening State's capacity (above all military) and the guarantee of constant support by extra regional allies' forces, assessors and equipment. This instrument capacitated Angola's action in every scenario, including if both the previous ones would fail. It served as a means of assuring its survival facing the internal forces in Cabinda and in the South and the aggressive regional rivals (South Africa and Zaire). However, the revolutionary regional project gradually lost its impetus, due to South-African inflexion and reduced State capacity (added to the expectations of reduction of foreign support) to afford the changing's internal and external costs.

Elites and Regional Foreign Policy in Neto (1975-1979)

During the brief government of Agostinho Neto, the EDPE were gradually structured in the party's main leaderships, as already seen before. The rhetoric of non-alignment and independence of the president gave the initial tone of the external action. Neto's position could be seen in the autonomist politics against USSR, since this country had been reluctant about offering support to the party on the threshold of the independence. Neto's vice and MPLA's ideological politician, Lúcio Lara, recalls that only after MPLA had obtained Yugoslavia's support (armaments) and bigger support from Cuba was that relations with USSR got better (Brittain 1996, 1). Neto looked for untying Angola from the Eastern-Western dispute and its cooperation with Cuba was privileged, since it was surrounded by the Third World ideal (Neto visited Cuba in 1976 and 1977, and Fidel and Raul Castro visited Angola in 1977). Neto's political posture, as a priority, was guaranteeing its internal domain stability and finding resources for that.¹⁵ Nevertheless, with the acting of foreign forces, it got increasingly clear the difficulty of reaching stability without a foreign policy clearly revolutionary and active.¹⁶

Internal and external to MPLA regime pressures were significant in that initial period. The conflictive experience of the independence process¹⁷ – which occurred with great external mismanagement of regional rivals (Zaire and South Africa) and of extra regional powers (USA, USSR and Cuba¹⁸) – and

15 For example, with the internal economic difficulties, Neto allowed the continuity of Western companies' operations in Angola seeking the opening of diplomatic channels with the US.

16 The party's influent leaders' most revolutionary positioning, like Lúcio Lara, Iko Carreira and Paulo Jorge, kept growing stronger. These leaderships noticed Zaire and South Africa's actions as part of the Cold War confrontation and in the context of a neocolonial domination in Africa. The more natural alternative would be the increment of the alliance with USSR and Cuba (Malaquias 1999, 25).

17 After the Portuguese's removal in the beginning of 1975, MPLA sought guaranteeing control over the capital Luanda as means of assuring the State's authority. The other groups equally noticed the relevance of this strategy and headed to the capital (Birmingham 1992, 49). FNLA followed through the North sustained by 1200 men from Zaire, meanwhile UNITA took South with South-African support.

18 The US disrespected the Alvor Agreement and sent, already in January 1975, US\$300 thousand in aid to FNLA, mediated by CIA's station in Zaire. In response, Eastern European countries sent weapons and equipment to MPLA, what was reinforced by the Soviet support, closer to independence. Foreign military attaches, Cubans overall, also served as support to the movement. UNITA received in the same epoch around US\$32 million in secret aid from the US to avoid Luanda's control by MPLA (Bauer and Taylor 2005, 148–9). The support was, however, insufficient to take the capital from MPLA, which counted with the increase of Cuban forces (2000 troops), that helped in the blockage of the Southern offensive and in the expulsion of FNLA, which was already penetrating the capital.

resulted in MPLA still unstable victory concurred. After the independence, the more significant pressures to EDPE's security, therefore, were bounded to the State and the regime's consolidation. Internally, threats to Neto's leadership emerged within MPLA through Nito Alves' radical movement, that looked for removing the group from Luanda (more moderated and, relatively, intransigent) from power, ascribing a coup d'état on May 27, 1977.¹⁹ More than a competition among the elites, social pressure from rival groups became constant, coming from FNLA, FLEC and, mostly, UNITA. Externally, there were direct attacks from South Africa, which had as pretext SWAPO's demobilization, and the continuity of the support to UNITA's reorganization²⁰. In the North, Zaire retreated after FNLA's defeat, but remained harmful to Neto's leadership.

As a consequence, Neto and MPLA's summit implanted a vindictory and proactive regional foreign policy to assure the existence of the State and MPLA's recognition. For such, the foreign policy should serve as instrument for the victory in the civil war, what, in turn, implied the transformation of the regional order. It was sought at the same time (i) the recent independent States' sovereignty defense, (ii) the construction of regional mechanisms of development distribution (SADCC) guided by the imperative of the regional populations' social rights and (iii) the construction of a regional security framework based on solidarity, that was sustained on the comprehension that their own security was linked to the ones of allied neighboring groups and States.

The less costly action was sustained on the establishment of regional alliances with FLS, complemented by an attempt of mediation and regional dialog with South Africa and Zaire. Personally, Neto believed there was space for mediation. He initially interpreted that "[...] *state's territorial integrity ultimately depended on its ability to establish good relations with neighboring states*" (Malaquias 1999, 25).²¹ Such stance was increasingly less viable as the responses from his neighbors did not align to cooperation expectations (South Africa's Total Strategy) and as the party's hard line assumed major role. The result was the gradual growth of military operations on Northern

19 The attempt soon failed due to poor planning, to insufficient support by the population and military and to the opposition on the part of Cuban forces (Birmingham 1992, 73-76). The movement served to accelerate the State's reform politics finished in the adoption of the Marxism-Leninism in 1977.

20 South Africa supported UNITA's resurgence and its bases' expansion in Cuando-Cubango (Southeast) to the central uplands, where infrastructural axis (Benguela railway) was located.

21 Besides that, on July 21, 1978, Neto stated that he did not have reserves in establishing diplomatic relations with the USA. Washington, although, maintained the precondition of the Cubans' exit and the internal reconciliation with its proxy UNITA.

and Southern fronts as complement and alternative to the diplomatic initiative. At the Northern front, Shaba I and Shaba II wars were indicative of the opposing and reacting to the conservative regional forces' impulsive posture. This was represented by two armed conflicts that occurred in 1977 and 1978, respectively, that were MPLA's answer to the invasion Zaire's troops.²² At the Southern front, the defense and opposition to the South-African order policy was based in the increasing support to movements for national liberations opposing to the *apartheid* regime, which identified in MPLA the its regional order's principal enemy.

Elites and Regional Foreign Policy in Dos Santos (1979-1988)

Along with Agostinho Neto's death on September 10, 1979, the rise of José Eduardo dos Santos represented the exhaustion of the negotiated option and the advance of the defensive and combative regional policy suggested by the party's hard line. Dos Santos carried personal bounds with the communist bloc. He was an oil engineer graduated in the USSR, what increased his proximity with that country and Cuba, making it easier the increment of cooperation to confront internal challenges. Dos Santos sought centralizing the foreign policy decision process by establishing, in 1984, a Defense and Security Council (chaired by the president himself), which came to be the nation's highest decision organ (Hodges 2004, 53). The institution shows the increment of the centrality of a closed and nearby group to the president in the process of foreign policy definition.

Besides that, Dos Santos' insecurity facing the inner elites contributed to a closer alignment with the USSR and Cuba. Dos Santos worried about the deterioration of the internal situation and was in a more fragile position because he was young (37) and hadn't participated significantly in the liberation war. There was the need for creating a political base more solid and establishing command and leadership over the militaries. USSR and Cuba, in turn, then had more interests in acting in the Angolan conflict.²³ In refer-

22 In March 1977, Neto gave Angolan tacit support to the invasion of Zaire by thousands of *katanguenses* to the Katanga province (current Shaba). The so-called National Front for the Liberation of Congo (FNLA)'s Tigers took Mobutu unprepared and unwarned. However, due to the great importance of Shaba to Zaire's economy and to the world investments in the country (Kolwezi, focus of the attacks, was one of the cities with greater copper reserves in Zaire), a coordinated intervention by the Western was launched and guaranteed Mobutu's protection in both occasions.

23 The first, to confront the North-American foreign policy's growing conservatism. The second, in order to strengthen its leadership position in the Non-Aligned Movement (NAM), in a time of international economic crisis. The renewed alliance with USSR and Cuba proved itself

ring to armed conflicts, the pressure on the North turned out giving in space for the conflagrations on the South. The Northern front settled down due to the results of the Shaba Wars²⁴ and the Southern front became definitely the main stage of the war. It was in that time that South Africa expanded its involvement in the Angolan conflict. South-African forces occupied the country's South and declared public support to UNITA and guaranteed a protector shield to the group's operations, now even more impactful.²⁵ Extra regional pressure came from the linkage's North-American policy, which involved Angola directly in the bargain for Namibia's Independence, putting Cuban presence as bargaining chip to the South-Africa's removal from the Southern territories. This diplomatic constructive engagement, that rhetorically tried to build a momentum of trust and distancing with the *apartheid*, was complemented by a strategic engagement with the Reagan Doctrine.

The growth of internal and foreign threats took José Eduardo dos Santos, in an initial moment, to deepen their alliance with USSR. Three months after assuming presidency, he traveled to that country seeking guarantee of the Soviet help's abundance.²⁶ The military support guaranteed the sustainability of MPLA's domestic and regional politics (BRITTAIN, 1986).²⁷ The

fundamental to face new challenges to the State's stability, overall on Southern of the territory.

24 In spite of showing the tension level that Angola and Zaire lived back then, the Shaba wars enabled an agreement between both countries in mid 1978. Zaire compromised to not provide aid for UNITA, FLEC and FNLA – while Angola promised to disarm the *Tigers* and stress efforts to reopen the Benguela railway (Leogrande 1980, 27). Mobutu's promise was only partially fulfilled (it remained as aid logistical axis to UNITA and supported destabilizing minor groups, like the Resistance Military Committee of Angola), but Zaire moved away from the Southern Africa region, sustaining indirect participation, to return and participate actively in the regional dynamics only in the 1990 decade.

25 In 1979, UNITA was already reorganized by the South African Defense Force (SADF) and looked for operating in the Center-South of the country, with the purpose of causing great devastation to the economic activities, blocking the Benguela railway, attacking agricultural production and villages in the productive region of the central upland, and planning operations on the North to break governmental access to the oil and diamonds' exploration (Malaquias 1999, 28). Its scorched earth strategies, robbery, loot and sabotage of medical trucks took millions to death and hunger. In response, MPLA dealt with the populations regimented by UNITA with equal cruelty, recalling the liberation war profile. Between 1982-83, UNITA and South Africa's attacks intensified and a big part of Cunene province was taken. In 1983, UNITA attacked Cangamba, at Moxico province, with South-African aerial support (which was testing new equipment). That year finished with the South-African units 300 km inside the country (Chan 1990, 57–9).

26 These trips were repeated as UNITA's threats grew (1983, 1986 and 1988). In 1986, Dos Santos signed a friendship and cooperation treaty with the Soviet Union.

27 However, there was little communist economic support, once Angola, like Mozambique, was not part of the COMECON (Council for Mutual Economic Assistance). Consequently, there

last one maintained the position of significant transformation of the order to more distributive principles. It is certain that because of the difficulties maintaining the program for strengthening State's capacities, Dos Santos tried to assess P. W. Botha's dialog capability in the negotiations that led to the Lusaka Agreement in 1984.²⁸ However, due to the difficulty of a regional dialoged exit's consolidation, Angola, as an answer, looked for resuming a survival fight with Soviet and Cuban support. The intensity of the armed conflicts increased since 1985, with bigger South-African²⁹ involvement and North-American³⁰ support to UNITA. Only when Angolan troops inputed great defeat to South-African forces in Angola's South there were bigger conditions for a negotiated solution. That would occur in the 1987/1988 battles, overall at Cuito Cuanavale. More scathing negotiations began in May 1988, when USA and USSR "*were increasingly in accord on the need for settlements of 'regional conflicts'*" (Minter 1994, 49).

The tripartite agreement was seen by Angola and South Africa as beneficial. South Africa could see the exit of 50 thousand Cubans and gave in to the inevitable independence of Namibia. Angola could see itself free from the South-African threat on the Southern borders and didn't need to compromise at the moment to any agreement involving UNITA, weakened by the withdrawal of its main supporter. The US, on the other hand, saw the diplomacy of constructive engagement as a victory, in spite of the destruction that it and its counterpart (Reagan Doctrine) had brought to the region. With the perspective of the South-African regression and the transformation of the regional order, Angolan foreign policy ambitions for change and its impetus for action

was the need to find support from Western capitals, what increased the State's vulnerability.

28 The agreement foresaw the removal of the South-African forces from Angola, which would keep SWAPO's activities under control. South Africa should also embrace the United Nations Security Council (UNSC)'s Resolution 432, about the independence of Namibia. Nevertheless, just as in Nkomati, South Africa did not honor its compromises; it took it more than a year to withdraw its troops and never stopped sustaining UNITA.

29 In 1985, in the Mavinga Battle, MPLA waged a big scale military operation complemented by previous diplomatic strategies of approaching with UNITA's supporter countries, like Morocco, Zaire and Ivory Coast. South Africa abandoned at once the negotiated solution and mobilized military support (including aerial) to UNITA's forces, saving FAPLA's advancement group and setting the restart point of direct military interventions in South Africa (Chan 1990, 57-9).

30 In 1986, the US openly provided US\$25 million for Savimbi (Bauer and Taylor 2005, 149). Reagan provided sophisticated weapons to UNITA's forces, like Stinger anti-aerial missiles (one of Savimbi's greatest wishes expressed in a trip to Washington occurred in January 1986). The costs of low intensity wars were low only for the Pentagon, as they left a devastating mark in human lives and negative impacts on development for the third world countries, given its contra-revolutionary strategy (Birmingham 1992, 84; Klare 1985 on-line).

were temporarily reduced.

To sum up, and in Neto's era (1975-79), MPLA's unstable political leadership tried to find some compensation on the strengthening of the State capacities policy and distributive politics that were reproduced in a developmental regional project. The increasingly internal and external pressures were responded to with high impetus of regional action for change. With the rise of Dos Santos (1979-88), the relative increment of the coercive capacities and its bigger foreign support guaranteed the reaction to great external pressure capacity by means of an even more impulsive support politics to SWAPO and ANC and military reaction against South-African invasion. In counterpart, at the time of the transition in 1988, the reduction of external pressure with the retraction of South Africa enabled the reduction of the impetus for action and the flexibility of the regional project (accepting the linkage and greater dialog with the West).

STATES, ELITES AND FOREIGN POLICY IN ANGOLA (1989-2010)

At Southern Africa, the transition of the global order in the post-Cold War and *apartheid* regime in South Africa concurred to the emergence of a regional order of liberal nature that worked in favor of the remaining of the South-African centrality. The human rights' defense and the accepting of foreign mismanagement came to coexist in an unstable way with the principle of respect for the States' negative sovereignty (juridical). Economic liberalization, represented by the implementation of structural adjustment programs, was adopted, even in the old socialist or Marxist-Leninist regimes, and the regional integration institutions embraced its fundamentals. The "good" governance principle and the development of welfare slant programs, and often unlinked to jobs and income for the population alternatives, kept acquiring priority. Human safety passed from a rhetoric discussion to a national security forces' reform justification and as foundation to the management of regional security. With miscellaneous impetus, Angola kept positioned in favor for the change of the *status quo* fundamentals, seeking the construction of a sovereignty of the weakest (juridical and empirical) defense order, which would prioritize the guarantee of social rights and that would sustain a collective security (regional and national) perspective. Its stance facing the regional order can be understood by the study of the construction of the State process and of the interests and the EDPEs' security.

Construction of the State in Angola (1989-2010)

The end of the Cold War brought with it great challenges for Angola. Like South Africa, Angola gradually would lose its strategic importance in the global systemic competition. Its main allies experienced State fragmentation (USSR and Eastern European countries) or isolation (Cuba). On the other hand, the challenge was accompanied by the distension of the regional order and the opening of action spaces for the country. With South Africa's transition and the guarantee of a less offensive to MPLA's interests in regional order, the government could focus its energies in the solution of the inner conflict. Moreover, the global liberal order more actively defended by the one superpower left (US) reduced the earnings in affording the economic and political costs of Jonas Savimbi's violent enterprise. After, the abundance of strategic natural resources and the relevance of its position in the South Atlantic would make Angola get back its global strategic role for traditional (US) and emerging powers (China, Brazil and Russia).

Internally, the challenges were more important due to the economic, social and human destruction generated by decades of war and the continuity of conflagrations in different fronts. The scale of the problem continued draining resources that could be destined for development politics. Since the beginning of the 1990 decade, Angola established four big transitions, *"from war to peace and reconciliation; from humanitarian emergency to rehabilitation, recovery and development; from an authoritarian, one-party system of governance to pluralist democracy; and from a command economy to one based on the laws of the market"* (Hodges 2004, 199). An even bigger challenge was confronting those transitions simultaneously (Bauer and Taylor 2005, 141). The first movement was initiated in December 1990, when the Party's Congress renounced formally to the Marxism-Leninism and consolidated, in May 1991, a constitutional reform that promulgated a democratic and multiparty State. The reform opened space for an electoral legislation that sustained the elections of September 1992. In the same month, a new constitutional review was approved, establishing governmental decentralization mechanisms. Concomitantly, the country's name was altered to Republic of Angola. Furthermore, the challenges resulted in increasing State capacity efforts, what enabled the nation to stabilize itself internally and made possible more audacious politics in regional and continental degrees.

State Capacity: coercion, capital and legitimacy

Angola was the last country of Southern Africa's interactions core to stabilize its civil war. The extension and depth of its armed conflict provided

to the country great capacities differential, but also considerable challenges. To concerning the coercion, with the Tri-party Agreement and the consequent removal of the Cuban troops, Angola became more and more solitary in the combat against the (then predominant) internal security threats. That reality was faced by means of great investments in the modernization of the Angolan Armed Forces (name adopted after 1992). In spite of the past cooperation with most of the regional countries, threats from internal guerilla groups operating in national and foreign land (in general, supported by rival regimes), during all the period, legitimized increasing expenses with defense and the embracement of robust armed forces and of an equipment profile that approaches capacities for regular war.³¹ During the war against UNITA, Angola developed one of the continent's most powerful Armed Forces (Jane's 2009, 5), which, until 2002, were established in three of its four neighboring States (DRC, Congo and Namibia), with occasional fights in the border with Zambia. After 1999, the increase of the oil prices enabled a relative modernization process of the AAF, overall the army's and the aeronautics', within a period that also embraced the final phase of the fight against UNITA. Since the beginning of the efforts to oppose UNITA's operations resumption, there was the acquisition³² of new equipment³² and new training³³ and doctrinal modernization³⁴ programs. After 2002, the new Angolan Security Sector Reform

31 The armed forces reform began in the 1990 decade with the first UNITA's integration of insurgents in the national institutions and the posterior downsizing of the forces and reduction of military expenses. The reform failed as occurred the resumption of the conflicts on UNITA's part in 1998.

32 Between 1998 and 2000, it was bought from the Warsaw Pact's stocks 320 MBTs (Main Battle Tanks), 160 AIFVs (Armored Infantry Fighting Vehicles), more than 100 pieces of artillery, 46 multi-rocket launcher, some Sukhoi Su-22 Fitter airplanes (reinforcing the stock of these airplanes already existent) and some Mi-24 Hind attack helicopters. Qualitative advances also were obtained by the acquisition of some units of more modern equipment, as the Sukhoi Su-27 Flanker fighter aircraft (Jane's 2009).

33 There was the training of the AAF on Portugal's part in the 1990-decade and, most of all, by South-African and North-American private military companies since 1993. It even can be mentioned a training military agreement firm in 2000 with Russia, regarding technical support for the usage of just bought equipments from former ex-USSR countries.

34 If until the 1990 decade the Angolan military doctrine put together aspects from the Portuguese military thinking, the Soviet, the Cuban and the Warsaw Pact schools, in the mid-1990s the resumption of war on UNITA's part provoked a subtle alteration in that profile. The foreign assistance from Executive Outcomes enabled a refinement of the Soviet era style, through the creation of new Handling Operational Groups, of reduced aspects. It is about reduced type formation battalions and with conventional capacity, though much faster and more flexible. Such reality made possible to defeat the insurgents as if it were a conventional threat in 2000, modifying its combat mobility profile, the guerilla. Thus, it is enhanced that, despite the formation was specialized in the mobility profile, the conventional strategy remained present in the AAF and visible through the army's size and the last acquisitions' profile (MBTs).

(SSR) included the integration of a little part of the rebel forces and was accomplished almost without foreign support³⁵, besides currently being based on the more concrete effort of structuring a national army.³⁶ As a partial result of that strengthening process, Angola was enabled for the position of regional power (Castellano da Silva 2012).

In the capital sphere, the availability of natural resources generated great opportunities and challenges for the strengthening of the State. The availability of oil financed the AAF reform process and enabled the autonomy of the State in the definition of the strategy adopted in the conflict. Furthermore, after 2002 the Angolan economy was directly benefited because of the end of the civil war and the increase in the oil prices with the proximity of the Iraq War. Diamonds also bring a certain comfort to the Angolan economy, mostly after the approval of the origin certification scheme of the mineral through the 2003's Kimberley Process (introduced by the resolution 55/56/2003 from AGNU). Notwithstanding, the availability of natural resources equally caused at least three big challenges to the strengthening of the State, namely: (i) collaborated directly for the continuity almost undetermined of armed conflicts;³⁷ (ii) the availability of "easy" resources slowed the economy's diversification process and the increment of capital accumulation;³⁸ and (iii) contributed, as a consequence, to the detachment of the State from society.³⁹ The economic dependence from natural resources and the destruction of other economic sectors (fishing, coffee production and industry) with the war

35 The demobilization program looked for reintegrating approximately 100 thousand UNITA's men to the society. From these, only 5 thousand would be admitted in the armed forces and in the national politics. In the biggest ranks, 30 UNITA's generals were incorporated to the AAF and three UNITA's brigadiers were established in the Angolan National Politics (PNA).

36 That, upon the former priorities of (i) increasing the armed forces' professionalism, mostly the army's; (ii) rising soldiers' combat readiness; (iii) incrementing the personnel and the equipment's organization, control and registration; (iv) growing the discipline imposition; and (v) improving the soldiers' life conditions and increasing the literacy rates among the militarics (Jane's 2009, 71).

37 The oil funded the central government's action while the diamonds (mostly alluvial, of easy access) gave life for the continuity of Savimbi's operations for almost three decades, begetting between 1992 and 2000 circa US\$4 billion in revenue (Billon 2001, 69).

38 The victory in the war did not implicate the establishment of economic diversification and internal development, but guaranteed the continuity of enclave economy based on natural resources, in which the oil segment corresponds to almost 60% of the Gross Domestic Product (GDP).

39 The natural resources garnered to the State action capability without accounting to the society, as it had "autonomous" and undefined funding capacity. Also there are few limits for corruption, considering it is estimated that billions of annual dollars derived from the oil economy are not accounted (GlobalWitness 2002).

denote the demand for development of other sectors of the national economy.

In the legitimacy sphere, the difficulties derived from civil war (destruction and leakage of resources), tied to scarcity of human resources, led to big bureaucratic problems. Although there were significant investments in the coercive capacity and increase of natural resources' proceeds, the State had difficulties in expanding its presence over the territory and performing basic tasks. In the 1990 decade, lacks of incoming made bureaucracy operate frequently on a voluntary basis or extorting populations.⁴⁰ The providing of public services, like health, education, transportation and communication, was equally damaged due to years of war and the economic liberalization process.⁴¹ On the other hand, political rights were broadened since the Bicesse Accords from May 1991, enabling the establishment of constitutional reforms and multiparty elections, although only partially respected. After the civil war, because of the necessity of the political forces' accommodation, a new legislative election to the National Assembly (unicameral parliament) happened just in September 2008.⁴² Notwithstanding, national identity has been slowly reconstituted. The unity is sustained by the role of politics for an integrated and educated in the official language and in the civic traditions' national army construction.

The State-Society Relations

Even though constitutional and political reforms have been imple-

40 The period between 1991 and 1992 was of big euphoria, what can be observed by the number of voters (91% of the electorate) that participated on the legislative election on September 1992. However, the presidential election's results (40% for Savimbi and 49% for Dos Santos) were not satisfactory to the UNITA's leader, who abandoned the second turn and returned to the armed battle.

41 The end of the armed conflict did not elide the habitation difficulties of previously battled regions, as almost four million Angolans were moved internally (2,6 million only after 1998). The proliferation of landmines affects millions of individuals' lives and harms the soils' cultivation. Some studies put Angola in the worst world positions as of number of amputees. The public health, education and access to basic services' situation is dreadful. The employment level is still insufficient, wherein the informal segment corresponds to almost 60% of the economy (Bauer and Taylor 2005, 141, 147). In the justice sphere, the constitutionally expected Supreme Court was established only in 2008. The difficulties affect inclusively the common justice, which suffers of lack of boards and low payment.

42 MPLA obtained 191 of 120 chairs (81,63% of the votes), while UNITA (then reconsolidated Isaias Samakuva's leadership) was the second more voted party, guaranteeing only 16 chairs (10,39% of the votes) (EISA 2009). The presidential elections scheduled for 2009 were postponed due to 2010's constitutional reform and the changing of the rules for the election of the president. The new Constitution established that the president becomes automatically the leader of the party with bigger stand at the National Assembly (AGO 2010, art. 109) (1).

mented since the beginning of the 1990 decade, MPLA remains with absolute dominance in the parliament and centralizes a big part of the political decisions on the president. According to Birmingham (2002, 177), *“from being a single party state with a disaffected opposition thinly scattered in the provinces and abroad, Angola became a presidential state in which power emanated from the palace”*. Besides pointing positions for the ministries, the president assured the prerogative of pointing governors for the 18 provinces, thus controlling the national Executive and guaranteeing dominance over MPLA.

The main State-society relation dilemma was based in the continuity of UNITA's armed insurgency. After the Lusaka Agreement's failure pacifying Savimbi, the war resumed in 1998.⁴³ If UNITA had already been defeated by conventional means, in 2000, the adoption of guerilla tactics by the insurgent group brought an impasse for the conflict, which was only broken in February 2002, with Jonas Savimbi's death in combat and with the AAF's military victory. Consequently, the formal cease-fire was established in Luena (April 4, 2002) and followed by the UNITA demobilization. Another overcome security threat was the one present in the Cabinda enclave (FLEC), demobilized in 2006. At last, the organized crime is one more internal security problem in Angola and involves diamonds, narcotics and light weapons' traffic. The main networks were established during the conflict against UNITA and the Congos wars and still remain in the present time (Jane's 2009, 16). The mobilization of the civil society is fragile, given the fundamental worry about the livelihoods. However, after the 1990 decade restrictions for NGOs were abolished and religious groups and liberal institutions constituted themselves as means of an opposition platform to the government. In response to signals of new pressure, the government supports the emergence of organizations, like Eduardo dos Santos Foundation's (FESA), which work as point of stand to the government. The increase of State capacities start as from mid-1990 and the big pressure against the governing elite oscillation in the period (high initial pressure, followed by the distension of the threats) can help explaining EDPE's choices for changes in the regional foreign policy.

Elites and Regional Foreign Policy in Angola (1989-2010)

After the abrasion caused by decades of internal and external wars, the 1990s witnessed the reduction of MPLA's power as a foreign policy defin-

43 After the signature of the Lusaka Agreement, UNITA was divided in two factions, Jonas Savimbi's UNITA and Eugênio Manuvakola's Renewed UNITA (ex-UNITA's general secretary). The last group took UNITA's chairs in the parliament and became the principal opposing party. In December 1998, Savimbi's UNITA resumed the armed battle.

ing institution. Concomitantly to the dissolution of the State's Marxist-Leninist structure and the relative loss of space by the party, the president turned out acquiring an increasing role, almost exclusive in the foreign policy defining. The Futungo de Belas Palace, however, received inputs from important actors. While the Foreign Affairs Ministry faced big difficulties, along with a bad trained and little effective bureaucracy, the militaries turned out collecting great respectability in the foreign policy. It's about a national institution with great bureaucratic capability and competence, acquired throughout the years of investment in the 1980 and 1990 decades (circa 25% of the budget). Its regional negotiations credibility took soldier-diplomats to acquire roles as ambassadors in important places, like New York (Gen. Antonio Fanca "Nda-lu", ex-commandant of the General Staff) and South Africa (Gen. Alexandre Rodrigues Kito, ex-minister from the inland) (Malaquias 2002, 14).

Dos Santos' preponderance and the military's active participation defined State's security as an increasingly priority in the foreign policy agenda, competing with the valorization of regional security. Low competition between elites made UNITA and FLEC's armed operations the State's main concern during the whole period. The focus was to extrapolate national borders and look for attacking the support sources of those armed groups. After the rebel groups' defeat, the political elites seem to get back to solving internal problems tied to the reconstruction of State capacities and economic development. Its regional policy, as a consequence, was derived from this major problem: engaging in the system as a means of guaranteeing internal stability.

Therefore, Angolan regional policy for the post-Cold War period has focused on situations that are bounded directly to internal problems, related to the construction of the State. Its participation in DRC and Congo-Brazzaville wars (related to the broadening of regional borders), and the alliance with Namibia and the penetration of Zambia's territory (to suppress UNITA's forces) are indicators that seem to sustain such perception (Khadiagala 2001, 147). Moreover, the partnership between China and the US have mirrored this posture of using diplomacy in a pragmatic way as facilitator of the construction of the State process, currently based on the economic growth centered on the high commodities' trade flow and on infrastructure investments. Such stance converges with the idea that there's the necessity of "*a form of Marshal Plan for the reconstruction of the country, which, in many respects, must involve the participation of the international community*" (Dos Anjos 2008, 10).

Being "the mistrust a marking characteristic in the relations among individuals and institutions" (José 2011, 103), Angolan actions in the regional system seek, primarily, its own stability and survival. There was the recognition of the clear "*connection between domestic security, regime survival, and*

regional and international politics" (Malaquias 2011, 5–6). Notwithstanding, Angola succeeded throughout the period great victory in its foreign policy and the relative transformation of the regional system for its own safety, from an environment surrounded by enemies to a region relatively stable to consolidate its interests.

Elites and Regional Foreign Policy in Dos Santos, transition period (1989-2002)

Along with the regime's liberalization and MPLA's ideological transition, president José Eduardo dos Santos assumed leading role in the foreign policy formulation and execution. Besides that, the army became "*an executor of the government's foreign policy, particularly when it involves the use of force at the regional level*" (Malaquias 2002, 17). MPLA, even though had reduced its relative role in the foreign policy formulation, acted as important articulator of Angola's international image recovery.⁴⁴

The main challenges for the EDPE's security were linked to internal pressures from the civil war. Primarily, it is important to stress that the transition from a proxy conflict to an internal conflict was gradual and limited, given the continuity of external participation and support side by side. However, the conflict's focus gradually was transferred to the domestic dynamics. In 1989, Dos Santos gave sign of renewed disposition for initiating a second track of negotiations over the conflict in Angola, that is, the phase of resolution of the domestic conflict. Reduction of regional pressure, combined with bigger extra regional engagement (USA, USSR and Portugal) and sharp domestic challenges (economic crisis) gave space for a bigger compromising with a balanced agreement, firmed in Bicesse in April 1991⁴⁵ (Malaquias 1999, 33–36). Yet, the Bicesse Accord just confirmed the end of the proxy stage tendency from Angola war and not the accommodation of the internal conflict.⁴⁶ With the Lusaka Protocol (November 1994), the international

44 MPLA's general secretary, João Lourenço, took on a pro-active function in foreign policy and sought to improve the party's prestige. He visited various countries in the 1990 decade (US, China, Portugal, France, South-Africa, Israel) to reaffirm relations and to guarantee credibility for the Angolan peace process.

45 On April 25, 1990, Dos Santos' government announced it would start direct negotiations with UNITA, mediated by Portugal. The US and the USSR notified Savimbi and the minister of foreign affairs of Angola, Pedro de Castro Van Dunem, that they would not provide military and financial support anymore to their allies if the war went on. At last, on May 31, 1991, the Bicesse Accord was signed. It foresaw democratic transition in the country and the end of foreign military support for the parts in conflict (Bekoe 2008).

46 The elections were internationally supervised and happened in 1992, but the results were

community assumed higher participation in the process and power-sharing arrangements were adopted (Stedman, Rotchild, and Cousens 2002)⁴⁷. Yet, the civil war was restored four years later, thanks to UNITA's renewed financing capacity by means of diamonds' traffic. Savimbi was obstinate to take the power and didn't glimpse a possible solution if not the military victory.

In response, Angola's regional foreign policy in this period acquired a militant character against UNITA and the establishment of a regional collective security primal principle, at least on the Northern borders. Active diplomatic actions were aimed to shake Savimbi's credibility.⁴⁸ Angola's regional actions still focused on establishing a direct relation between regional order and domestic stability, and due to the growing accommodation of the Southern borders, Angola's impetuous performance took shape on the Northern regional borders. It waged military operations in 1997 to strike Mobutu's regime in Zaire and Pascal Lissouba's in Congo-Brazzaville (both UNITA's supporters), and, in 1998, to defend Laurent Kabila's regime in DRC. In the First Congo War, Angola had very particular interests to engage. It was about capturing Joseph Savimbi, demobilizing UNITA's secret army, which came back to war after 1994 and 1995 conciliations (it was believed that 15 thousand men were operating in Zaire), and breaking its diamonds' trading networks. Angola had a great leading role, giving in logistic help and assistance in Kinshasa's capture.⁴⁹ In the Second Congo War, Angolan actions reproduced the

not recognized by UNITA, a fact that brought the conflict back to the country in just 18 months after the agreement's signature. Savimbi got together his generals who were integrating to the new army and sent them again to war, controlling three quarters of the inner country (Bauer and Taylor 2005, 150). However, external pressures led Savimbi back to the negotiations table in 1993, and in 1994 a new agreement was signed, mediated by the UN.

47 UNITA would disarm its combatants, who next would be attached to the national army and would compromise in devolving its administration areas to the central government (Hodges 2001, 61). MPLA offered posts in the government and in the national army with the purpose of creating a Unity and National Conciliation Government (GURN), besides giving the post of vice-president for Savimbi. The cease-fire would be observed by 7500 troops from the UN.

48 João Lourenço, for example, went on meetings with President Mbeki in January 2000 to show Angola's dissatisfaction towards destabilizing operations perpetrated in the country by South-Africans. The Fowler Report suggested, yet, that UNITA continued obtaining weapons from South-Africa, accusing a delegation from UNITA for coming to the country in August 1999 and obtaining an anti-aerial battery of 35mm (UN 2000, para. 30). Moreover, Angola declared boycott to the Organization of African Unity's (OAU) 36th meeting in Togo, due to that country's support to UNITA (Malaquias 2002, 17).

49 Angola decided to enter the war in December 1996 and sent observers to the Bukavu region (Eastern of Zaire). In January and February of 1997 several Angolan freighters, produced in Russia, took soldiers and weapons from Luanda to Kigali (Malaquias 2002, 23; McKinley 1997). In February 1977, 2000 and 3000 troops arrived from Katanga's *Tigers*, coming from Angola and passing through Rwanda. There was, still, in April 1997, an effort from Angola's

regional security principle and the defense of allied countries' juridical and empirical sovereignty. Angola had genuinely security interests to engage in the conflict⁵⁰, even though its engagement had been profitable.⁵¹ Despite the low number and the poor maintenance situation of the forces employed in Congo (2,4 to 5 thousand men), its aerial power was a decisive advantage in the war and guarantee of Kinshasa's defense (Reyntjens 2009, 199; ICG 2000, 4; Turner 2002). Angola's impetuous defense action of a regional order that would bail its internal security was, nevertheless, at its final days. The efforts concentration to the internal conflict's military solution and the threats' accommodation noticed over the region reduced its impetus for action in the following period.

Elites and Regional Foreign Policy in Dos Santos, post-Cold War (2002-2010)

Along with the settling of almost thirty years of civil and regional war, Angola emerged as the utmost winner of the conflict, having defeated its main regional rivals. The result, forth above, was followed by a quantitative and qualitative reorganization of the AAF that, in terms of military capacity, positioned the State as an emergent regional power in Southern Africa. On the other hand, Angolan political institutions remained archaic and its economic structure is still widely based on the exports of natural resources. Moreover, Angola's foreign policy characteristics don't seem to indicate an interest by the country's part in assuming a leading role in the regional system or in accomplishing extreme changes in the systemic order. Truly, the exces-

troops. In that month it was fought the war's last great battle (Kenge Battle), when combined forces from Zaire (including Mobutu's *Division Spéciale Présidentielle* elements) and from UNITA were defeated. The importance of Angola's intervention was so great that, if, in four months of war, Kabila was only capable of obtaining 1/20 of Zaire, with Angola the rest was conquered in three months (Turner 2002, 83).

50 Primarily, there was a debit with the *katangueses* that had fought in the first Congo War in assistance of MPLA. Secondly, Angola noticed the necessity of waging a new particular war with UNITA, which was getting close to Uganda and Rwanda – with the organization's vice-president' trips to Kigali and Savimbi's to Uganda. That way, Angola had every interest in avoiding DRC becoming again a nook of supplement lines (diamonds) to UNITA. Thirdly, Angola wanted to protect its own territory (mostly the Cabinda region, rich in oil and disconnected from the Angolan territory) – considering that Uganda and Rwanda sent troops to Bas-Congo, in the Angolan yard.

51 Agreements between Laurent Kabila and José Eduardo dos Santos' governments allowed the establishment of a joint venture between Sonangol (60%) and COMIEX (40%) for the supply of gasoline to DRC and the future joint oil exploration on both countries' coasts. Besides that, the Angolan government “*demanded compensations, in the form of diamonds concession, for military expenses incurred when helping the Congolese government*” (Nest 2006, 51).

sive emphasis given by Luanda to the maintenance of internal security and reduced external pressure resulted in a foreign policy of declining impetus. More and more Angola only interferes in regional politics in case its internal stability is at stake. As the preexistent pressures tended to decline, its performance has followed more and more the same path.

From a formal point, Angolan foreign policy's goals are wide, and prioritize, among other themes, "[...] the **reinforcement of African identity and the strengthening of African States' action** in favor of the empowerment of African peoples' cultural [sic] patrimony". Furthermore, the country aims "[...] the participation, within the **regional** or international **organizations'** framework, in **peace maintenance forces** and in military cooperation and **collective security** systems [sic]" (AGO 2010, Art. 3, my emphasis). In fact, some authors enhance the proactive role of Angolan diplomacy in the regional problems solution. That cements a "picture of a country as a partner for stability and security" (José 2011, 114,122). José Eduardo dos Santos' presidential diplomacy concurred to such prestigious position. The president had an "acknowledged leadership in the continent, what has been useful to broaden the country's political credibility and endorse the trust in the guidelines and compromises taken by the government" (José 2011, 151)

Nevertheless, the announced goals, in practice, remain restricted by MPLA-PT's government primal interests through the maintaining of the nation's internal security and by the absence of external pressure towards Angola to act. After 2002, the last militarized pressure to the State and to the political elite was the one prevailing in the Cabinda⁵² enclave and the repositioning of military capacity and intelligence authorized military offensives that culminated in the defeat of most part of FLEC's⁵³ forces. In spite of the end of internal conflicts, Angola grounds its position facing the regional order security axis in its national security.⁵⁴ An exception to this isolationist

52 It is worth reminding and reiterating that the control over the historical conflict in the region had already been obtained by Angolan interventions in DRC (1997 and 1998) and in Convo-Brazzavile (1997). However, the separatism came back to the security agenda when FLEC's forces pressured Portugal's government to facilitate the enclave's independence, by means of the kidnapping of Portuguese citizens. In response, MPLA, even highlighting it would not give the enclave's independence in, showed disposition for negotiation. This more flexible posture was abandoned in 2002, when the demobilization of troops in the Congos and the victory against UNITA enabled the displacement of troops for the separatism's military suppression.

53 In the beginning of 2004, the rebels were practically vanquished, considering that military bases and guerilla's leaders had been captured. The situation initiated peace attempts, the creation of a *Cabindese* Forum for Dialog (FCD), the amnesty of all the insurgents and the movement's demilitarization. The peace agreement was established in August 2006, with the directive that the enclave would remain part of Angola, acknowledging a special status.

54 This concept stems from the historical experience with civil war, when the greatest threat to

profile may be noticed in the recent situation in DRC⁵⁵ (besides Ivory Coast and Guinea-Bissau)⁵⁶ in which the country looked for reaffirming a position aligned to national security. However, though it can signalize an eventual inflexion in the Angolan foreign policy, such behaviors are even more timid and weren't grounded in any of those cases.⁵⁷ As an example of this hesitant posture, president Dos Santos, once listing Angolan foreign policy's main structuring, in a speech from 2011, mentions regional integration only as the tenth point and very generically, without explaining Southern Africa or the African continent (dos Santos 2011). This posture can also be explained by the remaining difficulties on letting Angola project its power and canvass recognition as regional leader.

Yet, the relative Angolan isolation spoils its own international insertion, as "the increase of Angola's influence capability can't be achieved through isolation or the pretentious resources' self-sufficiency" (José 2011, 123). On the other hand, this posture also suppresses, in the short term, the possibility of its rising as regional power ending up in a hegemonic war in search for a revision of the regional order (Castellano da Silva and Brancher 2015).⁵⁸

the State was within its borders. In the adoption of the concept it was sought to avoid the formation of new power claimer forces and to consolidate the process of construction of the State.

55 Angola declared, in August 2006, that 30 thousand troops were prepared in the Angolan Cabinda province to be used against any new Rwandan invasion to Congo (STRATFOR 2006). That happened even when UNITA's threats had already been demobilized.

56 The Angolan government's emphatic positioning in the electoral crisis of Ivory Coast in 2011 – in favor of Laurent Gbagbo's government stability and of a solution given by the African countries of peaceful and negotiated profile themselves – showed Angola's more ambitious interests in continental politics. Furthermore, in March 2011, Angola started commanding the armed forces' reform mission in Guinea-Bissau (MISSANG), as part of a politics, announced in 2009, that seeks the creation of mechanisms that increment regional security in the zone under the scope of the Gulf of Guinea Council (José 2011, 205,254).

57 In the case of Ivory Coast, the Angolan posture did not result in a politics articulated with other countries that shared its position in defense of president Laurent Gbagbo, what signalized limits to the recognition of the Angolan leading role in continental politics. Besides that, in Guinea-Bissau's situation, internal and external pressures led the Angolan government to the closure of its operations on April 10, 2012, making way to the consolidation of the April 12's military coup (UN 2012). Posteriorly, in DRC, Angola would see itself relatively dislocated from the diplomatic articulations that established a new UN's intervention brigade (FIB) in Congo in 2013, a force integrated by South-Africa, Tanzania and Malawi, whose mandate presents unprecedented offensive character.

58 Meanwhile the national reconstruction efforts are sustained by high economic growth, Angola will be relatively satisfied with the limits of the region's economic-commercial cooperation and with the current conflicts resolution alternatives. It is emphasized that Angola has recurrently postponed its adhesion to the Southern African Development Community's

In synthesis, in the beginning of the 1990s, in order to respond to the State capacities' instability the resumption of the armed battles on the part of UNITA Angola increased investments in the coercive State capacities, within an environment of greater MPLA legitimacy, due to the relative political democratization. MPLA's elite, then dismissed from the Marxist-Leninist project, continued looking for the transformation of the regional order, excluded from the increasing alignment to the economic order based on the market. The continuity of high internal pressures, tied to external threats, was answered with great impetus for action on the region, by means of a regional security perspective bounded to the State's own protection. After 2002, the reduction of internal and external security threats enabled the decrease of the country's regional ambitions and the transference of the political focus to the reconstruction of internal capacities, given the challenges left by the civil war.

CONCLUSION

Between 1975 and 1988, Angola's regional foreign policy was marked by a revolutionary posture, interested in big transformations in the regional order and performed with great impetus to the accomplishment of that goal, including direct and indirect military means. The origins of this foreign policy were located in the big internal and external threats faced by MPLA's government of developmental profile, both during Agostinho Neto's and José Eduardo dos Santos' presidency. In the last case, the pressures became even more relevant given the success of South Africa's destabilizing operations and UNITA's strengthening. The active regional response was bailed by the State capacities' strengthening politics, but overall by Cuba, USSR and Eastern European countries' great foreign support, mainly in the coercive sphere. The revolutionary position in the region was gradually reduced by the prospect of changing in the regional order and by the solving the internal conflict priority. Between 1989 and 2010, foreign policy went from a brief isolationist interregnum, because of peace negotiations, to an impetuous posture in the region aiming guaranteeing regional security as part of its own internal security, given the resumption of armed confrontation on UNITA's part in the end of the 1990 decade. The strengthening of State capacities' enabled active external action, which decreased as external and domestic pressures (social insurgent

(SADC) Free Trade Area (VerAngola 2014), but does not show an alternative for this project (currently centered in the South-African economy). These points complement each other with the increase of the Pretoria-Luanda axis' relations, strengthened with the rise of Jacob Zuma's government, who has historical connections with Angola and that chose that country as the destination of its first official visit as South-African president in 2010.

groups) started to decline. MPLA's elite currently has a reformist posture, but relatively subjected to the former order, as it's recovering from almost thirty years of civil war (leaving out the years of the liberation war).

Finally, there's still one question about the future: if the regional order was seen as directly associated to domestic conditions, what will be its foreign positioning profile after internal stability? It's still soon to assess if Angola's interests in the regional order will change or not and if its impetus will remain still or be expanded. Nevertheless, as there's economic development and internal political stabilization, Angola leans on giving more attention to regional dynamics and increasing its impetus for action, just as South Africa did after the accommodation of the *apartheid's* transition forces. On the other side, its posture concerning the *status quo* at the present time is much more inclined for the current liberal order, what can benefit economic and political elites. Therefore, although Angola's tendency in the future is to perform more actively in the region, its alignment will possibly concur to the maintenance of the *status quo*, if not, with punctual reforms.

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ABSTRACT

The article addresses Angola's foreign policy towards Southern Africa (1975–2010) and assesses its posture facing the changing order of the regional system and explanations for such behavior, linked to the process of construction of the State and the interests and security of the elites that define foreign policy.

KEYWORDS

Angola; Foreign Policy; Southern Africa.

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REFLECTIONS ON THE CHINESE EMERGENCE

Cesar Augusto Lambert de Azevedo¹

Introduction

In May 2015, Brazil received a delegation from the People's Republic of China (PRC) led by the Prime Minister Li Keqian. The immediate result was the signing of a Joint Action Plan for the period 2015-2021, composed of 35 cooperation agreements². Several sectors were covered: agriculture and livestock; science and technology (S&T); commerce; communications; energy; sports; infrastructure; environment; planning; and foreign affairs. Probably the agreement that will require more resources and denser studies refers to the rail project, through which it is intended to connect the port of Açu, in northern Rio de Janeiro with the one from Ilo, Peru. Their achievement can provide the flow of low unit value cargo, such as grain, from the producing areas of central-western Brazil to the Chinese ports, such as Shanghai. To this end, it has been signed the Memorandum of Understanding on the feasibility study for this Transcontinental Railroad Project.

Three other relevant agreements for this article are those concerning: the export of Brazilian livestock products; the financing for the company *Petróleo Brasileiro Sociedade Anônima - Petrobrás*; and the export of iron ore. The first allows the resumption of Chinese imports of Brazilian beef through the adoption of more accepted rules in the field of animal health. The second finances the Brazilian oil company to explore offshore fields under deep waters. In this case the contribution may be the supply of oil to the PRC, if we

¹ Professor at the Faculdade de Campinas (FACAMP). Graduated in Naval Sciences at the Escola Naval and PhD in Maritime Policy and Strategy at the Escola de Guerra Naval and in Political Science at the Universidade de São Paulo, in International Relations area. He researches Chinese and North-American foreign policies. E-mail: csazv@terra.com.br

² According to Portal Planalto of 05/20/2015 with an entry dedicated to the expansion of Chinese investment in Brazil.

take as model the previous agreement signed in 2009: Chinese financing of US\$ 10 billion and in return the supply of 150,000 barrels per day (bpd) in 2009 and 200,000 bpd over the next nine years³. The third agreement concerns the financial and operational cooperation in the mining sector, involving Companhia Vale do Rio Doce (Vale) and Chinese entities. The total value of Chinese investment in the 35 projects is estimated at about US\$ 53 billion for an unsettled time frame.

It is not trivial to have bilateral agreements with economic reach of such magnitude. Regardless of the time period for the maturing of projects, the expenditures certainly will happen as different studies show its viability, especially the economic. The design of the transcontinental railroad, for example, will require cautious environmental impact studies and the preparation of the following environmental impact reports (EIA). Such studies may determine change of originally estimated paths, population transfer (even Indian tribes, some not yet studied), and engineering works of art to make possible the transposition of broad rivers of the Amazon basin. Considering also that the work will be carried out largely in the Amazon biome where, according to Diegues (2002, 73) the climate is hot and humid with an average annual temperature of 24° Celsius (C) and 26° C and an average annual rainfall precipitation between 2000 millimeters (mm) and 3000 mm. These characteristics shall require specific technical solutions for the implementation of a secure and stable permanent way, and with a realistic budget.

Although not detailed the financing agreement concerning Petrobras, the model adopted by the PRC commits foreign companies to provide oil to the PRC in the period that is settled. Visentini (2013, 72) identifies an “Angolan model” that was adopted by other African states. Also, it is determined the compensation in raw materials to the investment made. Following this model, the implementation of this agreement on the Petrobrás shall help the Chinese to obtain fossil energy for their various purposes. The model implementation methodology is bureaucratically simple and emphasizes sectors such as infrastructure, production and vacancy rate for college students in Chinese institutions. According to Brautigam (2009, 11), in the case of infrastructure works, Chinese aid usually signals with the opening of low-skilled job positions for local nationals. The positions that require qualified training are destined for the Chinese to the management of the works and the use of Chinese machinery and equipment. This is the model adopted by the PRC in African countries. Taking in mind the methodology applied in these countries

3 According to the article Latin America and China's 'New Normal'- Analysis, published on the Eurasia Review website, and by Patrick Howlett-Martin in his article Chine-Bésil, une alliance fragile, published in Monde Chinois.

that are poorly endowed with industrial parks, would such model be also used by the Chinese in Brazil?

In the case of Vale, the continued supply of iron ore to the Chinese shall guarantee them the raw materials necessary to maintain the operation of its industrial park. And this industrial park requires energy so that the ore is processed into various products. The concern of the Chinese government with the iron ore supply is not new. Howlett-Martin, in the previously cited article, reminds of the Chinese investment in 2005 of US\$ 1.5 billion from the Baosteel Group in Maranhão; and another one of US\$ 3 to US\$ 4 billion from China International Trust and Investment Corporation to the extension of the port of Itaqui, also in Maranhão, along with rail infrastructure to transport soy from the states of Piauí and Maranhão. That is, the Chinese initiatives aim to provide the regions of interest an appropriate infrastructure for the flow of commodities required to meet domestic demand in the PRC. To what extent are these initiatives strategically useful to Brazil? To what extent do they differ from the other former ones held by Europeans during the nineteenth and twentieth centuries?

This article intends to answer these questions by analyzing the Chinese motivation in search of commodities: grain, oil and iron ore. To do so, it will identify data sources that might point to elements that help to explain this search. After that, it will be fixed on the recent Chinese government initiatives that contribute to the construction of arguments necessary to demonstrate the Grand Strategy⁴ adopted by the PRC in its relations with international partners. To this end, it is necessary to identify the Chinese national strategic objectives that justify this Grand Strategy. Any Chinese interpretive asymmetries relating to neighbors will be acknowledged, especially in maritime areas. And here, only briefly, will be addressed constraints and partnerships experienced by the PRC related to exogenous powers to the region that can contribute to the analysis.

Since the political system of the PRC is characterized by a hegemonic party⁵, the Chinese Communist Party (CCP), strategic decisions are taken at State level, which is being used as a reference point in this article. It will follow, however, a string that favors political realism founded in power. This is because the Chinese search for the satisfaction of basic needs - food and energy (iron ore depends on energy for processing) - through agreements

4 Grand strategy can be defined as a “long-term national project dedicated to national security aspects”, as in Moura (2014, 112). It appears, therefore, that the grand strategy involves a complex of initiatives linked to national goals vital to the survival of a nation.

5 The term Hegemony means the sense of supremacy of intellectual and moral capacity, in reason of the CCP being formally accepted as legitimate guide to the people.

seeks to commune common interests with partners. Therefore, this quest has placed in cooperation a cornerstone to the building of partnerships. After all, a politically stable external environment is crucial for the PRC to continue to receive vital products for their survival. Cooperation determines reciprocity, which usually requires the removal of tariff and non-tariff barriers⁶. The complementarity may be acceptable, even if the cooperation is asymmetric qualitatively - for example, manufactured products for commodities. But it may be perceived as unacceptable if one side understands that its industrial base is neutralized by the partner's competition. Thus, it motivates the examination of the Sino-Brazilian relations. Finally, here are presented the concluding remarks.

Genesis of Emergence

The Chinese are an ancient civilization. Chinese history teaches that the greatest concerns of the rulers were in the food supply and its distribution to the population, besides the territorial protection against neighbors. Confucius⁷, in the *Analects* (1997, 91) recommended: "Whoever administrates public affairs must ensure that foodstuffs are not lacking, that military forces are sufficient and that the people trust him." Probably, this recommendation from Confucius would be related with food shortages that often occurred by reason of natural disasters and wars. And, despite being a thinker who cared about peace in social relations, he was not unaware of the importance of defense. After all, part of his life corresponds to the Warring States era, between 403 before Christ (BC) and 221 BC when there were political instability and food shortages afflicting the population.

Understandably Swaine and Tellis (2000, x) defend that, throughout Chinese history, the Grand Strategy has been pursuing three interrelated strategic objectives: preservation of domestic order and well-being of the people in face of various social constraints; defense against persistent external threats to the sovereignty and territorial integrity; and obtain and maintain geopolitical influence along the extensive border. It can be said that a powerful source of social instability is the lack of food. Due to a continuous high quantity

6 The non-tariff barriers relate to restrictions on international trade, usually taken unilaterally, such as import quotas and licenses, sanitary and phytosanitary measures and social or technological antidumping measures. There is extensive literature on the subject; it may be suggested Foschete (2001) and Thorstensen (2001) for objectivity in approach.

7 Confucius would have lived from 551 BC to 479 BC, according to Fairbank and Goldman (2006, 64) and Cheng (2008, 65). The last one states that the name Confucius is a latinization made by the Jesuits in China from ideograms that have the sound of Konfuzi (Master Kong).

population, the concern of governments with their food production is special. In addition, there is the limitation factor of agricultural land, that is approximately 12% of the territory of the PRC, from which the total is 9,600,000.5 square kilometers (km²)⁸. The arable land is the same for millennia, which requires an increasingly more accurate soil management.

Indeed, the analysis from Naughton (2007, 35 et seq.) on the Chinese economy between 1127 and 1911 identifies, for part of that period, sophisticated initiatives that resulted in high agricultural productivity. During the period, he said, about 90% of the Sinic population lived in rural areas. Thus, the production was extensive in hand labor employed in small lots⁹. The sophistication was based on three factors: varieties of selected seeds; organic fertilization; and irrigation. During the Song Dynasty (1127-1279) it was achieved a faster growth of rice, so that it would be obtained two or three harvests per year per area unit. The organic fertilization employed animal and human manure, mixed with mud and algae. The irrigation system allowed workers to properly control the amount of water, so as to obtain good yields. A network of artificial canals was developed to enable efficient distribution of both agricultural inputs and production for public silos. Contours were used in lands of irregular topography.

Naughton advances stating that, for 400 years, the Chinese agricultural production system met the domestic demand. He informs that the population was 72 million people in 1400 and in 1820 it reached 381 million, which corresponds to 32% of the world population. At the time, the gross domestic product (GDP) of China was about 1/3 of the world GDP. The quantitative increase in population associated with the deterioration of the agricultural system over time, because of insufficient maintenance, generated a persistent reduction in the grain supply. The historical concern returned to occupy the agenda of governments, at the same time as another factor: the arrival of European merchants in the nineteenth century, in besides the Portuguese, Spanish and Dutch that already were related to China since the sixteenth century. The British, especially, expressed dissatisfaction with the traditional cash-and-carry method¹⁰ adopted by China, with the payment through silver. According to Babones¹¹, since the 20s of the sixteenth century until 1640, the Iberian ships carried about 100,000 tons (ton.) of silver to China¹². It should

8 According to the National Institute of Geography and Statistics (IBGE).

9 The lots, as Fairbank and Goldman (op. Cit., 167), have an area of approximately 2428 square meters (m²).

10 *Cash-and-carry* can be translated as the process of buying goods and cash payment.

11 Article published in *Foreign Affairs* June 2015.

12 Chinese economy would then be transformed into a monetary economy, based on market,

be pointed out that China had not developed an industrial economy¹³; this was only implemented from 1912, already on the Republican period. From these observations two partial findings are taken in consideration: the silver internalized in China served basically to boost agricultural activities; and the Chinese population increase over the last 500 years cannot be attributed to industrialization, as it is usually done in the analyses relating to European countries.

The Opium Wars are known in history. The sophisticated and proud Chinese civilization settled to the Nanjing Treaty of 1842. According to Spence (1995, 169), the Treaty stipulated several compensations to the British: the Article 3 postulated the transfer of Hong Kong Island to the British “in perpetuity”. Chinese military forces showed themselves unprepared to deal with the weaponry of the European powers and the US. The Middle Kingdom has failed to maintain the country’s defense and the integrity of its territory¹⁴. It can be said that the European presence in the Chinese territory has strongly contributed to the collapse of the Qing dynasty, the last in a long list. The proclamation of the Republic of China was in 1911. Most of the nineteenth century was of deprivations for the Chinese: restrictions on travel by all urban areas and limitations on providing their food. These deprivations help explain the growing number of rebellions throughout the nineteenth century.

China experienced a phase of internal dissensions in the decades following the proclamation of the republic. Domestic political division between nationalists and communists contributed to weaken the nation. The Japanese invasion of Manchuria in 1931 is milestone which added to the European occupations of the previous century. The overcome occurred after Japan’s defeat in the Second World War, particularly from October 1st, 1949 with the inauguration of the Peoples Republic, when the Chinese experienced a new political and social stage. It was reaffirmed at the time the determination of the leadership to restore the old pride. But the historical concerns about foreign invasions proved once again present with the Korean War and in the late 1960s, with the Sino-Russian border litigation. In agricultural production, the initiative of Mao Zedong’s Great Leap Forward, in 1958, dismantled the Chinese agricultural economy. The result was the generalized lack of food. The number of recorded deaths from hunger between 1959 and 1961 varies.

instead of being a non-monetary based on feudal obligations and exchange.

13 There were rudimentary domestic industrial process for cotton weaving and the benficiation of tea and silk.

14 Previous historic episodes are the mongol invasion, that led to the implementation of Yuan and Qing dynasty, that was indigenus to Manchuria, a region that was not a part of China until 1644.

Gipouloux (2005, 64) replicates quantities from different sources ranging from 16.5 million to 30 million people.

Therefore, the development of a strategy regarding the production and distribution of food for a historically high contingent as the Chinese one always constituted a preoccupation for the rulers. Eventual disarticulations of the agricultural system either by natural effect or caused by wrong measures generated hunger; consequently, social constraints.

The challenge of food safety

Since 1978, with the arrival of the group led by Deng Xiaoping, the extraordinary growth of China's GDP per capita¹⁵ allowed the population to obtain an increasing purchasing power over the next decades. There is, from that date until today, the raise in the purchasing power has been uneven at two levels: coastal-inland; and rural-urban. The coastal urban population has achieved higher incomes. The four modernizations implemented by Deng Xiaoping - agriculture, Science & Technology (S&T), defense and industry - were initiated in selected sites on the coast. That is, the process of modernization of the PRC happens in the vicinity of the so-called special economic zones (EEZ) nearby the sea. Although the *hukou*¹⁶ is in effect, domestic migration has become increasing. At the two levels mentioned above, two sets of oppositions appeared within the Chinese society: local (permanent *hukou*) x strangers (temporary *hukou*); and peasants (agricultural *hukou*) x townspeople (non-agricultural *hukou*). These distinctions help to deepen the qualitative income difference. The old flat equality sought by Mao was all abandoned. But in general, there is increasing purchasing power of the Chinese population, both urban and rural¹⁷. Yang, in an article published in China Daily of 04/22/2015, announces that the income of China's rural population reached in 2014 10,489 Yuan (US\$ 1,693) and the urban population 29,381 Yuan (US\$ 4,743).

It should be recognized, however, that agricultural modernization

15 The growth of the GNP from 1978 till 2005 was 8,5% (NAUGHTON, p. 140), 8,7 (Yasheng 2008, 254); from 2008 till 2013, 8,3, in accordance with the OECD, chapter 5, 2015. Lau (2015) indicates a growth of 8,6% from 1978 till 2014.

16 According to Gipouloux (op. cit., 118), it is about a residential record. When this system was implemented at the time of Mao Zedong, the person would get food and work only where he was registered. Over time, there is less efficiency in its control, as to legions of migrants left the field, attracted by better working conditions in the cities.

17 In Gipouloux (op. cit. 216) and Naughton (op. Cit. 210) analysis, between 1978 and 2004, the increase in the average income of rural households was 587.2%, and of urban families 553.9%, prices in reference to 2004.

achieved good success. The Deng Xiaoping's initiative to return the historic production plant of the field to the family one - revoking the implementation of agricultural production with fulcrum in communes - proved successful. The mere possibility that households may sell in the markets of the villages and towns the surplus delivered to the State increased the Chinese agricultural production. To illustrate this statement, Gipouloux (2007, 70) shows that China's grain production rose from 304.77 million tons in 1978 to 469.47 million tons in 2004. The Chinese production of cereals in 2014 was estimated at 492.8 metric tons (ton³), according to the US Department of Agriculture.¹⁸

It is observed, therefore, an accelerated process of urbanization of the Chinese people¹⁹. However, it should be noted that is not correct to attribute the process of urbanization only to rural-urban migration; it is a resulting from particular resets on the urban limits determined by population growth in the PRC. The first result of this process is the reduction of arable land fringes of urban environments, reducing the area of food production. In other words, there is competition from three confluent factors putting pressure on domestic food production in the PRC: population growth; reducing of planted areas; and the increased purchasing power of people, who start to diversify their diet²⁰. It reinforces thus the argument that pressures on governments to offer food follow a historical line, with the magnitude of the population, in 2014, of 1.36782 billion, according to the National Bureau of Statistics of the PRC.

18 The US Department of Agriculture (USDA) is equivalent to the Brazilian Ministry of Agriculture. The document that informs the value of China's grain production also notes the productions of others: USA, 439.3 tons; India, 238.7 tons; Russia, 100.1 tons; Brazil, 99.1 tons; others, 744.2 tons. So for these quantities, Brazil is the fifth largest grain producer in the world. The Organization for Economic Cooperation and Development (OECD) and the UN Food and Agriculture Organization (FAO) in its 2013-2022 Highlights predicted 478.8 tons for the PRC.

19 This information can be graphically displayed on the United Nations website, on the page of Population Division of the Department of Economic and Social Affairs. Through this, it can be noticed the intersection of the curves of the rural and urban population in 2015, when the population in the cities begins to supplant the rural; it changes, from then on, the Chinese historical demographic paradigm.

20 The website of the Organization for Economic Cooperation and Development (OECD) and the Food and Agriculture Organization of the United Nations show graphics that clearly illustrate the search for diversification of food consumption, contemplating higher percentage of animal protein.

The energy security challenge

The modernization of industry constituted virtuous corollary to the establishment of the special economic zones. The absorption of new technologies and processes arising from abroad transformed the PRC in the “world factory”. Indeed, the Chinese developed the secondary sector of its economy over the past 37 years with unusual efficiency. The Chinese manufactured products are found in many different markets. And its quality is gradually captivating the consumers. The Chinese manufactured products already compete with other sources not only for the traded prices, but for reliability and durability. This was a learning developed from the modernization, already cited, guided by Deng Xiaoping and Zhou Enlai and announced by Enlai at the Fourth National People’s Congress in January 1975 (Bergère, Bianco and Domes 1990, 81; Mazzetti 2000, 81; Marti 2007, 281; Gao 2011, p. 321) and practiced in the government of Deng Xiaoping since 1978.

However, the energy matrix of the 70s of the twentieth century, based on the intensive use of coal, proved to be increasingly unable to support the industrial development of the country. The flexibility of the use of petroleum products over the coal began to demand greater domestic oil production. It is true that coal is still the most widely used source for generating electricity and thermal heating in the interior of the buildings, according to the Energy Information Administration of the US government²¹. But the progressively more sophisticated industrial park consumes oil products. Accruing to this, there is the increase of transport modes which also consume these products. Currently, the demand and domestic production curves deviate more and more²². According to this source, in 2014, the Chinese oil production was 4.23 million bpd, for a consumption of 10.7 bpd. Concerning to the liquefied petroleum gas production, in 2013 it was of 4.1 trillion cubic meters (tcm) compared to the consumption of 5.7 tcm.

The solution sought by the PRC government has been importing oil and gas. Three regions are suppliers to the RPC: Middle East and Central Asia (including Russia); Africa; and South America. The Chinese leaders have diversified, thus, the sources of supply in these three regions. In 2014, the largest oil suppliers, in percentages, were: Saudi Arabia (16%), Angola (13%), Russia (11%), Oman (10%), Iran and Iraq (9%), United Arab Emirates and Venezuela (4%), Colombia and Kuwait (3%), and Brazil, Congo, South Sudan

²¹ US Energy Information Administration. The analysis presented in the report, from May 2015, shows that 65% of the energy consumed in the PRC comes from the coal.

²² Idem.

and Kazakhstan (2%); other vendors complete the remaining 10%²³. A partial conclusion emerges from this Chinese search for fossil fuels abroad: there is a potential vulnerability face of the eventual political instability in some producing region; and there is difficulty in providing security to the supply lines of varying lengths.

The main modes of imported oil and gas transportation by the PRC are pipelines and maritime waterways. The pipelines connect the producing countries of Central Asia and Russia to the PRC. Most of the suppliers countries of oil and gas are part of the Shanghai Cooperation Organization (SCO). This organization brings together Kazakhstan, Kyrgyzstan, the PRC, Russia, Tajikistan and Uzbekistan. Extended oil and gas pipelines from Central Asia and Russia are linked to the existing ones inside the PRC. The Organization reinforces the political and commercial ties with the member countries. It is an essential instrument to contribute to the energy security in the PRC, since it comprises the maintenance of political stability in the region. After all, the States accompanying the PRC in the Organization were part of the former Union of Soviet Socialist Republics (USSR); still, there is a special bond of those countries located in Central Asia with Russia. Through SCO, the RPC is also able to project its influence on Central Asia.

Maritime waterways - or sea lines of communication (SLOC) - feature two vulnerabilities for RPC: extension; and bottlenecks, or choke points. They are: the Bab el Mandeb Strait, connecting the Red Sea to the Gulf of Aden; the Strait of Hormuz, between the Persian Gulf and the Arabian Sea; and the Malacca Strait that connects the Indian Ocean to the South China Sea. According to the US Department of Defense, using the Annual Report to Congress, referring to the military development and security in the PRC, year 2014, 82% of all the oil and 30% of all the gas that transits the Indian Ocean towards the South China Sea (SCS) passes through Malacca. An interruption in that strait would force ships to cross one of the two southernmost passages in Indonesia, Lombok or Sunda, an increase of about three days on the journey. If these passages are also blocked, the ships would have to get all around Australia, with an average increase of fifteen days in transit. This would result in augmented costs in the transport of cargo and its insurance.

A Chinese initiative to mitigate the vulnerability in the Malacca Strait was the partnership with Myanmar: a set of pipelines carrying oil and gas from the coast of the latter to the Chinese province of Yunan. Consequently, the Chinese ships transfer cargo to the facilities in Myanmar coast without requiring to transit through the Strait. Through domestic pipelines, the PRC

23 US Energy Information Administration.

distributes the raw products or some already benefited in the provinces' refineries for the whole territory. Another Chinese initiative is in the agreement with Pakistan: the RPC fits the port of Gwadar to receive oil and gas cargo ships and then transport it by pipeline to the PRC. It would, once again, prevented the Indonesian passages, that can be easily blocked by opposing military forces or navigation accidents.

The RPC also uses the SLOC to import iron ore, critical to its industry. The domestic production reached 1.32 billion tons in 2013, while the Australian, in the same year, reached 530 million tons, and the Brazilian, 386.27 million tons that year, according to the summary of the Brazilian National Department of Mineral Production, elaborated by the technician Carlos de Jesus. However, according to him, Brazil may be the second largest producer if considered the average content of iron ore, i.e., the amount of ore obtained in a ton of extracted material. Consistent with this criterion, the real Chinese production would be of 390 million tons. It is explained, thus, China's hunger for imported iron ore, particularly from Australia and Brazil.

Chinese defense forces

To ensure the supply of imported oil and gas, the PRC has been developing its defense industry. To the extent that domestic energy supplies need increase, imports grow. The Report to Congress mentioned above analyzes the People's Liberation Army (PLA) of the PRC in their naval, ground and air aspects. With an official budget of US\$ 136.3 billion²⁴, the PLA seeks to provide itself with the means to contribute to China's energy security. After all, these days, the historical Chinese concerns about the invasions of the surrounding barbarians transformed to the permanent concern about the availability of energy supplies for its industrial park and transport. Therefore, it is about the PRC's attention to avoid possible restrictions on oil and gas imports.

It should be noted, however, the distinction between the operationalization of the security of land supply lines from Central Asia and the SLOC. The pipelines run by territories belonging to almost all the members of the SCO. In this case, it can be said that security is achieved through this Organization; the responsibilities assumed by its members connotes the inference that Chinese security in the supply of oil and gas lies in this institutional environment. A partial conclusion is that the energy transport through pipelines does not require permanent ready use of military force. The institutional en-

²⁴ It is worth noting that the official quantitative budget is supplemented by revenue from non-military activities, such as, for example, investments in hotels and in telephone companies belonging to the military forces.

vironment provided by SCO points firstly to the use of non-military Chinese instruments in case there are any problems in Central Asia.

In the case of the SLOC, the characteristics and degree of protection imply the PLA contribution. States that coast the SCS have different postures towards the United Nations Convention on the Law of the Sea (UNCLOS)²⁵, also known as the Convention of Jamaica, from December 10th, 1982²⁶. Convention is an important international regime, but the initiatives of some States in the region show that the environment in the SCS is instable. By the SLOC of that sea transit carriers which demand to the ports of different countries of Southeast Asia and the Far East. Concerning the PRC, 85% of all imported oil and 33% of all gas pass through their SLOC, according to the aforementioned Annual Report to the US Congress in 2014. And there are confirmed oil reserves, especially in the vicinity of Paracel and Spratly archipelagos.

Although the PRC has ratified the Convention on June 7th, 1996 (Austin 1998, 54 et seq.), Beijing has insisted that the PRC has sovereignty²⁷ over most of the SCS. The claimed sovereignty is based on history. According to Austin, the cartographic survey during the trips of the Chinese admiral Zheng He in the 15th century would be argument to validate such claim. The research of Pinotti (2015, 43) suggests that the Chinese demand for sovereignty in the SCS had an earlier origin, on the Chinese Xia dynasty, that ruled between 2100 BC and 1600 BC. Pinotti also asserts that Vietnam evokes history to defend sovereignty over the Paracel and the Spratly. It should be noted that Vietnam also ratified the UNCLOS, on July 25th, 1994, according to the UN Division for Ocean Affairs and the Law of the Sea²⁸.

Other coastal states to the SCS also rival the PRC regarding to that sea. The claims based on history challenge the observation of UNCLOS. And the sovereignty claimed by those is cause of disputes that generate frequent frictions with the PRC. But the Convention suggests peaceful ways to resolve disputes, especially in Articles 287 and 298. The PRC stated on August 25th 2006 that it keeps its interpretation on the sovereignty of the Paracel and Spratly archipelagos' islands as it is in the document of the Division of Ocean Affairs cited above. In fact, the UNCLOS suggests that disputes concerning

25 United Nations Conventions on the Law of the Sea (UNCLOS).

26 The UNCLOS came into force on November 16th 1994, as it is in Art. 1 of Presidential Decree No. 1530 of June 22th 1995. This Decree also states that Brazil ratified the Convention on December 22th 1988.

27 The term sovereignty used in this article is of the Westphalian type, a concept presented by Krasner (1999, 9) to mean that the decisions of the domestic authorities do not accept influence of external actors on area only subject to national laws.

28 Division for Ocean Affairs and the Law of the Sea.

the overlapping of maritime areas need to be addressed at first bilaterally; if there is no agreement, independent instances should be consulted as set out in the Art 287 of the Convention. Accordingly the UNCLOS guides the parties to resolve their disputes by peaceful means. But frictions have been noted. Only in 2014, the PRC generated tensions with the Philippines because of the presence of nationals of both at the Spratley, in particular in the so-called Second Thomas shallows. With Malaysia, the litigation is due to the shallows Reed Bank, near Borneo. And with Vietnam, in the same year, the Department of Defense Report to the US Congress, in 2015, counts nine tensioned events in the Paracel.

In addition to the coastal States of the SCS, the PRC experiences discomfort with the US. The US Congress has not ratified UNCLOS. Besides, the US maintains military agreements with countries in the region, as the Republic of Korea and Japan. They are two more oil importers using almost exclusively the SLOC from the SCS for transportation. The presence of US Navy ships and aircraft in its waters has generated tensions in the region. The report cited in the previous paragraph mentions a People Liberation Army Navy (PLAN) fighter plane which intercepted a maritime patrol aircraft of the US Navy, putting both at risk conditions.

Another State which appears on the SCS is Russia. The Russian Navy uses the SLOC in that sea so that its ships can transit between the bases of Sebastopol, in the Crimea, and Vladivostok in the far east part of the country. The deputy defense minister of Russia said in Singapore on May 30th this year that its Navy will participate in naval exercises in the SCS in 2016, with the Brunei Navy. Reportedly, he stressed that the existence of the Russian navy in those waters is to mark its presence, show its flag and thus counteract the presence of the US Navy. The minister also said that the US adopts policies contrary to Russia and the PRC²⁹. The Russian presence in the SCS cannot be seen as a threat. The PRC is an importer of Russian military technology. The Navy of the PLA (PLAN) and the Air Force of the PLA (PLAAF) have Russian-made aircraft in its inventory³⁰ and Mizokami (2015) reports the acquisition of new submarines of the Yasen class by the PRC from Russia. So, the PRC depends, in part, on the acquisition of Russian defense material.

The SCS is, thus, important for the countries of the region. The SLOC vital for them, the prospect of oil and gas exploration, and fishing, food supply to the Asian populations, enhance the interest of all for therein waters and islands. The PRC aligns the PLA as a tool to use in this sea area if necessary.

29 News published on the Sputnik news website.

30 There is extensive literature on the subject. It can be accessed the article by Felix Chang in the Foreign Policy Research Institute page.

And the naval arm, i.e., the PLAN is the most suitable to operate in the sea, backed by the aircraft when necessary. Thus, PLAN has three squadrons which bases are: the Northern Fleet in Qingdao, the nearest of Beijing; the Eastern in Dinghai; and the Southern in Zhan Jiang, opposite to the island province of Hainan. Nuclear submarines are concentrated in the Northern Fleet; the others have conventional submarines. The squadrons also have frigates, destroyers, ships proper to launch Marines ashore, and patrol ships equipped with missiles. The PLAN still has in their inventory an aircraft carrier. It has worked so far in order to successfully integrate the ship-aircraft binomial.

The terrestrial part of the PLA has its major units stationed in the east and middle east of the country. This placement follows from the lesser concern with threats originating from the neighboring states. On the domestic level, the eastern region has the largest economic wealth in the PRC, both industrial and agricultural - the agricultural lands are located east and south - and the majority of the population is in that part of the territory. The habitual discourse targets the island of Taiwan, considered by Beijing as a rebel province. Shudders are increasingly sparingly, probably due to more intense dialogue of authorities on both sides of the Taiwan Strait. The positioning of ground forces in the eastern part of the country still reflects long-standing concern with possible strengthening of the Japanese defense forces.

The PLAAF, just as the land side, has its bases located in the east. The concerns that guide this positioning are the same for ground forces. The PLAAF aircraft tune their operations with those of PLAN, which bases are located in the vicinity of the stations. The PLAAF is prepared to support naval operations over a part of the SCS and its closest rival the is Air Force of the Republic of China, i.e. Taiwan. The local air superiority over the Strait, even nowadays, belongs to the island's Air Force. It starts from the assumption that any invasion of Taiwan could only start from the sea; hence, the difficulty for attackers would rest on the actions of the island's airspace. There is discreet US logistical support to the military forces of Taiwan, according to Taiwan Relation Act, from April 1979.

It can be stated that, from the PLA strands, the PLAN has, in fact, the greatest responsibility for the provision, by the government, of food and energy security. The nearby SLOC crossing disputed areas, such as the SCS, and the ones outside this sea, increasingly extensive, show that the Navy has to be prepared to defend the interests of the PRC and the security dimensions. It is not without reason that there is a more intense effort to provide the PLAN of naval and air-naval means for the mission. The engagement of PLAN in protecting the SLOC that run along the East African coast against pirates, nearby the African Horn, is a way to train the trimmings to perform more

complex tasks. The hypothesis that a Chinese naval base should be installed in Djibouti can be an indication of the distant support expansion. Visits to countries bordering the South Atlantic, with long journeys and stays in the sea strengthen the argument.

Also in the field of defense, it should be remembered that the terrestrial nuclear inventory is the responsibility of the Second Artillery Force. There are the conventional missile of 200 kilometers (km) range that protect the Chinese territory, to those who reach 3300 km reaching all the Indonesian islands, much of India, Iran, Russia and the Bering Strait. Also included, ballistic intercontinental missiles which ranges are from 1750 km to 13000 km, covering up to South America. Of course, this entire nuclear device has these ranges in project. It is of fundamental importance the control of these missile systems which reliability is unknown. Equally, there is no reliable information on the range of design, design and local manufacture of all components.

Xi Jinping's strategic project

Xi Jinping is aware of the food and energy import dependency to meet the domestic demand in the PRC. Their interpretation of the term "security" approaches the understanding of Barry Buzan *apud* Mutimer (1999, 79). Buzan decomposes security in five dimensions: military; political; economic; social; and environmental. One can prove this statement with the speech of the Chinese president at the first meeting of the National Security Council, on April 15th 2014 (XI Jinping 2014, 242). The title is suggestive: "Persisting in a holistic view of national security and developing national security with Chinese characteristics". He states that

we must persist in a holistic view of national security, having the security of the people, the political security and the economic security as a principle, essential point and base, respectively. We also need to take military, cultural and social security as a guarantee, supporting us in promoting international security and opening a national security road with Chinese characteristics.

And further, Xi Jinping reinforces his arguments recommending to "establish a national security system that integrates the political, territorial, military, economic, cultural, social, scientific and technological security of resources and nuclear energy." Considering the range of security dimensions pictured by Xi Jinping, the economic one provides conditions so that, for example, military and social security can be obtained. That is, the guarantee of food and energy imports depends on economic security. But without military

security, even with economic security, the PRC could experience constraints to ensure the satisfaction of domestic demand complemented by imports, especially products transported by sea. Indeed, security dimensions are inter-dependent.

It is reasonable, then, the development of PLA, especially of its navy. In the Party-state political system, Xi's statement³¹ is emblematic: "We should adopt as top priority the ideological and political education so the conception of the absolute Party leadership over the armed forces takes root in the minds of the officers and soldiers." And further asserts "It is necessary to strengthen Party building in the military, ensuring the Party's command over the troops in the ideological, political and organizational sense." Those relating to military decisions are the responsibility of the Party Central Committee and the Central Military Commission. The mission of the PLA is to defend the country and the CCP. Xi Jinping's speeches accurately reflect the design of the Chinese political system.

The idealization of the Silk Route was presented by Xi Jinping³² in 2013. In September, he introduced the Economic Belt of the Silk Road, in a speech at the Nazarbayev University, Kazakhstan. It does not fail to emphasize the strengthening of mutual trust provided by the SCO. This Economic Belt therefore aims to contribute so the pipelines that transport oil and gas to the PRC are not affected. Also in 2013, in October, Xi spoke at the Indonesian National Congress suggesting the joint construction of the Maritime Silk Route in the 21st Century.³³ The institutional reference on which the construction would rely would be the Association of Southeast Asian Nations (ASEAN)³⁴. In other words, institutional instruments - SCO and ASEAN - would offer legitimacy to the Chinese multinational policy; but in order to contribute to ensuring food and energy security. It can be said that the Sea Route will not be limited to the SCS, but will extend to the Indian and Atlantic Ocean.

As an infrastructure financing source in the regions of interest, in line with the Sea Route, it was created the Asian Infrastructure Investment Bank and the New Development Bank of the BRICS³⁵. The first may help the PRC to create links in the ASEAN +1 configuration. And it will assist to alle-

31 Xi Jinping op. cit. p. 262.

32 Idem, p.345.

33 Ibidem, p. 351.

34 ASEAN is a free trade zone, with a vocation for the common market, which comprises Brunei, Cambodia, Singapore, Philippines, Indonesia, Laos, Malaysia, Myanmar, Thailand and Vietnam.

35 Acronym created by Jim O'Neill, English economist at Goldman Sachs, to refer to Brazil, Russia, India, China and South Africa.

viating the litigation in SCS, where there are interests related to oil exploration, fishing and monitoring of maritime traffic. The New Bank of BRICS will foster the implementation of useful infrastructure projects in the outflow of raw materials of the PRC's interest in African and Ibero-American countries. And the PLAN is being strengthened to contribute to protecting the SLOC of interest to the PRC, even the most extensive.

It can be affirmed, therefore, that the two Silk Routes constitute the strategic objectives of the PRC; and the Grand Strategy for achieving these goals is based positively: on the SCO for the vast land area of Central Asia; and on the creation of the Asian Infrastructure Investment Bank and the Bank of BRICS to further meet the Chinese necessities on the transportation by sea. The strength of the establishment of agreements and the speed with which the Chinese investments enable the infrastructure works seem to demonstrate a determination to Beijing in maintaining internal satisfaction without any prevarication. The CCP certainly comprehends nowadays the historical challenges of previous rulers of the Middle Kingdom. And President Xi Jinping knows his Grand Strategy must provide instruments for the PRC's partners to commune with an essentially cooperative dialogue. This is vital for the PRC.

The Sino-Brazilian Relations

Brazil and PRC established diplomatic relations on August 15th, 1974 (Cervo and Bueno, 2002, 425). The concept of diplomacy adopted by the Brazilian government was called "responsible diplomacy." This concept, according to Oliveira (2005, 149), "started to be designed as a pragmatic, ecumenical and responsible", i.e., with the non-interference in others' affairs, seeking to observing the international situation as it presented itself, and depositing liability in ethics. The concept also directed the opening of diplomatic relations of our country with many newly independent countries, among them the former Portuguese colonies. In this occasion, it was recaptured a vocation manifested in Jânio da Silva Quadros government, when the Foreign Minister Francisco Clementino San Tiago Dantas fixed the concept of independent foreign policy (IFP, or PEI in Portuguese). Nowadays, both policies have a South-South version.

Despite being in the cold war, the scope of the establishment of the Brazil-PRC relations proved to be successful. After all, the two states share foreign policy principles closely. Cabral (2010, 195) says that Brazil defends the principles of self-determination, equality and mutual benefits between states, independence, non-intervention and national sovereignty. From its

side, the PRC emphasizes the “Five Principles of Coexistence”, i.e. peaceful coexistence, equality and mutual benefit, non-aggression, non-intervention in internal affairs and respect for sovereignty and integrity. So, there are objective conditions for the two countries to deepen their relations because they use a diplomatic language guided by similar principles.

Over time, it was instituted the China-Brazil Business Council (2004); in 2006, the China-Brazil Commission of High Level of Agreement and Cooperation (COSBAN); the Strategic Dialogue (2007); and in 2008 it was created the Financial Dialogue Brazil-China and the China Agenda for the commercial area. The developments have been occurring with increasing speed, according to mutual interests and the emerging opportunities. The creation of the aforementioned Bank of BRICS is an important financing vector and can leverage initiatives in different fields, such as infrastructure, S&T and implementation of new industrial plants. Possibly it will contribute to boosting ventures as the factory of the Brazilian Aeronautics Company (EMBRAER) installed in the PRC and developing new versions of China Brazil Earth Resources Satellites (CBERS).

But it is in the commercial field that a greater asymmetry between the two countries can be verified. According to the Ministry of Foreign Relations, Brazil was the 17th destination of Chinese exports between January and September 2014, totaling US\$ 37 billion and the seventh in the origin and source of imports from the PRC, with US\$ 40 billion in same period. The asymmetry lies not just in the amounts involved or the balance/deficit. The source of concern of the Brazilian government and the national private sector is in qualitative asymmetry of the trade agenda. The level of technology inherent to the products points to a sharp primarism of the items exported by Brazil. The result is the shrinking of the national industrial sector in the face of competition with Chinese products. The tables below show these trade relations between both countries.

Main products sold to the PRC, in millions of US dollars, January - September 2014. (continues)

Description	2013 Value	2013 part. % in total	2014 (jan./set.) value	2014 part. % in total
Soybeans and seeds	17.148	37,3%	16.616	40,9%
Ores	16.394	35,6%	12.709	31,3%
Fuels	4.035	8,85%	3.474	8,6%

Wood pulps	1.582	3,4%	1.711	4,2%
Sugar	1.433	3,1%	880	2,2%
Furs	643	1,45	826	2,05%
Iron and Steel	597	1,3%	530	1,3%
Meats	446	1,0%	521	1,3%
Fat and oils	625	1,45%	421	1,0%
Tobacco and substitutes	454	1,05%	334	0,8%

Source: MRE/DPR/DIC based on data from MDIC/SECEX.

Main products imported from the PRC, in millions of US dollars, January - September 2014.

Description	2013 Value	2013 part. % in total	2014 (jan./set.) value	2014 part. % in total
Electrical Machinery	10.869	29,15%	10.898	29%
Mechanical Machinery	8.132	21,85%	7.151	19,1%
Organic chemicals	2.184	5,9%	2.232	6,0%
Iron and Steel	978	2,6%	1.388	3,7%
Plastics	1.006	2,7%	1.070	2,9%
Cars	1.034	2,8%	1.002	2,7%
Iron and steel construction	1.017	2,75%	978	2,6%
Clothing not knitted or crocheted	884	2,4%	935	2,5%
Man-made filaments	745	2,05%	809	2,2%
Precision tools	789	2,15%	780	2,1%

Source: MRE/DPR/DIC based on data from MDIC/SECEX.

Is it true that the modernization of the Brazilian countryside demanded better training of hand labor and technological sophistication and better management in the trade of Brazilian commodities. The harvest mechanization implied, on the other hand, the quantitative reduction of rural workers.

But the displayed tables show that the list of Brazilian imports of manufactured competes with and presses our industry. It is about this the challenge set a few years ago for the Brazilian government-private initiative binomial. Chinese manufactured occupy a wide range of products, from simple home appliances to automobiles. The sophistication of our agricultural production and ore mining brought to the Chinese represents two-thirds of the export basket; and the agricultural product is practically one.

Final Thoughts

The existence of a reasonably sophisticated industrial sector in Brazil points to a differentiation in relations with the PRC in comparison to those that the Chinese exercise with African states. The Angolan model, which was adopted by other countries from that continent, is not suitable for our country. We cannot regress to a *status quo ante*, from the nineteenth century and the early decades of the last century, when it was said that Brazil was a country of agricultural vocation. The infrastructure was installed aiming at the export of primary goods. The injection of Chinese resources in the execution of projects that include export of primary goods seems a throwback. We know this to be of direct interest to the PRC, in view of its shortcomings. The Chinese government has shown that it has clear strategic national goals and pursues a Grand Strategy to achieve these goals.

The development of initiatives in the Brazilian infrastructure has to commune interests of both sides. It is not reasonable that they have as their main purpose the transport of commodities. Even the Chinese example of the past, when the exported products did not generate industrial progress, should - kept the distance of time - be aware of what is happening today in Brazil. The PRC will seek what it needs backed in cooperation. Therefore, it is interesting to extend the Brazilian horizon to uncover the diversification of the agenda in our relationship with the Chinese. It seems clear that it will require a Herculean effort to cover the technological gap, so that we reduce the imbalances that we observe face towards the Chinese. Within the cooperative environment, we must be creative in order to balance the quality of the relations in different dimensions.

Evidence shows that the PRC needs to be cooperative, in a not always stable international environment. The Chinese search for exercising sovereignty over disputed maritime areas explains the care of the CPC in developing the PLA, especially the PLAN. Indeed, the search for food and energy is more complex because of distance. In the South Atlantic environment, it is believable to infer the future presence of PLAN ships. There is a cooperative

exercise of the PRC with African states and South American countries. But it must recognize that there are some differences of analysis between the PRC and the US, as seen in the SCS. The development of any instability in the South Atlantic is not useful to the PRC or to Brazil. Given the proximity of the guiding principles of both foreign policies, within the South-South relations, it is useful that we anticipate in order to avoid disputes in the region. It is a task to be performed by diplomacy.

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ABSTRACT

This article analyzes the fundamental challenges perceived by the People's Republic of China: food security and energy security. They become evident through the higher demand over the domestic production. This relation compels the Chinese Communist Party to establish agreements with other countries to balance the supply and demand. The People's Republic of China's tools put in use to secure the agreements are institutional and military. Military tools are necessary to exercise the Chinese sovereignty over the South China Sea, and to keep safe the sea-lanes of communication. Consequently, the PRC-Brazil relations are examined, especially the latest.

KEYWORDS

Popular Republic of China; Food Safety; Energy Security.

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DEVELOPMENT AND THE WTO: FREEDOM FOR WHOM?

Rafael Rosa Cedro¹

1. Introduction

This article explores three distinct analytical approaches that offer insights for reflection on the issue of international trade providing a critical view on the World Trade Organization's (WTO) functioning and its alleged defense of free trade as an engine for development. Such perspectives are: comparative advantages; dependency theory and Global Commodity Chains (GCC) / Global Value Chains (GVC) analyses (which will be considered jointly for the purposes of this article). Initially, a brief overview is given on what these perspectives emphasize as core assumptions in terms of how the international trading system works. Following, the article refers to excerpts taken from important WTO materials – some prepared by the WTO's Secretariat and legal texts of WTO agreements – in order to show that such Organization presents the perspective of comparative advantages as if it was a central principle guiding its functioning. Furthermore, the article draws on the WTO's history and elements of its actual operation to assess the extent to which those three distinct analytical approaches related to international trade, explored here, are present in the WTO's framework and/or help explaining its functioning. The article concludes by evincing that the strong stance that the WTO takes in favor of stimulating countries to rely heavily on their comparative advantages in their engagement into a free world trade, borrowing Ha-Joon Chang's words here, is in fact not much more than a disguised attempt of "kicking away the ladder" through which the currently developed countries

1 PhD Fellow in Development Studies, of the International Institute of Social Studies (ISS), The Hague, Holland. Specialist in Public Policies and Governmental Affairs, economic area, Brazilian Ministry of Planning. He has been a negotiator of the Brazilian Government for the Doha Round of the WTO, to the United Nations, and other economic integration agreements. He is the author of the book *Desenvolvimento Rural e a OMC: A Experiência do Brasil (Rural Development and the WTO: The Experience of Brazil)*. E-mail: rafael_cedro@yahoo.com.br

have climbed throughout their historical trajectories (and which, to a large extent, they still use contemporarily).

2. The Functioning of International Trade and Development through the Prisms of Comparative Advantages, Dependency Theory and GCC/GVC Analyses

The topic “trade” – comprising underlying considerations on how the international division of labor should be set – and its relationship with economic development has been, for a long time, an issue that caught the attention of political economists and analysts of international affairs, and still does nowadays. This first section provides a brief overview on the way the patterns of international trade and their relationship with development are conceived from the standpoints of comparative advantages, dependency theory and Global Commodity Chains (GCC) / Global Value Chains (GVC) analyses.

It is important to recognize that these three analytical perspectives might encompass other elements that are not restricted to trade only. That is to say, their embedded theorizations and analytical frames provide insights and bring about assumptions that also relate to aspects such as technological change, patterns of production, patterns of consumption and others. Given the scope of this paper, this section is focusing on the more-immediate trade-related aspects stemming from these analytical approaches, concentrating on the key aspects that are needed for the analysis undertaken in the article.

2.1. Comparative Advantages

Initially systematized as a theory by classical economist David Ricardo (1817), its core idea about international trade departs from a theoretically based assumption that free trade benefits all countries. According to this perspective, this would happen even for those countries that did not present any absolute advantage, in sectors of its economy, as compared to other countries. The rationale behind such theory is quite straightforward. An example can be seen as follows:

Comparative advantage means that the opportunity costs for producing a certain good are expressed in the cost of production for another good: it may take Canada four units of beer to produce one unit of wine, whereas in Mexico the relation may be two to one. This does not mean that it is actually cheaper to produce beer in Mexico. A comparative advantage can go along

with an absolute disadvantage. If we follow this theory, Canada is expected to focus on beer and Mexico on wine, even when absolute costs for *both* products are lower in Canada (Henning 2007).

Under such perspective, thus, the progressive specialization of developing countries in producing mainly just a few low value-added commodities (or raw materials) was not perceived as a problem. On the contrary, it would enable a more efficient functioning of the international economic and trading system as a whole, promoting growth and development to all. Amsden (2007, 12) points out that, defending such perspective, a leading orthodox economist has once synthesized such idea in a very symbolic phrase: “a country can gain as much from producing potato chips as from making computer chips”.

2.2. Dependency Theory

In a direct critique to the comparative advantages approach, dependency theory emphasizes a set of elements that discourage developing countries to naively board on the discourse of international free trade as a promoter of development. For instance, according to Amsden (2007, 12), as argued by Raul Prebisch, “prices of raw material, which accounted for around ninety per cent of Third World exports, had fallen over time relative to the prices of manufactures”. Thus, “raw material exporters had to give more and more just to stand still”. In addition, “they were also losing from technological change”. As highlighted by authors such as Cardoso (1977) and others, pattern traits of international trade oftentimes emphasized by different dependency theory scholars would include: persisting relations of “coloniality”² and a trade pattern marked by the dominance of developed countries, and their companies³, in a way that damaged developing countries’ prospects of attaining their own industrialization and development. Thus, the appropriation of wealth, unless something different was done, would tend to be uneven, strongly privileging the central economies (developed), rather than the peripheral ones (“under-developed”⁴).

A proposed solution, stemming from this perspective, would often encompass the adoption by developing countries of more autonomous development and trade strategies more pro-active and less subaltern to the interests of developed nations. The Imports Substitution Industrialization (ISI) strate-

2 Existing even after formal processes of independence / de-colonization.

3 Not rarely, under the blessings of traditional local elites, who would benefit from an uneven domestic process.

4 See, for instance, Frank (1966) and Furtado (1964).

gy was often emphasized as a possible way of putting that advice in practice⁵. In such context, the concept of protection of “infant industry”⁶ would play a relevant role. Policy instruments such as “temporary tariff protection from international competition”, “subsidies”, “copying of foreign manufactured products and learning from it to develop native technologies, until the point that the country and its industries were able to compete in domestic and world commerce with more value-added products” were elements, among others (such as state investment in strategic areas), which should be considered and combined in appropriate mixes. In other words, “development policies” were deemed to play a key role in effectively enabling countries to prosper, considering the perceived global scenario.

Nevertheless, this is not to say that dependency theory is against trade *per se*. Instead, dependency theory highlights the need to reflect about the previously and currently existing patterns of trade (and of production). From this, dependency theory often advocates the importance of states from developing countries to strategically and proactively act in favor of changing such patterns toward ways that would be considered more prone to promote domestic development and to progressively break from underdevelopment and subordinate relations.⁷

2.3. Global Commodity Chains (GCC) and Global Value Chains (GVC) Analyses

GCC/GVC analyses were originated as analytical derivations from World System analysis, which comprised a branch of thought somewhat influenced by dependency theory. Within such initial perspective, the assessment of the functioning of commodity chains played a role as a relevant analytical tool for observing unbalances and other traits in the distribution

5 For more on ISI strategies see Bauman and Franco (2006) and Tavares (1977).

6 Concept originally explored by List (1885).

7 In this regard, for instance, it is worth noting that even in Prebisch’s view, import substitution was not seen as incompatible with trade. In some circumstances, he would defend, industrializing countries might need to export raw materials and commodities (during the industrializing period) in order to be able to import machines and equipment needed. Another aspect of trade-related strategy associated to a dependency theory approach is that of fostering trade among countries with less different levels of economic and technological development. For instance: see the propositions to improve regional trade in Latin America, such as propelled by the United Nations’ Economic Commission for Latin America and the Caribbean (CEPAL) and, also, more generally, among countries of the global South, in the ambit of the United Nations Conference on Trade and Development (UNCTAD) – both organizations that have been headed by Prebisch.

of production, surplus and income generated, etc, throughout the different processing stages of a commodity, from its raw natural form until its final form and consumption. World System theory, however, would not lose sight of assessing a commodity chain as being part of a broader global context, where the chains of several commodities functioned simultaneously, shaping an inter-related global economic dynamics (Hopkins and Wallerstein 1986; Talbot 2004). Drawing from this perspective, it is important to keep in mind that, since such chained commodities' trajectories often occur across national borders, the international framework that regulates trade, then, influences the prospects of such transnational activities (as well as it also ends up being influenced by them, through pressures exerted by powerful economic-political groups or actors and, often, by national states on their behalf).

As time passed, however, the commodity chain analytical framework, which originally had a much more "political economy" approach, was gradually appropriated by business-oriented analysts and researchers. In such move, the framework was progressively striped of its more structural-political contents. Labels such as Global Commodity Chains (GCC) and Global Value Chains (GVC) analyses were assigned to these newer modalities. Still, in spite of a much less evaluative concern on how the functioning of the commodity chains can impact the development or underdevelopment of nations in a broader sense, as highlighted in works such as Gereffi and Korzeniewicz's (1994), such analyses normally comprise the assessment of elements in dimensions such as: input-output structure (that is, a set of products and services linked together in a sequence of value-adding economic activities); territoriality (analysis of the particular structure of production distributed geographically and/or among firms of different sizes); governance structure (for instance, authority and power relationships that influence the way financial, material and human resources are allocated and flow within a chain) and institutional context.

The recommendations, though, in the more recent frameworks of GCC/GVC analyses, would normally tend to focus more on development ("upgrade") from a firm perspective, in the form of attempts of moving up with further appropriation and control of the process (and value) within the commodity chain, rather than addressing broader and fundamental questions from a nations' or a global development angle, in an ampler sense.

3. Assessing the Presence and/or Usefulness of the Trade Perspectives Analyzed Here in Relation to the WTO's Framework

This section provides a brief analysis of the WTO's policy framework in a dialogue with the perspectives seen in the first section as well as elements of the Organizations' discourse, history and functioning.

3.1. The Supremacy of "Comparative Advantages" as an Officially Stated Guiding Perspective

Rather than recognizing that there are (or there may be) different analytical perspectives – with different conclusions – about international trade patterns, trade liberalization and their capacity for promoting (or hindering) economic development, in its formal discourse the WTO explicitly recognizes only the existence of the perspective of "comparative advantages". In fact, the document "Understanding the WTO", prepared by the WTO's Secretariat as a general and thorough explanation about the Organization, labels such perspective as being the economic "common sense" (see: WTO 2007, 13). In a dedicated section of such document – "The case for open trade" – the WTO's Secretariat, using a monoeconomics discourse⁸, highlights:

Economics tells us that we can benefit when these goods and services are traded. Simply put, the principle of "comparative advantage" says that countries prosper first by taking advantage of their assets in order to concentrate on what they can produce best, and then by trading these products for products that other countries produce best.

In other words, liberal trade policies — policies that allow the unrestricted flow of goods and services — sharpen competition, motivate innovation and breed success. They multiply the rewards that result from producing the best products, with the best design, at the best price. (WTO 2007, 14)

(Emphasis added)

⁸ We may observe in the passage that follows that it refers to "economics" as being a single theoretical body and not to a perspective that stems from one among different existing schools of thought. As Fairclough (2000) has highlighted, a prominent trait of the neoliberal discourse – from which the WTO relevantly draws – is an attempt of promoting a structuration of the difference. That is, it makes usage of rhetorical twists in ways that hide that there could be other alternatives.

In order to leave no doubt that the exploration of “comparative advantages” is the basis of the intended functioning of the WTO’s policy framework, the mentioned document even presents a box, referring to David Ricardo himself, explaining the basis of his theory and citing “comparative advantages” as being “arguably the single most powerful insight into economics” (WTO 2007, 14).

Not rarely, such view is also encountered in the introductory parts of legal texts of WTO agreements. For instance, in the official text of the Marrakesh Declaration – agreement resulting from the conclusion of the Uruguay Round of multilateral negotiations, which instituted the WTO – we see:

(...) the establishment of the World Trade Organization (WTO) ushers in a new era of global economic cooperation, reflecting the widespread desire to operate in a fairer and *more open multilateral trading system for the benefit and welfare of their peoples*. Ministers express their *determination to resist protectionist pressures of all kinds*. They believe that the trade liberalization and strengthened rules achieved in the Uruguay Round will lead to a progressively more open world-trading environment. Ministers undertake, with immediate effect and until the entry into force of the WTO, not to take any trade measures that would undermine or adversely affect the results of the Uruguay Round negotiations or their implementation. (WTO 1994)

(Emphasis added)

However, in spite of such free trade and comparative advantages advocated discourse, as argued in Cedro and Vieira (2010), Cedro (2008) and Cedro (2011), such rhetoric, which is encountered in the WTO’s explanatory documents and introductory parts of agreements, does not precisely match the reality of the WTO’s operation. I refer here to the concrete outcomes derived from the implementation of the WTO’s policy/regulatory framework. The following sub-sections will try to shed some light on it, while providing a brief link with the other trade perspectives seen in the first section.

3.2. Reality Check: the Fallacy of “Comparative Advantages” as a Foundation of WTO’s Policy Framework

3.2.1. Historical Aspects

In spite of being relatively young in age as an organization, the WTO carries with it at least a six-decade history of institutional “evolution” of the world trading system. Still in the aftermath of World War II, during the Bretton Woods discussions, an International Trade Organization (ITO) was al-

ready envisaged as an intended third leg of the international economic tripod framework for dealing with economic matters. The International Monetary Fund (IMF) would primarily deal with currency and balance of payments issues, the International Bank for Reconstruction and Development (IBRD, currently part of the World Bank Group) was created to focus on mobilizing resources for post-war reconstruction and developmental investment, and the ITO would be responsible for providing a framework for enhancing world trade. It had, however, as it was initially being negotiated – with intense participation of developing countries – a core concern not on free trade itself. Rather, the establishment of trade preferences among participants would be one of the several tools that were being conceived to enable the functioning of a world trading system that would aim at promoting development as its fundamental objective.

In this context, principles such as infant industry and associated tools and mechanisms were being discussed to be part of the new global trading framework that was under negotiation. However, after extensive negotiations, such framework was summarily rejected by the government of the United States. As we can find in works of authors such as Hudec (1975) and Gardener (1969), the following aspects can be enlisted as underlying main reasons for such rejection: (i) the set of developmental mechanisms envisaged to be part of the deal was considered to be an excessive concession in favor of the developing countries and (ii) the new framework, which tried to reduce the already existing unbalance (in terms of usage of political and economic power) in world trade, would affect the super-power's capacity to implement domestic policies that negatively affected other countries (for instance, the large subsidies to their domestic agricultural sector⁹).

Therefore, in the place of a more development-oriented ITO – which did not take off for the fact that the major economic power in the world at the moment would not take part in it –, only the General Agreement on Tariffs and Trade (GATT) was instituted. Far from being a full-bodied organization, the GATT was simply a trade preferences agreement. As economic historian Paulo Roberto de Almeida (2004, 116-7) describes, it comprised elements of, at most, one of the chapters that would have given shape to the framework of the ITO. However, it provided a framework for negotiations of subsequent rounds of trade liberalization, with rules and progressions to be negotiated in

9 Which not only enabled the producers in the United States to counter (in their domestic market) the competition stemming from more efficient countries – in the perspective of “comparative advantages” – but also allowed them to take up a substantive share of world trade with their products, by exporting at subsidized prices, as a recurrent scene which could be observed in subsequent moments and up to today.

stages.

Initially implemented by 23 contracting parties, the GATT and its system evolved along the following decades, including, progressively, new participants and new steps towards the deepening of a framework for trade liberalization (Trebilcock and Howse 2005, 23).

Throughout subsequent decades, there were moments in which developing countries pleaded and fought for more space in the international economic framework for themselves to implement policies in the pursuit of their own development; for instance, with the New International Economic Order (NIEO) movement, that gained momentum in the 1970s.¹⁰ Drawing substantively on a perspective influenced by dependency theory, the NIEO movement demanded, among other things, effective “policy space” for developing countries in the framework of the world trading system, in a way to allow for a reduction of the unbalances that were perceived in its operation. Within such context, the United Nations Conference on Trade and Development (UNCTAD) was established, as a more development-oriented arena, in an attempt to counter the liberalizing agenda of the GATT, which was pointed out as working to the most extent in favor of the already developed countries, disfavoring the developing ones.

Nonetheless, following the fall of the Berlin Wall and the ideological

¹⁰ Already in its introduction, the 1974 Declaration on the Establishment of a New International Economic Order set the tone of the struggle by asserting the: “determination to *work urgently for the establishment of a New International Economic Order* based on equity, sovereign equality, interdependence, common interest and cooperation among all States, irrespective of their economic and social systems *which shall correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and the developing countries* and ensure steadily accelerating economic and social development and peace and justice for present and future generations, and, to that end, declare: 1. The greatest and most significant achievement during the last decades has been the independence from colonial and alien domination of a large number of peoples and nations which has enabled them to become members of the community of free peoples. Technological progress has also been made in all spheres of economic activities in the last three decades, thus providing a solid potential for improving the well-being of all peoples. However, the remaining vestiges of alien and colonial domination, foreign occupation, racial discrimination, *apartheid* and neo-colonialism in all its forms continue to be among the greatest obstacles to the full emancipation and progress of the developing countries and all the peoples involved. The benefits of technological progress are not shared equitably by all members of the international community. The developing countries, which constitute seventy per cent of the world’s population, account for only thirty per cent of the world’s income. *It has proved impossible to achieve an even and balanced development of the international community under the existing international economic order. The gap between the developed and the developing countries continues to widen* in a system which was established at a time when most of the developing countries did not even exist as independent States and which perpetuates inequality.” (*Emphasis added*) (United Nations General Assembly 1974)

and coercive¹¹ proclamation of the “unabashed *victory of economic and political liberalism*” (*emphasis added*) over all other paths that could be possibly followed (Fukuyama 1989, 3), the GATT system restated its supremacy in terms of power. It trashed out many of the demands related to the “right to development” stemming from the South that had gained momentum with initiatives such as the NIEO and the setting of UNCTAD (Almeida 2004, 116–7), and established a more comprehensive and stricter set of rules that plastered developing countries’ ability to break away from a subaltern position in international trade.

3.2.2. *The Trading System Set by the WTO*

The Uruguay Round of multilateral negotiations on international trading system (1986–94) was, then, concluded. It was in that occasion, as part of the “single-undertaking” (closed package) agreement – which included several elements, ranging from a stricter quasi-judicial enforcement system, to rules on intellectual property protection¹², liberalization of the services sector¹³ and others –, that the WTO (a full-bodied international organization, not just a treaty) was instituted (Pauwelyn 2005, 24–5; WTO 1994). Its mission: “In brief, (...) to ensure that trade flows as smoothly, predictably and freely as possible” (WTO 2009).

Thus, the question is: freer for whom? When we look closely, we observe that the real outcome, as seen in the scenario after the establishment of the WTO and the set of rules that came with it, fell far from what is illustrated in the justifying discourse. In short, we can critically assess the WTO by looking at the following elements. On one hand, developing countries were pushed to make relevant efforts in opening up their markets and abdicate (and setting legal commitments on it) from using tools that not only have been used in the past by developed countries,¹⁴ but are still in use nowadays

11 It is worth to note that, aside from the ideological indoctrination, it was a period when several developing countries were facing economic vulnerabilities. Thus, they needed the support from international financial institutions, which, to a great extent, followed the guidelines set by developed countries. Hence, among the conditionalities attached to the support granted, there often was pressure for countries to engage and accept a deeper and still unbalanced round within the GATT’s forum.

12 Through the “Agreement on Trade-Related Aspects of Intellectual Property Rights” (TRIPS).

13 As framed by means of the “General Agreement on Trade in Services” (GATS).

14 For an in-depth critical account on the history of globalization, check the work “Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism” (Chang 2008). As put by Cerisier (2012): “The first few chapters of *Bad Samaritans* assess the “official” history of globalization, as narrated by free trade economists and most international institutions (...) Dr Chang

(Chang 2002 and 2008). On the other hand, the discourse of a supposedly already existing openness of developed countries' markets – which often back up their allegations for the developing countries to board into the comparative advantages approach in world trade – hides a double fallacy.

The first element of such fallacy is that the mainstream discourse often neglects to recognize that the said openness (relatively low import tariffs averages) of the developed countries' markets of industrial goods occurs in a scenario in which:

- (a) These countries are already, often, far ahead in technological aspects and with many of their companies well established as market leaders (thus, it is easier to cope with lower import tariffs over their foreign competitors). It is worth to note, though, that such leadership, in not rare cases, was attained along the time, when those same countries, as Chang (2002) highlights, explicitly made usage of infant industry and developmental strategies that they now label as “bad”.
- (b) Not only that, but their current situation of “trade openness” is coupled with a complementary element that further consolidates their leadership, in legal terms, perpetuating competitiveness artificially (as compared to a free market competition). I refer here to the progressive designing and enforcement of intellectual property rules (especially industrial patents), at the international level.¹⁵

The second important element to be considered is that, at the same time, the WTO's policy framework that was established left, by large, still as big exceptions in the regulatory framework of the world trading system, important areas which, at that moment, were – and still are – sensitive to the developed nations. For instance, agriculture and textiles; both sectors in which the developing countries would, in many cases, present a tendency of being more competitive than the developed countries, if those markets were to be really freed (taking away the ultra-high tariff peaks and huge amount of subsidies that are maintained by the North year after year, as in agriculture, for example). It did not happen that way, though.

In fact, what we saw was that precisely in the areas in which the Northern countries were more sensitive, instead of applying the same rules

rejects this fairytale and argues there are several major flaws – and lies – in the official history of globalization”. Chang does so using several exemplary and thoroughly-researched cases.

15 For instance, see the WTO's TRIPS Agreement, set as the Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco, on 15 April 1994.

for the deepening of “free trade”, specific (i.e. exceptional) agreements were established in texts apart from the main body of the GATT – then, GATT 1994, after the conclusion of the Uruguay Round, which incorporated the original GATT 1947 with its subsequent amendments and provided the general framework for liberalization for the world trade of goods. For instance, the WTO’s “Agreement on Agriculture” and “Agreement on Textiles and Clothing” enabled developed countries to extend over time their possibilities of implementing the very kind of “market distorting” policies that they label as “bad policies” when implemented by developing countries in the other areas (Chang 2002; Chang 2008, 77; Cedro and Vieira 2010).

Just to mention two relevant examples, in the agricultural sector, looking at the scenario after the full implementation of the commitments established by the Uruguay Round: (i) on the amount of trade-distorting domestic subsidies authorized by the WTO’s framework for the United States to apply annually, in comparison to what is allowed to Brazil for the same kind of subsidies; and (ii) highlighting the extremely high import tariff peaks that the European Communities are allowed to maintain even after all the commitments established by the Uruguay Round were fully applied.

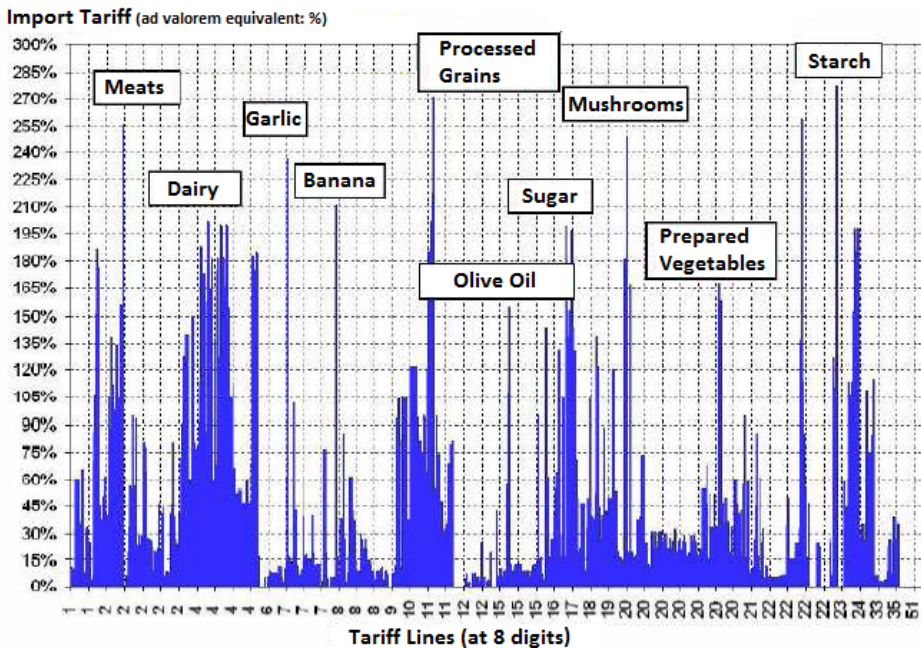
In the first case, as pointed out by Cedro and Vieira (2010, 132-4), what we observe is that, for the “amber box subsidies” – the ones that are considered by the WTO itself as most trade-distorting, and which, by the WTO’s own description, mostly tend to exert negative effects over other countries in the globe when applied – the Organization authorizes the United States to spend up to twenty times (2.094 per cent) the amount authorized to Brazil in terms of the very same category of subsidies (which, in fact, refers to public policies), respectively US\$ 19.1 billion versus US\$ 912 million per year, in absolute values. Comparing to the size of their respective populations directly involved in agricultural activities, this means an average authorization of US\$ 3.350 per person (US), versus US\$ 35 per person (Brazil) per year¹⁶. Thus, it figures as a completely unbalanced outcome, in favor of the Northern economic power, precisely in the area that it is sensitive in relation to letting the market freely operate (without state intervention).

In the second case, the graph below illustrates what is commonly known among negotiators to the WTO in Geneva as being a historical fact: the persistence of extremely high tariff peaks imposed by the European Union in many of the most important agricultural products at which developing countries are usually naturally more competitive (Araujo et al 2005). We may observe, from the graph, that it is not rare to find products to which the Eu-

¹⁶ Respective agricultural populations of 5,7 million (US) and 25,8 million (Brazil), according to data from FAO, as presented by Cedro and Vieira (2010, 132).

European Communities apply import tariffs of over 100 per cent of the value of the imported product, in some cases reaching over 200 per cent (making that blocs' market on those products substantively inaccessible to many developing countries). We can highlight, for instance, products such as: meats, dairy, garlic, banana, olive oil, sugar, mushrooms, prepared vegetables, starch.

Graph 1. Agricultural Import Tariff Structure of the European Communities: distribution following the classification of the international Harmonized System (HS)



Source: Taric 2003 (in Araujo et al 2005)

All this and more¹⁷ occur in a context in which the WTO's frame-

¹⁷ For more on the unbalance of commitments set within the WTO and the international trading system, as well as on the distinct kinds of restrictions imposed by such frameworks, impeding developing nations from pursuing more appropriate development and trade strategies, check the works "Putting Development First: The Importance of Policy Space in the WTO and IFIs" and "The Clash of Globalizations: Essays on the Political Economy of Trade and Development Policy", edited by Kevin Gallagher (Gallagher 2005 and 2013). The former work encompasses a robust collection of essays by contemporary critical scholars in the fields of International Political Economy and trade and development, including Robert Wade, Alice Amsden, Ha-Joon Chang, and others. The latter is a series of essays by Gallagher on several aspects within the same topic drawing on practical cases and dialoguing with the contemporary

work is championed as having provided a movement towards the fulfillment of a said objective of enabling a “fairer and more open multilateral trading system” (*emphasis added*)¹⁸. We finish this section, then, recalling Foucault’s (2004) warn about totalitarian discourses that portray one perspective, existing among others, as if it was single and universal: usually, such kind of discourses are used in order to disguise and perpetuate existing domination and exploitation relations.

3.2.3. Analytical Inputs Drawn from “Dependency Theory” and “GCC/GVC”

As we can see here, dependency theory provides us interesting insights for understanding the real functioning of the WTO. The Organization’s policy framework – when we look at the elements discussed in the present text – seems to not only follow a *Realpolitik* path in terms of approach to the international trading system, but also to attempt to consolidate it, legally binding developing countries to accept an unbalanced international division of labor, in which developing countries are relegated to remain in a role, in many cases, of providers of raw materials to the Northern countries’ companies (and, moreover, confined to those commodities that do not directly compete with those that the North also has interest in producing). As Frank (1966, 18) would argue, the conditions of “underdevelopment” of current developing countries do not represent a state of “undevelopment” (as in a linear path, and referring to a situation in which “simply, progress has not reached the South yet”). Rather, the very development paths of the developed North are explained, inseparably, from the recurrent exploitation of colonies (in the past) and a persistence of more subtle ways of coloniality – without direct territorial domination – which, as Chang (2002) has aptly presented, is put into practice nowadays precisely through binding frameworks such as the WTO’s.

Auxiliarly, although also not explicitly reflected or referred in the WTO’s formal framework, the GCC/GVC analyses – provided that the necessary refocusing towards political economy is done – may help to unmask some of the existing misleading arguments that advocate that “freer trade” has been responsible for promoting industrialization in the South and, thus, development, in developing countries. Such kind of analyses can be useful in the sense that they may allow for a better investigation of elements such as: the portions of the generated value that are left in host developing countries when multinational corporations decentralize their production operations

literature.

18 Marrakesh Declaration, from the excerpt previously referred in this text.

while still maintaining the thinking head, design and conception activities, and ultimate recipients of the generated profits in their respective countries of origin; the extent to which the existing import “tariff escalations”¹⁹ in the tariff structures of Northern countries hinder the development of more sophisticated processing stages of the commodity chains within the territory of Southern countries that produce the respective raw material; and other situations.

Hence, they can help to further uncover unbalances that are currently present and permitted by the WTO framework, and which the Organizations’ focus on relations among states and trading zones often blurs the sight from. In that sense, developments such as the one proposed by Blair (2005, 167-8) – who calls for a second generation of commodity chains research for looking at the way chains are articulated within and through the larger social, cultural and political-economic environments in which they operate – might be interesting to follow.

4. Conclusion

As we have seen in this article, in the era of “the end of history”, a free trade power-discourse, justified under the principle of “comparative advantages”, has been championed and repeated as a mantra over and over in an attempt for it to sound true. The WTO, international institution that regulates the world trading system, and which is often regarded as one of the core symbols of such era, instead of adopting in fact the comparative advantages perspective that it portrays as being a central guideline of its ruling, in reality, seems to not only give reason to the dependency theory’s arguments (of a segregation of world trade and international division of labor in favor of the rich nations), but also seems to attempt to legally consolidate it. Therefore, what we observe, as an outcome of the implementation of the WTO’s framework,

19 “Tariff escalation” is a situation in which a country applies very low (or even zero) import tariffs to raw materials and sets progressively more prohibitive tariffs to products with more value-added within the same commodity or value chain (see: International Coffee Organization 2011). An exemplar case of this, which goes against the free-trade and comparative advantages premises championed by developed countries and by the WTO, is that of soluble coffee. Germany was the leading exporter of soluble (instant) coffee in the world by the end of the 2000s decade, even without being able to cultivate coffee grains within its territory. To a relevant extent, this outcome was related to the fact that, within the tariff structure set by the European Union (of which Germany is part), there was a relevant tariff escalation for coffee-derived products. This allowed Germany to regularly import cheap raw coffee and, at the same time, impeded competitors who would have better comparative advantages for producing and supplying processed soluble (instant) coffee to Europe, such as Brazil, to compete against Germany in the huge European market.

is a mitigation of national sovereignties, which is claimed to be done in favor of a supposedly improved collective freedom for all countries in the system (and their respective populations) – analogously to classical contractualist theorizations. However, what one finds when closely observing is that, due to the unbalance of the WTO’s rules, and the different levels of permissions that it gives to the different countries to “distort the markets” (and thus, to go against the principle of simply relying on comparative advantages), some countries end up being in a situation in which they remain more sovereign than others, enabled to practice national public policies that not only work in their favor, but, as developed countries’ practices have been seen many times, they even impose heavy burdens over the development prospects of developing countries.

In this context, we saw that, although the WTO’s framework does not seem to formally acknowledge or refer to perspectives on trade and development stemming from prisms such as dependency theory or GCC/GVC analyses, engaging into exploring those perspectives, as well as others that could be added, may turn out to prove itself as a valuable tool for enabling one to recognize and differentiate what the WTO presents itself as, in comparison to what its policy framework really ends up representing in practice. Thus, rather than simply taking for granted a naive position, we become more capable of recognizing potentially vested interests and more powered to challenge deep-rooted moneconomics totalitarian discourses, such as the WTO’s taken-for-granted argument towards comparative advantages.

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ABSTRACT

This article explores three distinct analytical approaches that offer insights for reflection on the issue of international trade – comparative advantages, dependency theory and GCC/GVC analyses – as a way of providing a critique of the functioning of the World Trade Organization (WTO) and its alleged defense of free trade as an engine for development.

KEYWORDS

Development; WTO; International Political Economy.

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FROM THE CENTER TO THE PERIPHERY: HOLY SEE'S DIPLOMACY IDEOLOGICAL DISPLACEMENT AFTER POPE FRANCIS

Anna Carletti¹

Introduction

With the end of the bipolar system, the rise of new international actors, mainly those emerging from the so-called periphery, started a process of rearrangement of power relations in the international arena. After five hundred years of Western supremacy, old power centers, such as China, seem to be returning to the global arena, looking for a qualitative rather than a quantitative inclusion. This is similar to what happened after the African and Asian decolonization and nowadays it refers to the reform demands that take into account changes that took place since the end of World War II.

In this context, Pope Francis' Pontificate, the first non-european and the first Latin-American pope, had begun. The new head of the most influential religious transnational actor seems to be inaugurating a new stage of the Catholic Church action in the world, characterized by the ideological displacement, less Eurocentric and more leaned to the emerging periphery, in accordance with the current international system rearrangement demands. Through an international reading of the first years of his pontificate, associated to the analysis of the global and regional context – emphasizing the Latin-American conjuncture – that preceded him, this research will look forward to highlight the role that the Holy See can play in the current reordering moment, not only of the religious, but also of the political context.

This study also seeks to build new conceptual categories that may be able to explain the notion of transnational religious actor and its role on the

¹ PhD in History and postdoctoral in Political Science at UFRGS. Professor of International Relations of the Universidade Federal do Pampa. E-mail: annacarlettib@hotmail.com

international arena, which is considered a secularized system.

In the first part of the article, we will analyze the impact of the presence of transnational religious actors on the current international system in transition by paying special attention to the biggest of them all: the Catholic Church.

In the second part, we will analyze the changes of the Roman Curia structure and composition during period between 2013 and the beginning of 2015. Following, we will review some of the speeches of both Pope Francis and his new Secretary of State, emphasizing what seems to be the key-points of Vatican's diplomacy.

Through these analyses, we will verify the hypothesis that, during these two first years of pontificate, Pope Francis seems to be performing the ideological displacement of the Holy See, getting the Catholic Church, traditionally connected to the national and international elites, closer to the political and ecclesial world periphery.

1. The impact of transnational religious actors in the current international system: the Catholic Church case

It is necessary to elaborate a short premise to understand the context on which the religious actors insert themselves and become relevant on the international system, and why the "unexpected" rise after centuries of apparent silence happened before we attain ourselves to the description of the international impacts themselves.

Indeed, the agreements of Westphalia that marked the end of long religious wars in Europe, in 1648, established the guiding principle of the new international order. The application of *cuius regio eius religio* should guarantee that, from that moment on, State policy would be immune from any religious connotation. Certainly, politics connected to religion had become synonyms of threat to order, security and rationality. Therefore, religion needed to be banned from the public arena. Politics and Religion "could not coexist in international relations." (Petito and Hatzopolous 2003, 2) Religions lost its influence on international politics. National states started to be considered the only actors capable of influencing international dynamics. When the first international relations theoretical strands were born, nation states still occupied a prominent place among other types of actors. However, the religious phenomenon kept being ignored or even rejected by the subsequent theories that were developed in the inter-war period.

In the last decades, nevertheless, the religious phenomena rose and

registered, at the same time, surprise and interest among those who study the international system. From the end of the 1980's decade and, even more after the 9/11 incidents, the analysis of religion in the ambitus of international politics have been gaining each time more space. The "forgotten" factor, using the Petito and Hatzopolous (2003) expression, seems to be returned from exile, being even considered, by some analysts (Dosdad 2006; Ferrara 2014), between the key elements for the understanding of the transforming world today.

In the scope of this reevaluation on the importance of the religious phenomenon, side to side with state and non-state actors, traditionally known as influential, these transnational religious actors grow in relative importance according to Haynes (2009), and undoubtedly affect states domestic and foreign policies. Along with North-American evangelical movements, other religious actors include moderate and extremist Islamists, Hindus, fundamentalist Jews, Catholics and others.

Such transnational religious actors have in common the capacity to act in international relations by interacting with groups that have similar goals and by trespassing state boundaries to achieve their vital objectives. That is only possible on today's reality, where communication barriers have been knocked down and national networks at a global level do not find great obstacles, leveraging the capacities of such actors to get through states frontiers and become more significant on molding international issues (Haynes 2009).

Amongst the major transnational religious actors, the Holy See and consequently the Roman Catholic Church, counting with more than 1 billion followers around the whole world, stands out in the international arena, mainly for possessing

a special bond between spiritual and temporal authority, through the combination of a religious organization and a state structure, through the superposition between the holy and the sovereign. The Pope is, at the same time, Sumo Pontifex and Executive Power in the Vatican state (Turzi 2013, 30).

The Holy See, the governing organ of the Catholic Church, is the only religious institution in the world that has the prerogative of maintaining diplomatic relations with states. Currently, the Holy See has representatives in 177 states, besides keeping permanent observers in international organisms, such as the United Nations and others.

Even though it is considered a state with all characteristics that con-

stitute this political institution, the Holy See remains a state actor *sui generis*. The interests it seeks are neither economic nor military. Although it has two security corps, the Swiss Guard and the Gendarmaria corps², the Holy See does not possess the traditional Hard Power instruments that qualify the importance of a country on the world stage. So, what type of power correlation distinguishes the Holy See from others?

By utilizing Joseph Nye's concept of *Soft Power* strength, defined as the attraction and persuasion power rather than the coercion and reward, one can infer that the Holy See utilizes this kind of power as the base of its international actions, involving elements that are difficult to measure and that is characterized by various dimensions.

The Holy See makes use of this power through a capillary network of local churches and social or educational institutions around the planet. Even those who do not follow this institution hear its messages. Its actions, positive or negative, have echoes in the global media. Financial and sexual scandals mined the legitimacy and credibility of the Catholic Church, especially during the last two pontificates, John Paul II and Benedict XVI. Pope Francis, since his first appearance, seems to be looking for ways to reestablish the Church's lost credibility.

2. The First Latin-American Pope revolutionary attempts

Since Pope Francis election, a lot has been discussed and a lot has been written about the possible influence of his geographical birthplace on the future of the Catholic Church. Pope Francis is not only the first non-European pope, but he is also the first Latin-American one, that was born and raised on southern world, on the periphery of power, both political and ecclesial. Nevertheless, this is not a sufficient condition to explain the new paths that Francis is taking.

One of the *papabiles* during the conclave that elected cardinal Bergoglio was also Latin-American, but belonging to the conservative wing of the Catholic Church. Therefore, the fact that Francis is Latin-American does not explain completely the displacement he is developing. Alongside his Latin

2 Both corps task is defending Vatican's City State. The Swiss Guard origins date of 1506, when they were received as Pontific Permanent Army by Pope Julius II. The Gendarmaria corps were created by Pope Pio VII, in 1816, abolished in 1970 and reborn in 1991. Nowadays, it wears blue uniforms and is constituted by 100 trained agents, descendant from antiterrorist offices and that act protecting the pope and the surveillance of people entering the doors of Vatican. When papal trips happen, it is up to them to secure the Pope with local police and authorities.

origins, there is the fact that the pope is Jesuit. The Society of Jesus is one of the oldest religious orders where the component society is, together with study, obedience and insight, an important variable to be considered for the understanding of Bergoglio's posture.

The fact that Pope Francis chose to live in Santa Marta's House, having contact with lots of people, instead of residing on popes reserved apartment – compared by himself to a funnel, where access is strict and you can only get in through a drop-counter (Spadaro 2013) – can be explained by this importance given to the society component. Another element that is important to take into account is his pastoral experience in an archdiocese at Buenos Aires. Therefore, we choose to go through his biography, looking forward to evidence elements that could lead us to a broader understanding of his choices.

2.1. Pope Francis biographic notes

Pope Francis – Jorge Mario Bergoglio – was born in Dezember 17th, 1936, in Buenos Aires. His family – railroader father, housekeeper mother – was original from Piemonte region (Italy's northwest). Bergoglio, after entering the diocesan seminary, left it to become Jesuit (Spadaro 2013). He studied theology before, in Argentina, and got his doctoral in Germany. After he returned to Argentina, he was nominated Jesuit Provincial (of Argentina and Paraguay), exercising this function from 1973 to 1979. In 1976 the militaries were responsible for a *coup d'état*, establishing a repressive regime that lasts until 1983.

Bergoglio, as he revealed during an interview to the Jesuit Antonio Spadaro for the magazine “La Civiltà Cattolica”, played the role of a provincial with no experience on how to run a society. When he took to power, at the age of 36, he adopted an authoritarian posture that earned him critics and accusations of ultraconservatism. However, thanks to this difficult experience, when later nominated Archbishop of Buenos Aires, his attitude towards it was completely different (Spadaro 2013).

In 1992, he was nominated Auxiliary Bishop of Buenos Aires and, in 1998, he was nominated as Archbishop. John Paul II made him Cardinal in 2001. Between 2005 and 2011, he was President of the Episcopal Conference in Argentina. As mentioned before, this time his experience at governance was far more positive than the one as Provincial. At the age of 56, Bergoglio learned that “governing was not about giving orders, but about listening, reaching consensus, solving problems by giving time to evaluate them deeply” (Politi 2014, 139). As Archbishop of Buenos Aires, he favored the contact

with priests of his dioceses, encouraging them to practice mercy. His pastoral was known for the sensibility towards social problems.

Frequently, by bus more than by car, he visited villas (the most poor neighborhoods in Buenos Aires), participating in meetings with priests that worked with poor people. He used to talk to *cartoneros*, the people responsible for gathering the trash in the city. Bergoglio felt on his own skin the big problems of a metropolis with its cultural pluralism and contradictions. Picturing the new pope origins, Politi shows the big difference between Francis and the Pontifices that preceded him:

Francis is the first pope that was born and raised in a contemporary metropolis. The Argentine pontific, even though descending from a remote part of Europe, is the only one that had a dramatic and varied experience in a giant city, around which gravitated thirteen million habitants. Ratzinger, Roncalli, Wojtyla and Luciani were all born in little provincial cities, and even during their careers they ignored the metropolitan rhythm (Politi 2014, 140).

The daily contact with Argentine people – he preferred to live in a little single place instead of the episcopal residence – encouraged his effort, as Archbishop, to fight social inequality, openly denouncing those he considered responsible for the suffering of the people, and among those were Nestor Kirchner and his administration. Such posture gave him a boost of popularity, on one hand, but trouble with the authorities, on the other. Truly, by the end of 2010, Cardinal Bergoglio was publicly pointed out as “collaborationist” during the military regime. Reports published by the biggest Buenos Aires papers – aligned with Kirchner’s government – indicated that Bergoglio, in 1976, when Provincial for the Jesuits, had betrayed two priests of his order, Yorio and Jalics, that were arrested and tortured. Once released, the two priests fled to Rome, and were welcomed by the General Superior of the Jesuits, Pedro Arrupe. They remained in silence for many years and the attitudes of Bergoglio remained unclear until his election. According to Fratini (2014), newspapers close to Kirchner’s administration were concerned on feeding doubts, which became known after the pope election. Just then, the silence of one of the priests was broken. Father Jalics lives currently in Germany, and, after Bergoglio’s election, he confirmed that they were never betrayed by the the Provincial. According to his information, he has never denounced the two of them. They believed in that until the late 1990’s, when, thanks to a conversation between them, the truth was finally understood.

President Cristina Kirchner visit, in March 18th 2013, right after her election, was interpreted as a sign of truce between Bergoglio and the Argen-

tine government.

2.2. The first steps towards the Reform of the Roman Curia, the Papacy and the Catholic Church

During the general congregations pre-conclave meetings occurred in March 2013, from the 4th to the 11th, three proposals got approved by the Cardinals: the Curia reform, making it more simple and efficient; the cleaning of Vatican's Bank; and the promotion of collegiality, establishing frequent consultations between the Pope, the Cardinals college and the National Episcopal Conferences (Politi 2014).

During the interview to Antonio Spadaro, from the "La Civiltà Cattolica" magazine, referring to the Curia Reform and to the competences of the Dicasteries that compose it, he affirmed that these are "in service of the pope and of the bishops: they should help both the private churches and the episcopal conferences [...] if they are misunderstood, they risk themselves of becoming censorship organisms. Roman Dicasteries are mediators, not intermediaries or managers" (Spadaro 2013). According to Politi (2014), this would already represent a revolution, because what was considered until now only an instrument that was totally on the hand of the Pope, should transform itself in a mechanism of help and connection between the papacy and episcopates from the whole world.

Another point brought out during the interview was the biggest autonomy that Pope Francis wished for the local Episcopal Conferences. For instance, remembering the amount of delates on the lack of orthodoxy that arrived to Rome, Pope Francis affirmed that "these cases should be studied by the local Episcopal Conferences, to which Rome can give some helpful assistance. The cases, indeed, are best treated at locally" (Spadaro 2013).

Such decision, if it gets concrete, would constitute a rupture with the posture adopted by Benedict XVI. De facto, for Ratzinger, the National Conferences would not be an integrant part of the Church structure, only having a practical function (Ratzinger 2000). From this point of view, Benedict XVI defended the maintenance of a vertical, Imperial type Church, where Rome dictated the laws to national offices, while Pope Francis is working so the Church can become a participative institution, whose actions can be horizontally defined through the collaboration between the central government of Rome and national churches.

In April 13th 2013, exactly one month after his election, Pope Francis gave the first concrete step towards the so expected Roman Curia Reform,:

the creation of a group of eight Cardinals plus a Secretary with the objective of counseling the pope on governing the Catholic Church and on the process of revision of the Apostolic Constitution "Pastor Bonus", from 1988, that regulates the structure and functioning of the Roman Curia.

The Cardinals that integrate the pope's consult Council are derived from all continents and, with exception of the City of Vatican State Governor, Cardinal Giuseppe Bertello, none of them belongs to the Roman Curia. After the admission to the group of the Secretary of State, Pietro Parolin, the group started to be extra officially called by the name of C9.

Since its creation, the Council assembles every two months on the residence of the Pope, Casa Santa Marta. The reunions lasted for three days, with the constant participation of the Pope. After the first reunions, the Council reached the conclusion that it will not be enough to imply reform the Constitution "Pastor Bonus", from John Paul II. They would need to redesign "again the model of the Curia, after centuries of ultra-centralized power" (Politi 2014, 149).

2.2.1. Renew of the Cardinals College

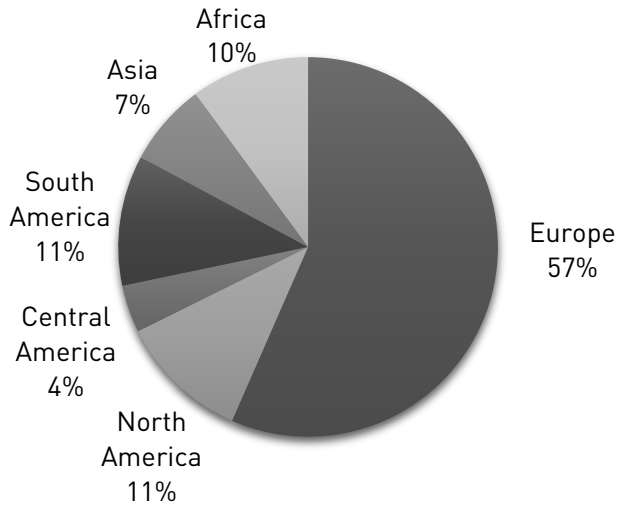
On these two years of pontificate, Pope Francis nominated 31 new electoral cardinals that are renewing the Cardinals College of the Catholic Church. According to Canon 39 of the Canonic Law Code from 1983, it is up to the Cardinals College to arrange the election of the Roman Pontific, besides helping the pope "whether acting collegially, when they are invoked to take care of common major importance issues, whether individually, at the various crafts they play, assisting the Roman Pontific at the quotidian solicitude of the universal Church"³.

The Cardinals College was established in 1150. The number of cardinals integrating it has grown over the centuries. During Paul VI pontificate, rules were established on the maximum number of members, established on 120, and on the maximum age of the electors, stating that by the age of 80, Cardinals are no longer able to join the Conclave. But what draws most of the attention in the analysis of the creation of electoral cardinals during the last pontificates is the geographical provenance of these cardinals. During the pontificates of John Paul II and Benedict XVI, most of the electoral cardinals came from Europe and even more from nations near their birthplaces. Also in the case of the Roman Curia, Francis chose a different path. Cardinals chosen

3 Canonic Law Code. Available at: http://www.vatican.va/archive/cod-iuris-canonici/portuguese/codex-iuris-canonici_po.pdf. Access in: 27 mai. 2014.

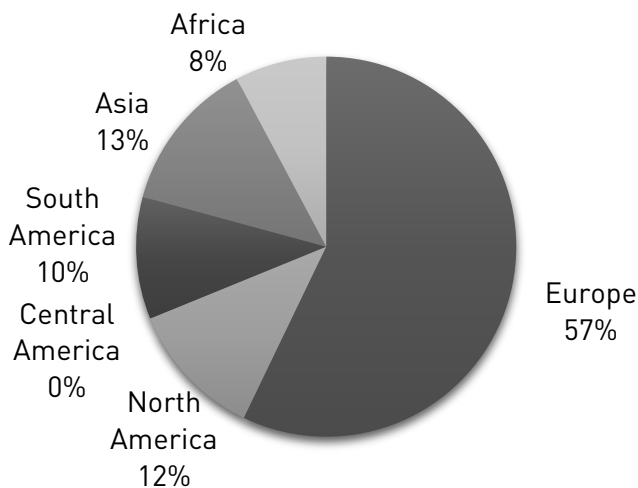
by Bergoglio came from every continent, with evident decrease of the percentage of Europeans in relation to the pontificates that preceded him, as we can see in the charts that follow.

Cardinals Designated by John Paul II



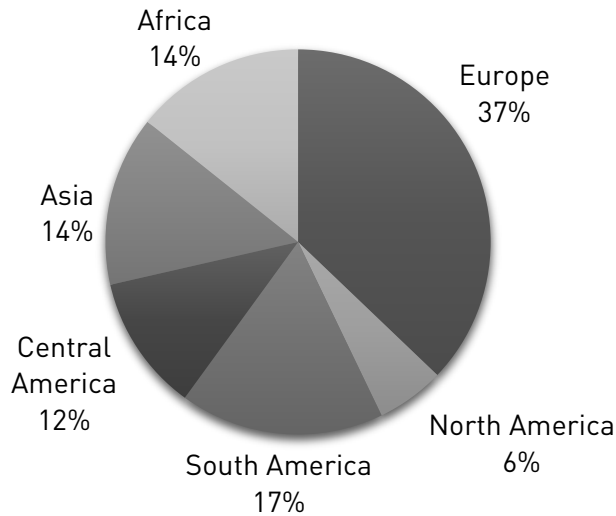
Source: <http://www.vatican.va>

Cardinals Designated by Benedict XVI



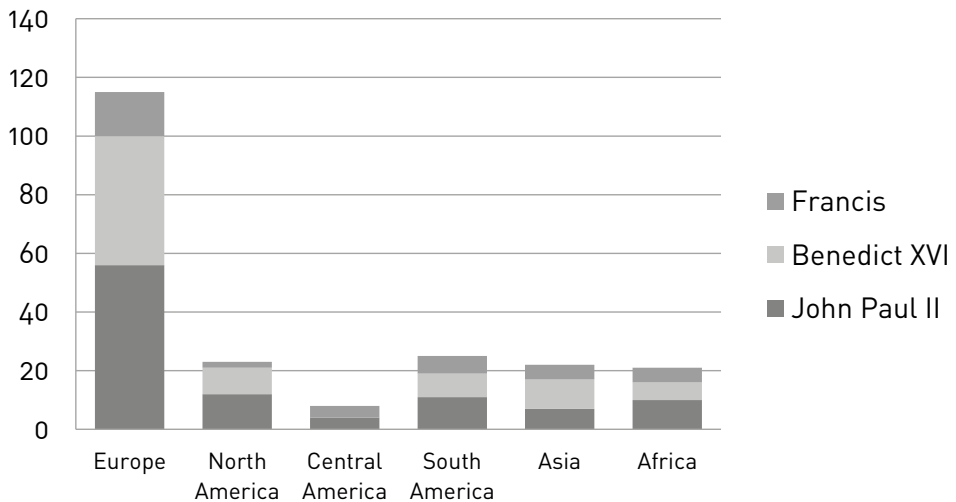
Source: <http://www.vatican.va>

Cardinals Designated by Francis



Source: <http://www.vatican.va>

The graphic that follows shows the geographical distribution of Cardinals that currently compose the Cardinal College.



Source: <http://www.vatican.va>

There is still disparity between Europe and other continents, disparity that is the result of choices made during the pontificates of John Paul II and Benedict XVI. However, one can estimate that some years from now, Pope Francis should have renewed more than half of the electoral body, leaving behind a more representative Cardinal College, where all continents are present and where the weight of Europeans and Italians should be a lot smaller. According to Politi “the future of Catholicism lies not on the old continent anymore, but it is among the people of the Third World. The Sumo Pontific himself reinforced the Latin-American component, where almost half of today’s Catholics live” (Politi 2014, 238).

2.2.2. Revolutionary changes on the Papacy and on the Catholic Church

Since the beginning of his pontificate, Pope Francis showed that the path he was going to chose would be the one of change, starting by the name, one that had never been selected by those who preceded him. Besides that, Bergoglio refused to be called Francis I, probably because this enumeration could remind of a dynasty rather than a religious leader. Finally, he left clear that the name he chose referred neither to the Spanish missionary Jesuit Francisco Xavier that conquered Asia, nor to Francisco de Assis, the saint that defied the rich and corrupt Medieval Church presenting himself as the representative of a Church extremely devoid of richness and titles.

The references to poverty as an indispensable characteristic of the Catholic Church and of its representatives are constant elements on the official Papal documents since he was elected in 2013.

The reform of the Institute for the Works of Religion (IWR), known popularly as the Bank of Vatican, is considered one of the first steps given by the new Pope towards Vatican restructuring. Such reform – indicated on the first year of his pontificate – is being characterized by the total clean of the financial movements of the Vatican, by the raise of transparency and by changes of directors that were involved in scandals.

Still on 2013, Pope Francis established a Council for Economy, created for the surveillance of the management of economic, administrative and financial activities of all structures of the Holy See. Eight Bishops and seven lay professionals constitute the Council. The president is the Cardinal of Munich, Reinhard Marx, also a member of the C9, that assists the Pope on governing the Catholic Church.

Besides the financial reforms, the style of conducting the Catholic Church and its representatives are present in the new administration.

In his first international visit to Brazil, Pope Francis, directing himself to the Bishops responsible for the Latin-American Episcopal Council (CELAM, in Portuguese), called for attention on the dangers of clericalism, highlighting the characteristics that Bishops should present.

Bishops should be priests, close to people, fathers and brothers, with great goodness: patient and merciful. Men that love poverty, who wants interior poverty as a freedom before the Lord, who wants external poverty as simplicity and austerity for life. Men that have no “prince psychology” (Papa Francisco 2013)

By the end of 2014, Pope Francis speech to the Roman Curia's Cardinals and Bishops was highlighted by the media. The Pope seized the moment to unite with those Cardinals and Bishops, in a Christmas occasion, to present them a list of fifteen diseases that could affect the Curia. Between them, the Pope contrasted the disease of feeling immortal, of excessive industriousness, of mental and spiritual stiffness, of excessive planning, of spiritual Alzheimer, of rivalry, of vainglory, of spiritual schizophrenia, of gossip, of indifference, of accumulation, of mundane circles, of mundane profits and of exhibitionism, among others (Papa Francisco 2014). After the speech, he united with the employees of Vatican and their families and presented a forgiveness request: “I do not want to end this good vows meeting without asking you forgiveness for my failures and of my collaborators, and also for some scandals that are really bad. Forgive me.” (Papa Francisco 2014).

The Roman Curia diagnosis presented so clearly by the Pope on that occasion, attracted criticisms that came not only from the own Vatican territory, but also from more conservative Catholic environments.

His rebellion not to embrace the same lifestyle of his predecessors was considered an outrage to the tradition that supported the papacy on its history. The most conservatives considered this a critic to the Popes that came before him and to the traditional Church model, considered as the central untouchable structure of the Catholic Church. There is the fear that Francis, with his simplicity, diminishes the holiness of the papal person (Politi 2014).

Always accordingly to Politi (2014, 232) “remodeling and simplifying the Curia would mean, in perspective, a power, influence and money loss for a certain bureaucratic-ecclesiastic class, that perpetrates from centuries”.

The criticism that Cardinals and Bishops that belong to this group can no longer manifest openly are aired through several websites and papers, both Italian and foreign.

Regardless of the continuous attacks from the media, Pope Francis

seems to be firmly advancing and deciding, even though he knows that the years of his pontificate – which his opposition hopes will be short - will not be enough to finish the necessary reforms to change the course of the Church, until now guided by such monarchic principles.

One of the strategies he seems to be using is to surround himself of competent and professional people on their acting area that can help him turn such changes into efficacy, and elevate the preparation levels of the Catholic Church representatives. For instance, the constitution of the C9 which we spoke of before and the change of his collaborators on it is considered one of the most important areas of the Holy See and, thus, of its international dimension.

Such dimension is acquiring each time more visibility, precisely because of this ideological displacement Pope Francis begun, turning attention to the global periphery rather than to the traditional power centers.

2.3. Pope Francis' new diplomacy

The choice of the geographical origin of the new cardinals seems to demonstrate a special attention the Pope is giving to guarantee a greater balance between center and periphery. Even though the number of European cardinals is still big, there is a trend to increase in the short run the contribution of the periphery, counterbalancing the weight of the Roman Curia and the European Church. Strengthening local churches would guarantee a greater decentralization of the power relations inside the own Catholic Church, a demand that goes back to the II Vatican Council, but that until now has remained only in paper.

This hypothesis is reinforced by the analysis of the goals of the recent trips made by Pope Francis during these two years of pontificate. Pope Francis visited Brazil, Turkey, Albania, South Korea, Sri Lanka, Philippines, Bosnia-Herzegovina, Ecuador, Bolivia, Paraguay and the next visit to Cuba. By considering these trips, we have the impression that the Pope's preference regarding the periphery did not remain just rhetoric. The countries he visited are countries either on Europe's periphery, or in the so-called Southern region of the world, characterized by a past or present of conflicts and exclusion from the global political and economic center.

The visits made inside Italian territory were mostly to small cities. If we observe carefully Pope Francis' way of speak and act, we notice that since the beginning he chose a specific way of governing: few collaborators, but well-formed ones and that are able to help him see and understand the international panorama in which the Catholic Church is inserted, so he can take

final decisions. Between these collaborators, the choice of the Secretary of State is considered to be the most strategic for the success of the pontificate. The figure of the Secretary of State corresponds, in the Holy See, to the one of the Prime Minister or the Foreign Relations Minister, on other states.

During the pontificate of Benedict XVI, for instance, the figure of his Secretary of State, Tarciso Bertone, suffered from detrition and could not help the already complicated pontificate of this Pope.

The new Secretary of State is not a canonist like Tarciso Bertone, but an experienced diplomat that Francis looked for, maybe not by chance, on his birthplace region, South America.

Pietro Parolin, Italian, born in 1955, when called by Pope Francis, resided in Venezuela where, since 2009, exerted the functions of Apostolic Nuncio. He arrived at Venezuela after gaining significant international experience. Besides the experience at Mexico and Nigeria, Parolin worked for 10 years as Secretary of State, and during that time he deepened his knowledge of the main geopolitical issues of the Asian continent: Israel-Palestine and the delicate relations with Vietnam. Made Cardinal in 2014 by Pope Francis, he participates regularly on the Cardinals Council (C9) meetings.

To understand the key-points of the diplomatic concerns of Pope Francis, we choose three documents that express such concerns, which are the two *Lectio Magistralis*, proffered in the name of the Pope by Cardinal Parolin respectively in March 2015, at the Roman Gregorian Pontific University and, in April 2015, in the Triveneto's Theology College, plus *Evangelii Gaudium* Apostolic Exhortation written by Pope Francis in 2013 – almost a manifest on the future of his pontificate.

In *Lectio Magistralis*, approaching the goals of the Holy See's diplomatic action, the Secretary of State underlines the proactive posture of their diplomacy, affirming that "it cannot settle the role of critical voice, being called to act and facilitate the coexistence and acquaintanceship between the various nations" (Parolin 2015).

So that the Holy See can have the adequate means to make this action effective and incisive, Pope Francis proposed that the Office for Pontific Mediation comes back to active, replacing the Secretary of State and serving as the link between the Holy See's activities in other countries with the activities of other International Institutions. In the 1980's, during the pontific of John Paul II, this office was created inside of the Council for Public Affairs, which is now known as the Section for State Relations in the Secretary of State. The job of this office involved developing juridical-political contents that could help on the resolution of territorial disputes between Argentina and Chile for

the Beagle Canal, on the extreme south of the American Continent.

The arbitration and mediation function can be considered one of the traditional actions of the Holy See through history on its relations with other countries. Parolin remembered that this mediation is deeply linked to the ecclesial dimension, precisely because it was through the presence and role that the Church played in other countries that the Holy See's diplomatic intervention was found essential (Parolin 2015).

In the following month, Parolin proffered a new *Lectio Magistralis*, this time directed to the academic community of the Triveneto's Theology College, during which he evidence the Pope's vision on the challenges of contemporary world. A lot of the elements of this conference coincided with the themes foresaw by the Pope during the Apostolic Exortation *Gaudium*.

According to Parolin, the Pope foresees an open world, where *a priori* there are no pre-established situations or habits.

This Pope that comes from far away, from the end of the world, like he said in the day of his election, looks towards Europe and the world with different eyes, de-centered and distant from that view that sided with a traditional theological reading. He belongs neither to the East, nor to the West, just like he does not come from the heart of the international system; it is because of this that his teachings make our usual perspective uncomfortable, and, in some way, changes our way to see the world and the Church. Like a good Jesuit, he exercises his discernment and puts himself on the search for God's will to ascertain it and, so, prepare himself to take good decisions for Earth: what is, at the same time, geopolitical and theological." (Parolin 2015).

Being the first non-European and Latin-American Pope certainly influences Bergoglio's vision and approach of his pontificate. He does not possess a moral debt that Europeans, voluntarily or not, assimilated regarding the United States, as a consequence of the horror of both World Wars. On the contrary, he personally lived the hard impact of the security policy adopted by the North-American power towards Central and South America during the Cold War period. Such experiences made possible the different view Pope Francis has of the periphery. He wants to avoid the possibility to align to a hegemonic power to take forward the goals of the Catholic Church, like other papacies. His preference lies in a multipolar world, where differences instead of dividing people could add and leverage the search for a less unequal world.

According to Parolin, in the new Francis pontificate

Peripheries should be in the center of concerns of all countries that are socially, politically and economically protagonists of the world system, as well as in the international institutions called to program and manage cooperation. Only after covering the peripheries it will be possible to activate programs and actions inspired by solidarity and assistance. (Parolin 2015).

And, to reach the excluded, the peripheries, the Holy See's diplomacy is considered a privileged instrument.

If governments elaborated that which is called the Reason of State, exercising a Hard Power through economic-financial or the force of weapons, the Holy See should elaborate a Reason of Church, through Soft Power made of convictions and exemplar behaviors. She must work, also through diplomatic action, to create justice, the first condition to reach peace (Parolin 2015).

2.4. Pope Francis and the attacks on Capitalism

The social justice theme is another recurring argument on Pope Francis' document. The *Evangelii Gaudium* Apostolic Exhortation of 2013 – and the Enciclica of environmental issues, *Laudato Sí*, published a few weeks ago, present strong criticism to the current economic system, whose contradictions are pointed out by the Pope as the causes of the deepest of today's social problems. Pope Francis does not hesitate on affirming that “the social and economic system is unfair at its roots” (Papa Francisco 2013, 50).

Just like he did in Buenos Aires, criticizing the government corruption, Bergoglio, now as Pope, criticizes the world system as it is supported solely on the market logic.

We can no longer trust on the blind forces and on the invisible hand of the market. Equitable growth demands something more than economic growth, although it is seen as an assumption; it requires decisions, programs, mechanisms and process directly oriented to a better distribution of incomes, to the creation of job opportunities, to an integral promotion of poor people that overcomes simple welfare. I do not want to propose irresponsible populism, but the economy can no longer resort on remedies that are new types of poison, like when we intend to expand profits by shrinking the job market and then creating newly excluded (Ibid, 168).

Solidarity is pointed out by Francis as a fundamental element that should be present in all global relations, and as the antidote to the current economic system, that generates exclusion, poverty and the discard culture amid most of the world population.

As long as profits grow exponentially, the majority are each time further away from those that compose a happy minority. Such imbalance comes from ideologies that defend the absolute autonomy of markets and of the financial speculation. Therefore, they deny the right of State control, in charge of the guardianship of the common good. It is established a new invisible tyranny, sometimes virtual, that unilaterally and ruthlessly imposes its laws and rules. (Ibid, 50).

In the *Laudato Si* Enciclic, after listing the gravest problems related to environmental degrading, Pope Francis highlights the profound link of this process and the social and economic poverty conditions that affect most of the world population, that result in a planetary inequality situation. Indeed, according to Pope Francis, there is not only inequality among people, but also among countries, what forces us to think of ethics in international relations and also that can make us think over the ecologic debt between North and South.

The external debt of poor countries became an instrument of control, but the same does not happen with the ecological debt. On many ways, people in developing situations, located the biosphere's most important reserves, are feeding progress in the richest countries at the expense of their own future. The land of the poor of the South is rich and little contaminated, but access to propriety, goods and resources to satisfy their vital needs is determined by a system of structurally perverse commercial relations and proprieties. (Papa Francisco 2015, 52-52).

During an interview in January 2014, the Pope defended its critics to the neoliberal system, highlighting the urgent need to operate structural changes.

We can no longer wait to solve the structural causes of poverty, to cure our societies of a disease that can only take us to new crisis. The markets and the financial speculation cannot enjoy absolute autonomy. Without a solution to the problems of the poor, we will not solve the problems of the world. We need programs, mechanisms and processes oriented to a better distribution of resources, to the creation of jobs, and to the promotion of those excluded (Francisco apud Tornielli 2015).

For these ferocious criticisms to the current economic system, Pope Francis was accused by the conservative environment of being a communist and of getting closer to Liberation Theology. When he was asked about such charges, Pope Bergoglio answered that his poor oriented preference existed since the beginning of the evangelical message.

If I could repeat some pages of the Church's first priests homilies, from the second or third centuries about how we should treat the poor people, there would be some who would accuse my homily of being Marxist. "It is not of your belongings that you give to the poor; you are simply giving back something that belongs to him. Because that what is given in common use for everyone that you hold. The earth is given to everyone, e not only to the rich". This are words from Saint Ambrose, that served to Pope Paul VI to affirm, at *Populorum progression*, that private property did not constitute an unconditional and absolute right, and that no one is authorized to reserve for its exclusive use that what overcomes someone's needs, when others lack what they need. John Chrysostom used to say: "Not to share your own goods with the poor means you are stealing from them and depriving their own lives. The goods that we possess are not ours, but theirs". (Francis apud Tonielli 2015).

The posture that the Pope adopted, in this sense, looks revolutionary in comparison to the traditional Catholic Church and papacy's positions. It is true that, also in earlier documents from John Paul II and Benedict XVI we could find critics to the neoliberal economic system. However, Pope Francis himself puts them in evidence on the *Evangelii Gaudium* Apostolic Exortion, as well as on the *Laudato Sí*. Nevertheless, such critics can be considered isolated references inside pontificates that did not acted to change or to oppose the present economic system. Pope Francis does not miss an occasion to call the attention towards the structural causes of poverty, violence and planetary inequality. His appeal to change can be found in all documents and speeches pronounced since the beginning of his pontificate.

3. Conclusions

Throughout this article, we tried to verify the hypothesis that, during these two first years of pontificate, Pope Francis was elaborating a diplomatic displacement of the Holy See, approximating the central structure of the Catholic Church, traditionally linked to international elites, to the world periphery.

The steps given by Francis during this period seem to be contributing

to the decentralization of power until then strict to the Roman Curia. Besides that, lots of important decisions taken by Pope Bergoglio, that, for matters of space limitations were not approached in this article, demonstrated an attempt to change the course of the Catholic Church. We named, for example: the creation of Social Movements Global Encounters and the incentive given by him to the fights of this sector of society; the beatification of Dom Oscar Romero, after years of silence from the Holy See that considered him too close to El Salvador's left wing; the rehabilitation of father Miguel d'Escoto, the priest that became, in the 1970's, Ministry of Foreign Affairs for the sandinist government, and, because of that, was suspended of his sacerdotal functions for 29 years; the pontific mediation between Cuba and the United States; the formal acknowledgment of the State of Palestine, among other international affairs. According to Cardini, Francisco

as a Peronist, he has a very advanced social vision of the world, almost Socialist. For him, social order is social justice, solidarity, peace and love. It is not by accident that Francis always condemns the economy, never directly the politics. He wants society to return to a model of pure Christianity, like Fr. Of Assis that got rid of all things. Just that, in the Middle Ages the context was integrally Christian. Bergoglio wants to knock down the constituted order, revert the flow of socioeconomic progress of the turbocapitalism. Here is your revolution, the apocalypse (Cardini apud Ciolli 2014).

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ABSTRACT

Through an international reading of the first years of his pontificate, associated to the analysis of the global and regional context – emphasizing the Latin-American conjuncture – that preceded him, this research highlights the role that the Holy See can play in the current reordering moment, not only of the religious, but also of the political context. This study also seeks to build new conceptual categories that may be able to explain the notion of transnational religious actor and its role on the international arena, which is considered a secularized system.

KEYWORDS

Holy See; Diplomacy; Transnational Actor.

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DOMESTIC ORDER AND ARGENTINA'S FOREIGN POLICY: THE ISSUE OF THE BIOFUELS

Cristian Lorenzo¹

Introduction

This work contributes to the understanding of the recent Argentina's foreign policy, focusing on its domestic order. For that, it is analyzed how the domestic political support of Argentina's foreign policy to Latin America in biofuels has been configured.

The study of the interrelation between the domestic framework and international relations has solid pillars in the US as well as in Europe (Gourevitch 1978; Putnam 1988; Duroselle 1998). In Latin America, this phenomenon was also approached in both theoretical and empirical perspectives. There is an interesting contribution from van Klaveren, in this regard, who summed up a ranking of theoretical approaches generally used. Even though he exposed that there was no consensus on which variable had more explanatory power, he pointed out that foreign policy behavior was usually linked to internal and external factors (van Klaveren 1984).

In Argentina, the foreign policy issue was analyzed as a result of a permanent feedback between the international and the domestic fields. For instance, Figari indicated that: "if a nation's foreign policy is inserted in a certain international context that has influence on its cultural, political, social and economic fields, it can be considered that foreign policy, within those limits imposed by the international context, also constitutes the expression of

1 BA in International Relations (Universidad del Salvador), MA in Political Science and Sociology (Flacso, Argentina) and PhD in International Relations (Universidad del Salvador). Postdoctoral researcher at the Consejo Nacional de Investigaciones Científicas y Técnicas de Argentina (Conicet). Institutional affiliation: Centro Austral de Investigaciones Científicas (Cadic) - Conicet, at Ushuaia city, Argentina. E-mail: clorenzo.ar@gmail.com

the objectives –values and interests– that the nation intends to promote in the world” (Figari 1993, 43). It’s worth mentioning that this author distinguishes two phases, one domestic and other external that allows us to consider the main elements of the mentioned quote. He says: “all foreign policies have two phases. One is domestic, and relates to the Nation’s resources, for promoting its values and interests in the foreign arena” (Figari 1993, 44).

Ana Seitz, for its part, exposed that foreign policy “far from being just a bureaucratic policy, is the result of a dynamic vector of strengths and pressures that occur inside the countries and that stem from the international scenario in all its complexity and that is finally summed up in the mentioned bureaucratic decisions” (Seitz 2010, 2). With this definition, this author incorporated the idea of the phenomena’s “duration”, in accordance with the Annales School’s.

For this work, those researches which emphasize in the domestic order as causes to the Argentina’s foreign policy are of particular interest. At this point a distinction could be made. Some have focused on the influence of domestic actors’ in foreign policy. An example of this can be found in the work of Roberto Miranda, who analyzed the formulation of policies in relation to the Southern Common Market (MERCOSUR) in the period of 1995-2011. First of all, the conclusions of the author that domestic policy did not have a significant influence on the making of policies regarding regional integration. In fact, he noted that the sub-state and non-state actors of Argentina’s political life were not included in the decision-making process of the Executive. For Miranda, there was no articulation between the Executive and the Chancellery, on one hand; and sub-state and non-state actors, on the other. This disconnection rested, ultimately, on a feature that lasts through the time in Argentina: external decisions are concentrated in the Executive (Miranda 2001).

Also, there are works that focus more in the internal order’s context and not in the actors’ behavior, specifically. For example, Anabella Busso noted that in Argentina foreign policy is the public policy that has changed more times since the return of democracy. Its future has not depended so much on systemic variables but relied mostly on domestic order. This author said: “the main causes that explain the comes and goes of foreign policy in the democratic regimes are the political/economic crises, the tensions between the different development models and their respective strategies for international insertion and the changes in the conception of democracy” (Busso 2014).

Considering these interpretations, it is argued that the domestic political support was one of the main grounds of Argentina’s foreign policy to Latin America in biofuels during the governments of Néstor Kirchner (2003-

2007) and Cristina Fernández (2007-2011). According to this statement, first some characteristics of the historical context of the agribusiness sector in Argentina are presented. Later, it is verified how it was possible to gain domestic political support, from the existence of confrontational interests. To do this, the stances of actors in the National Congress in the discussion on a project submitted by Senator Luis Falcó of the Radical Civic Union (*Unión Cívica Radical*), which proposed to promote the development of biofuel production in Argentina, are analyzed. Then, the positioning of the National Institute of Industrial Technology (*Instituto Nacional de Tecnología Industrial – INTI*) and the National Institute of Agricultural Technology (*Instituto Nacional de Tecnología Agropecuaria – INTA*) around the environmental dimension of the development model of biofuels of Argentina, its relationship with other actors and their perceptions on the international trends are also studied. Finally, Argentina's foreign policy in biofuels to Latin America is presented.

1. Exports, the agricultural and livestock policy and science

According to the trade data of the Argentina Chamber of Biofuels (*Cámara Argentina de Biocombustibles*), organization that gathers the interests of the major exporter enterprises of this type of energy in Argentina, Argentina has maintained a steady and significant growth of its exports in biofuels, as indicated in Table 1. When comparing the years of 2007 and 2011, these exports grew by 1000 percent.

Table 1 - Argentina's Biofuels Exports in tons

	2007	2008	2009	2010	2011
Total	168.364	724.792	1.149.663	1363.506	1.692.891

Source: Cámara Argentina de Biocombustibles 2014.

This is a sector, concentrated in companies with large scales production capacity, which received investments of national and foreign companies. In Table 2, the presence of international companies' in the sector is indicated:

Table 2 - Production capacity of Biofuels Industries

Company	Group	Capacity of Industry (tons/year) 2010
Renova S.A.	Grupo Pérez Companc (Argentina), Grupo Glencore (Switzerland); Grupo Vicentín (Argentina)	480.000
LDC Argentina S.A	Grupo Louis Dreyfus (France)	240.000
Ecofuel	Grupo AGD (Argentina); Bunge Limited (USA)	240.000
Cargill	Cargill (USA)	240.000
Explora	Grupo Meck (Chile)	120.000

Source: Marín and Pérez Constanzó 2011.

To put the trends of this sector of the economy in a broader context, the year of 2010 is taken a reference. This year, that represents the year before this study ends, is considered as reference since it presents a global vision of the structure of its exports in Argentina. Considering large items exports, exports of agricultural and livestock origin (33,3%) were slightly below those of industrial origin (35%). Focusing on the first component, the most important sector was the oilseed one, with an estimated participation of 25% (13.963.732 dollars) of the total argentine exports (55.672.097 dollars). This highlights the importance of this product for Argentina's economy and also the existence of a high availability of soybean oil, raw material for producing biofuels in Argentina. If such oil was sold directly on the international market or transformed into biodiesel, it depended on the international price and on internal factors, such as the argentine state's charge of exports.

It is also necessary to present two additional aspects: the exports of the oilseed sector were mainly from the province of Santa Fe, located in the coastal zone of the country (Instituto Nacional de Estadísticas y Censos 2010). To this geographical concentration of the production it was added that such exports were concentrated in a few companies of a large scale production capacity, such as Cargill, Noble Grain, ADM and Bunge (Marín and Pérez Constanzó 2011, 22).

Regarding agricultural and livestock policy, governmental relations with the countryside were influenced by scenarios of intense political clashes. The creation of taxes on these exports through the Resolution 125/2008 during the month of March 2008 represented a reduction of profits of the rural

sector, that led to several strikes in different parts of the country. That policy was into effect until July, when it was finally repealed. In the intervening period the sectors which represented interests of the agricultural and livestock sector led to several strikes and demonstrations in the country. In the biofuels' area, the resolution 126/2008 increased the volume of holdbacks to 20%. Even today, this is a sensitive issue for the sector because it affects its profits.

It's worth adding that in this context of confrontation between the national government and the representative entities of the agricultural and livestock sector's interests, the Ministry of Environment and Sustainable Development (*Secretaría de Ambiente y Desarrollo Sustentable*) went against the interests of the agricultural and livestock sector. It published a report concluding that: "The expansion of soy represents a recent and powerful threat to biodiversity in Argentina ... The production of soybeans resistant against herbicides also leads to environmental problems such as deforestation, soil degradation, pollution with severe concentration of land and income, banishment of rural populations to the Amazon frontier or to urban areas, encouraging the concentration of the poor in the cities" (*Secretaría de Ambiente y Desarrollo Sustentable* 2008).

This had implications in the scientific field. During April 2009, the conclusions to which Dr. Andres Carrasco, researcher at the National Council of Scientific and Technical Research (*Consejo Nacional de Investigaciones Científicas y Técnicas – CONICET*), had arrived evoked controversies. His criticism aimed at the effects of glyphosate on human health. This was against the foundation of an agricultural and livestock model whose productivity was influenced by the use of this herbicide. This was said by such researcher:

Amphibian embryos were used, a traditional study model, ideal for determining concentrations that can alter physiological mechanisms that produce cellular injury and/or disturbances during the development. And due to the conservation of the mechanisms that regulate the embryonic development of the vertebrates, the results are totally comparable with what would happen to the development of the human embryo (Página 12 2009).

Days after that, the Argentine Minister of Science and Technology, Dr. Lino Barañao, was interviewed by Héctor Huergo, a journalist with long experience in the rural area and that was in favor of the development of biofuels in Argentina. In the programme "The countryside, the green industry" (*"El campo, la industria verde"*), he said:

Maybe we should relativize a little these results because they are not directly extrapolated to what might happen in the countryside situation, that is to say, that a substance placed in direct contact with a tissue can have effects that are not checked when this occurs in normal environmental conditions. On the other hand, there is another quantity of studies in the same way of exposing animal cells to different used substances that demonstrate an effect but that is not, repeat, is not directly extrapolated. What I believe is the positive aspect, is justly to emphasize that there is no harmless substances, that must take the necessary precautions for handling any product used (La Política On Line, 1 de mayo de 2009).

His statements clearly meant an endorsement of the direction that the agro-industrial policy of the Argentine government had taken. This was confirmed by a report developed by an Interdisciplinary Scientific Council (*Consejo Científico Interdisciplinario*) created in the framework of CONICET. It's worth at least mentioning that the questions to the dominant agricultural-exporting model also came from non-governmental organizations. As an opposite of this process of the exporting agricultural and livestock model, there were domestic actors critical to the Argentine "soy" model. The Rural Reflection Group (*Grupo de Reflexión Rural*) was one of them, who promoted the "Stop the Spraying" (*Parén de Fumigar*) campaign. As a result of the testimonies collected from different points of the country, this organization published in 2009 the book "Peoples fumigated. The effects of the pesticides on the soy regions" (*Pueblos Fumigados. Los efectos de los plaguicidas en las regiones sojeras*), denouncing the consequences on human health of glyphosate (Rulli 2009).

2. Discussions in the Nation's Congress

In June 2004, Senator Luis Falcó of the Radical Civic Union party (Unión Cívica Radical) submitted a project of law under the name of "Promotional regime for research, development, generation and use of biocombustibles and oleochemical derivatives" (*Régimen promocional para la investigación, desarrollo, generación y uso de los biocombustibles y derivados oleoquímicos*). This was not the first time that a project referring to biofuels was presented in the Congress of the Nation, but unlike the others, this project prospered and became law.

When Senator Falcó presented his project it had the support of 49 Senators, belonging to different parties and provinces. This created expectations in higher spheres of power. In fact, on July 3rd, the Nation's Vice-president in office published an article in the newspaper *Clarín* highlighting the

strategic importance that this policy had. This allows to size the political relevance of biofuels. Its support came from the Nation's Vice-president, member of the ruling and opposition political party, who said: "We can say that we are facing a major strategic initiative, which has the sufficient political consensus to place the production of biofuels as one of those big state policies that Argentina needs to build a fortunate future for all" (Scioli 2004).

On December 1st, the Senate gave half sanction to the project presented by Senator Falcó and this project turned to 6 commissions of Deputies. The last of the commissions that presented its opinion was that of Budget and Finance, with modifications on its fiscal and tax issues. After sanctioned on March 22nd, 2006, this project went back again to Senators, until it was signed into law on April 19th, under the name of "Regime for regulating and promoting sustainable production and use of biofuels" (*Régimen de regulación y promoción para la producción y uso sustentable de biocombustibles*). Finally, it was ruled in February 2007.

In this section, the positions of actors in the National Congress regarding the possibility of regulating the production and consumption of biofuels in Argentina are analyzed. The period of study is restricted to the one from the presentation by Falcó of the referred project until its regulation. And for that, a dilemma that was transversal to the legislative discussion is addressed: was it necessary or not to grant benefits and incentives to the development of this industry? As part of the bid of interest, the Secretary of Agriculture, in a publication of the newspaper Clarín in October 2004, clearly stated its position, which would directly affect the emergence and deployment of the biofuels' sector:

Probably, before the end of the year we can count on half the sanction of a biofuels' project, to continue its legislative processing next year. So, we would have a national law project which would forecast at least a minimum a ten year fiscal stability for investors of this sector, and with the mandatory cut of gasoline and naphthas with biodiesel and ethanol to 5%, the release of the IVA to projects that qualified for the Authority of Application (*Autoridad de Aplicación*), as an essential fiscal tool to soften the current price difference between fossil fuels and the pure biofuels, and the public promotion of development of this new sector (Campos 2004).

Likewise, another key player in this process was the Argentine Association of Biofuels and Hydrogen (*Asociación Argentina de Biocombustibles e Hidrógeno – AABH*). This organization highlighted the social, environmental and economic benefits that would result from that industry that was in its initial stages. In this regard, the importance of the fiscal and tax component

for its development was highlighted:

Without tax incentives it is not possible to build a permanent offer of biofuels that reaches a level of optimal quality. Therefore, we should consider beforehand the question of the fiscal cost that such incentives will generate. This question becomes relevant in countries, such as Argentina, very sensitive to the tax situation. However, as the analysis deepens, surprising conclusions arise (Molina 2004).

On the legislative ambit, among those that were favorable to sanction a law for biofuels, we can find that in particular case of Senator Urquía, in addition to belonging to a ruling political party with representation in Congress, he was the president of an important enterprise which produces oil in Argentina. “Without tax incentives it is not possible to build a permanent offer of biofuels that reaches a level of optimal quality” (Urquía 2005), he bluntly affirmed in a publication in the Rural issue, part of the Argentine newspaper Clarín. This fact was essential because it expresses the interest of the oil sector in positioning the biofuels as an alternative source of energy in the country because they represented an additional demand for their products. One aspect that has to be taken into account is that, once the law of biofuels was sanctioned, it was possible to notice that the company that he was presiding -Oil General Deheza (*Aceite General Deheza*)- obtained from the Ministry of Energy (*Secretaría de Energía*), an authorization to commercialize its biofuel production in the domestic market. Although his designation was in accordance with the bureaucratic proceeding suited for such reason, it did not make clear the limits for the representation of interests.

Facing the fiscal and tax aspects of the matter in question, the Chamber for the Oil Industry of the Argentine Republic (*Cámara Aceitera de la República Argentina - CIARA*) sent a note directly to the Chamber of Deputies (*Cámara de Diputados*) questioning the grant of fiscal and tax benefits without restrictions:

Finally, it is worth exposing that if with all the benefits the project of law establishes... the projects presented are not economically viable, it is our understanding that the question should be reconsidered with a more exhaustive evaluation of the benefits such projects would bring and, eventually, if the conclusion that an additional input is necessary was reached, such input should arise from an disbursement in the form of a subsidy that considers the viability of the project as well as the grants proposed. (Clarín 2005).

This process of including or excluding fiscal and tax benefits was only

defined by the ruling of the Congress Commission on Revenues and Treasury. This Commission requested a number of changes to the project to narrow the fiscal cost that it would bring to the country (Cronista.com 2006). Actually, it did not request the removal of benefits but its restriction. In a report that the Federal Association of Public Revenue (*Asociación Federal de Ingresos Públicos*) sent to Deputies the decision was expounded like this:

The implementation of this type of benefits is considered inconvenient and its considered much more appropriate to grant direct subsidies to the agents that realize these activities that one intends to promote. This last mechanism is much more transparent and of easier control, and does not pervert the current tax regime (Clarín 2005).

As result of the negotiations, finally the interests of the Ministry of Economy (*Ministerio de Economía*) predominated, over those that were trying to include in the project fiscal and authoritative benefits. In this sense, some lawmakers of the Senator voiced their opposition to the reforms proposed by the Deputies. According to Senator Falcó, who had originally presented the project, "was changed from the standpoint of its framework till its title." This was not a light question, and it reflected a number of changes, that were the product of clashing interests.

We talked about a project of research and development of the industry of the biofuels and its derivatives; and the Chamber of Deputies (*Cámara de Diputados*) titled it as a regime of regulation and promotion, which finally - in our opinion - was a pseudo promotion of the biofuels industry. This is slightly related to the original goals of structural changes proposed by the project, as even its title was changed substantially (*Cámara de Senadores de la Nación* 2006, 13).

This project finally was sanctioned by the Senate in April 2006 and was regulated in February 2007.

In short, what was developed in this section shows that the conflict of interests in the Argentine Congress was represented by the different views on how to develop this industry. In this sense, one of them was favorable to the implementation of fiscal and tax benefits; and the other supported a project without fiscal and tax benefits. In both cases, it directly affected the configuration of an internal market. Also, it can pointed out that oil sector was over represented on some cases. It should be added that the project with fiscal and tax benefits that were in the interest of the Argentine Association of Biofuels and Hydrogen (*Asociación Argentina de Biocombustibles e Hidrógeno - AABH*), next to the office of Senator Falcó (UCR-Río Negro) had a significant role in

its promotion until they clashed with the interests of the Ministry of Economy (*Ministerio de Economía*) that were focused on aiding the sector without such incentives.

3. Internal disputes

In February 2007, a law was regulated to control the internal market of biofuels, as it was referred previously. The policy path that this sector was taking generated disputes between two decentralized agencies of the Argentinian State. One of them was the National Institute of Industrial Technology (INTI, in Spanish), today located under the Ministry of Industry; the other was the National Institute of Agricultural Technology (INTA, in Spanish), an agency that depends of the Ministry of Agriculture.

In this section, we will analyze the positions of both institutions regarding the environmental dimension of this development model, their links with other actors and their perceptions on international trends. For the first institution, we will analyze the position of its President regarding these topics, Enrique Martínez. For the second one, the opinions of Jorge Hilbert, head of INTA's National Biofuel Program. They were selected for their participation in the discussions in the domestic order and in the building of this energetic alternative. For this analysis, we used institutional positioning documents, published within the context of internal discussions regarding biofuels.

INTI questioned the development model in biofuels. Its president raised that the environmental balance of biofuels (biodiesel and ethanol) was negative. This consideration allowed him to raise and open a broader debate, targeted to involve other alternative energetic options. A document published in 2007 declares the organization in favor of decentralizing the production and consumption of this kind of energy domestically:

There is no equal media promotion or, in many cases, institutional for decentralizing the energy sources, the production of biodiesel for the use at 100% scale of a farm. There is already a great number of decentralized production and consumption options, which would make less necessary the current highly concentrated systems of production and distribution (Martínez 2007a).

These ideas about the development of biofuels placed the INTI against both public and private sector actors within Argentina. In the former case, it is clearly different from the position adopted by the INTA.

If the energetic equation does not close from ethanol or when made from corn, we must not be fools. There is not one business there. If there is not net energy generation, the whole business is absurd, but, beyond that, we should not cheerfully buy alternatives like the ones painfully chosen by INTA when analyzing biofuels alternatives. I have a lot of respect for the INTA staff, and I have participated in many panels. I believe that there are plenty of serious people, who have studied deeply this subject, but are forced to invent alternatives like *jatropha* because of their exposition to executives in the field (Martínez 2007b).

He also criticized the Argentinian Association of Biofuels and Hydrogen (AABH, in Spanish), an organization that promoted the development of biofuels in Argentina and participated during the process of the biofuels law sanction.

An organization like ours has to improve the society's technological flow in the subjects that it believes to be convenient, but we should also pause for a minute to have a global perspective. If we stay with a specific perspective, we will suffer the same as Claudio Molina, who travels abroad and return in shock because biodiesel is cheaper than soy oil. Poor Claudio! (Martínez 2007c).

On the international sphere, Enrique Martínez did a critical reading of the global biofuels industry. He pointed out that agricultural producers benefited by securing a new world demand, similar to what happened in the United States; and those who had to import maize to human consumption were affected because, on an international level, maize has a new purpose: energetic conversion. From this diagnosis of the food and energetic international trade, there were two concrete consequences: 1- a rise in food prices; 2- the possibility that the United States will take a dominant position in the ethanol world market chain (Martínez 2007b). He also posed this question in the framework of a global environmental problem, associating it with the richest countries consumption patterns. Finally, Martínez connected the issue to other aspects that represent challenges, such as a growing demand for land to support food production in face of population growth projections (Martínez 2007c).

Regarding INTA, its involvement in the development of alternative sources of energy it was not a new phenomenon. Its development over time was interrupted by a set of variables, some market and other socio-environmental. Since its inception, it included a range of alternative energies, including biodiesel (Jorge Hilbert in interview, July 7 2008).

In March 2008, INTA published an institutional document. Different from INTI, the environmental dimension of the biofuels development model was not questioned. From the alleged abundance of the country's natural resources, they were concerned about certain aspects regarding energetic balances, conserving the biodiversity and the general impact on water and soil. On what basis was this "environmental agenda" important? This is a central question to understand the way of thinking of INTA in this subject. This project was not oriented to develop a process of decentralization of the biofuels production and consumption. Instead, the main concern was to improve the country's exporting offers:

"Argentina has the necessary conditions to generate a part of the biomass that will be required in a global level" is an eloquent phrase, in that sense... The current production of grains, oil and vegetal protein places our country among the world leaders in these exports. The use of these resources for conversion in bioenergy, like other products such as protein, vegetable and animal flours, will generate the opportunity to export with higher aggregated value in a short time. By improving the country's exporting offer, market alternatives could be offered to promote a higher activity level, with the purpose of increasing competitiveness, productivity, sustainability and equity in agricultural production (Instituto Nacional de Tecnología Agropecuaria 2008, 3-4).

This "exporting vocation" of Argentina, because of the availability of a series of natural resources, projected transformations in its use and in the purpose of its production. According to this conception, agriculture not only produces food but also energy. Beyond that, forestry is also considered a source of raw material to produce energy through forest residues. This would generate changes in the domestic order, so the INTA projected to create a land use plan. In this sense, one of the objectives was to define a national map of available soil types and agroecological zones. The institute also considered necessary to introduce an Environmental Impact Evaluation, which secured that environmental benefits were brought.

When linking with other actors, INTA's strategy was divided in two fronts. On one side, it sought strategic alliances in the national scope to work on a development strategy. The focus was articulating energy, food and the environment. For INTA, "the policy of promotion for generation biofuels from national agricultural and forestry raw materials should be taken as a country project as a whole, which will be complemented with the food security strategy (food availability) and with the strategy to convert Argentina in a relevant agro-industrial player. A basic principle of this approach was that the neces-

sity of using natural resources, such as soil and water, for the production of bioenergy should not affect their availability or compete with food production for national consumption and exports" (Instituto Nacional de Agropecuaria 2008, 5).

Another strategy consisted in promoting international cooperation. In this paper, some fundamental axes of development of the National Bioenergy Program are presented. One of them is defined as "research and development". It is informed that the institution's activities are oriented to develop technology to achieve a total use of the biomass. Within this framework, there is an institutional link to the United Nations, specifically with one of its agencies: the United Nations Food and Agriculture Organization (FAO). Though there is not an explicit mention of its international ties, it can be connected to the dynamics of international politics. In this sense, one of the projects was called "Woodfuel Integrated Supply/Demand Overview Mapping" (WISDOM). In this framework, it was generated a document with the goal of having available information on the amount and placing of biomass in Argentina (United Nations Food and Agriculture Organization 2009).

Regarding these perceptions on the international trends, some of this went ahead on how they conceived the environmental dimension of the development model. In the document analyzed, the idea of a change of the energetic paradigm is present – one that industrialized countries are going through, from "fossil" economies to "green" ones. The document signs that: "Bioenergy is called to perform a role together with other non-conventional sources in the shift from an economy based in fossil fuels to another one based in a wide range of sources. Agriculture and forestry will be the main sources of biomass to develop bioenergy in different vector such as wood, carbon, briquettes, biogas, bioethanol, biodiesel and bioelectricity, among others" (Instituto Nacional de Tecnología Agropecuaria 2008, 2). It is important to note that this concept does not only reference biodiesel or ethanol. What is being raised is wider in terms of energetic options. In the search of a carbon free economy, biomass gains a central importance by enlarging the possibilities of raw materials that could be used to generate energy. In the end, this represents generating changes in the use and purpose of the natural resources in Argentina.

This section, in short, analyzed the positions of both INTI and INTA in three axis: the environmental dimension of the biofuels industry, their links with other actors and their perceptions on international trends. It should be highlighted that these actors maintained antagonist positions, with INTA's vision being the one projected in the foreign policy of Argentina towards Latin America regarding biofuels. In this context, progress was made to a lesser extent in promoting cooperation experiences to encourage the production and

consumption of this kind of energy in a decentralized form.

4. Latin America

Alongside these discussions, in December 2006, the Common Market Council decided to approve a Memorandum of Understanding to create an Ad Hoc Group to Biofuels, and recommended its signature. The objective was to stimulate both the production and the consumption of biofuels; its interests included promoting technical cooperation among parties. The first meeting took place in March 2008. One of the main decisions was an agreement to have a workshop about technical aspects of the physico-chemical properties of biofuels, and to map companies who were doing research about any point of the biofuels production chain in MERCOSUR. This was the beginning of this regional integration space.

A few months later, MERCOSUR presented its institutional position regarding the international polemic relation between food and biofuels. The presidents of MERCOSUR dissociated the connection between the biofuels production and the increase in food prices. They also positioned themselves against developed countries that used agricultural raw materials to produce energy. At the same time, they confirmed the path regional policies was following: energy was considered a strategic resource to MERCOSUR. This was clear in the section 36 of the document that reads: “they also recognized the importance of promoting the use and the production of biofuels as a renewable and alternative energy source, able to contribute to the diversification of the regional energy matrix. Likewise, they registered with satisfaction the progress made in the Ad Hoc Group about Biofuels framework and highlighted the importance of implementing the MERCOSUR Action Plan for Cooperation in Biofuels (MERCOSUR 2008).

Returning to the progress made by the Ad Hoc Group about Biofuels, by the end of the studied period, their fifth meeting took place. According to what can be observed at the final records, the sustainability of biofuels was a topic of major concern for the member states. In this sense, as a future line of action, it was defined that the countries should establish together an environmental sustainability criterion to support their production. Questions with a clear political component also appeared. They decided that the countries should agree on joint positions before engaging in international forums; likewise, they defined that it was necessary to actively participate in the Global Bioenergy Partnership, an association of public and private actors from around the world.

Another space in the regional integration scope is the Southern Agri-

cultural Council (CAS, in Spanish), formed by Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay, with the goal of coordinating public policies for agriculture. One of its Work Groups was, precisely, about Bioenergy. The technical and operative support of its activities was a responsibility of the Inter-American Institute for Cooperation on Agriculture (IICA) and the CAS Secretariat. In the VIII Ordinary Meeting, that took place in November 2005, it was insisted that its creation should be promptly and coordinated by Brazil (Consejo Agropecuario del Sur 2005). Later, in December 2007, it was decided that the work group would collaborate with the MERCOSUR Ad Hoc Group about Biofuels (Consejo Agropecuario del Sur 2007). In March 2008, with food prices rising in the international market, CAS issued a release endorsing the regional policy. They considered that the countries forming CAS had enough raw materials available to produce both food and energy. Differing from the MERCOSUR specialized group, their message included a special mention to familiar agriculture. This reference is relevant because expresses a different project from the one presented by MERCOSUR, in which the production scale would be much smaller: the main beneficiary would be cooperatives of small producers (Consejo Agropecuario del Sur 2008).

In another framework, Venezuela and Cuba kept a critical position towards the cooperation agreement between the United States and Brazil to stimulate biofuels production development in the American continent, especially in Central America. In this context, the South American Energetic Summit was held in Venezuela, in April 2007, within the South American Nations Community, where much was accomplished in the sense of Latin-American integration. The South American Nations Community changed its name to South American Nations Union (UNASUR), and it was also created the Energetic Council of South America. Regarding biofuels, the regional conflict was settled and oriented toward the development of this kind of energy: "to promote the development of renewables energies, that already have an important role in the diversification of the primary energetic matrix, the energetic security, the promotion of universal access to energy and environmental preservation" (Comunidad Suramericana de Naciones 2007).

Three years later, progress was registered. In the extraordinary summit of 2010, held in Los Cardales (Argentina), the Energetic Council of South America approved a series of documents, product of meetings since its creation as a council. The important thing here was the development of the guidelines of the South American Energy Strategy and Action Plan for Regional Energy Integration, as well as the establishment of the structure of the South American Energy Treaty (Unión Suramericana de Naciones; Organización Latinoamericana de Energía 2012, 15-16). In concrete terms, some of the guiding criteria that

were defined regionally were: securing energy supply in the region; promoting regional energy exchange; strengthening regional energy infrastructure; encouraging cooperation activities between state oil companies; promoting the exchange and transfer of technologies; and developing a regional plan to energy use. In this framework, they defined an action plan for each kind of energy, along with a number of detailed activities. Regarding renewables energies, there is a specific reference to biofuels, in which the main goal is to promote its production and use in order to have a more diverse regional energetic matrix (Unión Suramericana de Naciones; Organización Latinoamericana de Energía 2012, 15-30).

Conclusions

As part of foreign policy studies, this paper was concentrated in the recent foreign policy of Argentina and, particularly, in the relations between the domestic order and foreign policy. More concretely, it was analyzed how it was possible to build domestic political support for the Argentinian foreign policy towards Latin America regarding biofuels.

As an approach strategy, two different important areas that served as the basis of the Argentinian foreign policy were selected, national legislature and scientific-technical. In the first one, the positions of actors in the legislative discussions were analyzed, based on a law project that ended up being the one that nowadays regulates the production and consumption of biofuels in the Argentinian market. In the second one, this paper advanced on the polemics between two specialized state agencies, INTA and INTI. At last, the Argentinian foreign policy towards Latin America was examined. It is concluded, from what was analyzed and developed in each section, that domestic political support was one of the pillars of Argentina's foreign policy towards Latin America regarding biofuels, during the administrations of Néstor Kirchner (2003-2007) and Cristina Fernández (2007-2011).

These conclusions allow us to corroborate some aspects of the diagnosis made by other authors, that have researched the same topic, and, at the same time, allow the presentation of new aspects. According to what Miranda has observed, regarding the decision making process in Argentina, when it comes to foreign policy decisions they remain concentrated in the Executive, that is to say, the Chancellery and the Executive do not open to other governmental and non-governmental actors to engage in this process. In this sense, Argentinian foreign policy towards Latin America regarding biofuels exposed this dynamics. Finally, it is necessary to add that, although the investigation did not focus on the changes or adjustments in foreign policy and its relationship with do-

mestic factors as did Busso, what this work suggests is the existence of internal fundamentals of foreign policy that allows tracing continuities between internal order and the guidelines of Argentina's foreign policy towards Latin America on biofuels.

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ABSTRACT

The domestic political support was one of the main grounds of Argentina's foreign policy to Latin America in biofuels, during Néstor Kirchner (2003-2007) and Cristina Fernández's (2007-2011) governments.

KEYWORDS

Foreign Policy; Biofuels; Environment.

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NERINT

The Brazilian Centre for Strategy and International Relations (NERINT) was the first center dedicated to the study and research in International Relations in Southern Brazil. It was established in August 1999 at the ILEA/UFRGS aiming the argumentative and innovative study of the main transformations within the post-Cold War international system. Since 2014, it is located at the Faculty of Economics of UFRGS (FCE-UFRGS). In parallel, NERINT has sought ways to contribute to the debate on a national project for Brazil through the understanding of the available strategic options to consolidate an autonomous international presence for the country, from the perspective of the developing world. Brazil's choice of an "active, affirmative, and proactive diplomacy" at the beginning of the 21st century has converged with projections and studies put forward over numerous seminars and publications organized by NERINT.

An outcome of its activity was the creation of an undergraduate degree on International Relations (2004), ranked the best in Brazil according to the Ministry of Education (2012), and a graduate level program, the International Strategic Studies Doctoral Program (2010). Two journals were also created: the bimonthly *Conjuntura Austral* and the biannual and bilingual *Austral: Brazilian Journal of Strategy & International Relations*. Thus, besides ongoing research on developing countries, NERINT is also the birthplace of undergraduate and graduate programs, not to mention its intense editorial activities.

PPGEEI

The International Strategic Studies Doctoral Program (PPGEEI) started in 2010, offering Master and Doctorate degrees, both supported by qualified professors and researchers with international experience. It is the result of several developments on research and education at the Universidade Federal do Rio Grande do Sul (UFRGS).

Its roots can be traced to the Brazilian Centre for Strategy and International Relations (NERINT), a centre established in 1999 which conducts research, seminars, and edits two journals. Other main partners are the Centre for Studies on Technology, Industry, and Labor (NETIT/FCE) and the Center for International Studies on Government (CEGOV), located at the Latin American Institute for Advanced Studies (ILEA/UFRGS). In 2004, an undergraduate degree in International Relations was created at the Faculty of Economics/

UFRGS; in 2005 the Center for Studies on Brazil-South Africa (CESUL), recently renamed as Brazilian Centre for African Studies (CEBRAFRICA), was created. All those actions together enabled the rise of an independent line of thinking propped by specialized bibliography.

The research tradition that gave rise to PPGEI was based on a prospective analysis of the trends of the 1990s. The remarkable expansion of Brazilian diplomacy and economics from the beginning of the century confirmed the perspective adopted, which allowed the intense cooperation with the diplomatic and international economic organizations in Brazil. The course is already a reference in the strategic analysis of the integration of emerging powers in international and South-South Relations.

The Program's vision emphasizes strategic, theoretical and applied methods, always relying on rigorous scientific and academic principles to do so. For this reason, it has been approached by students from all over Brazil and several other countries and it has established partnerships in all continents. Thus, the International Strategic Studies Doctoral Program is a program focused on understanding the rapid changes within the international system. Alongside NERINT, it publishes two journals: *Conjuntura Austral* (bimonthly) and *Austral: Brazilian Journal of Strategy & International Relations* (biannual and bilingual). PPGEI has three research lines:

International Political Economy

It focuses on the international insertion of Brazilian economy and other major developing countries in South America, Asia and Africa; discusses the characteristics and effects of globalization; and develops comparative and sector studies concerned with the effects of the internationalization of companies and productive sectors. Special attention is paid to international financial crises and its effects in Brazil and other countries of the South.

International Politics

It emphasizes the analysis of the process of formation, implementation and evaluation of foreign policy. It seeks to confront patterns of international integration of strategic countries in South America, Africa and Asia, considering institutional patterns, trade policy, structures of intermediation of interest, governance, International Law and the role of actors of civil society in the South-South axis of contemporary International Relations.

International Security

It approaches the defense, strategy and security issues in the International System from a perspective that takes into account the most powerful states at the global level, but systematically introduces the question of the regional balances of power, the South-South axis, the existence of regional security complexes, military issues and the impact of information technology in the Digital Age.

CEBRAFRICA

The Brazilian Centre for African Studies (CEBRAFRICA) has its origins in Brazil-South Africa Studies Centre (CESUL), a program established in 2005 through an association between the Universidade Federal do Rio Grande do Sul (UFRGS) and Fundação Alexandre de Gusmão (FUNAG), of the Brazilian Ministry of Foreign Affairs. Its research activities are developed in cooperation with the Brazilian Centre for Strategy and International Relations (NERINT).

In March 2012, CESUL was expanded into CEBRAFRICA in order to cover the whole of Africa. At the same time, the South Africa series, which published five books, was transformed into the African Series, with new titles. The centre's main objectives remain the same as before: to conduct research, to support the development of memoirs, thesis and undergraduate works, to congregate research groups on Africa, to organize seminars, to promote student and professor exchanges with other institutions, to establish research networks and joint projects with African and Africanist institutions, to publish national and translated works on the field, and to expand the specialized library made available by FUNAG.

The numerous research themes seek to increase knowledge of the African continent and its relations to Brazil on the following topics: International Relations, Organizations and Integration, Security and Defense, Political Systems, History, Geography, Economic Development, Social Structures and their Transformations, and Schools of Thought. CEBRAFRICA counts among its partners renowned institutions from Brazil, Argentina, Cuba, Mexico, Canada, South Africa, Angola, Mozambique, Senegal, Cape Verde, Egypt, Nigeria, Morocco, Portugal, United Kingdom, Netherlands, Sweden, Russia, India, and China. Current researches focus on "Brazilian, Chinese, and Indian Presence in Africa", "Africa in South-South Cooperation", "African Conflicts", "Integration and Development in Africa", "African Relations with Great Powers", and "Inter-African Relations".

SUBMISSION STANDARDS

1. AUSTRAL: Brazilian Journal of Strategy & International Relations publishes articles and book reviews;
2. The journal is divided in two sections: Articles (Artigos) and Book Review (Resenhas);
3. The research articles must contain a maximum of 70 thousand characters (including spaces and footnotes). Use only the standard format; the book reviews must contain a maximum of 4,5 thousand characters (spaces and footnotes included);
4. The footnotes should be of a substantive and complementary nature;
5. The bibliography must follow the rules of the Chicago system (Author-date or note-bibliography), specifying the used literature at the end of the text;
6. Contributions must be original and unpublished and can be submitted in Portuguese, English or Spanish;
7. Contributions must contain the full name of the author, their titles, institutional affiliation (the full name of the institution) and an email address for contact;
8. The complete filling of the submission form by the authors is mandatory.
9. Publications of undergraduate students are accepted, as long as in partnership with an advisor professor, which will appear as the main author of the work;
10. Book reviews must contain the complete data and the ISBN of the analyzed work;
11. Contributions must be accompanied of: 3 keywords in Portuguese or Spanish and 3 keywords in English; Title in English and in Portuguese or Spanish; Abstract in English and in Portuguese or Spanish, both with up to 50 words.
12. Submissions must be made by the journal website: www.seer.ufgrs.br/Austral

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As part of the submission process, authors are required to check off their submission's compliance with all of the following items, and submissions may be returned to authors that do not adhere to these guidelines.

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2. Submitted files must be in Microsoft Word, OpenOffice or RTF (as long as their size is up to 2MB) format.
3. URLs must be informed in the references when necessary.
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5. The text must follow patterns of style and bibliographical requirements described in Author Guidelines, in the section "About the Journal".
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