

# Myths of Multipolarity: The Sources of Brazil's Foreign Policy Overstretch

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In this article, we provide a framework to analyze the foreign policy overstretch of middle powers, that is, their recent tendency to expand foreign policy goals and ambitions beyond their capabilities. We propose that overstretch results from the interaction of permissive international environments and the collusion of domestic actors to produce foreign policy myths. These myths, in turn, justify unsustainable swelling of foreign policy expenditures until they are shattered. After laying out our theory, we test it against the case of twenty-first-century Brazil. First, we document how interest groups logrolled to foster and capitalize on a “myth of multipolarity,” which, once entrenched in elite discourse and public opinion, resulted in a tangible overgrowth of foreign policy. Second, we show the extent of overstretch across four indicators—number of embassies, participation in peacekeeping operations, membership in international organizations, and aid projects overseas—using the synthetic control method to compare Brazil with a plausible counterfactual.

En este artículo, proporcionamos un contexto para analizar el fenómeno de la sobrecarga de la política exterior, es decir, la expansión imprudente de metas y ambiciones de política exterior pese a los costos insostenibles. Nuestra propuesta sugiere que dicha sobrecarga es consecuencia de la interacción de entornos internacionales permisivos y la colusión de agentes internos para producir mitos en torno a la política exterior. Estos mitos, a su vez, justifican el incremento insostenible de gastos de política exterior hasta que son destruidos. Después de exponer nuestra teoría, la cotejamos con el caso de Brasil en el siglo XXI. En primer lugar, documentamos de qué manera los grupos de interés intercambiaron favores para impulsar y sacarle provecho a un «mito de multipolarización» que, una vez que se arraigó en el discurso de la élite y en la opinión pública, generó un crecimiento excesivo y evidente de la política exterior. En segundo lugar, revelamos la magnitud de la sobrecarga en cuatro indicadores: la cantidad de embajadas, la participación en operaciones de paz, la membresía en organizaciones internacionales y los proyectos de ayuda fuera del país, y usamos la metodología de control sintético para comparar a Brasil con una hipótesis viable.

Dans cet article, nous fournissons un cadre d'analyse du phénomène d'hypertrophie de la politique étrangère, c-à-d, l'expansion irréfléchie des objectifs et ambitions de politique étrangère malgré des coûts

insoutenables. Nous proposons l'idée que cette hypertrophie résulte de l'interaction d'environnements internationaux permissifs et de la collusion d'acteurs nationaux qui produisent des mythes de politique étrangère. Ces mythes justifient à leur tour le gonflement insoutenable des dépenses de politique étrangère qui finissent par exploser. Après avoir présenté notre théorie, nous la mettons à l'épreuve face au cas du Brésil du 21<sup>e</sup> siècle. Nous commençons par documenter la manière dont des groupes d'intérêt se sont livrés à un échange de faveurs (logrolling) pour promouvoir et capitaliser sur un « mythe de la multipolarité » qui, une fois enraciné dans le discours des élites et dans l'opinion publique, a entraîné un développement démesuré tangible de la politique étrangère. Puis, nous montrons l'ampleur de l'hypertrophie de la politique étrangère en nous basant sur quatre indicateurs—nombre d'ambassades, participation aux opérations de maintien de la paix, adhésion aux organisations internationales et projets d'aide à l'étranger—et en employant la méthode de contrôle synthétique pour comparer le Brésil à un contrefactuel plausible.

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## Introduction

In the last decade or so, polarization between China and the United States has raised the costs of international activism by other powers and quelled former illusions of multipolarity. This resulted in a particularly hard blow for states who envisioned a qualitative jump in their participation in world affairs and were highly invested in achieving this goal. For aspiring great powers such as Brazil, Russia, South Africa, or Turkey, for example, this quest for international status led to the overstepping of international boundaries—for example, territorial, legal, and normative—and serious financial strain, which contributed to costly economic and political crises.

Brazil is a case in point. Although once considered a paradigm of how to go global in the twenty-first century (Carranza 2016), the second worst recession in history combined with a huge corruption scandal<sup>1</sup> has demonstrated the tremendous costs of Brazilian grand-strategizing. Foreign investment and diplomatic activism provide two clear examples. On the one hand, cheap credit made available for public and

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<sup>1</sup>This is a reference to Operation Car Wash, a massive criminal investigation inspired by Italy's Operation Mani Pulite (Clean Hands), which ended up putting dozens of prominent businessmen, notably from the civil construction sectors, and powerful politicians behind bars, including Brazil's former president Lula da Silva.

private investment abroad led to a surge in public deficit and widespread corruption, involving at least sixteen Brazilian companies and their activities in forty-nine countries. On the other hand, in order to provide political backing for this expansion, Brazil increased its participation in development projects abroad by 1,000 percent and opened forty-eight new embassies—approximately one-third of its current total. Both policies proved fiscally unsustainable (Zanini 2017). After 2013, credit for international investments plunged, as did the budget of the Ministry of External Relations (MRE). Embassies all over the world could not pay for basic services.<sup>2</sup> Diplomats had to go on strike to have their rent allowances paid,<sup>3</sup> and Brazil's debt with international organizations and tribunals left the country on the brink of suspension from numerous bodies.<sup>4</sup> These eye-opening events demonstrated the delusional nature of former Brazilian ambitions, and foreign policy retraction has continued ever since (Cervo and Lessa 2014; Burges 2015; Spektor 2016; Kalout and Degaut 2017; Malamud 2017; Casarões and Flemes 2019; Schenoni and Leiva 2021).

In this article, we provide a framework to analyze the dynamics of what we call foreign policy overstretch defined as a situation in which the costs of a foreign policy strategy far outweigh both the available means to pursue them and any realistic calculation of expected benefits. Overstretch, we contend, can be pictured as the consequence of permissive international factors affecting all countries—for example, the Chinese-led commodity boom—combined with specific domestic dynamics where interest groups with vested interests in the expansion of foreign policy are able to coalesce and influence both the public opinion and the elites. In such contexts, political narratives are advanced to gather support for grandiose projects. These myths—for example, the idea of an impending multipolar structure where Brazil would play a major role—facilitate the capture of foreign policy making itself and end up causing overstretch. In short, when permissive international environments meet the domestic conditions for the creation of such myths, foreign policy overstretch can follow.

The rest of the article is organized in the following way. In the second section, we develop our theory of foreign policy overstretch drawing our inspiration from previous theories of overexpansion. In the third section, we turn back to Brazil and engage in a detailed analysis of how observational implications of our argument show up in this case, unveiling our proposed causal chain link by link. Finally, we devote the fourth section to measure the extent of overstretch in four indicators that were key to the expansionist coalition: number of embassies, participation in international organizations, contributions to peacekeeping operations, and foreign aid projects. We do so by applying the synthetic control method (SCM), a technique that allows us to compare Brazilian figures with a plausible counterfactual made out of a pool of countries that best matches Brazil along key predictors. Our conclusions close.

### Theory: Foreign Policy Overstretch As Overexpansion

The early years of the twenty-first century have been praised as the coming of age of emerging powers in world politics. Rather than just fast-growing economies with a blossoming middle class and an expanding consumer market, countries such as Brazil, Russia, South Africa, or Turkey have taken up an unprecedented role in

<sup>2</sup> “Faltam luz e água em embaixadas brasileiras, dizem diplomatas.” *Folha de Sao Paulo*, January 21, 2015.

<sup>3</sup> “Funcionários do Itamaraty ameaçam entrar em greve.” *O Estado de Sao Paulo*, May 12, 2015.

<sup>4</sup> Such as the International Criminal Court, the United Nations, and related organizations like the International Labor Organization, the Food and Agriculture Organization, the International Atomic Energy Agency, and the World Health Organization. “Brasil perde direito de votar em Tribunal da ONU por falta de pagamento.” *O Estado de Sao Paulo*, January 22, 2015.

their own regions, in multilateral discussions, and in international conflicts, oftentimes joining forces with one another. Yet, while bigger geopolitical players, such as the United States and China, are better positioned to play a central role in world politics—be it because of their military capabilities, economic influence, or institutional presence—these aspiring great powers had to undertake massive efforts to catch up with the first league. Vast economic and political resources were invested to rally support among constituents at home and convince partners abroad that they could effectively move up the ranks. In virtually all of these cases, economic and political constraints proved to be overwhelming. The mobilization of resources to meet the new standard ended up producing serious bottlenecks and a forced retraction of foreign policy.

This twenty-first century story is but a variation on a long-standing question in international politics: Why do certain states pursue foreign policy goals beyond their reach, despite their massive costs? What are the causes of foreign policy overstretch? The “myths of multipolarity” that nurtured some of these processes were, in this sense, a concrete historical instance of a larger phenomenon affecting states in general— aspiring great powers in particular—throughout history. Previous scholarship on overstretch (see [Florig 2010](#)), including recent applications to the analysis of Chinese ([Pu and Wang 2018](#)) and Russian ([Pavroz 2021](#)) foreign policies, recognizes that the drive for such adventures is fundamentally domestic, although international conditions play an important permissive role. Yet, this literature struggles to measure and explain the mechanisms of overstretch. In this section, we deal with the latter.

To understand why great powers expanded militarily, even when it contradicted prudent international conduct, Jack [Snyder \(1991, 1\)](#) unearthed the basic logic of overstretch. He famously claimed that such reckless behavior originates in groups with parochial interests overseas who logroll their various agendas to hijack the state. These groups justify self-serving policies in terms of the national interest and foster strategic rationalizations or myths that, once formed, become politically, institutionally, and intellectually entrenched, triggering self-reinforcing cycles of expansion until the event of a big crisis. Snyder proposed that myths of this kind often show three features. First, they highlight the cumulative gains of expansion, that is, the country could grow faster if it got access to certain resources in places it does not yet reach. Second, they invoke a paper tiger to argue that the best defense is a good offense, which requires expanding. Third, they assume that expansion will lead others to bandwagon, attracting political alliances, investments, trade, and the like ([Snyder 1991, 2–6, 21–26](#)). Yet, at one point, the costs of deploying one additional embassy, battalion, or commercial outpost simply outstrip the benefits ([Snyder 1991, 6–8](#)), and past that point, we enter the realm of overexpansion. Although it is in a society's interest to prevent further expansion once these limits are reached, ordinary citizens simply do not have the information nor the organizational advantages that allow interest groups to coalesce and effectively push their agenda forward. Overexpansion, therefore, is best understood as the product of the lobbying and propagandistic activities of a few ([Snyder 1991, 17](#)).

Although Snyder's framework was developed to analyze the imperial (military) expansion of great powers, we propose that a very similar logic undergirds foreign policy overstretch in both great powers and subaltern states. We use the term overstretch, in lieu of overexpansion, to highlight a diplomatic rather than the military aspect of state buildout, consisting in the mobilization of embassies instead of battalions. Overstretch relates fundamentally to soft power, while overexpansion relates to hard power. While overexpansion is a disease affecting states with the potential for military outgrowth, requires an inward-oriented myth of empire, and shows concrete territorial symptoms—for example, decreasing capacity due to a loss of strength gradient—overstretch might infect a greater range of states, builds on outward-oriented diplomatic myths, and its symptoms are primarily fiscal.

Expanding and stretching are both strategies intended to upgrade a state's position in an international ranking. Both are therefore revisionist strategies, but the former is prominently material, while the latter puts more emphasis on the ideational aspects of status.<sup>5</sup> Therefore, the myths legitimizing foreign policy overstretch are usually more cosmopolitan, emphasize the benefits of a world order where the subaltern state plays a more prominent role, and recast this state in the light of a new and grandiose international identity. In the process of submitting those renewed self-images to the test (see Clunan 2009), leaders seek the support of elites and the public both home and abroad, which requires the existence of a permissive international environment to coach the narrative. While overexpansion can grow fundamentally out of domestic dynamics, absent the proper international conditions, overstretch becomes unlikely.

As with overexpansion, however, the drive for overstretch comes from the domestic groups that benefit from it. Causal mechanisms also follow a similar sequence. First, interest groups overcome the collective action problem by trading favors and forming a cohesive coalition around a narrative or myth concealing their self-interest as public good provision. Second, they overtake the state, harnessing its propaganda resources, consolidating the myth, and transferring to society the costs of international expansion (Snyder 1991, 32). With time, new actors, home and abroad, are socialized into this myth, and even the original elites become politically entrapped in their expansionist rhetoric (Snyder 1991, 42; see also Schimmelfennig 2001). Since the project has to fit the individual projects of the coalition members—for example, embassies for diplomats and infrastructural projects for the construction sector—foreign policy overstretch often takes the form of multiple expansion (Snyder 1991, 44), and overgrowth in multiple fronts soon becomes untraceable.<sup>6</sup> Of course, it is always society that ends up paying for this unrealistic planning of foreign policy by state elites (Schenoni and Escudé 2016).

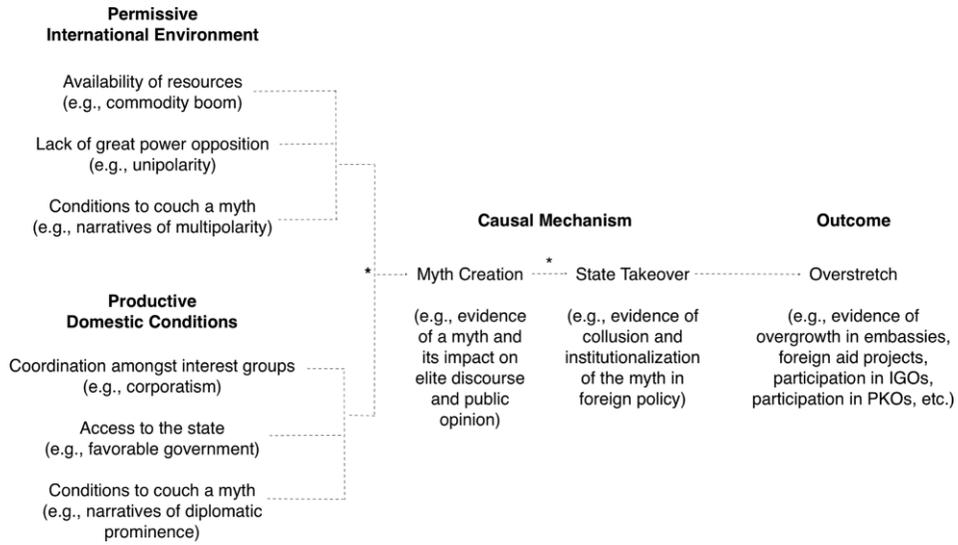
Groups that can profit from the expansion of the state into the international realm always exist in every society. Why, then, do some states expand while others do not? Not every country is equally vulnerable to the domestic political dynamics previously described. In some countries, prominent interest groups might face more challenges to coordinate in an oligopolistic manner, find it difficult to influence politics directly, or lack the preexisting ideas to tap into and frame their foreign policy myths. These conditions are highly idiosyncratic. In the case of Brazil, as we will note, they were met due to a long tradition in corporate politics, the rise of the Workers' Party to a hegemonic position within the state, and the preexistence of grandiose foreign policy ideals. Interacted, these factors acted as the immediate cause—or treatment—leading to foreign policy overstretch.

Moreover, a benevolent international environment must act as an enabling condition. Foreign policy overstretch cannot occur when resources are not available, when great powers directly oppose it—imposing high costs to those that pursue these aspirations—or when there is no global narrative in which to couch the myth for the international public opinion. In the first decade of the twenty-first century, this permissive environment was provided by a Chinese-led commodity boom and a US foreign policy, which allowed for middle power expansion, as well as a general narrative envisioning a transition to multipolarity.

All in all, our argument can be summarized as shown in figure 1. On the one hand, international conditions create the possibility for virtually all countries to overstretch. On the other hand, only those that present idiosyncratic propensities for myth making can do so. These myths should be pictured as a treatment, which will trigger the process of myth formation and state cooptation. These, in turn, will

<sup>5</sup> See our contribution to the debate about status in our online supplementary material.

<sup>6</sup> Actors within the expansionist coalition also face incentives to jockey for advantage, pushing more restrained members to bear the costs. This often requires new allies (Snyder 1991, 48).



**Figure 1.** Causal dynamics and observational expectations

*Note:* Elaborated by the authors.

affect all sorts of foreign policy outcomes, from the number of embassies abroad to many other forms of state activism.

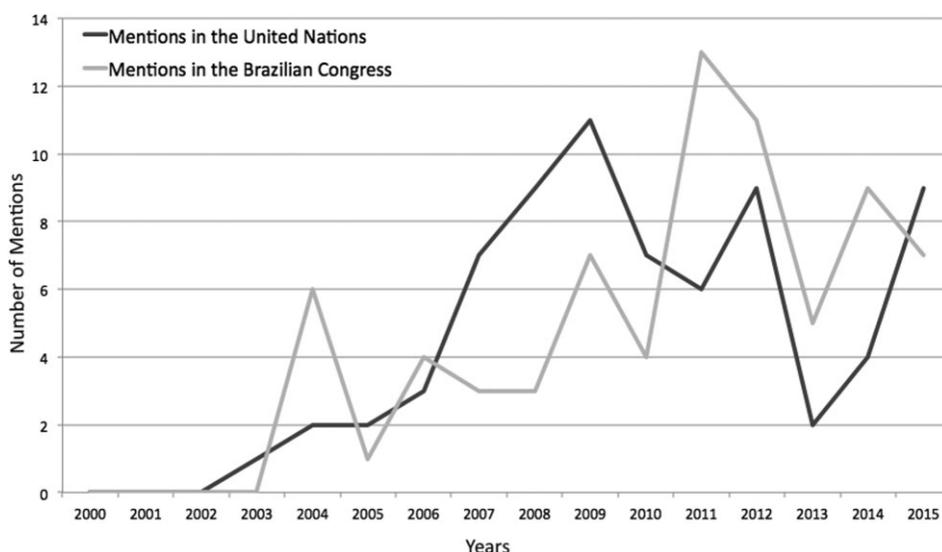
Finally, in the same way that spectacular military defeats shattered the imperial myths of the past, less spectacular (yet very serious) economic and political crises will open the eyes of society to the fallacies underlying foreign policy myths. One last observational implication of our argument is that when these myths collapse, foreign policies will shrink abruptly as well. Before we measure overstretch in the last section, the following section demonstrates how the antecedent conditions and causal mechanisms in [figure 1](#) apply to the case of Brazil.

### The Logic of Overstretch: Brazil As a Great Power

The idea of a Brazilian “manifest destiny” in international affairs has been an integral part of Brazil’s diplomatic narrative since, at least, Barão do Rio Branco’s long tenure as foreign minister ([Bueno 2012](#)) and has also become a major driver of the geopolitical thought of the Brazilian military ([Travassos 1931](#); [Couto e Silva 1967](#)). The confluence of ideas stemming from Itamaraty (short for Brazil’s foreign ministry) and the Armed Forces has led Brazilian governments to picture the country as a “future major power” as of the 1970s ([Bailey and Schneider 1974](#); [Selcher 1981](#)). Piggybacking on the idea of an impending multipolarity in the 2000s, Brazil began promoting itself as a potential great power once again ([Amorim 2015](#)). Even if at the time multipolarity was a plausible future scenario, only in a few countries, such as Brazil, it was adopted as a fact and a guideline for grand strategizing, justifying a surge in foreign policy investment. It is this exaggerated form of the narrative about multipolarity that we call a myth.<sup>7</sup>

The Brazilian version of the multipolarity myth flourished at the crossroads between Itamaraty’s nationalists, which were shrewdly mobilized by Samuel

<sup>7</sup>In a recent volume looking at the foreign policies of emerging powers, [Hall \(2021\)](#) suggests that a similar myth might have shaped Indian foreign policy making in the early 2000s, and [Chebankova \(2021\)](#) traces the origin of this discourse to Yevgeny Primakov’s diplomacy in the mid-1990s. The entire volume provides a panoramic view of how the ideal of multipolarity was politically instrumentalized in different countries as a myth and how this was particularly problematic in Brazil.



**Figure 2.** Use of the term “multipolar” by Brazilian diplomats and politicians  
*Source:* Based on an overview of Brazilian politicians’ speeches to the Brazilian Congress and Brazilian diplomats’ speeches to the United Nations General Assembly, 2000–2015 (Schenoni 2021, 77).

Pinheiro Guimarães and Celso Amorim, and the Workers’ Party ideologues, whose main spokesperson was Lula da Silva’s foreign affairs advisor, Marco Aurélio Garcia. This work builds strongly on our interviews with Amorim and Garcia.

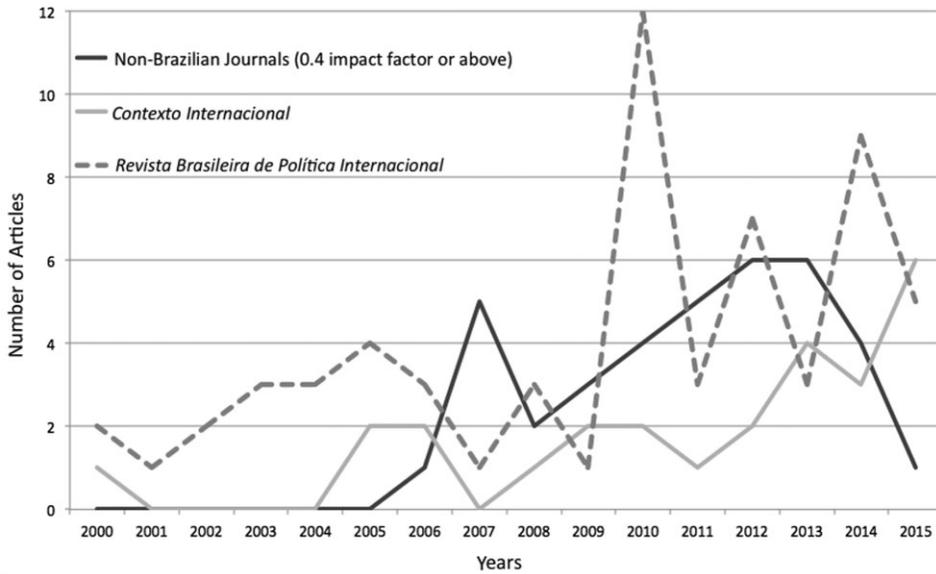
A cursory look at official documents reveals that the narrative proliferated at great speed in all bureaucracies. The Presidency played a particularly central role by using the term repeatedly.<sup>8</sup> Figure 2 shows that it expanded on the floor of Congress as rapidly as in diplomatic circles.<sup>9</sup> A look into congressional speeches confirms that the multipolar myth was a contentious topic in the floor, interpreted by some as a way of concealing unjustified budgetary growth and corruption.<sup>10</sup>

The proliferation of the myth was equally impressive in academic circles. Figure 3 shows that at the beginning of the twenty-first century, the notion of “multipolarity” associated with Brazilian foreign policy was virtually unused in IR scholarly debates

<sup>8</sup> President Lula da Silva would mention the term like a mantra in his addresses to the United Nations General Assembly (cf. Jenne et al. 2017). In one of these occasions, he said “[the world] is also a multipolar world, as demonstrated by experiences in regional integration such as South America’s experience in creating the UNASUR” (Lula da Silva 2009, 3). Apparently, Lula interpreted multipolarity as a sort of South–South multilateralism: “Simply by using direct dialogue with no mediation by major powers, developing countries have stepped into new roles in designing a multipolar world” (Lula da Silva 2008, 2). But although softened in its meaning, the concept was resilient to changes in administrations. Four years later, Rousseff opined: “We must work to ensure that in the multipolarity that comes to prevail, cooperation predominates over conflict” (Rousseff 2012, 6).

<sup>9</sup> This section relies on material from three main primary sources in which the term “multipolarity” was explicitly mentioned—the speeches of Brazilian legislators before Congress, the addresses of Brazilian diplomats to the United Nations General Assembly (UNGA), and presidential speeches on foreign policy. One hundred and sixty-three speeches were evaluated for the tone and evolution of the multipolar discourse in Congress, Itamaraty, and the Planalto (the President’s Office), from 2000 to 2015.

<sup>10</sup> For example, a Senator of the opposition party Brazilian Social Democracy Party (PSDB) stated: “I have seen people juggling with words, saying that it would be good for Brazil ... to pursue the way of multipolarity. I am not convinced, though. When it comes to bidding processes there has to be correctness. I do not want to discuss if it is multipolar or unipolar, I want to discuss if the law was followed or not!” Congresso Nacional. 2007. “Speech by Eduardo Suplicy, July 19.” *Anais do Senado Federal*. 31 (31): 127.



**Figure 3.** Use of the term “multipolar” in academic journal articles, 2000–2015  
*Source:* Based on an overview of articles published in *Revista Brasileira de Política Internacional*, *Contexto Internacional* and in journals with an impact factor of 0.4 or higher according to Thomson Reuters’ 2015 report (Schenoni 2021, 82).

and it exploded roughly at the same time it did in the diplomatic and political spheres.

Many other sources record the expansion of the myth at the elite level. The Brazilian Center for International Relations (CEBRI), arguably one of the most influential foreign policy think tanks in the country, conducted surveys in 2001 and 2008 of members of the “Brazilian foreign policy community” (Souza 2008, 3), including diplomats, scholars, and opinion leaders. When asked if certain countries were going to increase their international influence in the next ten years, respondents’ confidence in the BRICS increased 12 percent between 2001 and 2008, while confidence in established powers dropped by 28 percent.<sup>11</sup> The final report evaluates that “most of the interviewees believe [. . .] the new international order will tend to multipolarity . . .” (Souza 2008, 33).

Finally, several public opinion polls confirm that the myth managed to trickle down from the elites to the masses. In 2010, the project “Brazil, the Americas, and the World” presented a list of eight countries to its respondents and asked if they believed those countries would increase their international influence in the following ten years. The responses closely matched the figures obtained by CEBRI (Almeida, Onuki, and Carneiro 2011, 32).<sup>12</sup>

All available polls that sound this myth suggest similar trends. According to *Latinobarometro*, trust in Brazil<sup>13</sup> rose from 14.7 percent in 2000 to 32.2 percent in 2005. The PEW agrees that the percentage of Brazilian citizens who had a somewhat

<sup>11</sup> Comparing responses from 2001 and 2008, the number of respondents who believed that the influence of Brazil would grow in the future increased from 88 to 91 percent, while the amount of respondents who thought US influence would grow decreased from 49 to 15 percent (Souza 2008).

<sup>12</sup> Respondents also highlighted that the BRICS were on the rise and traditional powers on the decline. While United States (14.5%), Japan (26.1%), and Germany (33%) received relatively low scores, South Africa (50%), India (88%), Russia (30.5%), China (95.5%), and Brazil (92%) did better (Almeida et al. 2011, 32).

<sup>13</sup> Percentage of people that answered Brazil when asked the question “Of all Latin American countries which one do you trust the most?” Accessed on January 5, 2017. Available at <http://www.latinobarometro.org>.

favorable view of Brazil grew from 19 to 31 percent from 2007 to 2010. When asked if the growth of China's economy was good or bad for the country, positive views rose from 47 percent in 2007 to 53 percent in 2008 and 62 percent in 2010. All these responses fit the myth of an ascending coalition of rising BRICS. They also contrast sharply with views after 2013 and until our day. In a survey conducted by Ipsos during April 2021 asking citizens of twenty-five countries if they considered their own to be in decline, 69 percent of Brazilians answered they did, more than in any other case. Only 14 percent considered Brazil not to be declining.<sup>14</sup>

*Coalitional Politics: Logrolling, Collusion, and State Takeover*

Brazil has a long tradition in corporatism that helped interest groups inside and outside the state coalesce and foster the aforementioned ideas (Schmitter 1971). A predisposition of the state toward such groups—in particular, since the arrival of the Workers' Party to power in 2003—was an important factor allowing for state takeover and the diffusion of the myth.

One of the greatest beneficiaries of this multipolarity myth were the contractor companies in the construction sector. Their expansion has been well documented. Between 2001 and 2010, the amount of credit given by the National Bank for Economic and Social Development (BNDES) to these enterprises rose from 194 million USD to 1.3 billion—some fifteen times the growth rate of the country's economy during the same period.<sup>15</sup> Lula da Silva's presidential diplomacy—the Aero-Lula policy, as his detractors call it, in a reference to the new presidential airplane bought during his office years—was actively used to get these companies infrastructure projects abroad, and so were funds devoted to infrastructural development abroad, under the guise of “South-South cooperation” (Zanini 2017).

Yet, this expansion benefited many others too. The internationalization of Brazilian capital was considered to be low in relation to Asian economies in the early twenty-first century (Iglesias and Motta Veiga 2002; Tavares 2006), but it soon skyrocketed. Investments abroad, which amounted to 1 billion USD a year up until 2003, averaged 14 billion a year from 2004 to 2007 and reached an impressive 56 billion in 2007 alone (Saggiaro 2012, 62). Soon, levels of capital internationalization were close to those of China and India, the two emerging Asian economies. By 2011, thirteen Brazilian firms (Camargo Corrêa, Coteminas, Embraer, Gerdau, JBS-Friboi, Marcopolo, Natura, Odebrecht, Brazil Foods, Petrobras, Magnesita, Votorantim, and WEG) appeared among the world's top-hundred emerging multinational corporations. Some, such as Vale and Petrobras, were considered already consolidated. The list included JBS, the largest cattle feeder in the world and Brazil's most internationalized firm, and Itaú Unibanco, a Brazilian banking giant with the most assets overseas, totaling 100 billion USD.

The incredible expansion of these companies off-shore was rationalized as essential for socioeconomic development at home (Ricupero and Barreto 2007).<sup>16</sup> While reports published by think tanks as *Fundação Dom Cabral* and the Brazilian

<sup>14</sup> Broken System Sentiment Report. Accessed on July 31, 2021. Available at <http://www.ipsos.com>.

<sup>15</sup> The BNDES granted 14 billion US dollars to businessmen investing in some one hundred and forty projects in Africa and Latin America. “Financiamento do BNDES às obras no exterior é maior do que o feito no país.” *Folha de São Paulo*, June 1, 2016. The state-owned oil company Petrobras expanded to twenty-seven countries. Azevedo, José Sergio Gabrielli. “The Greening of Petrobras.” *Harvard Business Review*, March 2009.

<sup>16</sup> In an interview to the authors given in August 2015, just eight months before leaving the office where he had been serving since the year 2003 as an advisor to the presidency, Marco Aurélio Garcia elaborated this nexus in a direct way: “In the presidency of Lula, for every presidential trip he took to a foreign country there would be one or two Brazilian airplanes packed with businessmen. This arrangement, which was maintained until today [2015], has been engendered by the foreign ministry. If a meal is to be served to a chief of state, one will see the dining room all taken by businesspersons. And this has led Brazil's foreign trade and foreign direct investment to exponentially grow during the last 10, 12 years.”

Society for the Analysis of Transnational Enterprises (SOBEET) pictured Brazil's internationalization efforts as positive, Brazilian business tycoons such as Eike Batista and Marcelo Odebrecht began advocating Brazil's "national champion" strategy.<sup>17</sup>

The relationship between the Brazilian companies and the state is a case of a very particular symbiosis. Between 1990 and 2002, when privatization of state companies took place in Brazil, pension funds of state-owned companies and the BNDES, through the creation of consortia with private companies, became part of these firms, associating private and public interests through shareholdings (Puerari 2016). In 2003, the Brazilian government increased state shareholding in large companies, enhancing its decision-making power within the structure of some private companies. This feature draws a unique model where entrepreneurs are business partners of the state, and the government represents both the interests of domestic groups and the interests of its own.<sup>18</sup>

Collusion between the biggest Brazilian multinational enterprises—in sectors such as food manufacturing, construction, mining, oil, and transportation—has been largely unveiled by investigations in the context of Operation Car Wash. Brazilian bureaucracies coalesced as well, since they "exploited their reputation for expert knowledge to justify self-serving policies in terms of diffuse national interests" (Snyder 1991, 35). Itamaraty provides the clearest example. Aided by its long-standing reputation as one of the most proficient bureaucracies of the Brazilian state, and its quasi-monopoly over foreign policy making (Puntigliano 2008; Belém Lopes 2013), the MRE is arguably the agency that most benefited from Brazilian overstretch with the creation of positions abroad, more personnel at home, higher budgets, more activities, and an increased economic and social status. Moreover, as the relative role of diplomacy grew, the leverage of the MRE to lock in these benefits and influence domestic politics increased as well (Cason and Power 2009; Ricupero 2017).<sup>19</sup>

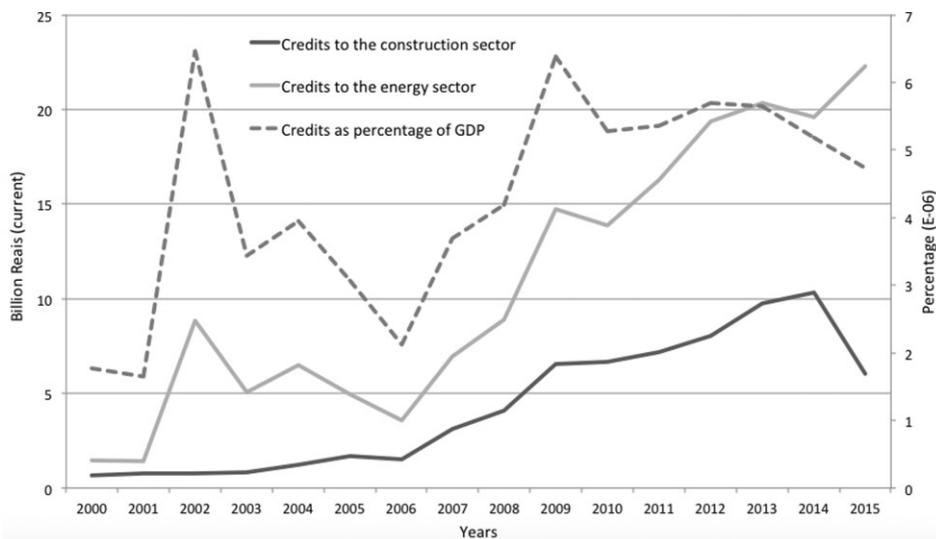
Following a trend among emerging economies since the early 2000s, some of Brazil's public companies, such as the state-owned oil behemoth Petrobras and state bank Banco do Brasil, also expanded considerably overseas (Freitas 2011; Cahen 2015). Although structural factors surely explain the boom of Brazilian state giants, such as the fast economic growth witnessed during Lula's two terms in office, as well as specific internationalization policies undertaken by Brazil, one might notice that the strategy has somehow benefitted from misdealings at home and abroad. Four of the ex-directors of Petrobras have been apprehended so far, and many bureaucrats in the public sector, particularly those that facilitated credits for these adventures through the BNDES and the Central Bank, are also being prosecuted.

The global expansion of Brazil's public and private firms was also facilitated by President Lula da Silva's willingness to foster the multipolarity myth. He has acted as a pivotal agent linking all these agencies, having travelled to an average of thirty countries a year while president—more than doubling the thirteen countries of his predecessor, Cardoso—many times accompanied by Brazilian businessmen and

<sup>17</sup> See Marreiro, Flávia. "A Odebrecht e a imagem do Brasil no exterior." *El País*, June 19, 2015; Odebrecht, Marcelo. "Quanto Mais Mariels, Melhor para o Brasil." *Folha de S. Paulo*, February 9, 2014.

<sup>18</sup> A good reference for those interested in discussing the features of the Brazilian business elite and their connections with the Brazilian state over the Lula years could be found in Cuadros (2016).

<sup>19</sup> The authors have conducted an interview with José Graziano, a Brazilian citizen, who is the former director-general of the UN Food and Agriculture Organization (2012–2019), in which he clearly uttered: "Itamaraty believes that those positions [the leadership of multilateral bodies] are an exclusive prerogative of Brazilian career diplomats, not of politicians. If it were not for Lula's strong backing, my nomination would not have enjoyed any support from the Brazilian diplomatic corps." In the same vein, Celso Amorim acknowledges in a recent interview to the authors that Itamaraty's enlargement during the Lula years, both in the number of diplomatic posts abroad and the foreign ministry's budget, was a sign of "deference" of the Brazilian president to the Ministry of External Relations.



**Figure 4.** BNDES credits to major Brazilian companies

Source: Instituto Brasileiro de Geografia e Estatística (<http://www.ibge.gov.br>).

Note: Elaborated by the authors.

with the objective of promoting their state-backed investments (Cason and Power 2009; Burges and Bastos 2017).

#### *Overstretch: From Myth to Reality*

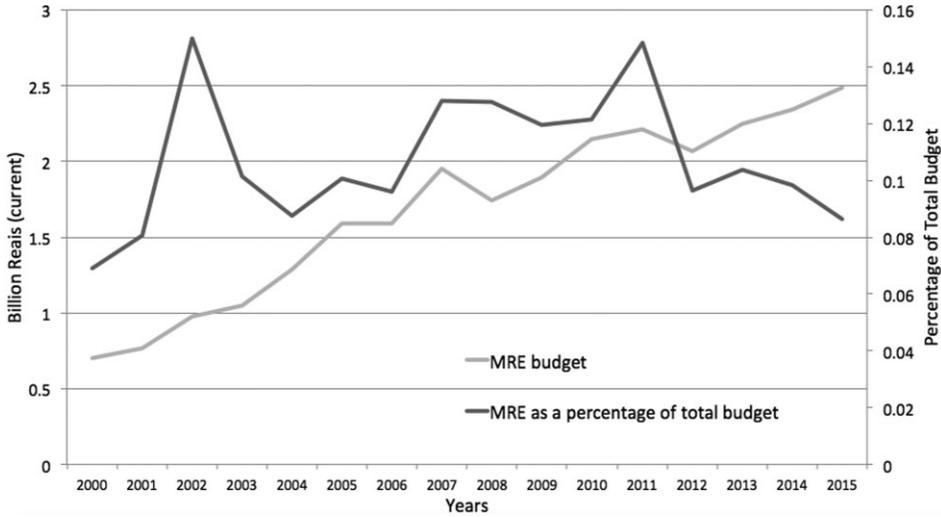
For Brazilian corporations, cheap credit and the support of the state in their foreign ventures were the main goals, and there is little doubt they were successful in achieving them. During the years under analysis, the BNDES granted roughly 75 percent of its credits to great enterprises, and by 2010, around 60 percent of these credits ended up being invested abroad. Figure 4 documents this impressive increase.

Credits to these two sectors expanded nominally by 1,000 and 2,000 percent, respectively. Moreover, the increase did not correspond to the growth of the Brazilian economy. Controlling for GDP growth, state support for foreign investment quadrupled during the period.

Figure 5 looks at a second prominent actor in this coalition: the MRE. Diplomats benefited substantially from foreign expansion through the increase in missions abroad, participation in international organizations and forums, increase in consular activities, etc. Not only did the positions abroad jumped from 150 in 2002 to 217 in 2010, but also the number of diplomats rose considerably from 997 to 1,405 in the same period.<sup>20</sup> All these trends are somehow represented in figure 4, which captures the evolution of the MRE's budget both in global terms and as a percentage of the total state budget.

In the 1990s, the MRE's expenses amounted to 0.6 percent of the total Brazilian budget on average, yet they more than doubled this participation during the 2000s and only recently have they shrunk to historical levels. This, however, came at a great cost for the foreign service. Recent cuts affected the quality of life of diplomats and the number of activities that the embassies can organize. These hardships might have in turn damaged the Brazilian image abroad.

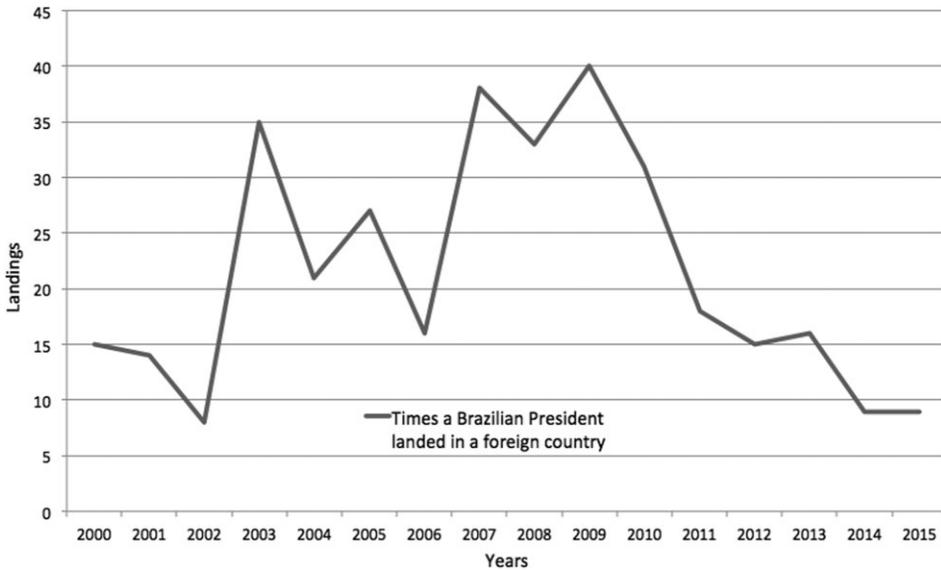
<sup>20</sup> "Após expansão sob Lula, Dilma segura vagas na diplomacia." Folha de S. Paulo, April 4, 2013.



**Figure 5.** Budget of the Ministry of External Relations (MRE)

Source: Ministry of Planning, Budget, and Management (<http://www.orcamentofederal.gov.br>).

Note: Elaborated by the authors.



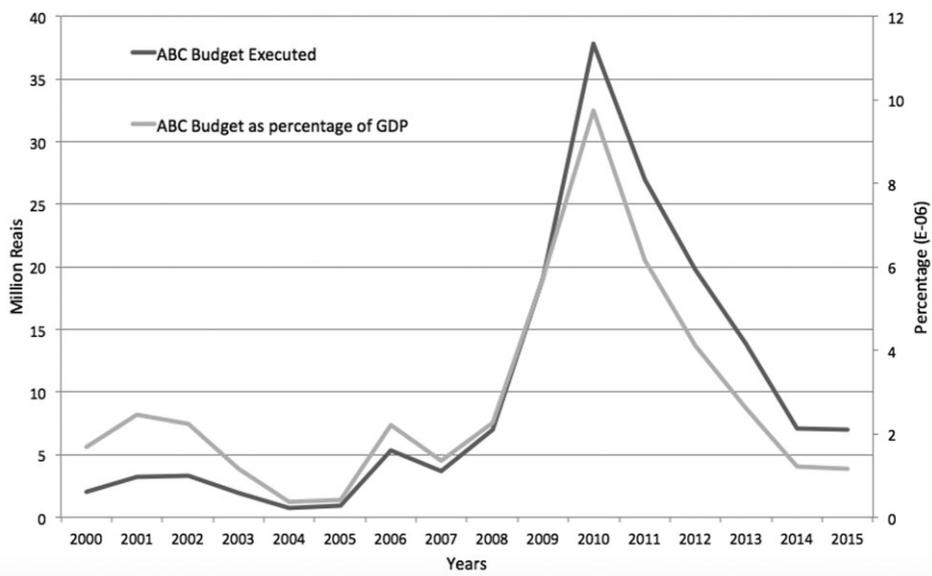
**Figure 6.** Presidential visits abroad

Source: Secretaria de Imprensa, Presidência da República (<http://www.biblioteca.presidencia.gov.br>).

Note: Elaborated by the authors.

Figure 6 shows presidential state visits. The amount of money devoted to those voyages is untraceable, but most of them included an entourage made up of hundreds of businessmen and bureaucrats.<sup>21</sup>

<sup>21</sup> In an interview to the authors, Marco A. Garcia affirmed, "Whenever you are going to set up a presidential trip to a foreign country, there comes a request to organize a business meeting (...) I rarely have travelled abroad with



**Figure 7.** Budget of the Brazilian Cooperation Agency (ABC)

Source: Agência Brasileira de Cooperação (<http://www.abc.gov.br>).

Note: Elaborated by the authors.

Although some literature on Brazilian foreign policy praises the presidential diplomacy of Lula, more systematic analyses of the impact presidential diplomacy had on trade and investment show ambivalent effects (Valente 2020) or no effects whatsoever (Gonçalves 2017). Of course, this is apart from the concentrated benefits that infrastructure projects rendered for construction firms and other cases that directly involve those who participated of the presidential trips. The crucial point is that the Brazilian society did not clearly benefit from such travels.

Finally, figure 7 summarizes the trend of development cooperation channeled through the ABC (Brazilian Cooperation Agency), yet another way in which the coalition used the state for its own benefit. Foreign aid projects are of particular interest to us because they were usually linked to local projects of private and public companies acting overseas as a way to buy out the support of local communities and authorities while making the investment more attractive to the receiving country. We will come back to them in the last section of the article, where we look at the number of foreign aid projects Brazil developed, compared to other countries. Here, figure 7 will be sufficient to illustrate the swelling of the ABC as a whole.

International expansion could have been limited to the strict goals of the members of the governing coalition described in the previous section, with Brazilian businessmen benefiting from cheap credit, governing leaders from their contribution to their parties, and diplomats from a higher budget. Yet, this stylized narrative would fail to account for *multiple expansion*. Once the myth was out, it led to several instances of overshooting that are surprising in retrospect. Epitomizing Brazilian diplomatic overstretch was an episode in early 2010 where Brasilia tried to broker a nuclear deal with Tehran.<sup>22</sup> The participation of a South American country in Middle Eastern geopolitics was unprecedented, and the quick setback of the fuel swap

Brazilian presidents [Lula and Rousseff] without having a business meeting on the official agenda, at least one. Be it in Turkey, China, India, Mexico ....”

<sup>22</sup>“Brasil e Turquia insistem em acordo com Irã. Hillary crítica atitude.” Folha de S. Paulo, May 27, 2010.

agreement suggests that there were limits to Brazil's global projection.<sup>23</sup> Brazil's bid for emerging power status was also very clear in three early twenty-first century agendas it has since abandoned in practice: First, the quest for a permanent seat in the Security Council, not only through negotiations carried out by the G-4 group (Brazil, Germany, India, and Japan) but also by Brazil's increasing participation in peace and security initiatives as UN Peacekeeping Operations (United Nations Stabilization Mission in Haiti (MINUSTAH), United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), and United Nations Interim Force in Lebanon (UNIFIL)); second, an attempt to lead third-worldist positions in trade negotiations through the G-20, which reached paroxysm in Brazil's campaign to elect ambassador Roberto Azevêdo as the director-general of the World Trade Organization in 2013; and, third, a clear will to participate in exclusive organizations of "rising powers"—such as the BRICS and IBSA groupings, initiatives that have rendered meager results and tied Brazil to Russia and China in some sensitive agendas.<sup>24</sup> All these excesses were not necessarily beneficial for the members of the initial coalition, resulting in unintended consequences of the myth they themselves created (Kalout and Degaut 2017).

Of course, however, the drive was fundamentally domestic. Areas such as health and education jumped in the wagon of the multipolarity myth when they could. A good example is the program Science without Borders, which sent around one hundred and four thousand young Brazilians—mostly undergraduate students—to take courses abroad. It is difficult to evaluate if the program has had some lasting positive impact, since it lacked monitoring tools.<sup>25</sup> What we do know is that it lasted from 2011 to 2017 at a total cost of USD 3 billion, that is, fifteen times the annual budget of the main Brazilian scientific agency, the National Council for Scientific and Technological Development (CNPq), which now suffers severe cuts.

### Measuring Overstretch: Estimating the Effect of the Multipolarity Myth

How do we know all this expansion was not reasonable? The Brazilian Ambassador Sergio França Danese, a former secretary-general of Itamaraty, opposed the

<sup>23</sup> As a methodological step not to incur one-sided narratives and to avoid cognitive biases, we have contrasted different versions for the "war of narratives" on the 2010 Tehran Agreement upheld by incumbent as well as opposition leaders in Brazil, not to mention US officials. On the Brazilian government's end, Celso Amorim insisted on the argument that Lula's Brazil had been previously encouraged by President Barack Obama to seek a diplomatic solution for the Iranian crisis. Due to struggles that were internal to the Democratic Party, though, all players ended up witnessing a 180° reversal in the position expressed by the US Secretary of State, Hillary Clinton, who not only blocked the Brazilian–Turkish–Iranian Agreement at the level of the UN Security Council but also imposed a new round of sanctions on Iran while claiming that Brazilian and Turkish negotiators were being naive to believe in Iran's nuclear commitment. See "Barack Obama disse em carta a Lula que acordo com Irã criaria 'confiança,'" *Globo*, May 22, 2010. Opposition members like Luiz Felipe Lampreia, Brazil's foreign minister during the Cardoso presidency, have argued that Brazil placed a risky bet on Tehran and succumbed to the temptation of "pursuing excessive protagonism" based on a poor assessment of its own capabilities in world affairs (Lampreia 2014, 133–41). On the part of the US government, Dennis Ross, a special aide to Obama, admits that the White House at first had very low expectations in regard to that trilateral arrangement. The inking of a nuclear deal came as a surprise to Obama's Department of State. Lisa Kubiske, United States' chargé d'affaires in Brasília, has arguably claimed that Brazilian diplomats never realized how vitally important Middle Eastern affairs are to Washington, so they might have miscalculated this bold move (Gaspar 2020). However, as Mesquita and Medeiros (2016) have empirically shown, Britain's *Financial Times* editorials and stories on the nuclear deal were far more condescending and in line with Lula's government discourse than Brazil's *O Estado de S. Paulo* and United States' *The New York Times*, signaling the extent to which this topic coverage could be controversial and politically twisted.

<sup>24</sup> This close connection may prove unhelpful in some situations. Take Brazil's bid for the UN Security Council reform: It's unlikely that there is any chance the Brazilian candidacy will receive an endorsement from China or Russia, two of the existing five Security Council permanent members, if Brasília is somehow tied to Tokyo or New Delhi (like in the G4 reformist initiative).

<sup>25</sup> On this lack of strategic orientation, one piece of information will help illustrate our point: From a total amount of one hundred and four thousand students who were dispatched abroad under the initiative Science without Borders, approximately twenty-one hundred students chose Hungary as an academic destination, while fifteen hundred scholarships were given to students heading to Asian nations (including China, India, Japan, and South Korea).

main argument behind this paper<sup>26</sup> in a public rebuttal, claiming that “. . . Brazil represents the eighth GDP in the world, not to mention other facts, such as being the fifth country in population and territory, and the main biodiversity reserve in the planet [ . . . ] In each of these issues Brazil possesses assets—natural, economic, human, and diplomatic—that grant it a place at the table of global negotiations. . .”<sup>27</sup> In other words, according to Danese, it is not sufficient to show that Brazil has expanded. To build a case for foreign policy overstretch, one still needs to explore what would have happened to a country just like Brazil in the absence of the multipolarity myth. The key question is as follows: Was this overexpansion fostered by a myth of multipolarity, or was it just the natural foreign policy enlargement any country like Brazil would have undergone?

To answer this question, we build a plausible counterfactual Brazil (see [Goertz 2017](#), 75–78) that illustrates what would have happened in the absence of the myth to four variables of interest: (1) number of embassies, (2) participation in international organizations, (3) troop contribution to peacekeeping operations, and (4) disbursements of foreign aid for development projects abroad. These variables are of particular interest for our analyses because, as we subsequently show, they relate directly to the corporate interests of the actors in the coalition that fostered the myth.

The statistical procedure used is called the synthetic control method (SCM) and consists of using a panel of other countries to build a synthetic or counterfactual Brazil, with weights chosen so that the resulting synthetic Brazil best reproduces the values of the predictors of our dependent variables of interest in the pretreatment period. In the SCM models, values for Brazil fluctuate independently from those of the synthetic Brazil after 2003. If the actual Brazil shows a significantly larger increase in the outcome variables during the posttreatment period—which we can test by virtue using a series of placebo treatments—we can confidently argue for overstretch and even provide a measure of its extent ([Abadie, Diamond, and Hainmueller 2015](#), 501).

Due to the case-oriented nature of SCM, the selection of key covariates to produce a best match is done on the basis of predictors considered to have led to overstretch in Brazil.<sup>28</sup> We, therefore, start by drawing on Ambassador Danese’s suggestion—which summarizes very well the understanding in diplomatic circles—that the extent of Brazilian expansion could be predicted by its total GDP, annual GDP growth, total population, total landmass, and biocapacity. We also consider the possibility that foreign policy overstretch was produced by other factors deemed relevant in the literature about Brazilian foreign policy, like the concentration of power in the president ([Burgess and Bastos 2017](#)), the ideology of the president ([Jenne, Schenoni, and Urdinez 2017](#); [Merke, Reynoso, and Schenoni 2020](#)), and whether he or she counted with a legislative majority ([Campello and Lemos 2015](#)).<sup>29</sup> We use a pool of seventeen countries comparable to Brazil in these characteristics<sup>30</sup> and take 2003 as our treatment year.

The selection of the treatment year follows a two-pronged logic. In a first sense, 2003 coincides with the beginning of the Chinese-led commodity boom ([Urdinez et al. 2016](#)), a foreign shock that made it possible for any of the countries in our

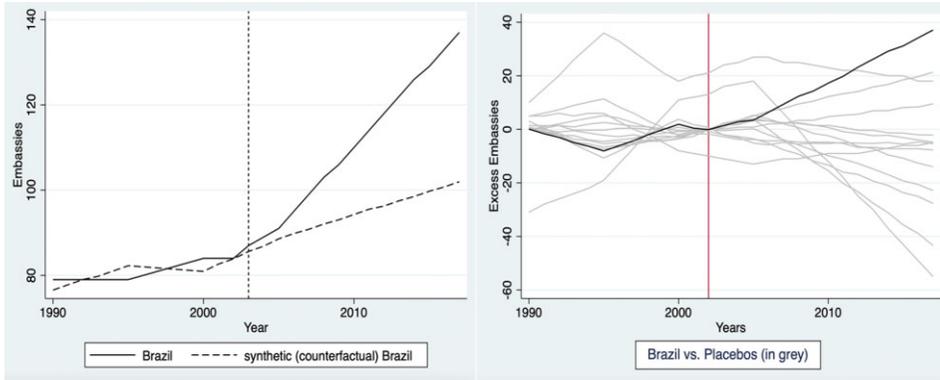
<sup>26</sup> Schenoni, Luis. “Brasil contrae su política exterior.” *La Nación*, July 12, 2017.

<sup>27</sup> Danese, Sergio. “Brasil, América del Sur, y el resto del mundo” *La Nación*, July 15, 2017.

<sup>28</sup> This is also the only plausible way to proceed since we are the first theorizing the phenomenon and we lack a literature on general predictors of overstretch. Importantly, once a best match is achieved for the pretreatment period based on these observables, it can be assumed that the counterfactual matches Brazil on the remaining unobservable as well ([Abadie et al. 2015](#), 498).

<sup>29</sup> We use World Bank indicators for total GDP, annual GDP growth, total population, total landmass, and data from the Global Footprint Network for biocapacity.

<sup>30</sup> The choice of seventeen most-similar countries along covariates follows the standard procedure ([Abadie et al. 2015](#), 501). In our case, these are Canada, United States, Mexico, Colombia, Argentina, Portugal, Germany, Italy, Russia, Democratic Republic of Congo, South Africa, Turkey, Egypt, Japan, India, Pakistan, and Indonesia.



**Figure 8.** Number of embassies: Actual versus counterfactual Brazil

Sources: Number of embassies comes from COW's Diplomatic Exchange Database (<http://www.correlatesofwar.org>).

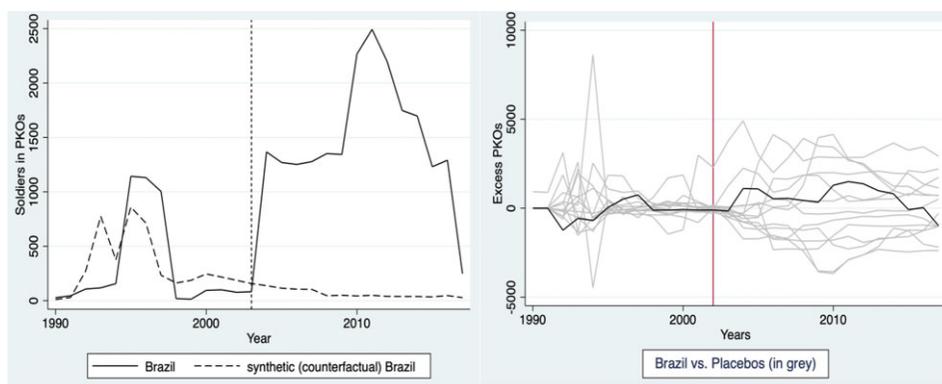
Note: Elaborated by the authors using Stata package "synth."

pool to stretch their foreign policies to degrees that would have been previously impossible. Yet, according to our hypothesis, this exogenous shock should have only led to foreign policy overstretch in Brazil, due to the idiosyncratic behavior of elites and the development of the myth previously described. In this second sense, our treatment year also coincides with the inauguration of President Lula da Silva (January 1, 2003), which should be taken as a key moment when the governing coalition started to logroll their interests and foster the myth; as showed above, while discussing congressional debates, the myth was central to the Workers' Party discourse and became official with Lula.

Figure 8 provides the results for our SCM models applied to the number of embassies. As expected, 2003 coincides with a notable change in the trajectory of the Brazilian foreign policy. Until then, the synthetic control closely mirrored the treated case. Yet, after the 2003 shock and the diffusion of the multipolarity myth, Brazil ended up with 129 embassies in 2017, while the counterfactual provided by the synthetic Brazil predicted 102. The analysis shows an overstretch of twenty-seven embassies.

The best matching counterfactual for the SCM on the number of embassies is made out of three countries that best approximate Brazil according to GDP growth rates, total GDP, population, landmass, and biodiversity. Notably, all three had around seventy-nine embassies in 1990 and around eighty-four in 2003, matching the trajectory of Brazil quite neatly until that point. Argentina (0.512), Russia (0.252), and Indonesia (0.236), when weighted by the figures in parenthesis, produce the dashed line on the left-hand side of figure 8, while the bold line represents the actual trajectory of Brazil. On the right-hand side of figure 8, we show our placebo tests, running the same analysis with each of the seventeen countries similar to Brazil in our database and reporting the number of excess embassies for each. The results show that Brazil is among few countries set in a positive trajectory, and the one most affected by the 2003 juncture, making it highly unlikely ( $p < 0.05$ ) that the effects we pick up are spurious. In short, Brazil overshot by some fifty-four embassies abroad.

Of course, we are not the first to make this argument. Overstretch in embassies became quite arguable when the Brazilian state could not pay for their basic services, as we mention at the beginning of this article. Yet, until recently, the core members of the coalition have continued to insist on a rationale for this policy. Even at the time of Rousseff's short-lived second presidential term, her foreign minister Mauro Vieira, a career diplomat too, wrote an op-ed, published in Brazil's *Folha de*



**Figure 9.** Number of troops in PKOs: Actual versus counterfactual Brazil

Sources: Number of troops in Peace Operations comes from United Nations Peacekeeping Data (<https://peacekeeping.un.org/en/data>).

Note: Elaborated by the authors using Stata package “synth.”

*S. Paulo* newspaper in June 2015, which was tellingly entitled “Embassies and result-oriented diplomacy.”<sup>31</sup> In this piece, some alleged economic rewards connected with Brazil’s diplomatic expansion are said to be at the heart of the Brazilian presidential strategy for international affairs, which subsequent social scientific research proved disputable (Valente 2020).

Figure 9 displays the results of a similar analysis looking at participation in peacekeeping operations, once again, from 1990 to 2017.

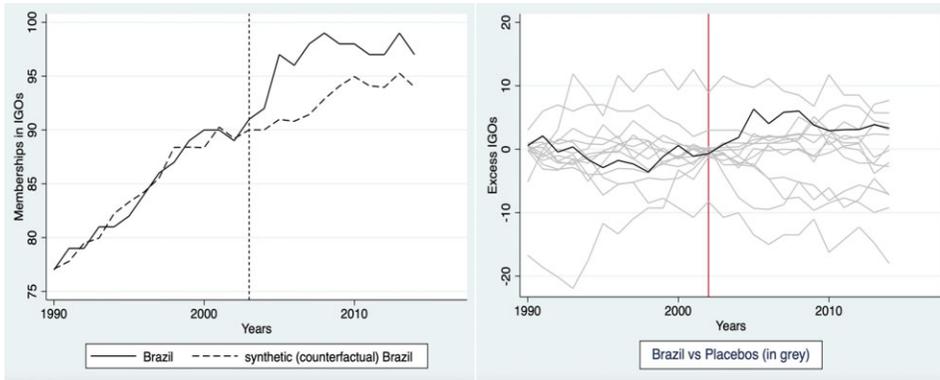
In the case for Peace Keeping Operations (PKOs), the best matching counterfactual is comprised by the United States (0.250), Mexico (0.665), and Russia (0.085), producing a good predictor balance. The divergence we can see on the left-hand side of figure 9 can leave no doubt of an idiosyncratic factor affecting the trend of Brazil precisely in 2003. The country suddenly jumped from some dozen troops to approximately 1,400 in 2004 alone, a number that continues to climb up to 2,500 while the synthetic comparison stays at around 150 troops and in a declining trend. The placebos on the right-hand side of figure 9 relativize this finding, showing great variation in contributions to PKOs for all the countries in our sample, meaning that overlapping changes around 2003 might have set countries other than Brazil away from their expected trajectories.

However, a case-oriented look at PKOs reveals that the logic of our theory applies neatly to this case. Among several troop increases, the Brazilian military deployment to the UN mission in Haiti (MINUSTAH) was the largest one since World War II, which makes the episode particularly illustrative of Brazil’s foreign policy overstretch. The policy of increasing this contingent was pursued recklessly, even after General Augusto Heleno Ribeiro, the first Brazilian citizen who became a UN chief commander in Port-au-Prince, was removed after the allegations of sexual assault perpetrated by his soldiers and rumors of a massacre.<sup>32</sup> Against this background of broad public condemnation, both domestically and internationally, the Brazilian Armed Forces continued to push for the continuity of the policy. General Carlos Santos Cruz, a UN Force Commander in Haiti from 2007 to 2009, aptly describes the interest of the army: “The Brazilian government had provided a considerable amount of money for training, which in fact were extra-budgetary resources, that is, resources that were made available beyond the UN regular budget.”<sup>33</sup> The

<sup>31</sup> Vieira, Mauro. “As embaixadas e a diplomacia dos resultados.” *Folha de São Paulo*, June 11, 2015.

<sup>32</sup> “General Heleno, futuro ministro, comandou missão polêmica no Haiti.” *Exame*, November 29, 2018.

<sup>33</sup> Interview with the authors.



**Figure 10.** Participation in IOs: Actual versus counterfactual Brazil

Sources: Membership in IOs comes from COW's Intergovernmental Organizations database (<http://www.correlatesofwar.org>).

Note: Elaborated by the authors using Stata package "synth."

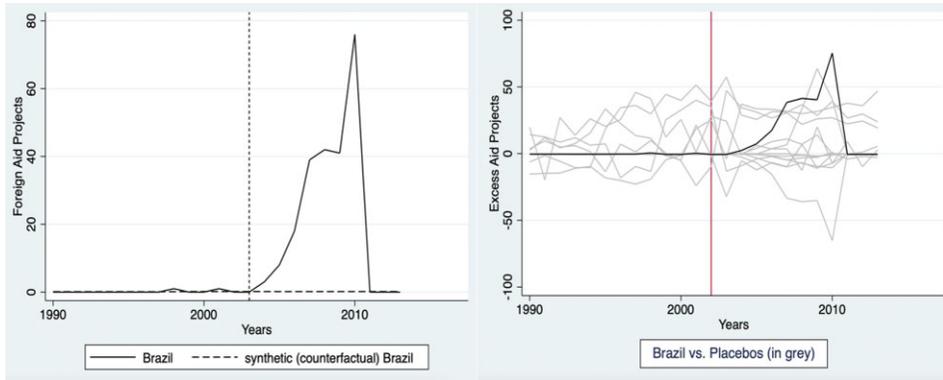
Brazilian Armed Forces also gained in domestic political clout. It is in no way a mere coincidence that many Brazilian officials who served in Haiti under various capacities would eventually become members of Jair Bolsonaro's cabinet, from the year 2019 onward. This "generation Haiti" profited from special access to the executive to advance their corporate agenda.

Figure 10 turns our attention to yet another measure: participation in international organizations. Unlike the previous measures, the left-hand side of the figure shows the existence of a secular trend affecting most countries in the globe due to an overall increase in the number of international organizations since the 1990s (Reinalda 2009). This probably obscured the fact that Brazil increased its participation in these forums above the average. Brazilian participation was parallel to that of its synthetic control in a pretreatment period but considerably diverged after 2003, with the gap between Brazil and its counterfactual expanding to up to seven organizations. As mentioned above, this overstretch had serious consequences when Brazil was put on the verge of suspension from many of these organizations due to lack of payment of annual contributions.

The synthetic Brazil in figure 10 is made out of a pool of countries that are characterized by rather active participation in these organizations—the United States (0.007), Argentina (0.254), Italy (0.304), Russia (0.194), India (0.076), and Indonesia (0.166). We can see that Brazil participated on average in some five organizations more than it would have absent the myth. According to the placebos on the right-hand side, this difference is statistically significant ( $p < 0.05$ ). The only gray line above Brazil corresponds to the United States, a country that is clearly not a good match in the pretreatment period, that is, was already at a value of ten since the beginning of the series.

The overstretch in Brazilian participation in international organizations seems to be particularly due to the promotion of regional institutions and groupings of third-world countries with its same, global aspirations. This is evident not only in the number of memberships but also after a more interpretive analysis of Brazil's participation in the budget of these organizations and the type of initiatives it promoted. The creation of the Union of South American Nations (UNASUR) (2008) and the New Development Bank of the BRICS (2014) are illustrative cases of Brazilian expansion in this area, which we do not cover in-text for lack of space.<sup>34</sup>

<sup>34</sup> See our online supplementary material for a more qualitative analysis of the dynamics picked up in our synthetic control models.



**Figure 11.** Number of development projects: Actual versus counterfactual Brazil

*Sources:* Number of development projects were calculated using AidData (<http://aiddata.org>).

*Note:* Elaborated by the authors using Stata package “synth.”

Finally, we turn to the development projects Brazil financed overseas in figure 11. As mentioned above, foreign aid projects are a key indicator for us, given their location was often decided in relation to private and public investment overseas. We use data provided by AidData to count the number of projects per year that Brazil—and countries in the donor pool—financed from 1990 to 2013. The results are once more revealing of the overexpansion of the South American giant. Unlike historical donors, which tend to finance over hundred projects a year, Brazil pertains to a set of countries that did not contribute financially to almost any of these projects in the pretreatment period. Subsequently, the expansion of Brazilian foreign aid far outgrew that of the average new donor. While the counterfactual Brazil would have participated in two projects per year at most during the posttreatment period, the real Brazil participated at times of forty projects, and this number reached a peak of seventy-seven projects in the year 2010.

The counterfactual this time comprises the United States (0.001), Argentina (0.201), Russia (0.420), and Indonesia (0.377), producing a close match. The placebo tests leave little doubt of the statistical significance of these results.

Once again, a qualitative look at the location of these projects reveals more support for our argument. The countries in which Brazil spent the most resources on bilateral cooperation in the period were Haiti, Mozambique, Cuba, Palestine, the United States, Chile, Argentina, and Paraguay. The areas that stand out in bilateral cooperation projects are agriculture, education, defense, and health, all sectors in which Brazilian companies are competitive. In most of these projects, there was a strong participation of federal companies and autarchies such as Fiocruz (health) and Embrapa (agriculture).

The development projects in figure 11 also include those financed by BNDES. As Marco Aurélio Garcia put it in an interview with the authors, the BNDES played a great role in this regard.<sup>35</sup> BNDES loans were primarily located in Angola and Venezuela, followed by Argentina, Mozambique, Peru, Ecuador, Ghana, Paraguay, Mexico, Uruguay, Cuba, and the Dominican Republic. In the period analyzed, the

<sup>35</sup> “A country like Brazil, in order to have a very strong regional position, needs to have instruments for this. We had few instruments, we created instruments by way of the BNDES, despite all the limits the BNDES has, we know which ones they are, but we did it by leveraging Brazilian companies abroad, I think it played an interesting role, no matter what they may be saying right now, we have not had any corruption scandal out there. But we were not able to make a substantial change in a cooperation agency, Itamaraty’s ABC [Brazilian Cooperation Agency] falls far short of what is actually necessary. We were unable to create or change the BNDES, or to create an Eximbank that would allow us to proceed with this mission.” Quote from the interview of the authors with Marco Aurélio Garcia, August 2015.

Brazilian contractor Odebrecht had BNDES finance projects in virtually all of these countries—including 370 in Argentina, 42 in Angola, and 14 in the Dominican Republic—standing out as the biggest beneficiary of this modality of international cooperation.

Because our SCM models might be sensible to specifications using other countries and predictors, we rerun all these models eliminating the most influential—more highly weighted—country and using a random subset of predictors. In all cases, the gap between Brazil and its counterfactual remains significant. This is also corroborated by placebo tests showing that, when treatment is applied to countries other than Brazil, the resulting change in trajectories is never as significant. For a more detailed description of our SCM models and robustness checks, see our online appendix.

### Conclusion

In this article, we provide a framework to analyze the foreign policy overstretch of so-called emerging powers during the early twenty-first century. After reviewing a literature that analyzes the phenomenon of overexpansion in world politics, we analyzed the Brazilian case in two steps. First, we described the evolution of the “multipolarity myth” in elite discourse and public opinion polls, traced how specific interest groups logrolled to foster the myth, and documented the rise of several indicators of expansion. Second, we inferred the extent of foreign policy overstretch along four key indicators—number of embassies, troops in PKOs, membership in international organizations (IOs), and foreign aid projects—comparing Brazil with a plausible counterfactual utilizing SCM as our estimator.

The results of our SCM models suggest that Brazil overstretched considerably in the first two decades of the twenty-first century in a process that was fueled by domestic interest groups fostering a myth of multipolarity. Although it is possible that in the absence of abundant material capabilities, a country will rely on reputational goods and well-established legal frameworks as a means to reach prominence (Belém Lopes, Casarões, and Gama 2020), the Brazilian foreign policy was far more ambitious and costly than the average of similarly endowed countries, in ways that could have contributed to corruption and a fiscal crisis.

Although our focus is on Brazil, this framework might shed light on other unsuccessful emerging powers who experienced similar overexpansion crises such as Turkey and South Africa.<sup>36</sup> Yet, our theoretical argument is by no means limited to the context of the early twenty-first century or multipolarity nor necessarily to middle powers. Foreign policy overstretch might in principle affect any country with the proper domestic conditions meeting permissive international contexts.

### Supplementary Information

Supplementary information is available in the *Foreign Policy Analysis* data archive.

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<sup>36</sup> See our online supplementary material for a preliminary test of the same argument in these cases. Other cases suggested by reviewers and colleagues include Australia, India, Indonesia, Nigeria, and Russia.

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