

## Chapter 1

### *Brazil as a BRICS Country*

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#### 1.1 Brazil as a BRICS Country

When the term BRICs was coined, Brazil, Russia, India and China could arguably qualify as four countries that were on a path toward a critical transition that would ultimately transform these societies from limited-access orders into open-access orders.<sup>1</sup> Open-access is a ubiquitous feature of what Douglas North and collaborators have coined social development [North, Wallis and Weingast, 2006]. Fifteen years later, scholars argue that Brazil has embarked on this path toward a critical transition. The analysis claims that since the year 1994 “Brazil has been on a relatively virtuous path of economic and political development” [Alston, Melo, Mueller and Pereira 2016, p. 20]. Aside from the question as to how the other three countries evolved during these fifteen years, a topic addressed by chapters in this volume, this chapter suggests that international trade institutions played a prominent role in the Brazilian case.<sup>2</sup> The chapter proceeds to seize this relationship, with an emphasis on the WTO.

Unlike South African latecomer membership in the BRICS group, Brazil was an original and important piece of the BRICs’ quadrangle. The sheer size of its population and economy guaranteed Brazil a place in any

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<sup>1</sup> The term BRICs refers to the four original members [O’Neill, 2001]. South Africa joined the BRICs in December 2010 although its membership was formally confirmed only at the 3rd BRICS Summit in April 2011.

<sup>2</sup> Another reason for limiting the analysis to Brazil is the fact that Russia and China joined the GATT/WTO system much later in time, in 2012 and 2001, respectively.

“club” organised along such cleavages as “emerging powers,<sup>3</sup>” “rising powers<sup>4</sup>,” or “middle powers.<sup>5</sup>” Unlike the other three BRIC’s founding members – Russia, China, and India – Brazil is not a military power and privileges diplomatic over coercive means to achieve its foreign policy goals [Dauvergne and Farias, 2012].<sup>6</sup> This singular characteristic would place Brazil in an especial position with respect to the international development agenda. To that effect, Brazilian foreign policy has become increasingly assertive, not least but in the areas of global health promotion, South-South cooperation, and renewable energy [Dauvergne and Farias, 2012]. Foreign policy scholars suggest that Brazil’s longstanding tradition of non-intervention and support for the peaceful resolution of international conflicts is behind Brazil’s successful initiatives vis-à-vis international development [Sotero, 2010; Cervo, 2010].

Another area of influence that has attracted attention by scholars and policymakers is democracy promotion. Here Brazil’s unique position stands out again amongst the other BRICs countries. For one, together with India, Brazil constitutes the “democratic half” of the BRICs club. But unlike India, Brazil has embraced a more assertive role toward the promotion of democracy – most notably in Latin America [Stuenkel, 2013]. The Brazilian role is particularly important nowadays because traditional actors in the realm of international democracy promotion efforts, such as the UK and the US, have given signs that they will fold toward a more inward-looking agenda.<sup>7</sup> Moreover, Brazil enjoys a privileged position to engage with other countries when it comes to promoting democracy. As a middle power, Brazil shares historical trajectories and contemporary challenges

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<sup>3</sup> The terms “emerging powers” is frequently used by Andrew Hurrell, who sees these countries as essential to a thorough understanding of the global order in the 21<sup>st</sup> Century [Hurrell, 2000].

<sup>4</sup> Stuenkel privileges the term “rising powers” in his analysis of the role of Brazil and India in the promotion of democracy [Stuenkel, 2013].

<sup>5</sup> The term “middle power” has a deep historic aspect, as it was first used in the mid-20<sup>th</sup> Century [Dauvergne and Farias, 2012].

<sup>6</sup> For more on the economic and social characteristics of Brazil and how they compare to the other BRICs countries see Armijo and Burges [2010].

<sup>7</sup> To this effect, the decision of the UK to leave the European Union and the election of Donald Trump for the US Presidency are seen as evidence of this “pull-back” phenomenon.

with other developing countries, what facilitates a constructive dialogue. On the other hand, Brazil has elected not to attach conditionality to its democracy promotion initiatives – in juxtaposition to American and European practices. For this reason, Brazilian efforts in this arena are often perceived as more legitimate and expected to yield better results [Stuenkel, 2013]. Along the same lines, scholars suggest that “being democratic helps inspire trust” [Armijo and Burges, 2010].

It is in this capacity – as a democratic, non-interventionist, middle power – that Brazil engages with the international community. Brazil’s foreign policy agenda has yielded concrete results in the areas of South-South cooperation, public health, renewable energy, and democracy promotion. Underlying these efforts is a proactive international trade agenda. The remaining sections of this chapter will chronicle the Brazilian trajectory with respect to international trade, with an emphasis on Brazil and the World Trade Organization. Section two analyses the growing importance of international trade for the Brazilian economy and elaborates on the role of international trade to boost the standing of Brazilian Presidents domestically. To that end, the analysis concentrates on the years 1995-2015, capturing the creation of the WTO and the outcome of ten years of democracy in Brazil.<sup>8</sup>

## **1.2 Brazil and the WTO**

### ***The role of international trade in the Brazilian path toward a “critical transition” (1995-2015)***

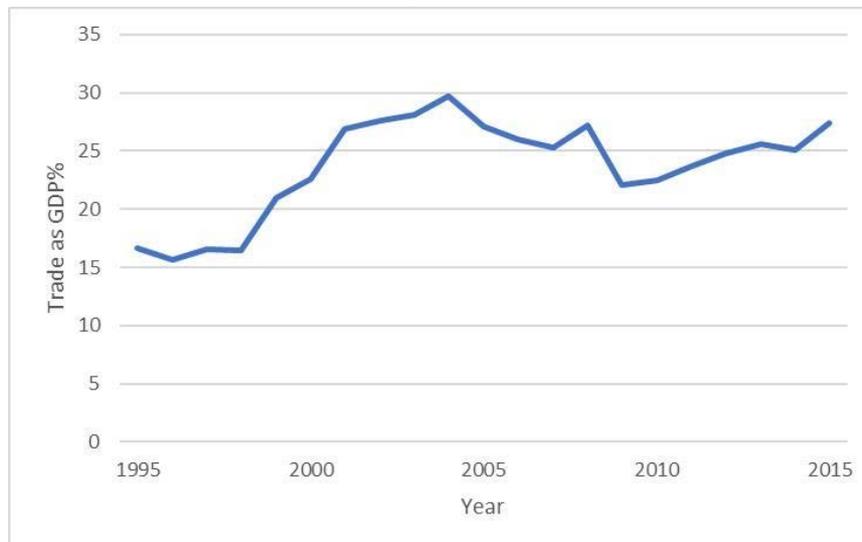
International trade grew consistently, as a percentage of GDP, during the years after the entry into force of the WTO agreements (Figure 1). The growing relevance of international trade for the Brazilian economy can be explained, in part, by the availability of strong third-party enforcement through the Dispute Settlement Mechanism (DSM). The security of contracts rose and the risk of doing business with Brazil declined, because of

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<sup>8</sup> 1985 marks the Brazilian transition to democracy, with the first democratic elections for Congress in twenty years. Subsequently, a new Constitution was enacted in 1988, when free and fair elections for President were held.

the shadow of law associated with the WTO. It is also a fact that the high price of commodities, together with favorable exchange rate terms, played a key role in the international trade boom [Campello, 2015]; nevertheless, I argue this effect would have been less expressive in the absence of WTO third party enforcement. Aside from the sheer economic benefits associated with the rise in international trade and its consequences for development, third party enforcement also provided novel strategic tools for Brazilian trade diplomats. Thus, it comes as no surprise that Brazil features in the first case brought to the new DSM, a dispute challenging the legality of US import restrictions on gasoline.<sup>9</sup>

Figure 1: International trade as a percentage of GDP [Brazil, 1995-2015]



Source: World Bank [2016].

Brazil would use its expertise in international trade to head litigation efforts in the WTO with significant consequences for other developing countries. The sugar and cotton cases illustrate this strategy, once again.<sup>10</sup> The sugar case against the EU and the cotton case against the US both

<sup>9</sup> US Gasoline.

<sup>10</sup> European Communities - Export Subsidies on Sugar WT/DS266/36, 9 June 2006 and United States – Subsidies on Upland Cotton WT/DS267/46, 2 June 2008.

challenged government subsidies offered to domestic cotton producers, in the US, and sugar producers, within former European colonies. Brazil argued that these subsidies violated GATT's most favoured nation clause and other WTO agreements, and could not be justified under GATT/WTO exceptions. A number of other sugar and cotton producing countries had a direct interest in the outcome of this dispute, mostly developing countries, for whom these commodities accounted for an important share of international trade. Some of these countries joined the dispute as "third participants," a status that – under the WTO regulations, grants the third participant the prerogative to take part in the proceedings and to submit its views on the dispute.

The approximation with developing countries and the coordination efforts to pursue litigation in the WTO has helped to consolidate the Brazilian status as a tenured member of the BRICS club. Brazilian leadership was much more visible and prominent than one could make the case with respect to the other BRICS countries. The belief that Brazil had emerged to become the "southern hegemon" began to take root within international policy circles, what helped build the path toward a "critical transition." In addition, the imagery of Brazil as a "southern hegemon" also hardened within the Brazilian dominant networks.<sup>11</sup>

Beliefs held by the Brazilian dominant network had changed in fundamental ways between 1964 and 2014. The preference for developmentalism that marked the dictatorship years, evolved toward beliefs in social inclusion. The triggering mechanism for this first shift in beliefs was the democratisation process, starting in 1985. One decade later, in 1994, there was a window of opportunity that led to yet another shift in beliefs. This time the dominant network's beliefs centred around fiscally sustainable social inclusion [Alston, Melo, Mueller and Pereira, 2016].

This chapter argues that beliefs at the international level also shifted. The Brazilian dominant network called for itself the new role of "southern hegemon." And the WTO played a key part in the development of this new

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<sup>11</sup> Beliefs are central to the theoretical framework presented in Alston *et al.* [2016]: "We label the set of perceived impacts of formal laws (a subset of institutions) on outcomes as core beliefs. The beliefs about how the world works guide the choices of the dominant network over which institutions to put in place to most likely get their desired outcomes [2016, p. 25]."

set of beliefs. In many ways, the growing importance of international trade for the Brazilian economy paved the way for the influential role of the WTO from 1995 onward. The notion of the WTO as a third party enforcer was key to this development, as argued above, but the Brazilian presence was in many ways singled out. Two characteristics distinguish the Brazilian presence in the WTO: a) the broad spectrum of participation, going beyond the DSM itself to engage in other forms of participation which was labeled “assertiveness” elsewhere [Carneiro, Nogueira and Rezende, 2016]; and b) the timid presence of Brazil with respect to regional trade agreements (RTAs) and preferential trade agreements (PTAs), henceforth referred to as PTAs. The paper elaborates on these two characteristics, which consistently marked the relationship between Brazil and the WTO between 1995 and 2015. I argue they constitute evidence of a new set of beliefs, within the Brazilian trade diplomacy, that crystallised the importance of the WTO for the Brazilian path towards a “critical transition.”

### ***Brazilian Assertiveness in the WTO***

The paper distinguishes between assertiveness and participation in the multilateral trade system. There is a large scholarship on participation in the Dispute Settlement Mechanism, but not much has been written on assertiveness. Our focus on assertiveness accounts for participation by states in the DSM, but it goes beyond that in order to account for state action that provokes the system but does not amount to disputatious behaviour. One of the reasons for incorporating instances of assertive behaviour that are non-disputatious in nature is the fact that states often face a trade-off between the costs associated with adjudication in the WTO and the likelihood of securing a favourable outcome. When the costs outweigh the benefits, we may still observe assertive behaviour at the committee level, wherein states become more vocal within WTO committees (with an emphasis to the Committee on Sanitary and Phytosanitary Measures, SPS Committee, and to the Committee on Technical Barriers to Trade, TBT Committee), in spite of the absence of litigation.

There is little to no scholarship on the notion of assertiveness. On the other hand, the literature on state participation in the WTO is prolific. This

literature is dominated by large-N studies that uncovered challenging paradoxes and recurrent dynamics. There is a traditional view expressed in the literature that concentrates on international mechanisms and focuses on explaining state behaviour as a consequence of power and economic dynamics. Early work by Horn, Mavroidis and Nordström [1999] analyses the rationale associated with disputatious behaviour in the WTO. They observe that states with a diverse export sector and higher per capita GDP bring more disputes to the system. Recent work by Davis and Bermeo [2009] addresses a similar question, and concludes that the WTO remains heavily influenced by power asymmetries. This article also finds that the lack of legal capacity, as well as past experience with WTO disputes, constitutes one of the most important impediments for developing country participation in the DSM. Guzman and Simmons [2005] operationalise a power hypothesis and a capacity hypothesis, and conclude that low-income states tend to file against high-income states because there is more at stake in these disputes, as opposed to disputes between developing countries. Legal capacity is also at the centre of research by Reinhardt and Shaffer [2009], which makes significant progress when it comes to measuring legal capacity. The authors present evidence from surveys, which reveal that developing countries fail to file complaints due to their lack of legal capacity in 67% of the cases covered by their study. Overall, developing countries have not secured better concessions under the WTO system, when compared to the GATT years [Reinhardt and Busch 2003], and this is no less true for the case of Brazil.

A subset of the scholarship on participation analyses the impact that the institutional changes enacted in 1995, with the creation of the WTO, has had on participation – especially participation by developing countries. Brazil had an active voice during the Uruguay Round which culminated with the WTO framework. This presence sought to advance developing countries' interests, with an emphasis on levelling the dispute settlement playing field. But these expectations were not fulfilled and international economic law scholars seem to agree that the new system has not substantively improved the position of developing countries vis-à-vis the resolution of trade disputes in the WTO. To that effect, work by Reinhardt and Busch [2003] compare the level of concessions to developing countries under the WTO, in contrast to those granted under the GATT. They

conclude that because the WTO system is somewhat more averse to settlement during the consultations stage, and because developing countries are less apt to strike favourable compromises before a panel is established, these countries fail to secure more concessions in the new system. Earlier work by the same authors had already analysed the consequences of increased legalism for bargaining [Reinhardt and Busch, 2000]. This article discounts the implications of the major institutional reform of 1995 (and before that, the one of 1989), to report that the record of early settlement and the patterns of compliance did not change during the early WTO years, if compared to GATT's record. This is important for developing countries, because of the power disparity and its consequences during the negotiation of a settlement. The analysis covers the period 1948 to 1999 and reveals that throughout this time, democracies remained less likely to comply with an adverse ruling.<sup>12</sup> Brazil experienced first-hand these scholarly predictions. In both the sugar and cotton disputes, the Appellate Body's decision acknowledged the majority of the claims advanced by Brazil, as a complainant, but compliance was delayed.<sup>13</sup> On balance, the revised dispute settlement procedures that entered into force with the WTO have not substantively altered the set of incentives states confront; as a result, states disputatious behaviour remained similar to the record during the GATT years and Brazil continued to encounter some of the same hurdles to advance its international trade agenda.

This literature has exhaustively discussed the role of power and the impact of economic characteristics on states' propensity to bring disputes to the WTO – or participation. A segment of this literature has also investigated whether the institutional context that emerged with the creation of the WTO has had any noticeable impact on patterns identified during the

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<sup>12</sup> Alter [2003] expresses a critical view of the same institutional reforms, and presents evidence of the new system's inability to resolve disputes with examples of protracted cases, such as the Beef Hormones and the Bananas disputes.

<sup>13</sup> In the cotton subsidies case, against the US, Brazil had to file an Article 21.5 compliance procedure and receive authorisation to retaliate, before the parties reached a mutually agreed solution, which happened only in 2014, nine years after the final decision was circulated. In the cotton subsidies case, against the EU, Brazil filed an Article 21.3(b) compliance procedure, because the parties could not agree on the reasonable period of time for implementation of the Appellate Body ruling by the EU.

GATT years. The expectation that the WTO would have increased participation by developing countries in the dispute settlement mechanism was not borne by the data; similarly, the hopes that a legalised DSM would have translated into more favourable concessions to developing countries did not materialise. Developing countries' disappointment vis-à-vis the new system created a window of opportunity for Brazil's greater role, as a "southern hegemon."

Given Brazil's non-interventionist tradition and its preference for multilateral engagement, it was only natural that Brazilian foreign policymakers would seize the WTO stage to promote a greater role for Brazil, as a developing country. One observable trend in this respect is the level of Brazilian assertiveness in the system, as measured by the total number of requests for consultations, quasi-adjudicatory measures (requests for panels, appeals, compliance procedures), and specific trade concerns (notifications within the SPS and TBT committees),<sup>14</sup> as well as trade defence measures initiated by Brazil between 1995 and 2015. Assertiveness – in contrast to participation – has a proactive and a defensive aspect. For this reason, this chapter proposes two separate measures of assertiveness, in order to better sort out offensive v. defensive measures. Thus,

Assertiveness 1 = total number of requests for consultations, requests for panels, appeals, compliance procedures, notifications within the SPS and TBT committees;

Assertiveness 2 = total number of anti-dumping, subsidies, safeguards and countervailing measures notifications.<sup>15</sup>

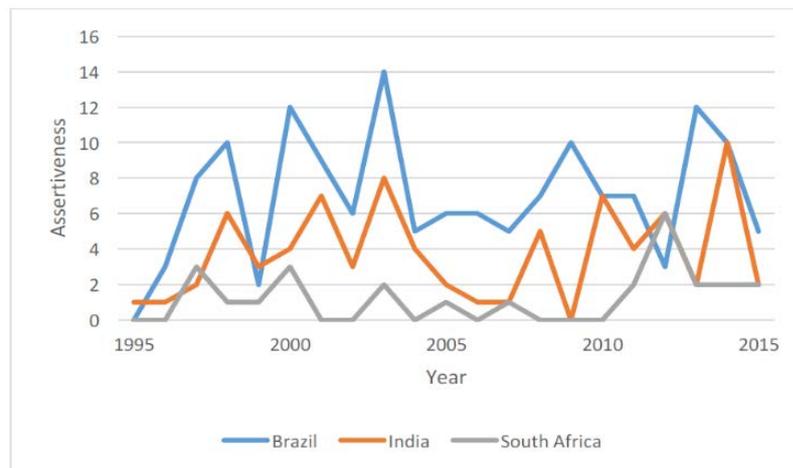
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<sup>14</sup> Committee on Sanitary and Phytosanitary Measures and Committee on Technical Barriers to Trade.

<sup>15</sup> Data comes from the WTO website and consists of a simple count of instances when a country presented requests for consultations, requests for panels, appeals, compliance procedures, and notifications within the SPS and TBT committees. These episodes are weighed equally and make up the measure of assertiveness 1. Assertiveness 2 is the total sum of anti-dumping, subsidies, safeguards and countervailing measures notified to the WTO by the country who imposed these measures. The database is a panel that gathers country-year observations for every WTO member for the period 1995-2015.

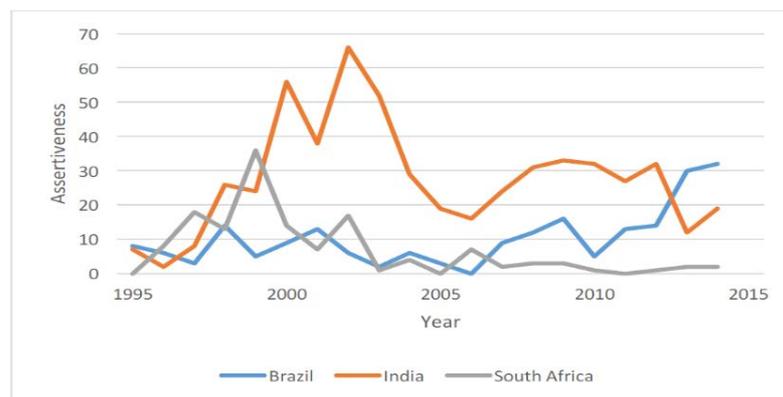
Figures 2 and 3 show the trend in assertive behaviour for Brazil, India, and South Africa, the last two being the only other BRICS countries that are original WTO members. The Brazilian presence in the WTO, as expressed by the blue lines for Assertiveness 1 and 2, grows even if unevenly along time. This growing presence constitutes evidence of the new role embraced by Brazil as a “southern hegemon.”

Figure 2: Assertiveness 1, Brazil, India, and South Africa (1995-2015)



Source: Carneiro, Nogueira and Rezende [2016].

Figure 3: Assertiveness 2, Brazil, India, and South Africa (1995-2015)



Source: Carneiro, Nogueira and Rezende [2016].

It is noteworthy how Brazilian assertiveness differs from India's. Brazil is much more active in the DSM and at the committee level – the so called more offensive pattern of behaviour (Assertiveness 1). India, on the other hand, has focused its efforts on defensive measures, such as safeguards, countervailing duties, and anti-dumping (Assertiveness 2). An offensive presence, or what we call assertiveness 1, is arguably more costly, both in terms of legal capacity as well as reputation. It is important to emphasise that Brazil is much more assertive than India when we look at Assertiveness 1 (Figure 2). This is mostly the result of Brazil's massive recourse to the SPS and TBT committees, through the use of notifications. Conversely, with respect to trade defence measures, the Indian assertiveness is higher. Arguably, activism via trade defence measures is less confrontational (litigious) than requests for consultations, quasi-adjudicatory measures, and SPS/TBT committee notifications. This pattern of behaviour by India could suggest a less aggressive engagement at the WTO, implicating lower reputational costs and fewer demands when it comes to technical capacity.

### ***Brazil Strong Preference for Multilateralism***

In order to fully capture the way Brazil has engaged with the WTO during the period under study, one needs to take note of the fact that Brazil has not fully embarked on the wave of preferential trade agreements (PTAs) that have been negotiated ubiquitously. PTAs are arguably at odds with the goal of equal treatment and most favoured nation status encapsulated by the GATT/WTO agreements. Scholars have gone as far as to suggest that the new generation of PTAs that regulate nontariff barriers are in direct conflict with the GATT/WTO agreements – a view supported by a creative reading of the Appellate Body jurisprudence [Howse, 2015]. Regardless of the legal standing of this widespread practice, for the purposes of the argument advanced in this chapter, Brazil has chosen to engage very selectively with the PTA bandwagon. The small number of PTAs notified to the WTO offers compelling evidence of this pattern.

Table 1: PTAs and RTAs to which Brazil is a Member

PTA Provider	Entry into force	RTA Provider	Trade Partner	Entry into force
Australia	1/1/1974	Argentina - Brazil		1/1/2016
Japan	8/1/1971	Brazil - Uruguay		(not in force)
<u>Kazakhstan</u>	<u>1/1/2010</u>	MERCOSUR	India	1/6/2009
New Zealand	1/1/1972	MERCOSUR	Chile	10/3/2017
Norway	10/1/1971	MERCOSUR	Mexico	28/12/2016
<u>Russia</u>	<u>1/1/2010</u>			
Switzerland	3/1/1972			
<u>Turkey</u>	<u>1/1/2002</u>			
United States	1/1/1976			

Source: World Trade Organization [2017].

As Table 1 demonstrates, since the creation of the WTO in 1995 Brazil has entered into three PTAs. These were negotiated with trade partners that do not account for a significant share of Brazilian exports and who are peripheral for Brazil, as far as its regional influence is considered: Kazakhstan, Russia, and Turkey. Moreover, these agreements are embedded in a Generalised System of Preferences model, targeting developing countries; they do not carry enough specificity to impact terms of trade in any significant way. The picture with respect to RTAs is not much different. There are only three RTAs negotiated under the auspices of Mercosur – the regional trade agreement that was originally signed by Brazil, Argentina, Paraguay and Uruguay, in 1991, and later joined by Venezuela. Since its entry into force, Mercosur has had exclusive competence with respect to the negotiation and signature of RTAs that involve any of its members. Therefore, with the exception of these three RTAs to which Mercosur is a member, Brazil has entered into only another two agreements – this time with other Mercosur country members: Argentina and Uruguay. In the case of the Brazil – Uruguay RTA, the agreement has not entered into force yet. Overall, Brazilian involvement with PTA/RTAs is very timid.

This choice has obvious adverse consequences for the Brazilian economy [Thorstensen and Ferraz, 2014]; I argue that there is a rationale for the Brazilian behaviour, and it reflects preferences for a multilateralism

that would grant Brazil the sought-after role of a “southern hegemon.” Aside from this untapped conjecture, the negotiation of PTAs has been the subject of a prolific scholarship. To fully understand the rationale and consequences of the Brazilian absenteeism, one needs to grasp with PTAs in a more direct way.

Scholars have seized the problematic relationship between the proliferation of PTAs and states’ behaviour in the WTO head on. An initial effort to map PTAs negotiated by the EU and the US [Horn, Mavroidis and Sapir, 2010] was followed by a more direct analysis of the impact of PTA negotiation by the two major trading partners and the record of WTO disputes between each and their respective PTA partners [Mavroidis and Sapir, 2015]. The authors conclude that the negotiation of PTAs after the creation of the WTO in 1995 has markedly reduced the number of disputes amongst countries that belong to the same trade agreement. The authors foresee several reasons to account for this phenomenon. Regardless of the rationale for the observed reduction in disputatious behaviour in the aftermath of PTA negotiation, which Mavroidis and Sapir do not explore in their 2015 article, this empirical finding raises concerns for the WTO and for weaker parties – both within and outside PTAs [Mavroidis and Sapir, 2015, p. 361]. Those that are PTA members will not benefit from the level-playing-field structure that the WTO offers; those outside PTAs are still subject to the residual litigious initiatives by their trade partners. The PTA phenomenon has arguably set the stage for a greater role by Brazil, as a “regional hegemon.” The higher the density of PTAs, the greater the window of opportunity available for Brazil. The PTA bandwagon, together with the pattern of Brazilian assertiveness in the WTO, are two observable indicators of a new set of beliefs. These beliefs played an important role in consolidating the Brazilian path toward a “critical transition.”

Aside from the empirical evidence presented here, which documents Brazilian assertiveness in the WTO together with the country’s skepticism towards PTAs, there are other noteworthy phenomena. Brazilian active role in the Doha Round as well as the increased presence of Brazilian public officials in the WTO cadres are two such instances. A rigorous investigation of these two phenomena is beyond the scope of this chapter, but future research could explore the role of Brazilian trade diplomats and scholars at large in the wheels that helped solidify the new set of beliefs

within the dominant network. Along the same lines, the Brazilian government strategy and discourse during Doha has been consistent with this new set of beliefs – most importantly, with the notion of a lasting role for Brazil as a “southern hegemon.”

### **1.3 Concluding Remarks**

This chapter chronicles the evolution of Brazil, as a member of the BRICS club, between the creation of the WTO in 1995 until recently. The Brazilian position as a “southern hegemon” consolidated during this time frame, mostly as a direct result of the country’s engagement with international trade. The chapter analyses two aspects of this engagement, which follow from the growing importance of international trade per se for the Brazilian economy. First, the chapter takes notice of the strategies that Brazil has mobilised in the WTO, with an emphasis to Brazil’s presence in the Dispute Settlement System as well as its less studied efforts with respect to trade defence measures and committee behaviour. Second, the chapter discusses Brazil’s scepticism toward and timid record of membership in PTAs. These two aspects of Brazilian engagement with the WTO arguably constitute a conscious effort to promote multilateralism, privileging non-interventionist and unconditional patterns of engagement – which are hallmarks of Brazilian foreign policy.

The Brazilian pursuit of a greater role amongst countries in the South involved initiatives at the global level going beyond international trade per se, such as the ones in the realm of public health, renewable energy, South-South cooperation, and democracy promotion. The chapter engages with the literature on these initiatives to establish their importance in enabling Brazilian strategies within the multilateral trade regime. In the end, these four areas of international politics – coupled with Brazilian greater presence at the WTO, set the stage for a new relationship between Brazil and other developing countries. This relationship was key to Brazil coming full circle onto a path towards social development.

The chapter singles out the Brazilian pattern of engagement with the WTO in ever more assertive ways. The analysis of Brazilian assertiveness in the WTO includes a quantitative overview of nine indicators; it lends

support to the conjecture of a greater presence. This presence is complemented by the prominence of international trade in the Brazilian economy, wherein significant externalities occur that play an important role in the Brazilian path toward a “critical transition.” Here, the chapter relies on the contribution of Alston, Melo, Mueller and Pereira [2016], where the authors argue and demonstrate that Brazil has embarked on a sustainable path toward a “critical transition.” The road toward development presupposes substantive changes in beliefs held by the “dominant network,” or “elites,” to use the terminology in North *et al.* [2006]. The argument advanced in this chapter suggests that international trade has played an important role in this process, between 1995 and 2015. In particular, the Brazilian decision to stay outside of the ubiquitous wave of PTAs reinforced the country’s preference for multilateralism. Along the same lines, Brazilian leadership during the Doha Round as well as the role of Brazilian public officials in the WTO, are consistent with the Brazilian pattern of engagement and invite a detailed analysis. These processes have played an important role in the Brazilian path toward a “critical transition.”

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