

The Regional Powers of Latin America: Brazil and Mexico

**-An analysis of alternative developments
2017-2027**



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Brazil and Mexico, the regional powers of Latin America

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1. Introduction

The purpose of this study is to analyze future alternative developments for the two regional powers², Brazil and Mexico, respectively. The objective is to examine possible patterns of conflicts and security risks, in each of these countries. In order to accomplish this we will develop the following tasks: a historical background of these countries; an analysis of the relations between Brazil and Mexico, respectively and the global powers: the US, EU (especially Great Britain and France) and with other powers such as China, Russia and India and the role of the reformation of the United Nations; a presentation of these countries' role in the regional integration patterns; and finally, a discussion of the capacity of the military, in the respective countries, to mediate conflicts.

The supposed conflicts are analyzed according to the following terms: *actors*, *structures* and *causes*. Conflicts and patterns of conflict are based on a multidimensional perspective where the security concept goes beyond its military meaning to encompass economic, social, cultural, political and environmental aspects.

Our point of departure is that every society experiences long term trends, at the economic, social, political and demographic level and that the surrounding world has a certain influence on how these trends develop. How a society, a country, a region or local actors handle a conflict situation depends on the definition of these conflicts, on their origin, nature and consequences as well as on how they are appreciated by the above mentioned actors. The origins of a conflict can be multiple and can be traced to socio-economic, political, cultural, ethnic, and religious causes. They can also have their origin in natural or health catastrophes that provoke unrest and even stigmatization of certain groups, events which can lead to migration waves or uprisings resulting in extreme cases in the overthrow of governments or even the collapse of the state.

The concept of security has to be linked to structural inequalities and hierarchies where the culture of rights is rather recent and contested by conservative institutions like the police and the military. These institutions, in spite of several efforts of modernization, carry a heavy

¹ This report is commissioned by the Swedish Armed Forces (Försvarsmakten).

² The Swedish concept 'stormakt' can be translated into 'regional power' or 'sub-regional leader'. Or great power according to Buzan and Waever (2003).

burden of traditional authoritarianism and corruption that make them, at times, a threat, instead of strengthening security for citizens. Moreover, local conflicts can spread beyond national borders, like the narcotic mafia wars –like in the case of the Mexican-US border, or the drug traffickers linked to Colombian guerrillas operating inside Brazilian territory in the Amazon.

An explanatory model was elaborated in an earlier, similar, study (Follér and Stenman 2006)³. The same model will be used in this study, adapted to the cases of Brazil and Mexico. After an overview of relevant information regarding different aspects in these countries we will build three scenarios of possible future developments. The aim of the scenario building is to focus on the most probable alternative developments for Latin America, which is then the variable to be explained by the model. The explanatory variables are the following (see also appendix 2): i) external relations; between Brazil and Mexico, respectively, and the US, as well as to other relevant powers, ii) processes of regionalization and strategies of integration, iii) inequality/distributional policies, iv) democratization, the role of institutions, v) democratization, the role of civil society, vi) organized crime, and vii) conflict resolution strategies, militarization/demilitarization.

2. Method and Theory

Regarding the case of Mexico and Brazil we will discuss them as regional powers' and the situation for them and their strategies. Regional powers are those countries that cannot change the international system through unilateral policies but may have the capacity to affect the system through alliances with other similar states in order to guarantee their own aims (Maihold 2004:596).⁴ A regional power's foreign policy is not perceived as a threat by big powers but restrict it to certain spaces. Regional powers thus have more influence in agendas related to economic, social or environmental agreements. This is illustrated with the role played by Brazil during the WTO Cancun Summit in mid-2003 leading a large group of developing countries (G 20) against the big powers. Brazil and Mexico are ranked as Latin American leaders because of their population (Brazil 190 million, Mexico 103 million), degree of urbanization (Brazil 80 percent, Mexico 77 percent), industrial potential and economic capabilities (both countries are leading exporters and they receive most foreign direct investment).

The involvement of Brazil and Mexico in their respective regions (and in the case of Mexico both southward and northward) leads us to the concept of *new regionalism* that goes beyond the study of classical economic integration in order to pay attention to: a) spontaneous processes of integration, influenced from below (by non-governmental actors), b) open regionalism, c) multidimensional integration including political, social, environmental aspects.⁵

Three different kind of actors will be taken into consideration: 1) those acting at an international level: for example UN, WTO, as well as transnational capital (in the form of multinational companies) and transnational civil society; 2) those at the regional level: regional organizations e.g. OAS, NAFTA, Grupo de Rio and MERCOSUR and regional civil

³Title in English: Latin America 2017-2027: An analysis of future pattern of conflicts and regional co-operation.

⁴Maihold uses the concept middle power, but we use regional power as a proximate equivalent to middle power.

⁵Hettne defines 'regionalism' as a set of *ideas* and *principles* that highlight the enmeshing of units in a regional context, whereas regionalization is most often defined as the *process* of regional interaction. According to Hettne, today's regionalism is open because it is "extroverted" rather than "introverted", something that "reflects the deeper interdependence of today's global economy" (Hettne 2005:129).

society; and 3) those at a national level, that is to say, the state, special state institutions such as the armed forces and the police, and national/local civil society (organized as NGOs or as spontaneous social movements/protests). The complex interaction between these different actors will be part of the background necessary to understand the dynamics of our explanatory variables.

The variables also take into account global processes: mobility through labor migration, human trafficking and tourism. These tendencies signifies a constant flow of human beings, crossing borders legally and illegally, carrying with them culture and national identity; terrorism, drug trafficking, etc. The analysis is based on: official documents from governments and regional organizations, national newspapers, data bases available through university library, homepages, including the UN, WB, CIA and well-recognized social movements, as well as academic books and articles. The trends described in the overview of each country are developed further on, taking into account internal and external factors, to build the different scenarios. It is probably difficult to completely avoid some normative assumptions but we will try to make such assumptions transparent and explicit.

3. Historical Background

In this part we emphasize certain processes, starting with the colonization and then focusing on each country's insertion into the world economy and politics. We highlight the pattern of dependency from external powers developed after independence, particularly important for Mexico, but also relevant for Brazil. Another process is the development of structural inequalities and hierarchies that will impede the creation of a culture of rights/duties and hence of stable and socially legitimate democracies where conflict resolution does not take the path of violence.

3.1. Brazil

The Portuguese colonization of Brazil began in the year 1500. At that time, the indigenous population has been estimated to seven million. Today the total indigenous population is about 300 000, living in so-called *Terra Indígena*⁶. During the early colonial period, the economy focused on export of wood to Europe. From the 17th century and well into the 20th century Brazil was one of the world's leading exporters of sugar. The typical export-oriented plantation made Brazil a single-crop plantation economy during the colonial era and well into the twentieth century (Skidmore 1998:19). The plantation economy in the country was strongly connected to the extensive slave trade (abolished in 1888), which resulted in the forced abduction of 3 to 4 million of Africans during 350 years. The indigenous peoples, the slave trade and immigration have made Brazil a highly multi-ethnic country. The heritage of the plantation economy with a few powerful landowners and an unequal distribution of land, still influences Brazil with negative effects on the distribution of economic resources and political power. The country has one of the highest income inequalities in the world.

Brazil achieved independence with fewer conflicts than in most Latin American countries. It was a monarchy from 1822 to 1889 with a high level of political stability. But the transition to republic in 1889 was more complicated and until today, Brazil has passed through periods of centralizing and decentralizing regimes. There has been several military coups and military interventions (1889, 1930, 1937, 1945, 1964) and the emergence of a political party system has not been based on ideology, but fragmented and with patrimonial and clientelistic patterns. Brazil has a long electoral history but the democratic tradition is weak and marked

⁶ Land, which according to the Federal Constitution is delivered to the indigenous peoples for subsistence and as a socio-cultural collective space to live on.

with periods of authoritarian political rule (Vidal Luna & Klein 2006:7). During 1964-1984 the country was ruled by a military dictatorship that committed severe violations of human rights. Strong resistance came from civil society organizations, including the Catholic Church. Although the world was criticizing the military dictatorship, most countries continued to support Brazil's economic policy – and what was called the 'economic miracle'. The resistance from civil society, international critique and economic stagnation resulted in democratization during the 1980s. The initiative for democratic elections came from groups in the military together with civilians. During the resistance against the dictatorship various organizations gained strength, including a guerrilla movement, but also Christian base committees (inspired by liberation theology), women's organizations, trade unions, rural/peasant organizations, human rights organizations and many other social movements and political organizations. Latin America's largest social movement – Brazil's Landless Workers Movement – MST has existed since the end of 1970s.⁷

Brazil has borders with most countries in South America and the traditional role of the military to defend national borders has also implied a massive military presence in the Amazon region. Other actors, also external to the local indigenous peoples, active in this region have been missionaries as well as national and multinational enterprises with a commercial interest in exploiting the natural resources of the Amazon. Many severe conflicts have aroused between these different actors. We will discuss the security problems in the Amazon further on.

3.2. Mexico

Mexico is a society with several thousand years of history that is still reflected in its present. There were highly developed pre-colonial civilizations with a diversity of cultures co-existing in time and space. In 1500, the indigenous population was estimated to 25 million but in 1580 the population had shrunk to one million (Stavrianos 1991). The indigenous peoples were used as forced labor by the Spanish colonizers in their exploitation of natural resources. Mexico's incorporation to the world economy were based on the export of mainly mineral resources such as gold and silver while the internal market development was totally blocked by colonial regulations. After independence in 1821 Mexico experienced both foreign intervention and social revolt. After two wars, with Texas settlers in 1836 and with the US in 1848, Mexico lost half of its territory, national self-confidence and trust for its Northern neighbor. Moreover, this experience planted the seeds of a strong nationalism further developed by the French intervention that ended in a victory of the Mexican liberals thus consolidating their reforms but most importantly reintroducing self-confidence in the nation, symbolized in the figure of an indigenous president, the legendary Benito Juarez (Cosío Villegas 2000:83-100).

Following these events, a 30 year long dictatorship established a communication and industrial infrastructure (financed with foreign investment) with high social costs leading to the Mexican revolution of 1910, a long lasting civil war where social demands (among them the re-distribution of land) alternated with political ones for non-re-election. The outcome of this revolution, the 1917 constitution, marked the entrance of Mexico into a modern era where the state was made responsible of political but also social stability through social reforms, considered the most advanced, at that time, in the world. At the political level the rule of alternation and non-re-election became the instrument to avoid new insurrections by local or regional leaders with power ambitions. This system adopted the form of a corporative

⁷ MST-Movimento dos Trabalhadores Rurais Sem Terra - is the largest social movement in Latin America with an estimated 1.5 million landless members organized in 23 out of 27 states.

structure led by a 'state party' where all sectors of society (including workers, peasants and the military) would find themselves represented but also controlled. Protected by the ideological mantle of the Mexican revolution representing the symbols of nationalism and social justice and an increasing corruption or cooptation, the state party PRI (the Party of the Institutionalized Revolution) would dominate Mexico up to the end of the 20th century. The different Mexican presidents selected by the party would enjoy total power without having to answer to weak and subordinated legislators and judicial authorities. Some social reforms, like a limited agrarian reform and an advanced workers' rights legislation were carried out but capital- and landowners continued to be privileged. Social protest was very seldom allowed.

Although relatively successful regarding stability and economic growth the system started to experience several crisis: the 1968 student movement leading to the first rural and guerrilla movements in modern Mexico, the debt crisis in 1982 (due to an increasing economic ineffectiveness and corruption) and leading to the opening of the economy, the 1988 presidential elections when the PRI lost, but kept power, and finally the 1994 Zapatista movement that started at the same time as NAFTA followed by the financial crisis of December 1994. Unable to recover legitimacy, the PRI lost first the Mexico City government elections in 1997 to the Left and finally the 2000 presidential elections to the Right, in a vote that was more against the PRI than for the opposition. As discussed below, the governments coming after PRI, Fox (2000-2006) and Calderon (2006-2012) have not really changed Mexico's main orientations.

4. External relations and regionalization

In this part we examine the relations between Brazil and Mexico, respectively, and other global and regional powers, as well as their insertion in the processes of globalization and regional integration. Particular attention will be given to security issues and the role of these countries in conflict situations.

4.1. Brazil

One organization, which has to be mentioned as relevant for Brazil is OAS (Organization of the American States), which is a hemispheric organization established in 1948 (www.oas.org). The organization has a mainstream security agenda. At a general assembly in Barbados in 2002 the 'multi-dimensional character of threats' were disputed. Themes such as AIDS, natural catastrophes, drug trafficking, terrorism, and poverty alleviation were discussed. This new agenda of OAS was strengthened at the Special Conference of Security in 2004 in Mexico D.C. (Barrachina & Rial 2006:155). There is a tension between the domestic functions and institutional needs of military establishments worldwide, referred to as the New World Order of the 1990s. Latin American military establishment in general, and in this case Brazil, is particularly vulnerable to this combination of domestic and international pressures of the New World Order (Zirker 1995:31). Brazil participated in its largest 'peace-keeping' military operation since World War II in Angola in 1995. In 2007, 1 211 Brazilian militaries (of a total 6 800 soldiers and 2 000 police) were enrolled in the peacekeeping troops (MINUSTAH) on Haiti (www.un.org/depts/missions/minustah).

In the Western Hemisphere the US remains the largest economy in the region with a special concern for the geographical neighbors Latin America and the Caribbean. Today, Brazil and the US have mutual interests in good relations, especially for trade, as the US is Brazil's major export market. During the last years, more intensive negotiations have taken place concerning energy and especially bio-fuel, and above all ethanol. But the US has also political and security interests on the continent concerning international trade in drugs and arms. There

are several major trade agreements in the Americas that are moving towards the creation of different common markets within the Americas. Concerning FTAA, Brazil welcomed the initiative by Bush senior in 1990, but has been more hesitant during the last years. The most important trade agreement for Brazil is MERCOSUR.⁸ Beyond its economic agenda, MERCOSUR has clear political goals: the consolidation of democracy and the maintenance of peace throughout the Southern Cone. There is also a military dimension in this strategic alliance. Argentina and Brazil do no longer see each other as potential enemies. On the contrary they have developed substantial military cooperation, including joint military exercises and annual meetings between both countries' military staff.⁹

MERCOSUR was founded in 1991 with the goal to establish of a common market comprising Argentina, Brazil, Paraguay, and Uruguay. At the moment, Venezuela is negotiating to become member of MERCOSUR. In August 2007, the Brazilian president traveled to Mexico and Central America to strengthen economic agreement with the region, and especially to discuss on biofuel, ethanol and petroleum issues. Within MERCOSUR Brazil is the dominant actor, with more than 90% of the trade volume and there is a vision of an integrated South America connected through trade and cooperation through different agreements. These tendencies illustrate Brazil's role as a sub-regional power. The president is a strong proponent of South-South cooperation and is one of the driving forces behind the G20 block. Brazil is also negotiating bilateral agreements on trade and cooperation, especially with the US.

Regarding links to the European Union, MERCOSUR has developed good links and through negotiations they have reached vital trade agreements, and also cooperation on social and political programs. EU has also served as a raw model for MERCOSUR (Patomäki & Tevainen 2000). Brazil has had diplomatic relations with the EU since 1960 and accounts for one-third of the EU trade with Latin America. In 2007, the EU formalized a Strategic Partnership with Brazil. This is an acknowledgement of Brazil's status, and an indication of an interest for Brazil in Europe.¹⁰ There are also strong economic interests between MERCOSUR and China for different forms of cooperation. Brazil and China have several agreements for strengthening the trade between the countries (Ellis 2005:10-11). The strengthening of China's presence in Latin America displeases the power in Washington. According to several authors, the regionalization and democratization in the Southern Cone are signs that MERCOSUR is becoming an authentic security community (Gonçalves 2006:10, Patomäki & Teivainen 2000). Brazil and India are cooperating at the WTO level and both countries are interested in permanent membership of permanent seats in a future expanded UN Security Council.¹¹ There is a 'post-Cancun' situation where Brazil is acting as a regional power with initiations of new regional trade agreements within already established organizations within the Americas, but also with the EU and SAFRA (South Asian Free Trade Agreement) (Jamil 2004). Brazil is in different situations playing a diplomatic balance act. While Argentina with Nestor Kirchner and Venezuela with Hugo Chávez have strong anti-US rhetoric, Luis Inácio Lula da Silva in Brazil is more diplomatic in his approach and open for negotiations with President Bush. In 2006 Bush visited Brazil and agreement on bio-fuel and

⁸ The Common Market of the South

⁹ But there are limits to the political and military cooperation between Brazil and Argentina. Brazil does not like Argentina's status as an extra-NATO ally of the U.S. and Argentina is not fully supporting Brazil's quest for a permanent seat in the UN Security Council (Carranza 2003).

¹⁰ By entering this partnership, Brazil joins Russia, India, China, The US, Canada and South Africa in having such an agreement with the EU.

¹¹ They have in a Declaration stressed the need for an India-Brazil Defence Committee to improve their economic and investment ties. The two countries set a trade target of US\$ 10 billion to be achieved by 2010, a four fold increase over present values (www.brazzilmag.com/content/view/8321/54/).

ethanol exportation was signed. Brazil is skeptical concerning the role of the US within the FTAA, but he keeps a door open for negotiations, but not on US terms. Thus, Brazil is acting as the driving force for initiating new South-South cooperation and South –North links in the world.

In the area of security there are also other important organizations, for example the TIAR (Inter-American Treaty of Reciprocal Assistance) and the Rio Group, which was created in 1986. Both have significance for regional security and imply a potential for future conflict resolution. The member states meet once a year and the decisions of the Group are adopted through consensus.¹²

4.2. Mexico

Two main components have molded Mexico's external relations. Its foreign policy doctrine of non-intervention, respect for peoples self determination and interdiction of the use of force, and the search of an economic modernization that would be translated into a regional power status. The first axis has hindered Mexico's participation in any major 'peace keeping' or other sorts of military international operation, contrary to Brazil.

Relations with the US

The above named principles have molded a thorny relation with the US within which a certain independent behavior has been tolerated depending on the external context. Such was the case of Mexico's recognition of the Soviet Union in 1919 or Mexico's refusal to break relations with Cuba. Washington accepted certain policy measures contrary to US interests, like the expropriation of oil and electrical foreign companies at the end of the 30s.¹³ It is clear that the US privileged political stability and business concessions regarding their Southern neighbor and gave their support to a political system that guaranteed this. On their part, the Mexican government privileged US investments and trade and appreciated their input in Mexico's industrialization up to the 1970s and efforts to recover the economy after the 1982 and the 1994 crisis.

The signing of the North American Free Trade Agreement, NAFTA, between Canada, Mexico and the US in 1993 was preceded by several bilateral agreements going back to the end of the Second World War. It was not so much the hope of increasing trade as the desire to guarantee a regular flow of capital that made Mexico sign NAFTA as a way out of the 1980s crisis. Even if it was mostly a free trade agreement, due to US lobby organizations, two clauses were added: on environmental and on labor, which moved NAFTA a step further from only free trade. Although there is a debate on the outcome of the treaty it is clear that Mexico has increased its economic dependence of the US.

Another element of this relationship is migration. Because of the lack of employment or the extremely low salaries paid in Mexico about half a million Mexicans risk their lives every year to try to come to the US where there are already 10,6 million immigrants born in Mexico and about 24 million people of Mexican origin. Migrant remittances have become an extremely important income, nearly as large as oil (Selee 2006:144). However, in spite of NAFTA and several efforts from the Mexican governments during the years, no agreement on labor mobility has been reached and the prospects of such a treaty seem rather dark. In spite

¹² The Group was created to replace the activity of the activities of the Contadora Group (Mexico, Colombia, Venezuela and Panama) and the Support Group of Contadora (Argentina, Brazil, Peru and Uruguay), which both were active in mediating during the conflicts in Central America during the 1980s.

¹³ These measures have led to direct intervention in other countries in Latin America.

of these problems Mexico has become an enthusiastic promoter of free trade treaties on the whole continent. Mexico's support to the FTAA and the Plan Puebla Panama¹⁴ follows a pro-US positioning, not appreciated by some Latin American countries (Maihold 2004: 610).

Security cooperation

Mexico had been part of the US established, regional security pact, the Inter American Treaty of Reciprocal Assistance TIAR (placed within OAS) since 1947, but they left it in protest of the Falklands War when both the US and Chile took sides with Great Britain (its official denunciation of the treaty took place on June 2002).¹⁵ Since the Central American crisis during the 1980s, regional security issues have not seemed to concern the Mexican government as much as the economic ones. However, increasing criminality associated to drug trafficking and the 9/11 events in 2001 eventually made external security a renewed concern, this time associated to Mexico's NAFTA membership. The NASPA (North American Security Partnership) signed during a NAFTA summit in Texas in March 2005, may be considered as part of the US strategy to ensure formally Canada and specially Mexico's allegiance to the US crusade against all potential forms of external threats. The goal is to establish a North American security perimeter through the strengthening of "intelligent borders", as well as free mobility of troops for patrolling and the militarization of Mexico's Southern border are contemplated.¹⁶

Apart from the security agenda there are discussions on a deepened integration of North America regarding infrastructure, energy and finances. This means an opening of the energy sector, which is still state controlled. Already in the context of the Iraq war Mexico accepted to increase its oil exports to the US by 30% even if Mexico's reserves are calculated to last only 9 more years (Carsen 2007). However, the Mexican government may intend to use this energy card in its negotiations to obtain some migratory concessions. In spite of this cooperation patterns Mexico has also diverged from the US in certain recent occasions. Mexico adopted a critical position regarding the US intervention in Iraq as a temporary member of the UN's Security Council in 2002. This reaction was short-lived as there was an unexpected coincidence between Mexico and the US regarding Cuba. Breaking with its own tradition of non-intervention the Fox government voted for a critical resolution on the human rights situation in Cuba at the UN Human Rights committee in 2002 and even restrained the Cuban presence in the 2002 Monterrey summit on development financing (Maihold 2004: 612-616). Moreover, the Calderon government has renewed the privileged relation with the US and even tried to enhance it asking for a "Plan Mexico" (as Plan Colombia) regarding training and equipment to fight drug trafficking and criminality (www.proceso.com.mx, 5/06/2007).

Regional cooperation: relations with Latin America

During the time of its import substitution strategy Mexico was rather enthusiastic regarding regional economic integration efforts joining several regional organizations (Cosío Villegas 2000:157). However, especially since the 1980s Mexico's Latin American policy has been

¹⁴ The objective of the Plan Puebla Panama is to modernize and construct new infrastructure throughout the Central American isthmus.

¹⁵ See: <http://www.oas.org/juridico/spanish/firmas/b-29.html>

¹⁶ A modernization of police and military forces through the sale of equipment and training from the US was also contemplated as part of the anti-drugs campaign which is being implemented today (Carsen 2007).

based on bilateralism hindering more than encouraging Latin American regional integration.¹⁷ This has been reflected in an extremely low volume of trade with the region (INEGI 2007).

Nevertheless, at the political level Mexico has tried to become a regional leader, developing some kind of rivalry with Brazil. At the beginning of the 1980s Mexico took the lead in the organization of the Contadora group (see above) to mediate in the conflicts in Central America. These leadership ambitions also led Mexico to propose the Plan Puebla Panama (see above) to Central America. Although this project disappeared from the agenda during the Fox government it reappeared with the Calderon administration.¹⁸

Europe and the rest of the world

Mexico sought cooperation with Europe before entering into NAFTA but the EU was not interested. When Mexico entered NAFTA, European attitudes changed and in 1997 a Framework Agreement was signed and followed by a free trade agreement in the Spring 2000. For Mexico this was a way to balance its dependence with the US but for the EU it meant the possibility of an easier access to the US market through its investments in Mexico. The negotiations were nevertheless difficult given the fact that Mexico had to accept the democracy and human rights clause that EU had introduced in all their agreements with developing countries since the mid 1990s. Arguing its doctrine of non-intervention Mexico had refused to accept this clause but at the end had to compromise in order to get the free trade agreement accepted by the European Parliament. In spite of this treaty trade has not really increased between Mexico and the EU. It represents 11% of its imports and only 4.2% of its exports in 2006 and the balance is negative for Mexico. In the area of security, cooperation regarding training, equipment and experience sharing has been discussed with the governments of Italy and Great Britain.

Outside the EU, the Russian Federation has also recently expressed its interest of cooperation with Mexico. During 2004 president Fox traveled to Russia and was host to the first visit of president Putin to Latin America. The trade between both countries is insignificant but in mid 2005 there were negotiations on joint investment plans regarding the production of natural gas.¹⁹ Finally, Mexico has shown a growing economic interest in Asia. In 1993 Mexico became part of APEC and established several free trade agreements with for example Singapore, China and Japan.

By 2006, 22 % of Mexican imports came from Asia, who was then the second largest supplier, but the total trade balance (INEGI 2007) with Asia was negative which has prompted several complaints from Mexican industrialists against primarily China at the WTO forums (www.proceso.com.mx, 29/03/2007).

5. Domestic developments

In this part we will focus on the domestic development in the respective countries and some of the most relevant issues, like socioeconomic inequality, organized crime, democracy and

¹⁷ From 1995 to 2005 Mexico signed free trade agreements with most Latin American countries starting with Colombia and Venezuela in 1995 and reaching Uruguay in 2004. There are also cooperation agreements with Peru and MERCOSUR and an investment agreement with Cuba (Arroyo 2005: 2).

¹⁸ This Plan was object of massive critique from grass root activists who see it as an instrument of exploitation of natural resources privileging multinational companies.

¹⁹ Interview with the Mexican ambassador in Russia, December 21st 2004. Radio UNAM and Lukor news: www.lukor.com

natural resources. One important aspect is also how the society and the government have dealt with disputes and conflicts.

5.1. Brazil

Brazil is the fifth largest nation in the world in terms of population and territory. It has an advanced industrial sector and is an important agricultural producer. It can be defined as an upper middle-income country with a strong modernization of the national economy during the past fifteen years. Brazil is also one of the countries with the most pronounced socioeconomic inequalities. The current government, dedicated to the Millennium Development Goals, has launched several programs to decrease poverty and income inequality, among them the so-called *Programa Fome Zero* (Zero Hunger).

Violence is widespread and often closely linked to poverty and socioeconomic inequalities. In many poor neighborhoods the police has no control but paramilitary groups or gangs have overtaken their function. This development has resulted in an increasing insecurity for citizens in many areas. In the rural areas there are violent clashes between militant peasant organizations on the one side and landowners, police and paramilitary groups on the other (Hinton 2006, Reel 2007).

The role of the police in Brazil

The Brazilian police generally have a bad reputation and are characterized by undemocratic structures, corruption, abuse of authority and institutional racism. In the 1990s, extermination of street children and police participation in death squads and involvement in crime rings were reported, especially from Rio de Janeiro (Hinton 2006:105-123). The Lula government has launched some national police reforms. But, in Rio de Janeiro and São Paulo, public security has continued to deteriorate. The problem with drug trafficking in the shantytowns is huge and for the moment there are no signs of improvement. The crime epidemic with a series of bloody prison revolts and police strikes forced President Lula to order federal troops to take control of the deteriorating public security situation in several states (Hinton 2006:198). After twenty years of democratic government and several police reforms undertaken, the police are “still a shadowy organization with limited capacity to render protection, reassurance, and redress to a citizenry beleaguered by violence and crime” (Ibid p.191).

The role of the military in Brazil

Brazil had a military dictatorship from 1964 to 1985 when civilian rule was re-established. Over history the Brazilian military has been a political actor. However, from 1985 the militaries have been absent from political power and few analysts see them as any political threat today. The military, which operate federal law, is today used in combating drug trafficking, guarding the coast, the Amazon's frontier, and urban riots (Castro Santos 2004).

The military retain their claim to authority in a few areas such as Amazon policy and the war on drugs in the Amazon is one of their most important tasks, confirmed in several government programs. At the beginning of this century more than 20 000 soldiers were stationed in the Brazilian Amazon region. An advanced surveillance system is under construction (SIVAM – The Amazon Surveillance System)²⁰ in order to provide the technical means for the overall Amazon Protection System. This system has the purpose to integrate and evaluate information among governmental organizations operating in the region (Martins Filho & Zirker 2000:115). Another threat conceived by Brazilian militaries is the internationalization of the

²⁰ SIVAM is considered useful in curbing the trafficking of drugs. The project involves a complex radar system with satellite links (Wittkoff 1999) www.stormingmedia.us/50/5014/A501473.html

Amazon, primarily of US involvement as part of their declared war on drugs. This is linked to the militarization of Plan Colombia with pressure on Brazil to participate with military forces to fight drug trafficking in the border areas (Ibid).

Civil Society Organizations

The role of civil society in a country is about democratic rights. Brazil has a long tradition of public resistance concerning public health issues, black civil rights activists and the distribution of agricultural land. The question of land and unequal distribution is an economic, social and cultural violation of civil and political rights and it is a security risk. The military pursue a strict vigilance of the most active popular political organizations, such as MST, and organizations linked to the Workers' Central Union and other potential militant organizations.

The Armed Forces regard all questions relating to Amazon as security issues and this often clash with the interests and work of local indigenous communities, environmental organizations, as well as national and international NGO's. However, the attitude of the Brazilian government has been changing, especially since the Earth Summit Conference in 1992, which brought thousands of national and international NGO's to Rio de Janeiro. They were first seen as a threat by the Brazilian authorities. Many feared that the North, the US and Europe, would use the ecological arguments for exploiting the Brazilian natural resources. But with the conference followed a change in Brazilian policy and its traditional position of isolation from international NGOs for considering these as critical of the country. This resulted an opening to national and international civil society, and ecology and development became closely linked together (Rivarola 2007).

Brazil – energy, integration and security

Energy production plays an important role in the integration of South America and in relation to future conflicts and regional security on the continent. The Brazilian Ministry of Foreign Affairs has discussed regional integration in the energy sector to improve the energy security (Rivarola Puntigliano 2007). President Lula has installed a special coordinator for this task, inspired by the EU. The mission is to focus on oil, gas and hydroelectricity. Brazil is the tenth largest country on energy consumption in the world. The consumption of energy has increased in Brazil, as all over the world, and half of it comes from renewable energy, such as waterpower and ethanol and the other half comes from fossil sources: oil, gas and a small amount from nuclear power. Brazil has the third largest waterpower potential in the world and the sixth largest uranium sources. The country is importing energy, but has enormous amount of natural resources and can easily be independent on energy resources. Itaipu – a water plant - situated on the border between Brazil and Paraguay is the second largest water power plant in the world.²¹ Brazil is also the leading producer of ethanol from sugar cane.²² There are two nuclear plants and another one under construction, planned to be ready by 2017. The potential conflicts concerning natural resources in Brazil can be found on various levels. There are fights between disempowered indigenous peoples and poor landless peasants and the state, ranchers and land intruders over land and natural resources. On a national level, resources such as water and oil are likely to have profound impact on the future environmental politics

²¹ Pólo-Anel is a bi-national hydroelectric power station. Pipelines for gas is under construction with the aim to provide energy in a reliable way to reasonable costs. There are also discussions on constructions of pipelines to Venezuela for gas, negotiations with Bolivia and of a closer cooperation between the national oil companies in Latin America.

²² Ethanol is today produced from the sugar cane, but there are new technologies to produce it from cellulose, residues from wood and from the pulp from sugar cane. This means that the production can increase to the double without extending the area for cultivation. Ethanol is a globally interesting resource in exchange for petroleum in cars.

in most Latin American countries and not least in Brazil.

Everyday violence in Brazil

Related to security, the violence in Brazil is a huge problem, mainly in cities like Rio de Janeiro and São Paulo. But it is also spreading to the interior of the country. The state has at various occasions lost control over the situation, for example during some days in May 2006 when there were riots at the prisons and criminal gangs took control of the center of São Paulo, resulting in almost 90 deaths, more than half of them policemen. Drug trafficking and gang-related violence, together with death squads and paramilitary organizations create a deadly spiral of insecurity. In rural areas there are armed clashes mainly between landless peasants and large landowners (Hinton 2006).

Security risks and borders

Two-thirds of the Amazon region belongs to Brazil. About half of the indigenous population in Brazil (total 300 000 persons) lives in this region, together with regional dwellers. The Amazon has, by governments, armed forces and exploiters, been seen as no man's land and the military in Brazil insist that the Amazon constitutes a demographic void (Ramos 1998). There has been a militarization of the Amazon, which started during the 1980s, soon after the return of civilian rule. This militarization can be illustrated for example through the two projects briefly describe below. The Calha Norte project²³ then gave the military the power to dictate the development they wanted in the Amazon: to control public investments, private activities, promote migrations into the region, and influence local state governments. The project has heavily disturbed the life of the indigenous people along the northern border, which is more than 6 500 kilometers long (Ramos 1998). Another project connected to Calha Norte, is the SIVAM (mentioned earlier), designed to carry out ecological security by monitoring deforestation, human settlement, drug trafficking, weather, air and water pollution and activities among the indigenous populations.

In Alemany (2003) a group of researchers have elaborated five possible conflict scenarios for the future of Brazil. The first scenario is based on the organized crime as a power, which are threatening a fragile state. The second is based on a popular uprising, with its origin in the MST and the claims for an agrarian reform. The third is a mobilization among the indigenous population and a more militant struggle for the indigenous rights (which we see as less probable). The fourth illustrates a regional conflict involving the poor provinces in the North Eastern part of the country revolting against the central government. The last scenario is the development of a conflict with the neighboring countries Colombia and Venezuela, related to the US war on drugs in the region. These different threats will be further discussed in the scenarios.

5.2. Mexico

Political events and reforms

After a polarized presidential election in 2006 the right wing candidate of PAN, Felipe Calderon, was proclaimed winner in a contested electoral result. The PAN also obtained a relative majority in the parliament followed by the left and the former state-party PRI. The first PAN government, led by president Fox, had left the country very frustrated with incomplete reforms, enormous social problems and a growing insecurity. In this context, large sectors coming from the lower middle class, the working class and marginalized populations gave their support to the left's candidate Lopez Obrador, who didn't accept the official results

²³ Calha Norte (North Watershed Project) was supposed to operate during the period 1986-1991, but has been extended by the authorities.

and mounted a civil disobedience protest. This created an unprecedented situation of ingovernability, where the entering president had to recur to the army to secure his position. The army and the navy have become privileged sectors obtaining important increases in their budgets in a time when most sectors have seen economic cuts. Moreover, they have been chosen to play a key role in Calderon's declared priorities: security and the struggle against poverty.

The Calderon government also seems pressed to pass several reforms that failed during the Fox regime, one of the most controversial ones entailing the privatization of civil servants' pensions. This has been followed by a fiscal reform with the objective to diversify fiscal revenues (oil revenues currently represent almost 40 percent of total revenues). This fiscal reform establishes a single personal income tax rate of 15 percent exempting those with low incomes. The government is also considering opening up the oil sector for private interests (Global Insight, June 20, 2007).

Internal security: the police and the army fighting criminality

Mexico's security situation has worsened in the last 20 years due to an increasing rate of criminality in general, but in particular related to drug trafficking, coupled with an extremely inefficient and corrupted security system and a weak culture of rights. Several reports mark a correlation of a rise in the criminality rates and drug trafficking in the 1980s with the social consequences of the economic crisis during that decade (e.g. Velasco 2005:93). The political changes since 2000 have contributed to this situation as the centralized power, concentrated by the PRI state-party, has partially disappeared giving way to local and regional vacuums of power that have been filled by criminal groups. Robberies, kidnappings and criminal assaults have increased but many crimes are never reported, as people don't trust the police or the justice system.²⁴

Fighting against illicit drug dealing has become an extraordinary difficult task because of the power gained by these criminal drug dealers, inefficient police organization and corruption. Mexico is now challenging Colombia as the largest supplier of drugs to the US market. Estimations show that by the year 2000, the incomes from drug trafficking was comparable to the levels of direct foreign investments and oil revenues. Drug related activities and violence has also spread from the northern Border States to all over the country (Velasco 2005:90-94).

The strategy of the Calderon government to deal with drug related crimes has been to enhance the role of the Army and the Navy, to reform the police organization and the justice administration system, to enforce a tougher criminal legislation that is also aimed to fight terrorism and to start extraditing drug dealers to the US. This has created suspicions of a hidden agenda of the government to link criminality with social protest, militarizing the state and subordinating national security to US demands. In spite of all these measures drug related violence has continued to increase. Intra cartel violence has also increased affecting all sectors of society. Inefficiency in police reforms, huge police purges (where former police officers often join criminal groups) are also problems the Calderon administration has not been able to deal with (Ibid p. 94-98). It is in this context that the current government has asked for support from the US and the EU as well as studied the Colombian government policy against drug related crimes.²⁵

²⁴ Estimations for 2006 showed that about 90 % of crimes go unpunished (Global Insight, June 28, 2007).

²⁵ Cooperation with the US has increased in the last months permitting DEA agents to operate within the Mexican territory, for example at airports (www.proceso.com.mx, 11/02/2007).

Social Inequalities and social movements

As mentioned earlier, the Mexican society has traditionally been marked by a strong political authoritarianism and huge social inequalities where social class, ethnicity and gender interplay. However, since the crisis of the state-party system in the 1980s there is an increasingly active civil society. Although the general welfare improved during the period of industrialization (1960-1980) the situation started to deteriorate by the end of the 1970s. During the 1980s, real wages by decreased 44 percent. The informal sector expanded and represents now about half of the economy (Domínguez 1993:52-53). By 2005 about 48 percent of the population lived with a maximum two minimum wages (about 9 USD), which do not cover their basic needs.

The social challenges of today's government are multiple. One difficulty is the dismantling of the old social pacts that privileged the organized labor sectors traditionally controlled by the government. One consequence of this has been the gradual elimination of food subsidies in 2007 as well as changes in the labor legislation to permit higher labor flexibility. Despite the existence of several public programs against poverty these are insufficient to appease social protests. Low salaries, unemployment, a growing pressure on urban and social services and general insecurity have led to increased social mobilization.

Since the 1980s several new social movements took form: urban house and labor related movements, electoral related protests, small debtors movements, indigenous movements, recent guerrilla movements, labor movements, peasant movements, student movements, women's movements, human rights movements and alternative political movements. This awakening of civil society has also meant a multiplication of NGOs in all areas of society.

The most relevant new movements are the Zapatista movement (EZLN - Ejército Zapatista de Liberación Nacional), the Atenco and the Oaxaca rebellions. The three have to do with social inequalities, ethnic discrimination, state brutality and democratization. The EZLN from being an ethnic/peasant movement (using guerrilla methods in the beginning) became a democratization movement struggling against both social inequalities (including gender inequalities) and state authoritarianism but also for transnational alliances against neoliberal policies. Moreover, their questioning of an authoritarian political culture led them to a rupture with the traditional left and to the organizing of an alternative political campaign during the 2006 presidential elections. The Atenco movement is also peasant based, mobilized against arbitrary land expropriations following the government plans of a new airport in 2002. Although successful in the beginning when it came back in 2006 to protest against local police repression it was met by disproportionate police violence. Finally, the Oaxaca uprising also in 2006 is an example of the breaking of the social pact (that previously ensured the loyalty of traditionally controlled trade unions, in this case the teachers trade union) that led to a giant mobilization of several social groups (with a high presence of indigenous people) to demand the removal of a corrupt state governor.

Neither of these movements has been successful in meeting their goals. They have all confronted military or police violence to such absurd extremes as penalties of 67 years of prison for the Atenco leaders thus putting into practice the new anti-terrorist legislation recently approved and criminalizing social protest. Even though the Zapatistas have enjoyed international support that has protected them, paramilitary groups have divided their villages

and their autonomy proposals have been ignored. The organization born of the Oaxaca insurrection has also been strongly repressed by federal police forces.²⁶

Thus, the evaluation of conflict resolution by the Mexican governments is rather negative. Although negotiations take place at times, they lack continuity and lead to violent confrontations that in the context of structural inequalities may be quite dangerous and result in chronic social and political instability.

6. Potential future scenarios 2017-2027

To create scenarios about possible future trends of security and conflict patterns for Brazil and Mexico, the following explanatory variables are used (for details see appendix 2):

a) *External relations, regionalization and strategies of integration*: Focus will be on how Brazil and Mexico develop their relations to for example the US, other regional powers and multilateral organs like the UN. We will also discuss how different strategies of regional cooperation and integration can affect domestic developments and external relations for the respective countries.

b) *The challenges of inequality/distributional policies and institutional reform*: Will any serious social reforms/distributional policies be implemented and successful in Brazil and Mexico in the range of 10-20 years? How will the lack of reforms or their implementation affect stability, the legitimacy of the governments and the rise of different forms of violence? How have current initiatives to reform vital institutions like the military, the police and the justice departments succeeded? How can they modify prevalent cultures of authoritarianism, impunity and corruption? We will also discuss how the development of and fight against organized crime will be interrelated to the development of institutional democracy as well as the socioeconomic and political development in the future.

c) *Democratization, the role of civil society and social movements*: The mobilization of civil societies has been rather recent, in Brazil in the mid-80s and in Mexico early 80s. The political expression is a reflection of political, social and/or economic exclusion to unacceptable limits. Their interplay with the state has a mixed record of cooperation and confrontation. The question is if new paths of cooperation can be found thus reinforcing the states' legitimacy or if confrontational situations will be unavoidable.

d) *Conflict resolution methods and militarization versus demilitarization*: As we have seen, both military and police institutions have traditionally been associated with authoritarian cultures in both Brazil and Mexico. Even if the records are different they both share a tradition of violent resolution of conflicts. The question is if the situation could develop into a dangerous militarization of the state? In the scenarios, we will outline how the future could develop in different directions.

6. 1. The Scenarios

Based on the analysis earlier in this study, we will now elaborate some possible future security and conflict patterns. How the different factors develop will depend on the interplay between actors, prevailing structures and power relations.

²⁶ See Bautista Martinez 2006, Asamblea Popular del Pueblo de Oaxaca 2006.

Scenario 1: Worst-case scenario: Increased dependence of the US, intervention, polarization and environmental stress

Brazil: At the external level Brazil is still a country in peace, but due to tensions with Argentina, the political and security dimensions of the regionalization within MERCOSUR are fragile. Brazil's major trading partner is the US and the country is still heavily dependent on sugar cane production even if ethanol has failed due to global changes of the use of bio-fuel and scarcity of water for cultivation and production. The earlier good relation with China has resulted in an exploitation of natural resources by Chinese companies in Brazil, as the country has a growing need for energy. China is especially aggressive against the US and this confrontation has negative effects on Brazil, and the whole Latin America.

On the domestic level the state has not succeeded to improve the situation of violence and organized crime, related to the trafficking of drugs, arms and humans. The standard of living has declined for a large part of the population. Corruption in the state, police and military has increased. But the government is civilian and there is no threat of military overtakes. The agricultural policy focused on sugar cane production for ethanol, as fuel for cars have collapsed, as the global environmental movement and peasant NGOs have highlighted the degradation effects on the soil that bio-fuel cultivation has, instead of using the land for food production. The earlier policy of extended soybean cultivation, as export product for cattle rising in the US and Europe, has also failed due to ecological concerns from the global environmental movement. The expansion of agriculture has put pressure on the rainforest.

On a global scale oil and gas supplies are becoming scarcer and more expensive resulting in international tensions. The US role is crucial and an intervention in Venezuela is affecting Brazil and the region heavily. The military is protecting the borders to neighboring countries, especially the Amazon borders. The competition for new energy sources will influence the security balance on a global level. Brazil's energy potential is great, but due to weak governmental policy (exportation) there is an energy shortage in Brazil, resulting in public manifestations and mass protests.

MERCOSUR is on the verge of collapsing due to conflicts between the member countries due to energy production, oil exports and the escalating conflict between Venezuela and the US for oil that creates polarization among the countries of the Southern Cone.

Mexico: At the external level Mexico has continued to deepen its dependence of the US without being able to negotiate socioeconomic compensations for the negative consequences of NAFTA. Moreover, Mexico has been extremely affected by the economic crisis in the US which have resulted in less investment, the constant moving of the maquiladora industries further South or to Asia and rising rates of unemployment. No migration agreement has been accepted by the US and the barriers the latter has built against illegal migration have increased and become more difficult to surpass. This has caused even more unemployment and unrest as remittances have also declined. On the other hand the US has continued pressing Mexico to align to US determined security rules under the North American Security Partnership (NASPA). This has involved the increasing presence of US security officials in Mexican ports, airports and highways controls that together with the negative consequences of Mexico's economic dependence from the US have reinforced an extreme nationalism and anti-Americanism that expresses itself in different social protests. The negative balance of external trade with China has had a strong effect on an already pressed national industry.

Integration efforts with other Latin American countries (excluding the US) have been completely abandoned with the exception of the Plan Puebla Panama that has mostly resulted in new free trade zones in Southern Mexico and Central America.

At the internal level the reform process initiated in 2007, far from improving the income distribution has concentrated it even more leading to a continuous presence of the military to stop or prevent conflicts. The late state-party PRI managed to reunify and win the elections in 2012 and even in 2018. Their policies are very similar to those of the Calderon administration although more populist. Most of the social sectors that previously benefited of certain social security, regarding pensions and access to affordable health care have lost most of it.

The exploitation of natural resources without any control have destroyed most of the forests left in Mexico and water resources have become very scarce especially in the cities, leading to uprisings. Social unrest and increasing drug related criminality have led to the militarization of the state. The country is extremely divided in three regions (north, central and south), where the northern part is searching to become a part of the US. There is a clear threat of territorial disintegration. This severe instability has opened the possibility of a US led military intervention, which finally takes place in 2025 leading to more instability, polarization and violence.

Scenario 2: *Best-case scenario*: Democratization, peaceful resolution of conflicts, regional integration

Brazil: New winds are blowing through Latin America and the role of Brazil as a regional power has contributed to stabilize the situation on the continent. There is a dynamic and constructive process of regional cooperation between most of the countries on the continent and the dependency of the US is balanced concerning trade and politics and there is more intensive partnership with EU. In Latin America the governments have moved up on the list of less corrupted countries, due to strong civil society anti-corruption and civil rights organizations. The police have gone through reforms and better education, the corrupted structures have changed and the institution works in partnership with the police in EU countries. In Brazil, strong efforts are taken by the government for 'good governance' with fair distribution of wealth among the population. Regarding security issues, the Armed Forces in the Latin American countries are cooperating and organized in a peacekeeping alliance. Brazil has a permanent seat in a reformed UN's Security Council and is actively involved in the UN peacekeeping operations around the world. The influence from the US army's involvement in Colombia and on the border to the Amazon is not present any more.

The democratization processes has deepened and have had substantial and positive effects in Brazil where the civil society organizations are playing an important role for this improvement. The earlier peasant movement has negotiated with the government and they have achieved that more land will be distributed to the landless in a more rapid pace than earlier considered. The reforms for poverty alleviation has resulted in lower number of illiterates, better health and less unemployment in the country in general. The state has gained control over most of the drug trafficking and the slum cities, earlier controlled by organized criminal gangs, are slowly re-built as secure neighborhoods with schools, health centers and good communications. Civil society organizations in the poor areas have been intensified with cultural, environmental, human rights and women groups' activities.

The government in cooperation with international organizations and regional organizations actively assesses conflicts over natural resources, such as land, water, oil, gas, forests and energy for bio-fuel. The HIV/AIDS epidemic is still a problem, but the infected receive antiretroviral drugs and the number of new infected is slowing down. Development strategies for economic growth are implemented in balance with environmental sustainability.

Mexico: At the external level Mexico has managed to balance its dependence from the US by increasing its trade and cooperation with Latin America, the EU (and other parts of Europe like Russia), and Asia. Security cooperation with the US is not as pressing because international tensions have decreased but also because Mexico's government has become stronger. Also Mexico has won an international peace mediation reputation obtaining a permanent seat in a reformed UN's Security Council and has an increasing influence in such organs as WTO. Relations with Latin America have been prioritized and a continental regional framework including trade but also social and environmental issues (together with supranational organs that include representatives of civil society) has been functioning since 2015.

Moreover, Mexico's general trade balance has improved. This has been a result of a rebirth of national industries and the generation of alternative energy sources that have made it possible to export semi-industrialized as well as manufactured products and services.

At the internal level the PAN government has been replaced by a nationalist progressive coalition that took over in 2012 and won again in 2018. This coalition has managed to obtain a migration agreement with the US with migration quotas (and a limited amnesty for illegal workers in the US). This, together with a progressive fiscal reform, heavy investments in agriculture, the creation of new employments in national industries and services, the improvement of salaries and new social security programs have alleviated poverty trends. Moreover, deep changes in the administration of the justice system and educational campaigns at all levels have started to change the traditional lack of respect to legality and corruption inclined attitudes.

Several measures, both emergency and preventive, have been taken to limit the damages of climate changes and protect natural resources specially water and forests. The war against illicit drug dealing has continued, now with social programs that present alternatives to these criminal activities as well as with a more professional police that have received substantial wage increases. Civil society has grown stronger, social movements are still very active but their methods are strictly non-violent as many of their demands are obtained through negotiations and thus their credibility for institutions and for democracy has increased. The Army is no longer involved in criminality fighting nor in the repression of social protest. Their ranks have shrunk to half the number they had in 2007; they are highly professional and cooperate in many international actions.

Scenario 3: *Mixed-case scenario*: US hegemony, mixed conflict resolution methods, advanced regionalism with contradictions.

Brazil: The gap between poor and rich is slowly decreasing due to the government's commitment to the Global Millennium Goals, which were almost fulfilled in 2015. The standard of living has increased for the poor people, and schooling, access to health and employment, make people optimistic for the future. MERCOSUR has had problems with strong tensions between the individual countries. Brazil has played a diplomatic through

negotiations and mediation of conflicts, which hereby have been resolved. The role of China and India in Latin America has become a strong competitor on natural resources such as timber and they are especially interested in energy: oil, gas and bio-fuel, but the prices are low, and the economic prospects in Brazil is not as good as expected. Thanks to MERCOSUR, the Southern Cone can support each other economically and the regional integration both for economy and security shows that it has strength.

There has not been any open conflict on the continent and Brazil has a permanent place in the UN Security Council. The most severe problems for the continent and Brazil are ecological. The Amazonian region has been negatively affected by excessive logging. Certain parts of Brazil has had no rain for several years with dry lakes and rivers and scarcity of food for the inhabitants while other parts has suffered too much precipitation and flooding creating an unhealthy environment where dengue fever, malaria, yellow fever and other epidemics are spreading. The government tries to solve the ecological catastrophe with international support, but people are moving from the rural interior of Brazil to cities in the inland of the country or to the metropolis along the Atlantic coast.

Drug trafficking has partly been controlled through extensive international cooperation, less corruption among the police and social programs among the youth in the slums. The technological surveillance systems have hindered airplanes from crossing the Amazon and the Brazilian militaries are controlling the borders to Colombia, Ecuador and other countries, which still have drug trafficking and drug problems.

In the rural sector, there has been an extensive land reform and more peasants have got land. There is still a migration to the cities, which means that the slums are growing, even if the government have programs, house-building projects, more security through less corruption among the police, so that the police and the slum neighborhoods are cooperating in a constructive way.

Politically, democracy has increased and the social movements are participating actively in the development of the country. The economic situation and the security concerning organized crime and safety for the citizens is much better, but the ecological problems with scarcity of water, climate changes with more hurricanes and very polluted air in the megacities is a global, regional and local problem. This is a ticking bomb and the solutions have to be taken on international, national and local levels.

Mexico: There is still a strong dependence from the US both at the economic, political and security level but certain agreements have led to a limited access of Mexican labor to the US. On the other hand, Mexico is succeeding in increasing its participation and cooperation with Latin America. New schemes of regional integration going beyond free trade are being tested and some successes have been attained regarding energy, environmental and education cooperation although there are several difficulties regarding macro-economic policies cooperation and the building of supranational institutions. Also Mexico has obtained an influential voice in the WTO thus helping to secure better access for middle-income developing countries to industrialized countries markets.

At the internal level, alternation in the executive branch has worked well as the governments replacing Calderon have gone from left coalitions to PRI and then back to right wing PAN. This has involved a certain lack of continuity in policies although reforms have been implemented. The fiscal reform brought new sources of income to the government but didn't

succeed in replacing the lost income from oil industry that ended its activities in 2017. The different governments were forced to implement more social budget cuts leading to an increase in social unrest. This situation brought back the need to deepen fiscal reforms towards a progressive system with a view to redress income concentration trends. The economic situation has partially improved as foreign direct investments continued to flow in and remittances have also contributed to the creation of new jobs although not sufficiently to meet the demand.

Climate changes have made water more scarce and natural catastrophes such as hurricanes and floods more recurring and although the different governments have taken some measures to counter these problems these have been insufficient. Social movements protests have continued with mixed results. Some of their demands have been fulfilled while in other occasions they have been met with violent repression and an unwillingness to dialogue. The military and the police have also been reformed resulting in a high degree of professionalism and democratic culture, which has led to increased credibility although corruption is not totally eradicated.

Criminality in general and drug related violence has been partially controlled through an improvement of the security apparatus (although the military input has diminished) and the increased support of the US. However it is still a problem especially in big cities, which have by now doubled in relation to 2007 with a proportional demand of all urban services that are completely inadequate. Conflict resolution methods are still a mixture of peaceful and violent ones in a society where reform has started but not yet reached its goals.

7. Summary and conclusions

The purpose of this study was to analyze future alternative developments in Brazil and Mexico with respect to conflict patterns and security risks. This should be done considering the domestic developments, regional cooperation and the external relations of the respective countries. The relations to the United States, the EU, China, Russia and India were of special interest.

Mexico and Brazil have had quite different historical and modernization experiences. But they face similar challenges regarding unequal socioeconomic structures, lack of democratic cultures and a legacy of violent confrontations as well as a disadvantaged integration to the world economy and to world politics.

They have also adopted quite distinct strategies for their integration into the global world. For example, the decision by Mexico not to participate in any international peacekeeping operations, contrary to Brazil that has actively participated in such missions in both Latin America and Africa. This has led to a constant rivalry between them, as they represent different models for the rest of Latin America. This also affects their positions towards the rest of the world even if there is sometimes a potential for cooperation between them. One example of this is the WTO meeting in Cancun, Mexico, in 2003, and the subsequent formation of the G20 group (led by the troika Brazil, India and South Africa).

In terms of external relations, it is not probable that Russia and India, as individual countries, will play a very important role for Brazil and Mexico in the future. China, on the contrary, is more likely to become an influential trading and economic partner, thus challenging the strong interests of the US and possibly affecting conflict patterns and security risks in the region.

The problems Brazil and Mexico face regarding security have to do with a mixture of internal and external challenges. Their lack of social and political stability may affect the rest of the continent. On the other hand, a process of consolidation of stability may, in the long term, have positive effects not only in the rest of Latin America but also in other parts of the developing world. Brazil and Mexico do not, and will probably not, constitute a threat to the surrounding world. Most of the security threats will be local, national or regional problems. However, some of the effects of conflicts, insecurity, poverty and inequality might have a spillover effect to countries outside Latin America, in the form of migratory flows and trafficking of drugs, weapons or humans. This has been and will continue to be a reality for the US and is one of the reasons why the US have 'securitized' the issues of drug trafficking and migration, thus including traditionally non-security issues into the security thinking and doctrine. As we have seen in the report, this can be both positive (for example increased funding) and negative (militarized measures to combat symptoms instead of other measures to remove the underlying causes).

That is why it is important to ask ourselves, considering the purpose of the study: what kind of conflicts and security for whom? In the report, we have discussed ample evidence of how both Brazil and Mexico have serious problems with widespread poverty, unjustifiable socioeconomic inequalities and large deficiencies in virtually all democratic aspects. This reality has a direct impact on the emergence of conflicts and security risks (both in the conventional sense and in relation to human security). There have been substantial improvements but also backlashes and deceptions. The idea of the scenario building has been two-fold; to force us to think specifically about a particular period in the future and to try to visualize how a worst-case or best-case scenario could develop.

One of the most important conclusions is that two factors are crucial in order to determine future conflicts and security threats: democracy (including both democratic and efficient institutions as well as an active civil society) and socioeconomic development. This is in some sense not controversial at all, but the records in Brazil and Mexico (as well as the whole Latin America) have shown that it is a very complex process to advance along that path and that it requires a lot of political will from many different actors in the society as well as from international partners.

Global warming will affect inevitably Latin America and the solutions for a sustainable future have to be dealt with on national, regional, and global levels. The region has to act politically to deal with the disasters arising from climate change. The changes with more intense and frequent hurricanes, especially in the Mexican Gulf, will influence the security situation for people in the affected areas. Changes in rainfall patterns, increased water levels in some rivers and on the Atlantic coast and decreased water level in other areas especially in the interior of Brazil (the Amazon and the already desert-like areas) are threats, which have to be dealt with. The deforestation rates in the Brazilian Amazon will also create local problems and depend on increasing demands of timber from the global society. Priority should be on resolving the identified environmental problem in the region in cooperation with UN and other international organizations. They should be based on scientific knowledge, use of modern technology and with a strong political will with preventive measures to slow down and stop ecological degradation. The ecological problems have a potential to create serious political instability and insecurity in both Brazil and Mexico, as well as in other countries in the world. However, concerted efforts and cooperation to deal with ecological crisis could also serve as a basis for collective efforts to resolve other challenges.

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Appendix 1: Acronyms

APEC	Asia-Pacific Economic Cooperation
DEA	Drug Enforcement Administration (the US)
EZLN	Zapatista Army of National Liberation (Mexico)
FTAA/ALCA	Free Trade Area of the Americas/Area de Libre Comercio de las Americas,
MERCOSUR	Mercado Común del Sur, Common Market of the South
MINUSTAH	United Nations Stabilization Mission in Haiti
NAFTA	North American Free Trade Area, Tratado de Libre Comercio de América del Norte (TLCAN)
NASPA	North American Security Partnership
NGO	Non-Governmental Organization
OAS	Organization of the American States, Organización de los Estados Americanos (OEA)
PAN	National Action Party (Mexico)
PPP	Plan Puebla Panamá
PRI	The Party of the Institutionalized Revolution (Mexico)
SAFRA	South Asian Free Trade Agreement
TIAR	Inter-American Treaty of Reciprocal Assistance
UN	United Nations
WB	World Bank
WTO	World Trade Organization

Appendix 2: A sketch of the explanatory model (Brazil & Mexico)

Security & Future Conflicts	=	External Relations	+	Regionalization/ Strategies of Integration	+	Inequality/ Distributional policy	+	Democratization Institutions	+	Democratization Civil Society	+	Organized Crime	+	Military/ Methods of Conflict Resolution
<p>a) <i>worst case scenario</i> - Increases the risk for conflicts</p>		<p>a) US hegemonic, interventionist, weak external relations with others</p>		<p>a) globalization, integration based solely on market economy principles, asymmetry and imbalances increase</p>		<p>a) minimal policy measures</p>		<p>a) "electoral democracy", institutional framework cracking down</p>		<p>a) confrontation, conflict</p>		<p>a) organized crime widespread and transnational, parallel power with equal strength as the state</p>		<p>a) conflicts are resolved by force/coercion</p>
<p>b) <i>best case scenario</i> - decreases the risk for conflicts</p>		<p>b) US non-hegemonic, wide range of relations with others</p>		<p>b) regional integration from below, objective to balance asymmetries and decrease socio-economic differences</p>		<p>b) active policy for more equal distribution</p>		<p>b) participative democracy, institutional framework strengthened</p>		<p>b) active policy to improve social and civil rights, active dialogue</p>		<p>b) organized crime successfully hindered, with reforms and cooperation</p>		<p>b) conflicts are resolved by dialogue and negotiations</p>
<p>c) <i>mixed scenario</i></p>														