

26 November 2020

NOTES ON THE PRESIDENTIAL ELECTION IN THE USA



Rubens Barbosa is a senior business adviser based in Sao Paulo, and a popular speaker and writer on global business and trade issues. He served as Brazil's Ambassador in Washington and London. He has extensive international economic, trade and commercial experience.

Joe Biden's historic victory will be analyzed for many years. The election result was surprisingly balanced, reflecting the deep division in the country. The blue wave, Democrat, never happened but the American society decided to elect a moderate and conciliatory President, who promised to reduce hate and to unite the country. The results showed that the voters decided to separate the figure of the outspoken president from his Party. The Republican Party has had a much stronger performance than Trump's and came out of the election with a higher number of Representatives in the Lower House and with the possibility of keeping control in the Senate.

The political polarization in the USA has been strengthened in the last decades, and this picture will not change in the foreseeable future, due, among other factors, to the growing pandemic problems and the existing growing social and economic contrasts in the richer and more advanced countries in the world. The growing income concentration has heightened the inequalities in the population and among regions, between urban and rural areas. The political deadlock, if the Senate continues with a Republican majority, will make difficult the approval of the reforms promised by Biden in health, economy, energy, immigration, environment and in the strengthening of democracy and human rights.

The USA is ceasing to be a country with a white and Calvinist majority and becoming a multi-racial and multicultural democracy. More than 77 million voters showed their discontent with a President with an unconventional approach to politics, negativist, perceived as selfish, a liar, vain and one who puts his personal and electoral interests above the interests of the country. Trump imposed policies that favoured populism, protectionism, racism and isolationism while always stressing that these policies would increase jobs for the American worker and that America would always come first. Trump's policies increased racial divergence and conflicts related to immigration. In some States, votes by young blacks, Latinos and Muslims were higher than expected by the Republican Party despite the fact that Trump's policies had been clearly contrary to the interests of those minorities. The division around cultural themes is on the rise, despite the fact that there is more convergence around less conflictual economic policies, as they are focused on jobs and income growth. Although personally rejected by the voters, Trump's ideas and policies will remain. The populist, nationalist and conservative movement was strengthened and

Access. Engagement. Resolution.

supported in the poorest rural areas, with a white majority, with no higher education and lower income. Republicans have emerged, oddly enough, as the working class party - closer to the aspirations and views of the new social and racial composition of the US society.

Another relevant aspect that became clear with the results of the Election is the question of the political use of religion. The message coming out of voters was clear: State and Church should not be mixed and confused. Voters expressed their preference in favour of practical and concrete policies directly affecting their interests and rejected a religious war, in particular with Muslim immigrants.

The fraud allegations and the appeal to the judiciary by Trump generate uncertainty and, in a way, represent a serious problem to the functioning of the electoral system. However, given the strength of the US institutions, they will not pose a threat to democracy nor to the credibility of the Election.

Public opinion polling institutes failed again, and gave inflated numbers for Biden's lead in several States. The media (TVs, newspapers, radios) in practice acted as a political arm for the two parties, stimulating the division in the country. Social media influence was less present than in the 2016 Election.

A few questions remain unanswered. Given Trump's strong position in the Republican Party, and especially the weight of more than 72 million votes, what will his role from January 20th be? Will Trump retreat, as all his predecessors did, or will Trump continue very active on his Twitter account, with a dominant presence in the domestic political scene? The US Constitution determines that no person can be elected more than twice to the Presidency. So, Trump may wish to run again in 2024. How will the Republican Party react?

As for Latin/South America and Brazil, they will continue to enjoy low priority in US foreign policy. The region does not represent a threat to the US national security. The Monroe Doctrine will be shelved again, although there are concerns in Washington about the growing presence of China in the region. Venezuela will have less attention from the US Government, but the pressure for free elections and a return to democracy will continue. As for Cuba, we may see some relaxation in some of Trump's policies on travels and remittances. As for immigrants from Mexico and Central America, there will probably be some positive measures from the Biden Administration.

As far as Brazil is concerned, the first consequence of Biden's election is that the personal ties between Presidents will be extinguished. There will be no change in trade policy, with new sectorial agreements being finalized and an effort to make bilateral trade expand again. There are three important changes in the US foreign and trade policies that will have an impact on Brazil: environment policies, policies in multilateral organizations and China. The Brazilian Government's policies towards the Amazon will be focused on by the new Administration together with the pressure coming from European Union. The ratification of the free trade agreement between Mercosul and EU will be threatened, and possible new restrictive measures imposed by Washington will leave the Bolsonaro Government in a difficult position, having to decide to adjust

or not its policies in the Amazon. Brazil will probably be more isolated as the US change their policies to strengthen the WTO, the WHO and the UN and their agendas (abortion, family, gender, religion). As for China, the main Brazilian trading partner in the world, the pressure from the US to contain Chinese growing presence and influence in the world will pose difficult questions for Brazil. The strategic confrontation between the two superpowers will continue for many decades for hegemony in the 21st Century. The pressure from Trump for Brazil to ban the participation of any Chinese company in the tender for the use of 5G explains the postponement of any decision to May next year. It remains to be seen how the new US Administration will deal with this matter and if it opens any margin for Brazil to make a decision according to its own interest and not for ideological or geopolitical considerations.

Access. Engagement. Resolution.

The Ambassador Partnership LLP is a **unique international** partnership of former Ambassadors with unrivalled networks of influence in almost 100 countries. We provide discreet services to resolve your international problems and to improve your capacity to operate effectively wherever you need to.

We are **dispute resolution** specialists and **political risk** experts.

To discuss how we can help you to manage your political risk please call:

Tracey Stewart, Partnership Secretary
+44 (0) 7950 944 010
tracey.stewart@ambassadorllp.com
www.ambassadorllp.com