

## Journal of Peace, Development and Communication



Volume 08, Issue 01, January-March 2024  
 pISSN: 2663-7898, eISSN: 2663-7901  
 Article DOI: <https://doi.org/10.36968/JPDC-V08-I01-10>  
 Homepage: <https://pdfpk.net/pdf/>  
 Email: [se.jpdc@pdfpk.net](mailto:se.jpdc@pdfpk.net)

<b>Article:</b>	<b>Pakistan Foreign Policy and South America: An Avenue for Influence and Interest</b>
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<b>Published:</b>	30 <sup>th</sup> March 2024
<b>Publisher Information:</b>	Journal of Peace, Development and Communication (JPDC)
<b>To Cite this Article:</b>	Zain, O. F., Shahid, T., & Faridi, A. (2024). Pakistan Foreign Policy and South America: An Avenue for Influence and Interest. <i>Journal of Peace, Development and Communication</i> , 08(01), 112–122. <a href="https://doi.org/10.36968/JPDC-V08-I01-10">https://doi.org/10.36968/JPDC-V08-I01-10</a>
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**ABSTRACT**

Fragmentation of the bipolar World in the 1990s, the demise of the Soviet Union proved decisive for establishing US hegemony in the World. But in the decade following the Cold War, the transition of World Order started with widening cuts in the US hegemony and distribution of power among developing economies of the world. The US hegemonic position was, no doubt, challenged by the policy of invasion, or what Noam Chomsky called Preventive War(Chomsky, 2003)<sup>i</sup>, in the following decades, global financial crisis of 2007-08, and then the pandemic. But Latin America not only managed these crises efficiently with low rate-debts, but also maintained its financial position along with enhancement in economic growth rates, regional interaction in investment sector along with boom in national markets. 441 million people inhabit Latin America "South America Population (LIVE)" consisting 12 countries (Stephen, ). Contributing 6.4 trillion US Dollars to the World's GDP ([Aaron O'Neill, 2023.](#)), this area is a center of focus for Western developed economies, Asian giants and emerging economies of the world. This Paper elaborates the importance of Latin America and how Pakistan can take benefits.

**Keywords:** South America, Globalization, Cold War, World Order, Hegemonic, Trade

**Introduction:**

Emergence of Latin America at the international scene with increasing strategic and economic importance can be viewed in the multidimensional perspective by bringing into focus gradual development of regional integration, diversified foreign policy (enhanced relations with Asian countries rather than solely relying on the Western powers) and notable role played by gigantic economy of the region (namely Brazil).

Post 1990s regional economic cooperation all over the world had also brought Latin America under its influence with multiple integration schemes in the region e.g., PTS (Preferential Trade Agreements) and tries to bring FTAA (Free Trade Area of Americas) and MERCOSUR (common market) in 1991 (Editors, 2023).

In the process of revival and development of regionalism, Latin America took a shift from Import substituting mechanism to trade liberalization and regional integration of this region worked speedily in the 1<sup>st</sup> decade of 21<sup>st</sup> century. As a result, UNASUR (Union of South American Nations) was formed in 2008. The fruits of their labor, which came to be known as the Union of South American Nations (UNASUR), came into effect when their Constitutive Treaty was ratified in Uruguay in December of 2010 (J. Barber, 2022). Its purpose is to promote free trade and the fluid movement of goods, people, and currency (Cordero, 2009). This development was a result of Chile-NAFTA agreement which was opposed by Southern countries of the region and formed the afore-mentioned UNASUR against NAFTA and FTAA. Member countries aspired for a greater and successful role of UNASUR with the passage of time like the European Union in the context of Europe.

Here the role of Brazil is necessary to emphasize in regional integration. The process of development of UNASUR beginning from 2005 in Brasilia was carried on with real commitment by Brazilian head of state "Luiz In'acio Lula Da Silva" and an arrangement of introductory summit of UNASUR was also made in Brazil on May 23, 2008. Similarly, the Summit of CALC (Latin American and Carribean region for integration and development) was also hosted by Brazil in December 2008. The First Latin America and Caribbean Summit (CALC) on Integration and Development was held in Salvador, Bahía, Brazil, on December 16 and 17, 2008 ("Latin America and Carribean Summit on Integration and Development (CALC)" Columbia Potencia DeLa Vida,"). Initiatives like these two developments made Brazil aspirant of MERCOSUR's replacement by joint efforts of UNASUR and CALC.

However, 9 years on, in 2017, a leadership crisis stemming from alleged human rights abuses and a rigged election in Venezuela led 6 of the 12 member states to suspend their membership, with 5 of them formally renouncing the treaty in 2019 (J. Barber, 2022).

Along with above mentioned steps in regional integration, another main characteristic of region in bilateral FTAs emerged in 1990s and PTAs emerged in 2000s. As far as bilateral Free Trade Agreements are concerned, these FTAs emerged in the 1990s in the region which are of immense importance, particularly because of two aspects.

Firstly, these FTAs are better alternatives for multilateral liberalization. Promoted by international economic institutions such as WTO or GATT which in their terms and conditions, or rules and regulations, are dominated by western developed countries. Secondly, this form of economic interaction can be more suitable for the third world or underdeveloped countries to be engaged at international level economically rather than directly jumping to exploitative multilateral schemes, because bilateral FTAs are convenient in terms of choosing desirable

partners and to have low level of impediments in the way of negotiations. Moreover, the position of the country with multiple bilateral FTAs at any multilateral engagement would also be stronger, because FTAs are primarily beneficial to the multilateral trading system (Ornelas, 2005).

On the other hand, PTAs, since 2000s as compared to FTAs are more important according to the nature of the present world because they are wider in scope and particular in nature by being restricted to economic sector and involving countries from different regions and different levels of development. These PTAs are growing rapidly in South America and are an attractive choice for underdeveloped countries.

### **Orientation of South America in Foreign Policy**

Apart from regional integration, dynamic turn of South American foreign policy towards Asia Pacific is also the prudence manifested by this region in analysis of gravity of the situation at International Level. Relations between South America and Asia existed before the inception of the 21<sup>st</sup> century but the relations of that very nature were different and Japan-centric in most of the cases. But current relations between South America and Asiatic region are inclusive of many dominant economies and stronger countries such as China, Russia, India, South Korea and Japan, etc.

The inter-regional trade between Asia and Latin (including South America) America can be examined by taking into view the trade volumes of afore-mentioned Asian countries with Latin America. Recently, the Boston University Global Development Policy Center published its annual China – Latin America and the Caribbean Economic Bulletin, showing that China's and LAC countries' trade volume once more rose to record levels in 2022 with exports to China valued at US\$184 billion and an estimated US\$265 billion worth of goods being shipped to the LAC region (Bruno, 2023). Russia's trade volume is 399 billion US\$ (Kuznetsov, 2022). The value of trade between India and Latin America and Caribbean countries amounted to over 36 billion U.S. dollars in fiscal year 20229 (Minhas A., 2024). The South Korea and Latin(Including South America) America trade is also on a high. Bilateral trade grew at an impressive annual rate of 11.5% reaching a record high in 2021 (Moreira et al., 2022).

To surpass the US dominance in the region of South America, beside these bilateral FTAs, regional engagement between South America and Asia has also been promoted by formation of EALAF (East Asia Latin America Forum) and FELAC (Forum for East Asia Latin America Cooperation).

Like the other Asian countries, relations between Pakistan's neighbor China and Latin America are also growing at considerable pace in the 21<sup>st</sup> century. This is despite long distance and cultural differences. Both China and South America are cooperating in the economic realm. Their figures of trade are given above. South America has comparative advantage over China in commodity exports, food, minerals, energy and metals. While China's manufacturing sector is facilitating trade between two regions by exporting manufactured products to South America. Agreements of China with Brazil, Argentina and Chile on development of trade and natural resources like iron ore, oil and minerals has increased cooperation between the two regions manifold.

Not only East and Central Asia are involved in trade and investment with South American countries but also in South Asia too, South America is becoming a priority for giant economy of South Asia, i.e., India. Their trade figures are given above.

According to FELAC, the structure of trade between India and South America is similar with other Asian countries but with a slight difference, which is that India exports more resource based manufactured products as compared to other Asian countries' exports in medium and high technology products. Share of Indian exports with medium-high-tech products is less in Latin (including South America) America as compared to China, Japan, etc. India's investment in mining and hydrocarbons in Latin America and trade agreements with Chile in 2007 and MERCOSUR in 2009 point towards greater level of cooperation between South Asia giant and Latin America. Moreover, On 21 April 2016, the Indian Government approved the broadening of the Partial Scope Agreement (PSA) with Chile. Chile and India sign agreement broadening their Partial Scope Agreement on ("Chile-India," 2016).

### **Brazil: A Giant of South America**

Boosting presence of South American region at the world stage is also due to its linkage and economic ties with both western and eastern countries all over the world. Here we need to emphasize the role of economic giant and leading country of South America, Brazil, which not only helped the region of South America in securing respectful recognition at international level but also played significant role at world level as balancer between north and south and bridge between the two poles of world. To analyze the global role of this gigantic country we must have a look at its relations with the north and south.

Brazil is the 11th largest and diversified economy of the world (Caleb, 2023) and largest of Latin and South America with a GDP per capita of 1924 billion US\$ (Department, 2023). It carries a prominent position at the global level particularly in the energy, trade and investment sectors.

Global mega events of the past like the football world cup in 2014 and Olympics in 2016 have brought this country into the limelight at international level in the economic sphere. Plethora of opportunities in investment and trade proved to be beneficial in Brazil in those years.

The relations between Brazil and northern countries are very satisfactory and increasing day-by-day. This is because western (northern) countries have assessed the global role of Brazil in the coming years. The nature of this relationship is very warm and friendly. The EU stresses strategic relationships and has also signed agreements with MERCOSUR to support it financially and for its development as a big supporter. On 28 June 2019, the European Union and Mercosur reached a political agreement for an ambitious, balanced and comprehensive trade agreement covering issues such as:

- tariffs;
- rules of origin;
- technical barriers to trade;
- sanitary and phytosanitary measures;
- services;
- government procurement;
- intellectual property;

- sustainable development, and;
- small- and medium-sized enterprises (Mercosur, 2024).

Relations between Brazil and US are not goody-goody due to certain factors such as disputes on agricultural subsidies, ethanol tariff issues and tilt of Brazilian government towards left wing in the world politics. But still both countries found common grounds on which cooperation is evident and such as drug trafficking, energy security, and climate issues. In this regard Brazil could be safe havens for energy security because of its newly explored oil fields.

Relations of Brazil and Canada are prosperous. Both countries are linked to each other through considerable trade and investment. Their trade volume was more than 10 billion US\$ in 2022 (CCBC, 2023). Furthermore, both are tied to each other through agreements on science and technology, communication, transportation, trade and investment.

### **Role of Brazil in South-South Cooperation**

As mentioned above, Brazil has role in regional integration of South America. But it also has role in inter-regional contribution by extending this integration efforts to other regions such as western developed countries which we have discussed above and more specifically with developing countries and emerging economies of the world which we can term as South-South cooperation.

It maintained not only bilateral relations with different regional giants but also took initiatives in this regard. One such initiative is a trilateral joint agreement with the name of IBSA (India Brazil South Africa). The grouping was formalized and named the IBSA Dialogue Forum when the Foreign Ministers of the three countries met in Brasilia on 6 June 2003 and issued the Brasilia Declaration (IBSA, 2023).

This platform is a joint voice of Southern economically stable countries from different regions against structural setup of International economic institutions e.g., IMF, WB. This platform has a joint approach too on international issues such as climate change, nuclear policy and military interventions. Two important developments are notable to understand the importance of this platform such as IBSA Fund for the purpose of poverty and hunger alleviation and IBSAMAR, a joint work group for defense.

BRICS (Brazil Russia India China South Africa) was formed in 2008 in response to the global financial crisis. Brazil played a crucial role in formation and working of BRICS. In early September, the BRICS group of countries with emerging economies — an informal alliance among Brazil, Russia, India, China, and South Africa — announced it would expand its ranks by six nations. Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and UAE are now set to join the BRICS group in the near future. This would loosely link together countries representing about 30 percent of global GDP and 43 percent of global oil production, and some experts have speculated about further expansion of the group in the longer term (BRICS, 2023).

Brazil's another main effort is the establishment of Good Humanitarian Donorship that is a group of mostly western nations to set of broad principles to encourage donor accountability and aid effectiveness in humanitarian action ("Good Humanitarian Donorship", 2022). In this way, we can observe an active role played by Brazil in promoting south-south cooperation and its recognition by the Western countries.

### **Indo-Brazil Relations**

Brazil is not only actively involved in South-South cooperation through various platforms like BRICS and IBSA but also in bilateralism. In Asia, Brazil has strong bilateral

relations with Japan, Republic of Korea and China and other than those, with India. India is a country with which Brazil has very strong relations at different levels.

Relationship between these two big democracies of the world, India and Brazil, is of versatile nature. Retrospective analysis of relations between India and Brazil tells us that there was no considerable link between these two countries during the Cold War. But in the following decades, after the Cold War, both countries demonstrated a stronger will to work together and became actively engaged with each other towards better economies for both countries.

First tangible interaction between Brazil and India came into limelight with the formation of diversified and prosperous relationship between both the countries which took height in global financial crisis by formation of BRICS in 2008 to meet this challenge. Today both countries seem to be together in South-South cooperation and moving towards changing the world order through their rapidly growing economies. Both countries are also engaged at various international platforms such as G-4, G-20, BASIC, IBSA, and BRICS.

Other than cooperation on these various platforms, bilateral relations between India and Brazil are notable in various sectors. Both countries have joint ventures in trade, investment, agriculture, tourism, defense, education, energy, culture, science and technology. India has existing joint ventures with Brazilian companies, including CBC, the world's second-largest ammunition manufacturer, and SSS Defence, in addition to Taurus Armas S.A., and Jindal Defence ("Brazilian Army Commanders Visit Strengthens India Brazil Defence Ties," 2023). Brazil has traditionally been an important partner for India, especially in the LAC region. With its production of high-quality agricultural products and energy resources, it has acquired significant importance in the trade structure of India. This has consequently led to growth in bilateral trade between the countries post liberalisation. Further, it also represents an important market for Indian products with the terms of trade routinely being in favour of India (Singh & Misra, 2019).

Moreover, both countries have a common stance on global issues such as Syria crisis, climate change and green revolutions reforms of international economic institutions which make their collaboration stronger. Both countries share a joint defense committee under the umbrella of which they try to combat cyber-crime.

In the area of education, both countries work under joint working group on education. Both countries are also involved in student exchange programs. India Also signed a partnership agreement with the Department of Education of the State Government of São Paulo, to take IT knowledge to 190,000 students and teachers through the TCS goIT program (Pranav, 2018).

### **Suggestions for Pakistan**

Above mentioned comprehensive discussion on the importance of South America and Brazil at international level and broad-based relations between India and Brazil, indicate towards many loopholes and deficiencies which the foreign policy of Pakistan holds in itself. Retrospective analysis of history shows that Pakistan's foreign policy always remained US-centric and India-centric by ignoring opportunities and options in other parts of the world and ignoring some areas completely.

Since its inception, Pakistan never forged any attempt to build its relations with countries of her own choice or according to free will of her because of the perceived US pressure. Many countries like India could not establish wide relationship in the Cold War

without the choice of superpowers. But, in Pakistan, even after the Cold War era, we see stagnancy towards new lands. In the following decade after the Cold War, economic orientation and world order started to change with distribution of power in different players but Pakistan maintained its stereotypical and myopic approach and did not try to export the situation. US trained relations with South America always hindered Pakistan to take a step towards that region even ignoring its own national interest. Today's world is not based on ideological grounds, but it is a world of economics. In order to strengthen the economic sector, every region is taking bold steps, as we can see in case of India which got independence with Pakistan, but now India is far beyond Pakistan at international level in every aspect. In establishing relations with South America, picture of India is inversed as compared to Pakistan because Pakistan never thought to forge good relations with South American countries and to take part in South-South cooperation. Pakistan still has very limited relations with Brazil by ignoring Brazil's broad involvement at international level which could have benefited Pakistan in many ways. Brazil, 6<sup>th</sup> largest economy and 8<sup>th</sup> largest consumer market of the world, is not ignorable in any way. One might argue that Pakistan was badly entangled in War on Terror and is also at large distance from that region, but the answer is not very ambiguous. Pakistan has to find out options other than US and European Powers in order to neutralize their dominance on the soil of Pakistan. Moreover, large distance is not a problem in 21<sup>st</sup> century and we have examples of India and China which are neighboring countries of Pakistan and in active collaboration with Brazil. As for internal crisis is concerned, enhanced relationship with Brazil can sort out many problems of Pakistan in Political, Social and Economic sectors.

It is a fact that Pakistan is facing a severe energy crisis. This crisis is not of shortage of electricity but its overproduction, inability of transmission lines and less use in winter months. Brazil can help Pakistan establish good number of industries to counter the problem of less use in winter.

Recently explored oil fields in Brazil can create chances of oil import for Brazil in the near future as the crisis in the Middle East deepens. This can bring cheap oil into Pakistan, thus reducing inflation.

Brazil is recognized for its building of hydroelectric plants even by the World Bank (Raupp, 2021). Pakistan can have joint ventures with Brazil in building its new major dams. Pakistan is an agricultural country, so is the case with Brazil, has advanced technology of agriculture and is worldwide famous for its agricultural reforms (Raupp, 2021). These are good incentives for Pakistan. Along with that Pakistan can have joint research wing between Pakistan agricultural council and its Brazilian counterpart. Trade relations between both the countries are very low. Pakistan Exports to Brazil was US\$99.21 Million during 2021, according to the United Nations COMTRADE database on international trade. And Brazil Exports to Pakistan was US\$1.45 Billion during 2022, according to the United Nations COMTRADE database on international trade ("Brazil Exports to Pakistan," 2023). Pakistan's major exports to Brazil are surgical instruments, textiles, rice, leather, fish and vegetable, while major imports are machinery, transport equipment, chemicals, food and animal/vegetable oil. Pakistan can add sports goods especially football due to the fact that Pakistan produces best footballs in the world and Brazil is a full member of FIFA. Pakistan can import iron ore from Brazil to lessen its steel mill's crisis. According to GlobalData, Brazil is the world's second-largest producer of iron ore in 2022 ("Iron ore production in Brazil and major projects," 2023)



. So, relations between Pakistan and Brazil can be beneficial. Pakistan can also seek benefits through BRICS platform because according to Mbase suggestion all poor countries should take benefit of BRICS Development Bank's future investment plans in infrastructure and energy sectors and should improve their production capacity as well because As enshrined in its Articles of Agreement (AoA), the Bank is mandated to mobilise resources for infrastructure and sustainable development projects in BRICS and other EMDCs, contributing to global growth and development (*National Development Bank: Frequently Asked Questions*).

Last but not the least, relations in Science and Technology are very important for Pakistan because Brazilian researchers have expertise in these fields. Joint ventures in scientific research and student exchange programs can be successful in this regard. Though the relations between the two countries are vogue at official level but narrow based and nominal. Here what is actually required is will and enthusiasm for warm relations between both the countries. Changing scenarios at international level like IBSA and BRICS have the capacity to shake the world order. Priorities are changing day by day to survive at international level with due regard to identity and prestige. Pakistan should also reevaluate and reconsider its policy at the international level for the betterment of the nationals of Pakistan. In this case, Brazil is not a bad choice.

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