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## Brazil and Mexico: Latin America in-between

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Are Latin America's two largest countries partners, or rivals? As simple as the question may be, when applied to current Latin American affairs the answer may hold far more implications than commonly expected. Long considered natural opponents, vying for the same kind of regional influence and international clout as any other emerging power, both countries have tread a fine line in recent years as they sought to present an ambivalent image of converging interests and growing economic ties – US\$8.5 billion in 2011 alone, a 40% increase from the previous year – that have helped to mask competition between one another. However, it is difficult to hide the fact that these are the only two countries capable of exercising any real influence over regional affairs, thus making them particularly prone to clash on a number of fronts, especially whenever their interests do not coincide. The purpose of this article, though, is not to assume that such a confrontation is as certain as many observers believe. Instead, it will start by providing a brief overview of Mexico and Brazil's claims for Latin American leadership, in order to demonstrate how their alleged rivalry has varied in recent years. A selection of episodes will then be analyzed in order to highlight the current relevancy of this discussion. It will subsequently suggest that any claim of an inevitable rivalry is ultimately incomplete if it doesn't take into account other crucial regional players, with interests of their own.

### **Two giants, varying focuses**

Brazil and Mexico have large economies, vast territories, and generally positive demographics, and on this basis they have often been considered rivals for leadership over Latin America. However, regional history is full of examples where such intentions of 'benign leadership' ended up undermined. Economic crisis, self-serving elites, military governments, structural dependence on the US, or direct competition with other regional players – Argentina, in the case of Brazil – all ended up contributing, one way or the other, to significantly reduce both countries' claims for an undisputed leading role in Latin America.

This is not to say that Brazil and Mexico did not play a substantial large role in their nearby regions. For all purposes, Mexico has long been the primary economic powerhouse in Central America and Brazil, under the claim of a regional integration drive, has successfully drawn the Southern Cone more and more into its fold as the years went by. Still, as if by gentlemen's agreement, these accomplishments were basically restricted to each country's geographic backyard – until just recently, that is, when the situation became considerably more fluid.

The main driver of change in these dynamics has been a renewed push towards economic integration. Inspired both by Mexico's entrance into the North American Free Trade Agreement (NAFTA) and Brazil's active backing for



the Common Market of the South (MERCOSUL), the idea of a Free Trade Area of the Americas (FTAA) that could encompass every nation from Alaska to Tierra del Fuego in a common free trade framework, began to make its way into the continent in the late 1990s. However, FTAA negotiations quickly pitted the US – and Mexico to a lesser extent – against Brazil, which led a group of several nations that claimed the agreement's terms too favorable to Washington. Bugged down in uncompromising positions, the project was officially abandoned after de Mar del Plata Summit on November 2005. As such, it only contributed to highlight the fracture lines among the continent, with Mexico turning its sights more and more to its northern neighbor and Brazil refocusing its approach towards its South American backyard. The possibility of a generalized claim for moral authority or leadership over the remaining Latin American nations seemed to no longer be valid for either party.

With Luiz Inácio Lula da Silva at the helm, Brazil thus embarked on a new integration push that initially privileged the strengthening of MERCOSUL, but which gradually evolved into the promotion of wider intergovernmental political structures such as the Union of South American Nations (UNASUL), officially launched in 2008. This period was therefore clearly marked by the “reinvention of the concept of South America” as opposed to the distant limits of Latin America, up north.<sup>1</sup> In other words, there was a clear political will in trying to draw a distinction between what was happening in South America and what was not happening in Mexico's zone of influence in Central America.

Meanwhile, Vicente Fox's government deepened Mexico's dependency on the US market, to the detriment of greater ties with the remaining continent. This foreign policy focus would only change in 2006 under Felipe Calderón, who acknowledged his country's trade reliance on the US but began advocating the importance of Mexico regaining its ability to re-engage with the rest of Latin America. Naturally, this also included seeking a more dynamic relationship with Brazil, already attracting the world's focus by this time.<sup>2</sup>

Lula's visit to Mexico in August 2007 appeared to substantiate this convergence of interests, with public statements over shared and common interests clearly aimed at downplaying any previous appearance of disagreement or competition.<sup>3</sup> Still, in December 2008, Brazil once again took the lead over Mexico by convening in Salvador da Bahia the I Summit of Latin American and Caribbean Countries for Integration and Development

(CALC). This gathering of 33 Latin American and Caribbean heads of state sent an unequivocal message to the outside world: Brazil could not only claim the leadership of South America, but it was also now on track to lead a new project that incorporated the entire Latin America. In an interview with *El País*, Calderón himself recognized that Lula had great charisma, that Brazil provided great leadership and that he had no problem in recognizing it. However he also mentioned that “Mexico has its own place [in Latin America] and it doesn't need to dispute it with anyone”.<sup>4</sup> This careful reassertion of Mexican regional clout came only after Brazil's active role in the 2009 Honduras crisis<sup>5</sup> but gained new and interesting contours when Mexico hosted the follow-up to the CALC summit in Cancún in April 2010. Indeed, Calderón took the opportunity to bring forward his own proposal for the institutionalization of continental relations without the attendance of the US or Canada, which would then lead to the creation of the Community of Latin American and Caribbean States (CELAC).<sup>6</sup> Regardless of who deserves credit for starting this project, it appeared to confirm Mexico willingness to fully reengage with Latin America while throwing its hat into the ring for broader regional leadership. After a decade of missteps and back-and-forth, one could say that Mexico was now tilting the game in its favor and thus resurfacing “as a challenger to Brazilian influence over the region”.<sup>7</sup>

### Clashes in the waiting

As these dynamics evolved, so did the areas of potential feuding. The most notorious case of unspoken competition, though, continued to concern the UN, where both countries have long held ambitions of winning a permanent seat in an envisioned Security Council reform, in the hopes of finally claiming the coveted leadership role over Latin America. However, despite Lula's best efforts to reach such a goal during his time in office, Brazil and its G4 (Japan, Germany and India) peers eventually saw their bid blocked in 2005 by the combining lobbying work of the United for Consensus/Coffee Group, which gathered several other opposing regional powers with similar agendas, including Argentina, Colombia and, of course, Mexico.<sup>8</sup> In light of this, one could hardly consider Brazil's case for a membership seat to be based on any kind of consensual

1 Thiago Gehre Galvão, “América do Sul: construção pela reinvenção (2000-2008)” (*Revista Brasileira de Política Internacional*, Vol. 52, No. 2, 2009), p. 63.

2 Juan Pablo Soriano, “Brazil in Mexico's Foreign Policy: The Quest for a More Dynamic Relationship” (*Real Instituto Elcano*, Working Paper No. 94, 31 October 2007).

3 Luiz Inácio Lula da Silva, “Brazil-México: Uma Parceria Necessária” (*El Universal*, 5 August 2007).

4 Pablo Ordaz, “No tengo ningún empacho en reconocer el liderazgo de Lula” (*El País*, 14 May 2010).

5 Jens Glusung, “Brazil flexes muscles over Honduran crisis” (*Der Spiegel*, 10 September 2009).

6 Tim Padgett, “As Brazil Rises, Mexico Tries to Amp Up Its Own Clout” (*Time*, 20 March 2010).

7 Sean Goforth, “Brazil in 2011: Growing Pains” (*IPRIS Lusophone Countries Bulletin*: 2011 Review), p. 13.

8 Mexico favours instead the expansion of the non-permanent seats in the Council. See “Mexico expresa clara posición frente a la reforma del Consejo de Seguridad de la ONU” (*Secretaría de Relaciones Exteriores*, Comunicado No. 164, 16 May 2011).



regional backing. More importantly, this lack of unity basically implied that previous tokens of support for Brazilian ambitions were considerably overrated and that its divisiveness level was seriously underestimated.

Still, it could be speculated that the rivalries and divisions that managed to put UN reform on hold may have been just simply transferred to another international forum and are only waiting to emerge. In the wake of the 2008 financial crisis, the G20 soon emerged as the new preferential mechanism for consultations between the world's biggest economies, with Brazil and Mexico taking their due place among the international decision-making elite. As the latter took on the rotating presidency for 2012, Calderón skillfully delivered a stark reminder to Brazil – which had 'only' chaired the G20 Finance Minister meetings in 2008 – by emphasizing that it was "the first time that not only a Latin American country but a developing country has assumed [the post]".<sup>9</sup> The significance of this self-perceived role was made more clear when, ahead of the G20 Summit scheduled for June 18-19 in Los Cabos, Mexico asked all Latin American countries for proposals and feedback on global economic issues which it could take to the table in the upcoming gathering. Conspicuously enough, Brazilian, and Argentinean officials for that matter, weren't present at the time.<sup>10</sup> As G20 members, Brazil and Argentina are undoubtedly in a different league than what these prospective regional meetings represent but their absence does illustrate how they might find it difficult, if not unreasonable, to have their agendas 'coordinated' by any another country, let alone by Mexico. Likewise, it is only safe to expect Mexico to adopt a similar posture whenever Argentina or Brazil assumes the lead in G20 affairs over Latin America.

Meanwhile, a different area for potential rivalry that may hold far more direct consequences could reside in regional free trade. After the FTAA debacle, Brazil and Mexico essentially stuck to their own geographical neighborhoods in terms of free trade promotion. The announcement over the so-called Pacific Alliance between Chile, Colombia, Mexico and Peru, though, undoubtedly heralded the coming of a new project that expressly threatens preexisting zones of influence. What's more, the direct comparison and competition with the Brazilian-backed MERCOSUL was immediately grasped across Latin America. Despite Brazil's Foreign Ministry - Itamaraty swift contention that it still held the "natural leadership" over Latin America, it was difficult to not interpret this development as a further dent in

such claims.<sup>11</sup> In essence, by taking advantage of Brazil's "BRIC mindset" and its lesser interest for "mere" regional issues,<sup>12</sup> Mexico managed to reassert itself as the free trade champion to the continent's constant craving for more and more integration endeavors.

Nevertheless, Brazil's hesitant focus on the region nowadays does not mean that it is indifferent, in any way, to its bilateral relations with Mexico. After negotiations took off in 2010 towards a Strategic Agreement on Economic Integration (AEIE) that aimed for a future free trade deal between the two countries – a singular "exception" in Brazil's overall trade policy, which favors multilateral/regional deals, unlike Mexico<sup>13</sup> – the process eventually stagnated. That didn't mean, however, that selective agreements on specific sectors hadn't already been in place before, with the most significant one concerning each country's auto exports. Still, in light of a sudden surge of Mexican car exports in 2011, Brazil faced a significant trade imbalance that, in turn, prompted a series of Brazilian demands for corrective measures. All the while the threat of cancelling the agreement loomed in the air.<sup>14</sup> Although an understanding was ultimately reached, the consequences of this hindrance may endure. As Mexican Economy Minister Bruno Ferrari noted, "After this, it would seem irresponsible to talk about a free trade agreement until confidence has returned to the market and also to manufacturers in both countries, who are very worried because deals need to be honored".<sup>15</sup>

### Perceptions and third parties

Looking back on the past decade, as the region began to make room for a rising Brazil and a lurking Mexico, many were left wondering why such dual status had taken so long to emerge. Indeed, for every prediction of Brazil's future grandeur there was always a corresponding forecast of a sublime future for Mexico. Take the case of Brazil's inclusion among George Kennan's "monster countries"<sup>16</sup> or George Friedman's prediction of Mexico becoming a superpower by the end of this century.<sup>17</sup> But perhaps even more insistently, observers also often

9 Speech by President Felipe Calderón during the G20 Merida Summit, 3 December 2011. Quoted in Laura Carlsen, "The G20 Under the Mexican Presidency" (*CIP Americas Program*, 16 March 2012).

10 "México reúne propuestas regionales para G20 em encontro sem Brasil e Argentina" (*AFP*, 17 March 2012).

11 "Brasil é líder "natural" na América Latina, diz Itamaraty" (*Folha S. Paulo*, 25 March 2011).

12 Sean Goforth, "Mexico Fills Void in South American Free Trade Agenda" (*World Politics Review*, 11 October 2011).

13 Daniella Fernandes, "Acordo bilateral com México é exceção na política externa do Brasil" (*Opera Mundi*, 20 August 2009).

14 For more on the auto export dispute see, "Brazil, Mexico and trade: Two ways to make a car" (*The Economist*, 10 March 2012); Rachel Glickhouse, "Brazil and Mexico Square off over Terms of Auto Pact" (*Americas Society/Council of the Americas*, 16 March 2012).

15 Adriana Barrera, "Mexico, Brazil free trade talks under threat: minister" (*Reuters*, 16 March 2012).

16 George Kennan, *Around the Cragged Hill: A Personal and Political Philosophy* (New York: W. W. Norton, 1993).

17 George Friedman, *The Next 100 Years: A Forecast for the 21st Century* (New York: Doubleday, 2009).



enquired, “What went wrong?” with Mexico or better yet, why did it take Mexico so long to present itself as an alternative to Brazilian influence in Latin America.<sup>18</sup>

The reasons for such a discrepancy or, better yet, for Mexico’s delay in catching up to Brazil have been long attributed to the country’s own internal concerns and structural problems over drug-related violence that has hit Mexico hard for the past couple of years. Turf wars between drug cartels and security forces have resulted in over 50,000 deaths since Calderón assumed office. When combined with intense international media scrutiny, this forms the image of an embattled country, more inwardly focused than concerned with foreign affairs or regional matters.

But for their part, Mexican officials have frequently complained of what they claim to be skewed external perceptions that harm the country’s reputation abroad, especially when in comparison with Brazil. For example, in another interview to *El País*, Felipe Calderón stated that, “What strikes me clear is that there is a substantial difference between Brazil and Mexico. (...) All Brazilians, from the president down to the last of the Brazilians, anywhere in the world and at any time speaks highly of his country. (...) And yet, one of the great specialties [today] is speaking ill of Mexico”.<sup>19</sup>

Likewise, former Mexican Foreign Minister Jorge Castañeda has noted, “In the US and in Europe, Brazil is [seen] as the fairytale and Mexico as the horror”.<sup>20</sup>

Resentments over unfair comparisons aside, it would be wise not to take the previously analyzed examples of di-

vergent interests out of proportion. For all purposes, Brazil and Mexico have never reached any kind of bilateral breakdown that could hinder their overall foreign policy agendas or compromise their considerable bilateral trade, nor are they likely to. Instead, what recent years have shown is that both countries do aspire to become a regional spokesperson of sorts, even if with varying chances of success. Occasional loss of focus for regional affairs or

adhesion to more limited geographical notions were eventually compensated by eventual resurgences of political interest for the concept of Latin America as a whole, indicating the importance that both countries attach to having the entire region lined up behind their wider international agendas. On the other hand, it is undeniable that international perceptions as for who may eventually lead the region has also assumed a part in this dichotomy discourse, especially when it helps to conceal the fact that the regional context is not exactly on par with these countries’ claims of success in that area.<sup>21</sup>

Instead, the true hurdle in the way of Brazilian and Mexican ambitions may reside in knowing how other multiple players, with aspirations of their own, will continue to juggle these two giants’ shifting priorities. As hinted

throughout this article, at times Argentina, Colombia, Chile and even Venezuela have, for example, welcomed with open arms greater Brazilian investments in their economies but haven’t exactly shied away from also calling on Mexico, whenever Brasília’s gravitas began to feel too overwhelming. The cited Pacific Alliance is a case in point that perfectly illustrates the evolution of such pre-

Observers often enquired, “What went wrong?” with Mexico or better yet, why did it take Mexico so long to present itself as an alternative to Brazilian influence in Latin America. The reasons for such a discrepancy or, better yet, for Mexico’s delay in catching up to Brazil have been long attributed to the country’s own internal concerns and structural problems over drug-related violence that has hit Mexico hard for the past couple of years. When combined with intense international media scrutiny, this forms the image of an embattled country, more inwardly focused than concerned with foreign affairs or regional matters.

18 John Authers, “Mexico v. Brazil contest not decided yet” (*Financial Times*, 23 June 2011).

19 Javier Moreno, “Para ganar una batalla tienes que ir a por ella” (*El País*, 27 March 2011).

20 Jorge Castañeda, “La rivalidad Mexico-Brasil” (*El País*, 2 March 2012).

21 See for example, Andrés Malamud, “A Leader Without Followers? The Growing Divergence Between the Regional and Global Performance of Brazilian Foreign Policy” (*Latin American Politics and Society*, Vol. 53, No. 3, 2011), pp. 1-24.



carious 'allegiances'. Likewise, the UN Security Council and the G20 represent international stages where both Mexico and Brazil have struggled to present themselves as undisputed voices of Latin American interests, mostly because they don't seem able to overcome the different 'allergic' reactions that their foreign agenda raise in a number of fellow regional neighbors. At the end of the day, these countries are the ones getting overlooked in the debate over Latin American leadership, as they ultimately comprise the ever-temporary base of support for any pretentious regional leadership project that Mexico or Brazil might embody. A refocus of the present debate towards including a broader and more in-depth analysis of these actors role in such dynamics thus comes across as inevitable.

Be that as it may, such acknowledgement can never hide the fact that Brazil and Mexico indeed hold competing interests for the region. As such, international recognition in the world stages and free trade issues are bound to implicate some frictions in their future dealings. But the equation of their pretense confrontation holds far more variables than what initially meets the eye, and to better understand such a presently relevant debate one needs to expand it. To that end, it is crucial to recognize that between Mexico and Brazil resides a vast region with a multitude of interests that constrain and ultimately dictate the chances of success for any kind of leadership ambition.

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