

6. The EU-Mercosur agreement failed under Bolsonaro's presidency

It was the aim of the free trade agreement between the EU and the Mercosur (Brazil, Argentina, Uruguay, Paraguay) to create a common market with more than 720 million people, 20% of the global gross domestic product and 17% of the worldwide exports. Internal trade barriers should be largely abolished, and extensive labour and environmental legislation implemented. The agreement signed in 2019 could not be ratified during Bolsonaro's government. In Europe, Bolsonaro's irresponsible environmental policy with the destruction of Amazonian rain forests after 2019 raised concerns that demand for soybeans and meat could encourage increased deforestation and invasions into Indigenous territories to expand the catchment area for logging and grazing pastures for cattle. The European opponents of the agreement were made up of the agricultural lobby, anti-globalisation and environmental activists and green parties (Nolte 2023). On the other hand, Brazilian farmers feared that European countries were pushing environmental criteria to protect their farmers from importing cheaper Brazilian agricultural products. The questioning of the ratification of the free trade agreement between the EU and the Mercosur confederation, in which Brazil is the largest player, was discussed by various EU states, including France, as a possible sanction.

The original goal of Mercosur as the most ambitious integration project in Latin America went far beyond mere trade policy, but also envisaged the creation of common institutions. The EU-Mercosur agreement had been negotiated for more than two decades without participation of large parts of the civil society in South America and Europe. The rivalry between the two major Mercosur partners Brazil and Argentina often played a slowing down, so that even after 30 years of existence, not even a full customs union has been achieved.

With the EU-Mercosur agreement, which was also likely to face coordination difficulties with Brazil within Mercosur due to the left-wing government in Argentina at the time, both sides saw great export opportunities for their different product range in view of the customs disputes between the US and China and in the future perhaps also with the EU. It became abundantly clear that possible economic sanctions against Brazil would not make the government's stance more environmentally friendly, but could at most strengthen its course domestically, although former Brazilian Environment Minister Ricúpero saw continued international pressure as effective for environmental policy changes.

Boycott threats against Brazilian products, which were hastily expressed in Europe, would not contribute to a change in the Amazonian policy of the government and

were no stable solution to the problem (Kohlhepp 2021b). Measures that promote the preservation of biological diversity in the Amazonian rain forest and the safeguarding of the protected areas are needed. This requires environmental funds and financial instruments that make such a policy attractive for Brazilian politics and society (Maihold 2019b). However, a large northern Europe asset manager had withdrawn JBS, the largest exporter of meat operating supply chains in the Amazon region, from its investment portfolio. Probably, the boycott threats may have better contributed to Bolsonaro's fire brigade actions with the help of the army in the delayed firefighting.

Since China has been leading the Brazilian export statistics since 2009 (2021: China: 31.3 %; EU: 11.7 %; US: 11.2 %),⁴⁶⁵ Brazil has safe alternatives for the purchase of its agricultural products and mineral raw materials.

In the case of the EU-Mercosur agreement, all parties involved had reservations and legitimate self-interests. Ecological reservations of the EU, especially against imports of Brazilian agricultural and livestock products, produced in areas of Amazonian rain forest destruction, were absolutely justified. About 20 % of Brazilian beef and soybean exports to the EU are related with illegal deforestation in the Amazon region and importers should be obliged to ensure that these products do not originate from these areas. To do this, the EU needs a supply chain law for meat and soybean from Brazil.⁴⁶⁶ However, exaggerated EU expectations should not be used as a pretext to protect European agriculture.

The agreement could be of great geopolitical importance for both sides, especially since China is gaining more and more influence, and the EU is also dependent on the Mercosur states – the fifth largest economic area in the world – as democratic partners, and should take their specific problems into account. However, it was clear that there can be no trade agreement without binding human rights and environmental standards. Compliance to sustainable development, the participation of civil society and the implementation of the Paris Agreement were not guaranteed. Unfortunately, this was not possible in the desired sense under Bolsonaro. The agreement was virtually put on hold and threatened to disappear from the common agenda, but at least had a completely uncertain future (Grundberger *et al.* 2021; Wollrad and Barreto 2021; Maihold 2019a; 2020).

In a completely deadlocked and almost hopeless situation, it should be important to cultivate a multilateral culture of discussion on environmental issues between politicians and representatives of civil society, especially with the scientific community, which in many areas in Brazil is highly relevant to the tropical ecological problems on the ground.

In the discussion about the appropriate environmental policy for rain forest protection, it must be remembered that project offers for sustainable development have nothing to do with the “internationalisation of Amazonia” or interference in the internal affairs of the country, repeatedly conjured up by nationalists in Brazil.

Brazil's national sovereignty with regard to the Amazon region is beyond question. The projects are based on financial and technical assistance from donor countries

465 Quoted from de.statista.com 2023.

466 Interview with Delara Burkhardt and Nilton Tatto, IPG, July 30, 2020. <https://www.ipg-journal.de/interviews/artikel/kein-handelsabkommen-ohne-umweltschutz-und-menschenrechte-4547/> (accessed October 22, 2023).

– without any required “consideration” – for the regional population and the preservation of their habitat, with additional global significance. The integration of neighbouring countries with an Amazon share in promoting mechanisms for rain forest protection within the framework of the long passive Amazon Pact, had been revived with the meeting of the heads of government of Bolivia, Brazil, Ecuador, Guyana, Colombia, Peru, and Surinam in September 2019 in Letícia, Colombia. However, the call for increased cooperation in combating illegal practices in mining, drug trafficking, logging and in the expansion of crops and pastures (Maihold 2019b) could put Bolsonaro's Amazon policy under pressure.

Bolsonaro's quest for a second term led many to fear that this could lead to a further erosion of democracy in Brazil. On the other hand, ex-President Lula da Silva was expected to return as a candidate in the 2022 election, after his conviction was legally overturned. For a “third way,” which many Brazilians in this polarised country would have liked as a counterpoint to the two extremes, no promising candidate was recognisable (Czymmeck and Garcia 2022).

