The Politics of Brazilian Intelligence and Foreign Relations with the US

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By Erico Duarte

Dilma Rousseff's planned state visit to the US in October was set to have been the first by a Brazilian leader since 1995. However, she cancelled the trip in late September in protest at allegations that her private communications had been intercepted by the US intelligence services. It was the strongest reaction registered by any foreign head of state or government against alleged American spying practices. But it has raised much deeper questions about Brazil's own intelligence community.

The crisis in bilateral relations started – as it has with many other nations which discovered that they were at the tender mercies of the US intelligence community – with public leaks about US spying on Brazilian government communications, and particularly on private correspondence to and from Rousseff herself. Although the row was startling, the vulnerability of Brazilian official communication networks is not in itself 'breaking news'. Celso Amorim, the current minister of defence, is known to avoid digital and wired transmissions, not because he enjoys being old-fashioned, but because he knows how vulnerable these are.

Nor is the news of intrusive US spying remarkable: WikiLeaked diplomatic cables plainly indicated that the US intelligence community had previously been monitoring Brazil's fighter and submarine acquisition programmes, and had been obtaining information from what could only be internal Brazilian communications. At the same time, it was known that the US's northern neighbour Canada had also subjected Brazil to cyber-interceptions. Yet in none of these cases was the reaction from Brazil as forceful as it was to the latest set of revelations, which may suggest that other factors are affecting the equation, including the state of politics under Rousseff's administration and the true crux of the relationship between Brazil and the US.

For Brazil, to be the target of an external intelligence threat is still an unusual experience. Most of its intelligence and other security organisations have evolved to deal primarily with domestic threats. The intelligence services, in particular, are hybrid creatures: they are considered necessary branches of the state, but were used as a tool in disputes among factions within government and between political parties upon the country's transition to democracy in the 1980s. The agencies were therefore affected by numerous scandals, including allegations of the use of wiretaps and the manipulation of data – activity inspired by all opposing political camps. And although over the last fifteen years great effort has been made to overcome such issues, with the intelligence services having undergone significant structural reforms, these have been halted by the current administration.

Most of Brazil's intelligence agencies – both military and civilian – are direct descendants of the Serviço Nacional de Informações (National Information Service – SNI), which was created after the military coup of 1964 and had become very powerful by the 1970s. This period of Brazil's history was also the time when both repression and disputes within the military regime that came to power with the coup w[illegible] this context, and free from oversight, the SNI began to increase its contro[illegible] centres of the three armed forces and to expand its local networks so tha[illegible] ervices and others civilian organisations, including trade unions and public [illegible] able to obtain veto power in Brazil's National Security Council – the highest body and inner sanctum of the military regime.

It is therefore no surprise that the SNI proved a resilient survivor, retaining a key position during the democratic transition. Although abolished in 1990 under Fernando Collor, the first democratically elected president after twenty years of dictatorship, its structure endured, with the institution partially transferred to the newly created Secretaria de Assuntos Estratégicos (Secretariat for Strategic Affairs – SAE) and with many of its personnel remaining insulated inside the armed forces' information centres.

The 1990s were a crucial decade in understanding the politics of Brazil's intelligence services and the dilemma regarding their role. Reforms between 1996 and 1999 led to the creation of the Brazilian Ministry of Defence and the Agência Brasileira de Inteligência (Brazilian Intelligence Agency – ABIN), both designed to subject the armed forces and intelligence services to civilian oversight. However, both were deflected from this mission after being engulfed in public scandals over the involvement of former SNI agents in their operation.

The Ministry of Defence, for example, suffered after the leaking of a 'dossier' which connected an assistant of the first Brazilian Minister of Defence Élcio Álvares to criminal organisations. The matter was never fully brought to public scrutiny, but the Brazilian press duly noted the fact that this dossier was handled by an information centre of one of the branches of the armed forces, which disagreed with the development of the new ministry. As a result, President Fernando Henrique Cardoso dismissed Álvares in January 2000 and, in consultation with military commanders, decided to delay the consolidation of the ministry. This task was only resumed in 2008 by his successor President Luiz Inácio Lula da Silva.

The consolidation of the ABIN was even more complicated. The dispersal of former SAE

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operatives who had also previously worked for the SNI resulted in a chain of scandals relating to the wiretapping of government departments, corruption and the creation, by private security companies, of dossiers intended for use by political groups both inside and outside of government. The result was, yet again, a major institutional setback: the 'demilitarisation' of the ABIN was halted and retired agents of the former SNI were recalled in an effort to shield the government from these dossiers.

In sum, three structural problems have plagued Brazil's intelligence community: politicisation, a chronic lack of political oversight and an obsession with internal, rather than external, 'enemies'. And although the intelligence services remain focused on internal targets, the last decade has at least seen progress on the first two issues.

The de-politicisation process recommenced with the publication of the National Intelligence Policy in 1999, whose provisions were subsequently passed into law in 2002 and 2004. These ordered the transformation of the armed forces' information centres into intelligence services and disconnected them from departments other than the Ministry of Defence. In addition, the ABIN was subordinated to the Institutional Security Cabinet, a secretariat that directly assists the president in all matters of defence and security. The new policy thus strengthened the ABIN's role in providing information and analysis to the Brazilian president, although much of its work still concerned domestic threats.

At the same time, the Brazilian Intelligence System (SISBIN), established in 1999 to oversee all of Brazil's intelligence agencies, began operations under the oversight of a joint commission of the National Congress, the Secretariat of Internal Control in the Presidency (CISET), and the Tribunal de Contas da União (the federal accountability arm – TCU). This balanced oversight mechanism became particularly effective following Lula da Silva's ascent to the presidency in 2003, after which new scandals resulting from compromising dossiers became rare. However, although the control and subordination of the Brazilian intelligence services to proper democratic scrutiny progressed, their operational standards did not.

Brazil initiated the process of specialisation among its intelligence services in 2002 – with the aim of improving their capabilities – through the creation of the Sistema de Inteligência de Defesa (the Defence Intelligence System – SINDE) and the Subsistema de Inteligência de Segurança Pública (the Public Security Intelligence Subsystem). These new bodies subsequently established departments, roles and capabilities in relation to the domestic intelligence activity of the armed forces and their civilian counterparts – targeting organised-crime groups, for example – thereby allowing the ABIN to turn its attention to external intelligence and counter-intelligence. This last stage of reform, however, was halted by Rousseff in the first year of her presidency, and she offered no vision or indication as to where the reforms are likely to go following the eruption of the US spying scandal.

Furthermore, three reactions to the recent revelations have come to the fore. First, there is relative consensus that Brazil's public-security and intelligence policies are in disarray. The paralysis in intelligence policy is also evident in the country's defence and foreign policies, reflecting Rousseff's general lack of skill in, and attention to, these areas.

Indeed, the suspension of defence reforms resulted in a public clash in 2011 between the president and former Minister of Defence Nelson Jobim. Since then, the defence budget has suffered successive cuts which are imperilling, for instance, the Brazilian navy's operational plans. Meanwhile, Rousseff's lack of involvement in foreign policy also led to the resignation of Minister of Foreign Relations Antonio Patriota in August. Brazilian foreign policy has increasingly become the target of public criticism as the president has retreated from most of her predecessor's initiatives in this area, creating bureaucratic turmoil and dismay inside the Brazilian governing establishment.

Secondly, the US spying scandal has resurrected an old accusation that President Rousseff's past – as a former left-wing activist and a victim of torture by the SNI's agents during the military dictatorship – is the real cause of the current paralysis in intelligence reforms. She is alleged to have a special distaste for the intelligence services and it appears that the US spying incident has changed nothing on this score. Within weeks of the scandal erupting, further cuts were announced to the Ministry of Defence's cyber-security programme, while only 55 per cent of its authorised budget was spent last year, and the planned increases in ABIN recruitment were suspended, even though the agency complains it is undermanned.

Finally, popular dissatisfaction with public services and corruption, the wide reach and activity of small extremist groups (unhindered by intelligence-service surveillance) and the underperformance, and even the lack of civility, of Brazilian police forces have resulted in demonstrations in most of the country's major cities. The political impact of this is uncertain; however, in combination with Brazil's poor economic performance under Rousseff, it is likely to put her in a vulnerable position during the next elections in 2014.

What the US wants to find out about Brazil, and how it does so, is not, therefore, actually of such concern to the Brazilian government. Instead, the timing of the incident has presented an opportunity to divert popular attention from the other, more critical structural problems of Dilma Rousseff's administration. And despite the president's striking reaction, it is unlikely that the incident will inflict long-term damage on US–Brazilian relations, not least because, over the last three years, these have already been frozen, in relative terms. The only moral of the story is that the US is not alone in needing to reform its spying practices: so must Brazil.

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