

LSE Global South Unit WORKING PAPER SERIES

WORKING PAPER NO. 1/2019

Myths of Multipolarity: The Sources of Brazilian Overexpansion

Luis L. Schenoni, Dawisson Belém Lopes, Guilherme Casarões

ABSTRACT

We provide a framework to analyze the foreign policy overexpansion of so-called emerging powers during the early 21st century. To do so, we look at the Brazilian case and how domestic actors colluded to foster the myth of an impending multipolarity, which served as the ideological basis for an unsustainable surge in that state's international ambition. After reviewing the literature that analyzes the phenomenon of overexpansion in world politics, we proceed in four steps. First, we describe the evolution of the “multipolarity myth” in elite discourse and public opinion polls. Second, we trace how specific interest groups logrolled to foster and capitalize on the myth. Third, we document the increase of the diplomatic budget, Presidential trips abroad, state-backed investments overseas, participation in UN peace operations, and other indicators of expansion. Fourth, we use the synthetic control method, a statistical technique, to infer the extent of overexpansion by comparing Brazil with a plausible counterfactual – i.e. a weighted basket of countries with similar characteristics, yet unaffected by the myth. Although our focus is on Brazil, this framework might help understand other unsuccessful emerging powers who have recently experienced similar overexpansion crises.

KEYWORDS

Brazil; BRICS; overexpansion; multipolarity; myth

1. INTRODUCTION

Since 2013 Brazil has been in continuous economic and political crisis. The second worst recession in history combined with a huge corruption scandal produced a chain of dramatic events that led to the impeachment of ex-President Dilma Rousseff in 2016 and, more recently, the incarceration of ex-President Lula da Silva, and the election of the right-wing populist Jair Bolsonaro.

These intertwined fiscal crisis and corruption scandals that gobbled up the Brazilian political elite are often analyzed from a domestic perspective, despite their evident international dimension. Current criminal investigations involve at least 16 Brazilian companies and their activities in 49 countries.¹ A notorious part of the current deficit was driven by foreign investment, which was in turn fueled by cheap credit from the National Bank for Economic and Social Development (BNDES). The bank granted 14 billion US dollars to businessmen investing in some 140 projects in Africa and Latin America.² State-owned oil company Petrobras expanded to 27 countries³ Brazilian diplomacy swelled accordingly. The Brazilian Cooperation Agency (ABC) increased its participation

1 Peru's case is emblematic. Its current president faced an impeachment trial in December 2017 for having received bribes from the Brazilian firm Odebrecht, and his two predecessors are already convicted under similar charges.

2 “Financiamento do BNDES às obras no exterior é maior do que o feito no país” *Folha de São Paulo*, 06/01/2016.

3 Azevedo, José Sergio Gabrielli “The Greening of Petrobras” *Harvard Business Review*, March 2009.

in development projects abroad by 1,000 per cent,⁴ and 48 new embassies – one third of the current total – were inaugurated.⁵ One can arguably contend that Brazil’s corruption and fiscal nightmares are partly owing to this international overstretch (Zanini 2017).

Acknowledging the role of overexpansion, the ineluctable fiscal adjustments have harmed Brazil’s global projection considerably. Credit for international investments has plunged in the last three years, as has development cooperation and the budget of the Ministry of External Relations (MRE). Embassies all over the world have had to adjust to subsistence levels.⁶ Diplomats have had to go on strike to have their rent paid⁷, and the country’s debt with international organizations and tribunals has left it on the brink of suspension/withdrawal from bodies as the International Criminal Court, the United Nations, and related organizations like the International Labor Organization, the Food and Agriculture Organization, the International Atomic Energy Agency, and the World Health Organization.⁸ This led to a general awakening in academic circles (Cervo and Lessa 2014; Burges 2015; Spektor 2016; Lopes 2017; Kalout and Degaut 2017; Malamud 2017), and undergirded the wary foreign policies of presidents Temer and Bolsonaro.

Underlying the unsustainable growth of Brazilian international ambition was the widely held belief that Brazil was becoming one pole in an emerging multipolar order. In retrospect, this was clearly an illusion (Brooks and Wohlforth 2016; Wang et al 2016).⁹ Traditional indicators of material capabilities (Figure 1) show that China is the only state amongst the BRICS that made it into the great leagues (Allison 2017; Layne 2018).¹⁰

4 ABC Website: <http://www.abc.gov.br/Gestao/EvolucaoFinanceira>

5 “Itamaraty deixa diplomatas à míngua mundo afora” *Veja* 2/11/2017.

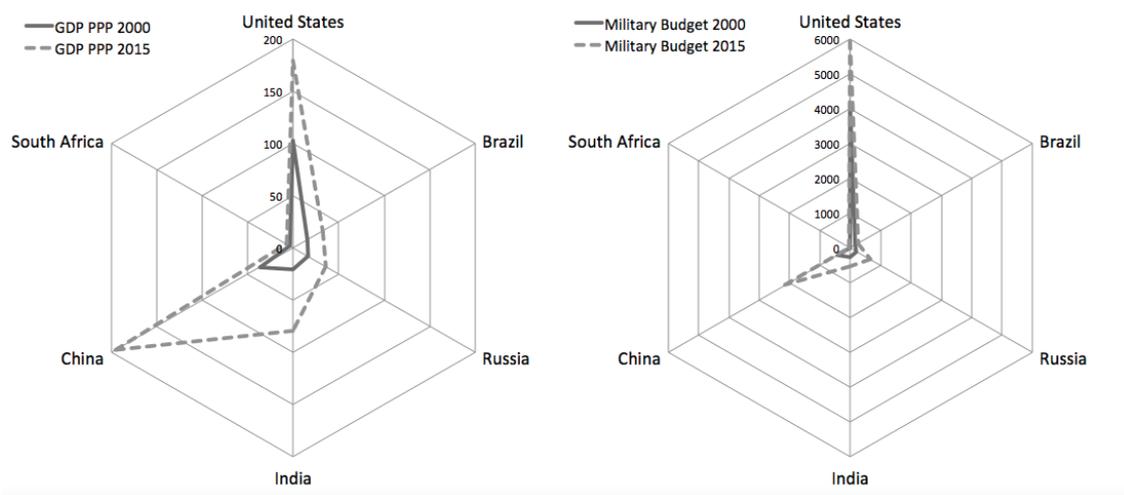
6 “Faltam luz e água em embaixadas brasileiras, dizem diplomatas” *Folha de Sao Paulo* 1/21/2015.

7 “Funcionários do Itamaraty ameaçam entrar em greve” *O Estado de Sao Paulo*, 05/12/2015.

8 “Brasil perde direito de votar em Tribunal da ONU por falta de pagamento” *O Estado de Sao Paulo*, 01/22/2015. See also Ministério do Planejamento, Desenvolvimento e Gestão (2018), p. 170-173.

9 Elsewhere the authors refer to it as a “multipolar mirage” (Schenoni 2017) because most scholars and diplomats could effectively see Brazil as a pole in the 2000s, but the image has faded away as approached the deadline.

10 India might be the next major power to join this list, as a report by PriceWaterhouseCoopers on the world’s largest economies by 2030 suggests. In accordance with these projections, China and the United States will lead the table, being closely followed by the South Asian giant. See Lianna Brinded (2017) These will be the 32 most powerful economies in 2030, *Business Insider*. Available at <https://www.businessinsider.com/ranked-pwc-predicts-the-most-powerful-economies-in-2030-2017-2>. Accessed on 15 June 2019.

Figure 1. Relative capabilities of the BRICS and the US in 2000 and 2015

Note: Elaborated by the authors. Figures for GDP-PPP represent trillion dollars of 2015. Figures for military expenditures represent billion dollars of 2015.

Source: International Monetary Found (IMF); Stockholm International Peace Research Institute (SIPRI).

2. THE CAUSES OF OVEREXPANSION

How did Brazilian elites succeed in mischaracterizing their international environment so badly? What was to be gained from this? And how did they manage to put forth a foreign policy strategy that would prove so harmful to their society in the long term?

Jack Snyder's *Myths of Empire* notes that myths that justify international expansion usually originate in groups with parochial interest overseas that logroll their various agendas and justify self-serving policies in terms of the national interest. Once they succeed in hijacking the state, the process renders strategic rationalizations or myths that, once formed, become politically, institutionally, and intellectually entrenched, entering a self-reinforcing cycle that becomes inexorable until the event of a big crisis.

Myths of this kind often show three features. First, they highlight the cumulative gains of expansion – i.e. that the country could grow faster if it got access to certain resources in places it does not yet reach. Second, they invoke a paper tiger to argue that the best defense against that external danger is a good offense, which requires expanding. Third, they assume that expansion will lead others to bandwagon, attracting political alliances, investments, trade, and the like (Snyder 1991, 2-6, 21-26). Yet, these precepts rarely work. At one point the costs of deploying one additional embassy, battalion, or commercial outpost simply outstrip the benefits (Snyder 1991, 6-8), and past that point, overexpansion can only be maintained by “imposing on the common citizen the elevated costs of overlooking the constraints derived from power distribution” (see Schenoni and Escudé 2016: 4).

Societies should naturally prevent further expansion once these limits are reached. Yet, ordinary citizens simply do not have the information. Moreover, interest groups have organizational advantages, which allow them to coalesce and effectively push their agenda forward (Olson 1965). Overexpansion, therefore, is the product of the political and propagandistic activities of a few (Snyder 1991, 17).

Mythmaking and overexpansion can then be summarized as a three-stepped sequence. First, interest groups overcome the collective action problem by trading favors, forming a cohesive coalition. Second, their organizational advantages help these compact groups with concentrated interests hijack the state and transfer to society the costs of international expansion; e.g., opening embassies, public credit for investments abroad, sending troops to far-off places etc. Third and last, members of the coalition harness the propaganda resources of the state and concentrated media groups to create a myth that justifies this expansion. The myth makes their parochial goals less traceable by the public, by auditors, and even by members of these organizations who might oppose logrolling – often a euphemism for corruption. Self-interest is covered with a varnish of nationalism (Snyder 1991, 32).

At a certain point these myths generate a life of their own. New generations and newly incorporated actors are socialized into them, and even the original elites become politically entrapped in the expansionist rhetoric (Snyder 1991, 42; see also Burns 1999; Schimmelfennig 2001). Since the expansionist project has to fit the individual projects of the coalition members – e.g. embassies for the diplomats, infrastructural projects for the construction sector, etc. – overexpansion often takes the form of multiple-expansion (Snyder 1991, 44), and expansion in multiple fronts soon becomes untraceable.¹¹

Financial crashes, corruption scandals, fiscal deficits, all lead to different types of crises that can open up the eyes of society to the logical fallacies underlying these myths. Yet, these beliefs can be so attractive and entrenched, that it always takes enormous suffering to disarticulate them.

11 Actors within the expansionist coalition also face incentives to jockey for advantage, pushing more restrained members to bear the costs. This often requires new allies (Snyder 1991, 48).

3. THE MULTIPOLAR MYTH: BRAZIL AS A GREAT POWER

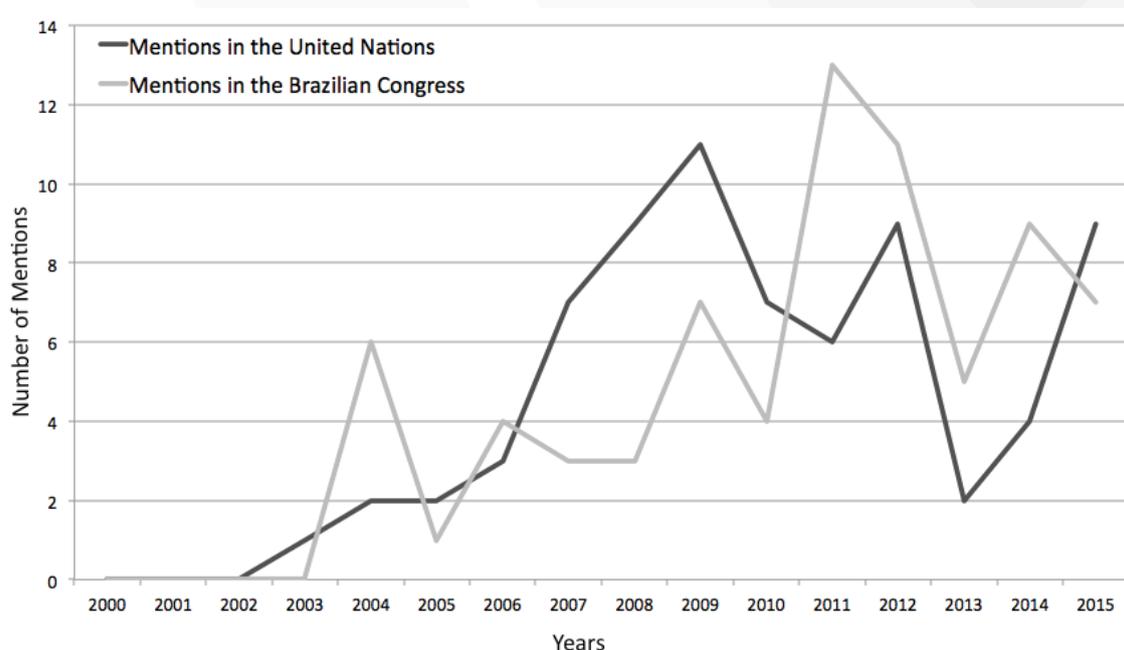
The idea of a Brazilian ‘manifest destiny’ in international affairs has been an integral part of Brazil’s diplomatic narrative since, at least, Barão do Rio Branco’s long tenure as foreign minister (Bueno 2012) and has also become a major driver of the geopolitical thought of the Brazilian military (Travassos 1931; Couto e Silva 1967). The confluence of ideas stemming from Itamaraty and the Armed Forces has led Brazilian governments to picture the country as a ‘future major power’ as of the 1970s (Bailey and Schneider 1974; Selcher 1981). Some time later, fueled by the multipolarity myth that ensued in the 2000s, Brazil began promoting itself as a potential great power (Amorim 2015)¹²

The multipolarity myth flourished at the crossroads between Itamaraty’s nationalists, which were shrewdly mobilized by Samuel Pinheiro Guimarães and Celso Amorim, and PT’s traditional foreign policy guidelines, whose main spokesperson was Lula da Silva’s foreign affairs advisor, Marco Aurélio Garcia (Almeida 2004). Yet a cursory look at official documents reveals that the narrative proliferated at great speed in all bureaucracies. The Presidency played a particularly central role in this process by using the term repeatedly.¹³ Figure 2 shows that it expanded on the floor of Congress as rapidly as in diplomatic circles.¹⁴

12 Amorim, Celso (2015). *Teerã, Ramalá e Doha: memórias da política externa ativa e ativa*. São Paulo: Benvirá.

13 President Lula da Silva would mention the term like a mantra in his addresses to the United Nations General Assembly (cf. Jenne et al 2017). In one of these occasions he said “[the world] is also a multipolar world, as demonstrated by experiences in regional integration such as South America’s experience in creating the UNASUR” (Da Silva, 2009: 3). Apparently Lula interpreted multipolarity as a sort of South–South multilateralism: “Simply by using direct dialogue with no mediation by major powers, developing countries have stepped into new roles in designing a multipolar world’ (Da Silva, 2008: 2). But although softened in its meaning, the concepts was resilient to changes in administrations. Four years later Rousseff opined: “We must work to ensure that in the multipolarity that comes to prevail, cooperation predominates over conflict” (Rousseff, 2012: 6).

14 This section relies on material from three main primary sources in which the term ‘multipolarity’ was explicitly mentioned the speeches of Brazilian legislators before Congress, the addresses of Brazilian diplomats to the UNGA, and presidential speeches on foreign policy. One hundred and sixty-three speeches were evaluated for the tone and evolution of the multipolar discourse in Congress, Itamaraty, and the Planalto (the President’s Office), from 2000 to 2015.

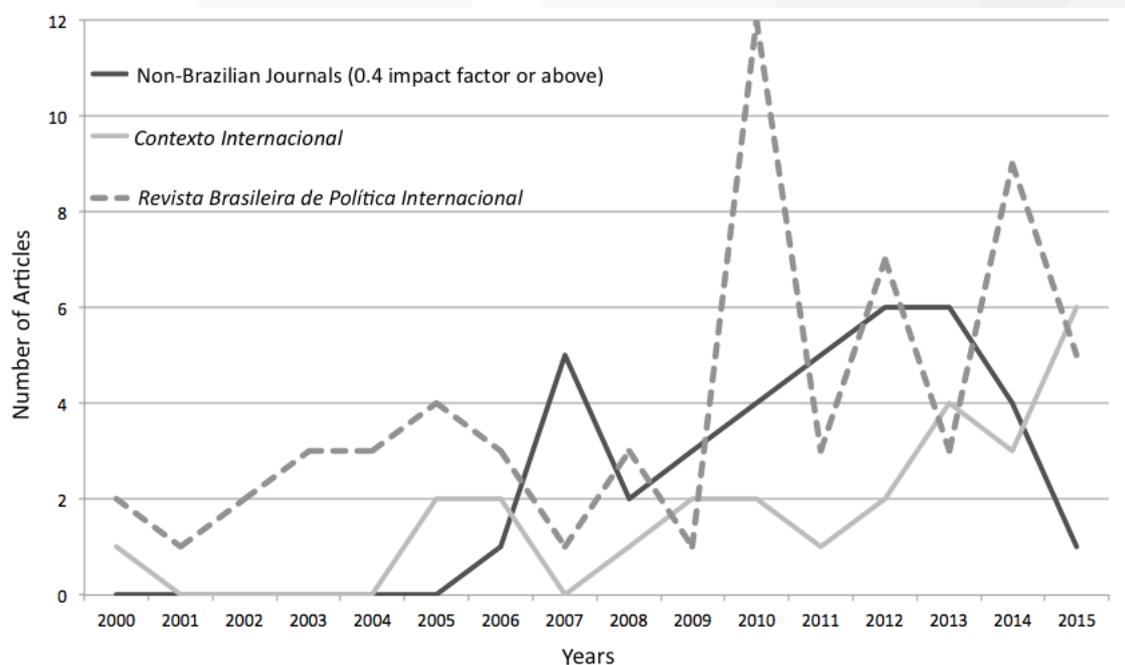
Figure 2. Use of the term “multipolar” by Brazilian diplomats and politicians

Sources: Based on an overview of Brazilian politicians’ speeches to the Brazilian Congress and Brazilian diplomats’ speeches to the United Nations General Assembly, 2000–15.

Congressional speeches confirm that the multipolar myth was promoted by members of the governing coalition and rejected—sometimes strongly, as a blatant lie intending to disguise corruption¹⁵—by members of the opposition.

Growth in the use of the term “multipolarity” was equally impressive in academic circles. Figure 3 shows that at the beginning of the 21st century the notion of “multipolarity” was virtually unused in IR scholarly debates. Yet, it exploded roughly at the same time it did in the diplomatic and political spheres.

¹⁵ For example, a Senator of the opposition party PSDB stated: ‘I have seen people juggling with words, saying that it would be good for Brazil ... to pursue the way of multipolarity. I am not convinced, though. When it comes to bidding processes there has to be correctness. I do not want to discuss if it is multipolar or unipolar, I want to discuss if the law was followed or not!’ (Congresso Nacional, 2009: 124).

Figure 3. Use of the term ‘multipolar’ in academic journal articles, 2000–15

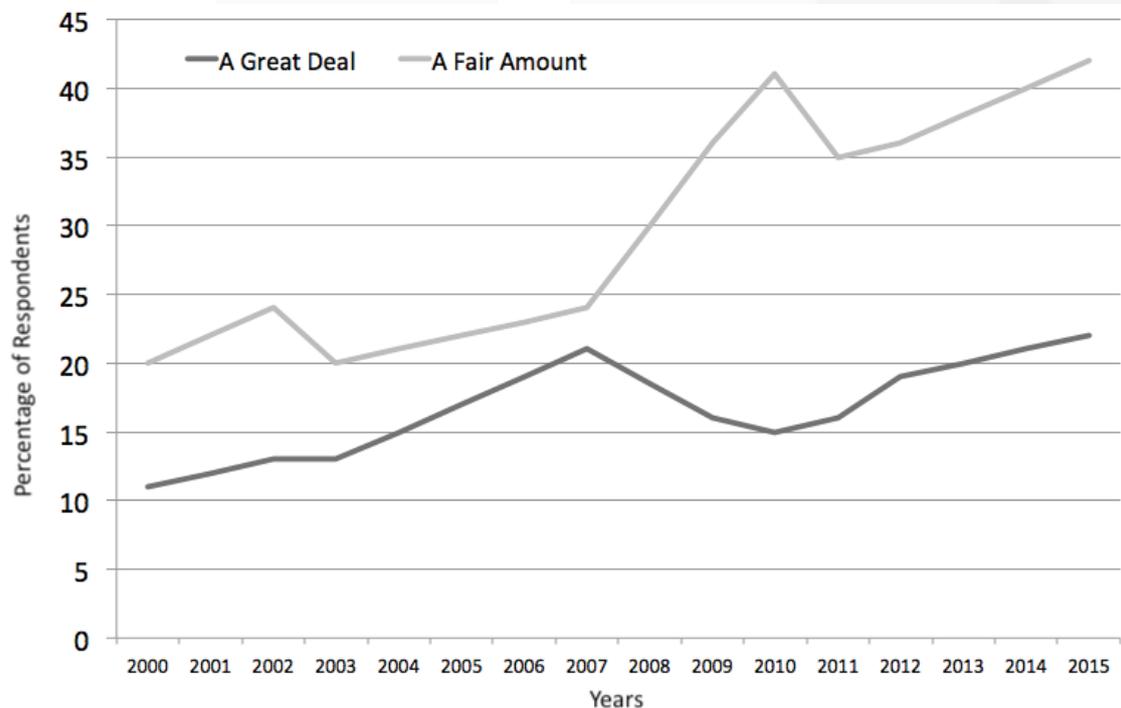
Source: Based on an overview of articles published in *Revista Brasileira de Política Internacional*, *Contexto Internacional*, and in journals with an impact factor of 0.4 or higher as reported in Thomson Reuters (2015)

Many sources record the expansion of the myth at the elite level. The Brazilian Center for International Relations (CEBRI) conducted surveys in 2001 and 2008 of members of the “Brazilian foreign policy community” (Souza 2008: 3), including diplomats, scholars, and opinion leaders. When asked if certain countries were going to increase their international influence in the next ten years, respondents’ confidence in the BRICS increased 12 per cent between 2001 and 2008, while confidence in established powers dropped by 28 per cent.¹⁶ The final report evaluates that “most of the interviewees believe [...] the new international order will tend to multipolarity ...” (Souza 2008, 33).

Finally, several public opinion polls confirm the myth managed to trickle down from the elites to the masses. In 2010 the project “Brazil, the Americas and the World” presented a list of eight countries to its respondents and asked if they believed those countries would increase their international influence in the following ten years. The responses closely matched the figures obtained by CEBRI (Almeida et al 2010, 32).¹⁷ Finally, PEW Research Center provides the longest comparable series available (Figure 4), which also registers a steady rise in the belief in this myth.

¹⁶ Comparing responses from 2001 and 2008, perceptions that the influence of Russia (49% to 63%), India (73% to 94%), South Africa (39% to 57%), China (96% to 97%) and Brazil (88% to 91%) would increase in the future were higher in 2008, while perceptions that the United States (49% to 15%), Japan (29% to 16%) and Germany (64% to 28%) would be more influential decreased by the amounts in brackets (Souza 2008).

¹⁷ Respondents also highlighted the BRICS were on the rise and traditional powers on the decline. While United States (14.5%), Japan (26.1%), Germany (33%), received relatively low scores, South Africa (50%), India (88%), Russia (30.5%), China (95.5%) and Brazil (92%) did far better (Almeida et al 2010, 32).

Figure 4. Public opinion on the relevance the United States grants Brazil

Notes: Elaborated by the author. Data covers the years 2000-2003, 2007, and 2009-2013. Years 2004-2006 and 2008 were interpolated, and data for 2014-2015 extrapolated from 2012-2013.

Source: Pew Research Center. Based on responses of Brazilian citizens to the question: “In making international policy decisions, to what extent do you think the United States takes into account the interests of countries like (survey country) - a great deal, a fair amount, not too much, or not at all?”

All available polls that sound this myth suggest similar trends. According to *Latinobarometro*, trust in Brazil¹⁸ rose from 14.7% in 2000 to 32.2% in 2005. PEW agrees that the percentage of Brazilian citizens who had a somewhat favorable view of Brazil grew from 19% to 31% from 2007 to 2010. When asked if the growth of China’s economy was good or bad for the country, positive views rose from 47% in 2007 to 53% in 2008, and 62% in 2010. The idea that China is a partner for Brazil instead of a competitor also went from 34% in 2008, to 45%, and 50% in 2010, and 2013, respectively.¹⁹ All these responses fit the myth of an ascending coalition of rising BRICS.

18 Percentage of people that answered Brazil when asked the question “Of all Latin American countries which one do you trust the most?” Accessed on January 5, 2017: <http://www.latinobarometro.org>

19 According to the Pew Research Center, available at: <http://www.pewresearch.org/search/>

4. COALITIONAL POLITICS:

LOGROLLING, COLLUSION, AND THE FORMATION OF THE MYTH

Amongst the greatest beneficiaries of this multipolarity myth in the private sector are the contractor companies in the construction sector. Their expansion has been well documented. Between 2001 and 2010 the amount of credit given by the BNDES to these enterprises rose from 194 million USD to 1.3 billion – some fifteen times the growth rate of the country’s economy during the same period.²⁰ Lula da Silva’s Presidential diplomacy – the Aero-Lula policy, as his detractors call it, in a reference to the new presidential airplane bought during his office years – was actively used to get these companies infrastructure projects abroad, and so were funds devoted to infrastructural development abroad, under the guise of “South-South cooperation” (Zanini 2017).

Yet, this expansion benefited many others too. The internationalization of Brazilian capital was considered to be low in relation to Asian economies in the early 21st century (Iglesias and Motta Veiga 2002; Tavares 2006), but it soon skyrocketed. Investments abroad, which amounted to 1 billion USD a year up until 2003, averaged 14 billion a year from 2004 to 2007 and reached an impressive 56 billion in 2007 alone (Saggiaro 2012: 62). Soon levels of capital internationalization were close to those of China and India, the two emerging Asian economies. By 2011, thirteen Brazilian firms (*Camargo Corrêa, Coteminas, Embraer, Gerdau, JBS-Friboi, Marcopolo, Natura, Odebrecht, Brazil Foods, Petrobras, Magnesita, Votorantim* and *WEG*) appeared among the world’s top-100 emerging multinational corporations. Some like Vale and Petrobras were considered already consolidated. The list included *JBS*, the largest cattle feeder in the world and Brazil’s most internationalized firm, and *Itaú Unibanco*, a Brazilian banking giant with the most assets overseas, totaling 100 billion USD.

The incredible expansion of these companies off shore was rationalized as essential for socio-economic development at home (Ricupero and Barreto 2007). While reports published by think tanks as *Fundação Dom Cabral* and the Brazilian Society for the Analysis of Transnational Enterprises (SOBEET) pictured Brazil’s internationalization efforts as generally positive, Brazilian business tycoons as Eike Batista and Marcelo Odebrecht began Advocating publicly – and enthusiastically – for Brazil’s national champion strategy²¹.

Collusion between the biggest Brazilian multinational enterprises – in sectors like food manufacturing, construction, mining, oil, and transportation – has been largely unveiled by investigations in the context of ‘Operation Car Wash.’²² The bureaucracies coalesced as well. They

20 According to Reuters and BBC figures, available at: http://www.bbc.com/portuguese/noticias/2011/10/111027_empreiteiras_rp

21 See Marreiro, Flávia. “A Odebrecht e a imagem do Brasil no exterior”. *El País*, 06/19/2015; Odebrecht, Marcelo. “Quanto Mais Mariels, Melhor para o Brasil”. *Folha de S. Paulo*, 02/09/2014.

22 A massive criminal investigation led by Brazil’s former federal judge, current Justice Minister Sergio Moro, and carried out by the Brazilian Federal Police. It was inspired by Italy’s Operation Mani Pulite (Clean Hands) and its conduction was largely based on plea bargain agreements, which ended up putting dozens of prominent businesspeople, notably from the civil construction sectors, and powerful politicians behind bars, including Brazil’s former president Lula da Silva.

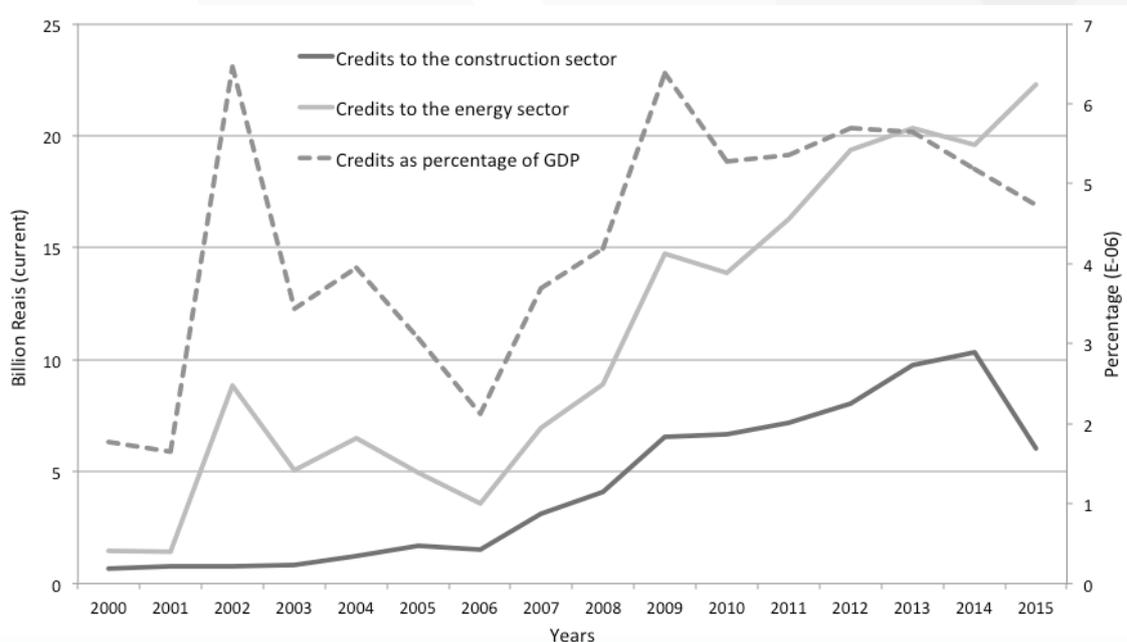
“exploited their reputation for expert knowledge to justify self-serving policies in terms of diffuse national interests” (Snyder 1991, 35). Itamaraty provides the clearest example. Aided by its long-standing reputation as one of the most proficient bureaucracies of the Brazilian state, and its quasi-monopoly over foreign policy making (Puntigliano 2008, Lopes 2013), the MRE is arguably the agency that most benefited from and contributed to Brazilian overexpansion. The diplomatic corps benefited vastly from more positions abroad, more personnel at home, higher budgets, more activities, and an increased economic and social status. Moreover, as the relative role of diplomacy grew, the greater became the leverage the MRE had to lock-in these benefits. An expansive and indispensable diplomacy granted Itamaraty a role in Brazilian domestic politics that it has always claimed (Cason and Power 2009, Lopes 2017, Ricupero 2017).

Following a trend among emerging economies since the early 2000s, some of Brazil’s public companies, like the state-owned oil Petrobras and state bank Banco do Brasil also expanded considerably overseas (Freitas 2011; Cahen 2015). Although structural factors surely explain the boom of Brazilian state giants, such as the fast economic growth witnessed during Lula’s two terms in office, as well as specific internationalization policies undertaken by Brazil, one might notice that the strategy has largely benefitted from corruption at home and abroad. Four of the ex-directors of Petrobras have been apprehended so far, and many bureaucrats in the public sector, particularly those that facilitated credits for these adventures through the BNDES and the Central Bank, are also being prosecuted.

The global expansion of Brazil’s public and private firms was also facilitated by President Lula da Silva’s willingness to foster the multipolarity myth. He has acted as a pivotal agent linking all these agencies, having travelled to an average of 30 countries a year while president – more than doubling the 13 countries of its predecessor, Cardoso – many times accompanied by Brazilian businessmen and with the objective of promoting their state-backed investments (Cason; Power 2009; Burges; Bastos 2017).

5. THE EXPANSION: FROM MYTH TO REALITY

As we have seen, corporations were at the core of this coalition, and their interest in overexpansion resided mostly in the opportunities that an expansive foreign policy meant for them in terms of cheap credit and the support of the state in their foreign ventures. During the years under analysis the BNDES granted roughly 75 per cent of its credits to great enterprises, and by 2010, around 60 per cent of these credits ended up being invested abroad. Figure 5 documents this impressive increase, with a particular focus on the construction and energy sector.

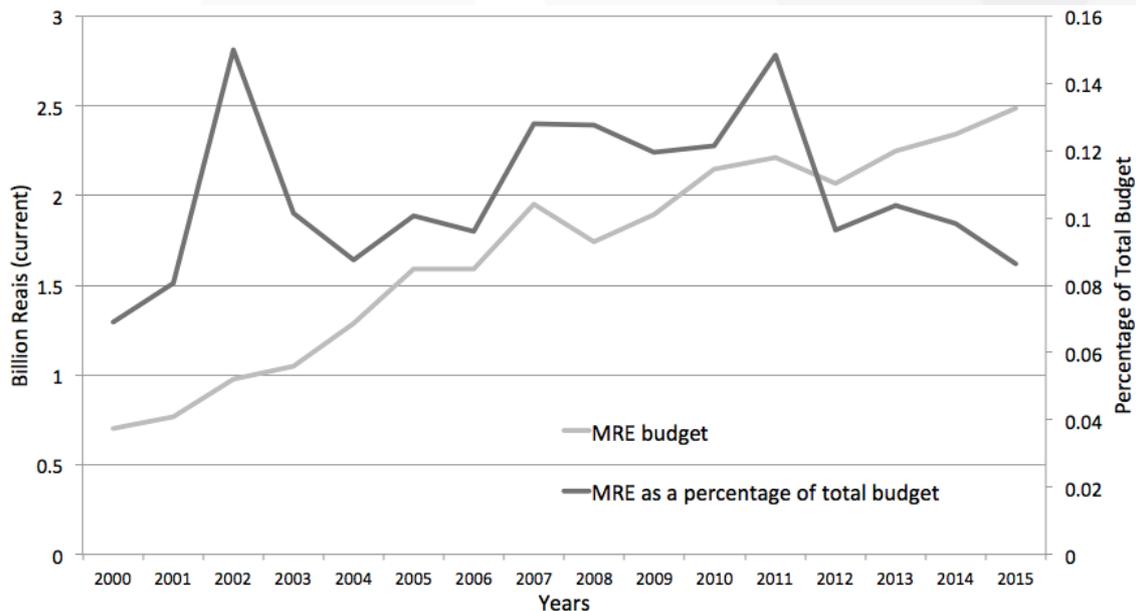
Figure 5. BNDES credits to major Brazilian companies

Notes: elaborated by the authors.

Source: BNDES and Instituto Brasileiro de Geografia e Estatística (IBGE) for GDP data.

Credits to these two sectors expanded nominally by 1,000 and 2,000 per cent, respectively. Moreover, the increase did not correspond to the growth of the Brazilian economy. Controlling for GDP growth, state support for foreign investment quadrupled during the period.

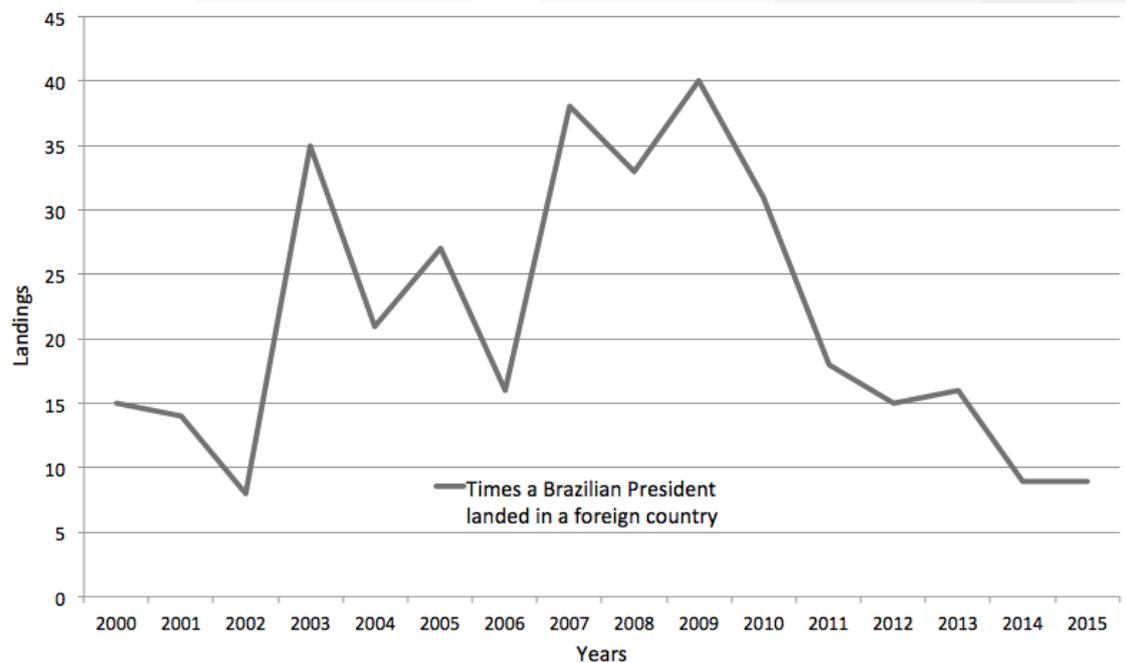
Figure 6 looks at a second prominent actor in this coalition: the MRE. Diplomats benefited substantively from foreign expansion through the increase in missions abroad, participation in international organizations and forums, increase in consular activities, etc. Not only did the positions abroad jumped from 150 in 2002 to 217 in 2010, but also the amount of diplomats rose considerably from 997 to 1405 in the same period.²³ All these trends are somehow represented in Figure 6, which captures the evolution of the MRE's budget both in global terms and as a percentage of the total state budget.

Figure 6. Budget of the Ministry of External Relations (MRE)

Note: Elaborated by the authors.

Source: Ministry of Planning, Budget, and Management <http://www.orcamentofederal.gov.br>

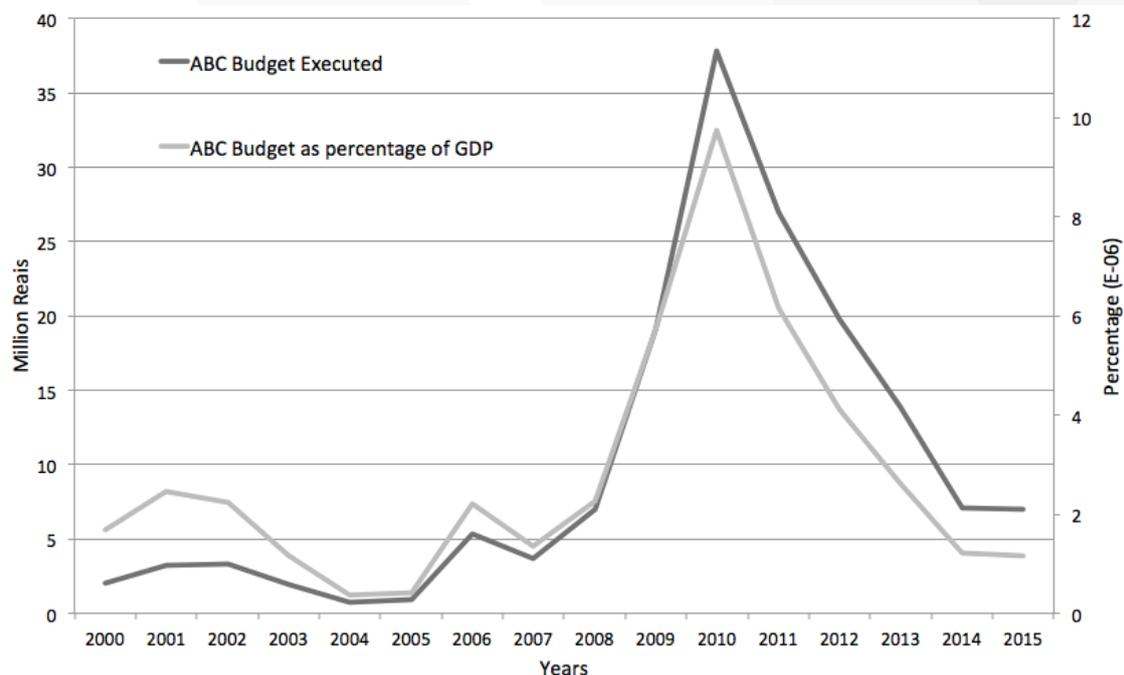
In the 1990s the MRE's expenses amounted to 0.6 percent of the total Brazilian budget on average, yet they more than doubled this participation during the 2000s and only recently have they shrunk to historical levels. This, however, came at a great cost for the foreign service. Recent cuts affected the quality of life of diplomats and the amount of activities that the embassies can organize. These hardships might have in turn damaged the Brazilian image abroad. Figure 7 shows presidential state visits. The amount of money devoted to those voyages is untraceable but most of them included an entourage made up of hundreds of businessmen and bureaucrats.

Figure 7. Presidential visits abroad

Note: elaborated by the authors.

Source: Secretaria de Imprensa e Divulgação, Presidência da República.

Although some literature on Brazilian foreign policy praises the presidential diplomacy of Lula, more systematic analyses of the impact presidential diplomacy had on trade and investment show no positive effects whatsoever (Gonçalves 2017). For one, Vieira (2013) argues that structural factors, rather than diplomatic activism, were responsible for Brazil's blossoming trade under Lula da Silva. Of course, this is apart from the concentrated benefits that infrastructure projects rendered for construction firms and other cases that directly involve members of the coalition. The point is that the Brazilian society benefited little from increases in such projects. Figure 8 summarizes the trend of development cooperation channeled through the ABC, many of which ended up being invested in that type of projects.

Figure 8. Budget of the Brazilian Cooperation Agency (ABC)

Note: Elaborated by the authors.

Source: Agência Brasileira de Cooperação (ABC): <http://www.abc.gov.br>

International expansion could have been limited to the strict goals of the members of the governing coalition described in the previous section, with Brazilian businessmen benefiting from cheap credit, governing leaders from their contribution to their parties, and diplomats from a higher budget. Yet this stylized account would fail to account for the multiple-expansion that theory expects once the myth is released.

Epitomizing Brazilian diplomatic overexpansion was an episode in early 2010 where Brasilia tried to broker a nuclear deal with Tehran²⁴. The participation of a South American country in Middle Eastern geopolitics was unprecedented, and the quick setback of the fuel swap agreement suggests that there were limits to Brazil's global projection. But three more stable agendas continue to show Brazil's bid for emerging power status. First, the quest for a permanent seat in the Security Council, not only through negotiations carried out by the G-4 group (Brazil, Germany, India, and Japan) but also by Brazil's increasing participation in peace and security initiatives as UN Peacekeeping Operations (MINUSTAH, MONUSCO, and UNIFIL). Second, its attempt to lead third-worldist positions in trade negotiations through the G-20, which can also be seen in Brazil's campaign to elect ambassador Roberto Azevêdo as the director-general of the World Trade Organization in 2013. Third, its will to participate in exclusive organizations of "rising powers" – such as the BRICS and IBSA groupings, initiatives that have rendered meager results thus far and, as one might claim,

²⁴ "Brasil e Turquia inisitem em acordo com Irã. Hillary critica atitude" Folha de S. Paulo, 05/27/2010.

have tied down some Brazilian diplomatic position to Russia's and China's.. All these excesses were not necessarily beneficial for the members of 'the coalition for overexpansion,' yet resulted as unintended consequences of the myth they themselves created (Kalout and Degaut 2017).

Of course, other areas like health and education jumped in the wagon of the multipolarity myth when they could. Another good example of over-expansion is the program Science without Borders, which sent around 104,000 young Brazilians – mostly undergraduate students – to take courses abroad. It is difficult to evaluate if the program has had some lasting positive impact, since it lacked monitoring tools. What we do know is that it lasted from 2011 to 2017 at a total cost of 3 billion USD – i.e. fifteen times the annual budget of the main Brazilian scientific agency, the National Council for Scientific and Technological Development (CNPq), which now suffers severe cuts.²⁵

6. OVEREXPANSION: ESTIMATING THE EFFECT OF THE MULTIPOLARITY MYTH

Was all these overexpansion? Or just reasonable expansion? When the argument about overexpansion first saw the light in an op-ed,²⁶ Brazilian Ambassador Sergio França Danese, a former secretary-general of Itamaraty, publicly opposed it in a public rebuttal, claiming that: "... Brazil represents the eighth GDP in the world, not to mention other facts, such as being the fifth country in population and territory, and the main biodiversity reserve in the planet [...] In each of these issues Brazil possesses assets – natural, economic, human, and diplomatic – that grant it a place at the table of global negotiations..."²⁷ In other words, according to Danese, it is not sufficient to show that Brazil has expanded. To build a case for overexpansion one still needs to explore what would have happened to a country just like Brazil in the absence of the multipolarity myth. The key question is as follows: Was this overexpansion fostered by a myth of multipolarity, or was it just the natural foreign policy enlargement any a country like Brazil would have undergone?

To answer this question we build a plausible counterfactual Brazil (see Goertz 2017: 75-78) that illustrates what would have happened in the absence of the myth to two variables of interest: a) number of embassies, and b) disbursement of foreign aid for development projects abroad. The statistical procedure used is called Synthetic Control Method (SCM), and consists of using a panel of other countries to build a synthetic or counterfactual Brazil, with weights chose so that the resulting synthetic Brazil best reproduces the values of the predictors of our dependent variables of interest – i.e. embassies, foreign aid, troops – in the pre-treatment period (Abadie et al 2015: 501).

25 "[O fim do Ciência sem Fronteiras depois de R\\$ 13 bilhões investidos em bolsas no exterior](http://portal.sbpcnet.org.br/noticias/o-fim-do-ciencia-sem-fronteiras-depois-de-r-13-bilhoes-investidos-em-bolsas-no-exterior/)" *Sociedade Brasileira para o Progresso da Ciência*. Available at <http://portal.sbpcnet.org.br/noticias/o-fim-do-ciencia-sem-fronteiras-depois-de-r-13-bilhoes-investidos-em-bolsas-no-exterior/>. Accessed on 15 June 2019.

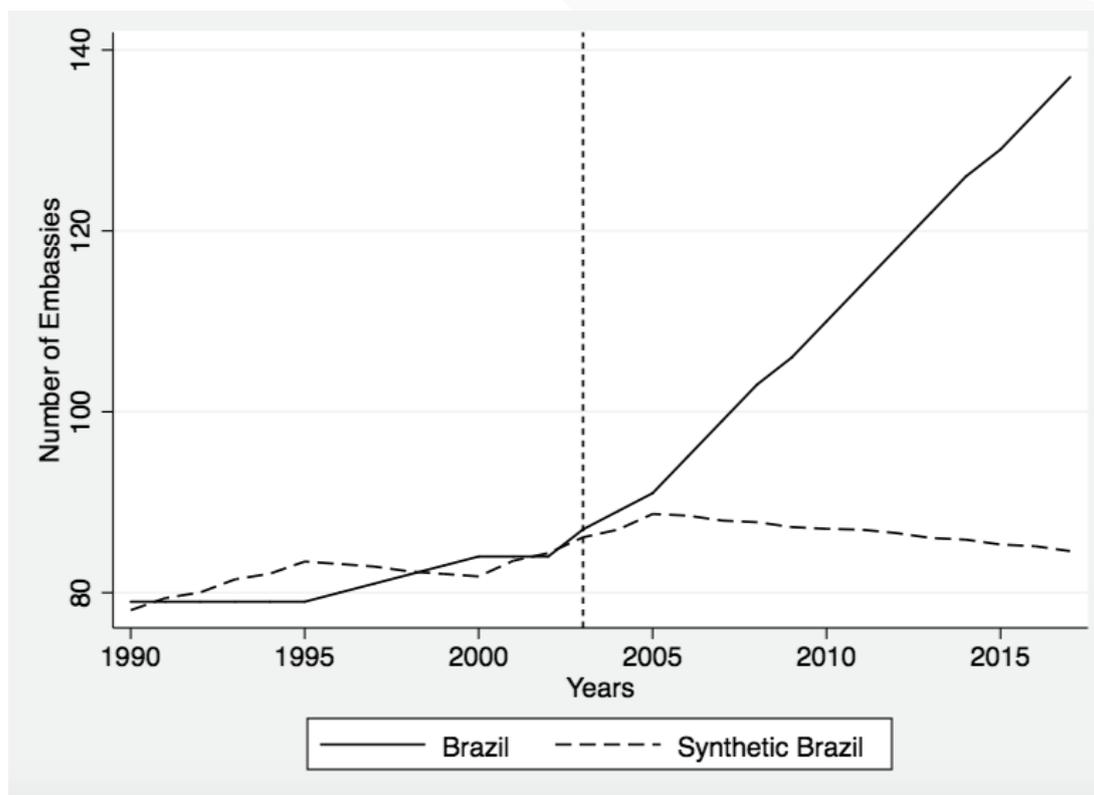
26 Schenoni, Luis "Brasil contrae su política exterior" *La Nación*, 07/12/2017.

27 Danese, Sergio "Brasil, América del Sur, y el resto del mundo" *La Nación*, 07/15/2017.

Following Ambassador Danese's suggestion above, we use the following as possible predictors: total GDP, annual GDP growth, total population, total landmass, and biocapacity.²⁸ We use a pool of 17 countries comparable to Brazil in all these characteristics,²⁹ and take January 1st 2003, the inauguration of President Lula da Silva, as the moment when the governing coalition started to logroll their interests and foster the myth of multipolarity. After this year, values for Brazil fluctuate independently from those of the synthetic Brazil.

Figure 9 shows the results for the number of embassies. As expected, the arrival of the expansionist coalition to power in 2003 radically changed the course of Brazilian foreign policy. Until then, the synthetic control closely mirrored the treated case. Yet, after the 2003 shock and the diffusion of the multipolarity myth, Brazil ended up with 129 embassies in 2015, while the counterfactual provided by the synthetic Brazil predicted 85. The analysis shows an overexpansion of 44 embassies.

Figure 9. Number of embassies: Actual vs. counterfactual Brazil



Notes: elaborated by the authors using Stata package “synth.”

Sources: Number of embassies comes from the author's original update of COW's Diplomatic Exchange Database.

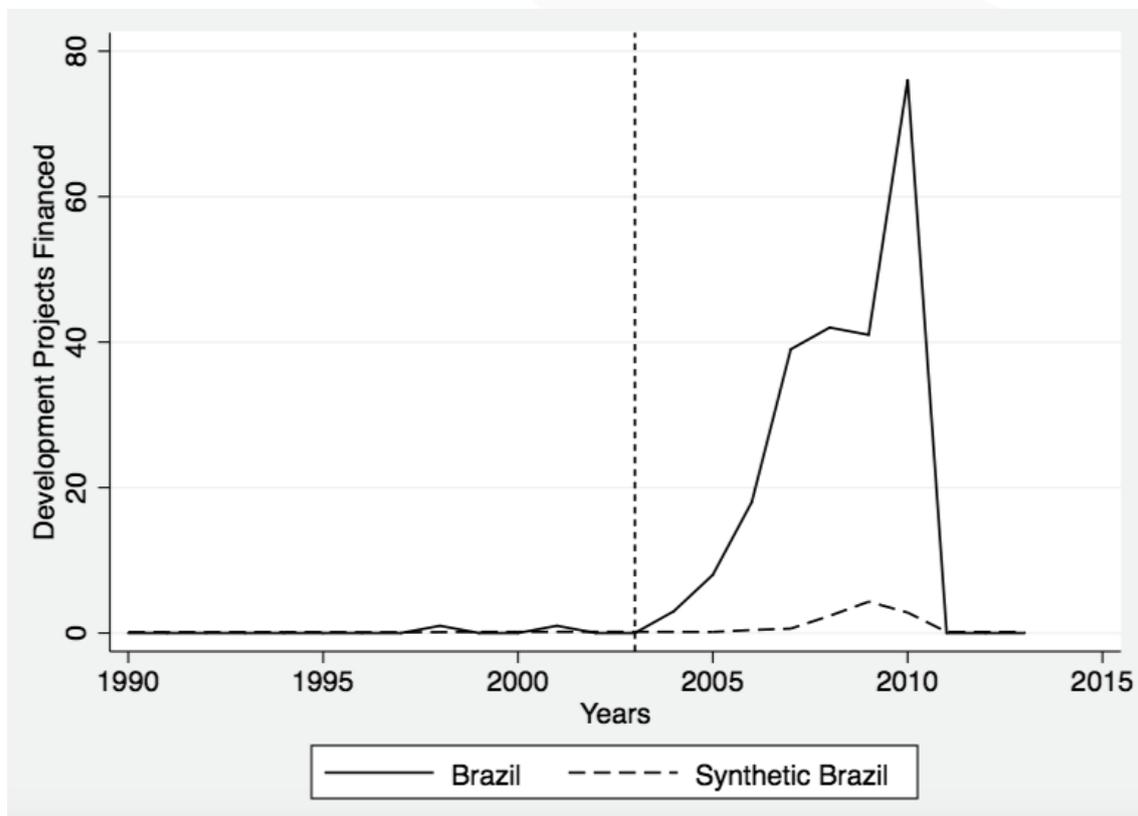
²⁸ We use World Bank indicators for the first four indicators and data from the Global Footprint Network for biocapacity.

²⁹ These are: Canada, United States, Mexico, Colombia, Argentina, Portugal, Germany, Italy, Russia, Democratic Republic of Congo, South Africa, Turkey, Egypt, Japan, India, Pakistan, Indonesia. Unavailable data on our dependent variables prevented the use of a larger panel, yet these countries match Brazil closely in our predictors of interest and a selection on this basis is entirely consistent with SCM.

Figure 10 displays the results of a similar analysis looking at development projects Brazil financed overseas. We use data provided by AidData to count the number of projects per year that Brazil (and countries in the donor pool) financed from 1990 to 2013.

The results are once more revealing of the overexpansion of the South American giant. Unlike historical donors, which tend to finance over 100 projects a year, Brazil pertains to a set of countries that did not contribute financially to almost any of these projects during the 1990s and only started to venture into the world of development assistance in the mid-2000s. However, the expansion of Brazilian foreign aid far outgrew that of the average new donor. The counterfactual Brazil would have implemented 8 projects in the post-treatment period; the real Brazil implemented 227.

Figure 10. Number of development projects: Actual vs. counterfactual Brazil



Notes: elaborated by the authors using Stata package “synth.”

Sources: Number of development projects were calculated using AidData <http://aiddata.org>

7. Conclusions

In this paper we provided a framework to analyze the foreign policy overexpansion of so-called emerging powers during the early 21st century. After reviewing a literature that analyzes the phenomenon of overexpansion in world politics, we analyzed the Brazilian case in four steps. First, we described the evolution of the “multipolarity myth” in elite discourse and public opinion polls. Second, we traced how specific interest groups logrolled to foster the myth. Third, we documented the rise of several indicators of expansion. Fourth, we inferred the extent of overexpansion by comparing Brazil with a plausible counterfactual.

Results suggest that Brazil over-expanded considerably in the first decades of the 21st century in a process that was fuelled by domestic interest groups as well as a myth of multipolarity. In the absence of abundant material capabilities, a country will rely on reputational goods and well-established legal frameworks as a means to reach the best outcomes in international relations, as well as to protect itself from the outside world (Lopes et al 2016). Yet, as we have shown, Brazilian foreign policy was far more ambitious and costly than that, in ways that contributed to corruption and fiscal crises.

Although our focus is on Brazil, this framework might shed light on other unsuccessful emerging powers who experienced similar overexpansion crises. ■

WORKING PAPER SERIES

REFERENCES

- Allison, Graham T. (2017), *Destined for War: Can America and China Escape Thucydides's Trap?* (New York: Houghton Mifflin Harcourt).
- Almeida, Maria H. Tavares, Janina Onuki, Leandro Carneiro (2011) "Brasil, as Américas e o Mundo: Opinião Pública e Política Externa" Sao Paulo: Instituto de Relações Internacionais da USP.
- Brooks, Stephen G., and William C. Wohlforth (2016), 'The once and future superpower: Why China won't overtake the United States', *Foreign Affairs*, 95:3, 91–104.
- Brum Vieira, Friederik (2006) "A Geopolítica Brasileira: Um caso de Destino Manifesto?" *Revista de Economia Política e História Econômica*, 6: 51-76.
- Bueno, Clodoaldo (2012) "O Barão do Rio Branco no Itamaraty (1902-1912)" *Revista Brasileira de Política Internacional*, 55(2): 170-189.
- Burges, Sean W. (2015), 'Revisiting consensual hegemony: Brazilian regional leadership in question', *International Politics*, 52(2): 193–207.
- Burns, Thomas Jerome. 1999. Rhetoric as a Framework for Analyzing Cultural Constraint and Change. *Current Perspectives in Social Theory* 19: 165–85.
- Cahen, Fernanda Ribeiro (2015). "Internationalization of state-owned enterprises through foreign direct investment". *Revista de Administração de Empresas*, 55(6): 645-659.
- Cason, Jeffrey and Timothy J. Power (2009) "Presidentialization, Pluralization, and the Rollback of Itamaraty: Explaining Change in Brazilian Foreign Policy Making in the Cardoso-Lula Era" *International Political Science Review* 30(2):117-140.
- Cervo, Amado Luiz, and Antônio Carlos Lessa (2014), 'O declínio: inserção internacional do Brasil (2011–2014)', *Revista Brasileira de Política Internacional*, 57(2): 133–51.
- Congresso Nacional (2007), Anais do Senado Federal 31(31), speech by Eduardo Suplicy, July 19, p. 127.
- Congresso Nacional (2009), Anais do Senado Federal 33(58), speech by Inácio Arruda, October 29, p. 56.
- Correlates of War Project (2017), 'Data sets: National material capabilities (v5.0)', <http://www.correlatesofwar.org> (accessed 18 July 2017).
- Couto e Silva, Golbery (1967) *Geopolítica do Brasil*. Rio de Janeiro: Jose Olympio.
- Cozendey, Carlos M. (2017) 'Vision or mirage? The Development Bank and Reserve Agreement on the BRICS' horizon', in Renato Baumann, Flávio Damico, Adriana Erthal Abdenur, Maiara Folly, Carlos Márcio Cozendey and Renato G. Flôres Jr, *BRICS: Studies and Documents* (Brasília: Alexandre de Gusmão Foundation): 113–35.
- Da Silva, Luiz Inácio (2008), Statement by the President of the Federative Republic of Brazil, at the General Debate of the 63rd Session of the United Nations General Assembly, New York, 23 September.
- Da Silva, Luiz Inácio (2009), Statement by the President of the Federative Republic of Brazil, at the General Debate of the 64th Session of the United Nations General Assembly, New York, 23 September.
- Escudé, Carlos (1992) *Realismo periférico*. Buenos Aires: Planeta.
- Freitas, Maria Cristina Penido (2011). "A Internacionalização do Sistema Bancário Brasileiro". IPEA Texto para Discussão 1566.
- Garcia, Eugênio (2011) "On how Brazil almost became a permanent member of the United Nations Security Council in 1945," *Revista Brasileira de Política Internacional*, 2011, Vol.54(1)
- Goertz, Gary (2017) *Multimethod Research, Causal Mechanisms, and Case Studies: An Integrated Approach*, Princeton: Princeton University Press.
- Guglielmelli, 'Goldbery do Couto e Silva, el "destino manifesto" brasileño y el Atlántico Sur', *Estrategia*, 39 (1976)
- Hobson, John A. (1965) *Imperialism*, Ann Arbor: Michigan University Press.
- Iglesias, Roberto M.; Motta Veiga, Pedro (2002) Promoção de exportações via internacionalização de firmas com capital brasileiro: 369. Available at: http://www.bndes.gov.br/SiteBNDES/export/sites/default/bndes_pt/Galerias/Arquivos/conhecimento/livro_desafio/Relatorio-09.pdf (acesso setembro 2011)
- International Monetary Fund (2017), 'IMF data', <http://www.imf.org/en/Data> (accessed 17 July 2017).

WORKING PAPER SERIES

- Kalout, Hussein and Marcos Degaut (2017) "Brasil, um país em busca de uma grande estratégia," *Relatório de Conjuntura No. 1*, Brasília: Secretaria Geral de Assuntos Estratégicos, Presidência da República.
- Layne, Christopher (2018), *After the Fall: International Politics, US Grand Strategy, and the End of the Pax Americana* (New Haven, CT: Yale University Press).
- Lopes, Dawisson B. (2013) *Política Externa e Democracia no Brasil: Ensaio de Interpretação Histórica* (São Paulo: Editora da Unesp).
- Lopes, Dawisson B. (2017) *Política Externa na Nova República: Os Primeiros 30 Anos* (Belo Horizonte: Editora UFMG).
- Malamud, Andrés (2017), 'Foreign Policy Retreat: Domestic and Systemic Causes of Brazil's International Rollback', *Rising Powers Quarterly*, 2:2, 149-168.
- Ministério do Planejamento, Desenvolvimento e Gestão (2018), *Transição de Governo 2018-2019: Informações Estratégicas*, 170-173. Available at https://transicao.planejamento.gov.br/wp-content/uploads/2018/11/Informa%C3%A7%C3%B5es-Estrat%C3%A9gicas-Minist%C3%A9rio-do-Planejamento_vers%C3%A3o-publica%C3%A7%C3%A3o_completa.pdf. Accessed on 15 June 2019.
- Ministério Público Federal <http://www.mpf.mp.br/para-o-cidadao/caso-lava-jato/atuacao-na-1a-instancia/rio-de-janeiro/resultados/resultados-no-rj>
- O'Neill, Jim (2001), 'Building better global economic BRICS', Global Economics Paper No. 66 (New York: Goldman Sachs).
- Olson, Mancur (1965) *The Logic of Collective Action*. Cambridge: Harvard University Press.
- Puntigliano, Andrés Rivarola (2008), "'Going global": An organizational study of Brazilian foreign policy', *Revista Brasileira de Política Internacional*, 51:1, 28-52.
- Reinaldo Gonçalves (2017) *Política externa, viagens internacionais do presidente Lula e comércio exterior O fiasco do caixeiro-viajante*, *Discussion Paper 003*, instituto de economia da UFRJ.
- Ricupero, R; Barreto, F. A (2007) *importância do investimento direto estrangeiro do Brasil no exterior para o desenvolvimento socioeconômico do país*. In: ALMEIDA(org.): *Internacionalização de empresas brasileiras. Perspectivas e riscos* (Rio de Janeiro: Elviesier).
- Ricupero, R. (2017) *A Diplomacia na Construção do Brasil: 1750-2016* (São Paulo: Versal Editores).
- Rousseff, Dilma (2012), Statement by the President of the Federative Republic of Brazil, at the Opening of the General Debate of the 67th Session of the United Nations General Assembly, New York, 25 September.
- Saggiaro, Ana (2012) *Internacionalização de empresas brasileiras durante o governo Lula: uma análise crítica da relação entre capital e Estado no Brasil contemporâneo*. Rio de Janeiro, Tese de Doutorado – Instituto de Relações Internacionais, Pontifícia Universidade Católica do Rio de Janeiro.
- Schenoni, Luis, and Carlos Escudé (2016), 'Peripheral realism revisited', *Revista Brasileira de Política Internacional*, 59:1, 1-18.
- Schimmelfennig, Frank (2001) *The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union*, *International Organization* 55, 1: 47-80.
- Schmitter, Philippe (1971) *Interest, Conflict, and Political Change in Brazil*, Stanford University Press.
- Schmitter, Philippe (1974) "Still the Century of Corporatism?" in *The Review of Politics*, 36(1): 85-131
- Snyder, Jack (1991) *Myths of Empire: Domestic Politics and International Ambition*, Ithaca: Cornell University Press.
- Souza, Amaury de (2008) "O Brasil na Região e no Mundo: Percepções da Comunidade Brasileira de Política Externa", Rio de Janeiro: Centro Brasileiro de Relações Internacionais (CEBRI)
- Spektor, Matias (2016), 'Brazil: Shadows of the past and contested ambitions', in W. I. Hitchcock, M. F. Leffler, and J. W. Legro (eds), *Shaper Nations: Strategies for a Changing World* (Cambridge, MA: Harvard University Press), pp. 17-35.
- Stockholm International Peace Research Institute (2016), 'SIPRI military expenditure database', <https://www.sipri.org/databases/milex> (accessed 17 July 2017).
- Tavares, Márcia (2006) *Investimentos brasileiros no exterior: panoramas e considerações sobre políticas públicas*. CEPAL, Serie Desarrollo Productivo 172.
- Power, Timothy and Peter Kingstone (2017) *Democratic Brazil Divided*. Pittsburgh: University of Pittsburgh Press.

WORKING PAPER SERIES

Travassos, Mario (1931) *Projeção continental do Brasil* (Col. Brasileira; no 5; 3a ed.; pref. Pandiá Calógeras). (s.l.): Brasileira, 1931.

United Nations Security Council (2013), '7015th Meeting', S/PV.7015 (Resumption 1), New York, 6 August.

Waltz, Kenneth N. (1979), *Theory of International Politics* (New York: McGraw Hill).

Waltz, Kenneth N. (1993), 'The emerging structure of international politics', *International Security*, 18: 2, 44–79.

Wang, William Z. Y., Stephen G. Brooks, and William C. Wohlforth (2016), 'Correspondence: Debating China's rise and the future of US power', *International Security*, 41:2, 188–91.

Zanini, Fábio (2017), *Euforia e Fracasso do Brasil Grande: Política Externa e Multinacionais Brasileiras na Era Lula* (Sao Paulo: Contexto)