

Obs

Observatori de Política Exterior Europea



Working Paper n. 78
July 2008

How can Brazil's leading role in South America contribute to boosting security cooperation between the EU and Mercosur?

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The primary goal of this paper is to discuss how the leading position of Brazil in South America could contribute to boost security cooperation between the European Union and Mercosur. Both parties share common foreign and security policy concerns, including immigration, terrorism and drug trafficking. Through its great influence on the regional security agenda, Brazil could seek closer bilateral cooperation with Europe in tackling these global challenges, acting at the same time as a representative of regional interests.

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Mesquita Ceia, Eleonora "How can Brazil's leading role in South America contribute to boosting security cooperation between the EU and Mercosur?", *Working Paper of the Observatory of European Foreign Policy*, No. 78, July 2008, Bellaterra (Barcelona): Institut Universitari d'Estudis Europeus

Introduction¹

Since the beginning of the Lula administration in 2003 Brazil has increased its role on the international stage, assuming a position of leadership on behalf of developing countries in the World Trade Organization (WTO) through the G20 group² and actively seeking a permanent seat on the United Nations Security Council. Within South America, Brazil has played a key role in promoting regional integration, strengthening democracy and tackling important security issues.

Aware of its rise as a regional power, the European Union raised Brazil to the ranks of its strategic partners to cope more effectively with global challenges and strengthen bilateral cooperation. The launch of this strategic partnership has been regarded as the EU's attempt to revive relations with Mercosur, which are currently blocked as a result of the deadlock in the Doha Round.

The primary goal of this paper is to discuss how the leading position of Brazil in South America could contribute to boost security cooperation with the EU. The paper begins with a brief overview of South America's main security concerns. Secondly, it analyzes Brazil's foreign policy towards South America, and subsequently the current status of EU-Mercosur relations. The conclusion will offer policy recommendations for a permanent interregional dialogue on common security issues, identifying the main areas which have great potential to be further exploited.

The current security concerns in South America

South America has always been perceived as a no-war zone and consequently as an "intriguing anomaly" among so many regions in the world characterized by frequent interventions, collapsing states and wars³. In this sense, conflicts in the region have basically remained local affairs with few implications for global security⁴.

However, in recent years this relatively peaceful panorama in South America has changed to show a very unstable and conflictive scenario in security terms. In an interdependent world, transnational threats that are present in the region like drug trafficking, organized crime and guerrilla activity have raised major concerns not only among South American countries but also with powerful actors of the international community, namely the United States and the EU.

The central security concerns in South America are concentrated today in the Andean region and in the Triple Frontier area between Argentina, Brazil and Paraguay. Whereas the internal situation in Colombia and remaining border conflicts among some countries are the main regional security issues in the Andean region, the Triple Border area has been reported to be a safe haven for international terrorist groups.

The current growing concerns about regional security in the Andean region are focused on Colombia. This country's internal crisis and the regional spill-over of drug trafficking and guerrilla activity represent a real threat to the security of Colombia's bordering countries.

The presence of the Revolutionary Armed Forces of Colombia (FARC) is clearly the country's top national security problem. The FARC was established in 1964 and it is one of the richest and most powerful guerrilla armies in the world. It aims to overthrow the current government of Colombia and replace it with a Marxist government. However FARC's tactics changed in the 1990s, after anti-rebel rightist paramilitary groups started to attack guerrilla camps. Under pressure the FARC got involved in Colombian narco-trafficking, in order to raise funds for its

campaign. Analysts argue that the organization has lost much of its ideological backbone as a result of its growing participation in the Colombian cocaine industry.

The FARC is considered a terrorist group by the Colombian government, the United States and the EU. Brazil, on the other hand, does not recognize the FARC as a terrorist organization, arguing that such a recognition would eliminate every possibility of mediation by the Brazilian government in the event of future peace talks in Colombia. Under the UN anti-terrorism Resolution 1373, a country that declares the FARC a terrorist group, would be able to freeze bank accounts, prohibit financing for the group, and deny FARC members refuge in their countries.

The FARC is responsible for bombings, extortion, murders and kidnappings against not only Colombian but also foreign citizens⁵. Furthermore, FARC's drug-related guerrilla activity is increasingly affecting the internal security of Colombia's neighboring countries. The porous borders and the existence of entire areas outside of government control in the Amazonian and Andean regions facilitate territorial violations by the FARC⁶.

On March 1 2008, Colombian forces hunted down and killed one of FARC's leaders during an operation against a guerrilla camp inside Ecuador's territory. As a result Ecuador and Venezuela accused Colombia of having violated Ecuador's sovereignty. Colombia carried out the operation without getting Ecuador's permission beforehand. This incident led Ecuador to break off diplomatic relations with Colombia and Venezuela to expel Colombia's ambassador and other diplomats. Moreover, there was strong criticism directed towards the Colombian government from the region⁷.

The situation in the Andean region becomes even more delicate given, on the one hand, the US security presence in the region, and on the other hand, Hugo Chávez's political influence among the Andean countries, in particular Bolivia and Ecuador.

Since the year 2000, with the launch of the controversial "Plan Colombia"⁸, the United States have played an active role in the Andean region, particularly in Colombia, by financing counter-narcotics programs and granting military aid to the Colombian government. The strengthening of the military component in the fight against drug trafficking and armed groups in Colombia has transformed the country into the focal security challenge for South America.

Another emerging threat is the destabilizing influence of nationalist populist leaders throughout the Andean region. In the last decade there has been a left-wing resurgence in Latin America. For instance, after Hugo Chávez's victory in Venezuela in 1998, it was Lula and the Workers' Party in Brazil in 2002, then Néstor Kirchner in Argentina in 2003, Tabaré Vázquez in Uruguay in 2004, Evo Morales in Bolivia in 2005, Rafael Correa in Ecuador in 2006, Daniel Ortega in Nicaragua in 2006, and lastly Fernando Lugo in Paraguay in 2008.

One of the main reasons behind these developments is the failure of the economic, social and political reforms implemented in Latin America starting in the mid-1980s. The victory of left-wing parties in the region have represented the search for political changes that can effectively respond to Latin America's biggest problems, such as extreme inequality and poverty.

As a result of this political transformation in the region, two Latin American lefts resurged: one open-minded and internationalist, like the Lula's administration in Brazil, and other one nationalist and closed-minded. The most prominent example of the latter is the "chavista model" along with its followers, namely Bolivia's Evo Morales and Ecuador's Rafael Correa.

In this connection, a so-called "refoundational populism" has risen to power in Bolivia, Ecuador and Venezuela. It consists of a political project which is partly nationalist, partly left-wing. However, a main trait of this kind of populism is its opposition to representative democracy. In

this sense, instead of imposing its political plan immediately after coming to power, the populist leader seeks to gradually gain control of all state institutions⁹, by removing the former political elite from power. With regard to external relations, “refoundational populism” stands against neoliberal economic policies, free trade agreements and transnational corporations.

Bolivia also represents a real threat to regional security in the Andean region. The current political situation in Bolivia, marked by the latest secessionist claims from the hydrocarbon-rich territories, raises security concerns in Brazil. President Evo Morales has proposed a new constitution, which would grant more power to the country’s indigenous majority, limit landholdings, increase taxes, allow a President to serve two consecutive terms and give the federal government more control over the country’s national resources. In December 2007, the new constitution was approved during a session of Bolivia’s Constitutional Assembly. Nearly all of the 411 articles achieved a 2/3 approval from the 164 assembly members present. There are 255 assembly members but, most of the opposition refused to participate in the session and declared the new charter illegal. In fact, the Assembly’s procedural guidelines state that in order to approve each article, 2/3 of the total assembly must endorse it, but a resolution initiated by Morales’s Movement to Socialism Party (MAS) changed that rule to 2/3 of assembly members present – which may show the government’s desire to impose its will.

As a result, massive demonstrations took place and Bolivia’s four lowlands states declared their intention to become autonomous. Opposition groups come from these rich lowlands, where most of the country’s natural gas reserves are concentrated and the majority of the population is white or mestizo. Indeed, only three of Bolivia’s nine departments support the government – La Paz, El Alto and Oruro – the poor highlands, where the country’s (indigenous) majority lives. It is expected that a recall referendum over the constitutional reform may ease the tensions. Still, the situation worries the Brazilian government, since an internal revolution in Bolivia could produce a large refugee contingent that would certainly put pressure on the long border between the two countries¹⁰.

Finally, remaining border conflicts still threaten the stability in the Andean region. Among the most significant, is the dispute between Chile and Peru over the economic zone delimited by the maritime boundary. At stake is one of the richest fishing areas of the world. Chile is also involved in diplomatic tensions with Bolivia due to this country’s historic claim over maritime access for its natural gas.

These border conflicts may seem very small problems compared to major concerns like the FARC in Colombia, but they should be taken seriously because they cause constant diplomatic crises between the countries involved and the region’s very important economic interests are at stake.

Regarding the security situation among Mercosur members, a central concern is the so-called Triple Frontier, a tri-border area along the junction of Argentina, Brazil and Paraguay, which has a large Arab immigrant population. Due to the particular geography of this border region, it is very difficult to guard every inch of the territory, which facilitates and promotes organized crime and illicit activities connected with it, such as contraband, drug and arms trafficking, corruption and money laundering.

In the 1990s the governments of Argentina, Brazil and Paraguay established the “Tripartite Commission of the Triple Frontier” to address these illicit activities. In 2002, at their invitation, the United States joined what became the “3+1 Group on Tri-Border Area Security”.

Also during the 1990s the area was repeatedly linked to the terrorist attacks against the Israeli Embassy (1992) and the Argentine Israelite Mutual Association (AMIA) in Buenos Aires. Since the attacks of September 11, 2001 the U.S. government has showed major concern about the

activities taking place in the Triple Border area. U.S. officials claim that over the last few years known Islamist terrorist groups have been operating from this region, which provides such groups with an attractive environment for fundraising and conducting their activities, since it is a strategic regional hub for illegal activities. However, there has been no corroborated information that Islamic extremist groups have had an operational presence in the area.

In this context, it is important to highlight the increase in the activities of US security and intelligence agencies in Paraguay. Brazil notes with caution the US presence in the area. The former Paraguayan government was moving towards a close alignment with the United States. However with the victory of Fernando Lugo in the last presidential elections this tendency may change¹¹.

For Brazil, a country which has placed the success of South American integration among its top foreign policy priorities, this scenario imposes special political responsibilities in regional security. The following section will discuss Brazilian foreign policy towards South America and its political engagement in tackling the security challenges in the region.

Brazilian foreign policy towards South America

Mercosur integration project is a top priority in Brazilian foreign policy. The bloc was created in March 1991 by Argentina, Brazil, Paraguay and Uruguay under the Treaty of Asunción. In the long term, Mercosur aims to become a common market; so far it has reached the stage of an incomplete customs union. Mercosur's institutions are built on a strictly intergovernmental basis and do not dispose of any influence on the decision making process of the Market¹². This lack of institutionalization is generally explained by the permanent Brazilian refusal to forgo its sovereignty in favor of *de facto* strong common institutions¹³.

Despite its market strength and the “democratic clause” that made Mercosur a respected international player, the bloc's importance in the region has been perceived differently among its own members and also among other South American countries. Mercosur is now in a deep internal crisis. The current situation can be partly explained by the nature of Mercosur. It reflects an integration process where the asymmetries between the member states are profound. Brazil represents 71% of the total Mercosur population, 70% of its GDP and 58% of the bloc's exports (including Venezuela). All of Mercosur's full members' economies are wholly dependent on their access to the Brazilian market, even Argentina that faces the problem of an uncompetitive industrial sector¹⁴.

Negotiations concentrate on the relationship between Mercosur's main partners Brazil and Argentina. This facilitates unilateral decisions taken by these two countries, such as the Brazilian currency devaluation in 1999 and the periodic Argentinian violations of the TEC (Common External Tariff). Consequently for the smaller members Paraguay and Uruguay, the bloc is becoming less and less attractive, given the recurrent protectionist attitudes of their two powerful partners. In fact, Uruguay has been considering starting negotiations for a trade agreement with the USA. Nevertheless, such intentions become problematic under Mercosur integration rules, according to which economic relations with outside partners must be decided on the basis of consensus by all member states.

Furthermore, Mercosur looks more fragmented than ever. Venezuela's accession process¹⁵ and the recent Bolivian request for entry¹⁶ have transformed it into an arena of dispute between opposing integration strategies. The defense of the “Bolivarian Alternative for the Americas” (ALBA) initiated by Hugo Chávez and supported by Bolivian President Evo Morales, as an integrated regional anti-imperialist bloc in substitution of an “old Mercosur”, has only served to

increase the internal fractures in Mercosur and transform it into a highly politicized integration process.

Brazil is the most powerful member in Mercosur. It is not only South America's largest economy but has also recently risen to become a significant actor on the international stage. In July 2007 when the first EU-Brazil Summit took place in Lisbon, under the Portuguese Presidency of the EU, the launch of the strategic partnership between Brazil and the EU was formalised. In this way, the EU raised Brazil to the ranks of its strategic partners to cope more effectively with global challenges and strengthen bilateral cooperation.

The EU's strategic partnerships are a central component in its external relations¹⁷, and their importance is stressed in the EU's security strategy, "A Secure Europe in a Better World"¹⁸. Resulting largely from an awareness of the weight carried by a group of countries, the EU has to date launched strategic partnerships with the United States, Canada, Japan, Russia, India, China, South Africa, Brazil and Mexico¹⁹.

Each of these partnerships have in common the fact that their contents reflect the EU's foreign policy goals and principles. In that sense, the respect for human rights, democratic values and the rule of law forms part of every strategic partnership launched by the EU. Equally, foreign policy strategic goals presented in the EU's security strategy, such as the fight against international terrorism and the proliferation of weapons of mass destruction, have shaped the EU's relations with its strategic partners.

Still, each relationship is formed according to EU's specific agenda towards its strategic partner. In this context, while energy plays a major role in relations between the EU and Russia²⁰, respect of human rights, the arms embargo and the Chinese army's growing capabilities in relation to Taiwan are the key issues of the relationship between China and the EU²¹. Equally, India's nuclear tests, India-Pakistan relations and terrorism are the central areas of the EU-India strategic partnership.²² In effect, each EU strategic partnership deals with the most contentious issues.

Notwithstanding the divergence in views between the EU and its strategic partners, the instrument of the strategic partnerships has helped the EU to improve its economic profile in different regions of the world²³. Furthermore, it has proved useful for the EU to achieve a shared understanding on major global issues with its partners²⁴.

Regarding the EU-Brazil strategic partnership it covers a wide range of sectors where closer cooperation between the EU and Brazil could be mutually beneficial. These include global challenges like tackling poverty and inequality, environmental issues and energy. On a bilateral level, the parties have agreed to further cooperation in areas such as economic and financial issues, air and maritime transport, information society, satellite navigation and social matters.

One of the main reasons for the EU's new approach is based on a *de facto* recognition of Brazil's emerging economic and political role in the world. It has been argued however that Brazil's new strategic partnership with the EU could contribute to heightening tensions between Mercosur member states. President Hugo Chávez might view such a special relationship, which reinforces Brazil's position as a regional power, as a threat to his political ambitions in the region. Moreover, the launch of the EU-Brazil strategic partnership has caused discomfort among Mercosur members, who fear the establishment of political and commercial agreements on a bilateral basis, without their involvement.

It can also be assumed that the establishment of the EU-Brazil strategic partnership reflects European concerns over the possible negative effects of nationalist populist leaders' political influence on the EU's relations with South America. The rise of radical populism, particularly in Venezuela and Bolivia, has increased the divide between the South America and the EU. Its

impact on the relations between the two regions has both economic and political dimensions. In relation to the negotiation of commercial agreements the effects can be illustrated for example, by President Evo Morales's announcement that Bolivia will not accept the conclusion of a free trade agreement between the CAN and the EU. Moreover, the accession of Venezuela to Mercosur might further complicate negotiations on an EU-Mercosur association agreement.

In addition, many European enterprises have been impaired by the bills for the nationalisation of the gas industry in Bolivia and also by the revision of contracts with transnational oil companies in Venezuela. In terms of political dialogue, the negative implications were felt at the last meeting between the EU and the Rio Group, in Santo Domingo in April 2007, which at the time was considered to have been a failure reflecting the growing tensions between both regions²⁵.

This kind of populism has also created even greater obstacles to the already weak South American integration process. At present it suffers from a dispute between opposite visions for regional integration. On the one hand, Venezuela defends the "Bolivarian Alternative for the Americas" based on its counter-hegemonic project, and on the other, Brazil presents an approach based on neofunctionalism, supporting the successive integration in different sectors, such as infrastructure, trade and investments.

The EU takes note of the current political turmoil in South America with concern. In this sense, through the establishment of privileged relations with Brazil, the EU could help Brazil in exercising proactive leadership regionally, acting as a political counterweight to radical left-wing populism, in order to safeguard the interregional relations alongside the EU's interests in South America.

Over the last few years Brazil has also assumed a leading role on behalf of developing countries in the WTO through the G20 group, whose creation demonstrates how important the South-South alliances are to President Lula's foreign policy. Another example of a coalition between emerging countries, in which Brazil participates, is the IBSA Dialogue Forum. This was created in 2003 and consists of a trilateral, developmental initiative between India, Brazil and South Africa to promote South-South cooperation and exchange. Since the establishment of the IBSA, its members have concluded numerous cooperation agreements and the volume of trade between them has tripled.

The pursuit of a new interregional multilateralism in the South has strengthened Brazil's position on the world stage. Within this context, the Mercosur integration project plays a prominent strategic role in Brazilian foreign policy. In that sense, the current government believes that the consolidation of Mercosur would strengthen Brazil's diplomatic role in the international system.

In the field of international security, Brazil has also intensified its presence, such as its active participation in UN peacekeeping missions²⁶ and its bid for a permanent seat on the UN Security Council²⁷. With regards to regional security in South America, in recent years Brazil has placed the Amazon region at the core of its national defense policy.

The security situation along the Colombian border described above has serious impact on citizen security in large Brazilian cities like Rio de Janeiro and São Paulo, where drug traffickers and organized crime have strong links to the FARC²⁸. In order to tackle this problem of internal citizen security and its direct interaction with guerrilla activities, Brazil increased the deployment of military troops and equipment to the Amazon region and over the last years has sought to increase security cooperation with the Colombian government²⁹.

The actual Brazilian government, however, considers drug-related guerrilla activities to be Colombia's internal security problem. This position reflects Brazil's traditional foreign policy principle of non-intervention. In this spirit, the Brazilian government refuses to interfere with Colombian domestic affairs and has accordingly stated that it would only support Hugo

Chávez's proposal for creating a group of friends of Colombia - among which a solution for the internal conflict could be negotiated - if such an initiative was directly requested by the Colombian government.

Brazil has also been engaged in the development of a regional cooperative security policy. In this regard, the Brazilian government has proposed the creation of a South American Defense Council, which would mediate regional conflicts before they become regional crises. This initiative has the approval of several countries in the region and it is also supported by the United States, which perceives Brazil as a regional leader that better serves its interests than Venezuela³⁰.

However, some South American countries have expressed opposition to the Brazilian proposal. The Colombian government, for example, refuses to join the Council due to the resistance of some South American countries to define the FARC as a terrorist organization. Moreover, Chile is reluctant to accept the proposal. Although Chile supports the creation of such a Council, it stresses that its functions should be restricted to a consultation mechanism. For Chile the Council should not constitute a military alliance, due to its position against any kind of interference in national defence policy formulation.

Furthermore, Brazil has an active role in the mediation process of regional crises³¹, prioritizing conflict resolution at the level of regional security institutions like the Organization of American States (OAS) and the Rio Group.

Mercosur has a major political and strategic relevance in the promotion of stability in South America. In this sense, the commitment to regional integration is essential for an effective security policy in the region. It is true that the establishment of security agreements between countries of the region don't depend on their membership to a certain regional integration scheme³². Nevertheless, a concerted response to regional security challenges emanated from Mercosur members would have a greater political meaning than individual or bilateral declarations and thus offer a more effective way to achieve respective policy objectives.

In order to strengthen the Mercosur process, dialogue and cooperation with important partners in other parts of the world like the EU are indispensable. The current status of EU-Mercosur relations will be examined next.

The status of EU-Mercosur relations

Since its creation, Mercosur has enjoyed a special relationship with the EU. Mercosur is regarded as an emerging market and a significant regional integration project, with special appeal to the EU, which perceives it as a receptive region to which it can "export" its integration model.

In November 1999 the two blocs began negotiations aiming to reach an association agreement by 2005 but progress has been slow due to disagreements mainly over import restrictions on agricultural goods. So far they have only reached the stage of discussing tariffs, the most sensitive part of any trade negotiation³³. Moreover, negotiating as a bloc has often proved challenging for Mercosur given its divergent interests, as well as the weakness of its own internal agenda³⁴. These realities have at times gotten in the way of negotiations with third parties.

A new impulse was however given to the bi-regional relationship with the launch of the strategic partnership between Brazil and the EU. One of its central priorities is to revive trade talks between the EU and Mercosur in order to reach an interregional association agreement.

Moreover, Brazil and the EU assert their willingness to explore how to maximize cooperation and exchange of experiences on questions of regional integration.

Nevertheless, this new bilateral route may ultimately be perceived as a substitute for the multilateral, bloc-to-bloc approach, which the EU has always favoured when negotiating with Latin America³⁵. Given the persistent disagreements surrounding EU-Mercosur negotiations, the EU could decide through this new bilateral approach to strengthen its relations with Brazil, which might be affected by the current difficulties of the interregional negotiations.

However the EU seeks, at the same time, within the framework of the bilateral strategic partnership with Brazil to reach an EU-Mercosur agreement. Under section 1 of the Commission Communication "Towards an EU-Brazil Strategic Partnership" it is written that "Brazil is central to the success of the EU-Mercosur negotiations, an EU priority strategic objective, which have not come to a conclusion due to lack of progress in the trade chapter thus preventing so far the establishment of a wider strategic association between the EU and Mercosur. Positive leadership of Brazil could move forward Mercosur negotiations."

This entails that the establishment of a special relationship between Brazil and the EU aims to revive trade talks between the EU and Mercosur. In this sense the bilateral strategic partnership is committed to the EU's relations with Mercosur as well as the EU's engagement with regional integration in South America³⁶. This reflects the principles of the EU's foreign policy, which is wholly committed to the promotion of regional integration processes in different parts of the world, through the establishment of multilateral agreements.

Regarding security matters though, Mercosur and the EU have failed to make concrete proposals for greater cooperation. This lack of dialogue on security issues is generally explained by the fact that South America does not occupy a relevant place among EU's security policy priorities. Geographically, it is not a neighbor region and neither does it represent any threats to European security. It is neither an area where weapons of mass destruction are produced and nor where any significant bases of international terrorism are located. As a result of this absence of threats in the region, security cooperation has never been high on the bilateral agenda between the EU and Mercosur.

However, largely resulting from the current interdependent global security scenario, in recent years the EU and Mercosur have begun to share some security concerns, such as illegal immigration and drug trafficking. A permanent interregional dialogue would be a valuable instrument for both sides in tackling common security challenges. Brazil's regional leadership plays a significant role in this context³⁷. The following conclusion will point out the areas which have great potential to be further exploited, in order to boost bilateral security cooperation between the EU and Mercosur.

Conclusions

With the purpose of presenting recommendations for greater security cooperation between the EU and Mercosur, it is firstly necessary to identify possible common interests. Energy, social cohesion, migration, peacekeeping operations, conflict prevention and crisis management are the most prominent domains for interregional cooperation.

Cooperation in some areas of common interest here identified - like social cohesion and the fight against drug trafficking - has been discussed for years under the framework of EU-Latin America and the Caribbean (ALC) political dialogue. Thus, the recommendations now presented are also valid for closer security cooperation between the EU and ALC, since the EU-Mercosur dialogue is entirely connected to the broader EU-ALC relations.

Security is increasingly becoming a complex issue linked to heterogeneous areas like energy. Although the EU and Mercosur have different perspectives on energy security – for Europe the issue is linked to reliable and safe access to energy suppliers, whereas for South American countries it has to do also with the control of the exploitation of natural resources - both regions face the common challenge of developing a sustainable energy network.

In this respect, the EU and Mercosur are large importers of natural gas. Energy cooperation is therefore an area full of prospects for both sides. Brazil occupies a prominent position in the production, distribution and consumption of biofuels. The exploitation of renewable energy sources is particularly important in South America, given the current regional shortage of natural gas³⁸.

Similarly, the EU has a major interest in the use of alternative energy resources. The bloc has become too dependent on foreign conventional sources of energy, much of which comes from unstable regions³⁹. Moreover, the increasing scarcity of fossil fuels and their negative environmental impact has given rise to a political willingness to seek greater development of renewable resources⁴⁰. Therefore cooperation with Brazil in searching for new energy supplies and in developing new technologies would allow for a reduction in the EU's dependence on foreign energy imports, particularly oil and gas, and at the same time contribute to reaching its energy-related environmental policy goals. The launch of the EC-Brazil Energy Policy Dialogue in 2007 could provide a good basis for promoting policies on energy security, efficiency and sustainability⁴¹.

The central threats to South American security presented earlier have a direct connection with two major common problems faced by every country in the region: poverty and institutional weakness. Drug-related guerrilla activity in Colombia and terrorist activity in the Triple Border benefit from the general levels of poverty in South America.

Within this context, closer cooperation with the EU in promoting social cohesion is very welcome. Although social cohesion matters are perceived in different ways by Mercosur and the EU, both regions recognize the eradication of poverty as one of the greatest global challenges. In tune with that the fight against poverty, inequality and exclusion was one of the main themes of the fifth EU – ALC Summit held in Lima, Peru on 16-17 May 2008. In the Joint Declaration the Heads of State and Government of Latin America and the Caribbean and the EU reiterated their commitment to policies for the eradication of hunger and the fight against poverty. Furthermore, they agreed on immediate measures to assist the most vulnerable countries and populations affected by high food prices.

Moreover, Brazil's important role in promoting stability in Latin America as well as its active engagement in South American integration can contribute to deep EU-Mercosur cooperation in the field of social protection, inclusion policies and reduction of regional divides. Brazil has a central role to play in providing socio-economic stability within Mercosur, in particular in Paraguay, where destabilizing factors like corruption and drug and arms trafficking are largely used to the benefit of international organized crime groups. In this respect, a recent response to the problem of asymmetry between Mercosur member states, even though limited, was the establishment of the Mercosur Structural Convergence Fund (FOCEN), a fund of US\$100 million, of which Brazil is the principal financier. The fund's objective is to aid the development of the lesser economies in the bloc (Paraguay and Uruguay).

Migration is another area on which Mercosur and EU security interests converge. Although it is a very sensitive subject in Europe, the demographic issue will pressure political authorities to act. Immigrant populations with their bottom-heavy age pyramids can help support Europe's aging populations and assure its international competitiveness in increasingly disputed markets.

Furthermore, both sides are committed to fighting illegal immigration. A serious issue connected to this is the international trafficking of women for sexual exploitation. On this matter agreements between the EU and Mercosur should be concluded, in order to prevent clandestine immigration and the exploitation of irregular immigrants⁴².

Enhanced cooperation measures should also be developed in the fight against drug trafficking, cross-border crimes and international terrorism because these subjects represent real threats to regional security not only in Latin America but also in Europe.

Regarding peacekeeping operations, Brazil's prominent role in the UN Stabilization Mission in Haiti (MINUSTAH)⁴³ has encouraged the EU to seek to coordinate its efforts with Mercosur not only in Haiti but also in peace and stabilization operations in general⁴⁴. For its part, Mercosur should call for the EU's commitment to regional issues that affect their relationship, like conflict prevention and civil crisis management. This field, in which the EU has much experience, offers manifold possibilities of cooperation, for instance, in conflict resolution in South America. In concrete terms, Mercosur member states could be responsible for conducting the mediation, due to their geographical proximity and their cultural affinity with the countries of the region, while the EU could contribute by financing social and economic development projects in the conflict area.

Finally, the dialogue and information exchange undertaken in the framework of cooperation between the respective regional security organizations, namely the Organization of American States (OAS) and the Organization for Security and Cooperation in Europe (OSCE) are extremely important in dealing with the common menaces facing the EU and Mercosur.

Although there are delicate divergences in security perspectives and interests among members of these two organizations, the OAS/OSCE cooperation could be developed into a valuable mechanism, by including, for example, the drafting of concerted positions on shared security concerns, such as drug trafficking, organized crime and international terrorism and the creation of a permanent forum, where important issues about regional security would be discussed and common missions would be coordinated and planned.

For all this, security cooperation is an area full of prospects for the EU and Mercosur. In recent years the assertiveness and activism pursued by Lula's foreign policy has been a decisive element in placing Brazil on the global stage. On defense and security matters, Brazil plays a growing role in South America. The EU should therefore place the country on a high-priority diplomatic footing, in order to enhance its relations with Mercosur. The launch of the bilateral strategic partnership was certainly a first step but it must prove to be more than a mere recognition of Brazil's position and move the interregional relations forward.

In this respect, the EU and Mercosur should take each other seriously as global partners. Through its political influence within Mercosur and also through its privileged position now as EU's strategic partner, Brazil should advocate closer cooperation between the EU and Mercosur in tackling common security challenges. This would be a real contribution not only to the promotion of effective multilateralism and stability in the international security system but also to regional security in South America.

References

¹ This paper was presented at the Brussels School of International Studies 2008 Annual Conference, University of Kent, Brussels, 17-18 May 2008. The author is very grateful to Rebecca Brown for the English text revision and her helpful comments.

² The G20 is a group of developing countries established in 2003 at the V Ministerial Conference of the WTO in Cancun, as an initiative of the Brazilian government. Its main objective is to assure an outcome in the WTO agricultural negotiations which reflects the interests of developing countries. The Group currently includes 23 members countries: Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela and Zimbabwe.

³ See Kalevi J. Holsti, *The State, War, and the State of War*, Cambridge: Cambridge University Press, 1996, p. 150.

⁴ For explanations of the South American case in international politics literature see *ibid.*, pp. 161-75.

⁵ The release of hostages (today around one hundred) is a very complicated process in Colombia because the FARC named itself a political organization. This means that, releasing hostages involves swapping political prisoners. In the beginning of July 2008 the former presidential candidate in Colombia, Ingrid Betancourt, who was captured in 2002, and three US military contractors held since 2003 were rescued by the Colombian military.

⁶ In 1991, FARC combatants invaded Brazilian territory in the Amazonian region and attacked an army post, killing three soldiers. The Brazilian army reacted by crossing the border and killing several of the guerrilla's members. FARC operations are also reported in Peru, Venezuela, Ecuador and Panama. According to analysts the FARC's presence in neighboring countries is also a reflection of its loss of strength in Colombia. The organization has seen its ranks from 16.000 members at the beginning of the decade to between 6.000 and 8.000 now. New York Times, *Settling of crisis makes winners of Andes Nations, while rebels lose ground*, 9 March 2008, available at <http://www.nytimes.com/2008/03/09/world/americas/09colombia.htm> accessed on 7 May 2008.

⁷ In this context, a few days after the incident, the Organization of American States (OAS) passed a resolution on March 5 2008, in which the Organization called the Colombia's military attack a violation of the sovereignty and territorial integrity of Ecuador and of principles of international law. Likewise, on March 18 2008, after intense debates, the meeting of Foreign Ministers of the OAS approved a resolution, which rejected Colombia's military incursion into Ecuador.

⁸ The term "Plan Colombia" refers to an integrated strategy originally conceived by Colombian President Andrés Pastrana between 1998 and 1999, with the objective of social and economic revitalization, ending the armed conflict and combating the narcotics industry. The most controversial element of the anti-drug strategy is aerial fumigation to eradicate coca.

⁹ For instance, through the draft of a new refoundational Constitution that strengthens the executive branch, through the reform and control of the electoral and judicial systems or through the approval of new laws to control the press.

¹⁰ On 4 May 2008 an autonomy referendum was held in Bolivia's Santa Cruz province, the largest and most prosperous province in the country. With almost 85 percent of the votes the autonomy statute in Santa Cruz was approved, however with an abstention rate at 40-45 per cent. The autonomy statute gives the province the right to negotiate its own royalty agreements with energy companies. The government of President Evo Morales did not recognize the validity of the referendum, denouncing it as illegal and unconstitutional. In fact, the referendum has no validity. It is an unofficial referendum, but still it served to show the opposition's power. Bolivia's largest gas consumers – Argentina and Brazil – do not recognize the autonomy statute approved in the referendum, without negotiations over a solution with Bolivia's central government. However political commitment seems hard to achieve. Three other provinces are considering their own autonomy. Because of the crisis on 12 May 2008 President Morales has set a date for a vote of confidence in his leadership. The referendum is to be held on 10 August 2008. In case opposition to his leadership exceeds 53 percent (the level of support that he secured in the 2005 general elections) he could face a fresh election.

¹¹ In relation to the US military presence in South America, Ecuador's President Rafael Correa recently showed his intentions to shut down the most prominent American military outpost in South America, located in the town of Manta, Ecuador. President Correa asked his opposition to renew the agreement allowing the American base at Manta because the base compromises Ecuador's sovereignty. For the Bush administration, the American air station in Manta is a critical component in the war on drugs in the Andean region. The agreement expires in November 2009.

¹² With regards to the recent institutional development of Mercosur, the creation of the Mercosur Parliament (Parlasur) should be emphasized. It was inaugurated in December 2006 and initially consists of 18 congressional representatives from each of the member countries. In a second phase, due to begin in 2010, the representatives will be directly elected by secret ballot. The Parlasur members can deliver non binding resolutions and order studies, but in no case will their decisions have priority over domestic laws. The Parlasur could contribute to the establishment of mechanisms to facilitate the incorporation of Mercosur norms into the laws of the member states, given the incapacity of the latter to internalize the growing number of common rules and to comply with them.

¹³ See Stefan A. Schirm, "Führungsindikatoren und Erklärungsvariablen für die neue internationale Rolle Brasiliens", in: Bernd Rill (ed.), *Brasilien. Großmacht in Lateinamerika*, Munich: Hans-Seidel-Stiftung, 2007, p. 41.

¹⁴ For more statistical information see Claudia Zilla, "Brasilien und der Mercosur unter der Regierung Lula", in: Rill, *Brasilien. Großmacht in Lateinamerika*, p. 64.

¹⁵ It is important to bear in mind that Venezuela is not a member of the Mercosur yet. Its full membership is contingent upon ratification by the national parliaments of the present members of the bloc and likewise by the Venezuelan parliament. So far, the latter, the Argentinian and Uruguayan parliaments have approved the Protocol for Venezuela's accession to Mercosur. Thus, this country will just have the right to vote after the Protocol has been ratified by Brazil and Paraguay. Venezuela has a four year period (estimated until the end of 2010) to adapt itself to the TEC and it currently only has the right to participate in the bloc organs' meetings as well as in the international negotiations with outside partners, in which Mercosur takes part.

¹⁶ In December 2006, President Evo Morales officially requested Bolivia's entry into the Mercosur as a full member. Soon after, at the Mercosur Summit held in Rio de Janeiro in January 2007, the issue had already raised conflicts between Brazil and Argentina. The latter refused the Brazilian strategy to facilitate Bolivia's accession by exempting it from the compliance of the TEC.

¹⁷ See Stefan Fröhlich, *Die Europäische Union als globaler Akteur*, Wiesbaden: VS Verlag für Sozialwissenschaften, 2008, p. 199.

¹⁸ See European Council, *A Secure Europe in a Better World*, European Security Strategy, Brussels, 2003, p. 16.

¹⁹ On the occasion of the fourth summit meeting between Mexico and the EU, held on May 17 2008 in Lima, both parties expressed their determination to work together towards establishing an EU-Mexico strategic partnership. In this way, Mexico becomes the second Latin American strategic partner after Brazil. The establishment of the EU-Mexico strategic partnership shows then that the EU does not perceive Brazil as the sole regional power in Latin America but recognizes Mexico as a major economic and political actor in the region.

²⁰ For current analysis on the EU-Russia strategic partnership see Fröhlich, *Die Europäische Union als globaler Akteur*, pp. 199- 217.

²¹ More on the EU-China strategic partnership see Fröhlich, *Die Europäische Union als globaler Akteur*, pp. 223-230.

²² See Saponti Baroowa, "The Emerging Strategic Partnership between India and the EU: A Critical Appraisal", *European Law Journal*, v. 13, n. 6, 2007, pp. 747-748.

²³ On this note, the EU's strategic partnership with India has offered the bloc important trade opportunities. In 2005, bilateral trade grew by 20,3% and since 2001 it has grown by 11% on a yearly average. See *ibid.*, pp. 738-739.

²⁴ In this regard, the EU-China Summits have proved effective in achieving the convergence of views on numerous regional and international questions, for example, the North Korean problem, support for the International Criminal Court and the resolution of the Iraq conflict. See Antoine Sautenet, "The Current Status and Prospects of the 'Strategic Partnership' between the EU and China: Towards the Conclusion of a Partnership and Cooperation Agreement", *European Law Journal*, v. 13, n. 6, 2007, p. 710.

²⁵ For more on the impact of South American populism on EU – Latin American relations see Susanne Gratius, *La Unión Europea y el populismo sudamericano*, Comentario, FRIDE, Madrid, 2007, pp. 4-6.

²⁶ For example, Brazil's prominent role in the UN Stabilization Mission in Haiti (MINUSTAH).

²⁷ Among developing countries Brazil has the strongest claim after India. Given current concerns with nuclear proliferation, Brazil's rejection of the nuclear option ought to strengthen its case. For an analysis

on Brazil's engagement with UN matters and international security policy see Schirm, *Führungsindikatoren und Erklärungsvariablen*, pp. 36-39.

²⁸ In April 2001 one of Brazil's most dangerous drug dealers, Luiz Fernando da Costa, was captured in Colombia while in the company of FARC guerrillas. Authorities reported at the time that the Brazilian druglord was negotiating the exchange of weapons for cocaine with FARC members.

²⁹ Within this process the Ministries of Defense of Brazil, Colombia and Peru signed the "Tabatinga" Agreement, which aims at the exchange of information and the coordination of actions against drug trafficking, guerrilla groups and illicit activities. Moreover, the SIVAM (System for the Vigilance of the Amazon) plays a fundamental role in the bilateral security cooperation between Brazil and Colombia. See Fabián Calle, "The MERCOSUR Security Agenda: time for citizen security and transnational threats to become keys to co-operation?", in: Wilhelm Hofmeister (ed.), *International Security: European – South American Dialogue*, Rio de Janeiro: Konrad-Adenauer-Stiftung, 2006, pp. 51-52.

³⁰ See Sergio Abreu, *The South American Defense Council Initiative*, Consejo Uruguayo para las Relaciones Internacionales, Análisis No. 01/08, Junio de 2008, p. 4 and BBC Brasil, *Brasil quer conselho de defesa sul-americano até fim do ano, diz Jobim*, 21 March 2008, available at http://www.bbc.co.uk/portuguese/reporterbbc/story/2008/03/080321_jobimconselhodefesabg.shtml accessed on 14 July 2008.

³¹ For instance, in the Venezuela crisis in 2002 and in the diplomatic conflict between Colombia, Ecuador and Venezuela last March over Colombian forces' operation against a FARC camp inside Ecuador's territory.

³² For instance, Argentina and Brazil have signed bilateral agreements on security matters which are not dependent on their membership to Mercosur. Likewise Bolivia and Paraguay have established cooperation agreements on border control as well as on defense issues.

³³ The EU-Mercosur negotiations are linked to the Doha Development Agenda negotiations and in particular to the question of modalities for market access. The further development of EU-Mercosur talks therefore depends on an agreement regarding multilateral market access issues. A draft agreement could not be reached before the WTO's deadline at the end of July 2007, due to the failure of the negotiations between the G-4 (USA, the EU, Brazil and India) in Potsdam last June. Such an agreement was necessary to conclude the round by early 2008, before the beginning of the US presidential election campaign.

³⁴ This can explain, for example, the inability of Mercosur member states to present a consistent offer to the EU in the framework of bilateral negotiations. This fact has often been identified as a major obstacle to the developments of the trade talks. See Schirm, *Führungsindikatoren und Erklärungsvariablen*, p. 42. On the other hand, Mercosur countries claim that the bloc's offer to the EU is fully consistent. They explain the failure of the negotiations as the EU's unwillingness to offer Mercosur greater access to Europe's agricultural market. The EU has rejected the volume of agricultural quotas proposed by Mercosur and its offer is far below the level desired by the South American bloc.

³⁵ By reaching agreements with Latin America and Caribbean countries, the EU has favoured dealing with the Mercosur, the Andean Community (CAN) and the Central American Integration System (SICA) over bilateral negotiations with the individual countries of the region. Among the economies of Latin America the EU has established bilateral association agreements only with Chile and Mexico, in 2002 and 1997 respectively.

³⁶ According to that the Commission under Section 2.7 of its Communication states: "Given Brazil's weight within Mercosur, reinforcing the EU's political relationship with a country of such critical importance will support intra-Mercosur integration as well as EU-Mercosur relations."

³⁷ It should be underlined that although Brazil is territorially, economically, industrially and demographically a regional power in Latin America, its "natural" leadership in the region is not easily accepted by other important actors in the region. In this regard, Argentina, Mexico and Venezuela undermine Brazil's regional power status. This can be illustrated by the fact that Brazil's candidacy for a permanent seat on the UN Security Council is opposed by Argentina and Mexico.

³⁸ At present, many countries in the region are facing energy crises. Energy security is a real concern in Chile, as its primary provider, Argentina – a country facing its own energy crisis – has consistently cut off the flow of gas for the past two winters. Following its nationalization of oil and gas Bolivia has been unable to supply its neighbour's growing energy demand. At the end of last February, Bolivian President Evo Morales announced that Bolivia could not guarantee energy supplies to regional customers during periods of peak demand. As a result, Morales has proposed to Brazil and Argentina a redistribution of Bolivia's gas exports to their markets (the gas supply to Brazil which is currently 30 million m³ a day would be reduced to 27 million m³). This has caused disagreements and accusations between the authorities of the three countries.

³⁹ The EU's principal sources of natural gas come from neighboring countries, like Russia, Norway's sector of the North Sea and North Africa. Recently, political concerns have largely focused on Russia, the EU's primary gas supplier, since this country has begun to use its natural resources as a foreign policy tool.

⁴⁰ In order to reduce oil dependency and greenhouse gas emissions, the 27 EU Heads of State agreed at the Spring Council of March 2007, that by 2020 the use of biofuels should have increased by 10% and renewable energy should account for 20% of overall EU energy consumption.

⁴¹ It is important to point out that the implementation of such cooperation, however, may be hampered by conflicts over, for example, food security and environmental protection. One major criticism often leveled against large-scale biofuel production is that it competes with food crops in several ways and consequently causes food shortages and price increases. In this respect, developing countries are worst affected. Thus, the environmental benefits of biofuels are currently subject to heated debates. The growing demand for biofuels is also criticized on the basis that it leads to large-scale forest conversion for energy crops and these are more likely to be established in carbon-rich and biodiverse ecosystems like the tropical forest. This explains the major concern that the rapid expansion of plant fuels would further destroy ecologically sensitive areas like the Amazonian rainforest.

⁴² On this matter see José Angél Oropeza, "Panorama das migrações na América Latina e no Caribe e vínculos com a Europa: desafios e políticas", *Série Europa – América Latina* 22, Rio de Janeiro: Konrad-Adenauer-Stiftung, 2006, pp. 61-73.

⁴³ The Stabilization Mission in Haiti is a top priority on the Latin American security agenda. For several countries in the region the situation in Haiti constitutes a threat to peace and security in Latin America. In this spirit, in the MINUSTAH Mission participate Latin American countries, such as Argentina, Chile and Uruguay, along with Brazil which carries the leadership of the Mission. Moreover, these countries perceive this initiative as a great opportunity to deepen regional cooperation in security matters as well as to reinforce Latin America's position on the international stage. It is worthy noting that several countries from different parts of the world contribute to the MINUSTAH Mission in Haiti, for example: Sri Lanka, Nepal, Jordan, Morocco and Pakistan, among others.

⁴⁴ At the last ministerial meeting between the EU and the Rio Group, in Santo Domingo in April 2007, both parties declared their strong commitment to work more closely on multilateral issues and notably on crisis management and conflict prevention. See http://ec.europa.eu/external_relations/la/index.htm. It is important to note that some South American countries already participate in missions within the framework of the European Security and Defence Policy (ESDP). In this regard, since 2004 Chile and Argentina have contributed personnel and assets to the ALTHEA peacekeeping mission conducted by the EU in Bosnia and Herzegovina.