



Brazil and Geopolitics in South America



UNO MUNDO international relations
UFRGS School of Management
KEDGE Business School



About Us



MSc Marcos Manozzo has a degree in Business Administration from UCS. He got his master's degree in International Marketing Management from University of London (UEL).



Currently, Marcos Manozzo is Global Trade Manager at UNO MUNDO International Relations.



He has experience as consultant on international commerce, working with the following topics: business intelligence, representation, logistics, project development, consumer and marketing.

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South America

Source: Cia World Factbook



Area	17,840,000 km ² (6,890,000 sq mi)
Population	385,742,554 (2011, 5 th)
Countries	13
Dependencies	3
Languages	Portuguese, Spanish, and many others
Time zones	UTC-2 to UTC-5

South America

Country or territory	Area	Pop. (2009)	Capital
 Argentina	2,766,890 km ²	40,482,000	Buenos Aires
 Bolivia	1,098,580 km ²	9,863,000	La Paz and Sucre
 Brazil	8,514,877 km ²	191,241,714	Brasília
 Chile ^[21]	756,950 km ²	16,928,873	Santiago
 Colombia	1,138,910 km ²	45,928,970	Bogotá
 Ecuador	283,560 km ²	14,573,101	Quito
 Falkland Islands (United Kingdom) / Islas Malvinas	12,173 km ²	3,140	Port Stanley
 French Guiana (France)	91,000 km ²	221,500	Cayenne (Préfecture)
 Guyana	214,999 km ²	772,298	Georgetown
 Paraguay	406,750 km ²	6,831,306	Asunción
 Peru	1,285,220 km ²	29,132,013	Lima
 South Georgia and South Sandwich Islands (United Kingdom)	3,093 km ²	20	King Edward Point
 Suriname	163,270 km ²	472,000	Paramaribo
 Uruguay	176,220 km ²	3,477,780	Montevideo
 Venezuela	916,445 km ²	31,648,930	Caracas
Total	17,824,513	385,742,554	

A Little Bit of History

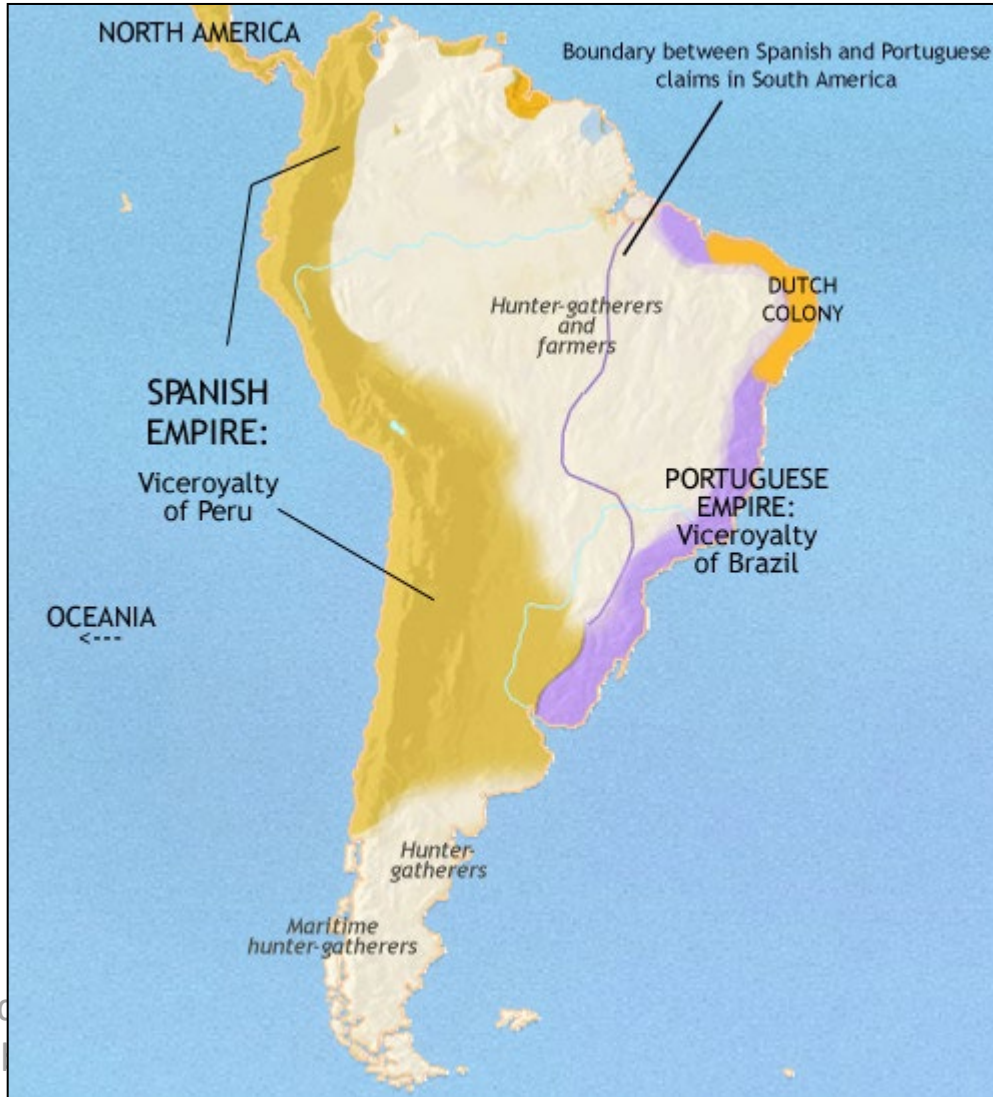


1100 – 1532

Rise of the Inca Empire

- 30 million people in South America
- Inca rule 9 to 14 million people
- 100 different ethnic/linguistic communities
- Connected by 25,000 kilometer road system
- Did not know the wheel nor writing

A Little Bit of History



1532 - 1580

Iberian Conquest

- *Treaty of Tordesilhas* divided South America between Portugal and Spain
- France, Holland and England do not accept the treaty
- Longitude measurement not accurate allowed Portugal to expand the Brazilian territory

A Little Bit of History



1703 - 1810

Colonial Uprising

- Europeans brought smallpox and catholic religion
- Enlightened absolutism, colonial exploration, indigenous slavery and political divide resulted in conflict

A Little Bit of History



1810 - 1828

South-American Liberation

- Napoleonic Wars affected Spanish imperial control, which resulted in several colonial revolts and liberation of viceroyalties
- Portuguese court transferred to Brazil to escape Napoleon, and later formed the Brazilian Empire

A Little Bit of History



1828 - 1870

Fragmentation and British Imperialism

- Pan-Americanism fails and fractures Spanish America
- British private companies influence governments and incite wars

A Monarchy
surrounded by
fresh Republics

A Little Bit of History



1870 - 1930 “Caudillos”

- Authoritative and nationalist governments reaked war in all of South-America over power and territory
- Brazil becomes a Republic in 1889

A Little Bit of History



1930 - 1954
**Populism and North-
American Imperialism**

1954 - 1983
Military Cycles

1983 - 1999
**Redemocratization and
Neoliberal Experiences**

1999 – Today
“Left Shift”

Brazilian insertion in South America



Brazil – Leadership Factors

- 5th largest population
- 5th largest territory
- 9th largest oil reserve
- 6th largest Uranium reserve - Enriched to 4% (target: 6%)
- Largest fresh water basins
- Largest biodiversity – 18% of global biota
- Over 7.000 Km Atlantic coastal line
- Climate diversity allows for great variety of agriculture and industrial production



Source: brasil.gov.br



Brazilian insertion in South America



Brazil – Leadership Factors

- 6th largest economy by nominal GDP
 - 7th by Purchasing power parity
- Exports boomed:
 - USD 60 Bi in 2002
 - USD 200 Bi in 2008
- International economic reserves of USD 335 Bi



Source: brasil.gov.br



Brazilian insertion in South America



Brazil – Leadership Factors

- Global Players in many industry fields:
 - Oil extraction and refinement (Petrobrás)
 - Mineral extraction (Vale)
 - Airplane construction (Embraer)
 - Metallurgy (Gerdau)
 - Security Printing (Casa da Moeda do Brasil)
 - Telecommunication (Rede Globo)
 - Food and Drinks (Brasil Foods and AmBev)
 - Engineering (Odebrecht)
 - Electric Machinery (WEG)



Source: brasil.gov.br



Brazilian insertion in South America



Brazil – Impeding Factors for Development



- Bureaucracy
- High Taxation
- Low quality of education
- Unsatisfactory infrastructure
- High regional differences
- High concentration of wealth
- Political corruption
- Violence



Source: World Bank

Brazilian insertion in South America

Source: MRE



COUNTRY GROUPS

- **G5** – Represents developing countries
- **G4** – US Security Council
- **G22** (G8+14) / **G33** (G7+26) / **G20** (UN+19) – World Central Banks
- **ALADI** – Latin-American integration
- **CELAC** – Latin-American integration and development
 - **CALC** – Latin-American Integration and development
 - **Rio Group** – Political Integration
 - **CARICOM** – Caribbean economic and political cooperation
- **ALCA** – Free Trade
 - **NAFTA** – Free Trade
- **ABC Pact** – Diplomacy

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www.ea.ufrgs.br

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Brazilian insertion in South America

Source: Goldman Sachs



BRIC - Jim O'Neill (2001)

Goldman Sachs - "Building Better Global Economic BRICs"

- Brazil
 - Russia
 - India
 - China
-
- *BRICS, BRICK, BRIMC, BRICA, BRICET*
 - *CIBETs, EAGLEs, 7% Club, N11, ...*

History and Development of Mercosul



- **Full Members**

- *Argentina (1991)*
- *Brazil (1991)*
- *Paraguay (1991)*
- *Uruguay (1991)*
- *Venezuela (2012)*

- **Associated States**

- *Bolivia (1996)*
- *Chile (1996)*
- *Peru (2003)*
- *Colombia (2004)*
- *Equador (2004)*
- *Guiana (2013)*
- *Suriname (2013)*






- **Observant States**

- *Mexico (2010)*
- *New Zealand (2010)*

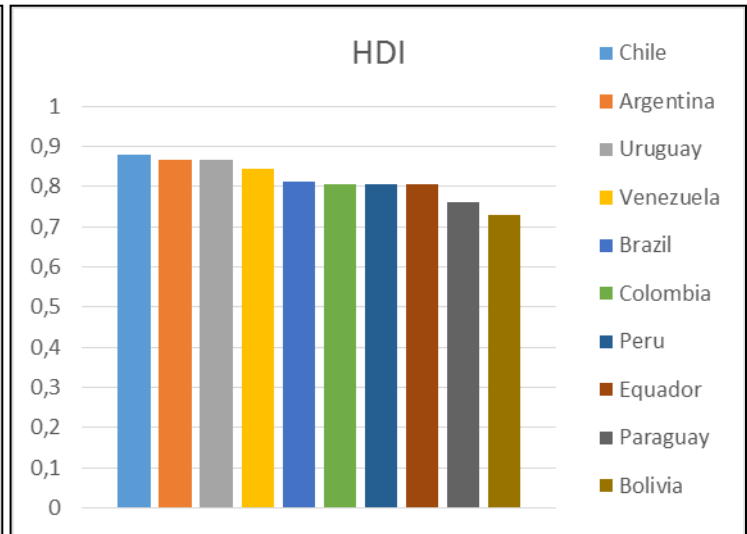
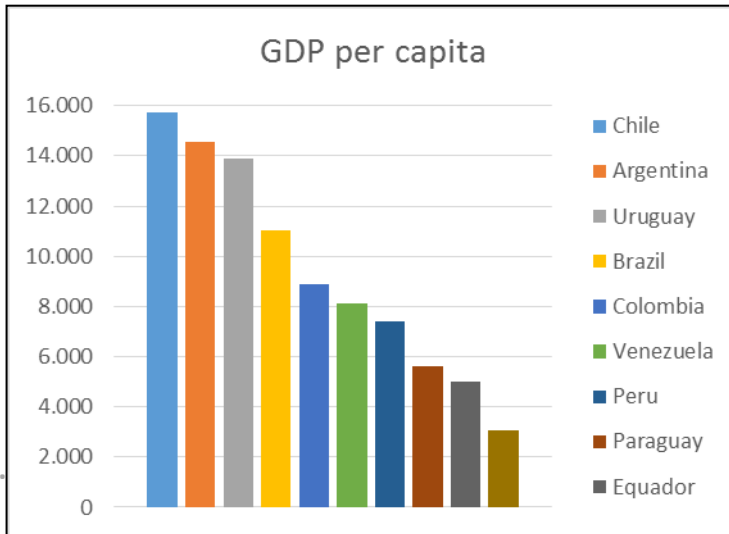
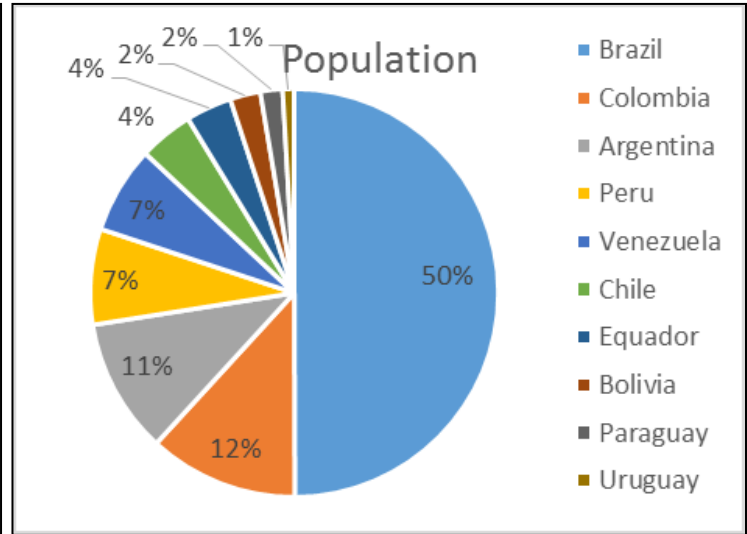
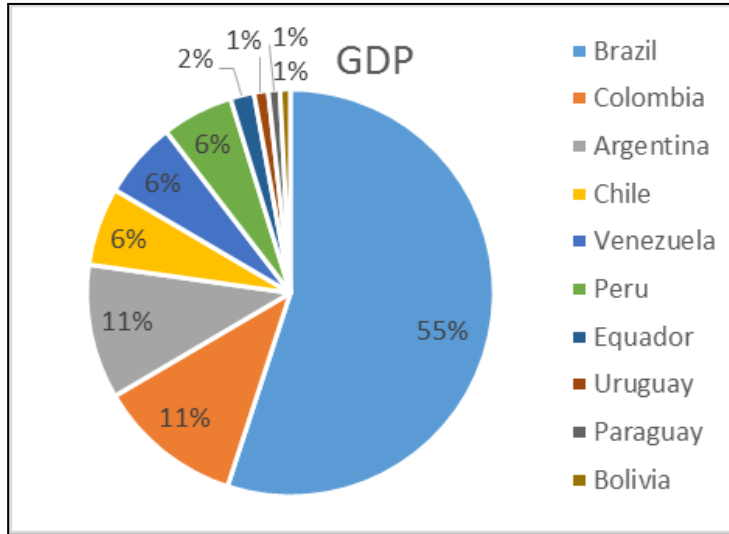
Source: mercosur.int










History and Development of Mercosul

Country	GDP (PPP) US\$ Mi	GDP (PPP) per capita US\$ Mi	Population (2007)	HDI
 Brazil	2.013.893	11.037	189.011.861	0,813
 Argentina	391.054	14.559	40.403.943	0,866
 Venezuela	223.430	8.125	26.085.281	0,844
 Uruguay	41.334	13.917	3.447.920	0,865
 Paraguay	34.014	5.638	6.667.884	0,761
 Bolivia	30.093	3.062	9.119.372	0,729
 Colombia	422.483	8.891	44.858.434	0,807
 Chile	227.879	15.745	16.285.071	0,878
 Peru	207.985	7.410	28.675.628	0,806
 Ecuador	68.939	5.021	13.752.593	0,806
Total Mercosul	3.661.104	9.341	378.307.987	0,818

History and Development of Mercosul



History and Development of Mercosul

Entity	Area km ²	Population	GDP US\$ Mi	GDP per capita US\$	Countries
Mercosul	17.320.270	365.555.352	3.994.104	12.300	10
NAFTA	21.588.638	430.495.039	12.889.900	29.942	3
 EU	3.977.487	456.285.839	11.064.752	24.249	27
ASEAN	4.400.000	553.900.000	2.172.000	4.044	10
Large Countries					Political Divisions
 India	3.287.590	1.065.070.607	3.033.000	2.900	34
 China	9.596.960	1.298.847.624	6.449.000	5.000	33
 USA	9.631.418	293.027.571	10.990.000	37.800	50
 Canada	9.984.670	32.507.874	958.700	29.800	13
 Russia	17.075.200	143.782.338	1.282.000	8.900	89
 Brazil	8.514.876	189.987.291	2.013.893	11.037	27

Source: mercosur.int

History and Development of Mercosul

Agricultural Production

Estado Parte	2008		2009		2010	
	US\$ milhões	mil toneladas	US\$ milhões	mil toneladas	US\$ milhões	mil toneladas
Argentina	37.691	134.772	32.056	107.266	38.698	149.189
Brasil	116.701	903.535	117.561	930.961	121.618	979.410
Paraguai	3.825	18.720	3.225	16.286	4.655	21.989
Uruguai	3.384	6.962	3.453	7.858	3.623	8.187
Venezuela	5.428	20.350	5.151	18.879	5.075	19.323
MERCOSUL	167.029	1.084.339	161.446	1.081.250	173.669	1.178.098

Energy

RESERVAS DE HIDROCARBONETOS - MERCOSUL / MUNDO (2011)						
Estado Parte/ Regiões	PETRÓLEO MMMB	Participação no total mundial	GÁS NATURAL MMMMPC	Participação no total mundial	CARVÃO MMT	Participação no total mundial
Argentina	2,5	0,20%	13,4	0,20%	551	0,10%
Brasil	64,2	5,00%	12,9	0,20%	5025	0,50%
Paraguai	0	0	0	0	0	0
Uruguai	0	0	0	0	0	0
Venezuela	211,2	14,40%	178,9	2,70%	528	0,10%
MERCOSUL	277,9	19,60%	205,2	3,10%	6104	0,60%
Total MUNDO	1.521,00	100,00%	6675	100,00%	948.000*	100,00%

Industrial Production

Estado Parte	2008	2009	2010	2011
Argentina	63.983	60.426	69.723	84.500
Brasil	233.978	232.698	297.639	308.125
Paraguai	2.118	1.850	2.241	2.803
Uruguai	4.538	4.008	4.738	5.278
Venezuela	44.091	46.918	30.966	320.184
MERCOSUL	348.708	345.900	405.307	432.724

Oil

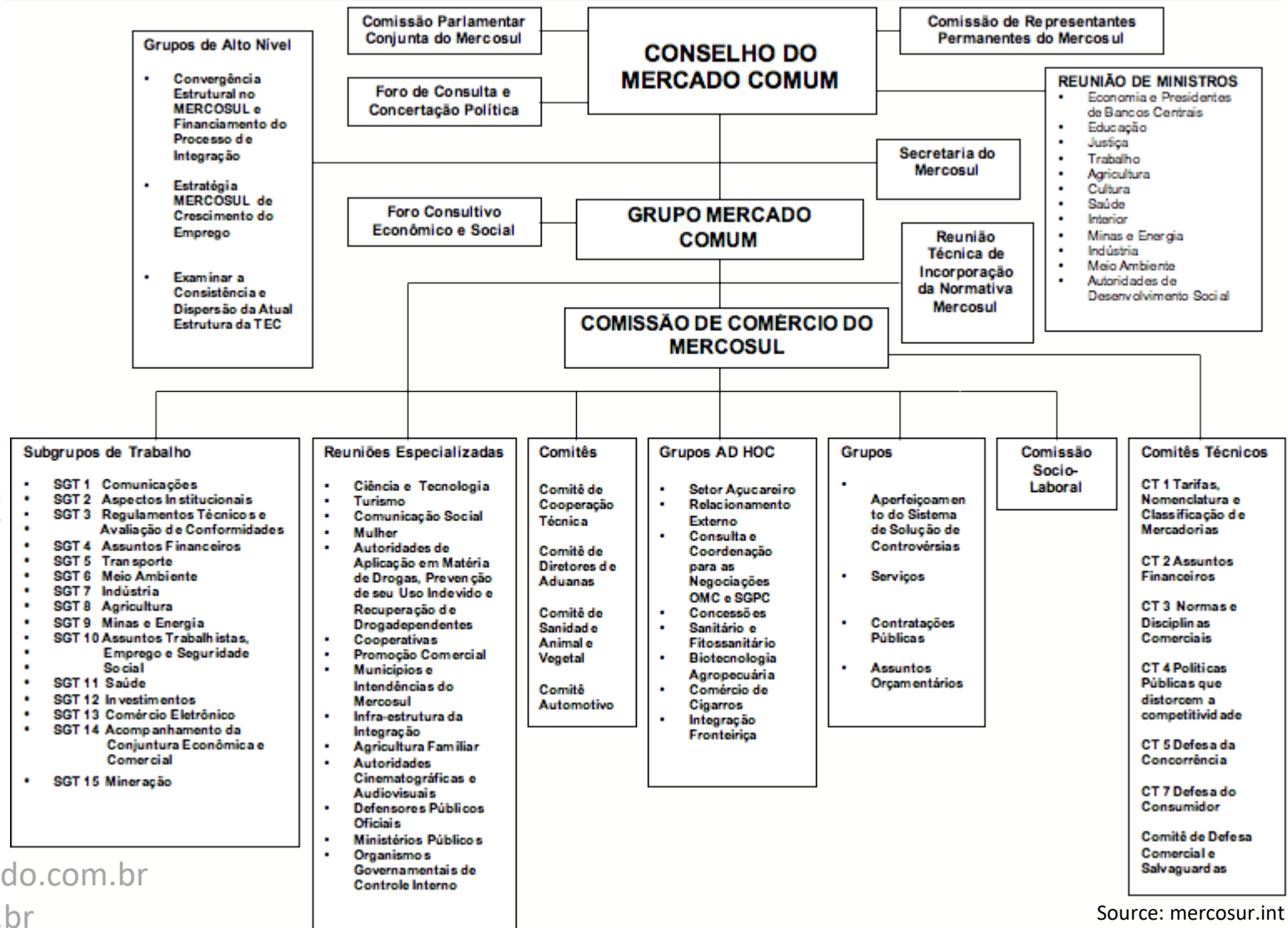
Reservas provadas de petróleo, América do Sul e Central – 2007-2011					
Regiões Geográficas, Países e Blocos Econômicos	Reservas provadas de petróleo (bilhões de barris)				
	2007	2008	2009	2010	2011
Total	1.404,50	1.475,40	1.518,20	1.622,10	1.652,60
Américas Centra	123,5	198,9	237,5	324,7	325,4
Argentina	2,6	2,5	2,5	2,5	2,5
Brasil	12,6	12,8	12,9	14,2	15,1
Colômbia	1,5	1,4	1,4	1,9	2
Equador	4	6,5	6,3	6,2	6,2
Peru	1,1	1,1	1,1	1,2	1,2
Trinidad e Toba	0,9	0,8	0,8	0,8	0,8
Venezuela	99,4	172,3	211,2	296,5	296,5
Outros	1,4	1,4	1,3	1,3	1,1

The Oil Curse?

Source: mercosur.int



History and Development of Mercosul



Source: mercosur.int

History and Development of Mercosul

INTEGRATION

- Internal migration
 - Persons (travel, work, live)
 - Products (import, export)
 - Production factors (manufacturing, service)
- Customs Union
 - TEC – Tarifa Externa Comum
 - HS-based
- Convergence
 - Appraisal report acceptance
 - Norms and standards

Source: mercosur.int



History and Development of Mercosul



Multilateral Trade Agreement Talks

- *Andean Community of Nations*
- *Organization of Ibero-American States*
- Southern Africa Customs Union
- Cooperation Council for the Arab States of the Gulf
- Cuba
- Egypt
- India
- Israel
- Jordan
- Morroco
- Palestine
- Paquistan
- Singapore
- Siria
- South Africa
- Turkey

Source: mercosur.int



LATIN-AMERICA INTEGRATION

- “Simón Bolívar’s dream”
- World War II
 - Organization of American States
 - Rio Group
 - Ibero-American Summit
- Central American Integration System – SICA
- Latin American Free Trade Association – ALADI
- Andean Community of Nations
- **Union of South American Nations**

Source: unasursg.org

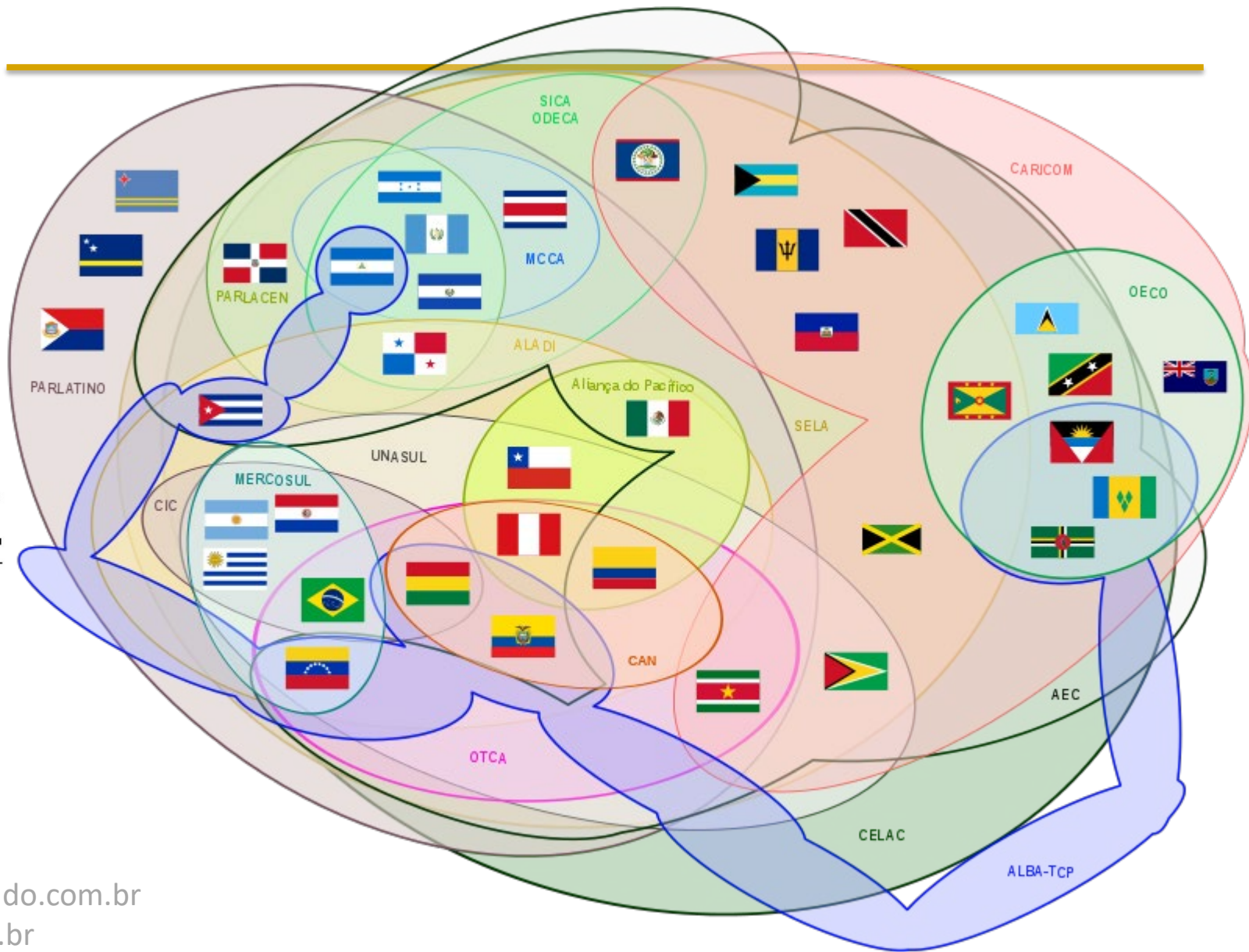




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Pais	OEA	CELAC	AEC	Caricom	OECS	UNASUL	CAN	Mercosul	Parlatino	ALADI	SELA	GR	SICA	ALBA	AP
Anguilla				a	a										
Antilhas Holandesas			a	o											
Antigua e Barbuda	x	x	x	x	x									x	
Argentina	x	x	o			x	a	x	x	x	x	x			
Aruba			a	o											
Bahamas	x	x	x	x							x				
Barbados	x	x	x	x							x				
Belize	x	x	x	x							x	x	x		
Bermuda				a											
Bolívia	x	x				x	x	a	x	x	x	x		x	
Brasil	x	x	o			x	a	x	x	x	x	x			
Canadá	x		o												o
Chile	x	x	o			x	a	a	x	x	x	x			x
Colômbia	x	x	x	o		x	x	a	x	x	x	x			x
Costa Rica	x	x	x						x	o	x	x	x		x
Cuba	a	x	x						x	x	x	x		x	
Dominica	x	x	x	x	x									x	
El Salvador	x	x	x						x	o	x	x	x		
Equador	x	x	o			x	x	a	x	x	x	x		x	o
Estados Unidos	x														o
França	o		a												
Granada	x	x	x	x	x						x			o	
Guatemala	x	x	x						x	o	x	x	x		o
Guiana	x	x	x	x		x					x	x			
Haiti	x	x	x	x							x	x		o	
Honduras	a	x	x						x	o	x	x	x		o
Ilhas Cayman				a											
Turks e Caicos			a	a											
Ilhas Virgens Americanas															
Ilhas Virgens Britânicas				a	a										
Jamaica	x	x	x	x							x	x			
Montserrat				x	x										
México	x	x	x	o		o			x	x	x	x			x
Nicarágua	x	x	x						x	o	x	x	x	x	
Panamá	x	x	x			o			x	o	x	x	x		o
Paraguai	x	x				x	a	x	x	x	x	x		o	o
Peru	x	x	o			x	x	a	x	x	x	x			x
Porto Rico				o											
República Dominicana	x	x	x	o					x	o	x	x	a		o
Saint Lucia	x	x	x	x	x										
Suriname	x	x	x	x		x			x		x				
São Cristóvão e Nevis	x	x	x	x	x										
São Vicente e Granadinas	x	x	x	x	x									x	
Trinidad e Tobago	x	x	x	x							x				
Uruguai	x	x				x	a	x	x	x	x	x		o	o
Venezuela	x	x	x	o		x		a	x	x	x	x		x	

Legenda: x - membro; o - observador; a - associado



Source: unasursg.org



União de Nações Sul-Americanas

- Membro do Unasul e Mercosul
- Membro do Unasul e Comunidade Andina
- Membro do Unasul
- Território do Ultramar (não é um membro)
- Cidades importantes
- ★ Atual Presidente Pro Tempore do Unasul
- Estrada Pan-Americana
- Estrada Internacional

CHILE 17,094,270 População (estimado do 2010)

INTEGRATION

- Common Market
- Electoral Monitors
- Economic Development
- Infrastructure Cooperation and Integration
- Monetary Policy
- Defense Politics
- Free Movement of People
- Commitment with Democracy

Source: unasursg.org



International Relations in South America

Source: CNI, FGV, OCDE



- **Few Multilateral x Many Bilateral Agreements**
 - Brazil x Mexico
 - Chile x USA
 - Peru x China
 - Venezuela x Palestine
- **Economic / Political Influence**
 - USA
 - Consumer market of primary and manufactured goods
 - Investments in all sorts of enterprises since WWII
 - China
 - Consumer of primary goods (*soy, oar, oil*)
 - Supplier of manufactured goods

www.unomundo.com.br • **South-South Cooperation**

www.ea.ufrgs.br
www.kedgebs.com • **Military Cooperation**



- Cooperação ou presença militar norte-americana
- Possessões britânicas no Atlântico Sul
- Presença militar francesa
- Cooperação militar russa
- Cooperação militar chinesa

- Área de responsabilidade do USSOUTHCOM e da 4th US FLEET
- O "Arco de contenção" britânico
- Traslado dos bombardeiros russos Tupolev Tu-160 pela costa sul-americana em 16 de setembro de 2008
- nº 11 - "Vassily Seniko"
- nº 07 - "Aleksandr Molodchiy"

Brazil and South American Integration

Source: IPEA, Carta Maior, MRE, Funag, PUR-Rio, UFRJ, Cofins, Oikos, Greenpece



POLITICAL CHALLENGES

- Integration
 - History
 - Geography
 - Nationalism / Regional Leadership
- Development
 - Human
 - Culture
 - Education
 - Poverty
 - Infrastructure
 - Production

"I am a Brazilian, and have the duty to put above everything, all my personal convictions and my personal feelings and interests, the dignity and honor of Brazil"

Rio Branco Baron



www.unomundo.com.br • Added-Value

www.ea.ufrgs.br

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Brazil and South American Integration

Source: IPEA, Carta Maior, MRE, Funag, PUR-Rio, FV-SP, UFRJ, Cofins, Oikos, Greenpece

POLITICAL CHALLENGES

- Stability
 - Political
 - Economic
- Border conflicts
 - Border Lines / Sea access
 - Border Control / Migration
 - Environmental
 - Energy
 - Agriculture
- Safety
 - Drug trafficking
- The Amazon

Brazil and South American Integration





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