

The End of Mercosur

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For many years, the situation of the South American integration project has been moving slowly and with strong signs of decay. The various political, economic and social changes that have taken place in recent years – marked by a strong neoliberal shift in South America – have contributed to the weakening of the bloc.

South American countries face enormous difficulties in several areas, such as health, security and the economy – especially now, with the global pandemic of the new coronavirus. The Mercosur Parliament seeks to find integrated solutions to the current problems, but internal differences can compromise not only the negotiations, but the very existence of the bloc.

The board of directors of the Mercosur Parliament met on May 12, even in the midst of the coronavirus pandemic. Despite the integration of South American countries to combat COVID-19 and economic recovery being extremely important, the contradictions between the countries of the bloc threaten the future of all members, which is why the meeting was necessary. However, its result was not very promising, and the answers to the continent's current demands were not found.

International Relations professor at ESPM-SP, Denilde Holzacker, who is a specialist in politics in the Americas, [explained](#) that the recent meetings that have been held to expand democratic dialogue between members are insufficient, so it is “difficult to think about this moment that Parlasul can act in order to increase cooperation”. These are her words: “On the one hand, we have the weakening of cooperation instruments with Argentina’s decision to leave the negotiations in progress [...], on the other hand, Parlasul itself has not yet had the nominations of parliaments from two countries. Last year there was a change in the form and nomination of parliamentarians and at that moment there are no representatives from Argentina and Uruguay”.

According to Holzacker, the continuity of the bloc’s existence is currently uncertain. Argentina announced that it will renounce the bloc’s negotiations to focus on the recovery of its national economy, which makes the country an inactive member of Mercosur, making it even more difficult to resume cooperation that was practically paralyzed. For the specialist, there are clear signs that the bloc may have its activities officially closed.

“One of the actions discussed was the cooperation action, using one of the Mercosur funds to allocate to joint research, for actions aimed at raising awareness, working in the health area. So, they have some initiatives. Even so, they have low effectiveness, given the issues I raised earlier”.

The growing distance between Brazil and Argentina affects the attempt at integration and

the cooperative dialogue between countries. This is a situation already well known, however, as highlighted by the expert:

“It comes from a process of distancing since the election of Alberto Fernández and that becomes even more acute at a time of differences between countries. Distancing not only in dialogue, but about a series of issues. (...) We have a situation of distancing between the two central countries in the region, which makes it more difficult to dialogue and build joint actions at this time”.

In fact, the future of the bloc is, like that of all countries, subordinated to the uncertainties of the pandemic. The speeches of the member countries, mainly Brazil, Uruguay and Paraguay, emphasize the progress of the trade agreements that were already under negotiation, but also seek to defend their domestic markets. In the case of Argentina, there is great concern in negotiating its foreign debt, “with a strong protectionist bias”. The pandemic came to hit these countries in a period of great fragility and economic crisis, which further hindered the negotiations and the possibility of Mercosur’s rebuilding.

Denilde Holzacker does not believe that there will be an environment for commercial cooperation in Mercosur, considering the behavior of the member countries seen so far: “From what we have seen and observed in terms of the countries’ discourse, the emphasis is on domestic markets, building processes protection of their industries and markets, which makes it more difficult to advance these trade agreements “.

Everything seems to be heading towards a substantial decline in the development agenda of the South American States. The Argentine decision, however, is not reprehensible; on the contrary, it is the most sovereign decision ever made, prioritizing saving its own economy. However, this is not the case for all members and much less for other countries on the continent that relate to the bloc. South America is heading towards total poverty and towards the structural crisis of national economies. Brazil continues with a serious process of deindustrialization and strides towards social, political and economic chaos. The other countries are unable to play a decisive role in the bloc - which, at the mercy of Brazil and Argentina, is rapidly sinking.

The fall of Mercosur will be a political, economic and geopolitical tragedy; a real delay in the struggle for a multipolar world. However, it will be an opportunity to restart a stronger and more coherent project for the integration of the peoples of the South.

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