



External Peril, Internal Fatigue: Toward a Reconstruction of Brazilian Statecraft
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Abstract: Amid the external peril of US military coercion and the backdrop of China's industrial ascent, compounded by internal institutional fatigue, this article argues for a reconstruction of Brazilian statecraft grounded in material capabilities and strategic coordination. The “Two Parallel Tables” method converts great power rivalries into technological, industrial, and financial gains, with India as a strategic third space. The article outlines a path for Brazil to transform domestic exhaustion into a durable core of autonomous power by anchoring deterrence in non-military arrangements.

Keywords: Brazilian foreign policy; Brazilian statecraft; U.S. military supremacy; U.S. economic decline; rise of China.

Perigo externo, fadiga interna: rumo a uma reconstrução da arte de governar brasileira

Resumo: Este artigo defende uma reconstrução da diplomacia brasileira, fundamentada em capacidades materiais e coordenação estratégica, em meio ao perigo externo da coerção militar dos EUA e ao pano de fundo da ascensão industrial da China, agravados pela fadiga institucional interna. O método das “Duas Mesas Paralelas” converte rivalidades entre potências em ganhos tecnológicos, industriais e financeiros, com a Índia como terceiro espaço estratégico. O artigo delinea um caminho para que o Brasil transforme o esgotamento interno em um núcleo duradouro de poder autônomo, ancorando a dissuasão em arranjos não militares.

Palavras-chave: política externa brasileira; governança brasileira; supremacia militar dos Estados Unidos; declínio econômico dos Estados Unidos; ascensão da China.

The arrest of Nicolás Maduro in Venezuela—executed with a precision and speed that only the United States can currently command—exposed the raw military supremacy of the American hegemon. This rare synthesis of intelligence and logistics unfolds against the backdrop of a world undergoing its most significant shift in economic power in three centuries, with China consolidating its position as the planet’s preeminent geoeconomic and industrial hub. The twenty-first century thus reveals a decisive dichotomy: a power that dominates coercion versus one that commands the world’s workshop.

This contrast must not be reduced to caricature. American strength still rests upon an innovative economy and a singular capacity to organize global financial and technological standards. Conversely, Chinese power is characterized by rapid military modernization and a burgeoning ability to project influence through infrastructure, credit, and production networks. However, the larger landscape of trends reflects a long-term robust ascent of China and other Global South powers and a relative decline of the US. Taken together, these trends point to the end of the current world order—its institutions still barely standing, and its hierarchy increasingly contested by rival centers of production, standards, and legitimacy. And this wider temporal arc forces a critical reflection on the role of middle powers in a world where a military hegemon confronts an industrial one.

It is within this context that Brazil must contemplate its international standing. It is not a matter of trading one alignment for another or reenacting the

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As the military hegemon increasingly relies on coercion to achieve its goals, Brazil's primary challenge is to develop non-military capabilities against economic or warlike threats. Simultaneously, as economic power shifts away from the West, Brazil must adopt a transactional method to convert national assets into verifiable gains in productive capacity and autonomy. What has changed is not the nature of power itself, but the manner in which it is accumulated and projected across arenas linked by highly complex transmission belts.

BEYOND CONVENTIONAL IDEOLOGIES: FOREIGN POLICY AS A TOOL FOR STATECRAFT

International disputes are still too often narrated through twentieth-century binaries—democracy versus authoritarianism, capitalism versus socialism. But foreign policy today is less about rhetorical alignment than about who controls the practical levers of power: standards, value chains, energy, data, finance, and the security architectures that protect them. In that environment, moral labels can obscure what matters most for Brazil: which external relationships expand domestic capability and which merely impose dependencies.

Major centers of power now compete across distinct dimensions of performance—security, social cohesion, innovation, industrial depth, and State managerial capacity—and these outcomes do not map neatly onto a liberal-illiberal axis. If foreign relations are meant to help inspire or catalyze Brazil's domestic transformation, we must stop treating diplomacy as an extension of ideological identity and start treating it as an important tool of statecraft: the disciplined selection of partnerships that generate verifiable gains in productivity, technology, and institutional resilience.

This is not a utilitarian plea. If we affirm ourselves as defenders of democracy, we should ask—also in external strategy—which institutional arrangements actually enable meaningful societal participation in strategic decisions, strengthen accountability, and produce competent leadership. Similarly, if we care about justice, we should examine which systems have proven capable of producing and distributing prosperity, building public goods at scale, sustaining a stable middle-class society, and preventing the State from being captured by private interests. These should not be blueprints for imitation, but benchmarks for Brazil's own

institutional evolution—and they should inform the practical terms of our external relations, not just our speeches.

Likewise, liberty in the twenty-first century also requires a foreign-policy dimension. Freedom is no longer measured only by the absence of censorship, but by who governs society's digital architecture. Platforms calibrate incentives, monetize attention, and shape visibility; when the informational infrastructure of a nation is effectively outsourced, social cohesion—and thus sovereignty—can be corroded from within. For Brazil, this is not a philosophical worry; it is an external-strategy question about regulatory coalitions, standards, data governance, cybersecurity, and technological dependence.

Erosion of control over a society's digital framework underscores that liberty cannot survive if its material and technological foundations are under foreign or private control.

Seen through this lens, China's rise complicates the West's familiar moral map. On several outcomes that are routinely invoked as universal aspirations—large-scale provision of public goods, poverty reduction, and long-horizon coordination, state managerial capacity—China often outperforms countries that speak the language of liberal virtue. The post-war idealism of the Universal Declaration (1948) soon fractured into competing priorities: civil and political rights in the West, economic and social rights in the socialist bloc. Both projects eventually revealed structural weaknesses—Soviet coercive inefficiency on one side, and, on the other, a growing strain of inequality and social fragmentation within the American model.

China appears less as a negation of the East and West systems than as a synthesis of their virtues and vices: markets without surrendering State direction, industrial dynamism alongside political discipline, and private gains combined with the mass production of public goods. Brazil should therefore judge systems less by their labels than by what they reliably deliver—and translate that judgement into foreign policy: partnerships that build autonomy, cohesion, and productive capacity within a framework of participatory politics.

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TERRITORY AND TRACKS: SOVEREIGNTY ON THE NEW FRONTIERS

If ideology no longer serves as an adequate compass, the question of power becomes operational: where, in fact, does power sit? It sits over territory, yes, but also over the infrastructures and flows—data, capital, goods, energy, and standards—that make territory governable. Today, influence is a mosaic in which technology firms often control critical chokepoints. What matters is the mechanism by which public authority and private capacity converge to promote or erode societal interests.

Digital Sovereignty: The New Perimeter and Deterrence by Friction

In the digital realm, platforms and infrastructures function as para-sovereign entities, shaping the public sphere and determining data security. They calibrate incentives, monetize attention, alter the emotional climate of societies, and, ultimately, redefine the social contract. Therefore, a State that does not control its informational architecture becomes subordinated to external platforms, to the detriment of its social cohesion.

Across centers of power, the nature of this public-private connection differs sharply. China offers a textbook demonstration of State primacy, redrawing market boundaries when it judges that social cohesion or data sovereignty is at stake, as seen in the halt of Ant Group’s IPO, the actions against Alibaba, the retrenchment of Didi, and the ban on Western social media tools. The American choreography involves influence flowing through lobbying, standards-setting, and access. The courtship of political power by platform barons like Bezos, Zuckerberg, and Musk serves both as an alliance and a preemptive adaptation. Palantir—a flagship contractor specializing in large-scale data integration for defense—illustrates how “incorporation-by-procurement” turns private architecture into State capability while entrenching private power inside the State and blurring the boundary between public purpose and private interest.

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Both paths entrench elites within the State, though through opposite logics: command in China, capture in America.

A further frontier is artificial intelligence. In practice, AI is becoming a strategic layer of statecraft: whoever controls computers, chips, cloud infrastructure, and model standards can shape productivity—and constrain others. For Brazil, this calls for an explicit AI diplomacy anchored in industrial policy and procurement power: partnerships for data centers and talent, rules on data governance, and a clear position on export controls and platform dependencies—so that “digital sovereignty” is not rhetorical but operational.

Physical Sovereignty

Geography is reconfigured, not eliminated. Physical bottlenecks—ports, refineries, submarine cables, and logistical corridors—return as decisive chokepoints managed through a juxtaposition of State and private controls. For a continental power like Brazil, inaction is vulnerability. Sovereignty is not merely “having the resource,” but turning it into industrial learning. The Venezuelan episode proves that military force may secure access, but it cannot substitute for the long-run governance required to keep wells producing. In this context, Petrobras’ prolonged absence in Venezuela is difficult to justify; Brazil should position itself before the regional ecosystem hardens around others. Sovereignty now means command of both matter and signal.

The same logic applies to the energy transition. Decarbonization is rapidly turning into geoeconomic competition—through carbon border measures, subsidies, and green standards that increasingly operate as gatekeepers to markets, procurement, and finance, and can function as new tariffs by other means. Brazil’s leverage is unusually strong—clean electricity, biofuels, critical minerals—but only if it can translate resources and market size into industrial learning and negotiated access to technology, rather than mere commodity exports.

This is where urban policy and subnational action become instruments of statecraft: cities and states are where emissions are regulated in practice—through building codes, transport systems, land-use rules, and public procurement—and thus where green standards can be implemented at scale, credibly measured, and, if well coordinated by the federal government, turned into market power and diplomatic leverage.

The capture of Maduro underscores that sovereignty without deterrence is fragile. For Brazil, deterrence is not about an arms race or swollen defense budgets. It is about raising the political, operational, and reputational cost of unilateral coercion,

so that incursions become harder to justify and more expensive to repeat. This is built through layered measures: strategic partnerships that signal that coercion will not be costless, protection of critical infrastructure, enhanced cyber resilience, and fostering maritime domain awareness.

Hence, the deeper implication is collective. For a middle power, resisting coercion by a superpower is not, in practice, a military problem; it is logistical, financial, reputational, and legal. No middle power can, alone, impose limits on a coercive superpower operating at a continental scale—least of all in a hemisphere historically treated as a privileged security theater. What can be imposed, however, is a *structure of costs and constraints*. When unilateral action meets coordinated friction—legal contestation, selective denial of cooperation, trade and payment insulation, diplomatic costs, maritime coordination, and tighter control over critical enablers—the act may still occur, but it becomes harder to normalize and costlier to repeat.

This is where “deterrence” ceases to be a euphemism for rearmament and becomes a doctrine of collective restraint: the benchmark is not symmetry of force, but symmetry of resolve among States that share an interest in limiting exceptionalism. That interest is not ideological; it is structural. A world that tolerates unilateral coercion in one region will invite it elsewhere—because precedents travel faster than fleets.

A colder interpretation is possible: that great powers drift toward tacit spheres—Washington in the Western Hemisphere, Moscow in its near abroad, Beijing in Asia—each practicing selective indignation and selective restraint. Yet this “arrangement” is brittle, because the modern economy does not respect cartographic lines: supply chains for critical materials, energy routes, payment rails, data infrastructure, and standards spill across regions, so disruption in one theater propagates into others.

This reality forces two pressing questions upon the system: first, whether middle powers—a Brazil or a Canada—possess the agency to navigate or avoid such rigid compartmentalization; and second, to what extent rival powers like China and Russia truly accept the premise of an American Hemisphere, or merely bide their time while cultivating tools of long-term contestation.

This friction between geographic spheres and global networks suggests that the future of order will be defined less by clean divisions than by persistent, volatile entanglement. The key uncertainty may lie in whether middle powers become the primary theaters of this contest, or its most inventive navigators. This is precisely where middle powers can matter. Their comparative advantage is not dominance but convening: translating diffuse interests into operational pacts, and converting principles into cumulative, issue-based coalitions.

Charters of an eroded world order do not enforce themselves. Coalitions do. The task for countries like Brazil is therefore to help organize a practical coalition of restraint—modular, credible, and sustained—so that sovereignty becomes more than a legal abstraction and “non-interference” becomes more than a slogan.

A BRAZILIAN METHOD: COORDINATION, TWO TABLES, AND A REGIONAL PERIMETER

The Venezuelan precedent restores the regional perimeter to the center of Brazilian strategy. Defending regional sovereignty is not the same as defending governments; it requires protecting critical infrastructure and updating defense scenarios against extra-regional hybrid risks—such as sanctions, cyber operations, and the strategic control of routes. In this environment, deterrence means raising the political and operational costs of exceptional actions, making it harder to justify and more expensive to repeat.

This arc must be built in layers: in South America, a region increasingly polarized, the foundation is not unity but resilience that survives division—minilateral crisis coordination, continuity protocols for critical infrastructure and payments, and shared maritime awareness that reduces deniability and raises the logistical, legal, and reputational costs of unilateral force. Across the South Atlantic, ZOPACAS and operational cooperation with South Africa, Angola, and Nigeria should serve the same purpose: early warning, route resilience, and collective attribution—tools of friction, not substitutes for hard power. Beyond the hemisphere, flexible coalitions with India and other Global South poles diversify technology, standards, and financial options; and in North America, contingencies with Mexico and Canada should focus on trade defense and shock insulation if tariff warfare returns as a hemispheric instrument.

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In that framework, rejecting the Monroe Doctrine is not rhetoric but action: the hemisphere cannot function as a standing zone of exception. Brazil should be explicit with China and Russia that an unchecked American omnipresence

narrows their room for maneuver and turns South America into a testbed for unilateral pressure—creating shared incentives to defend rules and non-interference. The practical agenda is deterrence by variable geometries: steady rule-anchored diplomacy paired with payment and settlement arrangements that reduce exposure to extraterritorial leverage.

A fundamental prerequisite is a domestic pact to stop bargaining in silos. Brazil often negotiates its assets as if each sector were the country, offering piecemeal solutions when a strategy is required. A permanent structure of strategic coordination is necessary to unify objectives and price concessions. When Brazil coordinates, it can exchange market access and predictability for productive presence, R&D, and verifiable targets.

This coordination powers the “Two Parallel Tables” method, exploiting systemic rivalry where both Washington and Beijing need Brazil asymmetrically. Negotiate parallel, contractual tracks—leveraging one to sharpen the other—without satellite status:

- With Washington, demand verifiable concessions: commercial stability (tariff exemptions, standing consultations); research and co-production in critical technologies (defense/aerospace, cyber, power electronics, AI, biotech); and financial track safeguards (sanctions resilience, stablecoin/payment neutrality)—in exchange for strategic minerals, food/energy security, and regional stabilization capacity.
- With Beijing, trade market/resource access for productive presence: factories, engineering centers, local supplier linkages, transition-sector R&D—ensuring value chain participation yields industrial learning, not dependency.

Additionally, financial and digital tracks need also to be taken as part of deterrence efforts. Payment standards, settlement rails, and tokenized dollars can become instruments of influence—or shields if designed as resilient public infrastructure.

This dynamic opens the door for a practical response: Brazil should treat Pix and Drex as critical infrastructure and use them to design regional settlement mechanisms. The objective is to diversify payment infrastructure and the composition of reserves without ideological gestures, reducing dependence on a single pipeline. In technological and financial agreements, Brazil must demand clauses of operational continuity, neutrality, and transparency.

Pix’s transformation into a credit mechanism—via buy-now-pay-later installments on pre-authorized bank lines settled instantly through Pix—could further bolster this infrastructure, challenging credit cards already weakened by Pix’s everyday dominance.

This would universalize consumer credit without card networks, merchant fees, or foreign intermediaries, integrating fluid scoring for inclusion.

This strategy is catalyzed by the potential integration of digital currencies among BRICS partners, specifically through the UNIT initiative. Envisioned as a unit of account backed 40% by gold reserves and 60% by a basket of BRICS currencies, UNIT represents a technical response to the weaponization of the dollar. While still in its formative stages, the initiative offers a blueprint for a decentralized financial architecture that aligns with Brazil's pursuit of transactional autonomy. Operationally, this means accelerating Drex with robust governance, signing local-currency swap agreements with trade partners—especially in energy flows—and regulating domestic stablecoin providers with strict requirements for backing and responsibility.

This payment sovereignty could extend strategically: Brazil should initiate technical consultations with major US debt holders—beginning with BRICS partners—on reserve diversification through interoperable platforms like Drex-Pix. Not to orchestrate confrontation, but to architect resilience: regional settlement mechanisms that quietly reduce single-asset dependence while commanding neutrality commitments from all poles. In the end, Brazil's coordination strategy could contribute to an evolutionary, non-revolutionary erosion of USD dominance over decades, which would avoid disruption of the workings of the world economy, cumulatively amplifying gradual diversification trends already underway.

THE THIRD SPACE: INDIA AS A MULTIPLIER OF AUTONOMY

Diplomacy confined to the US-China axis tends to reproduce binary dependence. A serious strategy requires a third space—an additional vector of leverage to diversify standards, supply chains, and political options. India is the most consequential candidate for this role, not out of sentimental fashion, but through a historical method that recognizes Asia reclaiming its weight in the global economy. To view the twenty-first century solely as a duel between Washington and Beijing is analytically incomplete and strategically costly for Brazil.

India is already a continental-scale economy with strategic longevity and a growing capacity to organize large programs across sectors vital to sovereignty—digital infrastructure, health supply chains, and industrial upgrading. While its trajectory differs from China's, it matters as an additional pole in the architecture of payments and industrial partnerships. India's most underappreciated lever is software as State capacity. Over the past decade, it has built national-scale digital public infrastructure (DPI)—interoperable rails for identity and payments, such as

the UPI—demonstrating how a State can treat code and standards as instruments of sovereignty rather than imported conveniences.

For Brazil—which pioneered Pix and is designing Drex—India serves as a laboratory of scale for governing the digital “tracks” on which social and economic life increasingly runs. The practical lesson is stark: we failed to anticipate China’s rise as a system-building power, paying the price of a thinning industrial base, and we cannot repeat this error by discovering, a decade hence, that new standards and procurement ecosystems have crystallized without us.

India must therefore be approached as a strategic multiplier of autonomy through a concrete agenda: digital infrastructure cooperation on interoperability, governance design, and cybersecurity standards to transform rails into national capability; health and pharmaceuticals framed as resilience rather than mere commerce, leveraging joint ventures to mitigate supply shocks; and industrial upgrading via India’s engineering ecosystems for diversified talent and innovation access, with Brazil reciprocating through energy, food security, and minerals.

A stronger India strengthens a world where power is less likely to collapse into a single hierarchy. It expands the possibility of coalitions not subordinated to either Washington or Beijing, increasing the number of credible partners for negotiating on standards and security of supply. India must be factored into Brazilian statecraft early—as a structural bet on the long arc of convergence. Africa belongs to the same third-space logic as an arena for shaping the strategic geometry of the South Atlantic and the expansion of economic cooperation.

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CONCLUSION

Power in our time no longer presents itself in a single currency. It manifests in distinct forms—coercive and geoeconomic—and travels through tracks of exceptional complexity: finance and payments, technical standards, logistics, and industrial learning. The intervention in Venezuela restores raw coercion to the Hemisphere, while China’s ascent continues to reorganize the world’s productive

base. These developments do not oblige Brazil to “choose a side,” but they do compel it to adopt a method.

That method requires domestic coordination to overcome bargaining in silos, parallel negotiation with the United States and China under verifiable targets, and the protection of a regional perimeter anchored in rules. It also requires widening Brazil’s strategic field beyond the Washington-Beijing axis. India must be factored in as a multiplier of autonomy—an emerging system-builder in digital governance, software capability, and standards. The misreading of China—treated too long as a market rather than a power that designs systems—must not be repeated with India. Arriving late in a century defined by platforms, algorithms, and standards is a structural handicap.

Yet method cannot survive on intention alone. It requires institutions capable of continuity—institutions of statecraft that accumulate strategy across administrations and translate national assets into national leverage. Brazil needs a clearer toolkit of economic statecraft: investment screening in strategic sectors, safeguards on critical infrastructure ownership, coordinated export promotion and credit, and a disciplined approach to standards diplomacy.

Without such instruments, the country’s bargaining posture will remain reactive—strong in assets, weak in leverage. That means a standing interministerial strategic council; a permanent planning staff with cross-party legitimacy; and a national economic-security board tying finance, industry, and technology to diplomacy. Without such institutions, Brazil will keep rewriting strategy every cycle and negotiating as fragmented sectors—mistaking diplomacy for episodic negotiation and sovereignty for rhetoric.

Brazil’s history is, in part, a long oscillation between decentralization and re-centralization: between the dispersion of authority into factions, regions, and cycles,

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and the reconstitution of a center capable of coordinating the State. In calmer times, dispersion may be tolerable—even healthy. In an era of systemic rivalry and normalized exception, it becomes a liability. The question is not whether democracy should yield to “permanent reason of State,” but how a democracy can equip itself with a durable strategic core: a way to reconcile electoral change with survival-interest reasoning, so that foreign policy is not rewritten as improvisation every four years.

The Venezuelan episode also illuminates a moral question for middle powers. The American operation suggests the risk of a vacuum of values at the heart of hegemony, where power suffices as performance and reason becomes optional. It is against this normalization of exception that the Brazilian foreign policy must be constructed. Transactional autonomy is not cynicism; it is strategic prudence oriented by ends. Brazil ceases to be an object only when it learns to dictate terms—defending an idea of order where force does not replace legitimacy, and interest does not abolish responsibility.

Let external peril and internal institutional fatigue converge into Brazil’s strategic opportunity: that shocks beyond our borders and the drift at home—moral and institutional—finally compel the long-delayed reconstruction of Brazilian statecraft. ■

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