If Brazil cannot effectively lead Latin America, no one can

The Brazilian Economy — How does the Anglo-American system organize international relations?
Walter Russell Mead — The Anglo-American system sets the background for geopolitical and economic systems around the world. This has been true since the British defeated the French in a series of wars in the early 19th century. That does not mean that economic or geopolitical competition among powers has disappeared; it means that the global system most of the time constrains that competition. From time to time individual powers or groups of powers challenge the foundations of the system, as did, for example, Napoleon’s France in the 1800s, Germany and Japan in the 1930s and 1940s, and the Soviet Union until 1989. Challenges, however, are rare. Since the collapse of the Soviet grand challenge, many people have been unhappy with the current world system, but so far that unhappiness has not coalesced into a single power striving to overturn the system.

Struggles for honor, status, and influence in the world seem to be key features of international relations.
The world is always changing, but the competition among great powers is a constant. It is also true that, while China and India are both seeking to increase their power in the world, at least at this moment they are doing it primarily within the Anglo-American
They are trying to exploit the economic opportunities that already exist in the system, and as they do so, they become more identified with the system. In the same way, after World War II Germany and Japan tried to gain influence within the Anglo-American system rather than try to overthrow it. They have been extremely successful and today have a great voice in world affairs, and at the same time the German and Japanese peoples enjoy a very high standard of living. They are now pillars of the international system rather than opponents trying to knock it down.

However, Germany and Japan had to go through a horrific war before they adopted the Anglo-American system.

Let’s hope people can learn from the lessons of the past. To me, there is one clear lesson: by joining the system and becoming part of it you can achieve far greater results, whether measured in terms of international power, state security, or the prosperity of your people. You actually do much better by cooperating rather than resisting.

Some have announced that the current economic crisis is the end of the Anglo-American system.

History is instructive here: Since the British rise to power began in the late 17th century, there has been one financial crisis after another, many of them extremely severe, with very widespread consequences. Yet the Anglo-American world system has continued to grow. It is possible that the current crisis could mean the end of the American world system, but it seems far more likely that it does not.

The recent presidential election in America in a sense illustrated that. It is very interesting to look at what both McCain and Obama were saying during the campaign. Both candidates were proposing a vision of a different and better future. Obviously people preferred President Obama’s vision. In the U.S. we really do not have what Europeans often mean by conservatism, the type that does not want to change anything. In the U.S., our “conservatives” are actually economic revolutionaries who want unrestricted free markets. On the other hand, U.S. liberals tend to be economically conservative but in some ways social radicals: promoting gay marriage or active state intervention to reduce inequalities. Because neither of these political groups is a conservative social group, the U.S. remains a very future-oriented and flexible society. In a situation where change is the dominant social and economic reality, this may give American society continuing advantages, because all countries will have to adjust to accelerating waves of change.

The American system was very successful in raising hundreds of millions of people out of poverty around the world. However, when it is applied to developing countries it creates social and economic dislocations.

We have to look at capitalism as both a political and a cultural problem. For one thing, the world capitalist system was not designed by Latin Americans to meet their needs. It was designed primarily by Anglo-Americans, and it has proceeded at a pace that was
agreeable to Anglo-American cultural instincts. A country like Brazil confronts a world system that is not always sympathetic, and it does not move at the pace Brazilians would like it to move. It does not have the priorities Brazilians would have put in place in a world system. At the same time, Brazilians and other Latin Americans share a different world view. Carlos Véliz argues that, coming out of the Baroque heritage in the Ibero-Luzitanian world, there was a desire in Latin America to create a unified world system of thought, polity, and culture, in which everything proceeded in a very logical and straightforward way from first principles. This mindset is poorly adapted to what capitalism is and does.

The real world is messy and unpredictable.

Exactly. There are exceptions to every rule, and one has to allow a new industry to come in and disrupt all the producers and all ways of life. But this is not enough. You have to have a passion for innovation and change. A story I tell in my book God and Gold illustrates the point: When the telephone was first invented, it was almost ignored until Don Pedro II, the emperor of Brazil, was visiting the centennial exposition at Philadelphia and saw it. He picked it up, listened, and said “Good God, it talks!” There were so many reporters following the emperor that this was great publicity for the telephone. You could argue that Brazil “discovered” the telephone, but Brazilians did nothing with it; the companies that brought telephone services to Brazil were Anglo-American. To be at the cutting edge of the capitalist system — generating new ideas and applications — you have to have a passion for the new, and the surprising, and the disturbing. Historically, that is something many Latin American peoples lack.

Latin American countries tend to have periods of liberal market-oriented reforms alternating with populist policies. Latin America has a very tragic history: a history of swings between corrupt and authoritarian oligarchs, who are not equal to the task of leading a modern society, and corrupt and incompetent populists, who are not capable of harnessing social energies to the necessary tasks of modernization. Brazil is emerging as an exception. If we take a long view — and I am not making a comment on any particular Brazilian government — we have seen both on the left and the right in Brazil the growing importance of strong and more transparent institutions and a sense that the market must be allowed to exist. Brazilian politics is beginning to look more like the debates in Europe and in the U.S. Thirty years back, neither left nor right were democratic in their hearts.

President Lula has performed a historic role in Brazil. That does not mean that everything his government does is wise and good, any more than that is true of any government. But as an outsider who admires Brazil, I have been very heartened to see this long-term development in Brazil toward a national politi-
cal approach that is both modern and more stable. If Brazil stays on this path, I think it will enjoy increasing success, even though there will be a rough path at times.

The political developments in Brazil contrast with the tragic path Argentina took. Argentineans had all the material riches you need for prosperity and greatness, and yet Argentina today is neither rich nor powerful. Every society has to find its own way to be effective in a capitalist world and yet remain true to its own core values and identity.

As the Japanese did. Exactly. The Japanese are as Japanese as they have ever been, but they have learned since the 19th century how to manage the capitalist system for their own benefit. In contrast, the Chinese in the 19th century had no ability to manage the capitalist system, it was just too hard for them, and they went through terrible suffering. China’s “Long March” to modernity is not over. Nevertheless, the Chinese are far more effective today in using the energies capitalism unleashes to make China successful while still remaining essentially Chinese.

This is the task that Latin America faces. The example of China should be inspiring: countries can find a way to maintain their identity, adapt to capitalism, and grow enormously in power and wealth in the international system. It is possible. Latin America can do it; others have.

In Latin America as in other parts of the world, people see the U.S. as a threat but at the same time they admire U.S. values, culture, and the dynamic economy. Some argue the U.S. should restrain its power. U.S. foreign policy has a mixed record. I think the sentiment one finds around the world is best illustrated by the slogan: “Yankees go home — and take me with you.” Indeed, it is a problem for the world that one country has such a disproportionate amount of power. On the other hand, would international anarchy and chaos be better than the current situation? I wonder whether Europeans could have reunited and rebuilt after the World War II without the American umbrella protecting them, not only from the Soviet Union but also from any renewed German ambitions. I do not think anarchy would necessarily be an improvement on American power. Americans provide security for everybody, and I am not sure that there are that many countries that could provide security for everybody much better than America does. Although, certainly, America is by no means perfect at this job.

Another important point is that the future of the 21st century will be likely decided in Asia, and the Pacific will be the ocean of the 21st century as the Atlantic was the ocean of the 20th. The U.S. today enjoys better relations with China, India, and Japan than it did in 2001. Promoting the emergence of an Asian international system that is naturally balanced may be one of the great triumphs of American statesmanship.

How could Americans cooperate better with other nations? Again, Europe is the place
where American foreign policy has been most successful. After fighting two horrible wars, America was able to conceive its objectives regarding Europe in a way that meshed with what Europeans wanted. The result was almost three generations of peace and the creation of the European Union. In Latin America there is the possibility for a different U.S. approach. Historically, until World War II, U.S. interest was limited to the Caribbean and the Isthmus of Panama. British, French, and German influence in Argentina, Brazil, and Chile was far greater than American influence. During World War II, there was a new U.S. security concern, particularly because of German penetration in Argentina and Chile. And during the Cold War the U.S. was very apprehensive that the Soviet Union could gain a foothold in Latin America through ideological subversion. So the U.S. became intimately concerned with the social and political evolution of Latin America. U.S. security concerns became mixed up with Latin America’s ability to succeed in the international capitalist system.

In general, the U.S. foreign policy record in Latin America was mixed. Security concerns led the U.S. to a succession of rather poor choices. I think sometimes all the alternatives were poor. From the point of view of the U.S., there were left-wing populists who sympathized with the Soviet Union and would ruin their countries’ economies, and corrupt right-wing dictators who were brutal and also not good for the economy, but at least they would not go over to America’s enemy. Americans found themselves often choosing the lesser of two evils.

Since the end of the Cold War, two important developments have happened: there is far less U.S. security concern about Latin America, so the U.S. is much less pressed to influence political developments in Latin America except for very specific issues, such as drug trafficking and terrorist connections. At the same time, a number of emerging countries — Chile, Brazil, and Mexico — are modernizing. There is a lot more optimism about Latin America’s potential to modernize. These developments offer the opportunity for a different and better relationship between the U.S. and Latin America. Here Brazil has a critical role to play. Brazil could serve as a center of development and political stability in Latin America.

Brazil has been very shy about leading other Latin American countries. Chávez has taken the lead, with regrettable consequences. In fact Brazil does have a moderating impact, by example and by also not joining Chávez. It makes sense for Brazil to deepen the dialogue with its neighbors. Obviously, Brazil is so large and its economy so big that suspicions could grow very quickly if neighbors thought Brazil is trying to arrogate leadership. Brazil in some ways should think of itself as Germany after World War II, moving very carefully and with great deliberation and calm to try to reassure its neighbors as it builds deeper forms of cooperation. Brazil is capable of that kind of regional leadership. Again, I would suggest that this works best when U.S.-Brazilian relations are very clear.
In the same way, Germany understood that in order to play a constructive role in Europe, it needed to work with Washington to reassure its neighbors. For Brazil a good relationship with the U.S. is not only a positive factor in terms of Brazil’s own objectives internationally, but it sends a signal to other countries in the region about the nature and limit of Brazilian ambitions that can facilitate the rise of a Latin American identity and effective regional institutions. If Brazil cannot effectively lead Latin America, no one can.

The Bush administration was defined by the conduct of the Iraq war. What is the current situation in Iraq?
I just returned from Baghdad and I am in a very cautious way optimistic about Iraq’s future. It was fascinating to me that everyone I met with — opposition as well as people involved in the current government — talked about politics and elections. They had the belief that electoral success or failure would affect their strength. People are beginning to understand that the way to handle their differences is through institutions instead of adjudicating their conflicts through violence, and these institutions do have legitimacy among Iraqis. Many of the Sunnis are now convinced that only a constitution can save them from the fate of being a minority surrounded by a hostile majority. Iraq’s pluralistic society seems to be shifting from expressing itself in hostile and violent action in the streets to hostile and violent action in parliament. There is a lot of corruption.

Oil is more a curse than a blessing in terms of development. Oil revenue allows the government to buy off some of the opposition, which may be better than killing them, but it does suggest that some negative practices are being built into the foundation of Iraq civil society. I do not think Iraq will emerge as a perfect example of democracy. However, if at the end of the day Iraq could look like Turkey’s ugly stepsister wearing a veil, that actually would be good for the U.S., good for Iraq’s neighbors, and far better for Iraq’s people. If you define success this way, I think Iraq is heading in that direction. Whether the war was justified or whether the tactics used were correct is another question.

What could we expect from the Obama administration?
It still very early, but having listened to the inaugural address and knowing some of the people going into the administration, I think we are going to see some very dramatic steps to show that change is taking place, including the closing of the Guantanamo Bay prison.

Let me point out that there was a major break in U.S. foreign policy in the second Bush term. In the second term, the Bush administration stopped lighting new fires and focused on dealing less stridently with some of the fires they had started in the first term. Obama is going to continue that transition away from the first Bush term toward what people regard as a more traditional American policy.

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