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QI Panel:

Collision Averted? The Brazilian Election and U.S.-Brazil Relations

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Sarang Shidore 0:44

Hello and welcome to this Quincy Institute webinar on U.S.-Brazil relations after the ongoing Brazilian election, which will have its second round on Sunday. My name is Sarang Shidore. I'm the director of the Global South Program at the Quincy Institute.

We at the Quincy Institute are a transpartisan foreign policy think tank. We are based in Washington D.C. and we promote ideas that move the United States away from military interventionism and towards more diplomacy and economic engagement, all in the national interest and based on realist restraint, the Global South program at the Quincy Institute aims to achieve a new bargain between the United States and the Global South, which is a meta-region stretching from Mexico City all the way to Manila. The program recognizes the Global South's instinct for multi-alignment and aims to build mutually productive relations in the national interest.

As Brazil heads into this crucial second round of polling on October 25th, all eyes are on the challenger Flavio Bolsonaro, who had a stunning win in the first round just 10 days back. Brazil and the U.S. have lately had a rather testy and difficult relationship, with disputes on various issues such as security, domestic Brazilian politics, allegedly unfair trade practices, and Brasilia's ties with Beijing. If the Bolsonaro family does indeed come back to power, are there U.S. asks that even an arch conservative Brazilian president will draw a line on. On the other hand, if Lula wins, how could the U.S. and Brazil find their way back to a stable, productive, healthy relationship? Broadly, what should be the U.S. approach to achieve such a relationship with Latin America's biggest power, regardless of who's actually running it, of who is actually in power, of course, on this side in the United States.

So to discuss all of these questions and even more, and going beyond, we are joined today by three superlative panelists. Let me introduce them one by one, and I'll keep the bios really short. You can you can find their details on our website and elsewhere. First off, I'm going to introduce Jana Nelson from the Tony Blair Institute in here in Washington D.C. Jana was the Deputy Assistant Secretary of Defense for Western Hemisphere Affairs in the U.S. government prior to her appointment, she was a senior policy advisor to U.S. Ambassador to the United Nations, Linda Thomas Greenfield. Jana also served in the Department of State as staff in the U.S. Senate and as a Foreign Affairs officer in the Office of the Secretary of Defense. So, welcome, Jana, to this conversation.

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Next up, we have two non-resident fellows at the Quincy Institute who just recently and jointly authored a Quincy Institute brief on U.S.-Brazil relations that we will discuss during this conversation. First off, I have Andre Pagliarini, who is an assistant professor of history and international studies at Louisiana State University, and a fellow at the Washington Brazil office. He has published in the New York Times, The Guardian, New Republic, and Jacobin in the United States, and Folia de Sao Paulo and Piaoy in Brazil. He is also a monthly columnist at the Brazilian Report and a Latin America analyst at London Politica, a nonprofit political risk advisory. Welcome, Andre, to this show.

And then, last but not the least, I have Feliciano de Sá Guimarães, associate professor at the Institute of International Relations at the University of Sao Paulo, and director of the Brazilian Center for International Relations or Cebri in Rio de Janeiro. He is also the editor in chief of Cebri Journal, Brazil's top foreign. Policy Journal, and was a visiting professor in political science at Yale University.

So all three of you welcome, and let's start this very important and interesting conversation. I'm going to start with you, Feliciano, and let's first dwell just a little bit. Although we are going to mostly talk about foreign policy, but let's just dwell a little bit on the election that's coming up. The second round is coming up on Sunday. The first round already took place, and in the first round we had a Flavio Bolsonaro surprise win with almost a two-point lead over his nearest rival, of course, incumbent President Lula, and which was notable, particularly because he was not the incumbent. He was a challenger in this election. He is a challenger, but again, as elections go, you know, everything is so dynamic.

So the latest polls that I am seeing of the internet seem to be more tight. Lula seems to be closing the gap. Where are we in this election at the moment? From where you're sitting, your vantage point in Sao Paulo, and what factors will decide the outcome? And perhaps more important to this conversation, will the new president have a stronger role in foreign policy, regardless of who wins. Looking at where the overall national map is and what the margins are likely to be, are we going to see a more sort of a more assertive president on the foreign policy arena, or is he going to be more constrained?

Feliciano de Sá Guimarães 6:39

Thank you, Sarang. Thank you for the invitation for being here. It's a pleasure to participate in this web web seminar. It's a pleasure to meet Andrea and Jonna too. And thank you for the question. So I think this is obviously a very highly uncertain race. It's impossible to tell nowadays who is going to win. If you look at all the pools that you mentioned, Flavio is is holds a narrow lead of one to two points, but that can change in the in a in a heartbeat in the last weekend. So I would say that today, which is a Tuesday, Flavio Bolsonaro is slightly favoring over President Lula, but that can change everything until Sunday. So the thing is that it has never been a second round comeback in the history of Brazilian presidential elections. You can only you could only see that happening in state governor races.

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So there might be a first in this weekend. Who knows, right? So I think let's start with a few steps back. I think Lula's first round campaign was a lackluster, with poor messaging and weak TV and radio ads. It's important. It's important to note that in Brazil, candidates for presidential election and also all the other candidates they have free time on TV and radio. And if you look at what and that and the amount of time you have is based on the size of your political party in the house, so both Flavio Bolsonaro and Lula had a lot, a plenty of time on TV and radio ads. And if you compare both, and a lot of people in Brazil are comparing both ads, you can see that the message coming from Flavio Bolsonaro was more efficient than the message coming from Lula.

One of the reasons that Lula didn't reach its goals because the proposals were too abstract. A lot about international affairs, and then the end of the day, the voters were more concerned with domestic issues in Brazil. And Flavio was smart enough to play that better than Lula. So, but that has changed completely. 180 degrees in a runoff. So Lula brought the the victors of the Workers Party, a lot of young people to its to his campaign, and they have revolutionized the campaign in many many aspects. So there is that's why you can say there is some hope there in Lula's campaign because the new people that he brought in for his campaign team are coming with new ideas and a fresh breath that can is changing the way we engage voters and people are engaging voters in Brazil, especially in his size.

And also Flavio, in the first week of the runoff, Flavio was almost feeling that he already won the election, and now they're finally coming back and also engaging more people on the streets because they felt that Lula was changing a lot. So again, this is a scenario in which is impossible to tell who is going to win. But there are two structural headwinds that work against President Lula. You mentioned a little bit already in your question. First is this anti-incumbency happening across Latin America, and the second that is totally related to that is Lula's approval rating. His approval rating, his governor's approval rating, is never above 40% And what happened usually in presidential campaigns in Brazil, when the radio and TV ads start, the the incumbent usually approval rate usually goes up, and in in case of Lulay went down, he lost support after his radio and TV ads started on TV, so that was totally unexpected. It shows how. How bad was the Lula's first round, first campaign, the first round?

So, and and I think that's these are the main reasons that Lula is unlikely to win is because we have this incumbency anti-incumbency movement in across Latin America. His approval rating is never have is around 40% and 40% is impossible to tell that if he wins or if he loses, so that's why, and that's why he's having this so much difficulties. And I think he only has a chance to win because Flavio Bolsonaro's rejection is very, very high, as high as his rejection. If it was any other candidate on the right wing spectrum that was not as rejected as Bolsonaro's family, Lula would not be able to to win this election. So what what comes next?

My final point. I think if Lula wins, he would face a very difficult term. Brazil has gone through a conservative revolution, a conservative wave. The PL, the PLL, which is the party of Bolsonaro, has grown substantially in both chamber and the chamber and in the Senate, so Lula would lead in a minority government that works. That we would work more as a veto government that will veto many things coming from the Congress. It will try to protect the Supreme Court, for

example. Now, if Flavio Bolsonaro wins, then the scenario is completely different because this conservative Congress combined with a Bolsonaro presidency, will pose a real risk in to Brazilian democracy. Because the other day I was talking to this federal deputy running for an election, and he was in a very poor neighborhood in the state of Santa Catarina. He was trying to convince voters to win, and he was talking to this old lady, a very poor old lady, and they were talking about sanitation on that neighborhood. And he comes to her and say, "Look, we're going to bring new sanitation here if we win to be the federal deputy. And she she replies to him, "Oh, that's very good, but what I want to see is the impeachment of Lechondo de Morais in the Supreme Court.

So the impeachment of the Supreme Court is the main issue that allowed many people from the the possibility of the impeachment of the PLA to be elected, I was listening to this radio broadcast from the future senator of state of São Paulo, Dehici, who was the the secretary of interior of the state of São Paulo, who is who was responsible for crime in to fight against crime in São Paulo. An entire interview was talking about how they would impeach the Supreme Court, and because they have the main target, the Supreme Court judge Alexander Morais, who put Jair Bolsonaro, Flavi Bolsonaro, in jail a couple years back. So, so they managed to have this impressive conservative wave that will bring instability if Flavio Bolsonaro wins, and if they look for for that.

And the last final point. One thing is worth watching in Flavio Bolsonaro government is this infighting within the Bolsonaro family. It looks like a Shakespearean tragedy, like Richard III. You know, Flavio will be the king, like Edward IV, and Eduardo Bolsonaro, who is in D.C. right now, would be Richard III, the younger brother who will do whatever it takes to stab the king in the back. So now, now is the is the winter of discontent, right? Made glorious summer by his son of Bolsonaro. So this is one of the things I really. It's like you know we are we are we are seeing this this picture again, one more time. Paying attention on how what how the Bolsonaro family will play politics in Brazil for the for for the next four year if they win. So back to you, Sarang.

Sarang Shidore 13:30

Yeah, it sounds like this content is the name of the game. People are voting more against somebody than for somebody. For sure, approval ratings everywhere are low. There is no confidence left in the political class. How do you do foreign policy in such an environment? Is really the question. We also have these questions, of course, here in the U.S. But Andre, I want to start getting more into the foreign relations aspect. But but the first thought that struck me is, in fact, this connection between domestic and foreign policy, which has, in this election and some other elections, as well in other parts of the world, has come up in the form of election interference or allegations thereof. In this election, there have been allegations that the U.S. has interfered in in the election from some some quarters in Brazil, there's no question that the Trump administration has taken a tough position on Brazil on many policy registers.

For example, President Trump has designated crime groups as terrorist organizations, foreign terrorist organizations, or FTOs, he's threatened new sanctions against the controversial

Supreme Court justice that you just mentioned, Feliciano Alexandre de Moraes, imposed high tariffs on Brazilian imports, has attacked Pix, which is Brazil's popular payment transfer system. So there's there's been a lot of. Commentary actions and otherwise on Brazilian policies, even reaching into domestic policies from the United States. So all of this does it amount to election interference? Would a sort of a centrist Brazilians sort of nod their head and say, "Yeah, it is that, or is this answer really again polarized?

Andre Pagliarini 15:21

That's this is this is one of the key questions, and I just want to begin by saying good morning, bonjia, to my esteemed co-panelists, to thank Quincy for organizing this, and to say hello to the people watching. I think it looks like we we have a good crowd, which speaks to I think the interest in this election. Obviously, we are all on this on the panel deeply invested in the outcome, but I think we've been arguing, all of us in our own ways, that the world should really care about what happens in Brazil. So it's it's really nice to see the kind of interest that I think we're seeing this morning. So thank you.

On one hand, to answer your question, I put my sort of historian hat, and I think we we need some a little bit of humility in how we analyze this because I I think there is a lot that we just don't know at this point. I keep thinking, you know, in 1015, 20 years, when we look back at the 2026 election, I think we a lot more will become clear to us than we have access to now. The same was true after the 1964 coup, for example, when U.S. involvement there became clear. I mean, people might have had an inclination, and I think we have an inclination now of Washington. It clearly favors Flavio, but the details of what it's actually doing are not accessible to us, are not clear to us, even if we have an inclination. Very similar story in 1964 coup.

So while we don't know exactly many of those details, it doesn't mean we're not seeing with our own eyes what what what is happening, and I one of the one of the clearest ways in which we are seeing some type of attempt to influence the outcome. One of the clearest ways is what the social media platforms are doing. Meta was recently admitted essentially that they were manipulating the algorithm, essentially to favor right-wing voices against Lula's campaign, and they've been ordered to rectify that. But that's one of the new ways that that that elections can be influenced from abroad. It's not necessarily, you know, military supplies or anything like that. It's it's the ways that the conversations are happening on these platforms that we've become so reliant on for our political debate.

That said, going back to last year, the Trump administration did carry out several policy moves that were widely interpreted as intended to favor the Bolsonaro argument against Lula. The argument, for example, in applying sanctions on Brazilian leaders on the Supreme Court, for example, on sanctioning Brazilian exports, was in part to make to signal to Brazilians that your government, Lula, but also the Supreme Court, are bad actors on the world stage, and that it would behoove you, Brazilian voters, to change your leaders. That backfired somewhat spectacularly, and I think all quarters sort of recognized that the overt intervention gave Lula, who is even though on the defensive, as Feliciano was just saying, still a very able politician,

that enabled him to raise the banner of sovereignty and to speak in a vocabulary that has often served a nationalist, you know, sort of argument.

But what we've so what we've seen since then is a slightly less overt tone from the United States. What that has done, it has it has largely removed or lessened the saliency of the sovereignty argument. And so, one of the things that that that I've been arguing is, as long as sovereignty was this major looming issue in the public debate in Brazil, that tended to favor Lula, as opposed to corruption scandal. If we're talking about corruption in the Brazilian election, regardless of who is involved, that tends to favor the anti-incumbent, the right-wing, you know, challenger.

And so, to answer your question very directly, the shadow of intervention has been looming over this election, and Lula and his campaign have tried to to remind voters of that, that the Flavio Bolsonaro campaign, if it wins, will likely be much more receptive, to say the least, to Washington's demands. But that I don't think is moving most of the voters in in certainly in the second round. There was just to conclude my opening salvo here. There was a comment recently by the head of the Workers' Party in the state of Rio, a guy named Washington Quaqua, and he was his diagnosis of the first round, why it went badly for the PT, was he said nausea. I'm going to say in Portuguese because it rhymes, and then I'll translate. Nos estamos discutiras haras ele des estavas discutirlo coisas caras. We were talking about rare earths, this sort of abstract, long-term idea. They, the opposition, were talking about cost of living and expensive things.

So it's there. Sovereignty questions, intervention is there, but I, I, it has been subsumed by the more pointed attack on the domestic record. To the point about narco terrorists, that designation from Washington, I thought it was notable in the first debate between Flaviou and Lula this past Sunday. Flavio used that term narco terrorists to refer to the major organized Crime organizations in Brazil. That was a subtle way in which the vocabulary of the Trump administration is making its way into the Brazilian public debate, because they are not traditionally called the Brazilian parlance narco terrorists, and so that was taken as a given.

And I think that that reflects some indication of how aligned the Flavu Bolsonaro government would be with the Trump administration's approach to organized crime, which is to classify them as narco terrorists. Flavov has said he would join the Shield of the Americas. So when it comes to that public security and geopolitical angle, Flavu is clearly much more in alignment with the Trump administration's rhetoric and worldview than Lula is, who resists all of that as a cover potentially for further U.S. intervention in Brazilian politics. So very clear divergence about how Brazil should be engaged in the Trump administration geopolitically between the two candidates. But I don't. But I but I would hesitate to say that that's what people are voting on, much to the frustration of Lula, I think.

Sarang Shidore 21:42

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Right, viewers. If you have any questions, please drop them into the chat because I'll be taking up questions from you very shortly. But Andre, very good points on this. I mean, this this point on sovereignty as a little bit abstract and affordability as something more tangible, something that everybody can feel and respond to. Also, security is very tangible. And on these two issues, certainly on security, we have seen a shift in the region. The the term narco terrorists has actually also been now used in Colombia after the shift in government. We have seen a new president take a tough stand on these cartels and link them to terrorism. So this seems to be a regional, at least part of the region, a trend that is emerging. And Flavio is also seems to me, at least, plugging into that.

Let me bring in Jana Nelson, who's been very patiently waiting so far into the conversation, Jana. Just quickly on this election thing before we get to other topics such as rare earths and security. You know, Andre mentioned the social media allegation about Meta and so forth. We live in such a hyper-connected world today that any opinion or stance taken by a powerful country, a powerful president, in this case the United States as as sort of the regional major power, dominant power, is instantly transmitted to millions of people in Brazil, inevitably influences them one way or the other. So, I mean, how do we even gage this concept called election interference today, when everybody is so connected and inevitably influences each other, and powerful platforms, powerful countries just tend to influence others more than the other way around?

Jana Nelson 23:37

Thank you, Sarang. Thank you for the question, and it's lovely to join both Feliciano and Andre on this panel. Look, a lot of the things that are happening do offer some plausible deniability to the Trump administration, right? But I think it's it's an undisputable that there has been electoral interference. I'll give you one very clear example, which was the visit of candidate Flavio Bolsonaro to the United States a week after Trump and Lula met, and when he came to Washington, he met with President Lula or President Trump. Sorry, he met with Secretary State Rubio. He met with several high-level officials. That is not something the United States normally does. We do not meet with candidates in an electoral year if they do not have a job that is their own job, right?

In the case of President Lula, we see this, for example, as odd as it may be with the UN Secretary General, we have not seen high-level meetings except for Grossi, who has a position as head of the IAEA. This is a long-standing tradition in U.S. foreign policy, and I would argue probably most countries foreign policy, but but the notion of electoral interference has become much more common, much more acceptable. We're seeing several presidents in Latin America endorse federal deputy Congresswoman Maria Olivia Salazar in Florida, which is an odd. Choice to make, so so it is becoming more and more of a norm, and there has been very clear interference in the case of Brazil. Though many of the examples that people point to, Meta, the influencers in São Paulo, all of those could be plausibly denied, and perhaps they are just you know happenstance, and it it it it's coincidence or whatever it may be, but there are very clear examples in which this has happened.

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Sarang Shidore 25:29

Yeah, so it's very interesting. Two contradictory trends. One is sovereignty is being asserted at least rhetorically more than before. We are living in a sort of nation state centric world in so many ways, here in the U.S. as well, President Trump has spoken a lot about, of course, America first, but American sovereignty. At the same time, the hyperconnectivity creates influence pathways that seem to be growing across not just U.S. Brazil axis, but as you pointed out, all sorts of interesting pathways. Andre, I want to now get to very quickly, of course, your brief that you and Feliciano co-authored. We just launched it, and viewers, please download and read it. It's an excellent analysis of the bilateral, not just about the election, but really looking at what are the fundamental drivers behind convergence and divergence of the relationship, and the title of this brief is "Structural Misalignment and the Limits of Pressure: Trump and Brazil's 2026 Election. So, congratulations to you both on this excellent work.

But among the points you make in this in this report Is really by going away from personalities and getting to these deeper factors. And you talk about this sort of misalignment structurally that has emerged between the United States and Brazil in terms of their relationship. Tell us, explain to us what do you mean exactly by the structural misalignment that you refer to, and is it in play really across candidates? Is it insensitive to politics as usual, or is there a high degree of sensitivity to who is running the country on the U.S. side and the Brazilian side.

Andre Pagliarini 27:24

Yeah, one of the things I was really pleased with how the brief turned out was that I I think it effectively combines insights from from history and political science to present what I what I hope is a a deeper, richer analysis of where things stand today. That, as you say, is less concerned immediately with the individual political actors, as we spent the first round of the conversation discussing. Obviously, political actors matter. It matters that Trump is president. It matters that a member of the Bolsonaro family, as opposed to anyone else, is the challenger. These things matter. But what we tried to do in the brief is to sort of zoom out and consider first the the the broader history of U.S. Latin American relations, how that has played out.

To put it briefly, the the the theme of mutual suspicion or misunderstanding or misreading between these large Western Hemispheric democracies is not new, so I'll come back to that in a minute. But the second thing that that we tried to do, but I lost my train of thought. Let me remain on that first point by analyzing the Brazil-U.S. relationship from the earliest period, and we've just passed the two centuries of the bilateral relationship. 1824, the United States recognizes independent Brazil. Really, since that point, I would argue, the United States and Brazil have oftentimes overlapped in how they understand their relationship with each other and more broadly what the hemisphere's role should be on the world stage. But just as often, they have disagreed. Brazil-it's obvious, probably to everyone on this call, but not always obvious in the realm of policymaking. Brazil has its own interests. It has its own history. It has its own understanding of the role it can play in major international conflicts that does not necessarily

align with the U.S. point of view. The U.S. equally deeply rooted in its history is a sense of hemispheric leadership of global, you know, being a global model for for global democracies, at least rhetorically, you know, all of that stuff.

What we're seeing now, in short, as we discuss in the brief, this uncertainty about, for example, Brazil's relationship with China. What does that say about the United States? One of the things we try to to to to do is delink that from the personal stories of the characters involved now, and to suggest that there is a structural, deeply rooted tension here, which goes back to this idea that Brazil has an interest in a diverse. Trade portfolio that includes China very prominently, but that does not include, and this is where some of the disagreement comes comes in. It does not include alignment with China. It does not include alignment with Russia. Does not include alignment with Iran, for example. Even if it trades with those, the United States, however, looks at those moves. Looks at those relations of trade and diplomacy more broadly with suspicion, because what does it mean to have this other very large, resource-rich democracy in the Western Hemisphere doing such close business with all of these hostile forces to the United States?

And again, just to conclude on this point, we can come back to it. Is to say that that is not a new dynamic. When Brazil became independent, right? The the first emperor was the son of the Portuguese king, and at the time there are all these you know deliberations happening in Washington that Brazil, new independent Brazil, is too close to Portugal. Is it some kind of Trojan horse for continued monarchical interventions in the Americas, so the object of the U.S. concern has obviously shifted, but that idea that we're not sure about Brazil, that we're not sure which direction Brazil is going to go in, and the United States has to protect itself against foreign intervention, we are seeing that play out now. But if we look beyond the individual characters involved, we see that this is a tension that has not been resolved for over two centuries now. Whither Brazil? Whither Washington? And so that we hope gives us some deeper, richer material with which to analyze what's at stake in this race.

Sarang Shidore 31:36

Yeah, indeed. I think uncovering these sorts of factors are very important because otherwise, then you just stay in the sort of ephemeral personality space, which, as we know, in today's times, is so dynamic. So, by the time you figure out one personality or the other, they have probably left the stage, and somebody else has shown up. So, very important angle there, Jana. I want to, from the U.S. perspective, you were in U.S. government at very many senior levels. Have worked on this region for years and years. Have you, in your experience and your analysis, your reading, your awareness, seen a situation where the U.S. applied pressure or made its preferences very clear to Brazil, and that worked. And other cases where Brazil said no and drew a line. What sort of pattern have you noticed in in this sort of an interaction? Are you seeing are you seeing some common threads there when you look at all the the past?

Jane Nelson 32:37

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Well, certainly pressure from the U.S. doesn't always result in what the U.S. wants, regardless of the country. It is pressuring, right? So Brazil is is one, but there are many other examples here. I would say first, I appreciate the fact that Quincy Institute commissioned this paper because it tells a perspective that is often not discussed in Washington, which is Brazil's foreign policy perspective, right? How Brazil sees the world, how Brazil sees the relationship with the United States, and as is common with countries as large as the United States or as large as as Brazil, we tend to navel gaze more than we do put ourselves in the feet of other countries. So it's good to have this out there. It's good to have folks who are doing U.S. foreign policy toward the region be able to understand where Brazil's coming from and what's the history that's influencing their perspective and their assumptions. So this paper is is very helpful in that sense.

What I have seen over my 20 years working on U.S. Brazil relations is that we talk past each other. We do not use the same diplomatic language. It is it is odd even to say this, but we don't come from the same assumptions. We do not come from the same perspectives, and therefore we reach very different conclusions as countries. And having people that can effectively translate is is difficult for a number of different reasons and mostly related to the size and to the navel gazing that I brief I mentioned earlier, and and there are less and less people who are able to translate one country to the other. So again, it's great to have this paper to be able to explain to U.S. policymakers where Brazil is coming from, right?

I will say there's a lot of misperceptions. I'll give you one example. There's this. There was. I hope it no longer is the case. There was this idea in in the U.S. government that Brazil never voted with us at the UN Security Council or at the UN, and at some point in the last administration, because we're working more and more with data, we're working more with evidence-based foreign policy, which is a good thing. We we did an analysis for all countries, not just for Brazil. But in the case of Brazil, we realized that actually in votes that matter. To us, really, Ukraine or things like that. Let's take Cuba and Israel Gaza out of the equation, right? But the votes that matter, Brazil voted with us 98% of the time. They just made us work for it, and we're perhaps in the region not as used to having to you know negotiate and ask as much in in these types of environments, and so it fueled a perception that Brazil was anti U.S. positions, anti Western positions, which, when you actually looked at the evidence, was not true. So more times than not, we do stand side by side.

I will say there are moments in which Brazil has been greatly disappointing for U.S. foreign policy, Venezuela is a case in point, right? If you want to be a global leader, which Brazil certainly wants to and certainly deserves to have that role in in the global stage, then you should also take hard decisions in your own region when you're when the opportunity arises. The election two years ago in in Venezuela, in which Brazil decided to wait it out and not support the elected leader and allow a coup to happen on its neighboring country was very disappointing for U.S. foreign policymakers because it was a great opportunity for Brazil to shine, to show their leadership and to show their ability to play a difficult but important role globally as well.

So, to your point, I think there's a lot of misperceptions. I think there's a lot of talking past each other instead of talking with each other, and and there's perhaps a lack of understanding that

the U.S. is willing, or has been historically-I can't speak to the current administration-but has been historically willing to give Brazil its due. But when the time comes, it doesn't always show up.

Sarang Shidore 36:51

Right. Well, that's two very large countries talking past each other. Perhaps we have seen that before. Feliciano, I'm going to use a question that's come up in the chat, and also get to one of my favorite topics, which is BRICS. And this is a question from Darius Ellis. I hope I'm pronouncing that correctly. Who is writing from Johannesburg, South Africa, and wants to know how Brazil might change its approach toward BRICS under Flavio, because of course under Lula we we wouldn't expect much change. Now Brazil is of course a founding member of the BRICS since it became a leader level group for the last 1617 years and has been core to its functioning, indeed, and has taken pride in that fact for a long time, and sees that as a part of his global South identity as well. So, Feliciano, will Flavio quit BRICS if he wins?

Feliciano de Sá Guimarães 37:58

That would be odd because he would turn into RICS, I guess. So they have to pull the B out of the of the acronym. So hopefully that would not happen. I don't think it will happen. I think if because at the end of the day we're gonna have to let's say Flavigo wins on Sunday, we're gonna have to follow the power struggle to see which faction of the Bolsonaroist movement will sort of control the Ministry of Foreign Affairs, and as of now, there are two groups contending in fighting for the the ministry, which is the more conservative, MAGA-oriented group that is coming from Eduardo Bolsonaro. They seem to be losing now because in the last debate and a couple of interviews, Flavio Bolsonaro said that his brother wouldn't be the minister of foreign affairs, and there is the more like they say here the liberals slash pragmatic group.

If that group wins, and I think they are likely going to win, then you will see Brazil behaving a low-profile stance in the the BRICS. So we will continue to participate, and the ministerials we're gonna send the missions and the diplomats there. We're gonna try to extract from the BRICS member countries, especially from the new ones, new trade deals, new investments, and all that. That's the main reason Brazil is a BRICS since the beginning of BRICS. But then you will not see Brazil acting to you know make a BRICS even a bigger alliance or coalition or grouping, as you call it. So Brazil is going to give a hard time to include new members as it did with Lula administration. But I think it will be harder now if Flavio wins.

But again, Brazil will likely ally more with India of Narendra Modi within BRICS and trying to create a sort of a veto power within BRICS to not allow many security-related issues to be discussed at that level. You have to realize that at the end of the day, there are two different conceptions of what Brazil's power in the world is. The workers' power conception is they see Brazil as an emerging power, so. Fits very well in their perception. That means that we need to participate in international arena as much as possible. We need to get involved with Ukraine, with the Gaza conflict. We have to, even if we go there to lose or not be inflation, we need to be

there. We need to reform United Nations Security Council. We need to reform international institutions and all that, because we want to be a pole of the multipolar order that we want to build. That's the merging power perspective.

Flavio Bolsonaro, if he follows his father's steps, and he will probably bring what is a traditional right-wing perception of power Brazil is, which is the middle power perspective. And if you read this paper published by Eduardo Bolsonaro and Marcos de Go of Inflation Bolsonarista, who is likely to have an important position in Bolsonaro administration. And if you read that paper recently published three weeks ago in Gazeta do Povo newspaper, you're gonna you can see the middle powermanship coming back. Which what is the middle power for Brazil? That we will continue to participate in the multilateral fora. We are gonna withdraw from the ones that we think are too progressive. We're gonna try to reform the one into a more conservative matter, but at the end of the day, we're gonna just play our cards in the areas in which our power matters the most.

So we're gonna focus on trade. We're gonna focus on investment. We're gonna focus in areas in which Brazil's power matters, so in year areas of security and defense, for example, we're gonna withdraw, we're gonna resort to multilateralism and multilateral fora to have our our say. Hopefully, that would that would be the view of Brazil's power coming from Flavor Bolsonaro. So, in the last, in this, in this perception, BRICS is just one of the many forums that Brazil participates. It's not as important as it is for the Workers' Party, but that doesn't mean that Brazil will exit from BRICS. I think if they do exit, there is a possibility of Brazil officially exiting from it will be a terrible foreign policy mistake on our part.

But I, I, I'm not gonna I mean, I cannot say they would they wouldn't do that because who knows what they're gonna do, but I think and that the backlash within the Brazilian society, not coming only from the opposition, but also from many people from the right, will be tremendous against Flavio Bolsonaro. So the gains of X in the BRICS are not very clear because the United States doesn't have much to offer. Elaborate a little bit on Dres point. The thing is that the United States, as a country, not only Trump administration, but I includes Democrats as well, is running out of carrots to bring Brazil to pull Brazil back to its sphere of influence. It's harder and harder for the United States. That's the reason, in my understanding, that the United States, no matter which administration, will resort against Brazil to coerce of matters more often, is because they don't have much to offer as China and other BRICS countries have to offer to Brazil today. So that's why I think Brazil and United States are heading towards a collision. Andrea moderated my views in the paper. Let me say like that, so we can discuss that later. So thank you.

Sarang Shidore 43:04

I think we can have a stimulating conversation on that too. But just actually, one point you said struck me about how Flavio might orient Brazil's identity more towards the middle power identity. Now the interesting thing is in Itamarachi, to the extent of my conversations there, and this has come up a few times in the Foreign Ministry of Brazil. They don't like the term middle power. They like they call themselves Brazil is a regional power with global influence. Is one one term I

one expression I've heard. So so that term is not exactly embraced in the traditional foreign policy establishment in Brazil, but Flavio is more comfortable in a sense, more comfortable saying we are not trying to be global. We are in a sense regional with a global perhaps you know membership, but more looking to Washington, more aligned with the region, which has of course gone a certain way in the last few years, and that's going to be quite interesting if Brazil actually does that.

Andre, I wanted to pick up your point on sovereignty because you talked about how sovereignty was an abstract idea, a little harder for voters to relate to. But then there's also the concrete aspects of sovereignty aren't there, which are basically interventions by a foreign power. In this case, the United States, which has history in the past during the Cold War of certain kinds of interventions, certainly in its immediate neighborhood, but also to an extent in Brazil. Now we have this designation of two Brazilian cartels as foreign terrorist organizations, and the war on terror that we had in the United States for many many years, and mainly in the Middle East, involved a lot of very direct interventions.

So, looking at the Brazilian security apparatus, looking at the military and and those that work in the security arena. How much? I mean, they may they may support perhaps the the tough on crime, the tough on cartels approach, but how much would they be concerned, or how much are they concerned about the possibility of violations of sovereignty through this channel of a new war on narco terror? Let us say, is there a worry in the Brazilian military on this?

Andre Pagiliarini 45:24

Th very prospect of something like that happening, I think, is still remote, but not impossible. Very recently, the past few days, there was an interview with a general who, very much in the Bolsonaro orbit, he was in Bolsonaro's cabinet in the first term, and he was very critical, I think, to the surprise of a lot of people, of this apparent attitude among some on the Brazilian right right now, to not only accept but welcome U.S. military activity in in Brazil, and this speaks to something I think Felicia raised earlier about potential cleavages within the right wing camp about Brazil's place in the world, but also the relationship specifically with the United States, and so this general was very clear. He said, "This is not right wing, referring to the that that strain within Flavio coalition. This is Vigarisi, he said. This is you know sort of low-level, you know, bad decision making.

Essentially, so there is. It's not so clear that if Flavio wins, he will open the doors to U.S. military exercises in Brazil, for example. Some which already happen. I had a former student in my last institution who was part of the National Guard, and he did some training in the Amazon, actually with Brazilian forces. So some of that happens already. The question is, where does it go under this framing of combating narco terrorism? And this is where some of the stuff that the Bolsonaro family have said does not help them. Where the Bolsonaro said, "Wouldn't be great to have you know U.S. military ships docked in in Rio, you know, to fire upon the criminals and all that stuff. When when when the the threat of intervention is that sort of escankarado, that obvious, that you know that is an easy prey politically for Lula. I remember another example of

this, Bolsonaro gave an interview in 2022 when he was running for re-election, the race he lost against Lula, speaking about his relationship with Trump. And I raise this because I think it's emblematic. He said, "Look, you know, that's the richest country in the world. We have to know our place when speaking to that. And he said, "Quote, I mean, verbatim. I knew my place when speaking with him, Trump, as opposed to the Lula, we we can criticize, we can celebrate, you know, whatever.

But that is he he is most famous for saying, you know, no country will respect you if you don't respect yourself. That we have to have an assertive position on the world stage. That that's the best way to achieve our long term strategic ends. Versus this perspective that says no, actually, the best way to secure our interest is to accommodate ourselves to Washington's demands to find, as Felician was spelling out, to find the spaces where we can act and bring our influence to bear, but we we we do not reach our goals by alienating the United States. Very different views about how you go about this, and the organized crime question has crystallized that, because there are several you know potential wrinkles there. Do you welcome it? Do you not? Do you facilitate? You know, do you not? I

believe the first person to raise the specter publicly that you know this could be a backdoor invitation for U.S. intervention was self-supermuting, who was, you know, he's no small figure in the foreign policy thinking of the Lula administration. So I think they they took that very seriously, and Flavio Bolsonaro politically has been hammering Lula over the head for that. Lula resisted that designation, the FTO designation, under this argument that it could serve as a pretext for U.S. intervention, as we saw, you know, boats being bombed in the Caribbean, not to mention the war on terror previously, but Flavio uses that opposition from Lula to suggest that Lula is soft on crime, that Lula is somehow in collusion with these organized crime gangs, which speaks to the strategy.

Just to go back to the electoral point, just very briefly, one of the ways Flavio has sought to neutralize the sovereignty argument is to bring it home and say, "Are you sovereign in your own neighborhood if you can't leave for fear of criminal gangs? So he, I think, pretty smartly politically, has tried to redefine what is a potential weakness of the Bolsonnaro campaign, which is submission to the U.S. But to say to bring it back to criminality at home and to point to failures of the federal government on that.

Sarang Shidore 49:44

Yeah, very interesting. Defining sovereignty at a micro scale, and that just changes the way you know one may look at it. I haven't had heard that one before, so I think this is really you should write another brief on this, Andre. But. But I was struck by your point. You know, this this violation of sovereignty question, which of course you know one can imagine there being certain certain reluctance, but we are also seeing in Ecuador, for example, and and and other places where there is such a close alignment between the U.S. and the the host government that joint operations are being carried out.

So we can have we can imagine a U.S. role in the security sphere, which is much more overt, but with the full cooperation of an elected Brazilian government. In this case, it would be flowier if that happens, obviously. So, so there is this sort of in between space there, which I which I also find fascinating. But let's get. We don't have a huge amount of time. I was hoping we'll get to this earlier, but we still have some time to talk about it. And the big question of China, it's come up already.

I think Andre, you mentioned how Brazil wants to be multi-aligned. That is its instinct. This indeed is is the case for, if I may use the term here, middle powers in the global south. That's the instinctive DNA. You see that in Asia with India, Indonesia, and others. But nevertheless, China creates an especially acute issue here in Washington because it's a neighborhood and it's the Americas. And a key U.S. concern with respect to China has been export controls. We have had this trade war breakout last year. There has been a truce of sorts, but nevertheless, these export controls are here to stay. It seems, and one of the weapons that China used to hit back against U.S. tariffs was indeed rare earths. It sort of has a dominance on the rare earths supply chain. It mines two thirds of rare earths. It processes 90% of all rare earths, and so it hit back with that tool. That's what caused the U.S. to engage and finally reach a truce. In Brazil, this issue is not abstract because there is a rare earth's mind

And I want I want Feliciano to to speak to that, and then perhaps Jana and Andre can also chime in. But the fact that there is a rare earths mine that has been acquired, etc. Verge is a company and a U.S. company with U.S. government financing has acquired a major stake in this mine. The idea is that the rare earths that are mined from it will be processed in friendly countries. That way, you lock out China from a very important supply chain, which is crucial for U.S. defense needs. Because where else, of course, the ones that come out of this mine go into magnets, and those are very critical for the defense industry, so it seems like this deal is good for the United States because it does reduce dependence on China to whatever extent it does. But it does. What about the Brazilian side? Does Brazil see this uniformly as sort of a good thing? We have, after all, a reliable off taker. We have, you know, backing from the U.S. government with its deep pockets and so forth. Or is there a debate on sovereignty on this as well?

Feliciano de Sá Guimarães 53:29

So I think, Sarang, this is one of the few issues that Brazil will and can compete with China. Not now, but at some point in the future. And I think the Brazil-U.S. relationship on that specific area can actually help Brazil if we manage to make a good deal with the U.S. So as of now, Sehaverid's only operation in the state of Goyaz is a is a key source of heavy rare earth outside China. Maybe it's the only one in the world working right now. U.S. gave 565 million dollars a DFC, the U.S. International Development Finance Corporation, money to U.S. rare earth to buy this operation, and as you as you mentioned, this the the rare earth value chain has five stages: the mining, which is now operating, concentration, which the first case that you can benefit the the rare earth, then is the difficult one that China fully controls. The third phase is called

chemical separation and refining and refining into individual oxides, and then eventually China also controls the fourth and the fifth phase, where metals and alloys and permanent magnets.

So Brazil has the opportunity of going going from the first phase number one to the second phase, the first phase is operating right now with this only plant. But there are 10 new new companies from Australia coming in to operate in rare earth sources in Brazil. They are investing as of now in many other specific either critical. Minerals or rare earths, and our challenge is to convince these foreign companies, whether they are Americans or Australians, to go up a little bit in the value chain to make the concentration also in Brazil. So as of now, we are stuck at stage one. The real bottleneck is stage three. Why it matters? Because Brazil has approximately, as of as that we know, 23% of global rare earth reserves actually can be even more because we only analyze half of Brazil's territory. We have passed a new critical critical mineral law in September 2026 that gives a lot of power to the president of Brazil to decide which companies can come in and come and get out, and what type of investments they will come in, right?

So it is not likely that the rare the CeraVerge operation is going to be affected by a Plavi Bolsonaro Lula decision in the future, but any other new investment will be affected on that era. And I think the United States needs that more than we need as of now for many reasons, so I think Lula and Lula gave in a debate and an interviews a couple hints on that. Flavor Bolsonaro doesn't mention like that much, so he said, "Look, the U.S. needs need us more in this era than we need them because the rare earth will be an important investment for Brazil, but it's not going to change Brazil's economic landscape. As for the United States, is a critical mineral that they need in the day in their fight against China. On that, China is also hinting to make investment in Brazil, right? To to not only mine but also benefit the rare earths in Brazil with their own operations there. So there is this possibility new Chinese investment and can come in.

So I think under Lula will be leverage. He's going to use that to leverage the United States. Whereas for Flavy Bolsonaro, I think would be more concessions, but with limitations. I think Andrea mentioned that the level of submission of Flavio Bolsonaro vis-a-vis President Trump is going to be key for his administration because if he goes too far on that, there is going to be a revolt in the Congress, even within the right-wing spectrum. They're not going to in India, Brazilian armed forces, to that matter. They're not going to allow too much submission. If you talk to Bolsonaroista camp, the word submission to the United States doesn't exist. They do not understand on these terms because they have this sort of a civilizational fight in that Trump is very important that they are part of this same group. So making concessions to Trump doesn't mean that Brazil is submitting to United States. Brazil is Brazil is just playing a role in this civilizational struggle of saving the West from I don't know who from China, right?

So submission doesn't matter much for them, but this matters to a lot of Brazilian companies, a lot of Brazilian politicians, and the and Brazilian armed forces. So this is going to be key in his administration if he has the potential to turn this level submission into a domestic crisis in Brazil that will be counterproductive. Now, if it's very likely that Trump will lose the midterms election, and it's also very possible that the U.S. Congress, in the House and the Senate, will start to

investigate many, many Trump foreign affairs, foreign affairs decisions and operations, specifically in the case of Venezuela, for example, in the corruption scandal involving Trump's family. So we're going to have also to wait for that because Flavio Bolsonaro might win an election here as in the same moment that Trump and the MAGA group is declining in terms of power in the United States, right?

Because at the end of the day, the Bolsonaro camp is not aligned with the United States; they are aligned with Trump. If there is a a Democrat victory in in the president, the next presidential election in the United States, it would be complicated for them because they have this ideological strong view in relation to what happens in the United States. So there is there is that another an additional crisis coming up on that regard. So the bottom line here is some kind of U.S. Brazil mineral deals is likely to happen. Whoever wins, Lula will make it slower and more conditional. I think, whereas Flavio will be faster and more generous to the United States. But no Brazilian government can grant full exclusivity over any mineral raw ore in Brazil to any country. So we will always try to play different countries. Australia is the country that is now making more investment in Brazil, and even China is on the horizon. So we'll see. It's a very interesting issue to study and to follow in the months from now.

Sarang Shidore 59:32

Right, right. No, indeed. Your brief talks about this triangulation trap, which Andre, you can come in on, and then I'll have Jana speak to this too. Sort of zooming out beyond just rare earths, right? Broadly, the relationship between Brazil and China. Brazil tends to come closer to China as a way to ward off American pressure or coming under the American sphere of influence, and as it does so, it involves. More suspicion in Washington and potentially more pressure from Washington. So this is kind of a vicious cycle that doesn't end up in a good place. How does Brazil and how do both sides, Brazil and the U.S. escape this trap that you have described?

Andre Pagliarini 1:00:18

Yeah, I'll put it very briefly. I'm curious to hear what Dana thinks of the dynamic. But essentially, what we're describing is independent of Democrats or Republicans in the U.S. What we have seen, and Felitzo alluded to this, is a pattern of suspicion that nudges Brazil in a certain direction. You know, the triangulation trap. Essentially, what we're getting at is that the policy tools the United States has used to try to influence Brazil, very simply, have often the effect of deepening Brazil's immersion in a multipolar investment in a multipolar world. Lula has said that his investment in the g20 was about strengthening the BRICS, which is about driving, from the Brazilian perspective, reforms in the United Nations. Lula has said he is not interested in BRICS as a sort of anti-American forum. He's interested in it as leverage to get Brazil, you know, meet Brazil's interests in the United Nations.

So what we're describing with that dynamic of the triangulation trap is to we should be aware of the ways in which policy exertions have unintended consequences that sometimes push Brazil towards precisely the outcome that Washington Democrats and Republicans don't want, which

is the sense that Brazil is further and further out of the U.S. orbit. And in the paper, we talk about some of the ways that that could be mitigated. At the very least, I don't know if it would be completely neutralized, but mitigated, which is to establish clearer lines of communication about, for the Brazilian perspective, for example, Brazil's foreign policy goals. That the goal is not, for example, military alignment with China. It is commercial trade absolutely, but not military alignment.

To make that clear, to make that explicit, in ways that other Latin American countries, certainly Venezuela, did not do when it comes to the China to China and Russia. These are ideas that we we discuss a little more in the brief for de-escalating this cycle of suspicion that tends to have the inverse economic policy impact that either side seems to want, which is a healthy, clear, transparent relationship-not necessarily friendly, but practical and and and responsible. And we are a long way from that at the moment between these two giant countries. It's a relationship driven by innuendo and suspicion, as opposed to practical interests, and so that's one of the things at stake in this election: is what are the terms of the relationship on these various critical issues facing not just Brazil, the United States, but the world, and so the leadership styles and visions of these two candidates will speak to what that looks like going forward.

Sarang Shidore 1:03:05

Yeah, Jana, you get the last one, and really two points that have come up or two areas so far. One of them, of course, is a specific rare earth question. Do you see just a win for the U.S. here? Do you see a risk somewhere in this pathway? Because clearly there is genuine competition with China. I mean, I take the view that a certain degree of commercial and technological competition with China is inevitable and should be pursued responsibly. Indeed, it can channel those impulses towards the military competition that sometimes can be very unhelpful. So, on rail versus one.

The second question really is: What should the U.S. ask be of Brazil? Not just on China, but its relations with the wider world, with the G20, with BRICS. I mean, I know that the Trump administration has made BRICS an issue, discussing it with Brazil, but not just with Brazil, also with India. So it's it's a it's a it's an issue for it across the global South. What is a reasonable and practicable red line that the U.S. should draw in its own region on on these questions, Jana?

Jana Nelson 1:04:14

Well, I'm a free rider here because I didn't I didn't write the paper, so the the last words should be for the authors. Well, just very briefly, Sarong. Thank you again for for having us. The you know the Andrea and Feliciano Bosa argue very eloquently in their paper that political alignment is not going to lead to economic alignment, and that is true with China in particular. But that is also true for almost all countries in Latin America, especially the right-wing countries, right? You've had Nobu, Millet, Bukele, all of them have gone to China, and and honestly, it's it's hard to to say to countries do not engage China economically or in any other way when President Trump rolls out the red carpet when receiving Xi in Washington, right?

So I I don't know how much actually the bipartisan agreement that we used to have on China still stands because there's a significant pro China camp in the Trump administration. So so that China conversation I think is an interesting one. There's certainly people in the Trump administration that are more aligned with I'd say the general consensus view of of competition, and that we need to protect ourselves. For example, rare earths. For example, pharmaceutical inputs. Right, but but not everybody is there on the MAGA camp. So so that's an interesting trend to follow in the U.S. side of things.

Now, what exactly should the U.S. ask of Brazil? You know, it's it's in the U.S. interest to see Brazil take a larger role in in the global stage. I've mentioned this economy between when the opportunity arises, Brazil doesn't usually take it, and so to encourage Brazil to take on a larger role, especially now that we're talking about democracy in Venezuela, is there a role that Brazil could play? If there is one, then Brazil should play that role, right? Regardless of who wins, is it Lula? Is it is it Flavio? Both of them would have reasons to play that role politically speaking. So they should. The BRICS conversation. The reason the U.S. is so worried is because of U.S. dollar premanence, right? The more you have the BRICS negotiating contracts in their own currencies, the more they have this promotion of digital currencies, such or digital payment systems such as Aadhaar and UPI and Brazil's picks, the the less effective the U.S. dollar is going to be in economic coercion.

So so BRICS really is about that more than about groupings that are anti-American, and those specific things are not things that Brazil is willing to give up on, regardless of who wins as well. So it'll it'll be an interesting dynamic. I would say the best moment for the Brazil, you know, politics aside, the best moment for the U.S.-Brazil bilateral relationship was under the two years of Temer and the four years of Bolsonaro, in which the majority of things that had been stalled in the foreign policy relationship suddenly got resolved.

So I would, I would see from a very American perspective, I can understand why there is excitement for another Bolsonaro government to move the needle on things with what is an important power in the region on things that before weren't available to the U.S. government, right? From a foreign policy goals perspective. So, let's see what happens. It's going to be a very interesting time. There are no clear cut kind of paths here. There are pros and cons to everything, and I think just sticking to principles, both on the U.S. side and and the Brazilian side, is is going to be important to not create slippery slopes and submissions, as Feliciano describes.

Sarang Shidore 1:08:05

Wonderful. Well, you know what? We could just keep talking for another hour because there are so many questions related to the region, and of course, what's happening in the U.S. and how that may play out after November and so forth. But it's been an absolutely fantastic conversation! Congratulations again to Andre and Feliciano for their brief. So that gets a last word, Jana. And thanks to you, Jana, for making the time and sharing your insights and your

very valuable perspective from the USG experience side of the equation. To be resumed, I hope soon, and in the interim, please do continue to follow all viewers. Our events we have a very exciting webinar coming up on Thursday, also to do with Latin America on the illicit finance trail. My my colleagues Karthik Shankaran and Lee Schlanker will be participating in that, and many more, of course, coming after that. So thank you all for being a part of this, and thank you to the panelists. And until soon.