# Remember the neighbors?

Brazil taking her proper place in the world is a hot topic of conversation, but how effective can Brazil be in the world when virtually no one believes it's functioning well even here in the region?

We could say there's ambiguity about Brazil's place in the region, except that there's nothing ambiguous about the fact that Argentina has just adopted yet another protectionist measure against Brazil, its biggest trading partner, even though that seems likely to boomerang on her own manufacturers. It's hard to find ambiguity in the words of Chilean senator Ricardo Lagos Weber, previously a trade negotiator and President Michele Bachelet's chief of staff, who says, "It's no secret to anyone that Brazil's Foreign Ministry has never liked our policy of trade integration," and then goes on to describe the new Pacific Alliance of Chile, Peru, Colombia, and Mexico.

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Nor does anyone have much good to say about Mercosur. Long-time observer of Brazil Albert Fishlow says, "In the 1990s Mercosur was a basis for the economic expansion for both Brazil and Argentina. But in the past decade, it lost importance, particularly for Brazil." And Lagos Weber unambiguously calls Mercosur "a complete failure" mainly because it's not properly structured, which indicates "it has no interest in its members."

So: Is Brazil doing exactly what it complains about the U.S. doing? Talking the talk about the importance of Latin America but not walking the walk?

That's just one—big—question. Another is how long it will take for Brazil to recognize the competition that's building in the region. Fishlow points out that Brazil lags behind Chile, Argentina, and Mexico with regard to domestic resources for investment. He also points out the above-average growth in Colombia and Chile, which could allow Brazil to expand its exports—but could also make those two countries bigger competitors, especially as they diversify their own exports. In discussing the Pacific Alliance Lagos Weber describes how its members are actually reorganizing to benefit from trade integration—something that clearly has never happened with the members of Mercosur. He comments that for Brazil exports make a negligible contribution to GDP because of its huge domestic market. But balance matters. Or it should, especially considering how much talk there is in Brazil about exports and the possibility that losing markets may cause deindustrialization.

Lagos Weber mentions that when he was a trade negotiator, the only area where he was not active was Latin America "because there was nothing to do." And despite a lot of pious declarations our authorities seem to be acting as if today there's nothing for Brazil to do in Latin America.

Fishlow thinks that Brazil is now in a good position "to look further into the future." His first recommendation is that "the country should maintain links with Latin America." And despite his criticisms, Lagos Weber says, "Brazil has weight, and therefore must exert leadership." The real question, then, is how much leadership Brazil can exert in the region when it's so focused on what is happening and could happen with China on the other side of the Pacific that it's unable to see what is happening across the borders.