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WELCOMING REMARKS:

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KEYNOTE REMARKS:

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PANEL DISCUSSION:

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SUZANNE MALONEY: Good afternoon to all those who are joining us here in the Brookings Institution's Park Auditorium and virtually from Brazil and around the world. I'm Suzanne Maloney, vice president and director of foreign policy here at the Brookings Institution. And I'm delighted to welcome you to our event

today. This event marks the start of our conference on the U.S. and Brazil here at Brookings, organized by my colleagues at the Strobe Talbott Center for Security Strategy and Technology. In organizing this event, we are grateful to the Lemann Foundation for their support and for the respect that they and all of our donors show to Brookings Research Independence. Since Brazilian President Luiz Inácio Lula da Silva his inauguration and return to power in January. A rapid turn of events has taken place that is reshaping the future of relations between the United States and Brazil. Both countries are contending with internal political and economic challenges of their own, but they're also finding new opportunities for cooperation. A month after the attack on Brazil's capital and federal branches of government that mirrored the images of January six, 2021, at the U.S. Capitol, President Lula visited President Biden here in Washington, D.C., to reaffirm Brazil's commitment to democracy, addressing climate change and improving bilateral cooperation on trade and innovation. While the Biden administration has committed to strengthening the U.S. relationship with Brazil, especially in light of the formal of the bicentennial of the formal diplomatic relationship between the two countries next year. All of this is happening in a rapidly changing geopolitical environment. In recent months, the war in Ukraine has become a point of friction for U.S. Brazilian relations, with the U.S. continuing its aid and commitment to support Ukraine against Russia's aggression, as Brazil has called for negotiations. And last month, President Lula went so far as to accuse the United States of encouraging the war in Ukraine. Both Brazil and the United States have deep economic ties with China, but look very differently at the issue of globalization versus de-risking and issues of global governance. Reform, especially in the economic and financial arena, remain a point of divergence in the relationship. To unpack this very timely series of topics, we're honored to be joined today by former U.S. Ambassador to Brazil, Thomas A. Shannon. Ambassador Shannon served in this capacity under President Obama from 2010 to 2013. He was appointed as counselor of the State Department in 2016 and most recently served as the undersecretary of state for political affairs from 2016 to 2018. Ambassador Shannon's impressive career in the Foreign Service spans more than three decades, having served six presidents and 11 secretaries of state. In 2012, he received the prestigious appointment as career ambassador, the highest ranking position in the Foreign Service. He is currently a senior international policy advisor to the firm Arnold and Porter. Following Ambassador Shannon's keynote address. We will be joined by a distinguished panel of experts to discuss key issues. Allow me to offer very brief introductions of our colleagues here today. Moderating the panel is my colleague Bruce Jones, who is a senior fellow in the Talbott Center here at Brookings and whose work has long focused on emerging powers in the multilateral domain, as well as on wider questions of international security. Vanda Felbab-Brown is also a senior fellow in the Talbott Center. She also directs Brookings Initiative on non-State Armed actors, Funders, research and field work focuses on organized crime, illicit economies and nontraditional security threats in Latin America, South Asia and Africa. Joining us from Brazil is one of the country's leading expert voices on foreign policy and geopolitical affairs. Matias Spektor. Matias is the founder of the School of International Relations at the Tulio Vargas Foundation in Brazil, where he also serves as a professor. He's a visiting fellow at the Princeton Institute for International and Regional Studies. His regional expertise focuses on transnational political violence, international security and climate politics in Latin America and the Global South. Ambassador Shannon will also join the panel in discussion. Before we begin, this is a reminder that we are currently live streaming and on the record for those of us who are joining us virtually. Please send your questions to events@brookings.edu, or use the hashtag U.S. Brazil? Microphones will be passed around to the audience here in the auditorium during the question and answer period. Ambassador Shannon, the podium is now yours.

THOMAS A. SHANNON JR.: Oh, well, good afternoon. What a tremendous pleasure to be here today. And let me congratulate the Brookings Institution and the Strobe Talbott Center for hosting this conference. So important at this point in time for the United States and Brazil, but I also believe for our hemisphere and for the world. And I thought I would start with something quintessentially Brazilian music. For those of you familiar with the Brazilian composer Thomas Robbins and his song I Was the Master. This is a song that Jobim wrote about the rains of March during the rainy season in which he captures in lyrics all of the many impressions that he has perceived during these rains as he's sitting in his farm in Rio de Janeiro state. And he sings the song with Alicia Regina, one of the great singers of Brazilian modern history of bossa nova. And it's kind of a call and response song in which he says something that comes to his mind. She says something that comes to her mind. It's kind of a bossa nova rap, and it's, for me at least, exquisitely beautiful. And it captures kind of the passing nature of our sensual perceptions. But the thing about Brazil, I think Jobim captures it well is that this passing transitory nature of life does not lead him to a sense of tragedy or loss. It actually leads him to joy. And as he sings his song, there's a kind of a chorus that comes through after each listing of different sensual experiences, whether it be taste, smell or sight. He keeps returning to It's the promise of life. It's the joy of life. It's the end of strain or or activity. In other words, there's this joy breaks out. And you know the story behind the song. And the reason I'm telling you this is that Jobim had gone to his farm to build a wall, not a wall on the Mexican U.S. border, but a wall on his boundary line. And he couldn't do it because it was raining so much and there was so much mud that they could not even unload the bricks from the truck that had been brought in to build the wall. And so he began to focus on everything else that was happening. And for me, at least, what's important about this is that I think we need to understand the

Brazilian relationship in the same way the U.S.. Brazilian relationship. Because we've come to build a wall. We've come to construct a certain kind of relationship. Both the United States and Brazil. But the nature of the world is like the rain in Rio de Janeiro state. It's complicating the wall we want to build because the world has changed. The world has become more complicated and more difficult. And so what we need to do, at least for a moment, is to look around us and begin to perceive the relationship in a different way, perceive it in terms of what our senses tell us about that relationship and how we as nations engage. I would argue that the US Brazil relationship is one of the foundational pieces of 21st century diplomacy. You all know this well. Brazil and the United States are the two largest democracies in our hemisphere. They're the two largest economies. They're two continental sized countries that dominate North America and South America. Both are energy self-sufficient, produce and import more food than any other group of countries in the world and have the world's greatest reserves of arable land and water. Both are home to diverse, dynamic populations that have attracted people from all around the world seeking opportunity to build new lives for themselves. And both countries have global ambitions that extend far beyond their geography. While the geographical address of Brazil might be South America and the geographical address of the United States might be North America, the existential address of both countries extends far beyond our hemisphere. But what's important for me is that the relationship between these two countries. Goes far beyond only the governments of those countries. It includes the societies of our two countries. As both countries have globalized, the encounters that drive the relationships between our two countries are increasingly between our private sectors, our civil societies and our faith communities. This adds depth and richness to the relationship that reflects our shared historical experience. It also gives, I believe, a human face to our relationship and to our diplomacy and allows us to understand partnership not only in terms of national power and interest, but also in terms of individual opportunity and well-being. This unusual aspect of our relationship has several consequences that are not easily perceived or understood. The first is that our relationship and purpose is larger than our governments and larger than the strategic interests that define by the governments. A relationship defined only in strategic terms or only in terms of leadership is narrow and, I believe, mistaken. It misses the larger sweep of the relationship and its possibilities of cooperation and collaboration. Our relationship. You know, the. The unusual aspect of our relationship has several consequences. The first is, is what I just mentioned, that our relationship in purpose is larger than the government's. The second is that our relationship is increasingly social. This means it touches all aspects of our society, from education to health care to justice and security. In other words, it is focused on promoting prosperity, advancing liberty, and enhancing the open societies that define our democracies. And third, our similar our similarity has created a political synchronicity. What happens in one country happens in the other. This is an important point and one I think that we're going to need to be focusing on over the next several days in this conference. Both the United States and Brazil are deeply polarized countries polarized, politically polarized, geographically polarized to a certain extent, socially. Both have become deeply partizan. In the United States, the partizanship is more sharply defined because of our two party system. The 26 party system of Brazil provides a little more space to operate in when it comes to doing deals. But the political divisions are still significant, and the partizanship that defines our country has a negative component to it, which is an anti partizan or not and not an anti opposing party component to it, which affects the nature of political discourse. And in both countries, because of the polarization and because of this partizanship, elections have become high stakes affairs in which people understand power to be in play and power to fundamentally reshape aspects of the economy in the society. So elections are not events that bring people together. They're events that drive people apart and generate fear and loathing. To quote Hunter S. Thompson, this last point about the similarity and the synchronicity is something worth taking a closer look at, because I would argue that Brazil and the United States are mimicking each other. And as noted, we had our January 6th. Brazil had its January 8th. There are differences between the two. January six was an effort to interfere with the vote count of the Electoral College and stop an electoral process. January 8th happened after the elections were over with, after a winner had been determined and after that winner had been sworn in. But it was a clear message from a large segment of Brazilian society that they weren't buying the message of unity and they had no intention of working with the government. Now, in this instance, it's important to note that the polarization and the political dynamics that we see in both countries are really the product of the dramatically rapid pace of change in Brazil and in the United States and the inability of political institutions and parties to keep up. In other words, a feeling and a belief that political parties and their leadership were not responding or representing the people that they were elected to represent and respond to. But in thinking about this and thinking about the political dynamic that we face in the United States, in Brazil, we oftentimes talk about a crisis of democracy. We oftentimes talk about a crisis of institutions. I believe that what we're really facing in both countries is a crisis of public governance and in particular, a state capacity. As we look at the future of U.S. or the U.S. prisoner relationship, I have no doubt that it will be defined by our global partnership. And I have no doubt that many of the issues that we will discuss on this panel today and in the rest of the conference will reflect the challenges that we face globally. Suzanne mentioned Ukraine, but there are others Venezuela, Nicaragua and beyond. But in many ways, I think that before we can really fashion a global partnership that works, we both must find a way to show that democracy can deliver the goods that we are capable of using democratic governments to create democratic societies. And in some ways, for me, this

was the importance of President Lula's visit to Washington, D.C. Unbeknownst to many people, the United States had months before the election begun to work quietly but purposefully in Brazil and elsewhere to ensure that Brazil had the electronic voting equipment it needed in order to conduct its elections. That the company that was producing the electronic voting equipment had the semiconductors it needed. That the world understood what electronic voting meant in Brazil and how secure it was and how important it was to ensure a quick count. Sure count, and one that the Brazilian people could rely on. And we worked very quietly through the expertise of people in the U.S. government to deliver very precise and well targeted messages to groups inside of Brazil about the importance of respecting and democratic process elections and then ensuring that the results of that election were respected and allowed to present themselves as the leadership of Brazil. This commitment by the United States and this level of involvement was, if not unique, at least unusual in the US Brazil relationship, but one which the Biden administration thought was absolutely critical and essential to the well-being of a partner that it missed but wanted back into the international environment. And the the meeting that took place in the White House focused on the nature of democracy, the importance of democratic government, and the need to ensure that the United States and Brazil could find a way to advance as democratic nations. But this is something that requires not just governments, as I noted earlier, but societies, and it requires ways to facilitate relationships between our societies that accelerate this process of moving towards a democratic society, enhancing the capability of people to live within an open society, and ensuring that individuals have the resources and the opportunity necessary not only to have a voice in determining national destiny, but a voice in determining individual destiny. Because what I think we're seeing throughout at least our hemisphere, the Americas, is a belief that government is about creating this larger idea of an open society full of opportunity and potentiality, and that in order for societies to regain this sense of adventure and purpose, that that opportunity has to be presented to that society. And I believe that the United States and Brazil need to start focusing not only on the larger geopolitical challenges that we face around the globe, but especially about how you make government and democracy work in each of our countries and how we can show that our shared experience and similar heritages can be used and fashioned in a way that advances the well-being of the American people and the Brazilian people. Another Brazilian composer, Paolo, said as you wrote a song called The Wave, and it has a line in it and perceive yourself. Elisa's in you, which means it's impossible to. Be happy alone. And I would argue that for Brazil and the United States, it is impossible to be happy alone that we have to find a way to work together around this central problem of democracy. You know, our founding fathers in the Declaration of Independence expressed the purpose of politics in terms of life, liberty and the pursuit of happiness. I would argue that if there is any country in the world that understands the pursuit of happiness, it's Brazil. With that, I thank you for your presence today. I thank you for your patience and I look forward to the panel discussion. Thank you very much.

BRUCE JONES: Well, thank you very much, Tom. And thank all of you for being here. I have to say, I have it's been a long time since I've heard a talk that had so much richness, so much sobriety, but also just a dose of joy and a terrific way. And the joy is not a word we often associate with grand strategy in foreign policy, but it's delightful to have it as part of the agenda. And I thought your remarks were extremely effective in communicating some of the subtlety of the relationship as well as some of the challenges. I want to push you on one thing before I bring in the others. You talked about a relationship that spans the private sector, civil society, education, a range of issues, etc.. Obviously, the the state to state relationship matters as well. One of the things we talked about backstage in the entire modern history of American foreign policy. You are the only person who has risen to the level of undersecretary general for political affairs and counselor. That comes up through a Western Hemisphere experience. Is there not a disjuncture between the kind of importance of the relationship, the breadth of the relationship on the one hand, and the way the relationship is seen and managed within the U.S. government?

THOMAS A. SHANNON JR.: I would like to think that with me, the State Department finally got it right, finally understood that the Western Hemisphere is what counts, that are not just our inner neighborhood, but our extensive neighborhood counts, and that what we have done over decades in the Western Hemisphere is build the kind of strategic refuge of common political understandings and practice, common economic understandings, common understanding of the individual and his or his or her relationship with the state, and and also a region that has shown it can keep the peace, that has shown really since the Chaco war. You can count Ecuador and Peru. And that was a quick one really, since the Chaco war, nearly a hundred years, that that it can solve problems diplomatically. And I'm not saying that the other challenges we face around the world are not significant or real. They are. But what I would argue is, is that we have in the Western Hemisphere this reserve of friendly countries, with the few exceptions that can work together and have built the regional and subregional entities that can foster political dialog, that can generate trade and address these larger social issues that that we are facing. And and this is a wonderful thing to have as we try to wrestle with security issues around the world that we're not going to solve anytime soon. So I would like to think that that this is our base of operations, that the Western Hemisphere is our island, and we can sail the seven seas and protect ourselves from the rest of the world. But we can have a very good life here.

BRUCE JONES: Great. Matias. You have been an acute observer of Brazilian foreign policy for, you know, a little longer than when we first met some years back. It's been you must have been very busy. The last few months has been very turbulent, quite a lot of turns of the wheel in terms of Brazil's own foreign policy and the ups and downs and the US Brazil relationship already just in this first short period of months. So please, your perspective on this.

MATIAS SPEKTOR: Great. So let me begin by saying that this is the first speech on U.S. Brazil relations in five years, I think, in which the word China doesn't come out. So thank you for that.

BRUCE JONES: Because it shows as my next question.

MATIAS SPEKTOR: But what the relationship is about and I think to two highlights in the ambassador's remarks, which I think are really quite important. First of all, there is an under appreciation both in Washington and crucially in Brasilia, as well as to the importance of this relationship. Most people don't really get the importance not only for hemispheric relations historically, but its importance for international law. Going all the way back to the Hague conferences of the beginning of the 20th century, or the interwar period in the Western Hemisphere, or the fight against the Nazis in the South Atlantic, or the building of the liberal international order starting in 1945. And you can pick the United Nations or you can pick the World Bank or the Inter-American Development Bank, or you can pick the International Monetary Fund in all these instances. The relationship between the United States was crucial, oftentimes not singing the same tune like Tom Jobim and Elise Hasina, oftentimes going at one another, but Normandy trying to build a wall together or ignoring the world, rather, I want to say. So those things are important. The second thing I think it's worth highlighting is and this is remarkable because for people, Brazilians of my generation, it's the first time the United States came out at a time of enormous difficulty for Brazil in the last four years when democracy was under very serious threat and the United States came out in support for Brazil in ways that were overt. They were very clearly communicated. The entire political class could tell, crucially, the Brazilian military, when they decided correctly not to align with Bolsonaro. One of the main reasons they gave publicly was that if they were to go into bed with Bolsonaro, they would not get recognition and support from the United States, and that would be unsustainable for them as they've grown ever more dependent on cooperation from the US military. So these things are really quite important. Now, the way I see this relationship go is this There are way too many instances in which we don't sing the same tune, but that's not the ones I worry about. The Ukraine and sometimes China. That's not my main concern. My main concern is those instances in which interests align. But coordinating policy becomes impossible even when interests are aligned. I mean, take the case of Venezuela today. This is the first time in a generation in which both Brazil and the United States have a shared interest in engaging the Venezuelan regime. Finally, both speak the same language for the first time, and yet they don't get to coordinate policy. And because they don't coordinate policy, the outcome is that even if they're on the same page, this is not putting pressure on the Venezuelan regime to begin to liberalize. Let me give you another example. For the first time in a generation as well, the two countries are on the same page on industrial policy. I mean, you listen to Jake Sullivan speak and you could hear the bands give you their spiel. And yet President Lula comes to Washington and when they sit down to talk climate change, this is not what we're talking about, Brazil. Brazil is now launching a new industrial policy for the car industry, and it's completely divorced from the terms of the debate of what's going on here in this country moving forward on that crucial element of the politics of climate change moving forward. So my concern is that there is something about this relationship that doesn't quite gel. The best paper on the bilateral relationship in the late 1980s is by Peter King, who's here today, and it's called The Missing Relationship. And then the best book on the bilateral relationship in the late 1990s by Monica Hurst, a professor, is called The Road of Unmet Expectations. So there's something about this relationship that gets as a song that is two superimposed voices that some times go all over the place.

BRUCE JONES: Very interesting. Vanda, Matias touched on a number of issues that you've thought about and written about the internal dynamics, the military, civilian relationship, the climate issues. Let me bring you in for your perspective on on the issues we're talking about today.

VANDA FELBAB-BROWN: Well, to continue with the theme of unmet expectations, I think we are already starting to see it in two ways, both in the US Brazil relationship as it is emerging, where the Biden administration has clearly hoped that the support it provided for democratic institutions and processes would be recognized by President Lula and would have implications for Brazil's policy in the international arena. And this is, I think, all the more significant and we haven't seen it. The expectations have come to fruition on a whole range of issues from China and Ukraine that have been mentioned, but also to some of the regional issues within Latin America, such as Venezuela, Nicaragua and a whole set of others. This is all the more significant, however, because President Lula has really defined his initial policy focused in terms of the international arena. His team has been. Brazil is back. Brazil is back on the international stage. And yet it is

in this international domain where we see this disjunction between what the United States would want Brazil's policies and choices to be and what Brazil's policies are. And the theme of unmet or challenging expectations also connects very significantly with Ambassador Shannon's important thrust of democracy or political processes, delivering the outcomes for a wide segment of local populations for a wide segment of the nation. And this is Lula's second, while Lula's third, the last current time in office, is very different than his first two terms. But at the time, Brazil was benefiting greatly from the commodity boom and was growing very robustly, and Brazil was able to undertake a whole set of policies in the social domain. But beyond the social domain that benefited many people, that lifted many people out of poverty, brought them into lower or even upper middle class. And that underpinned Lula's focus and thrust in the international domain with the creation of Briggs, with the focus on a whole set of American regional economic institutions that underpinned his foreign policy and that domestic economic growth, the domestic economic stability, the sense of joy and optimism that Ambassador Shannon spoke about is missing in Brazil. And it's not missing just in the short term. The Bolsonaro years gutted institutions, weakened government capacities, strengthened anti-democratic, authoritarian processes. But the morass has preceded that, and Bolsonaro, in many ways was an expression of the underbelly and delivery of expectations on the delivery of goods that had taken place after Lula during the Dilma Rousseff government and during the subsequent government. So the international arena for Lula is very different. But crucially, his domestic ability to generate the the grounding to base for his foreign policy is very different. And so the set of unmet expectations and what he can achieve is obviously playing out in the international arena, but will be also dramatically playing out in the domestic space. Now, you know, we're talking the first 100 days of the administration, so it's kind of premature. Absolutely. To the right of the administration at this point. That is a ways to go, but it's a very challenging environment for him. And the prospect on unmet expectations, on failing to deliver is very real.

BRUCE JONES: Tom, anything you want to respond to or sort of add to from those two perspectives?

THOMAS A. SHANNON JR.: Well, I think they were both excellent sets of comments, so I think we should move on.

BRUCE JONES: But we have several hundred people online and many of them submitted questions and I read through them and they had three overwhelming themes China, climate change and trade. I'll turn to questions from the room in a few minutes. But before I do, let me let me you sort of draw from that audience online audience questions to ask our panel about those topics. So we've touched very briefly on climate. I'll come back to it, but let's let's start with the the large sea in the room, as you said so far is the first one that hasn't touched on China. But China has been very present in the US Brazil relationship in the last several months. But I was very struck in the aftermath of the Lula summit meeting. I had sort of two sets of messages and my my WhatsApp. One was from Brazilian saying, I hope that the administration doesn't confuse this with meaning that we're somehow aligned with them on the geopolitical agenda. And then subsequently messages from my American friends saying. After the Ukraine comments in China. So what's driving Matias? What is driving the focus on China and to Vanda and Tom? How significant does the China piece play in terms of complicating the American ability to get this right?

MATIAS SPEKTOR: Great. So if you look at U.S. policy towards the Western Hemisphere, China is not a problem at all until, say, 15 years ago and then around 50 years ago, it pops up and then it really begins to dominate the tenor of the conversation and all of the strategic writing in the U.S. in the Trump administration. Right. And the story is in the early 2000s at the height of uni polarity, if you want, when the United States is concentrated in other parts of the world. Part of the argument in this town. Is. Well, isn't it great that China wants to expand trade and finance in Latin America? Because then it helps us not worry so much about this part of the world which needs clearly all the trade and investment it can get. And if you remember, it's the United States that invites China to participate and help capitalized the Interamerican Development Bank. And this is ten years ago. Right. And then things change really very dramatically. And now every piece is about US-China competition in the region, and I can understand it. This is new for the United States. It's the first time really in 70 years that the United States has to cope with a rival competitor for real in Latin America. Because if you remember back in Cold War days, the Soviet Union was, of course, heavily invested in Cuba, but demands from leftists across the Americas for the Kremlin to provide support never got anywhere, certainly not in South America, although the global Cold War sort of provided the framework for US policy in every single country in the region. So U.S. authorities are not used to having to deal with other major powers meddling in the Western Hemisphere. And it has been the case for many, many decades. But now you look at China. China is the main trade partner and major source of investment of many countries in Latin America. China plays hardball with Latin American countries. Oftentimes, these countries feel they cannot scream and shout at China as they can against United States. I mean, one thing is to charge the United States with hypocrisy. Try doing that with the Chinese. Different story. Many of these countries feel they cannot see anything about illegal fisheries from China in the waters of the South Atlantic or the South Pacific because they know they will be punished if they do so. New setting for countries in Latin America. And yet China

provides an awful lot of goods. I mean, from vaccines to investment to an alternative to the international institutions of the day, China's there. So it's no wonder that many of these countries feel a new dependence on China and feel that they cannot antagonize China because that will come at a price. Now, going back to the first point by the ambassador of all the countries in the region, the one that can pull in a different direction is Brazil, although there's Chinese investment everywhere in Brazil. I mean, China has a very sophisticated operation in Brasilia. The embassy is remarkable, remarkably good at working in Brasilia. And China has been largely good for Brazil thus far. I mean, look at Lula, compare Lula Street to Washington a Lula Street to Beijing. But Brazil has an interest in not letting US-China competition take over the entire narrative in the Western Hemisphere, because we know how that ends. And the way that ends is that you end up having the Chinese and the Americans pushing and pulling countries that are too weak to resist, and that leads to trouble. So I think it would be a tragedy for the Western Hemisphere if in the next 5 to 10 years we would want to replay the Cold War, because the Cold War came at an enormous cost for Latin Americans across the board.

BRUCE JONES: Tom.

THOMAS A. SHANNON JR.: I guess I would say a couple of things. First of all, for the US in Brazil, China is like a shared lover. You know, we both want and want. We don't want to admit we're in this relationship, but we do want to give it up. And there's a reason for that because it's an important relationship for both countries. And but the other point I want to make about finishing the first point. Part of the globalization of South America was the relationship with Asia, and especially the relationship with China. It's not just Brazil to Argentina, it's Paraguay, it's Chile, it's Ecuador, it's Colombia. Because of the resources, agricultural and mineral and energy and fish proteins, all of which get drawn up in that Hoover vacuum cleaner that is, you know, Chinese diplomacy and trade policy. And at at different points in time, the money that China has been putting into the region was tremendously important for stability in the region and for economic growth and for the ability to build out the kinds of middle classes that we've seen emerge throughout South America. So we have to understand that there's a positive aspect to this kind of engagement and a certain inevitability to it. But the advantage we have at this point is that this is a region that's engaging with China as democracies as markets. A. Economies and our societies that have very special interests in environmental stewardship and fighting corruption. And this is where Brazil could play, I think, a much more important and positive role, which is in helping to build a regional understanding of what China is and what it wants and a regional response to it. Right now, the Chinese have been very good at kind of dividing the region and not only country by country, but sector by sector and business class by business class. And the the Brazil needs to find a way to start a different kind of engagement with China. And I would argue that one place it could do that is in climate change and environmental policy as it looks at the larger Amazon and tries to shape a South American approach to the Amazon. Because just about every country in South America is attached to the Amazon with just a few exceptions. And in so doing would be able to take advantage not only of American and European investment and technological expertise, but also find a way to to manage how China relates in in the larger area of environmental stewardship. So that's kind of point number one. Point number two is that I would argue that in an area an era of great power competition, which is a phrase I hate because I believe that great power collaboration is more important than great power competition. Great power competition is kind of a duh. But we have to be careful not to define ourselves through our adversaries. We have to define ourselves through our partnerships, through our allies, and through our alliances. And this is where I think Brazil and the United States need to be very careful in not making China a central piece in how we relate to each other, because if we do, we're giving the Chinese way too much influence.

BRUCE JONES: Very good. Vanda, on this and or on the climate question.

VANDA FELBAB-BROWN: So with Lula's inclination and focus on China is long standing, and it's not just focused on China, it's focus on the global South. He was one of the architects of the bricks and mortar among the bricks crumbled, but he is now focusing again on the BRICS, including on China, despite the fact that the picture of China and picture of Russia certainly is very different than was at the time and the polarization that is taking place internally. The countries, it's also taking place in the international arena. Both Tom and Matias spoke about not falling into all the Cold War traps and problematic Cold War dynamics since they are very robustly taking place. So trying to for Lula, trying to have it both ways and not fall into them and maintain positive, productive relationships with China and the United States at the same time will be a challenge and that will be a whole set of issues where this will come to a head, one that I think immediately of is technology. And already back a decade ago, decade and a half ago, Brazil had its own views on governing technological issues, the Internet. And this is all the more significant. As for the United States, competition with China in tech has become a core policy line, and where there are very substantial concerns about new will Chinese technology, Chinese spying, the incorporation of law enforcement, Chinese technologies, many others across the region, and deep concerns for the United States. So how Brazil

navigates those U.S. concerns and yet tries to be an independent poll independent player will be an issue. I am very taken by your point, Ambassador Shannon, about climate being an opportunity where Brazil could perhaps forge a new relationship with China because China is the great Hoovering vacuum, not just in terms of diplomacy, but very much in terms of natural resources. The relationship with Brazil and many other Latin American countries is principally about the export of raw commodities in Brazil, its beef and soy, both of which are immense drivers of deforestation. President Lula is very committed to halting deforestation, which is enormously praiseworthy in the Bolsonaro years of a catastrophic not just for Brazil as a country, but for the world. The challenge is for him to counter the illegal logging and mining that are taking place are enormous, but that is the will. That is the political commitment he brought in. Mr. Silva as his minister brought her back, who had tremendous credentials in her efforts during Lula's first two terms. But it's a very tall task. And China is the the back of the vacuum. It's one of the big demand markets. And Chinese companies like Indian companies, we don't talk about India, but India is also a big source of demand for timber as well as for products like. So we are indifferent to the source, the legality, the sustainability. And I predominantly focus on pricing. So this is one agenda that's very important for President Lula. It's a very important agenda. It provides opportunities for the regional cooperation that you spoke about, but it also provides opportunities, frankly, to stand up China, to stand up to China and raise issues such as illegal logging and the threat they pose. But I would also just add here that this is taking context in the place where not just Chinese business presence in Latin America has grown enormously, but also Chinese corruption and illicit networks. And the presence of Chinese criminality intersecting with Brazilian criminality is a new phenomenon. Domestic crime in Brazil is a major issue for the country in terms of lives, in terms of impact on governance, institutions, basic quality of of life. And now it's intersecting also with Chinese criminal networks and their connections to the state. So another opportunity in the law enforcement space, perhaps to think normally of cooperation with the United States annually of how to deal with China.

BRUCE JONES: I mentioned that we have several hundred people online. We also have an enormous amount of expertise in the room, people who know a great deal about Brazil and people who know a great deal about us, Brazil relations, human rights, democracy, etc.. So I'd like to bring in the in-room audience. If you want to ask a question, please raise your hand. Somebody with a mike will find you. Please target one of your questions and I'm going to take two or three questions and then after offer the panel a chance to to cherry pick what they were just getting, just to answer, which they feel most comfortable to answer. So please, gentleman at the back. We'll start there.

AUDIENCE MEMBER: Yes. My name is Roger Crocetti. I'm an. Author and. Editorial contributor on technology policy to The Hill newspaper. My question really is. Has to do with the BRICS and Lula having been so important in creating it, I wonder if any of the. Panelists could tell us what. His attitude is today or the Brazilian government's attitude today towards the possible expansion of the. BRICS it's rumored Argentina, Algeria, Iran. I'm not sure. Who else, but there are there's a list of countries that may be floating. Around. Is this something that Brazil. Supports or. That Lula is actually engineering, or. What is his. Perspective on expanding the BRICS? Thank you.

BRUCE JONES: Take you on a couple of questions before I come back to the audience up here on the front.

AUDIENCE MEMBER: Thank you. Good afternoon. Good to see you all. Ted Picone from Brookings. We talked a bit about the Brazil's role in the region and Venezuela being a place where I think you're right, we haven't quite figured out how to work together. Nicaragua would be another case. Haiti, of course. I'm thinking to times in the past when Brazil really stepped up to play an important role in peacebuilding and peacekeeping. But I'm wondering if that's anywhere on the agenda these days. They've been reluctant to get pulled back into Haiti. Canada doesn't want to be involved either. Do you see opportunities ahead to deal with some of these very tough cases in the region? Lula, Biden.

BRUCE JONES: And the gentleman at the back.

AUDIENCE MEMBER: Hello. Several hours to executive director of the Cardozo Foundation. A pleasure. Pleasure to be here. I couldn't agree more with Ambassador Thomas Shannon when he said that Brazil and the U.S. shouldn't overemphasize the important importance of China. My question is to all of you, maybe to to martires. Let me provoke my friend here, if that is at all possible, not to overemphasize China, objectively speaking. And one thing that is a matter of concern from. My point of view, is. That Brazilian societies polarized. You have the. The center. Is not holding any anymore. So you have the left is well organized, politically speaking, around Lula. And there is clearly a clear anti-American sentiment prevailing that can right in the right camp. There's no such sentiment. But on the other hand, there's strong economic incentives to align with China because China is the vacuum cleaner and the agribusiness sector whose. Influence is

growing in. Brazil in there, and where it's one of the pillars of the right camp in Brazil. China is essential. So how concerned are you, Matias, with this, if you agree with the picture that I have just drawn.

BRUCE JONES: So let's do the following answer and give you an opportunity to answer any of them that you want to fill. Don't, please, please don't feel the need to answer all of them, starting with you and coming across to Tom. But then just to give you fair warning where how we're going to end is, I'm going to ask you each to identify what is, in your view, the most important topic where the two countries could work together to make progress, either on their internal agenda or on the global agenda. But for these questions matters.

MATIAS SPEKTOR: Okay. So let me be quick. The BRICS expansion, you know the story when international organizations decide to expand is because things aren't working very well. The BRICS is now a problem for all of its members because of the war in the Ukraine, it's hard to produce a meeting with Vladimir Putin is president. That said that the BRICS has been incredibly useful for Brazil. It's the one instance in which the president of Brazil, whoever that might be, gets to sit with big, major players. Brazil's been asking for the UN Security Council to be reformed forever and he doesn't get a seat. So this is prime time for Brazil, the BRICS. It's worked well for Brazil. The relationship, the trade and financial relationship with China has been good for the Brazilian middle classes, as people have mentioned before, and the BRICS is a problem. Now. I don't know what the story is behind the expansion because I have no access to the knowledge of what's going on in the administration on the issue of democracy promotion and peacekeeping. Brazil send troops to Haiti, and it commanded the operation in Haiti for about a decade. These came at enormous financial cost for Brazil. But also it brought an awful lot of good stuff because it allowed Brazil to flex muscle and show that he could provide global public services. It helped make the case for U.N. Security Council reform it, help equip the Brazilian armed forces. It provided training for the Brazilian armed forces. Then, of course, these had an underside, which is that violence developed during that operation, then fed into violence in law and order operations inside Brazil. This is one of the chief criticisms of the Brazilian participation of the UN mission in Haiti. But I don't see any appetite now or resources or relationship between the president and the armed forces now for a big operation involving the transfer of billions of dollars to the Brazilian armed forces. Just now for Haiti, on the issue of Nicaragua, Venezuela, Brazil and the United States can never do democracy together. The only one instance historically, which they agreed, but it was not policy coordination. It was more the Clinton administration telling Brazil, okay, you deal with it. It was Paraguay in 1996. That's the one instance even when both Cardoso and Clinton were not. Was it Clinton or was it Bush? I can't remember. Clinton. Both of them were allies. On the issue of Fujimori, they couldn't coordinate policy and they actually went at each other in the OAS and nothing came out of that ever. So I'm skeptical. And on the issue of China, one of the things that I think is missed when people in D.C. talk about China in the Western Hemisphere is, as Sergio correctly points out, the domestic politics of Chinese, of the Chinese presence in Latin America. I'll just give you one example. When Bolsonaro was running for president, he was adamant that his foreign policy was going to be about moving away from China, embracing the Trump administration, and getting lots of concessions in return. He was so convinced about this that he took time out of the trail during the campaign to fly to Taipei with his three sons who had elected office to show that he was going to be anti-China. And as he took office, he announced a series of packages to reduce Brazil's relationship with China. And he was stopped in his tracks by his own political base, because now in Brazil, as in everywhere in Latin America, there is a very powerful domestic pro-China constituency. And it's very hard to dislodge the power and the influence of that constituency. Now, in some countries, parts of the political system will be very anti-American and they will try to fuel that. But in many parts of Latin America, there is anti-Chinese sentiment on the growth.

BRUCE JONES: Vanda.

VANDA FELBAB-BROWN: I'm not sure that I have much to add. Just a snippet to the China relationship. Even during the Bolsonaro era, that is very strong on the China rhetoric. Brazil significantly increased the share of its soy sales to China also as a result of the trade war between the United States and China and the decline of soy exports from the United States to China. Brazil really stepped up and now supplies more than two thirds of soy consumption in China. So consumption in China is very large. That also makes the the Brazil agenda that the Amazon agenda very difficult because of these political interest groups having intense continual interest in deforestation. And although nominally there are efforts to certify that products are not coming out of deforested land, that is tremendous amount of whitewashing in the process. And as I mentioned before, Chinese and Indian consumers are not particularly focused or interested in that agenda. At the same time, I go back to the point that I made that it will not be easy for Brazil to try to have an evenhanded relationship between China and United States, that the pressure is on, on polarized, the polarization is there, the pressures on picking side, pulling in one way or another on a whole set of issues being kind of very immediate, very prominent one cybersecurity issues being another will be very significant. And it's just there's not going to be any easy way for for Brazil to try to have it both ways. You know, Matias, I think you're right that the BRICS gave Lula a lot of international play time and visibility, but at the same time,

the BRICS and the BRICS at the time were very much being constructed as a mechanism to have a multipolar, frankly, anti-American anti-liberal system. We are in the post unipolar system, certainly, but the BRICS are not really at the time level of actual meaningful international policy outcomes. And I believe that today, especially that ability to do anything other than show time is going to be even much more dramatic. And certainly if the BRICS were to expand their policy output capability, would, in my view, go significantly down.

BRUCE JONES: Tom.

THOMAS A. SHANNON JR.: A couple of comments. First, in regard to the question and comment from says go faster. Sergio, thank you for being here. I would argue that China needs to be fed and that's not going to stop and it's probably a good thing for Brazil. But where the United States has played a very important role in the Brazilian economy is in the value added side of the economy and connecting Brazilian companies to global supply chains and to working with Brazilian companies to build the. Technological capacity to create empire, to create the agricultural revolution, to build out its automobile industry. And there's a lot more that can and should be done there. And as the United States considers its industrial policy, it needs to look beyond our immediate borders and frontiers and look for partners who have the universities, the laboratories, the industrial capacity and the workforce necessary to begin to ensure that our supply chains are in a secure zone and a secure region, a region. And I think Brazil can play a very important role there, as could Argentina and Chile and any number of other countries. In a perfect world, I would like to imagine kind of an orcas life without the submarines, because if you look at August, what's striking about it as submarines are is what gets all the attention, but there's only about five of them. What really matters is what the United States is going to do in terms of investment in an Australian industry, in Australian science and and laboratories and. And if it's done well, it will completely refashion Australia's industrial base and make it a world class technological leader on everything from stealth technologies to materials science to nuclear propulsion. And we should be thinking similarly about how we do that in our own hemisphere. And then in regard to what Brazil can do on peacekeeping. This is not a great time for peacekeeping because of the kind of competition we're seeing globally, but especially because of the drain on resources that is Ukraine right now. And the concern that we could find ourselves fighting in different parts of the world. You know, what was interesting about Brazil's decision in regard to Haiti is that if you recall, the United States was in Afghanistan, in Iraq, and really did not have a significant group of Marines to commit to Haiti. And Brazil was not the first Latin country to the table. The Chileans were and Brazil came in because it realized that, first of all, we had a very significant need that had to be fulfilled, that this was a way to work with us and engage with us on something that was meaningful for the entire region. But they knew that if they didn't step up, that some other country in the region, what the Chileans, the Peruvians, somebody else and would lead Brazil to one side. So the Brazilians hand was almost forced, but they did it so gracefully that nobody noticed. And they did a really good job. They're not going in now because they know if they do, they have to kill people because it's all going to be about taking territory back from gangs. And the Brazilians, you know, they'll do that in their favelas. They're not going to do it in Haiti. But I think Venezuela is a better case because of the three you mentioned, Nicaragua, Haiti and Venezuela. That's the one that has an immediate impact on Brazil as a frontier. The problem is how to separate the United States from the problem, because Venezuela has is now such a domestic issue here that it really limits what the United States can do. And the conference that President Petro held in Colombia was the beginning of a process to try to form a larger consensus in the region about what to do with Venezuela. The the U.S. presence was important, but it also meant that that the engagement by the partners was muted because nobody wanted to get in a fight with the United States at that point over over Venezuela. But as we get kind of deeper into the problem, it is, is Venezuela. I think that Brazil is going to have to find a way to begin to shape a South American approach similar to what Mexico did with Contador or what Costa Rica did with the US can pull this process in Central America, where you really try to pull the issue away from the United States and see how you can at least create some stability and order while you try to resolve the political process.

BRUCE JONES: I used to spend a lot of my time in my life on U.N. peacekeeping in one way or another, And one of the most effective actors in that during that period was the Brazilian force commander in Haiti, General de Santos Cruz, who happens to be in the audience. So thank you for joining us, General. We're just about out of time. So very brief answers to my previewed question. What's the most important topic where the two countries could work together to advance their relationship or the global agenda? I'm going to work down this way so Tom gets the last word.

MATIAS SPEKTOR: What is the transition to a low carbon economy beyond deforestation.

VANDA FELBAB-BROWN: I was going to give a very similar answer. Biodiversity conservation, including strongly deforestation. But going beyond that.

THOMAS A. SHANNON JR.: I agree with both comments, but I would add what I mentioned earlier, this idea of building a value added component to our or building off it with our trade with with Brazil, and ensuring that Brazil becomes a base of industrial and technological advancement in support of our supply chains.

BRUCE JONES: I wish I had more sophistication that I could conclude with a reference to a Brazilian song. I don't quite. But please join me in thanking this terrific panelist for There are so.