

XX Forum Brazil – Europe

BRAZIL AND THE EUROPEAN UNION LOOKING AHEAD

Executive Summary - With the aim of promoting dialogue, the XX Forum Brazil-Europe brought together politicians from Brazil and Europe, representatives of the academic world, as well as diplomats and other government officials. The gathering took place under the premise of "Brazil and the European Union Looking Ahead" on the 4th and 5th of June 2013, in Brasilia. An intense exchange of ideas and views took place between the representatives from both sides of the Atlantic. The event was attended by an audience of over 220 people as well as by several representatives of the national press.

The specific intent of this year's forum was to inform on the ongoing process of European integration as well as on the relationship between Brazil and the European Union. The first day of the forum at the National Congress was inaugurated with a debate on the political, economic and social dimensions of the ongoing European economic crisis. All speakers agreed that the swift recovery of Europe would be in the interest of all, because while the people of Europe suffer, Brazil also misses out on an important economic partner and investor. The panel identified the failure of the institutional framework that was unable to impede the onset and the subsequent proliferation of the crisis, as well as the inability of the political system to effectively manage and direct the economic forces in harmony with the aspirations of the European people in general as the central components of the challenges faced by Europe today. Thus, in concluding, the panel called upon the political classes to present new vision and models on how the trust of the public could be regained, and the crisis overcome. This first panel was followed by key note speech held by Ambassador Ana Paula Zacarias, head of the EU Delegation to Brazil. In her speech, the ambassador made the case for why a unified Europe is better positioned for overcoming the challenges of the 21st century, rather than the member states independently. She also detailed on the tools and institutions that were created so that the Union can fulfil the aspired role of a global actor.

The second day of the gathering took place in the conference rooms of the Manhattan Plaza Hotel. The first panel focused on the future and intended scope of the strategic partnership model in general and its significance for both regions. The panel agreed that the strategic partnership model would only make sense if the number of strategic partners would be held to a minimum, so as to inhibit the model of inflating in value, while the additional yearly summit would make a lot of sense and could potentially make a real difference. Furthermore, the panellist argued that the model would be an alternative to traditional alliances, as involved partners could pick and choose topics of common interests which they then would advocate in concert in the international system, while discussing and debating other topics on which differences in views prevail. The second panel tackled questions related to development approaches, in particular the so-called North-South model, and the alternative South-South model, as well as the possible combination of both through the triangular cooperation. The panel agreed upon Europe remaining the pivotal donor, with 60% of global aid originating from that part of the world. However, its traditional North-South approach had lost steam, and Brazil, which is still relatively small in monetary terms, is on the forefront of creating a new modus operandi, the so called South-South approach. Cooperation, however, is not always reached, since politics continue to play a major role in all developmental considerations. The last panel of the day centred on the question whether there would be a future for a possible EU-Mercosur free trade area. The panel was mixed in its opinion. One group argued that on a strategic level, a free-trade agreement makes sense, since there is a global drive towards the opening up of markets, and neither could afford to stay out. Furthermore, an agreement could potentially be comprehensive, since both partners are close to one another in political and cultural terms. The opposition, however, argued that multilateralism and inter-regionalism have both lost in prestige and steam and thus there would be no political will for such an undertaking of a huge free-trade zone to happen.

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Detailed Report

- **First Day of the Conference – June 4th, National Congress – Opening**

The conference was opened with remarks from the organizing parties. The Brazilian Federal Deputies Gonzaga Patriota and Sebastião Bala Rocha both underscored the importance of the Brazilian-European relationship and that, as such, Brazil would have a great interest in seeing Europe reclaim its economic confidence and prosperity since the Union represents the biggest market for Brazilian exports as well as is paramount in terms of investments and technology transfer for Brazil. Mr Patriota also reiterated the excellent relationship that the Brazilian government has with the EU, and pointed out that the EU in turn had recognized the importance of Brazil in the context of the international system when it signed a strategic partnership agreement with Brazil in 2007, turning the country into a privileged interlocutor for the whole region and the global south. Mr Bala Rocha added that the movement has come into the world wide drive for trade liberalization, and that since the EU and the US consider creating the biggest bloc on the globe, Brazil could not stand back, and should see further than Mercosur, so that the country could be at the centre of the broader global trade trends, rather than be isolated. EU Ambassador Ana Paula Zacarias and Felix Dane, the representatives of the Konrad Adenauer Foundation in Brazil, echoed the warm words and underscored the importance of the many dialogues that are taking place between the EU and Brazil, while remarking that the present event would also aim at exactly that. Eiti Sato, director of the International Relations Institute at the University of Brasilia (UnB), in turn highlighted the importance of institutional contacts as well as the role of personal exchange, both of which he saw aptly provided by the Forum Brazil-Europe.

- **Opening Panel: “Multiple Dimensions of the Crisis: Politics, Economy and Society”**

The first panel was opened by the Irish ambassador Frank Sheridan, whose country holds the EU presidency. In his speech, the ambassador highlighted the numerous achievements of the European Union which were recently publicly recognized with the Nobel Peace Prize. He furthermore added that the Union had much more to offer and that many positive aspects are easily forgotten. For example, he remembered that the member states rank amongst the first in the world when it comes to economic, development-related, and democratic indicators. As a bloc, the ambassador pointed out, the EU is by far the biggest economic area in the world, bigger than the USA or most of Eastern Asia together. Addressing those

who fear a super state, he said that the Union would not pursue such a goal, but rather economic, political and social prosperity for all its citizens. Aiming at shedding light on the crisis, he identified three core problems: a fiscal crisis in the Euro zone, competitive crises and imbalances between the member states, and a banking crisis. The crisis as a whole, however, should not be overstated in epic terms, as done by some, since in the history of the European Union every crisis was also an opportunity for new modes of operation. In this regard, the Europeans had already made progress by creating mechanisms for a fiscal union and better coordinated intergovernmental approaches in order to address common challenges and enact common solutions. He added that the Europeans would do this by building on a tradition of compromising and working together to solve problems that were hurting all. In responding to critics of the Euro, he pointed out that the currency had created stable exchange rates, protected savers from governments which, in other times, might have inflated away their own misdeeds, facilitated trade amongst the member states and has therefore improved economic convergence.

Second to speak was the Brazilian Federal Deputy Antonio Carlos Mendes Thame. Mr Mendes Thame recalled that the European Union was living through the longest recession in its history, and that the consequences were especially grave for the millions of young people who could not find employment. He went on to say that many in Brazil want to see an end to the crisis not only because of the economic importance Europe carries for Brazil, but also because of the hopes that are hinged on the European model of the welfare state that is still being built up in Brazil, and that a worsening of the crisis would also indirectly threaten this great project. Shifting gears, he focused on Brazil, pointing out that the crisis has left its mark on his own country. Contrary to ex-President Lula's pronouncement that the crisis had left Brazil alone, the country is actually feeling increasing economic pains. The GDP growth has come close to zero, inflation is way too high and investment rates are low. However, he remembered that the European crisis was not to blame for Brazilian weaknesses, but rather that the country had slept while things went well, neglecting necessary structural reforms. He pointed towards the shrinking industry, which after many years of protection is not able to compete with international producers, who sell their goods even cheaper and with increasing quality and more sophisticated technology. Even worse, the trend of Brazilian deindustrialization was accentuated because of the drive to export yet more commodities to China. And even though China would have an insatiable hunger, Brazil was still facing a negative commercial balance as well as a smaller share of overall world trade. All the while, Brazil would also lose out within the Merco-

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sur, while Brazil's neighbours Peru, Colombia, Chile and others, as well as the EU and the US would all engage in a process of massive trade liberalisation. This, according to Mr Mendes Thame, should be a wakeup call for the Brazilian government, who should make new trade alliances a top priority.

Last but not least to speak on the first panel was Portuguese Deputy of the European Parliament and member of the Committee on Foreign Affairs, Ana Gomes. Ms Gomes started off on a positive note. She reminded the gathered audience that the European Project, which was born out of the quest for peace, had faced many crises since it was born over 60 years ago, and that every time the Community had come out stronger and with better institutions. She went on to say that everyone recognizes that the problem was not merely economic but political, and that people had lost faith in politicians. The politicians, according to Ms Gomes, had gambled with the confidence of the people by having failed to tame an ever more vicious form of capitalism that brought on the crisis in the first place. She continued, saying that Europe was built on solidarity, best represented by the welfare state, and that this model was now threatened by deep-cutting austerity, although it had so far only brought shrinking economic output and personal despair all over Europe. Going back to her original theme, Ms Gomes said that the European Parliament and other European Institutions had recognized these failures of the past, and that they would find themselves in a process of articulating massive structural changes which are supposed to bring back employment, a new, greener form of economy and addressing other pressing challenges. In closing, Ms Gomes said that she hoped to see more integration at the end of the tunnel and a return of trust into the European project by the European people.

▪ **Key Note Speech: "The European Union in the World: Challenges of a Global Actor"**

The Keynote Speech was delivered by the European Ambassador to Brazil, Ms Ana Paula Zacarias. Ms Zacarias began her speech by reflecting on the list of growing global challenges: terrorism, environmental challenges, immigration, pandemics, and now the ongoing global economic and financial crisis. She went on to ask what the role of the Union is supposed to be in all of that, and how the bloc should behave as the global actor is it. She provided an answer by pointing to the global nature of the challenges, and concluded that the Europeans could only prevail when working in concert; that the age of "every one for himself" was over, according to the ambassador. Touching on the strengths of the Union, she recalled that the EU was the biggest economy

in the world, bigger than the BRICS states together, home to more than 500 million people as well as many of the leading companies of the world. This economic power then would also carry a great degree of responsibility for Europe. And indeed, the Union would not stand passive, as it is the biggest development aid donor in the world, assisting countries in need and standing on the forefront of the struggle for democracy, good governance and transparency. In order to be able to overcome all of these challenges, the EU would work firmly towards further establishing its own institutions, which would be capable of projecting the power of a unified Europe. To this end, the European External Action Service had been set up through the treaty of Lisbon and under the helmship of Baroness Kathrin Ashton, the Union has by now representations in over 140 countries, facilitating the exchange with its partners on topics related to all kinds of considerations, be they environmental, economic, political or other in nature. Moreover, and in addition, the military capacity of the European Union, represented through the Common Security and Defence Policy, had been established and augmented, to the result that the Union would be capable of conducting its own peace operations, if necessary. In regards to Brazil, and in closing, the Ambassador reiterated that it is the country closest to the European Union among the BRICS states. The bounds are strong and historical and cultural in nature. Both Brazil and Europe share many principles, such as a firm commitment to human rights, the rule of law and democracy, and that as such both partners share many strategic objectives within the global context, as well as a similar vision of the world as a whole.

Second Day of the Conference – June 5th – Manhattan Plaza Hotel

▪ **First Panel – "EU-Brazil Summits and the Future of the Strategic Partnership Framework"**

First to speak was Natalie Hess, research Fellow at Latin American Institute from the German Institute of Global and Area Studies (GIGA), a foreign policy centred think tank based in Hamburg, Germany. Ms Hess started her speech by laying out some basic premises related to the strategic partnership framework in general. She said that the intention of the strategic partnership initiative, when implemented by the European Union in 2003, foresaw to focus on values, mutual cooperation and common world view with potential partners that sway regional influence in their own vicinities. The strategic partnership, however, is not an alliance system in the classical sense. Since it includes no automatism in following rules, there is no necessary cooperation in areas of disagreement. Nevertheless, the framework presents a chance for concerted

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action and wider cooperation in regards to shaping a world order reflecting an ever more multipolar world. In relation to Brazil, Ms Hess remembered that a strategic partnership agreement was signed in 2007 under the leadership of the Portuguese presidency. When it was signed at the time, then-president Lula had rejoiced, interpreting it as a watershed moment marking the realization of the Brazilian aspiration to increase its clout in the international system. In closing, Ms Hess alerted, however, that the number of strategic partnerships must remain small in numbers when an inflation of their value should be avoided. Only then a strategic value can be asserted, and the EU can work with those chosen partners in furthering its common agenda on the world stage.

Ms Hess's speech was followed by Antonio Carlos Lessa, professor at the Institute for International Relations at the University of Brasilia (UnB). Mr Lessa started off with some critical thoughts in relation to the strategic partnership concept as a whole. Picking up from a point made by Ms Hess, he implied that the value of the partnership had in fact already been inflated, pointing to the many partnership agreements that both Brazil and the EU had already signed. What is the added value of the EU-Brazilian partnership, he then asked. He identified, however, a new element in bilateral relations, in the form of the yearly summits between the partners. Since the signing of the agreement between Brazil and the EU, six such summits had already taken place, and have since evolved into an important mechanism in defining common interests and the international sphere, as well as discussing differences. The strategic partnership between the EU and Brazil, in constellation with the annual high level summits, thus offers an opportunity for the articulation of a common agenda. And even if concerted action is not guaranteed, the mechanisms in question work very well for discussing differences, and thus for identifying potential areas for cooperation. In closing, Mr Lessa however also identified some risks for the process by the way of the potential difference in style of the Brazilian presidency. While ex-president Lula was very active in terms of presidential diplomacy, President Rousseff had already receded the involvement of the office in foreign affairs. Should a future president set a completely different agenda, the framework could even fall apart.

Third to speak was Miriam Saraiva, professor at the Post-Graduate Program on International Relations, State University of Rio de Janeiro (UERJ). Ms Saraiva opened her speech by commenting on the uniting powers of the strategic relationship between the EU and Brazil. According to Ms Saraiva, the agreement had brought the EU closer to the heart of the Brazilian society, as people would have become more interested in the bloc; in what it could bring Brazil in eco-

nomie and political terms. The agreement was originally built on shared ideas and western values and was therefore, in some ways, against the general trend of the Brazilian foreign policy strategy that sought approximation to the global South. That, however, does not imply that Brazil had realigned itself politically with Europe, as the country continues to pursue an independent agenda. This Brazilian agenda includes the goal of the democratization of international relations on a state level, while the form of internal organization of the states in question should remain their own prerogative, not to be forced upon by the wider international community. This agenda, then, is in many ways contrary to the European one. The strategic partnership has nevertheless already brought real political gains, as the divergences are being discussed, and concerted action has been taken in many real world challenges.

Last but not least on the panel was Thomas Renard, senior research fellow at the Royal Institute for International Relations (EG-MONT), based in Belgium. Mr Renard began his speech by pointing out that both Brazil and the EU have embraced the concept of the strategic partnership fairly recently, and that such could be seen as an expression of the new multipolar and interdependent nature of the post cold war global order. The advantages of the strategic partnership agreement in general, he described, are the flexibility it provides, as well as the institutionalizing of inter-state networks that takes place. Furthermore, the strategic partnership allows for identifying common interests which then can be pursued more efficiently, as well as assisting all involved in increasing their individual clout on the international stage. For Brussels, this means that as the EU aspires to insert itself as a global actor in the international system, it is provided with a trump vis-à-vis the member states, who seek their own augmentation in terms of power, often through an implicit zero sum approach. Commenting on the specific agreement between Brazil and the EU, Mr Renard remarked that while both have often very different priorities, they also have a lot of converging interests. There are working groups and sectorial dialogues that encompass areas related to security, technical issues, education, climate change, trade etc. All in all Brazil is, in terms of numbers of dialogues, the third most important partner of the EU after the US and China. Furthermore, Brazil is recognized to be a very effective bridge builder with countries with which the dialog is much harder.

▪ **Second panel – “Brazilian and European Perspectives on Development: Ground for Cooperation”**

By way of opening the panel on development cooperation, the moderator, Jérôme Poussielgue, Head of Development and Co-

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operation Section at the Delegation of the European Union to Brazil, remarked that although Brazil is a recipient of European Aid Funds, 110 million euros to be precise, the country is also an emerging aid actor itself in helping others in overcoming their basic challenges. He went on to call on Brazil to join hands with the European Union in a concerted effort to promote democracy, good governance and economic stability etc. He also remarked that a common development strategy could serve as a pillar of the EU-Brazilian relationship.

He passed the microphone to Christian Freres, senior advisor of the Spanish Agency for International Development Cooperation (AECID), Ministry of Foreign Affairs and Cooperation, who was the first to speak. In opening his contribution, Mr Freres lamented the current state of cooperation between the EU and Brazil, describing it as frustrating. He said that although there are many good intentions and ideas, not much is materializing in concrete form. He went on the question the approach of the EU, stating that with the entrance of China and other non-traditional aid actors, the EU model of attaching conditions to money has lost its force, since others would give the same money with no human-rights and democracy-related terms attached. In closing, he said that in order to stay relevant, the EU has to find ways to insert itself into the south-south framework and work with its partners so that a high degree of quality and accountability can prevail.

Next to speak was Portuguese Deputy of the European Parliament and member of the Committee on Foreign Affairs, Ana Gomes. Ms Gomes said that aid money would not be used for projects that are stained by accusations of neocolonialism. However, the EU will continue to condition aid to the establishment of good governance, to democracy and to human rights. These are existential questions, since only states that are capacitated with a good government apparatus will be accountable for their own people, and thus will be able to overcome all other challenges such as those related to infrastructure and quality of life. Ms Gomes went on to state that she did not believe that aid money should be used for the creation of political allies, since that would imply the continuation of a cynical policy of business as usual, and that this was the real difference between the European and Chinese approach. The Chinese say that they apply a policy of no strings attached. However, this is dishonest, since the Chinese would in fact want political support and the non-recognition of Taiwan and Tibet in return.

The third speaker was Adriana Abdenur, coordinator of the BRICS Policy Center, a foreign policy centred think tank linked to the University of Rio de Janeiro (PUC-Rio), Brazil. Ms Abdenur opened her speech by sharing her organizations insights on the south-

south cooperation. She said that Brazil would combine its own expertise derived from civil society with its foreign policy aspirations. As an example, she mentioned how Brazil used its experiences in providing efficient low-cost universal health care at home by building a similar infrastructure in several African countries. Furthermore, pharmaceutical factories were built and realities such as prostitution were accepted by the establishment of a dialogue involving all interested parties. Switching gears, she affirmed that North-South as well as South-South development aid would ultimately always be linked in some ways to overriding political interests. She mentioned national security concern as a prime example. In the case of Brazil this reality is expressed through the firm attachment of its development agency, the ABC, to the foreign affairs ministry, the Itamaraty. She said that there are no professionals exclusively dedicated to the ABC, but rather that the agency is composed by diplomats who, after three years, take up a different assignment. This way, changes at the top spots of government also always carry a change of policy for the ABC, which in many cases has to abandon projects in favour of the new priorities.

The fourth speech was held by André de Mello e Souza, research coordinator on Institutions and Global Governance, at the Institute for Applied Economic Research (IPEA), Brazil. He opened his speech by saying that Brazil does not necessarily like to be called an emerging donor since the country has engaged in such activities since the 70s, and that in 2010 the overall funds destined for aid reached 600 million dollars. Moreover, even the term donor is questioned by Brazil, according to Mr Souza. Rather, Brazil prefers to understand the process as a horizontal cooperation, since the country gives something and receives something in return. The nature of the Brazilian cooperation approach is also different from the Northern model, he went on to argue. Brazil could understand its partners in Africa and South America better, since it, too, had a past of being colonized and still is, in many cases, structurally underdeveloped. Furthermore, there are shared cultural links and in some cases a common language. Referring to the concept of conditionality he agreed with Ms Gomes, affirming that no country would give aid completely for free. But while Europe wants (domestic) political commitments in return, Brazil concentrates on economic questions, leaving other questions related to internal political organizations to the receiving country in question to decide. Specifying on the modus operandi of Brazilian cooperation, he reaffirmed that its approach in in many ways different from the northern Models. He pointed towards the technology transfer that Brazil often includes in its cooperation projects, as well as the many projects related to social questions. In both cases Brazil of course has much to offer since it developed many of these solutions when

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struggling to overcome its own structural challenges at home. Furthermore, and pointing towards the difference between its model and the models applied by China and India, he said that Brazil would often work through multilateral projects, working together with several partners. In closing, Mr Souza reflected on the many challenges that Brazil still must overcome if it wants to expand its role in the international context. He said that while many good things were happening, there are also serious problems with coordination between the many actors involved in developments, such as the development bank BNDES and the development agency ABC, which act completely independently from each other, as well organizational problems, such as Brazilian organizations being forbidden by law to hire non-nationals, which of course creates a problem for aid organizations to work effectively on the ground.

The final speech on this third panel was held by Pio Penna Filho, professor at the Institute for International Relations, University of Brasilia (UnB), Brazil. In his opening part, Mr Penna reiterated the importance of the European Union in terms of international aid. He said that the EU would be responsible for 60% of all funds that are spent on development world wide, and that much of it was destined for Latin America. He went on to say that the EU's mode of operation is exemplary for the North-South approach, but that there would be also an aspiration to learn from the South-South model, and that it is through the potential realisation of this desire that there could be found a great opportunity for an intensified triangular cooperation, meaning cooperation which would involve Brazil, the EU and other partners, such as structurally weak Latin American and African countries, thus combining the North-South and the South-South models. In reference to Brazil's experiences as an independent aid-actor, Mr Penna agreed with Mr Souza that the country has some interesting particular experiences that make it an attractive partner for other structurally weak countries. However, Mr Penna went on, the results on the ground so far are very limited, and that it would be thanks to good marketing that the Brazilian contribution had received the good reviews that it did. Switching back to take on the question on how the European efforts could be combined with the Brazilian approaches, Mr Penna said that there would be indeed a lot of areas where both could work together, such as the eradication of poverty, but that the obstacles were actually not technical in nature, but rather political. Brazil, concluded Mr Penna, was afraid that it would be at the shorter end of such a cooperation agreement, perceived as the junior partner, and that this in the end would translate into a loss of political influence in the receiving countries.

▪ **Third panel – “Is there a Future for EU-MERCOSUR Relations? Free Trade Agreement and Beyond”**

First to speak was Juan Victor Monfort, Minister Counselor, Head of Trade and Investment Section, Delegation of the European Union to Brazil. Mr Monfort opened his speech by asking whether there was a future for a potential EU-Mercosur free-trade agreement. He provided the answer himself with a resounding yes. He said that the world is changing, that it had entered a new phase of trade liberalisation and that no global actor could afford to remain outside of that trend. The conditions for a successful free-trade area between Mercosur and the EU would be in many ways ideal, since both share a common history and maintain strong cultural and political links. All of these factors are of utmost importance, since a desired treaty would not focus only on commercial aspects, but would include many components that are political in nature. On the currently existing relationship between the two blocs, Mr Monfort said that the EU was already now the biggest market for products originating from the Mercosur area. Moreover, a larger number of European companies had been active for many years and decades within Mercosur, and combined European investments into the area would be bigger than those directed at India, China and Russia altogether. A free-trade treaty would thus make Brazil and the other Mercosur members a part of the biggest market in the world. Taking on the European Union's aspirations and experiences, Mr Monfort said that the bloc would firmly believe in the powers of international trade as a motor of growth and integration, and that the EU was thus committed to the opening of world markets. He said that the EU would favour the WTO and multilateral forum in general when pursuing the overall goal of global trade liberalisation, but since the Doha round was weakened, the Union had also pushed for an agenda of bilateral free-trade treaties, and has therefore signed many agreements around the world. In closing, he went back to his original theme of the importance of the ongoing trend, saying that taking part is not only a question of commerce, but also of the possibility to take part in the drawing up of standards and procedures of global products.

Second to speak was Clarissa Franzoi Dri, professor at the International Relations and Economics Department, at the Federal University of Santa Catarina (UFSC), Brazil. Ms Dri began her presentation on a critical note. She said that she would not share the optimism demonstrated by Mr Monfort in regards to a possible free-trade agreement. She provided three reasons: First, she argued, that in the eyes of Europe, Mercosur would no longer represent the hope of exporting its own successful model of region-

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alism as it did in the 90s. As a result, the EU had made Brazil its priority, a move marked by the signing of the strategic partnership. Second, Brazil had reallocated its strategic outlook, prioritizing the global south as well as the global political left. For Europe, that means that it has to compete with many new potential Brazilian partners, while its shift towards centre right political regimes makes political contact progressively difficult. Third, this divergence in political outlook, left in Latin America and centre right in Europe, makes it hard to build on personal relationships between politicians as well as the parties they represent. Concluding, she said that, since the EU and Brazil had signed the strategic partnership agreement, there was a tendency by the former to work through the influence of the latter in order to achieve its objectives in the overall region. She went on to argue that such a strategy, however, might well end up frustrated, since Brazil is not the regional leader it aspires to be.

Third to speak was Ronaldo Costa Filho, director of the Department for International Negotiations, at the Ministry of Foreign Affairs, Brazil. He said that he, in turn, was in agreement with Mr Monfort, adding that in his view the free-trade deal was inevitable. He acknowledged that the negotiation process that was set in motion in 1999 was often protracted and pinned down by squabbling internal and external in nature. However, no disagreement was so rigid in character that no political solution could be found. The way forward therefore is conditioned to political will. And in this area Mr Costa saw a change in attitude. In 2010 a joint Spanish-Argentinean initiative in favour of further negotiations had been launched, with the result that the bi-regional negotiation committee had met already 9 times since. Furthermore, in early 2013 Brazilian President Dilma had said to EU commission President José Manuel Barroso that a EU-Mercosur treaty was fundamental, and that there would be no alternative. Moreover, as Mr Monfort had already said, the global trade trend towards liberalisation is such that there is no choice but forward, should Brazil and the Mercosur want to avoid ending up isolated.

Fourth to speak was Andrea Hoffmann, professor at the Otto-Suhr Institute for Political Science, at the Free University of Berlin, Germany. Ms Hoffmann opened her speech by swinging the pendulum of hope for a deal back to the camp of pessimism. She said that multilateralism and inter-regionalism had lost steam, and that, in a general sense, bilateralism is now the preferred manner of doing business. She continued, saying that while the free-trade treaty had so far not materialized, the EU had Mercosur had engaged over the last 20 years in a process of harmonizing public policies, and that some great advances in the fields of healthcare and education had

been made. She added that there is a certain concern among some that these achievements, which were the result of long term processes, could be unravelled again in favour of a comprehensive free trade treaty that would be negotiated through concessions which would be short-term in nature. These would, however, invite pressure from civil society, which had done so in the past. Democracy and human rights thus must remain pivotal elements in an overall agreement.

Last but not least to speak was Alcides Costa Vaz, professor at the International Relations Institute, University of Brasilia (UnB). Mr Vaz took on the state of Mercosur itself. He said that the regional bloc found itself in an existential crisis. Over the last 18 years there was no process of symmetrical alignment between the members, there were few advances in terms of institutionalism, and there was no sense of a regional citizenship that was being developed. Furthermore, the global wind that would now be blowing against the regional integration model and multilateralism in general, and in favour of independence and bilateral agreements would make it even harder for Mercosur to blossom the way the founders had intended. Moreover, the agenda that serves as the basis for negotiations between the two blocs was laid out in 1995 and 1999 when the whole endeavour was first conceived. Since then much has changed, but all involved would know that it is impossible to reposition that agenda, since the internal weaknesses of Mercosur could lead to the collapse of the whole process. Thus the process is stuck, and there can only be hope for a solution once Mercosur is fixed, Mr Vaz concluded.