Event
“Brazil’s Presidential Elections: Perspectives from U.S. Ambassadors”

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FEATURING
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Ryan C. Berg: Good morning, everyone, and welcome. My name is Ryan Berg, and I’m the director of the Americas Program at CSIS. Thank you so much for joining us this morning for a conversation on the Brazilian presidential elections, with previous U.S. ambassadors to Brazil.

Before we formally begin, let’s take care of some logistics. This discussion will last approximately 60 minutes. Following the panelists’ remarks and a moderated discussion, we will field questions from the audience. Please submit questions by clicking on the “ask live questions” link on the event webpage or use the “ask questions” function in Zoom. Today we will also have simultaneous interpretation. At the bottom of your Zoom screen, please click the globe button that says “interpretation,” and then select the language you wish to listen in.

(Speaks in Portuguese.)

Again, thank you very much for joining us today.

Brazil is a key strategic partner for the United States. As the largest economy and territory in Latin America, it has often been a regional leader, influencing Latin American politics. Brazil’s presidential election is a culmination of over 20 years of growth and development in a young democracy. Neither frontrunner in this election needs much of an introduction. Former President Luiz Inácio “Lula” da Silva and incumbent President Jair Bolsonaro embody radically different visions of Brazil’s future, both domestically and on the world stage.

In 2002, Lula rose to become one of Brazil’s most popular politicians. The Lula years are still remembered fondly by many Brazilians, as a period of fast economic growth and development. His current campaign contains a complex mixture of rejection towards Bolsonaro and a desire to bring Brazil back to the 2000s, with “Make Brazil 2009 Again” even becoming an unofficial campaign slogan. However, the Lula years also saw the beginning of a shift in Brazilian engagement with the international community, with a growth in the Sino-Brazilian economic and diplomatic relationship, the establishment of the BRICS, and a decreased engagement with the U.S. – all of which leave questions as to how the United States should act if he is reelected.

Bolsonaro, on the other hand, rose to prominence with a mix of populist rhetoric and a pledge to crack down against corruption in the aftermath of the Operation Car Wash scandal. He has leaned into the U.S.-Brazil relationship, especially during the Trump administration. During the first round of elections on October 2nd, Lula emerged at the head of the pack, but failed to secure the majority several polls had predicted. Instead, it was
Bolsonaro who outperformed his polling numbers, securing about 43 percent of the vote to Lula’s 48 (percent). As we head toward the runoff on October 30th, tensions continue to rise, as do concerns about what might happen in the event that Bolsonaro refuses to accept defeat.

The election, indeed, has the potential to alter the future and strength of Brazilian democracy, the growing Chinese presence in the Americas, environmental degradation, and many other issues that are pertinent both to Brazil and to the United States. And so to discuss the election, what’s to come, and the U.S.-Brazil bilateral relationship, we are extremely privileged today to have three distinguished guests who have directly impacted that bilateral relationship in recent years.

Our first speaker is Todd Chapman, former United States Foreign Service officer with over 30 years of experience, and who most recently served as the U.S. ambassador to Brazil from 2020 to 2021. He’s also served as U.S. ambassador to Ecuador, among many other posts. Our next speaker is Liliana Ayalde, U.S. ambassador to Brazil from 2013 to 2017. Following her posting to Brazil, Ambassador Ayalde served as the civilian deputy to the commander, and foreign policy advisor at the United States Southern Command in Miami, until September 2019. And our final speaker is Michael McKinley, U.S. ambassador to Brazil from 2017 to 2018. McKinley joined the Foreign Service in 1982, and before his posting in Brazil he held postings in Mozambique, the European Union, Peru, Colombia, and Afghanistan. And what’s more, I’m so delighted that the CSIS Americas Program has the privilege of having all three former ambassadors as senior advisors to our program.

So without further ado, I want to give the floor over to our first speaker, Ambassador Todd Chapman, for your opening remarks.

Ambassador Todd Chapman:

There we go. Thank you so much, Ryan. What a great pleasure it is to be here with you at CSIS, and it’s just great to be a part of CSIS. And thank you so much. And what a privilege to be here together with Liliana Ayalde and Mike McKinley, two people who I have had the privilege during my career to call boss and work for them, and always to call them as friends, as I still do to this day. So it’s just a great pleasure to speak to you today about the Brazilian elections.

And what a great topic, because it is so dynamic, so exciting, and Brazil tends to never disappoint when it comes to drama and excitement around elections. Most of the viewers are very aware of the results – 48 to 43, five-point gap between Bolsonaro and Lula. Both candidates which have high rejection levels by the other camp, and the gap has narrowed significantly. And what will this mean for two weeks from now?
A couple of things that I would note about the results of this election. One is, first, looking at the congressional elections and how well the conservative movement did when it comes to the congressional election – which, again, like much of the election, was quite surprising. That the party of the president, President Bolsonaro, got 99 members in Congress to 69, I believe it was – 68 to PT. Again, this was a higher number than anticipated. And same thing in the Senate race, that eight senators from President Bolsonaro’s party, and only four from the – Lula’s PT party were elected.

This is something which demonstrated a strength of the conservative movement within Brazil. But still, Lula’s 48 percent, especially his dominance in the northeast, gives him a clear advantage running into the second round. Forty-eight percent – to get just 2 more percent may seem like an easy task for the former president, but it won’t be so easy, because there are so many issues that are coming up even now, even in last night’s dynamic presidential debate – which was so exciting – that I think many, many people in Brazil are having to reconsider what is the future that they want.

As Ryan said, it is a very polarized political environment. And fortunately, the debate has been active. The candidates are everywhere. And there are four scheduled presidential debates. We don’t know yet if both candidates will participate, but certainly the Brazilian populace will have many opportunities to see their two candidates go head-to-head, which I think is very healthy for the democratic process in Brazil. In the run-up to the elections, there were a number of concerns about the democratic systems, the institutions, would they hold, would there be challenges. And I’m very pleased that really the election went off extremely well. I have great confidence in the democratic institutions of Brazil, and I think that confidence was merited and born out in the election, which I think it’s very, very important.

What I’m looking at moving forward, Ryan, is I’m looking at the role that the supporters of the different – the two candidates are going to play. Much has been made of the support which certain governors are providing for Bolsonaro and certain they’re providing for Lula. And I do believe that in many respects – and this is characteristic of previous Brazilian elections – that this will become quite a local affair. After the congressional election, those that support either candidate no longer have to run their own campaigns, and so – for the most part, except for a few of the governor’s races. And so these candidates, now elected, are out there campaigning for their candidates is a very strong way. So they will compete heavily for the undecideds and be trying to go after those that voted for the tertiary candidates that did not get over 4 percent.
So I think that’ll be very interesting to watch in the coming weeks. The issues that emerged from the debate last night between the two candidates revolved around the weaknesses of both. And so President – former President Lula went after President Bolsonaro especially on issues like the pandemic and how he handled it, his perceived lack of caring for poor people, and things like that that he really accentuates in his campaigning messages. These are clearly areas of vulnerability for President Bolsonaro. President Bolsonaro, on the other hand, clearly went after President Lula’s – former President Lula’s experience with corruption and what happened during his presidency, and the fact that the environment was damaged more under his presidency than President Bolsonaro’s. And so going after some of the weak points for President Lula.

And so it’s just going to come down to which of these messages rings truer for the undecideds. And I believe in the end it’s going to come down to the economy, much like it does in the United States, and which of the two candidates is presenting a vision that the voters in Brazil are going to be able to attach themselves to or support. One note I would say, which has rather been disappointing, in my view, in the electoral process so far, is this has very much been an election that is debating the past. Whether it’s the recent past under President Bolsonaro or the more distant past under former President Lula. And many commentators are commenting about their disappointment for seeing a vision for what is going to come in the future with Brazil.

Last night, President Bolsonaro asked former President Lula to say who would be your finance minister. There was no reply. President Bolsonaro has not been overly effusive in talking about what his plans are for the next four years that will be different than the proceeding four years. And I think this is one area that I certainly would hope to see in the future presidential debates, is the vision that both candidates are going to cast for the future, rather than simply debating what has happened in the past. But in conclusion, I would say I’m encouraged that the process has gone extremely well. It’s vibrant. It’s exciting. And I would expect nothing less from Brazil. Thank you very much, Ryan.

Dr. Berg: Thanks so much, Ambassador Chapman. Brazil, the country of the future, to paraphrase a famous saying about Brazil, needs to debate its future. Thanks so much, Ambassador Chapman for your opening remarks. Over to Ambassador Ayalde for her opening remarks.

Ambassador Liliana Ayalde: Well, good morning, Ryan. And thank you to you and CSIS for this invitation. It’s wonderful to join both Todd and Michael. I wish I was in Brazil right now. (Speaks in Portuguese) – because I know it’s an exciting moment and lots going on.
And I guess I would start with, not to be repetitive with what Todd has already introduced because it’s been a – I mean, it was a great introduction – but there is no question that these are consequential elections, not only for Brazil, our relationship – Brazil's relationship with the United States, and on the global stage on a number of issues. So it’s being watched by everyone. And, you know, it’s a first-name basis. Everyone knows Lula and Bolsonaro. And we’re all watching.

What struck me is the – of the October 2nd election – was how conservative the country had turned. And I am – of the three ambassadors sitting here today, I probably have the most outdated information, because I was there earlier than both Todd and Mike. And I was struck by how conservative the country had swung. And that became very evident in the – in the elections of October 2nd. I think there was even sort of a quiet post-election moment. Everyone was expecting a lot of turmoil and chaos, based on all the allegations of possible fraud. And the elections turned out to be carried out well and it was something to be applauded. The system, as expected, was strong and well carried out.

But again, I think what surprised me was the turn of the country in a much more conservative way. The force of the Evangelicals, and the importance of family values in the way people make their decisions. I think also – even though the polls are quite accurate on the Lula side, it wasn’t quite captured on the side of Bolsonaro. What this tells me is that we don’t know what’s going to happen in this next – second round. I think anything could happen. It could – you know, I don’t want to predict, because I think the next two weeks are going to be very telling. I think the way that the elections have been going, they’ve been very – in terms of the campaign – very aggressive. A lot of attacking. I think nasty, at some points.

Disappointing, because, as Todd mentioned, a lot of what has been discussed has been about accusing each other and talking about the past, rather than talking about the future. The country, the world, certainly the region is very different today. And I would have hoped that we would have gotten a better sense of the vision that each candidate would bring to the table, because certainly in the case of Lula, when he came in in his early administration, it was a different country. You had the commodities boom, you had – you didn’t have a war in Ukraine. You didn’t have a pandemic that had seriously impacted the economies of the region. And certainly that is on everyone’s mind in the hemisphere.

And, you know, you had a different kind of scenario of the left. Today’s it’s certainly – it’s a very diverse left in the region. So Lula would come in in a totally different reality. And I would have wanted to hear more about what it was that he had – he would have in mind. That said, the fact that there is a
much more conservative swing – I think that the new candidate, in this case since Bolsonaro would – if he were to be elected – would continue more along the same lines. But a Lula coming in, and that’s – I was in Brazil during the Worker’s Party administration. So I feel more comfortable talking about what to expect there. I think Todd and others can talk more about Bolsonaro.

But it will be a different – it will have to be a different Lula, and a different, much more pragmatic or moderate look, and much more negotiations. I think that what Todd mentioned earlier about the number of senators and the way that congress had – there was a different profile to the congress. And certainly, the number of governors that had supported Bolsonaro, that means that if there is a Lula win, it would be – it would have to be a different kind of Lula. A much more moderate Lula, a much more – a candidate that – or, if elected he would have to be negotiating much more fiercely with the members of congress to make things work.

So I think it’s going to be – we’re going to be seeing a very aggressive race in the next two weeks. But I am confident in the strength of the electoral system. We saw it with the first round. And but I do think that it’s going to be a narrow margin. And whichever way it goes – and anything could happen – is, I think, the attention will be placed on, you know, what happens next. What happens next in terms of relationships with the United States. And we can talk about that later. Certainly, about what’s happening in the region and, of course, the impact of Ukraine on Brazil, and different aspects of the economy. So I’ll just leave it there, and then maybe in the conversations we can answer more deeply some of the questions.

Dr. Berg:

Thanks so much, Ambassador Ayalde, for your opening remarks and providing us with a bit of segue as well into some of the conversation we’ll have later about what does a Bolsonaro 2.0, what does a Lula 2.0 kind of look like, and its implications, and whole range of factors.

But first, over to you, Ambassador McKinley, for your opening remarks.

Ambassador P. Michael McKinley:

Well, thank you very much, Ryan. And obviously a pleasure to be with such close colleagues – Todd and Liliana. And all three of us, speaking at a moment of great importance for Brazil, Brazilians, and the relationship of the wider international community and the United States with Brazil. And I would add a word of caution. I think I also heard implicit or explicit from my two colleagues, there’s tremendous expertise and sophistication in Brazilian coverage of their own political system. And so much of what we’re learning about what is happening now comes from there. And so what we add perhaps is that additional perspective of how it looks from the outside, and particularly for the United States.
In terms of the elections, I would like to make a couple of points. One is a broader one. And there is a tendency in so much of the coverage of Brazil in recent weeks and months in terms of the elections, but more broadly, the changes and transformations we’ve seen in the Brazilian electoral climate going back a number of years, as though it’s sui generis. And it’s important to remember, as Liliana helped highlight in her remarks, so much is going on now that is different not just from 18-20 years ago, when Lula was first elected president, but just in the last five, to eight, to 10 years.

The end of the commodity boom, the fraying in even solid democracies about what democracies in practice represent, what their leaders deliver, the fragmenting of politics in many countries in the globe. The recovering – the impact of COVID, the recovery from COVID, economic implications both of the post-pandemic recovery and the war in Ukraine, Russia’s invasion, impact on energy prices, on food prices, destabilizing potentially growth in one of the major engines of the world economy, which is – are the countries of the European Union. And the broader concerns we’ve seen about the relationship between the United States and China, and the knock-on impact on the global economy for other countries, not just for the two central largest economies of the world in question.

And so as we look at Brazil, so much of the polarization that is evident in Brazilian politics is evident in many other democracies. And it’s – so we really should see Brazil as part of a broader global pattern. And that includes the United States. We have our own upcoming elections on November 8th. I think it’s fair to say there’s a fair amount of polarization and heated rhetoric in what is happening in our own electoral climate. So as we look more closely at what’s happening in Brazilian terms, in a reflection of what’s a global turn in major democracies around the world, I’d make the following points.

First, as Todd and Liliana have pointed out, the shift to the right was consolidated in Brazil in the October 2nd elections at state levels and at federal institutional levels. This was a trendline that had been building, and it clearly reached a point of definition on October 2nd. And that is a significant change, but I would suggest to you not necessarily a more significant change than pendulum swings we’ve seen in democracies at different points over history in the last 30 years, in the post-Cold War period.

Second, the composition of the new congress, which I think is central to everybody’s considerations regardless of who is elected president, is very important to reflect on an analyze. But I would suggest the following: If you take a look back at governments in Brazil, going back to the 2002 election, I would say even before – but every single election since 2002 there has been a balancing act in congress. And that balance shifts. And from 2002 through
2010, the left had a large voice, but if you actually look at the number of seats won in the Chamber of Deputies, for example, by the Worker’s Party, it wasn’t that significant at any point. They worked on the basis of a coalition in congress.

We’re now seeing a doubling of the PL, Bolsonaro’s party, representation in the Chamber of Deputies, but it’s still going to require coalition politics. And to group every single party in the constellation of the emerging coalition there as having similar views on every subject I think is to ignore that Brazil is a diverse, large country with over 200 million inhabitants, a very vibrant political system. And what we saw in the past four years, in which many of the policies were debated, is likely to continue, regardless of which president is elected.

What is evident is the collapse of the traditional centrist parties. There’s no sugarcoating that. But they still are present, with a not-insignificant representation in congress. And how they play in terms of coalition building on different issues, which may be discussed going forward, will be significant. There’s been a lot of talk about how this electoral showed a much more pronounced swing towards the two leading candidates than we have seen before in first round presidential elections in Brazil. That is absolutely the case. You know, we – it’s on a significantly greater level.

But it’s also important to remember, in less-polarized times – going back to elections – I’m trying to think whether even 1998 onwards. But, you know, between 70 and 80 percent of voters in first-round presidential elections would plump for one of the two of the candidates who moved on to second-round elections. What we’ve seen now is a fairly significant leap in terms of the concentration of votes, which suggests a degree of polarization. The comments that are made on the importance of congress, however, and the importance of regional politics continue to highlight aspects of the diverse nature of Brazilian politics going forward.

We can get into a discussion about what we can expect from either government moving forward, but I’d make just a couple of points about the economic moment we’re living. And I would make a point about the macroeconomic management of Brazil’s economy since the 1990s. Whomever has been in charge, it’s been carried out with tremendous responsibility and with working within parameters of what responsible macroeconomic management is. It’s been a sustained period of controlling inflation, you know, serious fiscal responsibility, budgetary responsibility. Yes, deficits have grown, but they have in a lot of other countries around the world, if we want to start going down the list.
And what’s interesting to me, in terms of pandemic response and the proposals that are emerging – and, as Liliana rightly points out, definition in the campaign is still to be had in terms of how either candidate will pursue macroeconomic policies should they win the election – but the broad outlines of continued responsibility of bringing down inflation, of continuing social programming, deepening social programming, of continuing to look at reforms that can make Brazil’s economy ever more competitive or productive, and focus on labor, employment, and so on – some of these issues are perennials, and are still being discussed, as far as I can see, within the parameters of accepted differences over how best to pursue the macroeconomic management.

Where we have a difference is on the ideological issues, which are not necessarily related to economic questions – whether it’s environment, whether it’s approaches to abortion, to guns. It’s not dissimilar from what we see here. And there I think we see much more pronounced differences.

Why don’t I stop there?

Dr. Berg: Thanks very much, Ambassador McKinley. Appreciate your opening remarks.

So I want to jump right into the moderated portion of our discussion. But I do want to remind our listeners today that if you have a question we will get to a Q&A portion of our event today. You can include your question on the event webpage. There’s a button that says “ask live questions.” There’s also the chat at the bottom of your – of your Zoom screen – sorry, rather, the Q&A function at the bottom of your Zoom screen. We will be monitoring that as well for questions for our moderated portion.

Let’s jump right into it, and I want to get to a question about Lula and his first administration and what it might mean for a Lula 2.0. Lula’s administration had a very clear vision of its foreign policy strategy looking at South-South cooperation, diversifying alliances, and making Brazil less dependent on the U.S. Now, all three of you were ambassadors following the transition from Lula to Dilma, but I want to ask you: How did the Lula years affect the bilateral relationship, especially during your time as ambassador? And how should we take that into account in a hypothetical Lula 2.0?

And I want to start with you, Ambassador Ayalde, because you mentioned that some of your knowledge comes from your time as ambassador and you were closest to that period of time. So I want to start with you, and then maybe move to Ambassador Chapman and then to Ambassador McKinley. What does a Lula 2.0 administration look like, especially in terms of foreign policy? And feel free to bring in, you know, what that might mean for the U.S.
Amb. Ayalde: Yes, thank you.

Well, I think that it's impossible to say what being in jail does to your psyche. And some people might ask whether Lula coming back would be vindictive or, you know, would come back with any kind of – but I believe that at the core he's a pragmatic person that would focus on his areas of priority, which of course are the poor, trying to reactivate the economy, and looking at employment, and so forth. And he – I would think that he will recognize the need to be building a coalition within the – within the Congress to allow him to be better able to support his different policies.

I think it would be a, you know, six months or whatever early phase of a lot of political negotiation to build that support. But I would think that based on the Brazil that you have today, he would have to be much more moderate and would have to build coalitions – well, we saw it with the vice presidential candidate that he – that he designated. That in itself gives you a sense of, you know, that it's got to be – it's got to be a different Lula this time around. And I would imagine that he would want to reengage Brazil much more forcefully on some of the multilateral organizations and highlight Brazil’s position on the environment, particularly, in a much more – a different manner on deforestation and one that would revamp some of the institutions that – the government institutions that look at some of these issues – oversee some of the issues with the environment and so forth.

In relation to the relationship with the United States, I believe that, like Mike says, you know, you – it's you build on it. And there is a very strong architecture of dialogues that has been developed over the years that you – keeps on adding. And I would imagine that Lula, like any president – Bolsonaro is doing that – you rely on those different mechanisms to talk about whether it's the economy and commercial relations, or the energy dialogue, defense industry. You know, there's a series of them that are very active at trying to look at issues of common interest.

What I do foresee probably much forcefully, besides the environment and issues of global climate change, is on the – on some of the multilateral issues and having Brazil engage more, for instance, on peacekeeping. In the past, he was – you know, that was a very strong area of engagement. And we look at Haiti now and what's happening there, and I have no idea what's going to be decided in terms of their request, but I can see Brazil taking a role in a – in a Lula administration and wanting to be much more active in that kind of forum.

Well, I don't want to monopolize the time, but the point is I think in general I see a Lula that's much more moderate and recognizing that the country has changed; probably not making very forceful, deep changes initially but
rather working on trying to respond to some of the priorities while he does the political maneuvering to get the support. And he is politically savvy, so I have no question that he would garner that support to the able to effectively govern a new reality in the region and, certainly, a new Brazil.

Dr. Berg: Thanks so much, Ambassador Ayalde.

I want to get Ambassador Chapman’s thoughts on this. Obviously, before you became ambassador you were, clearly, a Brazil watcher. Lula 1.0 you observed. What do you expect out of Lula 2.0 and what does it mean for the United States? And you’re muted, Ambassador.

Amb. Chapman: Lula 2.0 is something that many people are trying to figure out exactly what kind of leader would he be because when you look at Lula 1.0, from the United States’ perspective Lula was a very pragmatic person.

He wished to guide foreign policy in the middle way, not siding with one side or the other, very much emphasizing multilateral institutions, and he actually worked reasonably well with the United States. You remember that he and President George W. Bush were called the odd couple.

And so that is the pragmatic Lula and he is an extremely savvy negotiator and politician who was able to build the majorities that he needed in Congress to pass very important legislation that really did bring many, many people out of poverty, and for that he will always be greatly appreciated by many in Brazil and around the world.

The question is, what does going to prison by, you know, a justice system that convicted you of corruption – what does that cause you to then do when you get out of jail and – on a technicality? And so that is the question that everyone wants to know.

But I think that you would continue to see his political instincts of wishing to be pragmatic and that, I think, is what people are hopeful for. Immediately the day after the election the Brazilian stock market responded very favorably and one of the interpretations of that was that if Lula is elected but with a conservative majority in Congress it’ll assure a balance of power and that that will balance out any extremist views on either side from taking hold in legislation.

So I think that you would see this negotiated approach to democracy, which has been Brazil’s trademark, as Mike mentioned earlier, and I would imagine that would continue. I think the foreign policy ramifications, though, would, perhaps, be a bit more dramatic.
Lula has expressed great support for Daniel Ortega, for Maduro, for, you know, authoritarian regimes in the Americas that will be problematic, I believe, for the United States to deal with. Simply his involvement in corruption will be difficult for a Biden administration that has emphasized anti-corruption.

So I think these are going to present some real challenges for the Biden administration, moving forward, because I do not see President – a future President Lula being shy on the international stage. I see him wishing to lead Latin America, even leading – you know, you could say leading third world nations and wishing to assume a place of global prominence, speaking for those that he might believe don’t have a voice.

So I think that is going to present a very interesting challenge for the United States and for the world as a future President Lula seeks to impose or promote his vision of the world after having been out of power for quite some time and, as Liliana said, inheriting a country that's very different than when he – and a global situation than when he was president the first time around.

Dr. Berg: Thanks so much, Ambassador Chapman.

Ambassador McKinley, I want to go to you and see if you have anything to add to what Liliana or Todd said about what we might be able to expect regarding a Lula 2.0.

Amb. McKinley: So, yeah, I think Liliana and Todd covered most issues and, again, I’m just going to suggest the following.

We have two tracks here. One is that over the past 20, 25 years, regardless of who’s been president, there has been a deepening and strengthening of the bilateral relationship. So this idea that there was some kind of adversarial relationship in the 2000s is simply not the case. There were a lot of important elements that built towards closer cooperation. In the last four years we’ve seen issues of importance to both nations agreed, whether it’s the Alcântara Space Station utilization; whether under the current administration a strengthening of bilateral dialogues that had been somewhat in abeyance; the support for Brazil’s accession to OECD, a(n) extraordinarily important objective for different Brazilian governments; the declaration of Brazil as a major non-NATO ally.

And so as we look at the 20 years, I think it’s very important to look at the U.S.-Brazil aspect of this. Perhaps we’re not as strategic as we should be in the bilateral relationship. But we’ve found a way to work together on many
critical issues of mutual interest and I would suggest in a very troubled world environment that will continue to be the case.

But the second point I would make is we really should not – we should be aware of Brazil’s approach to international politics, which approaches nonalignment in many respects. And it’s pragmatism and it’s an effort to be able to deal with all sides. And we’ve seen it most recently with the Brazilian government’s approach to Ukraine in which certain economic sanctions have been opposed, at least a couple of U.N. resolutions that were abstentions by the Brazilian government, with joining the countries like India or China also in a nonaligned approach to the debates that were underway.

I’m not judging these politically. I’m just stating the fact they’re part of a long-standing tradition. And so what we see, again, regardless of the government in power, for example, the emphasis on BRICS – on the Brazil-Russia-India-China-South Africa grouping – President Bolsonaro was present at a very important BRICS meeting this year, and Brazil continues to work with the BRICS and that would continue under a Lula 2.0.

And there’s, certainly, a redefinition underway in terms of how to work on global trade issues to the benefit of Brazil, how to work with the European Union on deepening – either reaching a trade agreement for Mercosur or deepening other ties. I would imagine all of these would be issues that would be considered important.

But what I’m trying to suggest again here is Brazil, regardless of who’s in power, does have its own certain national priorities, which have been relatively consistent, moving forward. And so why don’t I leave it at that for now?

Dr. Berg: Fantastic. Thanks, Ambassador McKinley.

I’m looking at the Q&A box and I do see some questions being populated in there, and there are a couple questions specifically about the environmental degradation in Brazil and deforestation.

So I’m going to take moderator’s privilege and combine some of those questions and ask you all to comment on environment and environmental policy. It’s something that we all know is very important to the Biden administration on how they’re thinking about the Americas as well.

And as, I think, Ambassador Chapman mentioned in his opening remarks, although much of the international community appears to be placing its bet on Lula being more in favor of protecting the environment there is a record there that that saw significant deforestation.
So I want to ask all of you, you know, what is the future of Brazilian environmentalism? How can the United States or what should the United States expect in terms of environmental degradation and deforestation in Brazil, moving forward, in both a Bolsonaro reelection scenario and in a Lula 2.0 scenario?

And I'll start with Ambassador Ayalde, and then I'll go to Ambassador Chapman and then Ambassador McKinley.

Amb. Ayalde: Great. What to expect – well, certainly, if – probably more of the same in the case of continuation of Bolsonaro and, you know, he does get a lot of his support from the agricultural sector so I do not foresee this being an easy area of continued negotiation. I mean, there may be some areas and steps that we may be able to move on, but I don’t foresee a dramatic change of – in the case of a continuation of Bolsonaro.

In the case of a scenario with Lula, I think that there is more space to revamp the climate change agenda and move together on – further on some of this. That has been publicly stated by Lula and so I think that that’s something that there could be more progress on.

That’s what I would say, I think, at this point. I don’t have more to add.

Dr. Berg: Thanks, Ambassador Ayalde.

Ambassador Chapman, any thoughts on the future of Brazil’s environmental preservation – what we can expect with the two candidates?

Amb. Chapman: Yeah. Under Lula it’s really hard to say exactly what he would do. I really don’t know. I know that he’ll, certainly, give it more attention.

Over half of the illegal deforestation in the Amazon is taking place in one state. It’s the state of Pará, a state in which the governor there is very supportive of President Lula, and one would hope that that would result in him also getting more active in trying to prevent illegal deforestation. So it’s very hard to really understand what will happen.

One thing that people often do not realize is that 25 million people live within the Amazon region, and one of the issues that Brazilians often raise is how are we going to provide economically for them.

The issue is not that it’s one big national park. It’s an area where a lot of people live and many people who live well below the poverty line. So it’s figuring out what is the right economic approach for those people within the Amazon to encourage them, incentivize them, to do the right thing.
Under President Bolsonaro, I think what you’re going to see is probably an increased emphasis to try and address the issue, perhaps not out of some kind of personal conviction but out of necessity because the economics are such that the agriculture lobby – the agriculture industry – is actually, on the whole, very supportive of conservation within Brazil because they realize that the international markets on which they depend are demanding this.

And so Brazil can double its agriculture production in the next 10 years without reclaiming or taking one acre from the Amazon just from technology and recovering degraded lands. So it really isn’t an issue of agriculturalists going and burning down the rainforests like some try to portray it.

It’s that, really, there needs to be an economic solution and there needs to be some kind of means to monitor the Amazon area, which is, like, three times the size of Texas, with adequate security that can prevent forest fires and can prevent things that cause illegal deforestation to happen. So I think that’s going to be the issue, moving forward.

The last thing I would mention is there needs to be a flow of resources from those that are concerned about the environment to those that are seeking to prevent illegal deforestation. But it requires money, and many people in Brazil kept asking me, and they still do, where’s that hundred billion dollars from the Paris Accord that are going to help us to transition or to protect the forest?

Remember, Brazil doesn’t have to go through an energy transition. It already has the most renewable energy matrix of any G-20 nation. They lead the world in terms of renewable energy.

So the issue is how do you get the resources to provide the security and the incentives so that the Amazon can continue to be what we all want it to be, which is a very important region for the environment of the world.

Dr. Berg: Thanks very much, Ambassador Chapman.

Ambassador McKinley, anything to add to what you’ve heard thus far about the future of the environment and deforestation in Brazil?

Amb. McKinley: So, no. I think Liliana and Todd have, you know, covered kind of the absolutely central questions and framing of the debate that’s underway at the moment in terms of the challenges whomever wins would face in addressing deforestation in the Amazon.
I would like to suggest a couple of elements that, I think, are coming into play in a more interesting fashion as the impact of climate change just becomes more evident. It has been a terrible year globally and also in Brazil and in parts of South America as climate change makes its impact felt in just unprecedented ways.

And so in the case of the vision that candidate Lula is offering, I mean, he did come to some kind of agreement with Marina Silva, a well-known ecological activist in Brazil – I think it was just a month or two months ago – on programs that he would pursue/empower, to include net-zero forestation funding; you know, carbon pricing; financial incentives for sustainable farming; and attempts to sort of have a – strengthen institutions overseeing commitments to the Paris Agreement targets.

But I wanted to suggest that these – the targets that were agreed in Paris in November 2021 were agreed to by President Bolsonaro’s administration and included, for example, on paper, speeding up reaching net-zero emissions from 2060 to 2050. I’m saying on paper. I’m not getting into a debate over the issues.

But what’s interesting I read a comparison of the 2018 presidential manifesto of Bolsonaro – candidate Bolsonaro then and the manifesto now, and there’s an acknowledgement of the need to tackle environmental questions, that it’s a(n) issue of the highest relevance for the world, and speaking about increasing control of illegal fires, promoting green growth, carbon credits, and so on.

What I’m trying to suggest here, I’m not minimizing what’s happened at all. The scale of deforestation over the last three to four years has been very significant and needs to be addressed. Budgets were cut for key institutions overseeing the enforcement of environmental regulations, research into environmental questions, attempts to address deforestation in general. But there has been a change in how the Bolsonaro administration has been speaking about the environment in recent months.

So, for the United States what’s critical, whomever wins, is to engage, not looking back but looking forward to how it can be more actively speaking with the Brazilian government, working with international partners.

You know, there’s the Amazon Fund, which, certainly, has the potential for being much more active to address the resource question that Todd mentioned and – because the issue of the environment and deforestation, in particular, in Brazil is too important to look at in ideological terms or in political partisan terms.
It requires working with a Brazilian government on addressing the central question, which is reducing the rate of deforestation, and, as Todd points out, addressing livelihoods, addressing strengthening of enforcement and regulation, greater provision of resources, just greater collaboration across the board.

So let's see where we end up on this one. But it is a(n) absolutely signal important challenge for the bilateral relationship whomever wins.

Dr. Berg: Thanks, Ambassador McKinley.

We've got a bunch of really good questions in the Q&A. And I want to turn them into a sort of lightning round with quick responses from each of you, and I'll take moderator's privilege to direct them at each one of you.

And so I'll start right away with you, Ambassador McKinley. There's a question in the chat box, just kind of a flip side of the environmental degradation question, which is that Brazil presents many opportunities to contribute positively to the world’s food and energy crisis.

How can the United States help Brazil play that role? You and I wrote a piece together not too long ago for Americas Quarterly which addressed this issue in part. A quick response on how the geopolitical moment might be aligning for Brazil to play the flip side of the environmental degradation role.

Amb. McKinley: I, certainly, think and, certainly, producers, economists, governments not just in Brazil but among agricultural producers around the world, their minds are concentrated on what’s happened since February 24th when Russia invaded Ukraine and the impact on global food and energy prices and on the supply chain.

What I would want to suggest, however, is that the United States approaches these issues on the geopolitical landscape. This isn’t a question of the United States helping people decide what they do.

Brazil is the ninth or tenth or eleventh largest economy of the world, depending on how you measure it, is an important actor on the international stage, strongly represented in all of the multilateral institutions, alliances of its own, dialogues of its own across the world. It’s the, I think, the ninth most important supplier of produce to the European Union countries, for example.

Brazil is going to make its own decisions on this, and so it’s a question of the United States speaking with Brazil, with other producers – the United States as a major agricultural exporter and seeing where together we can find common policies which can not only, frankly, help feed the world, which
should be the priority, but also, perhaps, carve out a more important role for agricultural producers in the global economy, given the uncertainties that have come in at this stage.

Dr. Berg: Thanks very much, Ambassador McKinley.

Ambassador Chapman, I want to go to you – a question that’s in the Q&A about Lula’s foreign policy. It’s something you’ve mentioned in a few of your responses, how it might be an area that presents difficulties for the United States or challenges, and there is a question about Lula’s statements with respect to Nicaragua and with respect to Venezuela, and you mentioned this in one of your remarks as well.

And so give us your thoughts on how that might present some difficulties, and the question specifically is whether the United States should worry about this conversation that we’re beginning to have about a new pink tide in the region and whether Lula might actually lead it, what that might mean for U.S.-Venezuela policy, U.S.-Nicaragua policy.

Amb. Chapman: Well, I think there’s plenty of reason to be concerned, given Lula’s positions in the past, and he’s been given an opportunity to walk away from those positions as recently as last night because President Bolsonaro went after Lula for his friendships with his buddies in the region, and Lula had the opportunity to walk away from them and he didn’t, and I think that is – that’s very, very concerning.

If human rights, if democracy, if all these issues are so important to us now globally as the United States it’s going to be very hard to square that with Lula’s desire to work with these dictators that are resulting in so many problems, including for Brazil when it deals with the Venezuelan immigration crisis that hasn’t impacted Brazil as much as other countries but, certainly, has been a negative impact on Brazil.

How you square that I’m really not sure. The idea that Lula would sit back and let the presidents of Chile and, perhaps, Colombia to lead this left of center coalition in Latin America is highly unlikely, and so Lula would just love to be at the center of that movement, and that is going to pose some real questions for the United States and for the world as we have elevated certain issues to the top of our foreign policy agenda in the United States, and at those points Lula would seemingly be going in a different direction.

So I think there is a real cause for concern. But, again, Lula 2.0 is a mystery because he hasn’t talked much about the future. He’s talking about the past. And so I believe that the speculation about him leading this pink tide or whatever you want to call it is one that will pose a real foreign policy
challenge for the United States and in the ways that we choose to engage within the region.

Dr. Berg: Thank you very much, Ambassador.

Amb. McKinley: Ryan, I can’t let that one go without a quick comment. I think –

Dr. Berg: All right. We have inter-ambassadorial challenge.

Amb. McKinley: No, it’s not a challenge to Todd. It’s just, simply, I think we’re in a very different phase in the United States’ relationship with the region. The region is mostly democratically-elected left of center governments, and they have their priorities and we have ours, and then there’s areas of common agreement.

I would suggest some of the ones we’ve spoken about on the geopolitical landscape are similar for governments, whether they’re left of center or whether they’re right of center, and in the context of Brazil the relationship is so layered, so complex, so huge. We’ve had our – we’ve seen differences between the administration – the Biden administration and the Bolsonaro administration. It has not precluded working together on a number of issues and there should – should there be a change.

The United States’ relationship to Brazil, as it does with any number of other important countries around the world, it needs to look at the broader landscape in which we’re not going to have agreement on every single issue.

But going back to Latin America, the pink tide is a term which, I think, somehow seems to under-recognize what are democratic elections in numerous Latin American countries where they have made their choice.

And so if we do believe in systems we have to also believe in working with governments, the choices their people have made, and hope to find common ground. I think there’s plenty of common ground to go around these days on a host of issues. There will be areas of disagreement.

Dr. Berg: Fantastic. Thank you very much, Ambassador McKinley, and I sense that we have some ideas for future events emerging as well.

I want to give Ambassador Ayalde the last word, and there’s – you mentioned in a few of your remarks the potential for Brazil to engage more multilaterally under a Lula 2.0, again, looking back at Lula 1.0, and there’s a specific question. It’s pretty niche.
But there’s a question in the Q&A about Brazil’s opportunity to lead G-20 discussions as a host country in 2024, if there’s a greater opportunity under one versus the other president.

But I want to allow you to take that and expand it a little bit more about Brazil’s engagement with multilateral institutions and informal government groupings in general as the last word.

Amb. Ayalde: Well, certainly, a revamping of and taking advantage of the multilateral platforms would be something that Lula will look for and there’s plenty of global issues in which I would see opportunity for engagement, you know, whether it’s on, you know, the challenges that have come around and some of which has already been mentioned by Mike and others.

But I see the potential for engaging on, you know, food security, energy, and, certainly, some of the political challenges that – even taking more positions on, you know, broader issues such – with the war in Ukraine. And so I think that there – a Lula administration would want to have Brazil be seen more active and more favorably in some of these multilateral issues.

Dr. Berg: Thank you very much, Ambassador Ayalde.

One hour is never enough time to discuss Brazil. We could go on and on and on, and we will be doing more analysis at CSIS Americas on Brazil. We’ve done several papers already. We expect another paper on scenarios coming out next week.

We’ve done a podcast already in Portuguese. We plan on doing another podcast. We aim to be a font of information – good evidence-based information – about what to expect in the election, moving forward, and this is just one piece of that puzzle.

So thank you so much to Ambassador Ayalde, Ambassador McKinley, Ambassador Chapman. It was such a delight to have you here this morning to talk about Brazil.

Again, one hour is never enough but, unfortunately, we have to leave it there. Thank you so much for your time, all three of you CSIS senior advisors. Thanks so much for what you do. Until next time, bye-bye.

Amb. Chapman: Thank you.

Amb. McKinley: Thank you so much.

Amb. McKinley: Take care.

(END)