Abstract

The beginning of the 2000s seemed promising to Brazil and Mexico. The combination of the outcomes of years of domestic reforms with the commodity boom allowed the two biggest economies in Latin America to afford more ambitious international goals. A cruise flight turned into turbulence, and the frustration did not take long to come. By the end of the 2010s, both countries do not exhibit the same impetus for seeking international insertion and recognition as they had at the beginning of the decade. Drawing on evidence across the four presidents who occupied the Planalto and National Palaces between 2006 and 2018, this paper explores in a comparative historical perspective the ‘rising powers’ trajectories of Brazil and Mexico. We ground our argument on the concept of international insertion, drawing on a Southern interpretation of international relations. We fill the gap upon the theorisation on how the transition from a peripheral position occurs and contribute to advance the understanding of how Southern countries seek new positions in global hierarchies and their international engagement —which the status-seeking approaches to IR do not adequately explain. By the end of the 2010s, although frequently seen as emerging economies and even multilateral diplomatic forces, both countries have only marginally reaped the gains of trying to act more assertively in the regional and global arenas.

Keywords

Brazil, Mexico, International Insertion, Global South, Emerging Posers, Latin America

Introduction

The beginning of the 2000s seemed promising to Brazil and Mexico. The sus-
tained diplomatic performances translated into their inclusion in a series of different acronyms (e.g. BRICS, IBAS, MINT, Next Eleven), and highlighted the potential of Southern\(^1\) states to contribute to the international order. Optimism was high. Everything seemed to indicate a sustained take off from their long-standing condition of peripheral countries.

A cruise flight turned into turbulence, and the frustration did not take long to come. By the end of the 2010s, both countries do not exhibit the same impetus for seeking international insertion and recognition as they had at the beginning of the decade (Franzoni, 2017; 2018; Malamud, 2017; Pellicer, 2014; Ramírez Meda & Rochín Aguilar, 2017; Vaz, 2018). In the end, both countries have only partially achieved success in their strategies to be recognised as ‘new global powers’. To be sure, besides the symbolism of being labelled as ‘new middle-powers’, neither Brazil or Mexico retained the praises and graces of international markets they started to receive.

Why did the two largest and most industrialised economies in Latin America have retreated from their active international insertion\(^2\) strategies by the beginning of the second decade of the 2000s? We hypothesise that continued domestic political and economic limitations undermined all the effort to create agency spaces towards international insertion.

Brazil’s economy remains overly dependent on mineral or agriculture-based goods exports. Mexico, by its turn, has fully sustained neo-liberal economic policies from the 1990s onwards. Political instability is a significant component in the picture for both countries. Altogether, those factors have not allowed Mexico and Brazil to sustain their rise to international recognition, and subsequent status-seeking affordance by systemic gatekeepers.

Drawing on evidence across the four presidents who occupied the Planalto and National Palaces between 2006 and 2018, this paper explores in a comparative historical perspective the ‘rising powers’ trajectories of Brazil and Mexico. We ground our argument on the concept of international insertion, drawing on a Southern interpretation of international relations. We approach the centre-periphery inequalities from a post-dependency strategy, surpassing the structural-functionalist Dependency Theory tendency of presenting the countries in the South as victimised by structural constraints. We also advance in the clarification of how Southern countries’ demands are generally misattributed and treated

---

\(^1\) The ‘Global South’—or just ‘South’— comprise those regions that for years were known as the ‘Third World’, i.e., Africa, Asia-Pacific, and Latin America and the Caribbean (Alden, Morphet, & Vieira, 2010).

\(^2\) We detail the concept in the next section, suffices for now defining ‘international insertion’ as the combination of foreign, defence and economic policies to create spaces of agency enabling international recognition, as the step before of being able to seek status.
as mere seek for participation in international politics (see Chagas-Bastos, 2017).

Comparing the behaviour of two countries that escalated the global hierarchies while departing from the periphery is of interest to the broader discipline of IR because, first, it fills the gap up-on the theorisation on how the transition from a peripheral position occurs. Second, as highlighted by Chagas-Bastos (2017; 2018), it contributes to advance the understanding of how the Southern countries seek new positions in global hierarchies and their international engagement — which the status-seeking approaches to IR do not adequately explain. Finally, we add to the few comparative studies of the only two potential middle-powers in Latin America.

We organise the rest of the article in four sections. Section two outlines our framework to understand recognition and status patterns in international politics from a Southern perspective through the concepts of emergence and international insertion. Next, we briefly analyse the historical context in which Brazil and Mexico were launched as Latin American emerging powers at the beginning of the 2000s. Section four examines the international insertion patterns established by each country across the presidencies of Rousseff and Temer (Brazil), and Calderón and Peña Nieto (Mexico). In the final section, we compare such patterns and evaluate the prospects for future endeavours.

Emergence and International Insertion

Mexico and Brazil have unique positions in the world. On the one hand, they have material capacities that position them at the top tier of power scales, such as vast territories, natural resources, significant populations, and economic potential. On the other, their structural political and economic vulnerabilities, as well as their proximity to the United States which limits their manoeuvrability. As such, these are countries that have been labelled by the scholarship in many ways within the power taxonomy and hierarchy literature: new middle, regional, rising, or emerging powers, and developing countries.

The process of creating agency spaces that both countries started during the 2000s —and at some extent, other states in the Global South as well— has been generically grasped by the literature as ‘emergence’ —with the mainstream IR focusing on ‘new middle-power’ or ‘middle-market’ emergence. Since then, researchers have produced a voluminous literature using generic and imprecise labels to describe behaviour and ‘new role’ of this group of countries in international affairs3. Long (2017, p. 145) notes that “there are no clear-cut lines for ‘smallness’ and along the multifaceted continuum between weakness and strength there is little analytical purchase for the examination of one state; it only applies

---

3 Due to space constraints, we will not go further on this direction, for an overview see Jordaan (2017).
via comparison”—which is also true for those ‘in the middle range’.

Burges (2013b) proposes a useful distinction to put some order in this conceptual confusion. Instead of using the overarching category of ‘middle-power’, he proposes using ‘emerging countries’ to label those states behaving by investing in a reformist character towards the international order, by acting through its institutions. The rationale underlying this behaviour comes from the fact that the decision-making in the global hierarchies does not guarantee equal access to agenda setting. In doing so, they seek to foster the build-up of their (potentially) ‘own’ (or non-Western) international order. This brand-new international order would work as an appendix to the post World War II liberal order, and should be created, according to those emerging from the periphery, precisely because they consider that their strategic foreign policy objectives have not been—and could not be—met because of the constraints imposed by the hierarchical gatekeepers—i.e. great and traditional middle-powers. He notes, however, that the observed reformism does not indicate that emerging countries do not benefit from the current configuration of international order and the scope in which their power can be exercised. They instead adopt a questioning posture of the normative predominance of the U.S. and the West. In doing so, emerging countries seek to create or increase their regional and global political space, gain greater autonomy and improve their relative position within global hierarchies.

Despite the extant literature labelling those countries moving towards less peripheral positions, there is a lack of theorisation about how this transition occurs. In other words, theory fails to address how Southern countries would create agency spaces.

The notion of emergence assumes, however, a different character to those in the South. It has received a particular treatment by Latin American scholars studying how the countries in that region interact with global hierarchies—and crafted the generic label of ‘international insertion’ to explain it. The appropriation of the thought about the international in Latin America is deeply rooted in the practical and problem-based focus on autonomy-seeking (Chagas-Bastos, 2018; Tickner, 2003a; 2003b; 2008). The idea behind it is to describe how the countries in the region deal with structural difficulties and their reduced agency leeway.

Although the scholarship has never had a theoretical orientation, the common wisdom around international insertion has been applied to the Latin American approach to foreign policy analysis (FPA) and international political economy (IPE) (Chagas-Bastos, 2015a; 2018). The FPA and IPE Latin American literature still bear the dependency-autonomy dichotomy that can be traced back to

---

4 For a review and a historical account of the concept of international insertion see Chagas-Bastos (2015; 2018) and Cervo (2008; 2013).
the Dependency Theory. In this context, Evans (2017) argues that an essential element of the Dependency Theory is the fact that it assumed a Southern perspective from its starting point, considering the North as a “particular problem” to the South, and addressing how the political and economic dynamics within the peripheral countries shape the character of the dependency and the possible responses to it. Even though these perspectives try to address how Latin American—and most generally Southern—countries could offset their structural limitations, a critical shortcoming is the fact that dependentistas consider agency and sovereignty as synonyms of autonomy. The problem here is a primary—and almost exclusive—focus on the increase of margins of manoeuvre within the international system.

Chagas-Bastos (2017; 2018) proposes a formal conceptualisation to international insertion to overcome those shortcomings. To him, international insertion aims at the creation of spaces of agency that lead first to recognition by the architects and hierarchical gatekeepers. Once those who seek insertion are recognised and accepted by the hierarchy’s management group, they are allowed to seek status. Therefore, the first stage is the international insertion that leads to recognition, and the second is the search for status. The movement to create agency spaces is driven by a combination of three sets of domestic policies towards abroad: foreign, economic and defence policies.

The different levels of international insertion and the forms of agency spaces will vary in function of how Southern countries will read the contextual and structural systemic elements. Furthermore, it should be assessed through four categories: ideas, interests, institutions and strategies. Three steps are necessary to evaluate a state’s international insertion. Firstly, the hierarchical position should inform how the demands for recognition should be placed—the agency ideational consistency (see Emirbayer & Mische, 1998). Secondly, the form of how inconsistencies between systemic and the perceived deserved recognition levels are framed and presented to the hierarchy should inform the influence of each policy component in the formulation of demands—the demand modelling and targeting. Finally, one should examine not only at states’ material capacities—the structural determinants—but also the interaction between its national political context and the design of domestic policies towards abroad—the domestic agency creation determinants.

At the heart of the international insertion, conceptual introduction to the IR debate is the fact that there are no explicit heightened tensions from a strategic-military perspective when Southern countries move (or try to move) towards mid-tier positions within international hierarchies. Brazil and Mexico’s ‘emergence’ is, in fact, an attempt to pursue international insertion via two different ways as we describe in the following sections (Chagas-Bastos, 2017; 2018).
The Launch of Latin American Emerging Powers

Latin America has always been relatively marginal in the strategic, political and economic international scenarios. The region assumed a weak position in the international division of labour while specialising in the exports of natural resources and semi-manufactured goods. That is the framework for the development of institutions, delimitation of interests and formation of Latin American ideas about the world from the 1940s until the beginning of the 1980s —when the abrupt process of deregulation and economic liberalisation took place. So, what were the conditions that made the two biggest Latin American economies be labelled as ‘emerging powers’?

The 2000s brought new hope to the region. The series of political and economic problems that plagued Latin America over the twentieth century seemed to be being left behind slowly. The endless uncertainty over democracy and economic crises gave way to periodic and free elections, economic stabilisation and expansion of economic growth —in doing so, there was even some space to a weak reformism to include in the social agenda a mild version of income redistribution (D’Araujo, 2008; Gasparini & Cruces, 2013).

In the regional level, two perspectives, complementary and sometimes contradictory, set the pace of regional governance. The first dealt with the ambition to recover the lost unity after the colonial wars for liberation, with the impetus to consolidate a South American community —being much more intellectual and present in political rhetoric than geographically suitable. The second referred to the development of integration processes based on modules (Gardini, 2015; Quiliconi & Salgado, 2017) and coalition-like behaviour (Chagas-Bastos, n. d.). Even though based on a consensual hegemony strategy, the fragmented notion of integration limits spaces of negotiation excludes bottom-levels of governance and opens space for constant dispute for affirmation (Chagas-Bastos, 2015b; n. d.).

The Brazilian case has a neat and crisp path. Brazil’s leadership actively sought to reorient the country’s traditional course of international insertion towards the South, using the region (South and Latin America) as a springboard to global ambitions from the 2000s onwards (Burges, 2009; Galvão, 2009). In the imaginary of the Brazilian government, the country was already a “potential great power” and should be recognised as such (Burges, 2013b).

Brazil’s trend of more assertive ‘presidential diplomacy’ positioned the nation globally in an unprecedently positive light, as the country progressively diversified its economic trading partnerships while not necessarily replacing or threatening traditional commercial and diplomatic alliances (Burges & Chagas-Bastos, 2016; 2017; Danese 1999). This path consolidated Brazil’s economic presence in new regions, such as Africa and the Middle East. It also strengthened strategic
ties with emerging economies, like China and India, especially employing multilateral initiatives, such as the BRICS, IBSA, and the G20.

Conversely, Mexico is on a more complicated path. It has been historically trapped to its unique, complicated relationship with its Northern neighbour. The swings between more independence and embeddedness should be seen like a spiral path, in which Mexico tends more to deepen its ties with the U.S. —particularly since the 1980s (Garza Elizondo, Schiavon, & Velázquez Flores, 2014; Hakim, 2002; Lajous Vargas, 2012). Some of the economic transformations in the Mexican economy in the last twenty years proved to be significant —and very painful to those negatively affected in the countryside by the flood of cheaper goods derived from the association with North American Free Trade Agreement (NAFTA) in 1994 (see Arashiro, 2011).

Since the early 1980s, in the throes of its severe debt crisis, Mexico, along with Chile, was a precursor of a trend that would become pervasive in the region about a decade later. The manufactured output rose in very remarkable ways, as between 1982 and 2005 the participation of industrial goods in the figures of export revenues rose from 4.4% to 24.5% (including the maquiladoras) —a remarkable trend that puts Mexico in different route vis-à-vis the growth of primary exports of much of the rest of the region.

The Mexican strategy to curb its embedded dependency of the U.S. was a full alignment with the neoliberal tenets prescribed by the Washington Consensus—which implied the involvement of the neighbour in multiple sectors of the national economy, including banking and industrial activities (Calva, 2007; De La Mora, 2014; González, 2012; Huérfano, 2012). Instead of receiving the promised benefits of the integration —as happened with Canada—, Mexico had its options for autonomic diplomatic behaviour reduced to a much greater extent. The limited space to international insertion apart of the American aegis compelled Mexican leadership, namely Fox and Calderón, to pursue agency spaces to create any little room for manoeuvring possible to make the country a relevant actor in the region and the world.

As a result of the changes over the 1990s, at the beginning of the 2000s, Brazil and Mexico were acclaimed as ‘emerging powers’ in Latin America. Although with marked differences —as we shall detail later in the article—, both countries used multilateralism as their international insertion strategy, developing capacities they could not have alone or while in direct confrontation with great or traditional middle powers.

Moreover, the two largest economies in Latin America had no preference to engage with any particular region of the world —i.e. the levels of conventional and
privileged relations with the central countries were kept active as new agreements with other peripheral nations were also established. The pathways assumed by them, however, present marked differences but share similar goals and constraints. Brazil and Mexico experienced during the 2000s high exposure due to the new economic and political dynamics experienced both internationally and domestically. Those contexts proved conducive to new patterns of efforts towards political, economic and military global hierarchies.

Even though seen as emerging economies and even diplomatic forces, they have only marginally reaped the gains of trying to act more assertively in the regional and global arenas. Both countries still are very discrete participants in the post-Cold War order. Ironically, much of the rising activism has derived from ad hoc needs and opportunities, rather than concerted planning and strategic forethought. How Brazil and Mexico attempted to reposition themselves within global hierarchies is what we detail in the next two sections.

**Brazil and Mexico's Frustrated International Insertion at the Dawn of the 21st Century**

Although Mexico and Brazil faced similar challenges and attempted to reposition themselves in the global hierarchies, they pursued different paths and shared structural and domestic constraints. The political and economic frustration of their expectations came with less favourable international scenario inaugurated with the 2007-9 crisis. On the economic side, the gradual but steady decline in China's rates of growth provoked a consistent and accentuated reduction in prices paid for Latin America's export commodities. Moreover, Europe's sustained economic challenges and the U.S. growing domestic focus pursued under the Obama administration coalesced into a more challenging global arena for the continuation of the type of ambitious presidential diplomacy that had proven to be so successful. On the political side, the international system became much less malleable and significantly more hostile to diplomatic innovations. By 2010 the global financial crisis finally (and sharply) hit Latin America, replacing the political capital gained by economic difficulties.

Furthermore, though facing internal problems towards acting in a univocal fashion, the G8 managed, over the last six years or so, to minimise the relevance of new multilateral arrangements —such as the G20—, in ways that curbed the latter ability to influence international affairs. This can be seen, for instance, in the stalemate found in the Doha round of the WTO when traditionally industrialised countries managed to push back against demands of late-comer countries such as Mexico and Brazil. Moreover, Libya, Syria, Ukraine, and especially ISIS threat (Islamic State of Iraq and the Levant) turned the international agenda away from the emergent world (Spektor, 2014).
The lifelong ‘country of the future’

“Brazil is the country of the future... and always will be”. Charles de Gaulle’s riposte epitomises the extreme variations the country has faced over its history. This common joke between Brazilians and foreigners seemed at an end when Lula da Silva started to change his country’s status in the international system —working obstinately to gather the benefits from the global transformations in the twenty-first century and turn Brazil into a new great power (with pacific and collaborative credentials).

The literature addressing Rousseff’s international efforts during her first term in office (2011-2014) —foreign policy in special— usually compares her in harsh terms with Lula da Silva and Cardoso (Almeida, 2017; Cervo & Lessa, 2014; Cornelet, 2014; Lehmann, 2017; Saraiva, 2014). It is noteworthy that we are not interested in such comparisons5.

Elected as Lula’s anointed technocrat capable of sustaining the gains (economic growth and expansion of social programs) of the 2000s, Dilma Rousseff came to power in 2011 in the guise of continuity. Rousseff’s initial term in office was mainly defined by growing adverse economic and political factors. On the one hand, the 2007-8 global economic crisis finally took a toll on the Brazilian economy. Specifically, in mid-year 2012, the counter-cyclical measures6 applied by Lula and then Rousseff’s Economic Minister, Guido Mantega, no longer seemed able to prevent a national economic slowdown. On the other, Rousseff faced massive street protests in 2013 that weakened severely her domestic political capital and constrained even more her international actions (Singer, 2018).

Over her tenure and half, Dilma sought to maintain Lula’s pragmatic economic motivations to support the global expansion of Brazilian companies. In a commodity boom scenario, Lula’s presidential diplomacy was primarily guided by pragmatic economic motivations and an unprecedented level of assertiveness to support the global expansion of big Brazilian companies. The oil, minerals, food and food processing, and construction sectors gained a continued to receive particular attention and funding from Brazilian authorities. Indeed, according to Brazil’s National Development Bank (BNDES) loans to Brazilian firms operating abroad rose over 1,185% between 2001 and 2010 —or from $72,89 to $937,08 million (Colombini Neto, 2013; Gandra, 2012; Hochstetler, 2014).

With the slowdown of the international commodity markets, a steady decline

---

5 As much as possible we will avoid using the past presidents as a metric to the remarkably different scenarios faced by Rousseff. The same applies to Michel Temer, Dilma’s successor, given the peculiar political conditions under he came to power.

6 They mostly consisted of tax exemptions to industrial plants with no offsetting measures, reduction of interest in public financial institutions, and an aggressive public works agenda.
of industrial activities added even more problems to Rousseff’s tenure. It was a
clear side-effect of the path taken in the early 2000s. Even though growth was
achieved, and the Brazilian economy revamped its path of fast-paced economic
modernisation, the export-oriented activities eroded the industrial ba-ses of the
economy (Bastos & Hiratuka, 2017; Bresser-Pereira, 2016; Oreiro & Feijó, 2010).
In concrete terms, the five most exported Brazilian commodities rose in the per-
centage of the total volume of trade from 28% to 47% between 2005 and 2011
(Cervo & Lessa, 2014). Much in the same way, given the sustained reduction in
growth rates in the Chinese market and its associated stalled European recovery,
the commodity-export driven path of growth seen in Brazil in the early 2000s was
presumably expected to find its limits —which came to happen around 2015-16.

The abrupt halt in the international economy led to a challenging reduction in
Brazil’s export revenues and the well-being of the country’s increasingly impor-
tant export sector. Two factors that chiefly worked to project the Brazilian econ-
omy regionally and globally along the 2000s were not in play anymore. On the
one hand, the already mentioned high prices for most Latin American export
commodities oscillated sharply, putting pressure in a dangerous growing public
deficit7. On the other, the financial liquidity provided by global interest rates that
were sustained in remarkably low figures for much of the period started to disap-
ppear8. Both were associated with the country’s economic presidential diplomacy
under Lula and allowed Brazilian companies to expand their opera-tions not only
in South America but also in Africa, China and even the United States (Brazilian

The corporatist fashion for globalizing Brazilian economy under Lula da Silva was
not abandoned by Rousseff, who rather sought to adjust it to new external and
internal constraints —and deepen its program in some points (Chagas-Bastos,
2015a). Although the national and international scenarios were not favourable,
the Brazilian government opened generous credit lines and offered fiscal incen-
tives to some industrial sectors starting in 2013. Even though, business groups,
and particularly industrial elites, were much more reluctant to work with Rousseff
than they did during Lula’s term in office (Singer, 2012; 2018).

With both tenures plagued by domestic problems, Dilma preferred to take an
inertial strate-gy, following with low intensity the path traced by Lula da Silva
for foreign and defense policies (Chagas-Bastos, 2015a). Rousseff, however, never
seemed inclined even to try to tackle some of those emerging challenges using

7 As for 2019, for instance, Brazilian federal deficit corresponds to BRL 139 billion (around $35.29
billion).
8 The effect on Brazilian firms was critical. Some of the ‘national champions’ —in particular animal
protein compa-nies— were allowed to borrow strong currencies abroad to extend their export-oriented
activities at home, and the rapid devaluation of Brazilian Real combined with the increase of interna-
tional interest rates drove some to bankruptcy.
the capital of presidential diplomacy—differently from her predecessors, who worked to open new venues for Brazil’s insertion in the global context (Burges & Chagas-Bastos, 2017).

While no radical policy departure from Lula’s diplomatic course9 was taken, she nonetheless toned down the assertiveness, as well as the critical accomplishments of her patron’s tenure. The outcome was somewhat reversed to a pre-Cardoso era of very selective presidential involvement in diplomatic initiatives. To illustrate, while Lula had spent 269 days in international voyages in his second administration (2007-2010), Rousseff spent about 144 days abroad in her first term in office. She was also more discriminating in the destinies of her trips, having mostly visited countries seen as useful (rather than potential) strategic partners, such as Mercosur, the United States and Euro-pean nations (Brazilian diplomat B, 2016; Cornelet, 2014; Schreiber, 2015).

The military component of international insertion followed the same low profile that had by the end of Lula da Silva years. The two main initiatives in the area were processes initiated before Rousseff takes office. The nuclear submarine development agreed with France in 2009, as well as the contract with the Swedish Saab to co-produce the Gripen jets signed in 2013 moved along slowly. In the same vein, the nomination and renewal of General Santos Cruz’s mandate in the Congo, in 2012 and 2014, respectively, can be seen as more for the prestige of the Brazilian Army than for national defence policy. Similarly, the extension of Brazilian involvement in the United Nations Stabilization Mission in Haiti (MINUSTAH) also followed an inertial path. The baseline idea was not changing what had been successful over the past ten years (Chagas-Bastos, 2015a).

By the end of her second term (2014-2016), Dilma have already significantly diminished focus on international affairs reverted the globally activist path her country sustained in the last two decades. Brazil’s geopolitical relevance reduced quickly, particularly when domestic economic and political problems deepened, and the global scenario became more challenging for regional powers.

Moreover, she was not able to harness the broad political support as her predecessor. When by a presidential decree she reduced the public banks’ interest rates, the private banking sector followed but kept the vendetta prepared. The revenge opportunity appeared when the economic conditions got severely adverse, and she lost the support of her governing coalition. These can be credit as the main reasons that led to Dilma’s impeachment in 2016 (Singer, 2018; Svartman &

9 Though Cardoso and Lula da Silva respective political parties have fiercely competed for the presidency of the country in every election over the last three decades years, the latter sustained and deepened Cardoso’s initiated path of pro-moting the country’s international interests. The strategy moved Brazil’s diplomatic focus from Latin to South America and developed new ties with key actors outside the region (Fonseca, 2017; Burges, 2009; 2017; Galvão, 2009).
Marcela Franzoni

All the attempts to promote economic diversification proved mostly insufficient and ended up in an economic and fiscal crisis in early 2015. In the end, deindustrialisation, loss of competitiveness, and associated deterioration of labour conditions in the formal economy seem to be some of the most vivid and painful consequences of Rousseff years; and inaugurated Temer’s tenure.

Michel Temer was elected twice in the same ticket as Dilma Rousseff as her vice-president. When became clear that the president had lost her political support in Congress, by the end of 2015, Temer overtly started to work to oust Rousseff from Planalto Palace. With more than two decades as a Congressman, the vice-president represented the guarantee wanted to keep the political machine running; Dilma was at that time considered *persona non grata* by the majority of Brazilian Congress.

During his short term in office (2016–2018), Temer set as his primary goal the economic recovery, based on two pillars: recovering the public accounts after the catastrophic management under the last Rousseff years and stimulating the business environment (Safatle, Borges, & Oliveira, 2016). Those were not trivial tasks for a country accumulating three years of deep recession: Brazil’s GDP grew 0.5% in 2014, shrank -3.55% in 2015, and -3.46% in 2016 (World Bank, 2019). Furthermore, the political instability brought by the impeachment process, as well as by the continued corruption scandals —and their investigations— drained the energy and resources of any major international ambition Brazil could bear.

Spektor (2018) notes, however, that even with limited time, resources, and domestic and international manoeuvrability, Temer could perform timidly, but well —given the presented conditions. The first measure was suspending Venezuela from Mercosur; without surrendering to the growing radicalisation of the South American right. Temer maintained his ambassador in Caracas, and when he was proposed to send Nicolas Maduro to the International Criminal Court, he declined the idea.

On the multilateral front, Mercosur received a push towards the free market with negotiated free trade agreements with Canada, Colombia, the Pacific Alliance and the European Union. Moreover, Brazil ratified the Paris Agreement on Climate Change, applied for membership in the OECD, and signed the Treaty on the Prohibition of Nuclear Weapons. Particular attention should be given to the efforts on the first public security coordination strategy in the Southern Cone, as a recognition of one the greatest transnational threats in the region. Spektor (2018) observes that the president understood that Brazil gains strength when it uses the mechanisms of global governance for its own benefit —even though this represents very little if compared to the expectations raised during Cardoso or Lula da Silva’s years.
Lula was favoured mainly by an external scenario of high commodities prices even if it has contributed to the deindustrialisation process in Brazil. When the international economic and financial crisis late reached Brazil and other emerging markets, domestic political instability aggravated the scenario. Besides Rousseff and Temer do not have the same negotiating skills as Lula, both had fewer resources and less interest in using foreign policy as an active pillar of Brazilian emergency. It brought a retraction to Brazil’s regional and global protagonism.

**Mexico’s fate: geographic or political determinism?**

Porfirio Díaz’s oft-quoted “Poor Mexico, so far from God, so close to the United States” conveys the tone of Mexican international insertion. The country’s destiny was paved under De La Madrid in the mid-1980s and then extended in the early 1990s by Salinas de Gortari. When joined NAFTA, Mexico only deepened the historical embedded dependent ties with the United States.

The country has the historic challenge of managing the weight and the influence of the U.S. in its international insertion. Vázquez and Meyer (2001) note that the country coexists with the dilemma of developing a strong economy alongside its powerful neighbour and, at the same time, preserving its identity, national interests, and international ambitions. The shared border and economic dependence make Washington a permanent axis of Mexican foreign policy. The main domestic policy issues are related to bilateral relations —security and trade—, which forces Mexico to be in permanent negotiation in search of concessions and agreements.

To Mexican leaders, the opening of domestic markets and closer economic integration with the U.S. market would not only help to address the severe financial and productive hurdles the country faced over the 1980s and 1990s but also would potentially maximise opportunities by attracting capital investments and technological innovation (Calva, 2007). Though some of these expectations turned indeed to be accurate, this trend also proved in many ways to be very troublesome for Latin America’s second-largest economy.

Expectations with trade and financial liberalisation were ambitious. When NAFTA was under negotiations, Mexican leadership hoped that manufactured exports and the reception of foreign direct investment would sustain Mexico’s economic growth (Armella, 1993). Over the 2010s, however, the country’s GDP grew by an average of 2.1% per annum, below the BRICS, and other emerging countries (World Bank, 2019).

By the beginning of the 2000s, the National Action Party (PAN) removed the seventy-year long-running Institutional Revolutionary Party (PRI) from power. PAN’s Vicente Fox (2000-2006) and Felipe Calderón (2006-2012) sought to
open some space for changes in the little margin of manoeuvre bore by Mexicans. They did sustain the liberal-conservative political and economic model set by PRI’s predecessors but tried to diversify economic partners within and outside the Western hemisphere —with uneven rates of success (Flores & Domínguez, 2013; Garza Elizondo et al., 2014).

Vicente Fox promised to change Mexico’s international insertion strategy, but in practice, his government deepened Mexico’s dependence on the U.S. His main goal was to negotiate a migration agreement —which did not progress after the 9/11. Some other new issues, however, entered the foreign policy agenda during the first PAN years, such as the promotion of democracy and human rights —continuing the efforts initiated during Ernesto Zedillo’s (1994–2000) tenure. This process opened up conflicts with some Latin American countries, when the Mexican government criticised the domestic situation in Cuba and Venezuela, for instance.

Calderón sought to expand Mexico’s tight margins of manoeuvre without jeopardising the country’s association with the United States. Bastidas (2012), Garza Elizondo et al. (2014), and Covarrubias (2014) point out that Mexico’s international insertion low profile under Calderón is due to three factors. First, a more assertive and efficient repositioning of Mexico’s international presence employing a concerted economic, diplomatic effort was halted by the low legitimacy of Calderón’s winning ticket in the presidential election of 2006. The political polarisation generated after 2006 blocked any presidential initiative. Second, the climate of violence that resulted from the war on the organised crime. Finally, the international economic crisis in 2007–9 —and particularly relevant in the Mexican case, the U.S. economic downturn. We can also add the exhaustion of the benefits of NAFTA —which has been a long-term agenda-setting theme Mexican international insertion.

During the 2007–9 crisis and its aftershocks, the Mexican economy contracted 7% between 2008 and 2012 —remarkably a rate that was even worse than the recession the country had witnessed in the mid-1990s. Also, though China has become a vital trading associate to Mexico, the country’s economy has seen a drastic slowdown. This seems directly tied to the fact that Mexico, along with much of Central America, is still very dependent on the U.S. economy. While the United States grew on average 0.8% between 2007 and 2012, Mexico’s rate of growth averaged at around about 1.9% in the same period (World Bank, 2019).

With a poor economic performance, the cornerstone of the country’s international insertion strategy became to be the Merida Initiative. Calderón merged foreign and military policies and rebuilding domestic public safety policy along with hemispheric concerns. That was not a fortuitous choice. Chabat (2014a,
2014b) notes that the efforts towards a more multidimensional —i.e. not strictly economic— overtture to the United States were mainly based on Calderón's internal security agenda.

In the Mexico-U.S. relations, the drug trafficking has been a crucial component of the so-called ‘war on drugs’ —started in the mid-1970s—, and since 9/11 has been paired up with the Bush's global ‘war on terror’. Calderón used this crucial long-standing element of the bilateral relations to support his militarised decision to go after the powerful drug cartels. The baseline idea was to leverage Mexican domestic security policy-making using the significant funds that would come from the U.S. foreign aid. In doing so, Mexico received from Washington $1.4 billion in economic assistance, intelligence coordination, policing and investigation technological improvements, and personnel training in various levels of the Mexican security apparatus (Arteaga, 2009; Lucatello, 2009; Olson & Wilson, 2010; Velázquez Flores & Lallande, 2009; Villa et al., 2015).

After the failure to negotiate a migration policy agreement with the United States, Mexico’s increased its efforts to shift the domestic combat to drug trafficking to the regional level. The Merida Initiative represented the recognition by the United States that the Mexican government could not guarantee public order within its borders, and that such instability could spill-over and compromise American national security. The Initiative repositioned the United States’ anti-drugs policy towards Latin America —which since the mid-1990s had been focused on Colombia. The strategy prioritised Mexico’s growing drug violence and the associated social turmoil, as a focal point for the potential growth of foreign or home-grown terrorist cells in the US. In the eyes of Washington decision-makers, to conflate drug-traffickers into terrorists was central to the country’s efforts to legitimise its actions in combating both the drug trade and the, perceived as growing, terrorist threat in Latin America —and particularly in Mexico (Villa, Rodrigues, & Chagas-Bastos, 2015).

In this regard, Calderón’s tenure was particularly violent, with human cost related to the drug trade reaching unprecedented levels, and the rates of poverty scaling back to figures not seen in many decades (Bastidas, 2012). The national politics leeway for the president was minimal since the very beginning, and as we mentioned before, the solution was to marry Mexican public security with the United States’ war on terror.

In the end, the program was not able to curb cross-border drug trade or the smuggling of illegal weapons. On the contrary, it has been seen as responsible for having increased the levels of violence both internally in Mexico, as well as in multiple border areas across the more than 5,000 miles separating the two
countries. Much of the escalation in Mexico’s domestic violence levels derived from Calderón’s decision to involve the Mexican Armed Forces in the so-called internal ‘war on drugs’ (Lucatello, 2009). Although the program faced criticism pointing out that Mexico had increased its dependence on the U.S., it became more explicit that security was a co-responsibility problem of the two countries (Santa Cruz, 2014).

The alternative ways found to strengthen the nation’s place within global hierarchies pointed towards China and the recovery of relations with Latin America. By this time, Mexico set the motto of ‘being a bridge between the North and the South’ to diversify its diplomatic network (Mexican diplomat A, 2015). The strategy foresaw the concentration of efforts to expand multilateral —but mostly non-economic related— issues.

Following the ‘bridging’ strategy, Mexico was the host of the Sixteenth session of the Conference of the Parties (COP 16), in 2010. The international conference was attended by over 2,500 people: 1,563 official delegates, 443 registered media and over 500 visitors. Differently from COP15 in Copenhagen, however, there was no expectations about a binding deal at Cancún that would commit countries to cut the carbon emissions. Mexico used the COP16 more to set a foothold back on multilateral negotiations than tried to help to disentangle global negotiations regarding climate change. In the same context, Calderón was an eloquent and enthusiastic host to the G20 Los Cabos Summit, in June 2012. At that time, the president defended global trade, open markets, and reductions in global protectionism as the best way to promote development and the reduction of national and international levels of poverty.

The rise of centre-left governments in Latin America cornered Mexico and its liberal orientation. From 2006 onwards, the country was compelled to participate in economic and political coop-eration processes with partners in the region —but with no changes on its international insertion strategy and economic development. In this context, Felipe Calderón tried to reorient his approach in his last year in office, attempting to revive a closer relationship with Latin America.

---

10 Some of the bilateral economic linkages between the two countries are not always directly dependent on governmental actions. The massive remittances sent home from Mexican nationals living legally or illegally in the U.S. are an additional complex element of the cross-border interactions taking place. Former Mexico’s Foreign Minister, Jorge Castañeda (2012a) estimates that about a third of Mexican families have currently a family member living in the U.S. from where they remit funds back to Mexican on a regular basis. According to the Migration Policy Institute (2016), “[i]n 2014, more than 11.7 million Mexican immigrants resided in the United States, accounting for 28 per cent of the 42.4 million foreign-born population —by far the largest immigrant origin group in the country”.

11 This resembles Brazil’s idea of being a ‘bridge between old and new powers’ (see Burges 2013a).
González-González and Velázquez Flores (2014) suggests that the country’s economic and associated diplomatic weakening undermined such approximation — and ended up deteriorating its relations with the rest of Latin America due to its debilitated capabilities to influence international negotiations.

Mexico’s relations with Latin America under Calderón were concentrated on the Community of Latin American and Caribbean States (CELAC) and the Pacific Alliance (PA). CELAC aimed at to be the primary mechanism for concertation between the thirty-three Latin America and the Caribbean states, as well as serving as a bridge between the region and China, Russia and the European Union. The Pacific Alliance, by its turn, aimed at facilitating trade and investment between Colombia, Chile, Mexico and Peru — and has now expanded to other areas such as investments. Although participation in these initiatives was an attempt by the Mexican government to strengthen ties with Latin America, its results were limited. Mexico’s primary attention to foreign policy issues — such as migration, security, and trade — continued to be bilaterally discussed with the U.S. The initiatives represented much more a reaction of the Mexican government to the domestic and international conjuncture, than a reformulation of the international insertion strategy. Cooperation with the United States has increased, notably with the Merida Initiative.

At the end of the day, Calderón’s ambitions for his country’s international insertion achieved little success, enlarging the leeway for Mexico only timidly. Rather than being able to move Mexico’s strategic partnerships away from the United States, he managed to entangle even more his country with its Northern neighbour; in addition to the economic realm, Mexico became associated dependent to the U.S. in security matters (Chagas-Bastos, 2015a).

Enrique Peña Nieto (2012-2018), maintained Calderón’s initiatives, but with less enthusiasm. The president did not participate in the 2015 and 2017 CELAC Summits, due to domestic agenda matters. Especially in the latter, Mexico lost the opportunity to obtain support against the threats perpetrated by Donald Trump — another indication of a lack of regional and global protagonism (Franzoni, 2018).

Peña Nieto, however, reoriented the economic dimension of Mexico’s international insertion (Ulloa, 2014). The ambitious Pact for Mexico, launched in December 2012, sought to create a ‘new’ Mexico through structural reforms in as diverse fields as education, telecommunications, labour, finance, judiciary, energy, among other constitutional measures. The Pact aimed at increasing national productivity, strengthening and expanding the rights of Mexicans, and safeguarding democracy (Mexico, 2014). The outcome, in the end, was just the opening of several industrial sectors to foreign capital — which put the foreign policy to
attract investment to the country. The frustration of such plan came with the withdrawal of the United States from the Trans-Pacific Partnership, and when the Pact showed to have a flimsy basis—which inevitably raised questions about the Mexican real emerging potential (Franzoni, 2018).

Expectations were high. The official plan for the energy reform projected a 1% GDP increase for 2018 and approximately 2% by 2025, and the generation of millions of jobs (Mexico, 2014). According to data from the OECD (2017), Mexico’s average economic growth under Enrique Peña Nieto was 2.1% per year, which shows how stagnated Mexican economy was.

Although the six-year period began with high expectations on the part of the Mexican government, the structural and contextual problems redefined the course adopted. The case of the forty-three students who disappeared in Guerrero and the deaths of journalists, widely publicised by the international media, exposed the current human rights situation in the country and that the problem of violence was far from being solved. Moreover, the election of Donald Trump did not make any simpler to Peña Nieto. Trump’s threats to build a border wall and to be though while renegotiating NAFTA led the Mexican government to react to economic and political uncertainty towards its principal commercial partner. The Mexican Peso went through much instability, as international businesspeople feared for the effects of the protectionist economic policies adopted by the United States to the Mexican economy (Franzoni, 2018).

Economic stagnation combined with allegations of corruption and increased violence in Mexico led to the victory of Andrés Manuel López Obrador (AMLO) in 2018. Although the president himself argued that the 4th Revolution of Mexico is in course, the space for adopting more autonomist policies is small. The structural condition of dependence on the U.S. explains AMLO’s participation in negotiations for the modernisation of NAFTA and the low mentions to Latin America in official speeches. The new president signals that he will use economic and social ties with the United States to implement his domestic agenda—therefore, with no reformulations in Mexico’s economic development or international insertion strategies.

The common character in both, Brazilian and Mexican cases, is the intriguing fact that even dissatisfied with their positions within global hierarchies, there was no attempt posed any threat to regional, and more broadly, the international order. The regional power void, however, is to be studied.

Final Remarks

We argued in this paper that Brazil and Mexico are still very discrete participants in the post-Cold War order, even after the high and continued exposure they have...
experienced during the first decade and half of the 2000s. Although frequently seen as emerging economies and even multilateral diplomatic forces, both countries have only marginally reaped the gains of trying to act more assertively in the regional and global arenas.

Ironically, much of this rising international recognition has derived from ad hoc needs and opportunities rather than combined strategic planning in either case. Whichever levels of temporary success have mostly resulted from sporadic, though at times innovative manoeuvrings, particularly in the case of Brazil, within transitory more favourable scenarios.

Consistent with the factual reality of the 2010s, it is hard to foresee any long-term consequence of Brazilian and Mexican international insertion manoeuvres. We highlighted, nonetheless, some of the most innovative features of the courses of action chosen by each country. The search for reorganising global spheres of power by taking more attentively into account the potential and desires of emerging nations is one of their most transformative components—at least since the 1970s.

It is reasonable therefore to assume that despite the early successes and innovative tone Brazil and Mexico’s international insertion strategies assumed in the 21st century a more pragmatic orientation. More self-centred goals have primarily guided them, even if at times operating utilising regional, global, or theme-based group diplomacy. The state-supported pattern of international insertion pursued under Lula has come to an abrupt halt with Rousseff and Temer. The commonly called country of the future seemed indeed at the end of a cycle of economic and political exuberance. In the same vein, the liberal path deepened by Calderón has moved slightly Mexico away from the United States; whereas Peña Nieto only inertially moved Mexican international insertion ahead—in any case, the country is still distanced from God and closer from the Northern neighbour.

Mexico was not benefited from the increase in commodities prices since its exports contain a high index of manufactured goods. While Brazil has sought to establish itself as emerging from a leading position in South America, Mexico’s dependence on the United States dictates its regional assertiveness. Despite the differences in the international insertion strategies outlined above, we tried to show that both countries still struggle mainly with domestic constraints to broaden their global power.

**Bio**

*Fabricio H. Chagas-Bastos*

Research Fellow at the University of Melbourne’s School of Psychological Sciences. His research specialises in the intersection of International Relations and
Social Psychology, taking an interdisciplinary approach with the broad aim to study the political, economic and developmental challenges faced by the Global South. His articles have appeared in Policy Studies, Latin American Politics and Society, Journal of Political Science Education, International Studies and Journal of Peacebuilding and Development.

Marcela Franzoni

PhD candidate at the São Paulo State University (UNESP)'s Institute for Research on Public Policy and International Relations. Her PhD research is fully funded by the FAPESP Graduate Scholarship Programme. She specialises in Mexican foreign policy and Mexico-U.S. relations. Her research has appeared in Conjuntura Internacional, Contextualizaciones Latinoamericanas, and the Anuario de la Integración Regional de América Latina y el Gran Caribe.

References


Brazilian diplomat A. (2016). Interview in 22 June.

Brazilian diplomat B. (2016). Interview in 23 June.


Ramírez Meda, K., & Rochin Aguilar, N. (2017). La política exterior de México
durante el sexenio de Enrique Peña Nieto. Comillas Journal of International Relations, (8), 51-66.


