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Brazil-U.S. Bilateral Relations Mended by Delayed State Visit

by Gregory Scruggs
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An official state visit to Washington by Brazilian President Dilma Rousseff finally came to fruition on June 30, nearly two years after she canceled the prestigious journey on account of a US surveillance operation. In September 2013, Rousseff unexpectedly called off her planned trip to the White House for the following month in light of revelations that the US National Security Agency (NSA) had spied on her, including by tapping her private cell phone (NotiSur, Oct. 11, 2013). The NSA had spied on several leaders of US allies, prompting a flurry of angry reprisals in the diplomatic sphere against President Barack Obama. Rousseff, for example, delivered a sharply critical speech to the UN General Assembly just weeks after the spying news broke that obliquely mentioned the Obama administration.

Two years on, Brazil and the US have reached a détente. At the April Summit of the Americas in Panama, Rousseff and Obama held a one-on-one meeting that resulted in the announcement of the June state visit, which was shoehorned into an already full 2015 calendar of overseas delegations to the White House. The two leaders reached agreements on easing travel between the two nations and on progress toward climate change ahead of the UN climate negotiations in Paris, COP 21, which will take place in December.

Analysts believe the timing of Dilma’s rapprochement with Obama was designed to shore up a weak economy and domestic political unpopularity. Potential new trade opportunities could bolster struggling Brazilian markets. Meanwhile, proximity to a superpower such as the US, including validation by Obama that Brazil is a major geopolitical player, is a public-relations win for the ailing Brazilian president.

Strong US Interest in reigniting relationship

Although spurned by Rousseff, the US has eagerly awaited the opportunity to smooth over the rough patch in bilateral relations in the last two years. China is now the largest trading partner with Brazil, a role once occupied by the US. A state visit such as Rousseff’s, which also included stops in New York City to court investment bankers and Silicon Valley to woo technology companies, could spur increased foreign direct investment.

"From the White House perspective this is a chance to really re-energize a very important relationship that frankly has been on ice for the last two years," says the Council of the Americas and Americas Society's Eric Farnsworth.

Obama is also pursuing a climate-change agenda for which he seeks Brazil’s support, as evidenced by joint pledges to generate 20% of energy from renewable sources by 2030—triple current amounts for the US and double for Brazil. Rousseff also pledges to stem deforestation in the Amazon and reforest 12 million hectares by 2030. Together, the countries embarked on a joint initiative, the United States-Brazil Climate Change Working Group, which will begin work in October.
"Brazil is obviously not the world’s largest greenhouse gas emitter but it’s one of the top 10 and the Brazilian case there is an opportunity for agreement on deforestation issues in the Amazon, which is one of the big challenges," says Jason Marczak of the Atlantic Council.

**Rousseff in need of White House boost**

Times continue to be tough in Brazil, where a litany of economic indicators is forecasting a difficult future. Inflation is hovering around 9%. The real dropped the most among major currencies in June following reports from the Banco Central that the economy shrunk more than expected in April. Unemployment figures from May were also higher than expected, sparked in part by an austerity policy that Rousseff has undertaken in her second term. Overall, Brazil faces its worst recession in 25 years.

Politically, that situation has given Rousseff the lowest approval ratings of any Brazilian president since Fernando Collor de Mello (1990-1992) in 1992, who was later impeached. A June 21 Datafolha poll found that only 10% of respondents favor her leadership. Rousseff’s party, the Partido dos Trabalhadores (PT), continues to fend off perceived threats of a coup from the Partido da Social Democracia Brasileira (PSDB), which fielded the runner-up in last year’s election, Aécio Neves.

"Actually, President Obama offered President Dilma to come here on a state visit if she could wait until next year because the White House does just a limited number of those visits," says Paulo Sotero, director of the Brazil Institute at the Woodrow Wilson Center. "But she declined and asked to come now because she needs to come now."

The Petrobrás corruption scandal and Operação Lava Jato, a money-laundering investigation by the Federal Police, remain headline news items that further chip away at Rousseff’s credibility (NotiSur, April 10, 2015). Reporters brought up those issues during the joint press conference given by the two heads of state, which were deflected by both presidents who demurred comment on an ongoing investigation.

**Brazil affirmed as global player**

The outcome of Rousseff’s visit was largely renewed trust between the two countries, highlighted by the continuation of cooperation programs and the establishment of some new but relatively small joint endeavors. Such a symbolic outcome was indeed the goal given the state of bilateral relations prior to the visit. In that respect, Rousseff’s biggest diplomatic victory of her time in Washington came as a result of a Brazilian reporter’s question.

Sandra Coutinho of GloboNews, a right-wing media outlet, asked Rousseff how she squares the US perception of Brazil as a regional power with her administration’s self-perception of Brazil as a global player. Obama interrupted and answered the question before Rousseff spoke and gave an answer that suggested Coutinho’s assumption was off-base.

"We view Brazil not as a regional power but as a global power. If you think about the pre-eminent economic forum for coordinating between major economies, the G-20, Brazil is a major voice in that," Obama said. "The negotiations that are going to be taking place in Paris around climate change can only succeed with Brazil as a key leader. Brazil is a major global player. The United States, as powerful as we are and as interested as we are in solving a whole range of international issues, recognizes we can’t do it alone."
Coutinho’s question was roundly criticized by Brazilian blogs sympathetic to the PT as an attempt by the Globo media conglomerate to diminish the success of Rousseff’s trip. The hostility Rousseff experienced from her own press corps—she was the one who called on Coutinho to ask a question—served to further highlight how difficult a political situation the Brazilian president is in only six months into her second term.

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