

[How Lula Is Making Brazil into a New America and a World Power](#)



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Much has been written about the world's emerging powers, from India and China to Indonesia and Brazil, but these analyses often fail to recognize the importance of key values and thought patterns in appraising the overall strength of an emerging world power. Distinguished thinkers have laid emphasis on the importance of undertaking a values analysis in order to adequately assess the vitality of a given community.

Myres MacDougal and Harold Lasswell built their analytical system around eight value categories, from power and wealth to enlightenment and well-being, and Ken Wilber focuses on color-coded value memes which assess the deep psychology behind a society's shared cultural values.

It is in appraising the shared values that underlie Brazilian business, social and political policy that we can get an accurate picture of just how real and lasting the current Brazilian renaissance really is.

We will discuss the values transformation that has slowly been changing the face of Brazilian government policy in the last half-century or so (from Getúlio Vargas to Lula), and note striking similarities between Brazil and America, similarities that can even be said to herald the rise of an America in the Tropics.

This rise has been accompanied by a rise in important Brazilian circles of one key value, desenvolvimento, or developmentalism, an emphasis on wide-ranging development that Brazilian President Luiz Inácio Lula da Silva has made the cornerstone of his economic and social policies.

Perhaps "The Lula Doctrine" is a misleading moniker, since its core ideas date back to the Brazilian military dictatorship and an influential book on Brazilian geopolitics by General Golbery do Couto e Silva, the founder of the country's National Information Service, who, like many members of the developmentalist top brass of the Brazilian military, was educated at the US National War College.

But the link between General Golbery's focus on development and President Lula da Silva is not entirely misleading: it has been said that it was Golbery himself, in a Machiavellian move to outmaneuver the Brazilian Communist Party, who encouraged Lula to enter politics and start the Brazilian Worker's Party in 1980.

The Golbery/Lula Doctrine can best be defined as the desire to accelerate Brazilian economic and social development hand-in-hand, with an equal emphasis on both, and to use this socioeconomic development to position Brazil as a world power.

At the roots of early Brazilian Developmentalism was a hardy patriotism that sought to

position Brazil as a strategic world power in the mid-term on the basis of a sound economy directed by the firm hand of the state.

Developmentalism sought to tie Brazilian economic and social development to the government-guided growth of state-owned companies in strategic industries, such as Petrobras in the oil sector, Companhia do Vale do Rio Doce in the mining sector, Embraer in the aviation sector, Embratel in the telecommunications sector and Eletrobrás in the energy generation sector, among others.

During the military dictatorship that governed the country from 1964 to 1985, Brazilian developmentalism ushered in an infrastructure building frenzy that saw railroads, nuclear and electrical power generation plants and airports go up all over Brazil.

Examples of current developmentalist Brazilian policies on the economic side of the equation include increasing investment in biodiesel, with an eye to making Brazil a leader in this sector as it grows in importance over the coming decades; a growing emphasis on oil self-sufficiency and energy independence (“biflex” and “triflex” cars, which use gas, gasoline and alcohol, are already sold in Brazil); the stated aim of achieving independence from the IMF, without withdrawing from the world financial system (a seeming paradox, as when in early 2006 the Brazilian government both celebrated its decision not to renew its IMF line of credit and sought biodiesel loans from the International Development Bank); former Brazilian Treasury Minister Palocci’s quest for fiscal discipline and long-term macroeconomic stability, which President Lula has characterized as Brazil’s quest to become “master of its own house,” (examples of the fruits of this policy include high Brazilian currency reserves, the Brazilian government’s quiet actions to steadily retire its dollar-denominated debt, and the strengthening of the local currency, the real, which achieved impressive gains on the dollar in 2005); a presidential decree eliminating taxation of foreign investors in Brazilian public debt instruments; the heavy investment in the development of the Brazilian alcohol and ethanol fuel industry, seen as a cornerstone of energy independence; and the Brazilian government’s efforts to protect the pharmaceutical treasure trove in the Amazon, which range from the Projeto Rondon, which sends Brazilian university students to the Amazon to carry out mass vaccinations and collect plant samples for later study, and the SIVAM (a high-tech air vigilance system), to the recruitment in the Amazon region of Brazilians of aboriginal descent to join the armed forces.

On the social side of the developmentalist equation, examples of current Brazilian government efforts to accelerate social development include: an openness to foreign immigration, reflected in proposed revisions to Brazil’s foreign immigration law which would facilitate several criteria for the granting of visas; the ProUni program which aims to educate the masses by spreading public universities to the interior of the country; a record increase in the minimum wage, which the Lula government has taken from US\$ 70 to US\$ 150 in 3 years; the introduction of an affirmative action policy aimed to benefit Brazilians of African descent; massive investments in infrastructure, from roads to airports; a federal program aimed at ensuring that all Brazilians have access to a computer; and the Brazilian government’s actions to break patents on several medications in a bid to stem the ravages of illnesses such as AIDS, hypertension and diabetes. The Brazilian government recently initiated an ambitious program to make medicines for chronic illnesses available to all Brazilians at 10% of their current prices

and even free of charge for the poorest members of society.

Like China, India, and Indonesia, the other three nations that, together with Brazil, were recently characterized by the CIA as emerging world powers in an influential public report, Brazilian governments have focused on the high-tech sector as a bulwark of economic and social development. High-tech development is a value that has guided Brazilian government policy since the military dictatorship of 1964-85.

Brazilian Internet use is growing exponentially. Orkut, a Google-owned virtual community, has over 7 million users in Brazil alone. The Brazilian government has also made the Internet an increasingly important avenue of communication with the country's 180-million strong population. More advanced in many ways than even First World countries like the US and Canada, in Brazil virtually all dealings with the government can be undertaken over the Internet.

In other high-tech areas, Brazil's state-owned oil company, Petrobras, the most profitable Latin American corporation, has long been considered a world leader in state-of-the-art technology for deep-water oil exploration and extraction.

Among the most sophisticated technology for uranium processing was developed in Brazil. While fully compliant with international non-proliferation treaties, Brazil has been known to have a uranium-processing program for years.

Brazil is also a major force to be reckoned with in high-tech agribusiness: it is one of the world's largest food producers, has the world's largest cattle stocks and is one of the world's leading exporters of beef, soybeans, chicken, fruits and vegetables.

In the pharmaceutical sector, Brazil has been quietly preserving and exploiting the immense genetic diversity of the Amazon rainforest for the creation of new drugs.

The Brazilian Ministry of Health has made headlines for breaking patents for expensive medications for chronic illnesses such as HIV and AIDS. Approximately one half of the persons being treated for HIV in the world are receiving treatment in Brazil.

On the international stage, this new America in the Tropics is making a bid to take on a lasting leadership role. In 2005, Brazil announced its intention to seek, along with India, China, Germany and Japan, a permanent seat on the UN Security Council.

Part of this bid included Brazil's decision to send troops to lead a UN Peacekeeping mission in troubled Haiti, a first for the Brazilian armed forces. Brazil's quest for a permanent UN Security Council seat is part of a larger bid to establish itself as an emerging world power.

Parallel efforts include Brazil's leadership of the opposition to ALCA, the Free Trade Area of the Americas, its repeated challenges of US and European agricultural subsidies at the WTO, its increasing leadership role in Mercosur, the South American common market, the strategic alliances it has established with Africa, China and India and even a discreet improvement of relations with the US.

Hedging his bets, Brazilian President Lula da Silva has aggressively courted China and

the Middle East and maintained good relations with Venezuela's Hugo Chávez and Cuba's Fidel Castro, the poster boys of the fight against what they term American Imperialism.

Despite these controversial ties and its tough-love relationship with the US, typified by the decision to photograph all Americans entering Brazil in response to the US Department of Homeland Security's tightening of security measures in the wake of the September 11 terrorist attacks, Brazil maintains a strong relationship with the US.

Evidence of this is the Brazilian government's close collaboration with US authorities in tracking the whereabouts of Al-Qaeda operatives.

On the domestic side of the new Brazilian internationalism, the Lula government has presided over an impressive increase in foreign tourism and taken key measures to attract more foreign immigrants, including reducing the minimum investment required for a foreign investor's visa from US \$200,000 to US \$50,000.

Brazil's moves to spread its wings abroad and become a regional pole of power are another trait it shares with the US. Just as the US spent much of the 19th and early 20th century expanding its borders and welcoming huddled masses of immigrants from all over the world, so did Brazil expand its enormous land mass and welcome such a diverse influx of immigrants that it now possesses the most diverse human genome in the world.

Indeed, the Brazilian FAPESP Genome Mapping Project is about 50% the size of the much better known Celera Genome Project, with only 5% or so of the budget! Whereas in the US most genetic mapping of plants is prohibited, no such prohibitions are in force in Brazil, thereby making genome research easier.

Like the US, Brazil is an immigrant nation, a huge ethnic melting pot whose constituent parts have fused into a robust national identity that rests on the twin pillars of deep-seated patriotism and a vibrant popular culture.

The heady ethnic mix of the Brazilian melting pot includes over 20 million Nisseis, or Brazilians of Japanese descent, 20 million Brazilians of Arab descent, 25 million Brazilians of Italian descent, some 6 to 8 million Brazilians of Spanish descent, 6 to 8 million Brazilians of German descent, 3 to 4 million Brazilians of Polish descent, 1 million Brazilians of Russian descent, some 600 thousand Brazilian Jews, some 5 million undocumented Chinese and Koreans and several million Latin Americans in bordering countries who from time to time cross into Brazil to live and work.

Thrown into this dizzying mix is the fact that over half of all Brazilians are of Portuguese descent. Of equal importance is Brazil's African and aboriginal heritage. While there are only about 300 to 500 thousand Brazilian aboriginal Indians, at least 30% of Brazilians can trace their family tree back to aboriginals at some point.

Moreover, some 15% of Brazilians are blacks of African heritage and a further 25% of Brazilians are of mixed African descent. Needless to say, all of these figures are approximations at best: Brazil is above all a tremendous racial mixture in which it is often difficult to separate out neat percentages of ethnic origin.

Like ethnic Americans in the 20th century (less so now that Mexican Americans have resisted assimilationist pressures), ethnic Brazilians are first and foremost Brazilians. That is, they assimilate and merge into the robust Brazilian national identity, which, like American exceptionalism, is built on strong cultural symbols, an enduring strain of patriotism and a vibrant popular culture.

Brazil's cultural symbols are known the world over: samba and other African-influenced musical and dance forms, futebol, or soccer, the Carnaval, beach culture and popular music from cool bossa nova to swinging axé music.

In recent years, Brazilian governments at the federal, state and municipal levels have taken measures to strengthen and preserve these symbols, from the establishment of the City of Samba (Cidade do Samba) and Carnaval University (Universidade do Carnaval, a sort of professional school for Carnaval-related careers) in Rio de Janeiro to Culture Minister and pop culture icon Gilberto Gil's official declaration that samba and other cultural expressions are part of Brazil's intangible cultural patrimony.

Brazil's robust popular culture and potent symbols of national identity go hand in hand with the ufanismo phenomenon, a sort of unreasoning, exaggerated, grandiose exaltation of all things Brazilian that runs strong and deep in Brazilian culture.

Brazil could not be characterized as a new America in the Tropics if it were not for the centralization of power in the Federal Government. Brazil is an apparent federation, but even more so than in the US, the Federal Government holds tremendous sway.

This centralization, essential for the decisive program of action set forth in the developmentalist Lula Doctrine, was bolstered by 20 years of military dictatorship from the mid-1960s to the mid-1980s. The period of the dictatorship did much to implant an acceptance of a strong central government in the Brazilian collective unconscious.

Anecdotally, it is hard to find a Brazilian who, even now, 20 years after the demise of the military dictatorship, is willing to go out into the street without his national ID card, for fear of being arrested.

This centralization is as real as it is apparent: any Brazilian who owes money to the Federal Treasury (whose broad-reaching powers the Lula government has just expanded by creating the Super-Receita, or Super Treasury Ministry), may not sell any good or service, no matter how small, to the Brazilian government, for, in a stunning show of efficient and quick centralization of information, his Taxpayer ID will give him away in an instant as a tax debtor.

Another very public show of the Brazilian ease in processing and centralizing information are general elections: voters cast their ballots electronically using numerical codes and the results of each polling station are available minutes after polls close in the form of what looks like an ATM print out!

This centralization has a little-known military side: while hidden from public view, the Brazilian Military continues to exert a quiet influence in everyday affairs, as witnessed by President Lula's unwillingness to go the route of Argentine President Nelson Kirchner and investigate past abuses by the armed forces.

Needless to say, Brazil still faces enormous hurdles in its quest to morph into a First World economic powerhouse. Government corruption is still rife: José Dirceu, Luiz Gushiken and Antônio Palocci, the triumvirate that guided Lula to power, have all fallen by the wayside in high-profile corruption scandals.

There is an immense bureaucratization in Brazilian life, which is lubricated by corruption, and although Lula has been decisive in firing even his closest comrades when accusations of corruption have reached critical mass, he may yet fall victim to his own peccadilloes and oversights.

It is common knowledge that his son has benefited in the past from generous sponsorship deals from high-profile Brazilian corporations, and it may yet be that corruption scandals in Lula's own household may topple him before elections take place or at the polls in October 2006.

His main rival, former São Paulo governor Geraldo Alckmin, has skeletons of his own to deal with: it appears that he may have influenced a state-owned bank to channel advertising money and sponsorships to favorable media outlets.

Lula's own Worker's Party (PT) seems in many ways at variance with his unorthodox governance style, which blends grandiose New Deal-style social initiatives with technocratic fiscal conservatism and Realpolitik geo-strategic positioning.

There is a lack of professionalism evident in many quarters of Lula's party, as witnessed by the poor results of the much-ballyhooed PT government in Brazil's largest city, São Paulo, headed by Marta Suplicy, who in 2004 went down to defeat to former Lula rival, José Serra.

Other Achilles' heels of this new America in the Tropics include the drug trade, which has de facto carved out of Brazil a series of unassailable fiefdoms, including parts of the Southern states of Rio de Janeiro and Espírito Santo, which drug traffickers rule unchallenged.

The Brazilian financial system is still victim to stark imbalances: the country's banks, among the world's most profitable financial institutions, charge among the highest interest rates in the world and the cost of capital is still prohibitive for most small- and mid-sized companies.

While Brazilian bureaucracy and corruption are weaknesses that the country must overcome, they also hide the true size and strength of this emerging economic power: analysts claim that anywhere from 40 to 70% of Brazilian economic activity takes place in the so-called "gray market," thus rendering the true Brazilian GNP much larger than currently estimated, without taking into consideration the purchasing power of the Brazilian real vis-à-vis the US dollar.

Although the real Brazilian GDP may be less than the US GDP in dollar terms, in terms of what that Brazilian GDP can buy within Brazil as opposed to what the US GDP can buy within the US, the difference may be much smaller than previously imagined.

Under the Lula Doctrine of tying economic to social development at

home and using this socioeconomic development as a springboard for geo-strategic positioning abroad, Brazil is fast evolving into a new America in the Tropics.

Culturally, Brazilians are becoming better educated and more litigious, are leveraging their enormous entrepreneurial creativity, and are basking in a newfound patriotism, which has manifested itself everywhere from the declarations of Culture Minister Gilberto Gil celebrating the country's popular culture as an intangible national patrimony to President Lula's repeated public declarations commemorating Brazil's achievement of energy self-sufficiency and his government's decision not to renew its IMF line of credit.

Socially, the Brazilian government is working overtime to spawn a well-educated, computer-literate middle class that can compete with the world and to lessen the disparities of wealth with massive social programs aimed at the redistribution of wealth.

On the geo-strategic chessboard, Brazil is positioning itself as a world power, leveraging its growing oil and natural gas reserves, developing the energy sources of the future (ethanol and biodiesel), angling for a greater role in international affairs (including a permanent seat on the UN Security Council), taking a leadership role in South America and positioning itself in key industries such as agribusiness and pharmaceuticals.

It is true that the 2005 growth of the Brazilian GNP (2.3%) was disappointing, but the real story is the values transformation that is taking hold in Brazilian government policy: the Lula Doctrine, and its pillars of developmentalism and strategic internationalization, are fast positioning Brazil as the number two power in the Western Hemisphere, a veritable new America in the Tropics.

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