

## BRAZIL

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Structural change has been the main feature of the Brazilian intelligence sector since 1995. Over a period of more than ten years, Brazil has developed an extensive intelligence system composed of at least thirteen different organizations. The most important factors determining the main characteristics of this system were on the one hand the noxious stigma associated with intelligence organizations during the military dictatorship of 1964–1985, and on the other hand the benign view of the outside world held by Brazilian decision makers and the general public.<sup>1</sup>

The chapter is organized into seven sections. The first section briefly presents the public perceptions of threat around which the Brazilian debate on intelligence requirements revolves. The next section discusses the nature of the present Brazilian political regime, as well as some indicators of the current level of the state's capability that are relevant for the comprehension of the intelligence activity. In the third section we present the current organizational features of the intelligence system in Brazil. The fourth section provides some insight into the oversight and external control of the system. The next section deals briefly with the impact of 9/11 and the counter-terrorism issue. In the sixth section we describe some of the external relations maintained by the Brazilian intelligence and their rationale. Finally, the chapter closes with a preliminary assessment of the current challenges faced by this new intelligence system.

Before we start, there are two premises that must be set out. The first premise supposes the presence of institutionalized intelligence services that are legitimate and efficacious as a necessary condition for a democratic country to guarantee the security and safety of its citizens and to promote its public interests. In this sense, intelligence services are an essential part, along with the military, the police, and diplomats, of the bureaucratic apparatus of any state with minimal intentions of having autonomy in the international system.

The second premise is related to the inherent tension that exists between the requisites of security imposed on any country by the anarchic structure of the international system (self-help and relative gains) and the minimal procedural criteria of a political regime, especially in the areas of defense, foreign policy, and provision of public order. Besides the general democratic control problems commonly found in

various areas of the state's action characterized by technological and organizational complexity, in the security sector there are specific tensions that may be summed up in the double dichotomy state security versus individual security, and governmental secrecy versus the right to information. Obviously, these two dichotomies are not inherent only in developing countries or those countries that have been through authoritarian regimes in the last twenty years. They manifest themselves also in a more or less intense way in the most powerful, rich, and democratic countries in the world.<sup>2</sup>

We consider, however, that the double challenge of legitimacy and agility (efficiency, efficacy, and effectiveness) related to intelligence services is particularly important for countries like Brazil. Due to the institutional and behavioral inheritance received from the dictatorship and the relative frailty of the state apparatus in the country, the democratic control over intelligence services is part of the series of more general challenges associated with the solution of civil-military relations and building up the state's capability.

The working hypothesis that guides our work is that although the legitimacy and the efficiency of intelligence services are two sides of the same coin, in the case of Brazil the present challenges related to the institutionalization of these services are more strongly related to efficiency than to legitimacy.

### BRAZIL'S STRATEGIC ENVIRONMENT: TROUBLE IN PARADISE

Despite the popular belief that Brazil has no enemies, shared by the overwhelming majority of politicians, there are in fact challenges or threats that might just require an effective intelligence system. Government officials such as Congressman Aldo Rebelo, as head of the Joint Oversight Committee and later as Congress president (Speaker of the House), have emphasized all along the threats arising from globalization concerning science, technology, and natural resources, especially in the Amazon.<sup>3</sup>

What is new, however, is an increasing concern by some in government and the intelligence community regarding international terrorism. Until very recently, all official spokesmen, including the previous minister/chief of the Institutional Security Cabinet, General Alberto Cardoso, stated that there was no terrorist threat to Brazil.<sup>4</sup> At an international seminar held in Brasilia in November 2005, sponsored by the Brazilian Intelligence Agency, "International Seminar on Intelligence and Contemporary Challenges," there was no specific attention to the possible threat of international terrorism.

However, in early December 2006 the title of another international seminar was "Second International Seminar on State Intelligence, the Media, and Terrorism." This new focus on terrorism can be explained by reference to three factors. First, there is an awareness that international terrorists may attack a foreign target, such as the U.S. or Israeli embassy, in another country as was the case in Kenya, Tanzania, and Argentina. Second, based on the experience in Madrid on March 11, 2004, where criminal elements morphed into terrorists and linked up with al Qaeda, there is concern

that the same could happen in Brazil. Third, and the main event focusing their attention, was the imminent hosting by Brazil of the July 2007 Pan American Games in Rio de Janeiro. Such a global and public event was perceived as presenting an unparalleled opportunity for international terrorists to show their global reach. Everyone was keenly aware that the crime situation in Rio de Janeiro is precarious, and even "rounding up the usual suspects" might not be enough to provide the protection necessary if international terrorists decided to attack. There was much riding on the success of the games, for hosting them successfully would put Brazil in a very strong position for hosting other events such as the soccer World Cup and the Olympic Games.

Generally speaking, issues related with border control, high homicide rates and strong organized crime are the main security concerns in today's Brazil. This kind of threat perception allows for an intelligence system much more inward looking than those observed in countries with more traditional external military threats.

### THE BRAZILIAN POLITICAL REGIME: STRONG DEMOCRACY AND WEAK STATE

As far as Brazil is concerned, there is a visible consensus in the specialized literature about the democratic nature of the country's current political regime. This general conclusion appears in research projects using dichotomic classifications which divide political regimes into democracies and dictatorships,<sup>5</sup> as well as in threefold classifications that include some type of semi-democracy or semi-authoritarianism as a way of accommodating partial violations of one or more of the adopted.<sup>6</sup> By the same token, in projects that use continual measurements of democracy instead of reserved classifications, such as the Polity Project of the University of Maryland, or Freedom House Foundation's index, Brazil is evaluated as being strongly democratic.<sup>7</sup>

The Brazilian democratic regime has achieved almost twenty years of stability. Whether one considers the year of transference from a military to a civilian president (1985), or the year of the first democratic direct election of the country's president under a democratic constitution (1989), the country is now close to that threshold.<sup>8</sup>

Finally, the election and reelection of President Lula (2002 and 2006) and the ascension to power at the federal level of the Workers' Party (PT, Partido dos Trabalhadores) has been pointed out as a sign of the maturation and consolidation of Brazilian democracy. No matter how moderate or scandal sensitive the center-leftist coalition that governs Brazil may be, it has brought about the greatest circulation of the elites in governing positions since at least the 1960s. Without this kind of social and generational blow of fresh air represented by the trajectory of the Workers' Party in Brazil, political regimes tend to suffer from some sort of "sclerotic instability" associated with the recent regime crises in Argentina, Venezuela, Colombia, Italy, and Japan, to mention just a few.<sup>9</sup>

The central point to be considered here is, according to Bruneau and Dombroski, that expectations in relation to the intelligence services tend to be a lot different if we are facing a democratic, a semi-democratic, or an authoritarian political regime.<sup>10</sup>

In this sense, it would be expected that the structural changes in intelligence in Brazil should be consistent with the evaluation of the Brazilian political regime as a consolidated democracy. In order to appraise that level of consistency we need to consider a couple of additional sets of indicators.

First, in relation to the social and economical fundamentals of democracy, one should be aware of the present level of inequalities in Brazilian society. With a nominal per capita income of US\$2,993 (the average of the years 1999–2003), Brazil is still in an intermediate level of income. Once this income is adjusted by the parity of buying power, it is estimated at US\$7,600 in 2003, with some improvements in the years since. Besides, this average income hides the exceedingly high concentration, in which the richest 10 percent control almost half of all the familiar income, with even bigger inequalities within the decile of the highest income. With a Gini coefficient of 0.59 (1999) and a Human Development Index of 0.750 (2001), Brazil represents other meaningful and persistent racial, sexual, and regional inequalities (the largest part of the GNP being generated in the southern and southeastern regions), as well as cleavages determined by different degrees of control over crucial resources (land, credit, communication and information technologies, schools, etc.).<sup>11</sup>

In relation to attitudinal bases of agents' behaviors, the data of the public poll Latinobarometro for 2004 indicates that only 4 percent of those interviewed in Brazil trust other people. This exceedingly low level of interpersonal confidence is consistent with a decreasing number of people that consistently support democracy as a government regime (less than 9 percent since 1996). Data in the same survey indicate that only 28 percent of the Brazilians interviewed are satisfied with democracy, while only 41 percent consider this form of government better than any other (this opinion reaches 74 percent in the case of Venezuela, and 78 percent in the case of Uruguay).<sup>12</sup>

Taking as valid (at least for now) the thresholds of democratic stability proposed by Andreas Schendler for three nonbehavioral fundamentals of democratic consolidation,<sup>13</sup> namely, per capita income above US\$3,000, inequalities below 0.50 (Gini's coefficient), and legitimacy above 66 percent (support to the democratic regime), the consolidation of the Brazilian democratic regime will demand more than a lifetime of twenty years without violent institutional breakups.

Actually, such consolidation seems to involve also some meaningful institutional challenges. Using a three-stage picture in the Latin American development process after 1990, Patrice Franko concludes that even in the cases of a successful result in the first ("severe stabilization" of macro economical fundamentals) and second stages ("structural transformation" of balances between state/market and internal/external), the challenges associated with the third stage ("construction of capabilities") would be the most difficult and long-lasting.<sup>14</sup> Therefore, we need to consider the institutional aspects that would be more or less conducive to an agile and legitimate structuring of the intelligence services, especially civilian-military relations and the fiscal dimension of the state's capability.

Standards of civilian-military relations are an important element for the relationship between intelligence and democracy because in most countries the military and the ministry of defense control the largest part of budgetary, human, technological,

and organizational resources that the state has been able to gather.<sup>15</sup> According to Fitch, it is possible to identify at least two different standards of military professionalization in Latin America ("classic-huntingtonian" and "pro-development"), and four levels of democratic consolidation (military dictatorship, tutelage of the military over the government, conditional subordination, and democratic control).<sup>16</sup>

Although there is a meaningful controversy about the degree of military autonomy in Brazil after 1990,<sup>17</sup> the majority of researchers agree that civilian-military relations during the first democratic government after the transition (1985–1989) were characterized by military tutelage, while the 1990–2000 period was characterized by a slow evolution into gradually less intense levels of conditional subordination, especially in the years after the creation of the Ministry of Defense (2000–2005). However, not even the most optimistic analysts in relation to the case of Brazil,<sup>18</sup> or even in the cases of Argentina and Uruguay, go so far as to state that these countries have perfectly institutionalized democratic control over the military. The main reason for this, especially in the Brazilian case, is the extreme institutional frailty of the new Ministry of Defense vis-à-vis the commands of the three forces, as well as the lack of assertiveness of the permanent parliamentary committees and the Brazilian Congress as a whole in the exercise of its capacities of supervising and establishing priorities, both political and budgetary. Therefore, the current state of civilian-military relations in Brazil should be located on an intermediate level between what Fitch characterizes as conditional subordination and a situation more clearly identifiable as "democratic control."

The nexus between civilian-military relations and democratic control of intelligence services leads us to the discussion of state capability. In Latin America's present context, budgetary limitations have become more and more dramatic over the last decade. At the same time, there are internal and external pressures to broaden the involvement of the military and the intelligence services in civic missions, anti-drugs work, provision of public order and so many other "operations other than war" (OOTW). Without an adequate development of doctrines, equipment, and training, this combination brings back the democratic control agenda in connection with the twofold themes of legitimacy and agility.

A state's capability is the other side of democracy. Without an adequate institutional capability of rule enforcement and of implementing the decisions made by the elected representatives, or without the capability to guarantee the fulfillment of rights and obligations associated with citizenship, a democratic regime becomes what the political scientists of the Weimer Republic called once "a suicidal pact." For this reason, the comparative politics literature has emphasized for more than ten years now the importance of the study of dilemmas associated with the construction of institutional capabilities and the strengthening of the state.<sup>19</sup>

In this sense, the Brazilian state's capabilities are still disproportionately lower than the degree of democracy observed in the country, and this is deleterious in the long run for the security and even for the consolidation of the democratic regime in the country. In spite of a significant concentration of resources in the hands of the state (tax revenues are around 35 percent of GNP), the capability to invest and run

the state apparatus is still compromised by the weight of the public debt. Yearly foreign trade surpluses and growing primary surplus balances (revenues less expenditures before the payment of financial obligations and titles of the debt) have produced strong positive effects since 2004, but in general the Brazilian state is still weakened by the volume and the profile of its public debt and high interest rates.

In military terms, according to Dunnigan, in 2000 Brazil possessed an index of ground combat capability of 94, an index of total quality of the military of 33 percent, about 285,000 men in the military (195,000 in the army), a defense budget of \$18 billion a year, an annual military expense of 63 per soldier, 1,700 armored vehicles, 320 combat aircraft dedicated to ground battles, an index of naval combat of 0.6, representing 0.99 percent of the naval power available in the world, with 24 battleships and an index of quality of 65 percent for the naval forces. Within the American continent, Brazilian war capability was classified in second place, after the United States, followed in this order by Canada, Colombia, Mexico, Chile, Argentina, Peru, Venezuela, Cuba, and all the other countries.<sup>20</sup>

The Brazilian defense budget is very low (around 1.7 percent of GNP and 2.6 percent of the 2007 federal budget). Besides, the profile of expenditures is even worse, with 75.5 percent directed to the payment of salaries and (mainly) pensions, 11.3 percent for current expenses, and only 3.8 percent for investments.<sup>21</sup> Structural and attitudinal limitations to the democratic consolidation and the relatively weak state capability (considering the public debt and defense) are to be considered as the main Brazilian challenges in the area of intelligence reform.

## ORGANIZATION AND CONTROL: MAKING SENSE OF BRAZILIAN INTELLIGENCE

The current configuration of intelligence in Brazil was established by law 9,883 of December 7, 1999, through which the National Congress created the Brazilian Intelligence Agency (ABIN) and instituted the Brazilian Intelligence System (SISBIN). Legally, ABIN is considered a central agency of the system and has the function of regulating the flow of information produced by the institutions linked to it. With about 1,600 workers, the agency had about 400 analysts in 2004. This law reflected not only the weight of a tradition of very generic definitions about the legal mandate of intelligence agencies in Brazil, but also the possible result of several legislative initiatives presented by the leftist parties and by the government, internal negotiations in the executive and pressure from civil society throughout the 1990s.<sup>22</sup>

In the initial articles of law 9,883, intelligence activity was defined as that which intends to "obtain, analyze and disseminate knowledge within and outside the national territory on facts and situations of immediate or potential influence on government actions and decision processes and about the protection and security of society and the State." Equally generic, counterintelligence was defined as "the activity which intends to neutralize adverse intelligence." The specific content of the priorities and thematic emphasis of both activities were to be defined by a National Intelligence

Policy to be established by the president of the Republic after hearing suggestions from the external control agency in Congress.

Very slowly at the beginning, but with increasing tempo in the last two years, there emerged in Brazil an important legal structure regulating intelligence activities. For a comprehensive view of this legal framework, it would be necessary to analyze the federal constitution of 1988 in an integrated way, as well as existing legislation that defines crimes against the security of the state and individuals, which regulates instruments combating crime (including telephone tapping), establishes the policies of information security and government secrecy, establishes the procedures for the control of public administration in general, etc. Obviously, such a legal analysis is far beyond the possibilities of this text.

It is necessary to highlight, however, the fact that a number of decrees and administrative guidelines of the executive (e.g., that which in 2002 regulated the functioning of SISBIN), as well as some specific laws (such as the law defining a career plan for the information analysts of BIN, approved in 2004) contributed decisively to specifying the generic contours of the activity in the sphere of federal government. Even considering that different organizations and/or functions of the Brazilian intelligence system receive more or less attention in regulations, it can be said that today Brazil has fairly developed legislation in the areas of intelligence and information security (see Table 5 for a list of the main instruments).<sup>23</sup>

With regard to the most important organizational changes that occurred after the setting up of ABIN in 1999, it is important to highlight at least four: subordination of the agency to the Institutional Security Cabinet (GSI) of the president of the Republic; the creation of the Mixed Commission for the Control of Intelligence Activity (CCAI) in Congress; regulation of the participation of the ministries in the sphere of SISBIN; the creation of the Defense Intelligence Sub-System (SINDE); and the creation of the Public Security Intelligence Sub-System (SISP).

In the case of subordination of ABIN to GSI, although this is a distortion of the spirit of the 1999 law (since the director of ABIN is a civilian whose name must be approved by the Senate and the head minister of GSI is a general named by the president of the Republic), the government tried to justify this decision taken during President Cardoso's second term by invoking the need to guard the president from the daily managerial demands and potential crises resulting from scandals and/or tensions inherent in the relationship between intelligence and democracy. In practice, this corresponded with a general increase in responsibilities that GSI acquired over time because of the trust the president had in General Alberto Cardoso (no relation). GSI became the main coordinator of the flow of information from various federal agencies and crisis management center for internal and external security. Although ABIN is legally defined as a central agency of the system and plays the role of *primus inter pares*, in practice its subordination to the GSI increased the latter's control of intelligence priorities and reduced the agency's authority over the other participating agencies.

The publication of Executive Decree 4,376 in 2002 was an important step in outlining the organizational frontiers of SISBIN. As the system had been defined in the 1999 law, it would incorporate not only ministries and agencies of indirect federal

**Table 5.** Brazilian Federal Intelligence and Related Laws

Type of Law	Number	Enact Year	Main Focus	Comment
Constitution	Art. 5	1988	Freedom of expression and right to information	State security related exceptions
Constitution	Art. 142	1988	Armed Forces roles and missions	External defense, uphold the Constitution and, under request of the constitutional government to law and order in the internal realm
Ordinary Law	7.170	1983	National Security Law	Still in place / passed under military rule. Congress examines now a Bill (PL 6.764/2002) dealing with crimes against the state and democracy
Ordinary Law	8.028	1990	To terminate the Information National Service (SNI)	SNI was the powerful intelligence and security service of the Brazilian military regime
Ordinary Law	8.159	1991	Archives National Policy	Main regulation regarding access to government files
Executive Decree	4.553	2002	Information security	Security classifications and clearances
Ordinary Law	9.034	1995	Use of operational means (i.e. technical surveillance) to prevent and repress crime	Some articles changed by Law 10.217/2001
Ordinary Law	9.296	1996	Judicial authorization in advance to telephone interceptions	ABIN is not allowed either to ask for such an authorization or to engage in tapping operations
Ordinary Law	9.883	1999	To establish the Brazilian Intelligence Agency (ABIN) and the Brazilian Intelligence System (SISBIN)	Missions are defined in fairly general terms based upon a broad definition of intelligence and counter-intelligence

(Continued)

Table 5. (Continued)

Type of Law	Number	Enact Year	Main Focus	Comment
Complementary Lei	97	1999	To establish the Ministry of Defense (MD) and the Defense General Staff (EMD)	MD structure and resources were detailed by Decree 4.735/2003 and Policy Directive MD 1.037/2003
Executive Decree	3.695	2000	To establish the Public Security Intelligence Sub-System (SISP)	Ministry of Justice as coordinator; Decree 3.348/2002 first defined ABIN as SISP central agency, but the Ministry of the Justice was able to regain the coordinator role for the SISP
Executive Decree	4.376	2002	To specify SISBIN's organization and membership	Define members of the SISBIN and its Consulting Council; complemented by the Decree 4.872/2003
Policy Directive Ministry of Defense	295	2002	To establish the Defense Intelligence System (SINDE)	Strategic Intelligence Department (DIE) of the MoD as the central organ
Ordinary Law	10.862	2004	ABIN's Special Career Plan	Defines the Information Analyst career, from entry until retirement, through training, progression and ethos & ethics requirements
National Congress' Resolution Bill	08	2000	Joint Commission for the Intelligence Activities Control (CCAI)	CCAI has been established since 2000; as for August 2004, the Brazilian Congress has not approved the Commission's internal rules

administration, but also state and municipal organizations and even private companies and entities from civil society. These procedures have been reiterated by the text of the decree, and some organizational stability has been obtained by establishing in each ministry a person responsible for interaction with SISBIN. This better organizational outline was reinforced further by defining the Advisory Committee in terms of

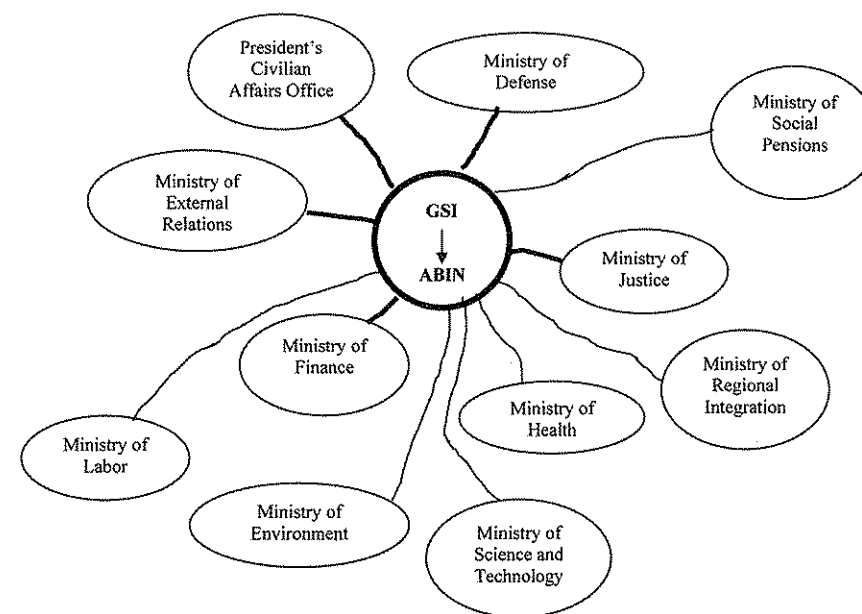


Figure 2. Brazilian Intelligence System (2004).

an even more limited number of ministries represented by analytical and/or operational units relevant for each area of intelligence.

In 2006, SISBIN was made up of GSI, ABIN, the Ministry of Defense, the Ministry of Foreign Relations, the Presidential Advisor's Office (Casa Civil, the agency responsible for managing the Amazon Protection System), the Ministry of Justice, the Ministry of Regional Integration, the Ministry of Science and Technology, the Ministry of the Environment, the Ministry of Health, the Ministry of Social Welfare, as well as the Ministry of Labor (see Figure 2).

At least two ministries participate in SISBIN through three intelligence units or more (Justice and Defense), whereas the Ministry of Finance participates through both the Office of the Tax Revenue and the Intelligence Unit of the Central Bank. Together with GSI and ABIN, these two ministries, along with the Ministry of Foreign Relations and the Presidential Advisor's Office (Casa Civil), make up the Advisory Council of SISBIN.

#### OVERSIGHT AND ACCOUNTABILITY: PRESENT, BUT FEEBLE

The second relevant structural development since 1999 has been the setting up of the Mixed Commission of Control of Intelligence Activities (CCAI) in the National

Congress, which occurred in November 2000. When it was originally conceived, it was called the Agency for Control and External Inspection of the National Intelligence Policy (OCFEPNI), of Law 9,883 December 7, 1999. The setting up of the Mixed Commission would occur only a year after it had been determined. After eleven meetings through July 2004, the CCAI has faced enormous difficulties in carrying out its control functions.

These difficulties result in part from the very institutional design of the agency, presided over each year in turn by the president of the Commission of Foreign Relations and National Defense of the Senate and of House of Representatives. But this is also the result of a lack of technical resources and personnel, as shown in the fact that the only employee of the Senate who specialized on the theme and decisively contributed to the existence of the CCAI has to support the work of several commissions and different tasks of the heads of the Senate. Presided over by parliamentary members of a center-left coalition between 2000 and 2003, the CCAI carried out important joint initiatives with agencies of the executive, such as a first seminar on the issue, transmitted by the Senate TV with speakers from Brazil and abroad and 300 participants over two days, as well as the first consultation to civil society about the priorities of the National Intelligence Policy, begun in 2003. In spite of this, until August 2004, the CCAI had still not managed to get its bylaws approved by Congress and its sporadic meetings and activities were overly determined by a logic of reaction to scandals and accusations appearing in the press.<sup>24</sup>

As well as the CCAI, four other commissions would be important in the control of intelligence activities: the Defense Commission of the House of Representatives, the Defense Commission of the Senate, the Commission of Public Security Against Organized Crime of the House of Representatives, and the permanent subcommission of Public Security of the Committee of Constitution, Justice and Citizenship at the Senate. With regard to intelligence budgets, monitoring would be the responsibility of both the internal control office of the presidency of the Republic and the Union Accounts Tribunal (TCU).<sup>25</sup>

### THE IMPACT OF 9/11 IN BRAZIL: INTERNAL SECURITY AND THE THREE SYSTEMS

The 9/11 terrorist attacks as well as the subsequent high-profile bombings in Madrid, London, and Mumbai did not change substantially the institutional arrangements of the Brazilian intelligence and security sector. As a matter of policy, terrorism has certainly increased in importance as a priority for the Brazilian authorities, as indicated in the first section of this text.

However, since the state's perceived vulnerabilities are equally exploitable by terrorists, military foreign threats, and organized criminals, one can notice a significant institutional effort after 2001 in Brazil in terms of building up two important intelligence subsystems in Brazil: the Intelligence and Public Security Subsystem (SISP) and the Defense Intelligence System (SINDE).

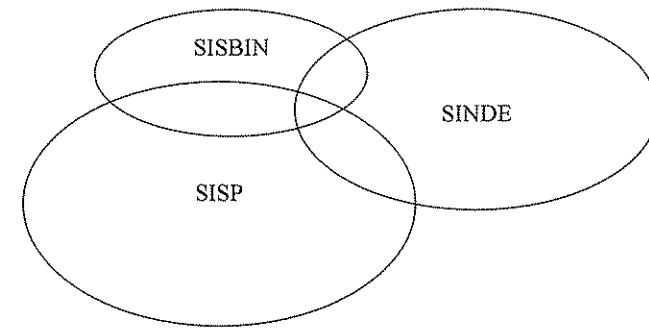


Figure 3. The Three Intelligence Systems in Brazil.

Although SISP was established in 2000 through executive decree 3,695, not much has come from its potential to integrate the flow of information in the areas of criminal (internal) security intelligence, counterintelligence, and counterterrorism. This subsystem is coordinated by the Public National Security Office (SENASP) of the Ministry of Justice. The main operational components of SISP are the Department of Federal Police (DPF) and the Department of Federal Highway Police (DPRF), in the Ministry of Justice, as well as specialized intelligence units from the ministries of Finance, Regional Integration, Defense, and from the Institutional Security Cabinet of the president of the Republic, as well as the civil and military police of the twenty-six states and the federal district (Brasilia). Although defined as a subsystem of SISBIN, in practice, the number of organizations involved and the capillarity of police intelligence networks tend to transform SISP into a system only partially integrated to SISBIN, in spite of the participation of ABIN and other federal agencies in both advisory committees.

SINDE was formally established in June 2002, through an administrative measure of the Ministry of Defense (Regulation 295/MD). This system was created to bring together intelligence components of the navy, army, air force, Defense General Staff (EMD-2), and the Ministry of Defense. For this reason, the coordination of SINDE belongs to the Strategic Intelligence Department of the Ministry of Defense (DIE-SPEAI), which is also responsible for representing SINDE in SISBIN and before the National Congress. All Brazilian military intelligence activities are formally subordinated to the Ministry of Defense, but the strategic and operational intelligence of each branch of the armed forces are run and controlled by the respective force commanders with a high degree of autonomy.

In spite of the functional idea implied by the choice of the word system, the degree of hierarchical centralization or even of interdependence inside the SISBIN is remarkably low. After all, the very idea of a "system" refers to a whole which is kept together through the functional differentiation and interdependence of its parts. In the case of the three Brazilian intelligence systems (see Figure 3), the predominant focus of almost all the organizations involved is internal public order and related threats. In this sense, the main impact of 9/11 was to reinforce the threat perception

as mainly related with crime and asymmetric power and the institutional tendency towards the organization of systems still only partially integrated.

#### INTERNATIONAL COOPERATION: BEYOND THE TRI-BORDER

As indicated in the title of this section, Brazilian intelligence agencies are involved in regular exchanges of information with the similar intelligence and security organizations of Argentina and Paraguay concerned with criminal and possible terrorist activities in the tri-border region shared by these countries. The three countries plus the United States set up a special forum to review the available data and to coordinate efforts against money laundering, drug trafficking, smuggling activities, as well as terrorist financing and related activities.

Brazilian intelligence agencies, specially ABIN, the military ones, and the federal police intelligence component, have a long-standing relationship with corresponding agencies in the United States, specially the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), the Federal Bureau of Investigation (FBI), the Drug Enforcement Agency (DEA), and the U.S. Secret Service.

Since 1992, Brazil has begun to develop the Amazon Region Surveillance System (SIVAM), a large system of surveillance, reconnaissance, and air traffic control based upon satellites, monitoring aircraft, and ground-based radars, as well as monitoring centers with huge databases shared by various governmental departments. Partially operational since 1995, the SIVAM system was completed in 2005. One important Brazilian diplomatic move linked to the establishment of SIVAM was the negotiation of information-sharing agreements with other South American countries, especially those forming part of the Amazon Cooperation Treaty Organization (OTCA). Brazilian intelligence agencies and their South American counterparts meet once a year and exchange critical information on a regular basis. The substance of these various external types of relationship are determined by the priorities to obtain and analyze information for the whole system (SISBIN), which are established through the National Intelligence Policy (PNI), as well as annual executive guidelines.

Since 2002 the list of themes mentioned from time to time by government officials have included the monitoring of potentially violent social movements, land issues, the protection of the indigenous population, biodiversity and the environment, opportunities and obstacles to national development (mainly in areas of leading technologies and the use of natural resources), squatting of tracts of land (mainly in the Amazon region), the proliferation of weapons of mass destruction, public security (in partnership with SISP), the fight against transnational organized crime, drug trafficking, the traffic of weapons and money laundering, the prevention of terrorism, movements of members of international terrorist organizations, and monitoring and evaluation of external conflicts (and possible reflections upon the country). Besides this list of themes, the ABIN home page on the Internet has also mentioned the implementation of the National Program for the Protection of Knowledge (PNPC) and the work of the Research Center for Safe Communications (CEPESC/ABIN), both of which are

very important for the initiatives of information security, cryptography, and counter-intelligence in Brazil.<sup>26</sup>

#### NATIONAL CULTURES OF INTELLIGENCE: CONCLUDING THOUGHTS ON BRAZIL

In terms of democratic consolidation, the reforms of the intelligence system have been highly successful. The system is composed of several different, and competing, intelligence organizations; there is a robust legal framework within which it must operate; there is an emerging structure of executive and some congressional oversight; and it is largely transparent. In terms of effectiveness, efficiency, and efficacy, however, there is real concern.

In the relatively recent past there has been evidence less of abuses of power by the intelligence agencies than of their inability to predict such key events as a truckers' strike or the strikes by police in many cities in the late 1990s. Furthermore, the intelligence systems did not appear to be effective in relation to the waves of violence promoted by organized crime in Rio de Janeiro and São Paulo throughout 2006. The reform of the intelligence system was a key element, along with the creation of the Ministry of Defense (MD), in Brazil's democratic consolidation. The elimination of the National Information Service (SNI) and other intelligence organizations of the military dictatorship were extremely important elements in the consolidation process. The creation of the SISBIN, and the legal framework within which it is situated, is also very important for consolidation. The oversight mechanism is currently in the very slow process of construction.

The main challenges in intelligence currently, as with the MD, are to complete the institutionalization of the system and to interest and educate sufficient civilians who will be able to assume control in both intelligence and national security and defense. Currently there are only a handful of members of Congress who are interested and engaged. The same applies to potential staff for the executive, including ABIN and the ministries of Justice and Defense. The same also applies to civil society to include the media, think tanks, and NGOs.

There is a lack of willingness and a cultural resistance of political elites in the executive, National Congress, and the judiciary to deal with the problem of efficiency in the services and other specialized units whose missions and legal mandates are defined too generically. This general concern is more evident when we consider the more specific issues of budgetary constraints, professionalization, and product quality.

The problem of estimating government intelligence spending in Brazil is more analytical than the result of government secrecy. In 2003, the secret or reserved expenses of various kinds (including security and intelligence) were around US\$3.5 million, compared to a total federal spending of US\$291 billion (or, just 0.12 percent). However, whether the result of a conscious decision or because of difficulties inherent in the logic of the Brazilian budget process, even functional or organizational expenses not classified as reserved are difficult to ascertain in the Brazilian case.<sup>27</sup>

Therefore, with the exception of very general and provisional estimates, there is no systematic survey of government expenditure on SISBIN, SINDE, and SISP. Besides the lack of an adequate conceptual basis which can be internationally comparable, any accurate estimate must take into account also the capacity of the agencies making up the SISP in the twenty-six Brazilian states and in the federal capital.

Since we cannot perform this task here, we estimated the Brazilian spending on intelligence by adding the budget of ABIN to the values which appear in the subfunction "intelligence and information" in all the units of the Ministry of Defense and the Ministry of Justice. In the case of ABIN, the budget for 2003 was about US\$40 million, of which 73 percent was committed to salaries and pensions, 21 percent for operational costs and investments (or about US\$8.5 million) and 6 percent for other types of expenses. In the Ministry of Defense, the allocation of resources for activities related to intelligence (and "information") was about US\$5.1 million in 2004. In the Ministry of Justice, "information and intelligence" expenses were estimated at US\$18.5 million for the same year.<sup>28</sup>

The total budget of ABIN, plus the estimates on SINDE and the Ministry of Justice come to US\$63.6 million for 2004, which is very modest even for South American patterns. Besides the apparently low amount of resources, about 73 percent of the expenses estimated here are for the payment of salaries and pensions. The fact that so much of the budgets of defense, public security, and intelligence are committed to personnel and debts makes the challenge of professionalization even harder.

The law which finally defined the Special Career Plan for ABIN was a positive step toward greater professionalization of the Brazilian intelligence system. By creating a career of higher education information analyst, with the requirements of entry, training, progression, and retirement, the new legislation provides a long-term sense to the planning of resources and capacity. Even if the structure of incentives and sanctions still demands significant improvements to avoid corporate distortions, overall, it indicates the consolidation of publicly defensible and merit criteria for the profession. This appears decisive, given that ABIN has received a growing number of applicants to the competition of tests and titles (9,064 applicants for 120 places in 1999 and 10,546 for 61 places in 2000), but has had greater difficulty in retaining young analysts. Also, the professionalization of intelligence activities in Brazil still has a long way to go in the armed forces and the police.<sup>29</sup>

In sum, the Brazilian political regime is a consolidated democracy in procedural terms, with important structural and attitude deficits, which are reflected in unequal measures of freedom and equality. In the Latin American context, Brazil is a country with a strong state, both from the point of view of tax revenues as well as in national defense, when compared to the ten most industrialized and powerful countries. However, the Brazilian state is fragile because of the vulnerability of its economy to outside effects, by the high public debt and high fixed personnel expenses. These factors limit government investment margins, whether providing security or well-being.<sup>30</sup>

Brazilian structural reforms in intelligence have been mostly successful from the point of view of adapting to the context of a consolidated democratic regime. Even further, as Bruneau points out, they are an important part of democratic consolidation itself.<sup>31</sup> Denouncements and scandals of the violation of democratic rules appear

throughout the process. However, in the last few years the issue of the efficiency of the services has become stronger, alongside the ongoing issues of legitimacy.<sup>32</sup>

In the case of Brazil, with the important exception of the complex architecture of collecting intelligence from signals and images associated with the Amazon Surveillance System, the declared and observed priority has been placed on the functions of analysis and counterintelligence, internal security, and criminal intelligence. This choice is the result of demands by the users themselves (ministers, the president, military commanders, and managers of public security) and seems to have been reinforced in the Lula governments. But it also reflects the extremely consensual and cooperative institutional arrangement of SISBIN, where each traditional bureaucracy (diplomatic, military, police) has so far reaffirmed its jurisdiction over missions and resources and kept the process of institutionalization under control.

## NOTES

1. This text expands and updates information and thoughts previously presented in Marco Cepik, "Political Regime and Intelligence System in Brazil: Structural Change and Democratic Control," in Thomas C. Bruneau and Steven Boraz (eds.), *Reforming Intelligence: Obstacles to Democratic Control and Effectiveness* (Austin: University of Texas Press, 2007), pp. 49–169, and T. C. Bruneau, "Intelligence Reforms in Brazil: Contemporary Challenges and the Legacy of the Past," Paper presented at the ISA 48th Annual Convention, Chicago, 2007. The authors would like to thank the editors for their patience as well as for their insightful comments.

2. The report issued by the national commission of investigation about the performance of the intelligence services of the United States in relation to the terrorist attacks of September 11, 2001, shows the opportunity of the problem for all countries. See Kean and Hamilton eds. *Commission Report: Final Report of the National Commission on Terrorist Attacks upon the U.S.* Darby, PA: Diane Publishing Company, 2004, especially chapters 11 (foresight and hindsight), 12 (what to do? A global strategy), and 13 (a different way of organizing the government).

3. Claudia Assaf Bastos Rebello, "Necessidade de Inteligencia do Estado brasileiro," *Revista Brasileira de Inteligencia* 2, no. 2 (April 2006): 43–44.

4. The authors heard him making this assertion at the international seminar on "Intelligence Activity in Brazil: Contributions for Sovereignty and Democracy," *Brasilia* 6 and 7 (November 2002).

5. Adam Przeworski et al., *Democracy and Development: Political Institutions and Well Being in the World, 1950–1990* (Cambridge: Cambridge University Press, 2000).

6. Scott Mainwaring, D. Brinks, and A. Perez-Linan, "Classifying Political Regimes in Latin America, 1945–1999," *Studies in Comparative International Development* 36 (Spring 2001): 37–65.

7. In the last country report available within Polity Project IV (2002), Brazil was classified as highly democratic (8 points on a 0-to-10 scale) and the last transition to democracy was placed as the year of 1985. See <http://www.cidcm.umd.edu>.

8. Peter Kingstone and Timothy Power, eds., *Democratic Brazil: Actors, Institutions, and Processes* (Pittsburgh, Penn.: University of Pittsburgh Press, 2000).

9. It is important to notice, however, that the criteria of classification mentioned in the beginning of this section are strictly procedural, not substantial. This leads to a negative and/or weak conception of a democratic consolidation represented by the mere absence of a violent



institutional breakup throughout a certain number of years. The more demanding the criteria, the fewer the number of countries and/or historical periods that may be considered democratic, or, in this case, consolidated democracies. See David Collier and Steven Levitsky, "Democracy with Adjectives: Conceptual Innovation in Comparative Research," *World Politics* 49 (April 1997): 430–451.

10. Tom Bruneau and Kenneth Dombroski, "Reforming Intelligence: The Challenge of Control in New Democracies," in Thomas Bruneau and Scott Tollefson (eds.), *Who Guards the Guardians and How? Democratic Civil-Military Relations* (Austin: University of Texas Press, 2006).

11. For a comprehensive treatment of the social and economical situation of Latin America in which the Brazilian case can be studied comparatively, see Patrice M. Franko, *The Puzzle of Latin American Economic Development*, 2nd ed. (New York: Rowman and Littlefield, 2003).

12. See Latinobarometro (2004), *Informe—resumen: una década de mediciones*. Santiago de Chile, Corporación Latinobarometro, <http://www.latinobarometro.org>; accessed August 14, 2004. See also chapter 7 of the volume edited by Jorge Domínguez, and Michael Shifter, *Constructing Democratic Governance in Latin America*, 2nd ed. (Baltimore, Md.: Johns Hopkins University Press, 2003), pp. 137–161.

13. Andreas Schendler, "Measuring Democratic Consolidation," *Studies in Comparative International Development* 36 (Spring 2001): 66–92 at 83–84.

14. Patrice M. Franko, *The Puzzle of Latin American Economic Development* (New York: Rowan & Littlefield Publishers, Inc., 2003), pp. 490–494.

15. Priscila Antunes and Marco A. C. Cepik, "The New Brazilian Intelligence System: An Institutional Assessment," *International Journal of Intelligence and Counterintelligence* 16 (2003): 349–373.

16. Samuel Fitch, *The Armed Forces and Democracy in Latin America* (Baltimore, Md.: Johns Hopkins University Press, 1998), pp. 36–60. Observe that both professional standards of mission assignment to the military ("classic" and "developmentalist") are, in principle, compatible with democratic regimes. In the case of Latin America in recent years, a "Bolivarian" translation of this developmentalist standard occurs in Venezuela, where 74 percent of the interviewees polled by Latinobarometro declare that they support democracy, while a "classic-huntingtonian" one prevails in Uruguay, where 78 percent of the population say they favor democracy. Contemporary examples of the political leadership control over the military in non-democratic contexts are China and Cuba.

17. Jorge Zaverucha, *Frágil Democracia: Collor, Itamar, FHC e os Militares* (Rio de Janeiro: Civilização Brasileira, 2000).

18. For example, Wendy Hunter, *Eroding Military Influence in Brazil: Politicians against Soldiers* (Chapel Hill: University of North Carolina Press, 1997).

19. Barbara Geddes, *Politician's Dilemma: Building State Capacity in Latin America* (Berkeley: University of California Press, 1994).

20. According to Dunnigan, land combat power covers the whole combat capacity of the military of a country, except for the navy. It is a composite index, formed by quantitative indicators and qualitative opinions in relation to equipment, arms, and troops. Total force quality is a fraction through which the gross value of capacity of combat could be multiplied in order to cover the soft factors of capability (leadership, support, institutions, etc.). The number of military personnel takes into consideration only the amount of people in uniform, regardless of the function (support or combat). James F. Dunnigan, *How to Make War: A Comprehensive Guide to Modern Warfare in the 21st Century*, 4th ed. (New York: Quill, 2003).

21. For more details, see Antonio C. A. Rosieri, "Alocação de Recursos na Função Defesa," *Ciclo de Debates em Itaipava* (Brasília: Ministério da Defesa, 2004), <http://www.defesa.gov.br>, accessed August 15, 2004, and João Pederiva, "A Defesa Brasileira e os Indicadores de Desempenho no Orçamento Federal do Brasil" (Brasília: Consultoria de Orçamento do Senado Federal, 2002).

22. During the military regime (1964–1985), and in the first government after the transition (1985–1989), the National Information Service (SNI) was the central agency of a powerful state security apparatus. The central information agencies of the three forces (navy, army, and air force) received new names after the 1990s and the SNI was made extinct by a decision of the new democratically elected president, Fernando Collor de Melo, in the beginning of the 1990s. For a review of this period and the legislative debates in the executive about substitutes for the SNI, see Priscila Antunes, *SNI e ABIN: uma leitura da atuação dos serviços secretos brasileiros no século XX* (Rio de Janeiro: Editora da FGV, 2001), and Antunes and Cepik, "The New Brazilian Intelligence System."

23. For the complete Portuguese text of the Brazilian legislation, as well as follow-up of various kinds of proposals in the National Congress, see [www.interlegis.gov.br](http://www.interlegis.gov.br).

24. Priscila Antunes, "O Controle Externo das Atividades de Inteligência: o caso do Brasil," Paper presented in the LASA Conference, Las Vegas, 2004.

25. See Marco Cepik, *Espionagem e Democracia* (Rio de Janeiro: Ed. FGV, 2003), especially chapter 3.

26. For the full text of General Cardoso's speech, see Brasil, *Anais do Seminário Atividades de Inteligência no Brasil: contribuições para a soberania e a democracia*, (Brasília DF: ABIN e Congresso Nacional, 2003), pp. 179–198. CDU 355.40(81).

27. See [www.camara.gov.br/internet/orcament/principal/default.asp](http://www.camara.gov.br/internet/orcament/principal/default.asp). Also see João Pederiva, *A Defesa Brasileira e os Indicadores de Desempenho no Orçamento Federal do Brasil* (Brasília: Consultoria de Orçamento do Senado Federal, 2002).

28. As one can see by examining the Brazilian budget on the Internet, this use of the subfunction "information and intelligence" would also be inadequate to estimate intelligence spending in a realistic way. Considering all the organs with classified actions in this subfunction in the 2004 OGU of the federal government, subfunction 183 includes actions which are so distant from the area of intelligence, such as the construction of the Network of Virtual Health Libraries (Ação 6189) or the setting up of a Cadastro Nacional de Profissionais e Estabelecimentos Assistenciais de Saúde (Ação 6153).

29. For a more detailed discussion of the four criteria used to evaluate the professionalization of intelligence activities in Brazil (specific knowledge, career, training, and code of ethics), although this was before the issuing of law 10,862/2004, see Marco Cepik and Priscila Antunes, "The Professionalization of Intelligence in Brazil: Knowledge, Career Path, and Values," in Russell Swenson and Susana Lemozy (eds.), *Intelligence as a Profession in the Americas: New Approaches* (Washington, D.C.: JMIC Edition, 2003), pp. 109–154.

30. Other factors would be the weight of the informal economy, the insufficient number of employees in specialized state bureaucracies (fiscal, military, finances, intelligence, diplomacy, etc.), the waste resulting from the lack of planning and corruption. It is worth mentioning that the public sector in Latin America is on average half the size of the public sector in industrialized and rich countries. Franko, *The Puzzle of Latin American Economic Development*, p. 162.

31. Thomas C. Bruneau, "Prospects for Intelligence and Security Services Reforms in Brazil," Monterey-CA, CGMR/NPS, 2003.

32. The first two general directors of ABIN lost their positions amid political crises caused by legitimacy-related scandals.