

REMARKS BY THE MINISTER OF FOREIGN
AFFAIRS, AMBASSADOR ERNESTO ARAÚJO,
DURING THE ATLANTIC COUNCIL WEBINAR ON
MERCOSUR'S 30TH ANNIVERSARY

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Remarks by the Minister Ernesto Araújo during the Atlantic Council webinar on MERCOSUR's 30th anniversary

Thank you very much, Ambassador Capricia Marshal, all the friends at the Atlantic Council, especially the Adrienne Arsht Center, Dr. Fred Kempe, Jason Marczak, all the Foreign Ministers here present, my dear colleagues and friends from Argentina, Paraguay, and Uruguay, other friends that I recognized from the previous discussion, Paula Dobriansky, Landon Loomis, Gabrielle Trebat, so many friends from my time in Washington.

Thirty years ago, when the heads of State of Brazil, Argentina, Paraguay, and Uruguay gathered in Asuncion to establish the MERCOSUR, the world was witnessing the triumph of liberal democracies and free markets over state-driven economies and totalitarian societies.

Similarly, MERCOSUR was born from the commitment of four freely elected leaders to overcome decades of unsuccessful protectionist economic policies imposed in the region.

When our country signed the Treaty of Asuncion, we recognized that democracy, free trade, and openness to the world were key to the prosperity and well-being of our citizens. Political and economic freedom are principles ingrained in MERCOSUR's DNA. Those are premises that inspired Brazil's current efforts to provide and help the

regional integration project attain a renewed thrust.

I would like to take this opportunity to talk specifically about how Brazil perceives MERCOSUR after these thirty years.

First, it is important to stress that we see a primacy of democracy in our integration project. And, in that sense, let me mention an issue that we cannot sweep under the carpet. MERCOSUR has a fifth member and this fifth member, Venezuela, is absent today. Four years since its suspension for breach of the democratic commitment, that country has yet to meet the conditions for being welcomed back into the group. Venezuela is a sister nation dear to all of us, which belongs here with us as soon as Venezuelans take their country back from the gang that rules it by force, intimidation, and humiliation of their own people. MERCOSUR can be, and hopefully will soon be in the near future, an instrument to reintegrate Venezuela, a free Venezuela, into the world.

MERCOSUR's commitment to democracy, which is a binding contractual commitment, was present at its inception, and, for Brazil, it remains a central tenet now. The suspension of Venezuela for violating that contract shows that in MERCOSUR we take democracy fully seriously.

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It is sometimes stated that the question of Venezuela is an ideological one and that different approaches to Venezuela are ideological. And this is not the case. I personally have repeated many times — democracy is not an ideology. The fight for human dignity against organized crime is not ideological.

We cannot ignore the real threats to democracy in our region and we cannot replace sound economic policy by slogans, which can sound good but will not help us address our real problems, will not attract investment, will not create jobs, and will not modernize our economies.

One interesting comparison to be made is between MERCOSUR and ASEAN, the Association of Southeast Asian Nations. For example, if you look at where we were back in 1991 and where we are now, we see that ASEAN performed much better than our countries, basically, we think, because it opted for trade openness while in MERCOSUR we not always opted for trade openness, which was the original calling of the bloc, but resorted in many circumstances to speech-making and even flirted with MERCOSUR as an instrument, not to integrate with the rest of the world, but to isolate from the rest of the world.

And I can confess here, and I can say that with some pain, that Brazil under previous administrations was part of that misguided conception of MERCOSUR, that Brazil saw, particularly in the period from the early 2000s until 2010, more or less, Brazil saw MERCOSUR as an instrument to avoid integration to the rest of the world.

We used MERCOSUR, for example, to avoid the idea or the project of the Free Trade Area of the Americas, the FTAA, which, we can argue, would have transformed our economies if we had become a part of that without losing MERCOSUR 's identity. Anyway, we do think that free trade is a pillar of MERCOSUR. The four member countries have always worked for stronger trade openness among them, as well as for improving their integration at the regional and international levels. At least that is what we should have done and what we are doing now.

Early on, we took a first step by building a network, or starting to build a network of free trade agreements within South America and, in 2019, as the phasing out of tariffs was completed, those efforts culminated in the formation of what amounts to a free trade area in South America, with the exceptions of Guyana and Suriname.

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This is an effort that not everything was, let us say, a going away from the original impulse of MERCOSUR. This idea and this reality, now, of MERCOSUR as part of a South American integration process is something that thrived.

Another second step was going beyond South America. Only timid attempts were made, for many years, with limited scope agreements with India, for example, the Southern African Customs Union, or Israel. But, over the last couple of years, we have been finally able to give a new drive to MERCOSUR 's external agenda. This was totally convergent with our administration, President Bolsonaro's administration approach not only to MERCOSUR but to the relationship of Brazil with the rest of the world.

Brazil decided to finally open to the world and to catch up with all of the lost opportunities in order to become a key actor in the global supply chains, in the new structure of global trade. For us, in Brazil, opening, privatization, the bid to join OECD, and other aspects, all that are part of the same drive aimed at changing at home. Of course, it creates a new structure for our engagement with the world. But, at home, it is part of the project of changing an old governance system which was unfortunately

based on corruption in so many cases, state-centered, prone to mismanagement, and conducive to backwardness and deindustrialization.

So, we started to correct the many misguided policies that Brazil had adopted over many years. And MERCOSUR was part of that new drive. We saw MERCOSUR as a platform that, from our point of view, could immensely help Brazil in attaining that new project.

With that in mind and thanks in part to that new drive in Brazil, MERCOSUR wrapped up free trade negotiations with the EU, after 20 years, back in June 2019, and with the European Free Trade Association, in August of that year. These were the first negotiations concluded by MERCOSUR with highly competitive and developed countries. And now we are fully engaged in other modern free trade agreements with major partners like Canada, South Korea, and Singapore.

We can say that we reclaimed free trade as a key element also in the internal agenda of MERCOSUR and not only with the rest of the world. Since the beginning, from our point of view, of course, I am speaking from the point of view of Brazil, we do see the drive that we brought to MERCOSUR as a reason for the progress we made also in the internal

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integration and not only the outside integration.

We had many new initiatives and advances, like the approval of a trade facilitation agreement, which was immensely important, agreements on mutual recognition of geographical indications, agreements on electronic trade, and also started to tackle some outstanding issues in the bloc like sugar and the automotive industry.

Another progress that we are proud of and that comes from the previous eras, so to say, of MERCOSUR but is revealing now its usefulness is the FOCEM, the Structural Convergence Fund, whereby MERCOSUR has invested more than one billion dollars in many projects and recently allocated sixteen million dollars to the effort of fighting COVID.

Basically, and to conclude, MERCOSUR, as much as we are sentimentally attached to it, like myself and I remember very fondly that I was not there for the signing of the agreement but later the same year, 1991, in my first months as a career diplomat, I worked in the first MERCOSUR summit in Brasilia in December 1991. So, in spite of that, that sentimental aspect, which is important, our trade policy, our global insertion in the world, our strategy for development, for prosperity, to bring new opportunities to our peoples, cannot be

based only on this sentimental attachment, nor on the deep friendship that exists among our peoples and which will always exist.

We must go beyond that and build on top of that friendship and that attachment. We must generate concrete results. We must generate opportunities for the people, for the companies, opportunities for our countries to overcome failed models of the past.

MERCOSUR — and I come back to the beginning, to the scenario of thirty years ago — is a child of that first moment of globalization. Its first summit, December 1991, was held a few days before the dissolution of the Soviet Union, for example. So, we are contemporary to this new world that started to open up at the beginning of 1991. And MERCOSUR was born under the stars that were in the sky at that moment, so to say, the stars of democracy and free trade, of political and economic freedom going hand in hand as the means to human accomplishment and prosperity. We were not born under the stars of political correctness or techno-totalitarianism, as we see today, threatening freedom in our countries, let alone in an atmosphere where we see narco-regimes still, unfortunately, thriving in our region. This is not what MERCOSUR was originally about or should be.

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Today we see, looking at the world, at least this is our perspective here in Brazil, that unfortunately, the whole world is close to abandoning that dream of the early 90s, that dream of economic and political freedom going hand in hand, that world centered around freedom. And we have the opportunity to revamp that dream both in the world and inside MERCOSUR.

The world has let the idea and the sentiment of freedom to be excluded from the center of international discussions. Brazil now wants to help to correct that, be it globally or regionally. And MERCOSUR can be a part of this new world with freedom at its center.

Thank you very much.

