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Latin American Disintegration under Jair Bolsonaro During Brazilian Chancellor Ernesto Araujo's Mandate, 2019–2021

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Abstract. The article investigates the impact of Jair Bolsonaro's foreign policy on Latin American integration during the mandate of his first chancellor, Ernesto Araujo, from January, 2019 to March, 2021. The research posits that the deterioration of Brazil's bilateral relations with Argentina and Venezuela during this period was the main obstacle to the further development of Latin American integration, in accordance with the axis theory of regional integration proposed by Brazilian scholars Raquel Patricio and Amado Cervo. The focus of Araujo's foreign policy on isolating Venezuela from regional initiatives was the main driver behind the decline of the Union of South American Nations (UNASUR) and the Community of Latin American and Caribbean States (CELAC). Brazil's approach to the Venezuelan issue determined its engagement with the Forum for the Progress and Integration of South America (PROSUR), an institution that ultimately failed to deliver concrete results in democracy promotion and regional policy coordination. Brazil's relations with the Southern Common Market (MERCOSUR) will be scrutinized in greater detail, given the organization's institutional complexity and importance for Brasilia's regional engagement. Furthermore, the research will attest to the deterioration of Brazil's regional leadership and the strengthening of the role of countries such as Chile, Colombia and Peru. The author concludes that Ernesto Araujo's policies have contributed to Latin American disintegration, for by the end of his term at the Brazilian Minister of Foreign Affairs, no institution at the Latin American level had the necessary instruments to promote economic, social or political coordination among the countries of the region.

Key words: Brazil, Latin American integration, Venezuela, UNASUR, PROSUR, CELAC, MERCOSUR

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Латиноамериканская дезинтеграция при Жаире Болсонару во время мандата канцлера Бразилии Эрнесто Араужу в 2019–2021 гг.

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Аннотация. Рассматривается влияние внешней политики Жаира Болсонару на интеграционные процессы в Латинской Америке во время исполнения своих обязанностей первым канцлером Эрнесто Араужу с января 2019 по март 2021 г. В исследовании утверждается, что ухудшение двусторонних отношений Бразилии с Аргентиной и Венесуэлой в этот период было главным препятствием для дальнейшего развития латиноамериканской интеграции в соответствии с теорией осей региональной интеграции, предложенной бразильскими учеными Ракель Патрисиу и Амадо Серво. Направленность внешней политики Э. Араужу на изоляцию Венесуэлы от региональных инициатив стала катализатором распада Союза южноамериканских наций (УНАСУР) и Сообщества государств Латинской Америки и Карибского бассейна (СЕЛАК). Подход Бразилии к венесуэльскому вопросу определил ее взаимодействие с Форумом за прогресс и интеграцию Южной Америки (ПРОСУР) — организацией, которая не смогла добиться конкретных результатов в продвижении демократии и региональной политической координации. Кроме того, подчеркивается ослабление позиций Бразилии как регионального лидера и усиление роли таких стран, как Чили, Колумбия и Перу. Автор приходит к выводу, что политика Э. Араужу способствовала дезинтеграции Латинской Америки, поскольку к концу его пребывания на посту министра иностранных дел Бразилии ни одно учреждение на региональном уровне не располагало необходимыми инструментами для содействия экономической, социальной или политической координации между латиноамериканскими странами.

Ключевые слова: Бразилия, латиноамериканская интеграция, Венесуэла, УНАСУР, ПРОСУР, СЕЛАК, МЕРКОСУР

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Introduction

On January 1, 2019, Jair Bolsonaro was inaugurated as the President of Brazil. His first chancellor, Ernesto Araujo, acceded to the Brazilian Minister of Foreign Affairs, known as the *Itamaraty*, with a new foreign policy agenda, based on concepts that had previously been foreign to Brazilian diplomatic tradition.

This article analyzes the impact of Ernesto Araujo's foreign policy in Brazil's engagement in Latin American integration processes. The chronological framework of the research is limited to Araujo's mandate as chancellor, from January 1, 2019, to March 29, 2021.

Theoretical and Methodological Foundations

The present research entails a debate on the impact that a particular administration has on a country's foreign policy. It therefore challenges the realist theory of international relations, which considers the state as a unitary actor, with distinct and separate domains of domestic and foreign policy.¹

¹ Boekle H., Rittberger V., Wagner W. Norms and Foreign Policy: Constructivist Foreign Policy Theory // *Tübinger Arbeitspapiere zur Internationalen Politik und Friedensforschung*. 1999. No. 34a. URL: <https://tobias-lib.uni-tuebingen.de/xmlui/bitstream/handle/10900/47193/>

Since Brazil's re-democratization and the approval of the 1988 Constitution, the range of actors involved in foreign policymaking has expanded, narrowing the gap between domestic and foreign policy (Milani, Pinheiro & Lima, 2017). Therefore, particular administrations can greatly influence Brasilia's foreign policy conduct.

To assess the evolution of Araujo's foreign policy in the context of Latin American integration, we will employ a historical approach, with a particular focus on Renouvin's conception of "profound forces" (Thobie, 1985), to investigate how ideas and conceptions shared by a country's ruling elite impact the formulation of its foreign policy. This concept was forged under the theoretical umbrella of the historical approach to international relations, as proposed by French scholars P. Renouvin and J.-B. Duroselle (Renouvin & Duroselle, 1964).

Due to the historical proximity of the events analyzed in this article, the research will heavily rely on primary sources, such as the acts and treaties signed (or denounced) by Brazil during this period. Furthermore, Ernesto Araujo's speeches and interviews will be scrutinized with discourse analysis methods (Díaz-Bone et al., 2008) in order to ascertain his understanding of regional integration and his personal perspective on the role of Latin America in Brazilian foreign policy.

The concrete actions undertaken by his administration at the *Itamaraty* will be identified through documents, conferences and interviews with Brazilian diplomats compiled by the Alexandre de Gusmão Foundation, under the auspices of the Brazilian Ministry of Foreign Affairs.

Latin American Integration Before Bolsonaro

To assess the impact of Ernesto Araujo's policies on Latin American integration, it is

pdf/tap34a.pdf?sequence=1&isAllowed=y (accessed: 03.06.2022).

necessary to briefly describe the situation of Brazil's engagement in regional integration processes prior to his mandate as Chancellor.

Latin American integration is a principle of Brazilian Foreign Policy, as established by article 4 of the 1988 Constitution.²

The most comprehensive and institutionalized regional project Brazil has engaged in is the Southern Common Market (*Mercado Común del Sur*, MERCOSUR). Established in 1991 by the Treaty of Asunción, MERCOSUR comprises Argentina, Brazil, Paraguay, Uruguay and Venezuela — which is currently under suspension, for non-compliance with the Ushuaia Protocols, which impose a democratic political system as mandatory on all members of the trade bloc.³ Founded under a neoliberal wave in Latin American political and economic thinking, MERCOSUR's initial goal was to establish a Customs Union in the Southern Cone of the American continent. By the beginning of the 21st century, MERCOSUR had expanded its activities, in the spirit of the concept of multidimensional regionalism, which implies integration not only in the trade and economic spheres, but also in the political and social spheres.

Following the ratification of the MERCOSUR — Peru Free Trade Agreement in 2006, South America has become a *de facto* free trade zone, with numerous tradeable goods exempt from import tariffs in all regional countries, with the exception of Guyana and Suriname. Despite this remarkable achievement, there is still room for economic liberalization in South America, especially in the "new generation" of trade issues, which include areas

² Constituição da República Federativa do Brasil de 1988 // Presidência da República. URL: https://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm (accessed: 03.06.2022).

³ Mercosur Suspends Venezuela for "Rupture of the Democratic Order" // Presidência da República. 06.08.2017. URL: https://gestaoconteudo.presidencia.gov.br/gestao_brazilgovnews/about-brazil/news/2017/08/mercosur-suspends-venezuela-for-rupture-of-the-democratic-order (accessed: 03.06.2022).

such as investment, government procurement and e-commerce. Furthermore, trade and economic integration between South and Central America remains well below expectations.

Prior to Bolsonaro's inauguration in January 2019, Brazil was a member of two relevant organizations, that aimed at enhancing political and social coordination between Latin American states: The Union of South American Nations (*Unión de Naciones Suramericanas*, UNASUR) and the Community of Latin American and Caribbean States (*Comunidad de Estados Latinoamericanos y Caribeños*, CELAC).

Created in 2008, UNASUR was the first organization to comprise all South American countries. It established a headquarters in Quito, Ecuador, and a permanent secretariat for coordination in key areas of regional development. Additionally, UNASUR was the first body to promote regional coordination in defense and security (Borzova & Maricheva, 2018, p. 867).

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CELAC, created in 2010, was the first organization to comprise all Latin American countries, including Cuba. It has positioned itself as an alternative to the Organization of American States (OAS), which is often criticized for the allegedly excessive influence of the U.S. in its activities. The body has a vocation to interact with external actors, in formats such as the CELAC — China Forum or the CELAC — European Union Platform.

Under the leadership of Ernesto Araujo, Brazil denounced the Constitutive treaty of UNASUR on April 15, 2019, and suspended its participation in the CELAC organization, on January 15, 2020 (Sánchez, 2020).

Brazilian-Argentinian Axis

The success of integration processes in South America is often attributed to the coordination between two major regional players: Brazil and Argentina. This approach is known in the Brazilian school of international relations as the “axis theory”, which has been widely incorporated into contemporary Latin American studies (Cervo & Lessa, 2014; Cervo & Bueno, 2015, p. 512; Oliveira & Souza, 2021).

The Brazilian international relations scholar Amado Cervo put forth the proposition that the overcoming the rivalry between Brazil and Argentina was essential for the development of integration initiatives in South America (Cervo, 2008). Raquel Patrício (2006) posits that the Brazil — Argentina axis was responsible for the development of South American integration, just as the France — Germany axis was responsible for the establishment of the European Union. Patrício defines axis-relations as “a special relations established between two international powers that share a border and are bind by economic complementarity. In the initial phase, the relations are characterized by mutual rivalry, which evolves into a second phase of cooperative behavior, and, finally, into a strategic partnership.” Such special relations serve as “the gravitational axis” around which regional integration develops (Patrício, 2006, p. 7).

Brasilia and Buenos Aires have a long history of rivalry, which culminated in military conflicts during the Cisplatin War of 1825–1828. The competition for regional leadership and for access to natural resources has fueled animosity between the two countries.

The first impulse for integration between Brazil and Argentina was given by the adoption of the Uruguiana Agreements in 1961. However, the groundbreaking achievement to overcome Brazilian-Argentinian rivalry was the Itaipu-Corpus Agreement, which was signed between the parties and Paraguay in 1979, ending a lengthy and contentious dispute over the use of the hydroelectric potential of the Prata River basin.

Subsequently, in 1980, Brasilia and Buenos Aires signed agreements on nuclear cooperation, raising bilateral relations to an unprecedented level of mutual trust. Brazil's support for Argentina's claim to sovereignty over the Malvinas Islands during its military conflict with the United Kingdom in 1982 settled an environment of mutual understanding between the political and military elites in Brasilia and Buenos Aires.

Cervo posits that the empathy between the Brazilian and Argentinian elites and the establishment of a peace zone in the Southern Cone of the American continent were the main drivers of MERCOSUR's foundation in 1991 and of further regional integration (Cervo, 2008, p. 163). Using the MERCOSUR as an anchor, Brazil and Argentina advanced their regional engagement from the Southern Cone to the South American level. MERCOSUR promoted the Venezuela's accession to the regional integration, and established close ties with associated states, including Bolivia, Chile, Colombia, Ecuador and Peru.

Brazil — Argentina — Venezuela Axis

The strength of the Brazilian-Argentinian axis was crucial for the South American integration, but it did not have the impetus to attract Central American and Caribbean basin countries to its institutional mechanisms (Oliveira & Souza, 2021).

The involvement of Venezuela as an engaged regional actor, with vast oil and financial resources, established the Brasilia — Buenos Aires — Caracas axis that would expand the geographical scope of regional integration to include all of Latin America within the CELAC framework.

The relations between Brazil and Venezuela were relatively distant throughout the 20th century. Until the 1930's, Caracas had a low international profile. Thereafter, it began to prioritize relations with the U.S. and Caribbean basin countries (Nunes, 2011).

However, after Hugo Chávez came to power in 1999, Venezuela has sought to pursue a productive integration with Brazil, notably among the countries' state-owned oil companies, PDVSA and *Petrobras*. The year 2005 is regarded as a pivotal point in the bilateral relationship, marked by the signing of 15 agreements between Caracas and Brasilia in areas including mining, industry, agriculture and military cooperation.⁴

Under Chavez, Caracas also developed its relations with Argentina, as part of its efforts to join the MERCOSUR trade bloc and to balance Brazilian regional leadership by imprinting a less “commercialist” approach to the organization's goals (Visentini, 2012).

The consolidation of the Brasilia — Buenos Aires — Caracas axis can be identified in 2006, when Venezuela left the free trade area Andean Community (*Comunidad Andina*, CAN) to join the MERCOSUR trade bloc.

Four years later, the three countries promoted the foundation of CELAC, which brought together all 34 countries of the region, before Brazilian chancellor Ernesto Araujo announced Brazil's withdrawal from the organization in January 2020.

Ernesto Araujo's Rise to Power

On January 1, 2019, Ernesto Araujo, the Brazilian diplomat ranked as first-class minister, was appointed head of the Ministry of Foreign Affairs by country's newly elected president, Jair Bolsonaro. E. Araujo holds a degree in linguistics from the University of Brasilia and has gained considerable experience in trade negotiations throughout his career.

Nevertheless, the appointment of an official who was not considered one of the country's top diplomats and who had never managed an

⁴ Urrutia E. G. As relações do Brasil com a Venezuela: da desconfiança à aliança estratégica // Plataforma Democrática. 2011. No. 15. P. 9. URL: https://web.archive.org/web/20230203175825/https://plataformademocratica.org/arquivos/plataforma_democratica_working_paper_15_portugues.pdf (accessed: 03.06.2022).

embassy took his colleagues by surprise (de Almeida, 2019).

The appointment of E. Araujo is attributed to his affiliation with the Brazilian right-wing thinker Olavo de Carvalho (de Almeida, 2019, p. 35), who has exerted significant influence on the Bolsonaro family. Olavo de Carvalho claims that world hegemony is currently being contested by three globalist projects (de Carvalho & Dugin, 2012, p. 9). In Latin America, the most successful, according to O. de Carvalho, is the Chinese-Russian communist one, supported by the infrastructure of countries such as Nicaragua, Cuba and Venezuela (de Carvalho, 2022).

In his inaugural speech, E. Araujo paid tribute to his tutor, stating that O. de Carvalho is “a man who, after President Jair Bolsonaro, is probably the most responsible for the immense transformation that Brazil is going through.” E. Araujo shares Carvalho’s preoccupation with the “globalist threat,” which he describes as an elite conspiracy to undermine traditional Western values and state’s sovereignty. As the former chancellor himself puts it, the aim of globalism is to build a “fragmented society, with no nations, no families and no identities ... and subject people to some kind of materialistic and reductionist philosophy” (Araujo, 2021, p. 36).

Araujo singled out the U.S. as a country to which Brazil should look up to as a model. His foreign policy is widely seen by Brazilian international relations scholars as one of automatic alignment to Washington’s interests (Berringer et al., 2021). At first glance, the chancellor’s anti-globalist and pro-US tendencies should render him resistant to Latin American integration. This article, however, will argue that Ernesto Araujo was not opposed to regional integration *per se*, but rather interested in modifying its parameters and Brazil’s preferential partners.

Araujo’s conception of regional integration is deeply linked to the idea of “open regionalism,” which was developed in the 1990s and subsequently adopted by MERCOSUR in its formative years. The concept stresses that regional integration should be a stepping-stone to

global economic liberalization. The “open regionalism” concept was elaborated to counter the idea that regional economic integration is a neo-protectionist practice. Those who are critical of regional integrational emphasize that, while promoting trade liberalization within a given trading bloc, the practice creates greater barriers to trade with non-member countries. In the early 21st century, “open regionalism” in MERCOSUR lost ground to concepts such as “multidimensional regionalism,” which proposes the expansion of the bloc’s agenda to include issues such as social and economic development. As stated by E. Araujo, “It hurts to say, but in previous administrations Brazil was part of this misconception about MERCOSUR. Brazil used to see MERCOSUR, particularly between the years 2000 until 2010, more or less, as an instrument to avoid integration with the rest of the world.”⁵ E. Araujo defined the return of MERCOSUR to its “open regionalism” vocation as one of his regional foreign policy goals.⁶

Another defining element of Araujo’s conception of integration is “democracy promotion.” During a hearing in the Brazilian Senate, the chancellor argued that democracy promotion was a precondition for regional integration: “It seems impossible to advance in the aspiration of Latin American integration (which is a constitutional demand) without democracy” (Araujo, 2021, p. 30). E. Araujo

⁵ Intervenção do Ministro Ernesto Araújo durante webinar do Conselho do Atlântico sobre os 30 anos do MERCOSUL — 12/03/2021 // Ministério das Relações Exteriores. 17.03.2021. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/intervencao-do-ministro-ernesto-araujo-durante-webinar-do-conselho-do-atlantico-sobre-os-30-anos-do-mercosul-12-03-2021> (accessed: 03.06.2022).

⁶ Discursos do Ministro Ernesto Araújo na LV Reunião do Conselho do Mercado Comum (CMC) — Bento Gonçalves, 4 de dezembro de 2019 // Ministério das Relações Exteriores. 06.12.2019. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/discursos-do-ministro-ernesto-araujo-na-lv-reuniao-ministerial-do-mercosul-bento-goncalves-4-de-dezembro-de-2019> (accessed: 03.06.2022).

urged Brazil to pursue the “defense of democracy” in Venezuela, denouncing its “totalitarian” government as the main obstacle to regional integration (Araujo, 2021).

Finally, Araujo’s regional approach is distinguished by a preference for engagement with organizations that comprise the entire American continent, not only Latin or South American countries (Kuznetsov, 2020, p. 55). Since the 2000s, the concept of South America has gained ground in Brazilian regional integration policies due to its symmetrical and South — South characteristics in contrast to the asymmetrical and North — South relations in regional organizations such as the OAS, which are characterized by the presence of a superpower, namely the United States (Tasquetto, Ligeiro Dias & Villar, 2021). The chancellor regretted that initiatives such as UNASUR had “presented themselves as alternatives to OAS” and pursued “objectives contrary to the values that should unite us,” stating that “This is the reason why Brazil decided to distance itself from some forums and denounce others, and renovated its bet on the OAS.”⁷

Disrupting the Axis

As suggested above, the further development of Latin American integration depended on the maintenance of the Brasília — Buenos Aires — Caracas axis. Ernesto Araujo’s foreign policy successfully disrupted this structure, beginning with the deterioration of relations between Brasília and Caracas.

Araujo classified Venezuela as a “tyranny” in his inauguration speech and repeatedly urged American countries to engage in its isolation. Jair

Bolsonaro’s predecessor Michel Temer (2016–2018) had already taken significant steps towards the exclusion of Caracas from regional integration (Davydov, 2019, p. 65). Under his command, Brazil voted to suspend Venezuela’s participation in the MERCOSUR trade bloc, due to alleged violations of the democratic clauses established by the Ushuaia Protocols.

Nonetheless, Araujo innovated by adopting a new set of concepts to frame the Venezuelan government not only as non-democratic state, but as a criminal organization, linked to regional drug cartels. In his words, “The Venezuelan regime sustains itself in a complex net that overlaps with organized crime,” in a symbiose with “terrorism and transnational corruption.”⁸ The lexicon used to characterize the Venezuela is unprecedented in Brazilian foreign policy discourse and closer to the one adopted by the US government in its security initiatives in Latin America, such as the “war on drugs.” Moreover, by classifying the Venezuelan government “not as an authoritarian state” but as a “new form of organized crime,” Ernesto Araujo denies the legitimacy of dialogue between Caracas and the opposition, a significant change in the Brazilian position, which has traditionally supported intra-Venezuelan talks.

The regional platform chosen by Araujo for engagement on the Venezuelan issue was the Lima Group. His first international assignment as chancellor was to the Peruvian capital, to attend a group’s meeting. Created in 2017, after the OAS failed to reach a minimum quorum to invoke its Democratic Chart against Venezuela, the Lima Group comprised 13 American countries: Argentina, Brazil, Canada, Chile,

⁷ Intervenção do Ministro Ernesto Araújo na Reunião Extraordinária de Chanceleres da Conferência Ibero-Americana — 30/11/2020 // Ministério das Relações Exteriores. 01.12.2020. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/intervencao-do-ministro-ernesto-araujo-na-reuniao-extraordinaria-de-chanceleres-da-conferencia-ibero-americana> (accessed: 03.06.2022).

⁸ Discurso do Senhor Ministro das Relações Exteriores por ocasião da 50a Assembleia-Geral da Organização dos Estados Americanos — OEA // Ministério das Relações Exteriores do Brasil. 20.10.2020. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/discurso-do-senhor-ministro-das-relacoes-exteriores-ernesto-araujo-por-ocasio-da-50a-assembleia-geral-da-organizacao-dos-estados-americanos-oea> (accessed: 08.04.2022).

Colombia, Costa Rica, Guatemala, Guyana, Honduras, Mexico, Panama, Paraguay and Peru. The group is an *ad hoc* organization, whose members define the regularity of its meetings according to their own discretion.

P.S. Barros and J. de S.B. Gonçalves suggest that creating the Lima Group, rather than employing UNASUR's democracy protection mechanism to deal with the Venezuelan issue, was one of the main drivers of the eventual demise of UNASUR in particular and of Latin American disintegration in general (Barros & Gonçalves, 2021, p. 14).

In January 2019, the Lima Group recognized Juan Guaido as the legitimate Venezuelan president, opening the doors for regime change and economic sanctions against Caracas, traditionally sensitive issues in the region. In March 2019, the *Itamaraty* withdrew its diplomatic and consular personnel from Venezuela. In April 2019, the Brazilian Embassy in Caracas ceased its activities and the *Itamaraty* required Venezuela to withdraw its diplomatic corps from Brasilia, threatening to declare the remaining Venezuelan government officials in the country as *persona non grata*.

The disruption of the Brasilia — Caracas axis was followed by serious turbulences in the Brasilia — Buenos Aires axis. Relations with Argentina during Araujo's term can be divided in two periods: the first, during the presidency of the Argentinian right-wing leader Mauricio Macri; and the second, from the inauguration of the left-wing Argentinian president Alberto Fernández, in January 2020, until Araujo's resignation, in March 2021.

The preference for Macri's government was made public by Brazilian President Jair Bolsonaro, who supported the Argentinian leader in the 2019 local presidential elections.⁹ Ernesto Araujo himself stated during Argentinian

⁹ Ferro M. Bolsonaro fala em "invasão" argentina caso "esquerdalha" vença eleição // Poder 360. 06.09.2019. URL: <https://www.poder360.com.br/governo/bolsonaro-fala-em-invasao-argentina-caso-esquerdalha-venca-eleicao/> (accessed: 03.06.2022).

elections that a Fernandez government would be "frustrating" for Brazil and a threat to MERCOSUR.¹⁰ E. Araujo declared that he did not consider Fernandez as person with "commitment to democracy, open regionalism and to economic liberalization, that are at the very essence of MERCOSUR."¹¹ President J. Bolsonaro did not attend the inauguration of Argentinian President Alberto Fernandez in January 2020, preferring to send the Vice-President Hamilton Mourão to represent Brazil. The first meeting between the two leaders was held online, in December 2020.

It is necessary to note, however, that even during Mauricio Macri's presidency, Brazil took steps to undermine the strategic partnership with Argentina. In March 2019, the Brazilian government announced the liberalization of wheat imports from the U.S., threatening Argentina's position as Brazil's main supplier. The lack of engagement in the bilateral relations has had an economic cost for Brazil. According to data from the Brazilian Secretariat of Foreign Trade, trade flows between the neighboring countries dropped from USD 40 billion in 2011 to a mere USD 16 billion in 2020.¹² Additionally, Brazil lost its position as Argentina's main foreign trade partner to China in August 2020.¹³

¹⁰ Brandimarte W., Adghirni S. Brazil Sees Argentina's Fernandez as Threat to Mercosur Economy // BQ Prime Bloomberg. September 4, 2019. URL: <https://www.bqprime.com/politics/brazil-sees-argentina-s-fernandez-as-threat-to-mercosur-economy> (accessed: 03.06.2022).

¹¹ Palestra do Ministro de Estado das Relações Exteriores sobre a nova Política Externa do Brasil e sua vertente comercial — Firjan, Rio de Janeiro, 28 de agosto de 2019 // Ministério das Relações Exteriores. 28.08.2019. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/palestra-do-ministro-de-estado-das-relacoes-exteriores-sobre-a-nova-politica-externa-do-brasil-e-sua-vertente-comercial-firjan-28-8-2019> (accessed: 03.06.2022).

¹² ComexVis // Ministério da Indústria, Comércio Exterior e Serviços. URL: <http://comexstat.mdic.gov.br/pt/comex-vis> (accessed: 03.06.2022).

¹³ China Overtook Brazil as Argentina's Largest Trading Partner in April // Buenos Aires Times. June 4, 2020. URL: <https://www.batimes.com.ar/news/economy/>

Regional Integration Without the Axis

Following the dissolution of the Brasilia — Buenos Aires — Caracas axis, Brazil sought new integration initiatives with new preferential partners. On March 22, 2019, regional countries then led by center-right and right-wing governments, gathered in the Chilean capital, Santiago, to establish the Forum for Progress and Integration in South America (*Foro para el Progreso e Integración de América del Sur*, PROSUR).

The most prominent figures in the establishment of the group were the Chilean President Sebastián Piñera (2018–2022) and his Colombian counterpart Iván Duque (2018–2022). Subsequently, Chile and Colombia held the organization's first and second temporary presidencies, in 2019 and 2020, respectively.

In September 2019, the Ministers of Foreign Affairs of Argentina, Brazil, Chile, Colombia, Ecuador, Peru and Paraguay, as well as a representative from Guyana, met on the margins of the UN General Assembly to elaborate PROSUR's first joint declaration. The document emphasized that decisions made within PROSUR would not be legally binding on its members, holding “a declarative character of a political nature.”¹⁴ Furthermore, the group elaborated a democratic clause, which requires member states to uphold the rule of law, representative democracy, human rights, and the international principles of sovereignty and territorial integrity. The declaration provides for the suspension of member states that violate democratic principles, if approved by a majority of two-thirds.

The neoliberal ideas shared by the PROSUR leadership implied the will to avoid creating of a bureaucratic body for the organization

(Pyatakov, 2020, p. 28). According to the *Itamaraty*, the forum would have “a light and flexible structure, with clear rules of engagement and fast decision-making mechanisms.”¹⁵ In this sense, PROSUR would not have a headquarters, a permanent secretariat nor an independent budget. The group's activities were to be organized by a temporary presidency, which would coordinate the activities of six working groups, focusing on issues such as infrastructure, security and the fight against crime, energy, disaster management and health.

Despite the political will of member states to imprint a new ideological basis for South American integration, the level of activity of PROSUR during the 2019–2021 period, as analyzed in this article, is remarkably low and limited. The organization failed in addressing the COVID-19 pandemic or deepening trade and economic cooperation. The Management Report, issued by the end of the Chilean temporary presidency, fails to deliver concrete results.¹⁶ The Management Report cites the pandemic as an obstacle to the group's performance, but the absence of joint declarations regarding the 2019 political crisis in Bolivia and Peru reveal the group's inability to provide a space for dialogue and engagement, even in a declared priority area, such as democracy promotion.

Notwithstanding, PROSUR achieved two of its main political goals: the isolation of Venezuela from regional initiatives and the substitution of the UNASUR organization (Barros, Lima & Carneiro, 2022, p. 4).

In August 2019, the intention to promote PROSUR as an alternative to UNASUR was confirmed by the Brazilian chancellor in a statement, when he declared that “Brazil is one of the countries committed to the PROSUR project, the new instance of South American

china-overtook-brazil-as-argentinias-largest-trading-partner-in-april.phtml (accessed: 03.06.2022).

¹⁴ Declaración de Cancilleres y Lineamientos para el Funcionamiento del Foro para el Progreso y la Intergación de América del Sur // PROSUR. 25.09.2019. URL: <https://foroprosur.org/wp-content/uploads/2020/09/Declaracion-de-Ministros-de-RREE-1.pdf> (accessed: 03.06.2022).

¹⁵ Creación de Prosur // Ministério das Relações Exteriores. 17.11.2020. URL: <https://www.gov.br/mre/es/archivos/creacion-de-prosur> (accessed: 03.06.2022).

¹⁶ Informe de Gestión PROSUR 2019–2020 // PROSUR. 11.12.2020. URL: https://foroprosur.org/wp-content/uploads/2020/12/PROSUR_Informe_de_Gestion_2020.pdf (accessed: 03.06.2022).

integration to replace UNASUR.”¹⁷ The mere existence of PROSUR as an alternative regional forum was cited as a reason for suspending participation at UNASUR in official statements issued by Ecuador in May 2019¹⁸ and Uruguay in March 2020.¹⁹ In November 2019, the Bolivian government declared its intention to withdraw from UNASUR.²⁰ Brazil had suspended its participation in UNASUR in April 2018 under Michel Temer’s presidency, but finally denounced the Constitutive Treaty of the organization on April 15, 2019, under Jair Bolsonaro.²¹

The second objective of PROSUR’s foundation was to isolate Venezuela. PROSUR was successful at including 66% of South America’s independent countries (Argentina, Brazil, Chile, Colombia, Ecuador, Guyana, Peru, and Paraguay) as member states, with Bolivia, Suriname and Uruguay also participating as observer states. Therefore, Venezuela was the

only sovereign regional state not to have any affiliations with the group’s activities. Additionally, Russian scholar Pyatakov suggests that PROSUR’s inauguration intended to provide an international platform to accommodate the Venezuelan opposition leader Juan Guaido, who was then recognized by most PROSUR members as the country’s legitimate president (Pyatakov, 2020, p. 19). A final act to solidify Venezuela’s isolation of regional activities was Brazil’s withdrawal from CELAC. During 2019, Brazil had avoided participating in group’s meetings, citing the presence of Cuba, Nicaragua and Venezuela as an impediment. On January 15, 2020, Brazil informed the Mexican temporary presidency that it would withdraw from the organization, declaring that the “conditions were not ripe for CELAC to act in the current context of regional crisis.”²²

Ernesto Araujo’s Agenda for MERCOSUR

Expectations for Brazil’s participation in the MERCOSUR trade bloc under Jair Bolsonaro were low. Shortly after the elections, the nominated Minister of Economy of Brazil, Paulo Guedes, stated that MERCOSUR would not be a priority for the new government.²³

Nonetheless, chancellor Ernesto Araujo had a clear agenda for the trade bloc. He had a wide experience as a negotiator in MERCOSUR: in the beginning of his career, he was part of the team that negotiated the trade bloc’s Common External Tariff. From 2005 to 2007, he headed the *Itamaraty*’s department for MERCOSUR’s Extra-Regional Negotiations. Furthermore, Brazil was to occupy the temporary presidency of the organization in the second semester of

¹⁷ Intervenção do Ministro Ernesto Araújo na VIII Reunião do Corredor Rodoviário Bioceânico — Campo Grande (MS), em 22 de agosto de 2019 // Ministério das Relações Exteriores. 29.08.2019. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/intervencao-do-ministro-ernesto-araujo-na-viii-reuniao-do-corredor-rodoviario-bioceanico-campo-grande-ms-em-22-de-agosto-de-2019> (accessed: 03.06.2022).

¹⁸ Ecuador suspende su participación en UNASUR // Noticias de América Latina y el Caribe. 13.03.2019. URL: <https://www.nodal.am/2019/03/ecuador-suspende-su-participacion-en-unasur/> (accessed: 03.06.2022).

¹⁹ N° 18/20: Cancillería anuncia el retiro del Uruguay de la UNASUR y su regreso al TIAR // Ministerio de Relaciones Exteriores de Uruguay. 10.03.2020. URL: <https://www.gub.uy/ministerio-relaciones-exteriores/comunicacion/comunicados/1820-cancilleria-anuncia-retiro-del-uruguay-unasur-su-regreso-tiar> (accessed: 03.06.2022).

²⁰ Bolivia se retira de la ALBA y estudia salida de Unasur // La República. 15.11.2019. URL: <https://www.larepublica.ec/blog/2019/11/15/bolivia-retira-alba-estudia-salida-unasur/> (accessed: 03.06.2022).

²¹ Oliveira E., Gonçalves M. Governo Bolsonaro enterra Unasul criada por Lula e adere a novo organismo regional // Jornal O Globo. 07.03.2019. URL: <https://oglobo.globo.com/mundo/governo-bolsonaro-enterra-unasul-criada-por-lula-adere-novo-organismo-regional-23505468> (accessed: 03.06.2022).

²² Brasil suspende participação na Celac // Poder 360. 16.01.2020. URL: <https://www.poder360.com.br/governo/brasil-suspende-participacao-na-celac/> (accessed: 28.05.2022).

²³ Soares J. Paulo Guedes diz que ‘Mercosul não será prioridade’ em governo Bolsonaro // Jornal O Globo. 28.10.2018. URL: <https://oglobo.globo.com/politica/paulo-guedes-diz-que-mercosul-nao-sera-prioridade-em-governo-bolsonaro-23194734> (accessed: 28.05.2022).

2019, what demanded a proactive agenda from Brasilia.

This section will determine the main issues on the Brazilian agenda for the MERCOSUR during Ernesto Araujo's mandate, dividing in three sub-sections: relations between MERCOSUR and external actors ("extra-bloc issues," according to *Itamaraty's* jargon), internal issues of the MERCOSUR trade bloc ("intra-bloc issues"), and the non-commercial agenda.

MERCOSUR and External Actors

The "open regionalism" conception advocated by Ernesto Araujo entailed a significant focus on the expansion of MERCOSUR's engagements with external markets. The chancellor's main goals were:

1) to accelerate the negotiations of free trade agreements (FTA) and preferential trade agreements (PTA) with extra-regional partners;

2) to initiate new negotiations with developed economies;

3) to prospect new trading partners in Central America;

4) to advance MERCOSUR's coordination with the Pacific Alliance;

5) to advance trade negotiations with Mexico.

MERCOSUR has FTAs with extra-regional partners such as Israel,²⁴ Palestine,²⁵ Egypt,²⁶ and PTAs with India²⁷ and South African Customs

²⁴ Free Trade Agreement Between MERCOSUR and the State of Israel // SICE OAS. December 18, 2007. URL: http://www.sice.oas.org/Trade/MER_ISR/Core_Text_e.pdf (accessed: 03.06.2022).

²⁵ Mercosur — Palestine Free Trade Agreement — Montevideo, 20 December 2011 // Ministério das Relações Exteriores. October 30, 2017. URL: <https://www.gov.br/mre/en/contact-us/press-area/press-releases/mercosur-palestine-free-trade-agreement-montevideo-20-december-2011> (accessed: 03.06.2022).

²⁶ Free Trade Agreement Between MERCOSUR and the Arab Republic of Egypt // SICE OAS. August 2, 2010. URL: http://www.sice.oas.org/Trade/MER_EGY/English/Text_e.pdf (accessed: 03.06.2022).

²⁷ Preferential Trade Agreement Between the Common Market of the South (MERCOSUR) and the Southern African Customs Union (SACU) // SICE OAS. URL:

Union (SACU).²⁸ However, these are considered "first generation" agreements, focusing on tradable goods and tariff reductions, as opposed to "second generation" agreements, that comprise issues such as services, government purchases, investment and e-commerce.

In a speech at a MERCOSUR meeting in September 2020, E. Araujo had declared his intentions to deepen Brazil's partnership with extra-regional partners: "We want to advance negotiations with Canada, Lebanon, Singapore and South Korea. We want to conclude the exploratory dialogues with Vietnam and Indonesia till the end of the year. Still in 2020, Brazil wants to expand the trade agreement already in force with Israel, that has a wide coverage, and reestablish dialogue with India."²⁹

Trade negotiations with Canada, South Korea, Singapore and Lebanon began before Araujo term and progressed under his leadership. Notable achievements were made in negotiations with Lebanon, which evolved to in-person rounds of negotiations.

MERCOSUR and Israel have a comprehensive free trade agreement in force since 2010. Under Araujo's leadership, the *Itamaraty* had the intention to expand the tariff coverage of the agreement and include new trade issues, such as services and government purchases, by the end of 2020. This goal was not achieved during Araujo's term.

Regarding the exploratory dialogues, which consist of an initial phase of talks that precede the trade negotiations *per se*, there have been

http://www.sice.oas.org/Trade/MRSRSACU/Text_2008_e.pdf (accessed: 03.06.2022).

²⁸ Preferential Trade Agreement MERCOSUR — India // SICE OAS. January 25, 2004. URL: http://www.sice.oas.org/Trade/MRCSRIndia/Index_e.asp (accessed: 03.06.2022).

²⁹ Intervenção do Ministro Ernesto Araújo na LVI Reunião Ordinária do Conselho do Mercado Comum (CMC) // Ministério das Relações Exteriores. 02.07.2020. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/intervencao-do-ministro-ernesto-araujo-na-lvi-reuniao-ordinaria-do-conselho-do-mercado-comum-cmc> (accessed: 03.06.2022).

notable advances with Vietnam. Brazil concluded the exploratory dialogue with the Asian country in 2020, but it did not lead to full-fledged MERCOSUR negotiations.

Araujo also set the goal to expand trade negotiations with developed economies, such as the U.S., United Kingdom and Japan. However, there were no achievements in negotiations with these trading partners, despite the political will from Mauricio Macri's and Bolsonaro's administrations regarding negotiations with the U.S.³⁰

The main achievement of Araujo's trade policy was, undoubtedly, the signing of the European Union (EU) — MERCOSUR Free Trade Agreement (FTA) in June 2019.³¹ The scale of the agreement is impressive, encompassing USD 20 trillion in Brazil's gross domestic product (GDP), around 25% of the global economy and 800 million consumers.³²

Two months after the end of negotiations with the European Union, MERCOSUR signed a similar agreement with the European Free Trade Association (EFTA), an organization comprising Iceland, Lichtenstein, Norway and Switzerland.³³ The agreement was beneficated by the achievements made during the EU — MERCOSUR negotiations. According to the general coordinator of Extra-regional

Commercial Negotiations of the Minister of Foreign Affairs, Minister Paula Aguiar Barbosa, the level of trade liberalization of the agreement with EFTA is greater than that of the EU, for EFTA had less trade sensitivities regarding MERCOSUR export potential.³⁴

It is important to emphasize that the above-mentioned treaties were being negotiated long before Ernesto Araujo's mandate. The negotiations of EU — MERCOSUR free trade agreement lasted for almost 20 years, while the negotiations with EFTA began in 2017. The turning point in MERCOSUR — European Union's negotiations was reached in April 2016, when Brazil changed its trade policy and presented a new offer to the European Union, inaugurating what a new negotiating paradigm. Additionally, the signing of the agreement did not imply the end of negotiations (Nitsch Bressan, Goulart Menezes & da Silva Ribeiro, 2021, p. 47). Several European countries, led mainly by France, have publicly expressed their opposition to the ratification of the agreement, referring to Jair Bolsonaro's environmental policies as the main obstacle (Esteves, 2021).

The commercialist approach proposed by Araujo to MERCOSUR had to adapt to the contemporary regional context. Although South America has been considered a free trade zone since 2006, trade ties between MERCOSUR and Central America are limited. Their development was considered by Araujo as the new frontier of regional trade negotiations for MERCOSUR. In October 2020, the *Itamaraty* presented initial offers for trade negotiations to each Central American country individually,³⁵ preferring a bilateral approach to dialogue with Central American integration mechanisms, such as the

³⁰ Colombo S. Brasil e Argentina negociam acordo de livre-comércio com os EUA, diz Macri // Folha de São Paulo. 04.07.2019. URL: <https://www1.folha.uol.com.br/mercado/2019/07/brasil-e-argentina-negociam-acordo-de-livre-comercio-com-os-eua-diz-macri.shtml> (accessed: 03.06.2022).

³¹ EU and Mercosur Reach Agreement on Trade // European Commission. June 28, 2019. URL: https://ec.europa.eu/commission/presscorner/detail/en/IP_19_3396 (accessed: 03.06.2022).

³² EU — Mercosur Trade Agreement — Key Facts // European Commission. June 28, 2019. URL: https://web.archive.org/web/20190819115417/http://trade.ec.europa.eu/doclib/docs/2019/june/tradoc_157954.pdf (accessed: 03.06.2022).

³³ EFTA — Mercosur Free Trade Agreement // European Free Trade Association. August 23, 2019. URL: <https://www.efta.int/sites/default/files/documents/legal-texts/free-trade-relations/mercotur/2019-08-24-EFTA-Mercotur-Chapter-Description-of-FTA.pdf> (accessed: 03.06.2022).

³⁴ Ciclo de conferências sobre a nova política externa brasileira — Ministra Paula Aguiar Barboza // YouTube. 31.05.2021. URL: https://www.youtube.com/watch?v=Z11zTFzwOU8&ab_channel=Funda%C3%A7%C3%A3oAlexandredeGusm%C3%A3o (accessed: 03.06.2022).

³⁵ Oliveira E. Mercosul propõe acordo de livre comércio com os países da América Central // Jornal O Globo. 06.10.2020. URL: <https://oglobo.globo.com/economia/mercotur-propoe-acordo-de-livre-comercio-com-os-paises-da-america-central-24679975> (accessed: 03.06.2022).

Central American Free Trade Agreement (CAFTA). Despite state visits carried out by chancellor Araujo to Honduras and Guatemala, until his resignation from the Ministry of Foreign Affairs, MERCOSUR had failed to initiate trade negotiation with Central American countries.

The Brazilian chancellor also envisioned an agreement between MERCOSUR and the Pacific Alliance, a trade bloc that comprises Chile, Colombia, Costa Rica, Mexico and Peru. This rapprochement could integrate MERCOSUR in broader negotiations with the Pacific region. From a technical point of view, the Pacific Alliance's enrollment in comprehensive trade negotiations with the Trans-Pacific Partnership (TPP) could enrich the negotiating experience of MERCOSUR in the so-called "new generation" trade issues.³⁶ Nevertheless, this initiative was in Brazil's agenda before the beginning of Araujo's term. In 2018, MERCOSUR and the Pacific Alliance had adopted the Plan of Action of Puerto Vallarta, which establishes a route for greater coordination between the trade blocs. MERCOSUR has concluded "first generation" agreements with all Pacific Alliance members, with the exception of Mexico. Therefore, advancing the MERCOSUR — Pacific Alliance coordination would be of paramount importance for Brazil's access to the Mexican market.

The Mexican front can be considered one of the most successful for MERCOSUR during Araujo's term as Brazilian chancellor. The parties signed a Trade Agreement in light vehicles in March 2019³⁷ and an agreement on heavy vehicles in June 2020.³⁸ However, Mexico

remains the only major Latin American economy with which Brazil does not have a comprehensive free trade agreement.

Intra-MERCOSUR Agenda

At the start of the Brazilian presidency, divisions between MERCOSUR members had reached concerning levels. The maintenance of the Common External Tariff that unites the parties in a Customs Union was being challenged, as well as the obligation to jointly negotiate free trade agreements with external partners.

The Brazilian intra-MERCOSUR agenda under Araujo focused on:

- 1) making the common external tariff more flexible;
- 2) extinguishing the obligation to negotiate collectively with extra-regional partners;
- 3) advancing in "second generation" trade agreements between MERCOSUR members.

MERCOSUR has achieved the status of a Customs Union after the gradual adoption of the Common External Tariff, between 1995 and 2000.³⁹ MERCOSUR members apply a common import tariff that ranges from 0 to 12% on raw materials, from 12 to 16% on to capital goods and from 18 to 20% on to consumer goods.⁴⁰ The average tariff imposed by MERCOSUR members to external actors is 11.7%, which is considered high in comparison with other customs unions.⁴¹

sobre-o-livre-comercio-de-veiculos-pesados-entre-brasil-e-mexico (accessed: 03.06.2022).

³⁹ Representação Brasileira no parlamento do Mercosul // Câmara dos Deputados do Brasil. URL: <https://www2.camara.leg.br/atividade-legislativa/comissoes/comissoes-mistas/cpcms/oquecomercosul.html/processonegociador.html> (accessed: 03.06.2022).

⁴⁰ O que é a tarifa externa comum do Mercosul // Remessa Online. 04.05.2020. URL: <https://web.archive.org/web/20230228173501/https://www.remessaonline.com.br/blog/o-que-e-a-tarifa-externa-comum-do-mercopol/> (accessed: 03.06.2022).

⁴¹ Tarifa do Mercosul: entenda a queda de braço entre Guedes e Argentina // iG Publicidade e Conteúdo. 07.06.2021. URL: <https://economia.ig.com.br/2021-06-07/guedes-imposto-mercopol.html> (accessed: 03.06.2022).

³⁶ Ciclo de conferências sobre a nova política externa brasileira — Ministra Paula Aguiar Barboza // YouTube. 31.05.2021. URL: https://www.youtube.com/watch?v=Z11zTFzwOU8&ab_channel=Funda%C3%A7%C3%A3oAlexandredeGusm%C3%A3o (accessed: 03.06.2022).

³⁷ Mexico and Brazil Reach Light-Vehicle Free Trade Agreement // Reuters. March 20, 2019. URL: <https://www.reuters.com/article/us-mexico-trade-idUSKCN1R02M0> (accessed: 03.06.2022).

³⁸ Acordo sobre o livre comércio de veículos pesados entre Brasil e México // Siscomex. 22.02.2022. URL: <https://www.gov.br/siscomex/pt-br/informacoes/demais-noticias-de-comercio-exterior/comercio-exterior/acordo->

Araujo's "open regionalism" policies for MERCOSUR required the flexibilization of the Common External Tariff. Despite the importance of the Common External Tariff to the maintenance of the Customs Union, MERCOSUR members generally agree that it should be lowered. There is no agreement, however, on how much and under which conditions it should be revised. While Uruguay, Paraguay and Brazil have supported a review, Argentina's position has changed according to the political orientation of its government.⁴² Brazil's initial proposal was for an overall reduction of 50% in the Common External Tariff. After meeting opposition from its peers, Brasilia agreed to a proposal made by Uruguay to lower it by 20%.⁴³ The proposal was not supported by Argentina's left-wing government, which demanded more protection for its struggling domestic industry. During Araujo's mandate, Brazil and Argentina were not capable of reaching an agreement on this issue. Therefore, Araujo's goal of reviewing the Common External Tariff was not achieved.

Another point of contention on the MERCOSUR's agenda during Araujo's term was internal Resolution 32/00, that imposes the "4+1 format" for the collective negotiation of free trade agreements with third parties.⁴⁴ Proponents of the "4+1 format" argue that negotiating as a group, rather than as individual countries, gives MERCOSUR members more bargaining power

⁴² Pedro Miguel da Costa e Silva: O Brasil e as Américas — Fundação Alexandre de Gusmão // YouTube. 06.10.2020. URL: https://www.youtube.com/watch?v=stZygPndlj8&ab_channel=Funda%C3%A7%C3%A3oAlexandreGusm%C3%A3o (accessed: 03.06.2022).

⁴³ Brasil e Argentina fecham acordo para reduzir tarifa comum do Mercosul em 10%, em uma derrota para Guedes // Folha de S.Paulo. 08.10.2021. URL: <https://www1.folha.uol.com.br/mercado/2021/10/brasil-e-argentina-fecham-acordo-para-reduzir-tarifa-comum-do-mercado-em-10-em-uma-derrota-para-guedes.shtml> (accessed: 03.06.2022).

⁴⁴ MERCOSUR/CMC/DEC N° 32/00 — Relanzamiento del MERCOSUR — Relacionamiento Externo // SICE OAS. 29.06.2000. URL: <http://www.sice.oas.org/Trade/MRCSRS/Decisions/dec3200s.asp> (accessed: 03.06.2022).

in trade negotiations with developed economies. Moreover, if MERCOSUR members were to sign free trade agreements individually, the Common External Tariff would cease to exist, downgrading the trade bloc from a Customs Union to a mere Free Trade Zone. During Araujo's term Brazil joined Uruguay in its pledge to review Resolution 32/00 and extinguish the obligation to negotiate in the "4+1 format."⁴⁵ Nevertheless, MERCOSUR members ultimately failed to agree on a collective proposal to revise Resolution 32/00.

Regarding trade liberalization between MERCOSUR members, the main achievements during Araujo's terms were the signing of the Agreement on the Mutual Protection of Geographical Indications Originating in the Territories of MERCOSUR States Parties, in December 2019,⁴⁶ and the MERCOSUR Trade Facilitation Agreement, in October 2020.⁴⁷ The former, however, can be considered a spillover from the EU — MERCOSUR agreement, since some concessions made by MERCOSUR countries to the European Union demanded an update on internal legislation, generating the above-mentioned document.

MERCOSUR's Non-Commercial Agenda

Despite Araujo's will to restrict MERCOSUR's agenda to the commercial

⁴⁵ Resende M. Brasil asume la presidencia del Mercosur, que se debate entre proteccionismo y apertura // RFI. 08.07.2021. URL: <https://web.archive.org/web/20210711091154/https://www.rfi.fr/es/am%C3%A9ricas/20210708-brasil-asume-la-presidencia-del-mercador-que-se-debate-entre-proteccionismo-y-apertura> (accessed: 03.06.2022).

⁴⁶ Acuerdo para la Protección Mutua de las Indicaciones Geográficas Originarias en los Territorios de los Estados Partes del Mercosur // Mercosur. 04.12.2019. URL: https://normas.mercosur.int/simfiles/normativas/75394_DEC_010-2019_ES_Acuerdo%20Indicaciones%20Geograficas%20MERCOSUR.pdf (accessed: 03.06.2022).

⁴⁷ Acuerdo sobre de Facilitación del Comercio del MERCOSUR // Ministerio de Economía y Finanzas de Uruguay. 04.10.2020. URL: https://www.gub.uy/ministerio-economia-finanzas/sites/ministerio-economia-finanzas/files/2020-10/75425_dec_029_2019_es_acuerdo-facilitacion-comercio.pdf (accessed: 03.06.2022).

sphere, the chancellor has mobilized the bloc's institutional structure to advance projects on public security, the fight against corruption and border protection. Araujo has proposed agreements on issues such as illegal arms trade, arrest warrant, delivery of prisoners, transfer of convicts, legal assistance in criminal matters and disposal of assets seized from international criminal organizations.

The Brazilian temporary presidency of the MERCOSUR promoted the signing of the Police Cooperation Agreement to counter illicit activities in border areas and the adoption of a Plan of Action to counter corruption in foreign trade and investment. The achievements in the security area overshadow the lack of action to counter COVID-19, despite the fact that South America was considered one of the world's hardest-hit regions by the pandemic.⁴⁸ One of the few actions undertaken by Brazil in MERCOSUR to address the sanitary crisis was the activation of Article 50 of the Montevideo Treaty, which allows for tariffs reductions on imports of health-related products, such as masks and respirators.

Another highlight is the Brazilian contribution of USD 15 million to the Fund for the Structural Convergence (*Fondo para la Convergencia Estructural del MERCOSUR*, FOCEM) in 2020 to finance the purchase of COVID-19 tests by MERCOSUR member states.⁴⁹ The FOCEM was created in 2014 to promote structural convergence and reduce asymmetries between MERCOSUR member states.⁵⁰ The project is considered a trademark of the “multidimensional regionalism” prevalent in

MERCOSUR during the “pink wave” of left-wing governments in the Southern Cone. Ernesto Araujo's commercialist approach to MERCOSUR render initiatives such as FOCEM as secondary. Until 2016, Brazil contributed approximately USD 100 million annually to the fund, while in 2019 its input was barely USD 12 million.⁵¹

The lack of action from *Itamaraty* to counter the pandemic within MERCOSUR is justified by the Brazilian chancellor, who considers trade facilitation and economic development as the main tools at the disposal of the organization to fight COVID-19. During the 56th session of the Common Market's Council, he declared that “the best contributions that MERCOSUR can give to countering the pandemic and its consequences are in trade negotiations, that can spur economic growth, wealth and employment.”⁵²

Given the level of institutionalization and the tools at the disposal of MERCOSUR to counter a crisis on the scale of the pandemic, it can be concluded that the actions promoted by Brazil in the trade bloc to counter COVID-19 were insufficient.

Conclusion

Prior to examining the impact of Ernesto Araujo's foreign policy on Latin American integration in general and on Brazil's regional leadership in particular, it is necessary to acknowledge that certain elements of the chancellor's foreign policy were inaugurated by the previous *Itamaraty's* administrations, under the presidency of Michel Temer (2016–2018).

⁴⁸ Filgueira F., Galindo L. M., Giambrodo C., Blofield M. América Latina ante la crisis del COVID-19: Vulnerabilidad socioeconómica y respuesta social // CEPAL. Serie Políticas Sociales. 2020. No. 238. URL: https://repositorio.cepal.org/bitstream/handle/11362/46484/1/S2000718_es.pdf (accessed: 03.06.2022).

⁴⁹ Investigaç o, Educaç o e Biotecnologias Aplicadas   Sa de // FOCEM. URL: <https://focem.mercosur.int/pt/projeto/investigacao-educacao-e-biotecnologias-aplicadas-a-saude/> (accessed: 03.06.2022).

⁵⁰ Qu  es FOCEM // FOCEM. URL: <https://focem.mercosur.int/es/que-es-focem/> (accessed: 03.06.2022).

⁵¹ Fondo para la Convergencia Estructural del MERCOSUR — Presupuesto 2019 // FOCEM. 17.12.2018. URL: https://focem.mercosur.int/uploads/normativa/DEC_011-2018_ES_%20Presupuesto%20FOCEM%202019-0.pdf (accessed: 03.06.2022).

⁵² Intervenc o do Ministro Ernesto Ara jo na LVI Reuni o Ordin ria do Conselho do Mercado Comum (CMC) // Minist rio das Rela es Exteriores. 02.07.2020. URL: <https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/discursos-mre/intervencao-do-ministro-ernesto-araujo-na-lvi-reuniao-ordinaria-do-conselho-do-mercado-comum-cmc> (accessed: 03.06.2022).

As mentioned above, the initiatives such as the rapprochement between MERCOSUR and the Pacific Alliance and the focus on the commercial aspect of regional integration can be identified in Temer's administration. Furthermore, the exclusion of Venezuela from MERCOSUR and Brazil's participation in UNASUR were undertaken during Temer's presidency. Additionally, the changes in Brazilian trade policy that led to the signing of the MERCOSUR — European Union FTA date back to Temer's tenure. Nevertheless, Jair Bolsonaro's presidency and Ernesto Araujo's leadership in the *Itamaraty* have radicalized Temer's approach to regional integration.

The principal result of Ernesto Araujo's regional foreign policy was the definitive rupture of the Brasilia — Buenos Aires — Caracas axis, with critical consequences for Latin American integration and Brazilian regional leadership.

The goal of isolating Venezuela from regional activities defined Brazil's regional engagement in this period. This approach to the Venezuelan issue led to the consolidation of the Lima Group, Brazil's exit from CELAC, contributed to the demise of UNASUR and the establishment of PROSUR. In the case of MERCOSUR, Venezuela's suspension put an end to the expansion of the trade bloc, thus preventing the full association of new members, such as Bolivia. Moreover, the severing of diplomatic ties with Venezuela had brought little or no benefit to Brazilian commercial interests or regional leadership. Brazil lost its traditional position as a mediator between Venezuelan political forces, leaving a vacuum that was subsequently filled by other actors, including Norway and Barbados, in 2019.

The damage to Brazil's regional leadership is evidenced by the fact that Chile and Colombia were the driving forces behind PROSUR's initiatives, while Peru played a leading role in coordinating the activities of the Lima Group. Furthermore, Brazil's decision to withdraw from the CELAC has distanced the country from Central America and Caribbean affairs. The *Itamaraty's* attempt to fill this gap by promoting

state visits to Central American countries and proposing trade negotiations with each country individually did not achieve its objective, as no major initiatives with Central American neighbors were launched during Araujo's term as chancellor.

The substitution of UNASUR by PROSUR has also had dubious benefits for regional integration. Until the end of Araujo's term, PROSUR failed to deliver concrete results and coordination between the regional countries during the political, social and sanitary crisis. It can be argued that the region substituted UNASUR for nothing, in a deliberate effort to halt deeper integration. Araujo's argument that PROSUR would be a more efficient tool for democracy promotion did not come to fruition, since the organization refrained from acting on several political crises that emerged in the region, particularly in Peru and Bolivia. Besides, UNASUR had a more robust and legally binding set of norms for democracy promotion than PROSUR, as enumerated in UNASUR's Additional Protocol on Democracy Promotion adopted in 2010, which provided for regional sanctions against countries that violate democratic principles.

With the collapse of UNASUR and the inactivity of PROSUR, by the end of Araujo's term no institution at the Latin or South American level was in a position to guarantee the promotion of democracy or to monitor countries' compliance with their democratic commitments. Therefore, regional democracy promotion was weakened by Araujo's policies, which were designed to protect it.

Regarding MERCOSUR, Araujo's term solidified the primacy of "open regionalism" over "multidimensional regionalism," thereby shaping the commercial approach to the trade bloc. This emphasis brought important outcomes for the organization, such as the signing of the FTA with the European Union and EFTA. There have also been successes in deepening trade relations with Mexico.

Nonetheless, the commercial approach to regional integration was adopted at an inopportune historical juncture, as the effects of the COVID-19 pandemic could have been

mitigated by greater regional coordination on public health issues. Unfortunately, the lack of political will, the commercial approach imprinted in the MERCOSUR and the institutional frailty of PROSUR prevented these institutions from delivering substantial results in this critical area.

Fortunately, the disintegration of Latin America is not an irreversible process. The axis

theory on which this article is based argues that axis relations can experience crises and periods of disruption without prejudice to their future restoration. Once the shortcomings of a given policy have been identified, it is always possible to implement a change of direction.

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