

# **NEGOTIATIONS BETWEEN BRAZIL, BOLIVIA AND PARAGUAY: ENERGY COMPETITION IN SOUTH AMERICA AS AN OPPORTUNITY FOR COOPERATION.**

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**ABSTRACT:** The present research examines how Brazilian diplomacy has acted in cases involving conflicts over natural resources in South American countries, highlighting trends of regional integration and changes in the political landscape of the continent with the election of leftist leaders committed to change in their countries. Two specific cases are used to illustrate the international relations policy of Brazil to the region: a renegotiation of the price of Bolivian gas, and the terms of the bilateral treaty with Paraguay for the purchase of hydroelectric power. Finally, this paper concludes that a quest for regional leadership and energy integration across the continent forces Brazil to adopt a posture of cooperation with its neighbours in a conciliatory diplomacy of joint gains.

**WORD COUNT:** 3,941

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## 1 INTRODUCTION

The dispute between Brazil, Bolivia and Paraguay, due to competition for energy resources in South America, brings to the fore an opportunity for cooperation in the continent's development through peaceful and collaborative international relations.

Since the proposal of the creation of the Free Trade Area of the Americas to strengthen the Southern Common Market, the changes in the political landscape of the southern countries - with the election of refractory leaders to market liberalism without limits - indicate a favourable scenario for the consolidation of Brazil as a regional leader.

By virtue of being the largest South American consumer of oil, gas and hydropower, Brazil seeks greater integration with the continent to ensure energy security for its development. While it diversifies its energy sources, it seeks to meet the demands brought about by the election of Evo Morales in Bolivia and the crisis over the nationalisation of hydrocarbons, and the election of Fernando Lugo in Paraguay and the conflicts arising from the renegotiation of the Treaty of Itaipu.

Much of the natural gas used in Brazil is provided by Bolivia through the Gasbol pipeline, and the binational Itaipu power plant is the major electricity generator of the Brazilian electrical system. Despite the importance of these two energy sources, the country does not depend exclusively on them for its development, since it dominates the cycle of nuclear production, is self-sufficient in oil, and is a leader in energy production from biomass and use of biofuels. However, it uses these two energy interconnections as geopolitical and diplomatic instruments to strengthen ties of friendship and cooperation with regional development, reaffirming its position as a regional leader without the use of force and coercion.

The issue that arises is whether Brazil's attitude is related to its claim to assert itself as a regional leadership or is there a sincere search for mutual gains between countries through regional energy cooperation?

This paper seeks to explain the principles and goals of Brazilian foreign policy for international relations on the continent, the emergence of differences with Bolivia and Paraguay in energy issues, and the reason why the resolution of these disputes has been so swift and peaceful.

## **2 BRAZILIAN FOREIGN POLICY TOWARDS LATIN AMERICA**

Since the promulgation of the 1988 Constitution, Brazilian international relations have been mandatorily governed by eight guiding principles and a guideline which states that the country should seek economical, political, social and cultural integration for the peoples of Latin America.

Article 4 of the Constitution<sup>1</sup> lays down those principles, stating that in its relations with other subjects of international law Brazil must safeguard its national independence. It requires prevalence of human rights; self-determination of peoples; non-intervention; equality between States; defence of peace; peaceful settlement of conflicts; repudiation of terrorism and racism; cooperation among peoples for the progress of mankind; and granting of political asylum.

Thus, in addition to the non-belligerent foreign policy, the formation of a Latino community and the mutual development of all countries in the region became part of the national agenda in all sectors, especially in trade relations and the quest for energy integration of the continent in a symbiotic interdependence.

### **2.1 FTAA and Mercosul**

In the wake of the global trend of trade globalisation combined with the strengthening of regional blocs, especially after the consolidation of the European Union, the United States took an initiative to create a free trade zone that reaches every country in the continent, including North America, Central America and South America, except Cuba due to the policy of trade embargo imposed on the island since the Cuban Missile Crisis during the times of the Cold War.

In addition to the existing experience of NAFTA in North America, which is the free trade zone between Mexico, the U.S. and Canada, the proposed creation of the Free Trade Area of the Americas (FTAA) would bring together 34 countries and surpass the European Union in number of inhabitants and sum of GDPs. However it would be limited to just one free trade zone, without any kind of political, cultural or monetary policy.

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<sup>1</sup> Federal Constitution, 1988 (entered into force 8th Oct. 1988)

The proposal was first presented by President George Bush but only in 1994, during the Clinton administration, was the first summit held between the presidents of all member countries of the future bloc. At first the idea was to allow free movement of goods and services between countries, without creating a customs union, since each continued to independently determine the import tax applied to non-members<sup>2</sup>.

In 2005 the latest summit was held, with the U.S. and Brazil as co-chairmen, but since then negotiations have stalled. This is mainly because of the change in the policy framework in South America, where politicians who are not aligned to the Washington Consensus were elected and the national pressures for an independent stance in relation to American imperialism flourished.

A key role in the geopolitical framework of the continent was filled in 2002 when Brazil elected as president of the Labour Party the former metalworker and union leader Luis Inacio Lula da Silva. His foreign policy was to pursue axis strengthening south-south relations, i.e. between developing countries, and to expand the Southern Common Market.

Known by the acronym Mercosul<sup>3</sup>, the bloc was created in 1991 as an initiative of political, economic and social development in South America, joining Brazil, Argentina, Uruguay and Paraguay. Its first milestone was the signing of the Asuncion Treaty, which established the goals of the bloc and the first steps of trade integration, as the adoption of a common external tariff for the formation of a customs union.

Venezuela joined the bloc in 2005 and only needs the approval of the Paraguayan parliament to become a full member. Other countries also joined the bloc, but without voting rights in decision-making: Chile, Colombia, Ecuador, Peru and Bolivia. Some important steps have been taken to strengthen political and social integration, such as the creation of a Mercosul parliament and introduction of freedom of transit, residence and work among the citizens of member countries.

## **2.2 Left-wing Politicians in South America**

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<sup>2</sup> ALCA, Antecedentes do Processo ALCA [Online] Available from: [http://www.ftaa-alca.org/View\\_p.asp](http://www.ftaa-alca.org/View_p.asp) [Accessed 24th May 2010]

<sup>3</sup> Mercosul, Página Brasileira do Mercosul [Online] Available from: <http://www.mercosul.gov.br/perguntas-mais-frequentes-sobre-integracao-regional-e-mercosul-1/sobre-integracao-regional-e-mercosul/> [Accessed 24th May 2010]

South America is experiencing a paradigm shift in the political representation of its countries after a decade of domination by the principles of economic liberalism. Formulations on the minimum state in developing countries, with a huge contingent of people marginalised by poverty, widened further the gap between the social ruling elite and the poor people.

The reaction to this phenomenon was the beginning of a major renovation in policy frameworks, with an influx of voters into the political spectrum identified with social issues, national sovereignty and respect for ethnic minorities. Labour and centre-left candidates have been elected in Brazil, Argentina, Uruguay and Paraguay; indigenous movements in Bolivia and Ecuador have launched successful candidates; and in Venezuela an anti-imperialist movement began perhaps the most detailed model of structural change, headed for 21st century socialism.

In all cases can be observed a component of quest for sovereignty over natural resources and a repudiation of reforms of the legislation that have reduced labour rights and welfare. The constant interference of the IMF in defining the political agenda of governments also bred a sense of desire for reaffirmation of national independence, increasing the driving forces for change.

After the period of darkness over the continent on account of military coups and dictatorial governments in the decades from the 1960s to 1980s, the restoration of full democracy took place under the auspices of the Washington Consensus, which proposed economic liberalism as a panacea for the development of South American countries.

Elected governments have pursued policies of trade liberalisation, privatisation of national enterprises and downsizing the state, which should be present only as an inducer and not as an economic agent.

Sectors such as energy, telecommunications, mining, metallurgy and petrochemicals, among others, were denationalised and offered to international investors, with a certainty that with the funds raised, with a reduction in public debt through government surpluses and with a leaner public bureaucracy, development would surely come to the region.

The result of this process was merely the subjugation of governments to commercial interests that extended their iniquities to the breaking point of the model. In Venezuela Hugo Chavez was elected proclaiming sovereignty over oil resources and the end of U.S. imperialism, while in Argentina, after the enactment of a moratorium, the people took to the streets denying the economic model introduced in the past by Carlos Menem and demanding changes.

In Bolivia the Indians, who represent the majority of the population, raised Evo Morales to the presidency with his promise to rescue sovereignty over gas resources; the same happened in Ecuador with Rafael Correa. In Paraguay, Fernando Lugo made a commitment in his campaign to the expansion of hydro-energy resources from the binational Itaipu plant.

In Brazil, the transition was more subtle, with no institutional break or even contract rupture; however, the central commitment of Luis Inácio Lula da Silva was the reduction of poverty.

### **2.3 Declaration of Margarita on Energy Integration**

Signed in 2007 on the Venezuelan island of Margarita<sup>4</sup> during the multilateral meeting of South American presidents, with the exception of Guyana and French Guiana, the Declaration of Margarita created the Energy Council of South America with the objective of promoting regional energy integration.

An important point in the declaration can be observed with respect to reduction of disparities in the region through energy cooperation:

Strengthen existing relations among the member countries of the South American Community of Nations on the basis of the sustainable use of their energy resources and potential, thereby taking advantage of economic complementarities to reduce asymmetries in the region and to move toward South American unity<sup>5</sup>.

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<sup>4</sup> Declaration of Margarita Island, 17 Apr. 2007 [Online] Available from: <http://www.comunidadandina.org/ingles/documentos/documents/unasur17-4-07.htm> [Accessed 24th May 2010]

<sup>5</sup> Id.

The council has created the basis for drawing up a treaty for regional integration of energy matrices and interconnection systems, with the aim of promoting social and economic development and eradicating poverty. Another objective of the declaration is to promote investments in the expansion of energy infrastructure, through gas pipelines, oil pipelines and transmission networks for electricity-producing countries, in order to achieve the greatest possible number of consumers on the continent.

## **2.4 Brazil's Regional Leadership and Energy Security**

Brazil is the largest economy in the South American continent, with the largest territory and the largest population, requiring many resources to ensure the energy security of the country. It sits alongside China, India and Russia, as a figure among developing countries with greater economic power in the world.

Its role of regional leadership was consolidated over the years, especially with its peacekeeping role in resolving political crises on the continent. During the strikes in Venezuela's oil industry seeking to destabilise President Hugo Chavez, the country has provided oil and weakened the position of those demanding the resignation of the president.

In the coup in Honduras, the country gave shelter in its embassy to the deposed president Manuel Zelaia and refused to recognise the government that took power. The same happened with the coup attempts in Bolivia and Venezuela, where Brazil has clearly expressed its opposition to the coup and given unconditional support to the democratically elected presidents, Evo Morales and Hugo Chavez.

When Colombia invaded Ecuadorian territory to conduct military raids that culminated in the capture of leaders of the Colombian revolutionary group FARC, Brazilian diplomacy criticised the Colombian attitude, reaffirming respect for national borders. In the case of Haiti, Brazil led the UN peacekeeping mission and, after the earthquakes that devastated the country, a mission for its reconstruction.

Disputes involving the supply of Bolivian gas and Paraguayan electricity were treated to accommodate Brazilian national interests while meeting the demands of those countries for sovereignty over their natural resources.

### 3 BOLIVIA-BRAZIL GAS CONFLICT

The Bolivia-Brazil gas pipeline, known as Gasbol, came into operation in July 1999 at a cost of US \$2 billion to bring natural gas produced in Bolivia to major consuming centres of southern and southeastern Brazil. Possessing a capacity to transport 30 MM<sup>3</sup> of natural gas per day, it extends 557 km in Bolivia and 2,593 km in Brazilian territory<sup>6</sup>.

#### GASBOL



Source: TBG<sup>7</sup>

Leaving the Bolivian city of Santa Cruz de la Sierra, the pipeline forms a path within Brazilian territory that is highly strategically planned to reach the centre of greatest concentration of population and industry in the country, which is the metropolitan region of São Paulo, and then head toward the Rio Grande de Sul state.

#### 3.1 The Bolivian Gas War

<sup>6</sup> TBG, Gasoduto Bolívia-Brasil [Online] Available from: [http://www.tbg.com.br/portalTBGWeb/ShowProperty/BEA%20Repository/Imagem/Media/carac\\_fis](http://www.tbg.com.br/portalTBGWeb/ShowProperty/BEA%20Repository/Imagem/Media/carac_fis) [Accessed 24th May 2010]

<sup>7</sup> Id.

The political decision taken in 2002 by the elected president Gonzalo Sanchez de Lozada to export Bolivian natural gas through a pipeline linking Bolivia to a Chilean harbour generated a wave of riots that became known as the war of Bolivian gas<sup>8</sup>.

Paraguay and Bolivia are the only two landlocked countries of South America today. However, in the past Bolivia had access to the Pacific Ocean via a part of its territory that was captured by Chile during the Pacific War in the late twentieth century.

In addition to anti-Chilean sentiment among Bolivians, another factor of contention with the gas export project was the fact that many of the local people used firewood for cooking. It was a paradox that a country rich in natural gas reserves had not even conceived a domestic distribution of natural resources and yet had decided to export it at a price below international levels.

The indigenous movement led by Evo Morales launched protests demanding the creation of a domestic gas market, an increase in the amount of gas offered for export and a shift in the export harbour option to use a Peruvian port for transport of produce to the Pacific Ocean.

Demonstrations gained strength in the country and in October 2003 a ceremony held in the city of El Alto was brutally repressed by the army, under the direct orders of the President, culminating in the deaths of more than fifty people. This was the trigger for a wave of protests demanding the resignation of Lozada, who resigned and fled to Miami to avoid being blamed for the deaths in the gas war episode.

### **3.2 Evo Morales' Election**

In the 2002 presidential election, Evo Morales was the second most voted for candidate, representing indigenous movements and sectors of the Bolivian left wing in a political party called MAS - an acronym for Movement for Socialism. The disaster represented by the government of Sanchez de Lozada - and its political alignment with the Washington Consensus, which culminated in the gas war - made Morales a natural leader of the country.

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<sup>8</sup> Wikipedia, Guerra do Gás [Online] Available from: [http://pt.wikipedia.org/wiki/Guerra\\_do\\_Gás](http://pt.wikipedia.org/wiki/Guerra_do_Gás) [Accessed 24th May 2010]

In the elections of 2005 he was elected president with the vast majority of the votes<sup>9</sup> to stand victorious in the first round, defending the nationalisation of Bolivian hydrocarbons and supporting the traditional use of millennia coca leaves used by the indigenous people of the highlands in the preparation of teas used in religious rituals.

In a poor country with an indigenous ethnic majority, dispossessed in its natural resources throughout its history, the speech made by Morales after his victory with 54% of the vote set the tone of sentiment of the majority in saying: We, the poor, have the right to govern Bolivia; the indigenous people are entitled to the presidency<sup>10</sup>.

The success of his government in meeting the demands of local people, even counteracting the economic interests of multinational companies that operated in the country, have earned him great political successes such as approving a new constitution, victory in 2008 in a recall referendum on his mandate and again in 2009, when he won over a disputed presidential election.

### **3.3 Bolivia's Nationalisation of Oil and Gas**

The decree of nationalisation of Bolivian hydrocarbons of 2006 affected the operations of British Gas, Exxon Mobil, Repsol YPF and Petrobras. The government would have control of all enterprises in the sectors of downstream, midstream and upstream natural gas, petroleum and its derivatives.

Its main articles established the absolute and total nationalisation of hydrocarbons, with the requirement for foreign companies to deliver immediately all their production and assets to the Bolivian national oil company YPFB<sup>11</sup>.

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<sup>9</sup> Wikipedia, Evo Morales [Online] Available from: [http://pt.wikipedia.org/wiki/Evo\\_Morales](http://pt.wikipedia.org/wiki/Evo_Morales) [Accessed 24th May 2010]

<sup>10</sup> Folha de São Paulo, Evo Morales toma posse como primeiro presidente indígena na Bolívia. [Online] Available from: <http://tools.folha.com.br/print?site=emcimadahora&url=http%3A%2F%2Fwww1.folha.uol.com.br%2Ffolha%2Fmundo%2Fult94u91812.shtml> [Accessed 24th May 2010]

<sup>11</sup> Duarte, B. et al (2008). Impacto na relação Brasil-Bolívia, com a nacionalização dos hidrocarbonetos bolivianos, em 2006. *Indic. Econ. FEE, Porto Alegre*, v. 36 n. 1, p. 87-98, 2008.

For Petrobras the consequences were: the company was no longer a wholesale distributor, transferring its service stations to the Bolivian state company YPFB; it was forbidden to directly import petroleum products; and the level of the government take over gas production increased from 50% to 82%, through a tax increase. The traded value of gas at US\$4 per BTU has not changed, but the government of Evo Morales sought an increase to US\$7.50<sup>12</sup>.

Finally, in 2007, the Brazilian national oil company sold its refineries in Bolivia for US\$112 million at the request of the Brazilian government, which met the demand of La Paz for a quick solution to the impasse of negotiations on the value of claims paid as a result of nationalisation. The initial proposal from Petrobras was worth between US\$120 and US\$160 million, but that was reduced to meet the Bolivian claims<sup>13</sup>.

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<sup>12</sup> Esteves, R. (2006) Conseqüências da nacionalização do gás e do petróleo da Bolívia. In *Conjuntura Internacional*, p. 1. Brazil, Cenários PUC Minas.

<sup>13</sup> Estadão, A Guerra do Gás [Online] Available from: <http://www.estadao.com.br/especiais/a-guerra-do-gas,340.htm> [Accessed 24th May 2010]

#### 4 PARAGUAY-BRAZIL ELECTRICITY CONFLICT

The Itaipu Hydroelectric Power Plant is the largest generator of hydroelectricity in the world with 14,000 MW of power<sup>14</sup>, and began generating in 1984. It lies on the Paraná River on the border between Brazil and Paraguay and provides respectively 19% and 90% of the energy consumed in both countries.

In 1973 the countries signed a bilateral treaty<sup>15</sup> with a 50 year term in which each country would receive over their lifetime 50% of the energy produced. However, by the terms of the agreement and the Paraguayan government on the grounds of lack of resources at the time, the Brazilians have pledged to fully fund the venture, while the Paraguayans have pledged to pay their share into shares of surplus energy.

Paraguay uses only about 5% of the amount to which it is entitled and the remainder is sold exclusively to Brazil, at cost of generation, to bring down the debt of US\$18 billion that will have been created with the Brazilian government by the year 2023<sup>16</sup>. For Paraguayans, selling to Brazil at the cost price of the energy represents an injustice because other countries would be interested in buying by marked price.

In the past the plant's construction solved border issues that existed due to a river island in the area under Brazilian dominium that was claimed by the Paraguayans, and moreover gave Brazil energy security for its development<sup>17</sup>. In the last presidential election in Paraguay, however, objections to the binational treaty terms dominated the debate and were the cornerstone of the campaign of the candidate-elect Fernando Lugo.

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<sup>14</sup> Wikipedia, Usina Hidrelétrica de Itaipú [Online] Available from: [http://pt.wikipedia.org/wiki/Usina\\_Hidrelétrica\\_de\\_Itaipu](http://pt.wikipedia.org/wiki/Usina_Hidrelétrica_de_Itaipu) [Accessed 24th May 2010]

<sup>15</sup> Itaipu Treaty, 26 Apr. 1973 [Online] Available from: <http://www.blogdostreck.com.br/Upload/Arquivo/Arq2.doc> [Accessed 24th May 2010]

<sup>16</sup> BBC News, Entenda as Discussões entre Brasil e Paraguai sobre Itaipú [Online] Available from: [http://www.bbc.co.uk/portuguese/noticias/2009/05/090506\\_entendaitaipu\\_fa\\_cq.shtml](http://www.bbc.co.uk/portuguese/noticias/2009/05/090506_entendaitaipu_fa_cq.shtml) [Accessed 24th May 2010]

<sup>17</sup> Meridiano 47, Dilemas Sul Americanos: O Brasil, o Paraguai e Itaipu. [Online] Available from: <http://meridiano47.info/2007/07/19/190720071526/> [Accessed 24th May 2010]

It was alleged that Paraguay, by selling its energy at production cost, receives around US\$100 million annually - but if it had been selling at market price it would be receiving US\$11 billion annually, which represents four times the value of its foreign debt and is equal to the country's GDP<sup>18</sup>.

#### **4.1 Corpus-Itaipu Treaty**

Another very important international treaty signed in the wake of the Itaipu construction was a multilateral agreement between Brazil, Paraguay and Argentina on the watersheds of the Paraná River and the La Plata River. These rivers are interconnected and multi-country, with the Paraná River starting in Brazil, bordering Paraguay and flowing into the River Plate, which runs along the borders of Argentina and Uruguay.

Apart from seeking a more rational exploitation of the hydropower potential of the river basins by determining levels of rivers and reservoir variations, the treaty also sought to appease a military tension created by the Itaipu dam. The volume of water in the reservoir has been such that, if the floodgates were opened, the level of the two rivers would increase greatly and would flood the Argentine capital, Buenos Aires, and it was considered a strategic Brazilian weapon in war times<sup>19</sup>.

#### **4.2 Fernando Lugo's Election**

Former Catholic bishop Fernando Lugo became a politician in Paraguay with the promise of internally reducing social inequalities and starting a land reform, and externally reaffirming Paraguayan nationalism over its natural resources, especially those from hydro-energy.

The previous position of flexibility of Brazilian diplomacy during the conflict involving the nationalisation of hydrocarbons in Bolivia opened a precedent in the region and Lugo, during the election campaign, said that if the Brazilian government renegotiated the price of natural gas in

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<sup>18</sup> G1, Prioridade de novo governo paraguaio será Itaipú, diz jornal. [Online] Available from: <http://g1.globo.com/Noticias/Mundo/0,,MRP418955-5602,00.html> [Accessed 24th May 2010]

<sup>19</sup> Fajardo, J. (2004) Acordo Tripartite Itaipu-Corpus. Porto Alegre, Brasil. UFRGS

Bolivia, the Paraguayans had also to evaluate and renegotiate the Itaipu Treaty which was signed in 1973<sup>20</sup>.

After the election, some points of the treaty were revised, allowing sales to other countries and adjusting the amount paid by Brazil for the energy gained. From US\$120 million a year, Brazil has agreed to pay US\$360 million for energy and finance the construction of a transmission line to the capital, Asuncion<sup>21</sup>.

Brazilian President Luis Inácio Lula da Silva was categorical when he spoke after the agreement, signed in September 2009, that it would not matter to Brazil to have neighbours who did not have the same growth rate as itself.

The larger countries have an obligation to help countries with lower savings, for they could make a qualitative leap in their development capacity, in their productive capacity, and in the competitiveness of relations between the two countries<sup>22</sup>.

The Brazilian diplomatic strategy was quite successful in the sense that it made concessions bearable for Brazil and represented a major victory for Paraguay, helping it in promoting its development and also contributing to the strengthening of Mercosur.

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<sup>20</sup> LUSA, Fernando Lugo vai renegociar Tratado da hidro-electrica de Itaipu com o Brasil. [Online] Available from: <http://tv1.rtp.pt/noticias/?article=147272&visual=3&layout=10> [Accessed 24th May 2010]

<sup>21</sup> Folha de São Paulo, 25 Sep. 2009. Brasil e Paraguai fecham acordo sobre Itaipu. [Online] Available from: <http://www1.folha.uol.com.br/folha/dinheiro/ult91u600336.shtml> [Accessed 24th May 2010]

<sup>22</sup> Blanco, L. O Novo Acordo Brasil Paraguai e a Renegociação do Tratado de Itaipu. [Online] Available from: [http://www.kas.de/wf/doc/kas\\_17309-544-5-30.pdf](http://www.kas.de/wf/doc/kas_17309-544-5-30.pdf) [Accessed 24th May 2010]

## 5 CONCLUSION

The political changes that occurred in South America early in this century indicate a change in international relations among the countries of the continent, especially in the choice of peaceful forms of conflict resolution. Governors who were elected by claiming sovereignty over natural resources and self-determination of their peoples solved in a non-belligerent way the changes in marketing of such resources without compromising the energy security of the region.

Producing countries like Bolivia and Paraguay underwent profound changes in how the funds arising respectively from the sale of natural gas and electricity were destined for Brazil, without this incurring a breakdown of relations between countries and while following the goals of the Margarita Declaration for the energy integration of the continent.

The value of gas supplied to Brazil by the Bolivians was readjusted and the shares of the Brazilian national oil company were sold in that country without the gas flow being stopped, showing the viability of diplomatic negotiations. Likewise the amount paid by Brazil for Paraguayan energy coming from the binational Itaipu power plant was adjusted and ended up with exclusive sale to the Brazilian market.

From being the continent's economic leader, Brazil also hopes to establish itself as a political leader through a diplomacy guided by a moderate rhetoric and a style of negotiation that draws on solidarity. Its cooperation with less developed countries on energy issues demonstrates faith in the gains possible by means of international relations and the natural increase in the influence and respectability of the country among its neighbours.

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