



Unpacking EU-Mercosur Interregionalism: Actors, Policies, and Issues at Stake

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INTRODUCTION

This chapter aims to study the Euro-Latin American relationship from the perspective of the interregional phenomenon, defined generically in the literature as a situation or process where two regions seek to interact as regional groupings (Söderbaum & Van Langenhove, 2005: 257). The case study focuses on the relational network that has linked the European Union (EU) and the Southern Common Market (Mercosur)¹ since the 1990s. To the extent possible, the goal is to provide a comprehensive overview of the association. In order to do so, it aims to ‘unpack’ the association by studying the regulatory framework, the functioning, the stakes, the obstacles, the limits, and the role of institutional and non-governmental actors that shape the interregional relationship.

This chapter is divided into four parts. After presenting an overview of scientific advances on EU-Mercosur interregionalism, the chapter focuses on the demands for interregional governance. This entails identifying the public and private actors driving such a relationship and analyzing their expectations from the association. Part three studies the interregional association’s

¹ “Despite becoming a full member of Mercosur in July 2024, Bolivia is not included in the provisions of the EU-Mercosur Association Agreement.”

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responses to the requests of the actors and it seeks to determine their satisfaction with the relationship. The final part looks at the rise of new demands from transnational social movements and the effects of these demands on the association. It is these actors who are calling for interregional governance that considers sustainable development to be as important as economic and trade issues, so that this form of governance can be most effectively applied to social, environmental, health, and climate issues. This section also analyses the association's struggle to respond practically to these demands, while examining both the limits and prospects of EU-Mercosur interregional governance.

STATE OF THE ART OF THE EU-MERCOSUR RELATIONSHIP

Since the early 1990s, when the EU and Mercosur and their respective Member States (MS) decided to forge closer ties to initiate an interregional dialogue, the relationship has been widely documented. This rich and wide-ranging literature includes books, collective works and chapters, scientific articles, working papers, and information notes. These publications are of various kinds: theoretical, empirical, descriptive, normative-based, or policy-oriented. As a result, the research value differs from publication to publication. The authors of these publications are mainly European, South American, and North American. Moreover, even if the scientific literature on EU-Mercosur relations is found in different disciplines (history, law, economics...), political science analyses are arguably the most extensive. They look at interregional association from different angles under sub-disciplines as varied as IR, international political economy, and European studies. Some of this research seeks to understand the driving forces behind the growth and sustainability of the EU-Mercosur relationship. The literature provides two types of answers to this question. The first is based on idealistic thinking and reflects the idea of a 'natural convergence' between Europeans and South Americans, as they share a common set of principles and values (Bessa-Rodrigues, 1999; de Vasconcelos, 2007). Culture, languages, the human factor (South American populations of mainly European origin), shared values of democracy, human rights, and the rule of law would have greatly facilitated the closeness of these two organizations. The sharing of a common vision of the world order—based on the need to respect international rules, peaceful resolution of conflicts, defend multilateralism, and promote regional organizations that are open to the world—would also be a catalyst for interregional dialogue (de Vasconcelos, 2007; van Klaveren, 2004).

The second response, based on a realist interpretation, focuses less on the affinities of actors and more on economic strategy issues. Interregionalism is viewed as a result of external power structures and international economic competition for access to or control of global markets in the post-Cold War era (Bulmer-Thomas & Page, 1999). Using this interpretation, some authors describe the commitment of the EU and Mercosur to develop an interregional

dialogue in relation to the various economic and commercial offensives undertaken in South America (SA) by a range of extra-regional powers. Hence, the United States' project for regionalization of the Americas (Free Trade Area of the Americas) or the Chinese initiative to connect SA to its Silk Road project (Belt and Road Initiative) to extend Beijing's trade relations worldwide, are perceived in the literature as being challenges or even threats to the interests of the EU and Mercosur. For some authors, then, EU-Mercosur interregionalism could be a way to rebalance the international balance of power (Doidge, 2011).

Some studies have examined the interregional relationship from the viewpoint of European action, attributing this to the EU's intention to strengthen its position in SA and to limit the scope or impact of US efforts (Hardacre, 2009; Santander, 2005) and Chinese initiatives (Meissner, 2016; Santander, 2020) in the region. Other studies, taking the perspective of Mercosur, offer two reasons why it is interested in the relationship with the EU. The first reason underlines the importance of the relationship with the EU: this enables Mercosur to sustain its regional bloc, diversify its external relations, and limit its dependence on one particular market (Carranza, 2004; Roett, 1999). The second reason is that Mercosur's involvement in various trade negotiations gives it more room to maneuver with external actors, in this case, the Europeans, Americans, and Chinese. By playing one off against the other, Mercosur hopes to secure more benefits from its partners (Doctor, 2007; Santander, 2002).

Other studies, like those following the 'world order approach,' focus on the political economy of interregionalism: they assess the nature of the regulation produced by this type of relationship structure. Based on the EU-Mercosur relationship, those in favor of this approach suggest that the interregional process is not inconsistent with the neoliberal ideology of globalization since it develops in the framework of the global political economy and is shaped by it (Grugel, 2002). Some of these reflections focus on the impact of interregionalism on (supra-)regional and national economic policies. They argue that interregionalism can lock in the neoliberal agenda—even when regional authorities aim to move toward a post-liberal economic development model—and can lead to policies of deregulation, privatization, or international competition. That is because interregionalism promotes economic openness, free trade, private enterprise, and the interests of large multinationals (Bianculli, 2020). Similarly, some studies examining the trade patterns produced by EU/Mercosur relations draw these conclusions: the trade structure is organized according to a center-periphery model in which the Mercosur economies trade with the EU countries mainly raw materials and agricultural products in exchange for high value-added manufactured goods; closer relations, mainly through the conclusion of a free trade agreement (FTA), would further accelerate the de-industrialization of South American economies and therefore perpetuate and increase existing asymmetries (Ghiotto & Echaide, 2019).

While realists look at the EU-Mercosur interregional relationship in terms of the international competition between major global economic power centers and world order experts explore this relationship's interconnection with globalization's political economy; liberal institutionalism assesses EU-Mercosur interregionalism through the lens of international cooperation. This approach describes the process as a relational mechanism that mitigates the anarchic character of IR and the unpredictable nature of globalization (Rüland, 2006). Put simply: this process is seen as a factor that contributes to the relative predictability, stabilization, and pacification of IRs, because it is supposed to encourage negotiation, compromise, dialogue, and respect for interregional and multilateral rules of the game. Regarding its economic impact, the relationship is perceived as a channel for international prosperity because it promotes free trade (Giordano, 2002). As a result, the EU-Mercosur relational and institutional network is regarded as an additional institutional layer to the system of global governance (Doidge, 2011), and at a time when the world is faced with rival rationales (unilateralism, neo-mercantilism, fragmentation, power politics) to that of governance, association is presented as a sort of safeguard for the international liberal order (Sanahuja & Rodríguez, 2022).

Liberal institutionalism also views interregionalism as a relational framework with a regional institution-building function. Some institutionalists describe this as 'regionalism through interregionalism' (Hänggi, 2003), where the latter stimulates the development of the former while strengthening its institutional cohesion. If interregionalism is to have any effect on its regions' institutions, there must be some demand from the regions themselves. Under this approach, the region with the strongest functioning, institutional framework, resources, and policy instruments often acts as a promoter of regionalism (Doidge, 2007). In this instance, the EU plays this role within the Euro-South American relationship.

These studies have paved the way for constructivist and post-positivist analyses that argue that interregionalism enhances the collective identity of its constituent regional groupings. Some analyses, therefore, view the promotion of regionalism in an interregional context as an opportunity for the EU to build an identity as a benevolent international actor. By promoting balanced growth, social responsibility, and good governance practices in the South American bloc, the EU could promote, according to this theoretical interpretation, a "more humane" model of regional governance than those promoted by Mercosur's other third-party partners (Grugel, 2004: 603, 613, 621).

REQUESTS FOR INTERREGIONAL GOVERNANCE

Initial contacts between the European institutions and Mercosur date back to the year of its birth. In April 1991, just one month after the signing of the founding act (Treaty of Asunción) of Mercosur, the foreign ministers of

Argentina, Brazil, Paraguay, and Uruguay went to Luxembourg and Brussels to present their new regional grouping to the European authorities. To inject political impetus into this budding relationship, Euro-South American interministerial meetings were arranged, leading to the idea of establishing an institutional framework for the links that were developing between the two regional groups. This gave rise to the Inter-institutional Cooperation Agreement of 29 May 1992 between the European Commission (EC) and the Mercosur Common Market Council (CMC).² This was followed in 1995 by the conclusion of the Interregional Framework for Cooperation Agreement (EMIFCA) between the EU, Mercosur, and their respective MS, which came into force in June 1999. The latter, which is transitional in nature, is responsible for framing the interregional relationship and taking it to a higher quality level by ensuring that the parties eventually concluded an Association Agreement (AA) that included a commercial treaty (see below).

The actors' demands in connection with this relationship were many and varied. South American leaders first needed to find support for Mercosur so that it could be rapidly recognized internationally. The choice of Europe to satisfy these aspirations was significant. Indeed, Mercosur, inspired to some extent by European integration (Camargo, 1999; Medeiros, 1997), wanted from the outset to take advantage of the lessons drawn from its experience and its support for creating its regional project. Then there were political considerations. Mercosur's democratic regimes believed that linking up with the EU, which links its relations with southern countries to respect for democracy and human rights, could, if necessary, help to support the foundations of democracy in the region. Finally, there were some clear economic and trade considerations. The Mercosur authorities anticipated gaining greater access to the European market for their goods by moving closer to European integration. They also hoped that this closeness to the EU and a Mercosur that was open to globalization and the reforms of the South American economies (economic liberalization, privatization, deregulation, budgetary discipline) would attract more investment from European companies.

On the European side, there was a dual interest in developing relations with Mercosur. Firstly, the EU saw it as a strategic opportunity to continue building Europe's role as an international actor by promoting its integration and regional governance model. South American demands for support for Mercosur integration matched the EU's interest in the interregional process, which is firmly anchored in the EU's external policies and relations. Europe's second ambition was economic and commercial. In the post-Cold War context of faster globalization and searching for new markets, European companies and investors viewed the relationship with a regional organization and South American economies—which were increasingly focused on external competition—as a potential source of major benefits.

² Highest political and decision-making body of Mercosur.

Because of the range of economic, commercial, political, and strategic opportunities offered by this emerging association, the EU and Mercosur were prompted to increase their calls for a framework for interregional links. They also sought a more precise definition of the rules, principles and objectives governing their cooperation and the need to establish a minimum institutional framework. The framework set up by EMIFCA was, therefore, based on a Cooperation Council, which meets periodically at the ministerial level with the participation of Commission officials and oversees the agreement's implementation. It is assisted by a Joint Committee and by a Joint Subcommittee on Trade. The latter became the main negotiating body for the EU-Mercosur AA, which concluded in 2024. As indicated by the institutional structure, EMIFCA is based on three pillars. Each one covers specific issues. The first envisages strengthening commercial and economic cooperation to prepare for a "gradual and reciprocal liberalization of trade" at interregional level. The second institutes a regular "political dialogue" for interregional consultation and coordinating positions on multilateral issues in international bodies. The third foresees strengthening cooperation in fields such as business, research, transport, the environment, the movement of capital and services as well as in training for regional integration. In line with EMIFCA, the EU pledges to continue providing financial, technical, institutional, and political support to Mercosur. In addition, the parties have an evolutionary clause, which offers them the possibility to complete and increase their level of cooperation.

This institutional framework will allow the various bodies of the two blocs to engage in dialogue at different institutional levels. In addition to interministerial, interdiplomatic, and interadministrative meetings, other dialogues were to be held to keep the relationship alive. With the European Commission's active support, contacts between similar Mercosur institutions and the EU will be established. The European Parliament (EP) started an interparliamentary dialogue with Mercosur's Joint Parliamentary Commission (JPC) and will continue that with its successor, the Mercosur Parliament (Parlasur), to promote an exchange of views on issues related to both interregional association and IR (democracy, human rights, environment, climate, free trade, regional integration, and multilateralism). Contacts have also been established between the European Economic and Social Committee (EESC) and the Mercosur Economic and Social Consultative Forum (FCES), in order to encourage links between each party's civil society organizations, to understand the viewpoints in the process of negotiating the EU-Mercosur AA and to issue non-binding opinions on the negotiations of such an agreement. This type of institutional framework contributes to some extent—as Luciano's contribution to this book also notes—to the socialization of the actors participating in the interregional relationship and the sharing of common norms.

The relationship will not just be limited to dialogues between institutions and public authorities from the two regions. A significant business lobby, the Mercosur—EU Business Forum (MEBF)—will be set up with the support of the European Commission, which will play a key entrepreneurial role in

the developing of interregional associations with Latin American regional blocs (see Serban's contribution in this book). The MEBF will include European and South American companies and employers' organizations from both sides of the Atlantic. Its mission will be to "encourage trade and economic affairs between the two regions" and "support interregional trade negotiations through daily dialogue between entrepreneurs and public authorities in each region" (MEBF, 2003). Unlike other sectors of civil society, the business community will have close contact with the official promoters of the association, especially since the Commission will be willing to fund the organization of round tables and business dialogues. Moreover, the negotiators will have the opportunity to meet on the eve of each trade negotiation session with representatives of the MEBF. These regular consultations will allow official negotiators to ascertain the business community's expectations and to respond positively to some of their recommendations. These meetings will even enable them to jointly develop specific proposals on trade in goods, investment, and services and to incorporate some of them directly into the official negotiating documents, such as a list of trade facilitation measures. As other papers in this book show, and in particular, Lorena Ruano's contribution, a similar situation can be observed in the relations that the EU develops with other Latin American actors: companies are in the "next room" when it comes to negotiations.

The relationship had other concrete effects, particularly in terms of regional governance, since it partly met South American expectations concerning support for the development of Mercosur. In the early 1990s, Mercosur benefited from several technical support programs that were set up, financed and managed by the Commission and its services. This technical support, together with financial assistance amounting to several tens of millions of euros, focused on technical standards, customs, and agriculture in Mercosur. The aim was to encourage the development of Mercosur's emerging common policies, such as its customs union or common market. It will benefit from a program to establish a customs code, which included internships for customs officials in Europe and secondments of European experts to Mercosur customs administrations. Existing Mercosur institutions also benefited from this support. The Mercosur Administrative Secretariat (SAM) received technical assistance in training, computer networks, documentation, and archives. Technical and financial assistance was also provided for the introduction of new institutions, such as the Permanent Review Tribunal (Tribunal Permanente de Revisión or TPR) or *Parlasur*. The Commission also supported Mercosur's adoption of a legal personality, so that it could negotiate trade agreements with third parties as a regional bloc. The support that Mercosur received did not always produce the hoped-for results in terms of deepening and efficiency of operation. Yet the interregional dialogue and trade negotiations will prove useful for Mercosur. Indeed, in times of uncertainty and doubt, they served as a kind of 'glue' for Mercosur integration. They also encouraged the bloc's MS to harmonize their

respective positions and to adopt common positions during negotiations with the EU (Bianculli, 2020; Santander, 2008).

The interregional association will also have an impact on national and multilateral governance. The first impact concerned South American democracy. As mentioned earlier, the association's decision-makers linked their relationship to "respect for democratic principles and fundamental human rights, as set out in the Universal Declaration of Human Rights." This political conditionality was welcomed and even desired in SA, especially because, at the time, the new and fragile democracies were exposed to destabilizing forces. Some South American democratic regimes, such as Paraguay, were repeatedly threatened by attempted coups d'état, such as in 1996, 1998, and 2000. The democratic clause, which underlies the interregional association, encouraged European authorities to play a role. They combined their pressure on the Paraguayan state with that of the other Mercosur members, which contributed to preventing attempted coups and restored constitutional stability in Paraguay (Strömberg, 1998).

The European and South American authorities also expect their association to be developed as a vehicle for multilateral governance. As a result, their relations have become a channel for transferring specific rules or commitments made at a multilateral level. The AA's agenda includes reciprocal trade liberalization programs, which comply with the rules and regulations of the World Trade Organization (WTO). It could potentially broaden and advance the multilateral agenda, because it is envisioned as a WTO-plus agreement and encompasses issues (investment, services, government procurement, or intellectual property rights) that extend beyond those covered and agreed to within the WTO framework. Furthermore, the interregional association also echoes other multilateral commitments, which it claims to want to comply with. For instance, the 2024 AA includes the goals of the 1948 Universal Declaration of Human Rights, the 2008 International Labor Organization Declaration on Social Justice, and the 2015 Paris Climate Agreement.

The European authorities also see the association fulfilling some of their expectations. Firstly, thanks to the support provided by the Commission to Mercosur integration, the EC can promote a range of norms and standards applicable within the EU. This facilitates the work of European companies active in the region. Consequently, the standards set by the European internal market are being applied in the automotive sector, which is one of the most dynamic areas of intra-Mercosur trade and a major part of the strategic investments. Thus, the association meets the expectations of European manufacturers (Fiat, Mercedes-Benz, Peugeot, Renault, and Volkswagen) operating in this sector: they view Mercosur as a strategic platform for production and exports to the European market (Sanchez-Bajo, 1999: 935) although in recent years, there have been regulatory differences between the EU and Mercosur in the automotive industry (Rodríguez, 2021).

Second, the various initiatives, contacts, and dialogues between the two blocs have produced the envisaged effects of boosting interregional trade

and facilitating the circulation of European products and investments within Mercosur. Thus, the EU quickly became Mercosur's main trading partner—before being overtaken by China 20 years later—and the leading source of FDI, while Mercosur sent around one-fifth of its exports to the European market and received more than 50% of European exports sent to Latin America (LA). European exports to Mercosur grew by around 375% and Mercosur attracted 65% of the European investments in LA (Amann & Vodusek, 2004: 33; Irela, 1999: 11).

Although in recent years EU-Mercosur trade relations have experienced a relative slowdown in favor of Sino-South American relations,³ the trade in goods still totals €88 billion per year and €34 billion for services (EC, 2022a: 1). European investments in the region remain strong. In this field, the EU continues to be the leader in the region with an investment portfolio that exceeds 30% of the global total; not to mention that one in two FDI projects in the Mercosur economies originate in Europe (Latorre et al., 2021: 42). The European investment portfolio in South American economies totals €330 billion (EC, 2022b). Lastly, to the EU's satisfaction—and for Mercosur too—the association made it technically possible to negotiate an interregional trade agreement with all the Mercosur countries, which at the time of writing is still waiting to be ratified by the parties.

ATTEMPTS BY THE INTERREGIONAL ASSOCIATION TO MEET ACTORS' EXPECTATIONS

Supporters of the association are confident it can still offer them significant room for expansion, particularly in trade and investment. For European decision-makers and manufacturers, Mercosur still offers opportunities in the automotive, pharmaceutical, and chemical sectors, as well as in services (insurance, banking, telecommunications, public services such as water and electricity supply, retail trade, and civil aviation) and public procurement. The South American authorities and agribusiness believe the EU can offer more opportunities, especially in its agriculture sector. EMIFCA has, therefore, been tasked by those leading the relationship to negotiate a more ambitious project based on political dialogue and cooperation as well as an FTA.

However, the AA project negotiations experienced a series of ups and downs. These included slowdowns, relaunches, standstills, backtracking, and new progress—which raised doubts and frustrations among the association's supporters. This negativity was due to the relationship struggling to meet all expectations and the opposition that grew stronger over the years. The trade

³ China has become the main trading partner of Argentina, Brazil, and Uruguay. In 1997, Mercosur sent 25% of its total exports to the EU. Twenty-five years later, it only sent 16% of its exports to Europe. However, over the same period, Mercosur's exports to China increased from 4 to 25% (Baltensperger & Dadush, 2019: 4–5).

aspect, in particular, threw up barriers as well as resistance from various lobbies and states.

The European agricultural sector was one of the association's most reluctant stakeholders. This was due to the Common Agricultural Policy, which benefits from public protection and subsidies. Even before the Commission secured its negotiating mandate in September 1999, this sector was already opposed to any trade agreement with Mercosur. National and European agricultural unions were defensive about protecting their interests. On a European scale, the COPA-COGEA agricultural lobby constantly pressured the European negotiators. This lobby led many protests against agricultural free trade and the previous version of the AA from 2019, as well as against the finalized version of December 2024. Agricultural lobbies succeeded in amplifying their messages through some European countries' governments—mainly France, Ireland, the Netherlands, Austria, Belgium (Wallonia in particular), Luxembourg, or Slovakia. These governments claimed to share the lobbies' fears about the agreement's allegedly harmful impacts for European agriculture and livestock farming.

The interregional association sought to allay any concerns about trade by trying to reassure the European agricultural sector. European negotiators successfully convinced Mercosur and its MS to move away from the idea of total liberalization of agricultural trade, replacing it with a quota system for certain key and subsidized products. This opens up the European agricultural market to Mercosur, but with limits. It was agreed that Mercosur will annually export to the EU a limited tonnage of beef, sugar, poultry, pork, ethanol, rice, honey, and sweet corn. These products are considered crucial to the interests of European farmers. The EU also ensured that a safeguard clause was included in the deal to protect its farmers against any market distortions that might arise through imports from Mercosur (EC, 2022a: 3). The Commission also undertook to set up a financial package of support measures for the European agricultural sector, up to €1 billion, in the form of storage aid when prices drop, funds to help beef producers, and financial support to promote beef on the internal and international markets. Finally, the agreement also includes provisions to protect geographical indications to satisfy the European agricultural sector. More than 355 European agri-food products—such as Parma ham, champagne, Irish whiskey, or port—will be protected, compared to 220 for Mercosur, such as Brazilian cachaça or Argentinean wine from Mendoza.

However, these various measures have not yet eased the fears of the European agricultural sector, which continues to consider the AA to be too unbalanced. Notably, the sector worries that the AA would benefit certain economic sectors (automobile, pharmaceuticals, chemicals) to the detriment of European agriculture; it would weaken sensitive European agricultural sectors (beef or poultry) to the benefit of large Mercosur livestock farmers, especially since these sectors are already under strong pressure due to the multiple FTA signed by the EU with other third parties (the 'multiplier effect'); and it would

promote unfair competition, because Mercosur’s agricultural products would be cheaper and would not be subject to the same production standards as those for European farmers (Copa-Cogeca, 2024; Ube and Avec, 2021).

SA’s main sectors of strategic interest are industrial, such as the automobile industry, spare parts, and industrial equipment (machinery), as well as chemicals, plastics, rubber, textiles, base metals, and transport equipment. These are sectors in which European economies have a far more competitive industry than SA. As a result, local industrial lobbies—such as the Brazilian National Confederation of Industry (CNI) and Argentine Industrial Union (UIA)—have regularly expressed fears about European competition and accelerated de-industrialization of national economies, if an interregional FTA is concluded. Some countries, including Brazil, have been especially hesitant about trade liberalization with the EU, because their industries are protected through specific measures and public subsidies. Consequently, to rebalance the asymmetries within the association, South American authorities have often called for non-reciprocal market access for textiles, clothing, and footwear, as well as an ‘infant industry’ clause that would allow for higher tariffs in industrial sectors that need to be restructured or consolidated (Ghiotto & Echaide, 2019).

The association’s response to these demands for more balanced economic and trade governance was not to grant non-reciprocity treatment or an ‘infant industry’ clause, but to include a less ambitious bilateral safeguard mechanism. This clause would allow the parties to impose temporary measures to regulate imports, when there is an unforeseen and significant increase in imports that causes or may cause serious injury to their domestic industry. Although this measure did not completely calm South American fears, it seems to have helped finalize the negotiations.

NEW EXPECTATIONS FOR MORE INCLUSIVE GOVERNANCE AND PROSPECTS

The EU and Mercosur are prepared to take an important step forward in their relationship, by adopting the AA. On both sides of the Atlantic, supporters of the agreement view its ratification as a way to achieve a ‘qualitative leap’ in their relations (see Borrell, 2022). Official arguments portray the planned agreement as a channel for economic prosperity, for advancing global climate action and environmental protection, for establishing more sustainable value chains, for building an international free trade system based on respect for multilateral rules, as well as a mechanism for the parties to seal a ‘strategic alliance’ between ‘like-minded’⁴ countries to reduce their relative strategic marginalization in a period of global power shift and strong China-US rivalry.

⁴ In this case the notion of “like-minded” refers to the idea that Europeans and South Americans are supposedly natural partners, because they share a series of values and interests as well as a similar vision of the world.

Nevertheless, the arguments supporting such an agreement have not convinced or no longer convince public opinion, which is less concerned about trade treaties and is more focused on socio-economic and environmental issues than on strategic issues. The EU-Mercosur project, which was little known or criticized in previous decades, has become highly politicized in recent years. Protests previously concentrated on a few European agricultural lobbies and a few European governments. Today, the project has become more politicized, and those who oppose it have expanded to include other actors on both sides of the Atlantic and, in particular, NGOs, social movements, collective associations, trade unions, scientists, and citizens' watchdog organizations. This deployment of transnational citizens, most of whom have a progressive and alter-globalist outlook, does not merely call for the renegotiation or the scrapping of the AA. They also work offline and online to raise public awareness of protests about the AA, and they organize numerous and diverse actions. These actions are reflected in the filing of complaints with official bodies about the negotiators' alleged irregularities; the publication of online petitions against the AA; the organization of protest demonstrations in front of ministries or official institutions; the wide-scale publication of the negative results of polls on the advisability of adopting the trade agreement; the publication of alerts; the publication of multiple critical and detailed analyses about the content of the leaked negotiated agreements; and the regular organization of awareness seminars for civil society or legislators, held within associations as well as national or European parliaments.

Complaints come in various forms. Some criticize the lack of transparency in which the AA project was negotiated; the failure to take seriously civil society's criticisms; and the risks that this agreement could create for the democratic systems on both sides of the Atlantic. Other critics, who have summarized the AA as a simple 'cars for cows' arrangement, argue that it would accelerate deforestation in the Amazon; encourage the destruction of biodiversity; increase the use of pesticides in Mercosur's intensive agriculture; and marginalize family, peasant and sustainable agriculture. They also believe the agreement would increase greenhouse gas emissions and undermine the EC's environmental ambitions, as expressed in its Green Deal.⁵ Some argue that implementing the agreement would lead to lower health, social, and environmental standards, especially since the chapter on sustainable development is not part of the dispute settlement mechanism. In other words, if the agreement is adopted, none of the provisions (social, environmental, climate) included in the agreement would legally apply to economic and commercial affairs (Fritz, 2020).

Given that public opinion is today increasingly concerned about the growing climate crisis, this last point has become one of the key arguments against the Association Agreement. Particularly since all the AA documents,

⁵ Set of measures aimed at putting the EU on course for a green transition with the ultimate goal of achieving climate neutrality by 2050.

which were kept secret, have been leaked (see Greenpeace, 2023). Opponents have thus been able to sharpen their criticism. They argue that, although the deal calls for compliance with the Paris Agreement to combat climate change, it should not be adopted. Specifically, because the AA includes no legally binding clause on climate action, and it does not provide for sanctions in the event of non-compliance by the parties. This has sparked further concerns about trade agreements and led to further citizen action to pressure national and (supra-)regional authorities, plus new initiatives such as establishing a broad coalition of 450 civil society organizations known as “Stop EU-Mercosur.” In this coalition, NGOs, trade unions, associations, citizens’ groups, and Indigenous organizations—on either side of the Atlantic—support and share the opinion that the EU-Mercosur trade agreement “belongs to an outdated 20th-century model of trade that has failed the planet” (see <https://stopeumercosur.org/>). So they are calling on decision-makers in the EU and Mercosur to stop the agreement. To overcome the criticisms, the interregional authorities negotiated an “additional instrument” in the latest agreement concluded in December 2024—rather than revisiting the 2019 framework—which includes strengthened commitments to environmental and social sustainability, such as guarantees on deforestation, with the possibility to suspend the agreement if either party were to seriously breach the Paris Agreement or withdraw from it (European Commission, 2024). But these initiatives are still struggling to convince a large range of stakeholders due to the fact that they still don’t consider them ambitious enough.

Some of these organizations’ concerns are being echoed by the media for some time and reaching an increasing number of political and institutional actors, which will have to decide for or against the AA. Climate change, for instance, has become a major concern for voters. This issue has propelled green parties into power in several European countries, making these parties the fourth largest political force in the EP during the last legislature (2019–2024). Furthermore, several European governments (Austria, France, Italy, Ireland, Luxembourg, Poland, the Netherlands, and Slovakia) say they still agree with the arguments about the agreement’s harmful impact on European agriculture/livestock farming, despite the negotiators’ compromises (see below)—and/or its impact on the environment. So, despite the 2024 additional instrument, there will still be states that may refuse to ratify the agreement. Some states, which do not necessarily share the same commitment to European trade policy, have even joined forces to pursue a common cause. For instance, some time ago, France allied with the Netherlands, traditionally one of the most free-trading countries in the EU. This led to a non-paper sent to the Commission, calling on it to reform European trade policy and make it more in line with the European Green Deal (PR, 2020) a concern that persists despite the 2024 additional instrument.

These concerns were also echoed by various national (Austria, Ireland, France, and the Netherlands) and local parliaments (Wallonia), which had already expressed their opposition to the AA—even though the agreement

has yet to be proposed for ratification—by adopting non-binding motions or resolutions. The EP, whose role includes approving or rejecting the trade agreements negotiated by the Commission, has significantly changed its position. While in the past it criticized “the slow pace of the negotiations and the lack of any substantial progress to date” (EP, 2013: 2), it later shifted its position, believing “that the [2019] EU-Mercosur Association Agreement cannot be ratified as it stands” (EP, 2020: 12). Following the conclusion of the December 2024 deal, the Parliament’s position remains uncertain, with a number of MEPs still unconvinced, leaving it unclear how the Parliament will ultimately respond to the new deal. The parliamentary debates, scheduled for 2025, promise to be both intense and emotional. For its part, the Council of the EU responsible for agricultural affairs has hardened its position over the years regarding a trade agreement with Mercosur, leading around ten countries to call for reciprocity through ‘mirror clauses’, i.e., to require that environmental, sustainability, and health standards equivalent to those in force in the EU apply to products imported from Mercosur.

This position strengthens the group opposing the AA. These governmental and parliamentary positions, as well as the above-mentioned social movements, have become an important echo chamber for opponents of the agreement. Politically, this makes it more difficult to support such a project.

On both sides of the Atlantic, supporters of the agreement include institutional and state actors as well as economic and expert groups. Yet the force of the supporters’ public expression of their position on this AA project is inversely proportional to that of the opponents. So there is an imbalance in the way interests are being voiced. This significant asymmetry in the expression of interests is reinforced by the weak and almost inaudible public narrative of big business and those countries supporting the agreement—such as Spain, Portugal, Sweden, or Germany—and by the negotiators’ struggle to find a pragmatic and effective way to break the deadlock (Cremers et al., 2021).

Several solutions have been considered by those who support the association and notably the European Commission such as the inclusion of an additional instrument. With supplementary environmental commitments, safeguard measures in case of agricultural market disturbances, or a financial support for the European agricultural sector (see above). A proposal was also made to extend by a few years the deadline for fully eliminating Mercosur’s tariffs on electric and hybrid cars, addressing concerns in South America about the agreement’s potential to deindustrialize the region. All these proposals have been included in the 2024 agreement as guarantee for the critics of the deal, aiming to address their concerns and secure broader support. But fearing that the opponents will not be satisfied with these new measures, the Commission is considering a strategy to split the AA into two so as to separate the trade pillar, which comes under the exclusive remit of the EU. Yet these solutions have only served to fuel dissatisfaction and concern on the other side. Opponents describe the new environmental measures as “legal tinkering” and “superfluous,” because it would lack strong “binding” effects.

Instead, social movements and pro-environmental organizations demand that the EC's new approach to trade agreements apply to the EU-Mercosur Association Agreement. Adopted by the EC in June 2022, this approach proposes to link the chapters on sustainable development to a dispute settlement and sanction mechanism. However, the EU-Mercosur AA is not covered by this new approach (EC, 2022c). Moreover, the Commission is reluctant to the principle of reciprocity embodied by mirror clauses. As for advocates of European agriculture, they believe that the proposed measures would not sufficiently compensate for risks of unfair competition. Regarding the strategy to split the agreement into two parts, it is seen by many national parliaments and transnational social movements as "an anti-democratic power move." Because by isolating the trade pillar from the political and cooperation pillars, the agreement would be put to a single vote in the EP. So, the agreement would no longer need the unanimity of the EU Council, nor the approval of national and local parliaments; this would break its mixed nature. But to split it, a unanimous vote of the Council is required. As stipulated in the negotiating mandate received by the EC in September 1999, the agreement adopted must be a 'single undertaking' (EU, 1999: 3). Furthermore, several MS, among them France, advocate maintaining the mixed nature of the agreement and demand that the entire AA be subject to ratification.

Faced with these difficulties in meeting expectations, this interregional agreement has met its limits in terms of governance. Its future prospects are likely to be difficult and uncertain, especially as its trade pillar has generated opposition similar to that found in other trade agreements, such as the EU-Canada Comprehensive Economic and Trade Agreement (CETA) or the Transatlantic Trade and Investment Partnership (TTIP). From a political standpoint, it is now harder to publicly support such an agreement. The association is at risk, because it is being challenged in a wider context of climate change, the biodiversity crisis, by the European agricultural crisis, and rising social inequality, a crisis of representation, and growing skepticism about the benefits of globalization, FTAs, as well as the mechanisms and institutions of global governance. Abandoning the AA would have strategic and economic repercussions, likely benefiting both Chinese and American interests. Yet a *forced passage* of the agreement would further increase the legitimacy crisis of international governance as well as the growing disconnect between institutions and citizens. And from an institutional perspective, in order to ensure full ratification of the agreement, it will be necessary not only to secure a simple majority in the EP and to counter the resistance of certain national and local parliaments. Above all, it will be crucial to overcome the divisions within the Council of the EU. To be ratified, the agreement needs to be supported by at least by 15 MS representing 65% of the European population. Countries such as Austria, France, Italy, Poland and the Netherland could form a blocking minority preventing approval agreement.

So, the road to ratification of the AA remains, to say at least, uncertain especially since most of the political obstacles and opponents of the agreement

mentioned above will still need to be overcome. Supporters of the agreement will need a lot of political and communication skills as well as great dexterity to overcome significant resistance and thus obtain ratification of the agreement. Which is not a foregone conclusion. However, as famous French novelist Marc Levy said, “nothing is impossible, only the limits of our mind define some things as inconceivable.” Moreover Trump’s return to power and the implementation of the protectionist measures announced, in particular, against the Europeans could ultimately play a role as a catalyst for the agreement, by pushing the latter to accelerate ratification to preserve their economic interests and avoid isolation in the face of new American policies.

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