

## **The XVIII Forum on Brazil and the European Union under a New Global Order**

This forum met in Brasilia on 15<sup>th</sup> and 16<sup>th</sup> of June 2011 in the Chamber of Deputies on 15<sup>th</sup> of June, and the Manhattan Plaza Hotel on 16<sup>th</sup> of June. It is an important annual event. The conference was opened by several important Brazilian political figures such as Senator Wilson Santiago, the Second Vice-President of the Senate; Federal Deputy Eduardo Ponte, the Second Vice-President of the Chamber of Deputies, Federal Deputy Sebastiao Bala Rocha, President of the Brazil-European Union Parliamentary Group who has played a leading role in relations between Brazil and the European Union and Peter Fischer-Bollin, the Representative of the Konrad Adenauer Foundation in Brazil. Other speakers at the opening ceremony included Ambassador Ana Paula Zacarias, the Head of the European Union Delegation in Brazil, and Professor Estevao C. Rezende, Director of the Institute of Human Resources of the University of Brasilia (UnB). The forum was supported by the Brazilian Senate, the Brazilian Chamber of Deputies, the European Union, the University of Brasilia, and organized by the German Konrad Adenauer Foundation.

The meeting discussed cooperation in the following areas of interest to both Brazil and the European Union: macroeconomics, small and medium sized enterprises, environment, and energy (including renewable alternative energy). There was a lively debate from the speakers on cooperation, and convergences attained. The speakers recognized that the world had changed since the global financial crisis of 2007-8, and that we now live in a multi-polar world, rather than a uni-polar world dominated by the United States. The new global order has emerged which as seen with the emergence of the BRICS (Brazil, Russia, India, China, and South Africa) as an important economic and political force on the world stage, and China is now the world's second largest economy and biggest exporter. However, Brazil and the European Union have a key role to play in this new global order as economic and political partners.

The European Union has shown itself to be a peace power like Brazil, and it is not a military power. It was born out of the ashes and destruction of World War II, and its two leading exponents were the Italian Premier Gaspari and the Post-War German Christian Democrat Chancellor Konrad Adenauer, after whom the Konrad Adenauer Foundation is named. The Seminar overlooked that Britain's famous wartime Prime Minister and Nobel Prize winner Sir Winston Churchill was an early supporter of European unity, and the need for reconciliation and cooperation between the former wartime enemies Germany and France. These great Post-War statesman and political giants pushed forward European economic and political cooperation within the then framework of the European Common Market, the precursor of the later European Union.

As the Head of the European Union's Delegation to Brazil emphasized there were 19 active dialogues in different sectors, that economic and political relations between the EU and Brazil were solid, and the results of the active dialogues were positive. Federal Deputy Belo Rocha said the Brazil-Europe Parliamentary Group was first established in 2008. He believed that there is a need to establish a synergy between Brazilian and European cooperation, and themes and debate, and contact with direct involvement from both Brazil and Europe.

The conference and the various seminar groups dealt with the impact of the current European economic crisis, cooperation in energy, trade, climate change, and development. Brazil and the EU were seen as key global actors in the new multi-polar economic and political order. A Portuguese Deputy Paulo Rangel believed that Brazil should have a delegation to the EU, and for Brazilian topics not to be treated as part of Mercosul. He saw Brazil as a leading economic, environmental, and energy power. Brazil has a relationship with the whole world because of the great environmental importance and size of the Amazon Forest. He believed that Portugal has a special understanding of Brazil because of its close historical and cultural links, its huge Portuguese community, and emigration by both countries. He said that the European Union is a global power, an economic and humanitarian power, and not a military power. The European Union is very diverse 27 member states with 22 languages. He believed that Brazil is very important for both the European Union and the United States of America, as it has a mainly Western culture, and like both the USA and EU has a mix of cultures.

One of the heads of Brazil's technical cooperation arm of the Ministry of Foreign Affairs outlined the expansion of Brazilian technical cooperation abroad under the government of former President Lula, as part of the country's growing political influence abroad. There was a lot of common ground on the issues of the environment and alternative energy. Since Fukushima nuclear accident in Japan and the risks of a nuclear disaster the German Government under Chancellor Angela Merkel has said it would end nuclear power, and substitute it with renewable alternative sources of energy. German consumers and taxpayers would have to pay more. Despite Germany's cold climate, it has one of the world's biggest solar energy programmes, and another EU member state. Italy in its recent referendum 95% of Italian voters voted to end nuclear energy and the Italian Government has accepted the result and plans to focus upon renewable energy. Britain has one of the world's largest programmes of wind energy in the North Sea.

The Brazil/Europe Forum was held during the Greek sovereign debt crisis, and the huge social protests against the tough IMF/EU public spending and austerity measures there and across Europe. However the meeting it did not suggest a way out of Europe's current economic, and sovereign debt, social, and political crises that could lead to default by Greece, and threaten the very existence of the Euro, nor did it point the way forward towards European economic recovery and growth, and ways to reduce Europe's high levels of unemployment. During one of the panels one of the participants wisely said that Europe's banks were not supervised and regulated enough, while Brazil's banks were more conservative and more tightly regulated by the Government. The Portuguese Christian Democrat Deputy was worried about the failure of Brazilian foreign policy to address human rights issues, and especially President Dilma Rousseff failure to receive the Iranian Nobel Peace Prize winner and human rights activist.

The Forum, both European and Brazilian participants, supported multilateralism, and the multi-polar new global order. There is a need to create a new global consensus to replace the Washington Consensus, and Brazil has a key role in this. The Forum was held during a background of increased economic and financial turmoil affecting the euro-zone due to the European sovereign debt crisis affecting the peripheral economies, such as Greece, Portugal, and possibly Spain. The consensus of the Forum was that Europe needs Brazil to overcome its slow economic growth, and that increased trade

and economic relations would benefit both partners. The Forum believed that there were different reasons for the economic and debt crisis of Greece, Portugal, and Ireland.

The European leaders held a two-day summit on 24<sup>th</sup> and 25<sup>th</sup> of June 2011 in Brussels to discuss the euro-zone economic and financial crisis, and the dangers of financial contagion. The European Union leaders agreed to provide a second loan to Greece, but warned that Greece would have to put up taxes, and make hefty cuts in public spending. If Greece does not agree to those conditions, and get parliamentary approval it will not receive the loan. The Greek Government planned to privatize state-owned assets, and public-private companies to raise more cash to reduce the debts size. It appears that the Greek Government led by Prime Minister Papandreou and the Greek Parliament will approve the new austerity policies, despite the majority of Greeks being dead against this increased austerity package. 75% of Greeks are opposed to this new EU/IMF austerity plan. The Greek Government proposed additional public spending cuts of 28 billion euros (25 billion pounds) over the next five years. If these measures are passed by Greece's Parliament, the country will receive 12 billion euros loan installment from the current 110 billion-bailout package from the EU and the IMF. The German Chancellor Angela Merkel supported a new loan (another 110 billion euros), but wants the private creditors to "voluntary" participate. The European leaders wish to avoid a Greek default, which could seriously damage the continent's banks and economies greatly. The British Prime Minister David Cameron stated that Britain would not contribute any money to this new bailout loan, as Britain is not a member of the euro-zone. There is strong opposition in Britain by average British voters when they face high unemployment and huge public spending cuts at home and across the political divide to Britain participating in this new European Union bailout.

The participants in the Forum shared a common view that Brazil as a leading member of BRICS (Brazil, Russia, India, China, and South Africa) is expected to become even more important over the next decade, and Brazil aims to become the world's fifth largest economy. There is even more scope for even greater cooperation than currently exists between the European Union and Brazil in economics, trade, foreign investment, infrastructure, alternative renewable forms of energy, environment (both partners share a common interest in preserving the world's biggest forest the Amazon), and human rights. As both the EU and Brazil are both diverse and pluralistic democracies, they share many common values, and close cultural ties, including a large Brazilian immigrant community across the EU, and a big European immigrant community in Brazil.

Michael Kain.

Brasilia, Brazil, June 2011.