

The final frontier: Bolsonaro's Republic Day visit should spur strategic bilateral ties and open doors to Latin America

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Brazilian President Jair Bolsonaro's presence as chief guest for this year's Republic Day parade is a booster dose to India's relations with a prominent power and an opening to deepen India's footprints in Latin America.

Endowed with vast territory, bountiful mineral resources and a population of over 200 million people, Brazil is no ordinary country. It historically played a pivotal role as a leader of the Global South alongside India. Brasilia and New Delhi jointly pursued aspirations of permanent seats in the UN Security Council and worked towards a multipolar world where large developing countries can frame global rules and democratise international institutions.

Innovative coalitions like IBSA (India, Brazil & South Africa) and BRICS (Brazil, Russia, India, China & South Africa) were co-founded by progressive Brazilian leaders who believed in teaming up with India not just for practical economic gain but as part of a transformative movement to multilaterally reorder the world.

The credit for making India a pillar of Brazilian foreign policy after the estranged Cold War era goes to leftist presidents Fernando Cardoso (chief guest for India's Republic Day in 1996) and Lula da Silva (chief guest in 2004). Both placed Brazil's ties with India within the context of South-South cooperation and opposition to a Western-dominated world order.

When the far-right Bolsonaro unexpectedly stormed to power in October 2018 following a prolonged economic slump and governance collapse, the familiar model of Brazil as a lynchpin of South-South cooperation was thrown into doubt. Bolsonaro sought to remake Brazil's national identity as an ethnically white country of European ancestry and drastically shifted Brazilian foreign policy in favour of the US.

Ideologically, Bolsonaro and his populist faction in Brazil feel closer to the Global North than to the Global South. To the disappointment of India, which used to traditionally coordinate with Brazil at the World Trade Organisation (WTO) against Western trade positions, Bolsonaro agreed to abandon Brazil's designation as a 'developing country' and wooed his idol, US President Donald Trump, to get Brazil admitted into the club of rich countries – the Organisation for Economic Cooperation and Development (OECD).

Yet, despite these extreme populist shifts, pragmatic needs are ensuring that Bolsonaro cannot abandon developing countries. Since Trump's hawkish trade protectionism offers negligible market access to Brazilian exports, Bolsonaro has no option but to look to Asia for more preferential trade agreements.

Given the political volatility and humanitarian crisis gripping neighbouring Venezuela, which is slipping down the ranks of oil suppliers to India, Brazil is well placed to be an alternative hydrocarbon source for India's energy security. Indian and Brazilian firms are also combining to produce and export renewable fuels like ethanol.

The large contingent of Brazilian businesspersons accompanying Bolsonaro on this trip to India is seeking joint ventures in defence manufacturing and information technology. Bolsonaro's domestic privatisation reform is opening up the Brazilian economy to Indian outward FDI.

For India, Brazil and Mexico are the top two economic partners in Latin America. Owing to geographical distance and cognitive limitations, India's overall trade with Latin America remains low at \$40 billion (compared to \$63 billion with Africa).

Latin America is the final frontier where India is yet to live up to its aspirational tag of 'leading power'. But the populist protectionism roiling the West compels emerging powers with currently sluggish economies like Brazil and India to diversify their baskets. Bolsonaro's visit can inspire trade blocs where Brazil is a prominent player such as Mercosur and Prosur to strategically prioritise India.

Brazil already counts China as its number one trade partner, so much so that Bolsonaro has expressed legitimate fears that China is "buying Brazil". India is a latecomer to Latin America, but like in other parts of the developing world, it is seen as a softer benign power for reducing overdependence on China.

The Narendra Modi government's red carpet for Bolsonaro in spite of the Brazilian leader's lack of a South-South gene has strategic implications. Brazil and India formally declared each other 'strategic partners' way back in 2006. In the backdrop of an apathetic US and a marauding China, Brasilia and New Delhi have a historic chance now to realise the true strategic value of their bilateral relationship.

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