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**Emerging Power Leadership in Global Governance:
Assessing the Leader – Follower Nexus for Brazil and Germany**

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Emerging Power Leadership in Global Governance: Assessing the Leader – Follower Nexus for Brazil and Germany

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1. Introduction

In the last decade, policy makers, the media and academic research have been increasingly pointing to a new role of emerging countries in the world economy and in global governance. Countries such as Brazil, India, China and South Africa as well as Germany and Japan have been assigned a greater influence in economic as well as political matters in their regions and in world politics. Often labelled as ‘regional powers’, ‘middle powers’ and ‘emerging powers’, these countries are today widely perceived as pivotal states in international relations (Hurrell 2006; Nolte 2006). The reasons for the assignment of increased power to these states are their demographic and geographic size, their economic and military capacities and their political aspirations: All countries discussed under the rubric of emerging or regional powers dominate their neighbors in terms of ‘power over resources’, this is, population, territory, military capacity and gross domestic product. In addition, they have been increasingly articulating their willingness to lead in regional as well as global governance in the last years.

This growing ‘voice’ became visible for instance with Indias, Brazils, Germanys and Japans bid for a permanent seat in the United Nations Security Council (UNSC) as well as in the first two countries’ leading role in the founding of the G20 at the Cancùn meeting of the World Trade Organization (WTO). The G20 spoke for many developing and newly industrializing countries in confronting the industrialized world and in letting the Cancùn talks fail. Thus, also southern emerging countries are increasingly seen as the “new influentials” (Lima/Hirst 2006: 27) in ever more multipolar world politics and as countries challenging the leading role of the industrialized countries, especially of the US in shaping international relations. Some observers frame this new challenge in terms of a new North-South-Conflict and see a rising antagonism between the industrialized world and the developing world led by the newly emerging powers (Decker 2003, Hurrell/Narlikar 2005). While articulating new ‘voice’ and showing increased activities at the global level, emerging powers also tried to lead neighboring countries in efforts at enhanced regional integration. Brazil sees the Mercosur as

its regional power base, engineered new initiatives such as the South American Community of Nations (CSN) and engaged in opposing the US proposal for a Free Trade Agreement of the Americas (FTAA). South Africa and India undertook more modest, but equally leading attempts at (re-) vitalizing cooperation in their regions (Schoeman 2000; ...). While the characteristics of 'northern' emerging powers such as Germany and Japan partially diverge from those of 'southerners' such as Brazil and India, all of these countries share an increase in ambition and activities in global governance in the last years.

However, the performance these of emerging powers shows a considerable gap between their aspirations and the ability to reach their goals: For example, Brazil, India, Germany and Japan did not succeed with their aim to attain a permanent seat in the UNSC despite a well organized campaign and worldwide diplomatic activities. The G20 did not reach a liberalization of industrialized countries markets for agricultural products despite confrontational negotiating strategies at the WTO meeting in Cancún 2003 and a more cooperative stance at the meeting in Geneva in 2004. On the other hand, Germany (the EU) and even the US as global hegemon did also fail to reach a liberalization of developing and newly industrializing countries markets for industrial goods and services. Regional cooperation led by emerging countries such as the Common Market of the South (Mercosur) seem to stagnate despite being postulated as the regional power base for an enhanced participation in global politics by Brazil. Similarly, problems are encountered by Germany with promoting EU's constitution and a European Security Policy. Thus, the core question addressed in this paper is: What are the conditions for success and failure of emerging power leadership? Why do emerging powers (partially) fail to reach their goals?

2. Research on Emerging Powers and Analytical Framework

The new activism of emerging powers in world politics has been widely analyzed in form of case studies on individual countries (for example Hurrell 2006, Hurrell/Narlikar 2005, Harris 2005, Katada/Maull/Inoguchi 2004; Lima/Hirst 2006, Hakim 2004, ...). These studies examine the driving forces behind the new impetus in these countries foreign and foreign economic policies as well as their activities, but do not convince in explaining the reasons for the ambivalent performance and for a failure to achieve the goals pursued. Only very seldom are emerging countries analyzed in a comparative perspective, a comparison between a 'northern' country like Germany and a 'southern' like Brazil has not been undertaken yet. While the ideas and interests behind the claim for power such as a more 'just' international distribution of power (UNSC) as well as the wish for better access to other countries' markets (WTO) have been examined (Schirm 2005, ...), the gap between the aspiration for power and actual "power over outcomes" (Russett 1985: 208ff) has not been explored sufficiently yet. Hence, research lacks a comprehensive and more comparative analysis of the reasons for failure and success of emerging countries strategies. A short assessment of the five theoretical

arguments to be found in the literature highlights the need for further research on this question:

First, the lack of success of emerging powers aspirations is sometimes attributed to the resistance of other power contenders, especially of the US. The latter would exercise their power in order to secure the status quo in the international distribution of power, from which they benefit. According to this neo-realist argument, emerging countries challenge the international distribution of power, which is seen as a zero-sum game and in which gains in power by one country lead to a loss of power by another country. Interestingly, a first glance at the evidence shows, that the United States and Europe actually welcomed Brazil's and India's aspirations in 'words' (public statements¹) and sometimes even in 'deeds' such as the US-India Nuclear agreement, the inclusion of Brazil and India in the G5 WTO preparatory group 2004, the invitation of emerging powers to G8 summits. Also, the US declared special support to emerging countries' role as regional stabilizers and strategic partners in their regions (Valladão 2006). Another instance for a possible exaggeration of great power contribution to emerging power failures is that the field most detached from great power influence – regional cooperation – also belongs to the examples for a considerable gap between emerging countries' aspirations and their ability to achieve 'power over outcomes'. Deepening and stabilizing regional cooperation is among the weak positions on the emerging powers' performance balance sheet. Thus, the neo-realist power-play argument seems not to convince fully when focussed on great power resistance to emerging powers. Instead, neo-realist reasoning might help to understand emerging powers problems when applied to their neighbors: Because neighboring countries would lose power if emerging powers would gain, they will oppose emerging powers rise and eventually build coalitions with third countries in order to balance the rising power of emerging countries. Thus, neo-realism appears especially fruitful for the following analysis if applied to the leader-follower nexus and neighbors.

Second, neo-marxist and neo-gramscian authors argue that 'southern' emerging countries would "build a bulwark" against neo-liberal "imperialism" (Harris 2005: 7) and would fight against a hegemonic project of the industrialized countries, which in turn would try to prevent emerging countries from gaining power. This argument is somehow odd, not only because industrialized countries seem to welcome an enhanced role of regional powers (see above), but primarily because Brazilian, Indian and Chinese elites – which shape these countries' international relations – certainly belong to those groups, which widely benefit from "neo-liberal imperialism" and would therefore operate against their own interest in "fighting" the predominant system. Thus, there is an inherent contradiction in neo-marxist arguments because emerging countries' elites are on the one side hailed for their resistance against the industrialized countries, but at the same time criticized for being the agents of hegemonic capitalism ('centers') in their countries ('periphery') (Cox; Wallerstein). Also, neo-marxist

¹ See e.g. the statement by USTR Robert Zoellick in section 4.1. and Secretary of State Condoleezza Rice acknowledging that Brazil is on the way to becoming a world power (in: Glüsing 2005: 127).

arguments can not explain the failure of major 'capitalist' countries such as Germany and Japan in attaining more political power in an international system 'dominated' by them. Neo-marxist arguments will therefore not be considered further.

Third, the problems of emerging countries to achieve their goals is sometimes attributed to the internationally prevailing institutions, which would shape a structural impediment for further emergence because they reflect the prevailing international structures and ideologies. This institutionalist argument is expressed by emerging power politicians (e.g. Amorim 2003) especially with regard to the WTO and the UN (...). The principal drawback of this reasoning is that the WTO and the UN General Assembly operate with a 'one country – one vote' procedure leading to a vast majority of non-power contenders. Thus, for example, if Brazil, India, Germany and Japan would agree and convince the majority of countries, decisions against the US would not suffer under *institutional* impediments. But the emerging powers also failed to reach a majority for their aspirations in the UN General Assembly and Brazil failed to win the position of the WTO General Secretary for its candidate. Thus, institutionalism will also not be considered further.

Four, constructivism as a major theory of international relations may offer a compelling explanation for the questions at stake here (Boeckle 2001). Following the logic of appropriateness, emerging powers will have to include ideational beliefs and norms into their leadership project in order to be accepted by followers. Whether the emerging power represents the societal norms as collective expectations about proper behavior (Jepperson et al 1996: 56) of potential followers would then be decisive for the acceptance of its leadership by the other society/country. This reasoning seems compelling for democratic followers whose government has to base its foreign policy on the norms held by its voters with regard to whose leadership project to follow internationally. Thus, constructivist arguments seem promising for further analysis of the questions at stake here.

Five, liberalism as a major theory of international relations may also offer a compelling explanation for the questions raised here (Moravcsik 1997; ...). Because foreign policy in liberalism reflect the influence of domestic interest groups, public opinion and political coalitions, one could argue that governments of democratic countries would only follow a leadership project which includes the material interests of major domestic groups. Thus, also 'liberal' arguments appear promising for an analysis of the question on why countries would support the leadership aspirations of emerging powers.

The underlying question behind the reasons for emerging countries' performance is the question on the basic conditions for leadership in international relations. It is widely acknowledged that successful leadership depends on relevant resources, on ambition and on overcoming resistance (Nolte 2006, Pedersen 2002, ...). In this regard I argue that research on emerging powers has been focussing too much on the material resources and capabilities such

as GNP, territory and population and too much on the activism of emerging countries as well as on the reactions of the United States. I argue in this paper that it is essentially the lack of support by neighboring countries which precluded emerging powers from a successful pursuit of their goals in several instances. In order to perform successfully, any leadership has to be accepted by followers, in this case especially by the neighboring countries, because neighbors are in principle more affected by gains in power of emerging countries. Thus, it is the neighboring countries which have to sign up to the lead of emerging powers more than others in order to give them the power base necessary for regional as well as global power projection and international coalition building.

In order to proceed deductively following the thesis that emerging powers' failures are influenced by a lack of support and acceptance by their neighbors it is necessary to specify possible reasons for this lack of support. For this purpose I will recur to elements of the three promising theories mentioned above and develop an hypothesis which suggests two indicators for the acceptability of emerging power leadership by their neighbors. The hypothesis is based on the premise that emerging powers can not coerce their neighbors' support and therefore need to deliver incentives in order to ensure acceptance for their leadership: *If an emerging power includes economic interests and/or ideational beliefs dominant in another country in its leadership project, then the other country will accept the redistribution of power desired by the emerging country and follow its lead.*

Thus, the independent variables include material incentives such as market access, investment, direct payments (such as development aid or in common funds) etc. as well as shared norms and values triggering a common definition of the leader-follower situation, which includes the aims of the follower. The basic argument is, that the resistance against the relative loss in power implied by accepting the rise in power of another country has to be compensated economically and/or legitimized by a shared idea in order to induce followership. This argument is based on the idea of non-coersive 'benign leadership', which is "organized around more reciprocal, consensual, and institutionalized relations. The order is still organized around asymmetrical power relations, but the most overtly malign character of domination is muted" (Ikenberry 2001: 28). A capacity of self-restraint via common norms, rules and institutions for "power sharing vis-à-vis smaller states in a region" is also crucial for benign leadership (Pedersen 2002: 684). The hypothesis outlined above also implies, that emerging powers have to offer material incentives as well as shared norms and ideas to potential followers which are perceived as superior to the option of not following or of following other leaders. A consequence of the latter would be that followers reject or withdraw from emerging powers' initiatives by not cooperating or cooperating with other countries such as the US. Also, as the literature on hegemonic stability argues, benevolent leaders must be able to accept a certain degree of free-riding by the followers in order to secure the cooperative system (Kindleberger 1981: 247).

3. Case Studies: Empirical Sketch and Exemplification of the Hypothesis

For the purpose of this first draft of the paper I will gather preliminary evidence in order to exemplify the hypothesis in the following. Further research is necessary for testing it systematically. Suggestions for a further operationalization of the hypothesis and for specific empirical indicators are welcome as well as comments on the simplified sketch of individual country's performance. The exemplification in the case studies encompasses four policy areas and two emerging powers: Brazil's and Germany's leadership as well as Argentina's and Italy's potential followership will be briefly analyzed with regard to the emerging powers bid for top jobs in international organizations (WTO, IMF) and for new governance structures (permanent membership in the UNSC). Emerging power performance with regard to world trade (WTO) and with regard to regional integration (Mercosur, FTAA) will be shortly analyzed in the case of Brazil. Germany's performance in the WTO negotiations and in the EU will be left for the next version of this paper.

3.1. Emerging Powers Initiative for Permanent Membership in the UNSC

Prior to the negotiations on a general reform of the United Nations in 2005 Brazil and Germany orchestrated a diplomatic initiative together with India and Japan (the G4) in order to obtain a permanent seat in the UN Security Council. The G4 country's central claim was that the existing composition of the UNSC permanent members, the P5 (USA, Russia, UK, France, China), would not represent the distribution of power in today's international order and that it should reflect the economic, political and military rise of middle powers. All four countries based their aspiration for a permanent membership on the argument, that it would give the UNSC a higher representativity and legitimacy. In the end, the G 4 initiative failed and none of these countries became a permanent member of the UNSC. The most overt resistance came from neighboring countries: Argentina and Mexico opposed Brazil's membership, Italy rejected Germany's aspiration, Pakistan opposed India's wish and several Asian countries rejected Japan as a new permanent member of the UNSC. The P5 countries might not have been happy with the idea of sharing their exclusive veto power with new members, but it was the General Assembly, where the principle of 'one country – one vote' rules, which ultimately did not support the G4 to the degree necessary (qualified majority). So, why did this core diplomatic initiative of northern and southern emerging powers fail?

A first look at the evidence shows that the two countries at stake here, Brazil and Germany, did not succeed in establishing a definition and legitimation of the leadership project shared by their neighbors as those potential followers most negatively affected by an *upgrading* of the G4 countries. Brazil and Germany argued that their membership in the UNSC would rise the legitimacy and the representativity of that institution:

- The Brazilian President Lula da Silva articulated this view in a speech before the UN General Assembly in 2003: „Reform of the United Nations has become an urgent task (...). The security council must be fully empowered to deal with crises and threats to peace. (...) Above all, its decisions must be seen as legitimate by the Community of Nations as a whole. Its composition – in particular as concerns permanent membership – cannot remain unaltered almost 60 years on. It can no longer ignore the changing world. More specifically, it must take into account the emergence in the international scene of developing countries. (...) Brazil believes that it has a useful contribution to make” (Lula 2003). In his State of the Union address before the Brazilian congress Lula emphasized in 2005 the need for a higher “representativity and legitimacy” of the UNSC through the inclusion of emerging powers (Lula 2005: 233).
- The German Foreign Minister Joschka Fischer stated in a speech before the UN General Assembly in 2004 that Germany is willing to assume more responsibility by entering the UNSC as a permanent member and that this would make the UNSC more representative by adapting it to today’s “geopolitical realities” (Fischer 2004a). The German Chancellor Gerhard Schröder also emphasized the role of Germany as one of the largest contributors to the UN budget as one of the reasons for the legitimacy of its candidature for a permanent seat in the UNSC (Schröder 2004).

With this definition of their leadership project as enhancing the representativity and legitimacy of the UNSC, the two countries failed to convince potential followers, especially important neighbors such as Argentina and Italy. An enlargement of the P5 to a P9 would have essentially extended the veto privileges to another 4 of the 192 UN member countries, without giving the remaining 183 UN members an increased voice in the UNSC. The option of pursuing ‘regional seats’, for example a South American and a European seat was not pursued by the G4. Germany’s Foreign Minister Fischer declared in an interview, that a ‘European seat’ in the UNSC would not be achievable for years and therefore Germany would stick to its national candidature (Fischer 2004b). Italy and Argentina defined the situation very different from Brazil and Germany and emphasized a different interpretation of the ideas of representativity and legitimacy, shown here exemplarily in two quotes:

- Italy’s Foreign Minister Franco Frattini declared in a speech to the 59. General Assembly of the UN: “But Italy cannot accept a national challenge and is proposing a common effort with Germany toward a European seat” (...) “Adding new permanent seats now would bury the idea of a unified European participation” (Frattini 2004).
- The Argentinian President Nestor Kirchner expressed his dissatisfaction about Brazil’s unilateral power-seeking by stating: “There is a place in the WTO, Brazil wants it. There is place in the UN, Brazil wants it. There is a place in the FAO, Brazil wants it. They even want to elect the pope” (Kirchner 2005)

In the end, the two potential follower countries pursued a ‘balance of power’ strategy by founding a group of like minded countries which opposed the attempt of the G4 and

advocated a more representative and democratic reform of the UNSC by suggesting more new members to the UNSC and a watering down of veto powers. The 12 founding members of this anti-G4 group included exactly the neighbors of the G4: Argentina, Italy, Pakistan, and Korea. This “Together for Consensus”-group grew to nearly 40 members and actively opposed the G4 plan by promoting their more representative alternative project. The motivation of the up to 40 countries might have been a definition of the ideas of ‘representativity’ and ‘legitimacy’ in the UN diverging from the G4 or a classical neo-realist attempt at balancing the desire for increased power of the G4. In any case, the G4 did not offer a definition of the leader-follower situation shared by both sides and also did not offer economic advantages as side payments. Thus, the potential followers rejected the ambitions of the emerging powers and successfully orchestrated resistance.

3.2. Emerging Powers Bid for Top Jobs in International Organizations

Besides the ambition to change the structure of the international distribution of power by obtaining a permanent membership in the UNSC, Brazil and Germany also tried to attain more influence by occupying top jobs in international organizations: Brazil unsuccessfully in the World Trade Organization, Germany successfully in the International Monetary Fund.

The IMF managing director traditionally comes from a European member country (while the World Bank boss is usually American). Germany had never occupied this position before. The first German candidate was Caio Koch-Weser, the deputy finance minister, in 1999. After severe US criticism, the German Chancellor Schröder substituted Koch-Weser and nominated Horst Köhler, the then boss of the European Bank for Reconstruction and Development EBRD in London, who became managing director of the IMF in 2000. Germany fulfilled the task of convincing the other European member states essentially by promoting Köhler not only as a very competent candidate, but also as the *European* candidate to be implemented against the resistance of the United States (...ref). Thus, the German project was defined as a common European project against a global hegemon encompassing a balance of power notion and shared European identity. This definition was apparently accepted by other countries insofar as the European Council of Finance Ministers (ECOFIN) supported the German candidate unanimously. Italy actually had an own candidate for the IMF top job in 1999 but ended up supporting the German Köhler. The public debate in Italy and the statements of the Italian government changed from first rejecting the German candidate and trying to promote the own candidate towards labelling its own candidate as a “candidato di riserva” (La Repubblica 15.2.2000: 37), viewing the US behaviour as “veto americano” and finally supporting the German candidate as “candidatura europea” (Corriere della Sera 14.3.2000: 23). The shared definition of the situation and shared underlying ideas – European integration and solidarity – apparently induced Italy to follow the German leadership project.

In 2005 Brazil campaigned for an own candidate, Luiz Felipe de Seixas Correa, for the position of the director general of the WTO, the organization's top job. Correa had been Brazil's ambassador to the WTO before. In one of his speeches as a candidate, Seixas Correa, proclaimed his programme before the special meeting of the economic association of Caribbean countries (CARICOM): "It is essential to ensure wider participation of developing countries in decision-making in the WTO" (...). In the same speech he also criticized indirectly his main rival for the WTO job, EU's trade commissioner Pascal Lamy (who actually got the job) by stating: "It is hard to accept that, having control of the World Bank and of the IMF, developed countries should also be at the helm of the WTO" (Seixas Correa 2005). Despite presenting its leadership project as something benefitting all developing countries and as being directed against a supposedly 'common bad' (the dominance of developed countries), Brazil's candidate failed to be elected in the 'one country – one vote' electoral process of the WTO. Brazil also failed to win the support of its closest regional ally in Mercosur and neighbor under scrutiny here: Argentina supported the candidate of Uruguay (another Mercosur member) for the WTO director general. Argentina stressed that it had committed itself to the Uruguayan candidate prior to the candidacy of Seixas Correa and therefore could support the Brazilian candidate only as a second choice, "segunda preferencia" (Ministerio de Relaciones Exteriores 2005).

In sum, the emerging power did try to embed its leadership project in a definition of the situation and ideas which it hoped would be shared by potential followers. So why did Argentina not follow? The first and more banal answer would be, that it had indeed committed to the Uruguayan candidate before Brazil had launched its own and could therefore not step back now. In this case, Brazil was too late in claiming leadership and ignored existing commitments of potential followers. Thus, the leadership attempt was amateurish. The second and more sophisticated answer includes the recent past of the relations between Argentina and Brazil considering international relations as a series of cooperative situations in which the behavior in the present is always influenced by past experiences. Under this perspective, Argentina might not have trusted Brazil's commitment to multilateral rules fully any more because it has had to suffer several times under the breaking of commercial agreements in Mercosur by Brazil in the years prior to the WTO candidacy (see section 3.4. and Lima/Hirst 2006; Malamud 2005; Saha n.y.;...). Also, Brazil has been reluctant to strengthen regional institutions in Mercosur in order not to weaken its "national sovereignty", this is, in order not to let common rules restrict its space of manoeuvre as the biggest and most influential member of the regional grouping (Schirm 2005). Thus, Brazil's attempt to define a leadership project in which potential follower's interests and ideas such as strengthening the developing world against the developed nations might not have reached the necessary credibility due to Brazil's prior behavior in regional multilateralism. The statement of Argentina's President Kirchner quoted above in the UNSC case study (section 3.1.) clearly shows the mistrust against the Brazilian desire to occupy the WTO top job.

3.3. Emerging Powers Performance in WTO Negotiations

This first draft of the paper will consider only Brazil in the following case on the WTO negotiations. The recent trade negotiations within the framework of the Doha-Round of the World Trade Organization (WTO) provide an example for Brazil's increased activities. At the WTO meeting in Cancun in 2003, Brazil (together with India) led a group of initially 20 developing and newly industrializing countries, the G20. In the name of the G20 the emerging powers pursued a confrontational strategy towards the industrialized countries, especially the US and the EU. In substance, the articulated demands centered on

- the desire for a "more equitable" international order and for changing the "autocratic international trade system" (Brazilian Foreign Minister Celso Amorim 2003), and „trade must be a tool not only to create wealth but also to distribute it in a more equitable way“,
- a better access to the market for agricultural products of the EU and the US, on
- avoiding concessions on the Singapore Issues (intellectual property rights etc.) and on liberalizing their markets for industrialized goods and services.

The G 20 insistence on their positions and the rejection of the modest EU and US concessions led to the failure of the negotiations in Cancun.

This success in terms of showing leadership in global governance was based on the inclusion of the economic interest of potential followers in a liberalization of the agricultural markets of the industrialized countries. In addition, Brazil's actions showed continuity in pursuing a definition of the international situation shared by many potential followers by criticizing the asymmetrical international distribution of power. In addition, Brazil included economic interests of followers by demanding a liberalization of agricultural markets from the industrialized countries, while being reluctant to liberalize itself on industry and services. Also, the interests of followers were met by the Brazilian leadership project by not only focussing on the dissatisfaction with the industrialized countries' unwillingness to liberalize agriculture, but by staying rather vague on specific positions towards own tariffs, subsidies, non tariff barriers etc. which diverged among the countries G20.

During the WTO meetings in Geneva in 2004 and Hong Kong in 2005 the emerging powers which led the G20 showed a somewhat different performance: Preceding the Geneva meeting, Brazil and India were *upgraded* in the international hierarchy and became members of the 'G5 preparatory group' together with the US, the EU and Australia. Brazils and Indias stance in Geneva was more moderate and compromising than in Cancun and the talks led to a framework agreement for further negotiations. Again, Brazil showed the highest profile and attributed the success of reaching the agreement to the influence of the G20: „[...] the framework agreed last weekend would not have seen daylight without the active participation of the G20“ (Amorim 2004). On the industrialized countries side, the United States Trade Representative (USTR), Robert Zoellick, acknowledged Brazils leading role in the G5 when stating: „It fits the role that Brazil plays in the world economy and trading system“ (WTO

2004: 2). Interestingly, Brazil and India agreed to the framework without obtaining substantial concessions from the EU and the US on specific trade issues. This leads to the conclusion that the *upgrading* of the two countries' status in the international hierarchy by including them into the G5 preparatory group may have been a decisive reason for a more moderate stance at the Geneva meeting.

The meeting in Hong Kong ended without any substantial advances and clearly showed diverging interests between and among the G20 and the emerging powers. While Brazil and partly India were still defensive on a liberalization of their markets for industrialized goods and primarily demanded a liberalization of the EU and the US agricultural markets, China partly articulated inverse positions. Also, China and others did not want to open their markets for agricultural products, while Brazil favoured such a liberalization (Meier 2005). Hong Kong showed that the G20 had reached a joint stand in Cancun essentially due to the vagueness of the positions articulated. In Hong Kong, Brazil and the other emerging powers leading the G20 were only partially able to include and integrate the economic interests of followers in form of compromises, which would have allowed for joint positions of all G20 countries. The shared idea of a coalition against the industrialized countries was apparently not sufficient to uphold enduring followership. Also, the shared idea of a south-south coalition vis-à-vis the industrialized countries necessary for further leadership acceptance may have been jeopardized by the *upgrading* of Brazil and India in the G5 accompanied by the mismatch of many specific trade interests of G20 countries with those of Brazil and India. In this regard, the emerging powers find themselves in a difficult position, because they do have diverging interests among themselves and as newly industrializing countries also differ in economic interests from many economically more backward developing countries. Restraining the pursuit of their national goals, this is leadership by compromise, would have required a greater inclusion of the interests of potential followers possibly up to the point of tolerating free riders. The missing acceptance (also by Mercosur partners) of Brazil's aspiration for leadership within the WTO was confirmed by its failure to occupy the top job in the WTO with a Brazilian diplomat in 2005 (see section 3.2.).

3.4. Emerging Powers Leadership in Regional Cooperation

With regard to the leadership of emerging powers in regional politics I will focus on Brazil in this first draft, Germany's performance in the EU will be investigated in the next step. Brazil's activities on the regional scale have been vast and varied, they reach from the attempt at building a Common Market of the South (Mercosur) in South America over the political project of forming a South American Community of Nations (CSN) up to its desire for leadership in the negotiations on a Free Trade Agreement of the Americas (FTAA).

Mercosur was founded in 1994 and encompasses Argentina, Brazil, Paraguay and Uruguay as well as Chile and Bolivia (associated) and Venezuela (new member in 2006). After initial

success in raising trade among the member states, Mercosur stagnates economically since the end of the 1990s with a slight recovery in recent years. Today Mercosur is far away from the goal of a common market and resembles more a partial free trade association. This partial failure is mainly due to the selective re-introduction of trade barriers by Argentina and Brazil in response to internal lobby pressures and to the unwillingness of especially Brazil to build binding multilateral institutions, which could have restrained unilateral ambivalences on economic integration (Gratius 2001; Preusse 2002; Schirm 2005): “Despite frequent statements in favour of Mercosur, the Lula government is showing itself rather reluctant to accept a deeper integration in a regional bloc that would share institutions which would give other member countries some tools capable of influencing Brazilian policy” (Valladão 2006). Brazil has been reluctant to transfer sovereignty to common rules and institutions in order to prevent restrictions on its political dominance, which it possesses due to its superior economic weight: „Brazil dwarfs the three partners, but is not rich enough to subsidize them nor willing to surrender chunks of sovereignty, as Germany has done to promote European union“ (The Economist 11.12.04: 46).

In addition, Brazil has shifted its prime goal from the initial intention to pursue economic integration for economic reasons towards the primacy of using Mercosur as political tool in order to better confront the US. This shift occurred essentially under the Lula government and led to the economically doubtful but politically interesting inclusion of Chavez’ Venezuela into the Mercosur. Brazil’s performance as an emerging power in the Mercosur is also marked by being the member with the worst record in ratifying Mercosur resolutions. In addition, Brazil was not able to reach a common position of Mercosur members towards the EU in order to achieve the desired free trade agreement with Europe (The Economist 11.12.04: 46). On the other hand, the EU was not able to propose far reaching reductions of trade barriers on agriculture, which Brazil desired. Argentina, Uruguay and Paraguay articulated distress with the Brazilian performance towards the EU. In sum, political advantages of following Brazil in form of successful leadership towards the EU and economic advantages of following in form of access to the Brazilian market remained limited and aid remained minimal.² Summing up, Brazil has been ambivalent with regard to the inclusion of economic interests of potential followers due to an unstable trade policy and a missing commitment to institution building.

The negotiations on a Free Trade Agreement of the Americas was the second major regional field for the Brazilian aspiration for regional leadership. The FTAA was initiated by the United States in 1994 and negotiations were supposed to be concluded in 2005. In the last years under the Lula government Brazil has effectively obstructed a successful conclusion of the negotiations and FTAA is politically dead at the moment (also due to a lack of support in the US). The clash between the US and Brazil in various negotiation rounds was caused by two factors: First, Brazil and the US diverged in their economic interests, Brazil demanding

² A structural fund for developmental aid within Mercosur following the example of the EU was created in 2005, but only encompassed 100 million dollars (Brazil financing 70%).

liberalization of the US agriculture market and the US demanding liberalization of the Brazilian markets for industrialized goods and for services. Competitive and export oriented industrial sectors in Brazil apparently were not able to decisively influence the agenda of their government (Weintraub/Prado 2005: 1). Second, the confrontation between the two countries was about leadership in the region. The latter point became crucial during the Lula government and led to the failure of the project. The political dimension of the confrontation was spelt out for example by the Secretary General of Lulas foreign ministry, Samuel Pinheiro Guimaraes, who denounced the FTAA as an instrument to uphold the “hegemony of the industrialized countries” (quoted from Nolte/Calcagnotto 2001: 100, see Fishlow 2004: 293). This political nationalism is supported by economic nationalism, this is, protectionist unions and entrepreneurs, who see their jobs and profits threatened by trade liberalization (Hakim 2002).

Brazil's rejection of a FTAA, which would in any case be dominated by the US because of its economic weight, is not shared by several neighboring countries in Latin America. The latter often perceived the economic advantages of cooperating with the US as superior to the option of following Brazil's leadership project. Thus, Central American countries, Mexico in NAFTA, Chile and Columbia have signed free trade agreements with the US in order to have a better access to the US market and to foreign direct investment (Fischlow 2004: 293; The Economist 18.10.03; Sangmeister 2003: 35). In the case of Chile, the potential follower rejected Brazil's offer to become a full member of Mercosur, but instead signed a treaty with the US and remained associated member of Mercosur. The countries of the Pacto Andino also did not join the Brazilian confrontation towards the US, an attitude which contributed to Venezuelas exit from the Pact. Summing up, Brazil's leadership project seems to have been partially unconvincing for potential followers, because Brazil did not offer the economic advantages (market access, investment), which cooperation with the US as alternative leadership project promised.

4. Conclusion

In this paper I argue that emerging power's partial failure to achieve their goals in regional and global governance is also due to the only partial or missing acceptance of their leadership by followers, especially by neighboring countries. Like any leader, emerging powers have to offer material as well as ideational incentives to potential followers in order to reach acceptance for their leadership projects. The hypothesis stated in section 2 focussed on this leader – follower nexus: *If an emerging power includes economic interests and/or ideational beliefs dominant in another country in its leadership project, then the other country will accept the redistribution of power desired by the emerging country and follow its lead.*

With regard to Brazil's and Germany's wish to change the structure of the international distribution of power by attaining a permanent seat in the UN Security Council, the failure to

convince potential followers apparently lay in the lack of a shared idea. Both neighbors founded a group opposing the G4 leadership project by defining the crucial ideas of legitimacy and representativity of the UNSC in a different way than Brazil and Germany did in the G4. The opposition to the G4 initiative by neighbors can be interpreted ideationally but also in a neo-realist way as ‘balance of power’, because the opposing group founded by emerging power’s neighbors successfully prevented a shift in the distribution of power detrimental e.g. for Argentina and Italy.

In the case of Germany’s bid for the top job in the IMF, the key for the successful acceptance of its plea for leadership apparently lay in embedding its project in ideas shared by potential followers, specifically ‘European integration’ and ‘strengthening Europe vis-à-vis the US’. Brazil’s attempt at occupying the WTO top job may have failed because of an amateurish handling and/or because the potential follower, Argentina., mistrusted Brazil due to its negative experiences with the ambivalent Brazilian trade policy in Mercosur. The latter might indicate a spill over effect from regional to global governance.

The regional governance cases focussed on Brazil and gave some hints at Brazilian weaknesses in including economic interests of potential followers, this is, the provision of economic advantages (market access, investment) superior to the alternative leadership offers (USA). In the end, Mercosur has been stagnating economically, but instrumentalized politically, thus including elements of successful and failed leadership. With regard to the FTAA, Brazil has been abandoned by some Latin American countries preferring cooperation with the US, while being accepted as leader by others. Brazil did achieve its goal of obstructing an integration of the Americas. This success was reached at the price of splitting the region in two parts.

Summing up, weaknesses in providing economic and ideational conditions for acceptance of leadership by followers can indeed be detected in the performance of emerging powers and may contribute to the explanation of the partial failure of emerging powers in reaching their goals.

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