KONRAD-ADENAUER-STIFTUNG

2|2026

INTERNATIONAL REPORTS

Latin America

The Underestimated Partner

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Dear readers,

"Brazil is the country of the future – and always will be." Though this remark is sometimes attributed to Stefan Zweig, he in fact only coined the first part; it is not known who added the sarcastic second half. However, in a certain sense, the phrase also applies to relations between Latin America and Europe, which at times resemble a promise forever left unfulfilled: There is much talk of a "natural partnership", and the idea of an "Atlantic triangle" linking North America and Latin America with Europe dates back to the interwar period of the 20th century. And the reality? Few world regions struggle as much to attract political attention in Europe – and particularly in Germany – as Latin America. Below, we outline just two examples.

Upon examining the amount of space devoted to various world regions in the last four coalition agreements at the federal level in Germany, the "natural partner" comes in at a distant last. Meanwhile, traditional German development cooperation in the region is declining, while resources are increasingly being concentrated in other regions, such as on the African continent. Of course, there is the banal fact that one region will always come last; therefore, it makes little sense to call for prioritisation and then criticise this prioritisation once concrete decisions have been made. Nevertheless, a striking gap remains between potential and reality in relations between Europe and Latin America.

In this issue of *International Reports*, we deliberately seek to focus on the geographically and politically heterogeneous region stretching from the Río Grande to Tierra del Fuego and ask what needs to happen for this abstract partnership narrative to be translated into concrete cooperation. There are several reasons why this undertaking has failed to materialise more fully to date, and some of these are outlined here – though likely not exhaustively.

One key factor in the past was undoubtedly the absence of any real sense of urgency. From a European perspective, relations with Latin America were nice to have but were ultimately not truly relevant, let alone crucial. European integration functioned, as did the traditional transatlantic partnership with the United States. Since 2016, however – and certainly since Donald Trump's return to office in 2025 – deep cracks have begun

to appear in this partnership. In terms of defence policy, Washington is increasingly withdrawing from Europe while simultaneously making our continent, among others, the target of an aggressive tariff policy.

In her contribution to this issue, Patricia Enssle is not alone in suggesting that it was precisely this US policy that helped steer the EU–Mercosur trade agreement through the European institutions, at least on a provisional basis. The new geopolitical situation has prompted Europe to pursue greater foreign policy diversification than in previous decades. The idea that the transatlantic partnership also includes a country such as Canada is now common sense, yet there is much in favour of taking this idea even further. As Johannes Hügel and Nikolaus Rischbieter point out in their article, Mexico is deeply interlinked with the rest of North America – not just in terms of migration – and should therefore be included when we speak of the "transatlantic partnership". Another question is whether we should go further still and regard all of Latin America as a transatlantic partner: After all, the Atlantic does continue south of Florida and Yucatán. What is clear, in any case, is that in a harsher international environment, the entire region is increasingly coming into focus and should continue to do so, even if it clearly cannot – and does not wish to – assume the role that the United States has played for Europe to date.

A second reason for the often-limited interest in Latin America in the past lay simply in the perception that developments there had little direct bearing on us: There was no immediate security threat to Europe and no export market whose crisis would directly put our economy at risk. What is more, the flow of Latin American migration has generally been directed towards the United States rather than towards Europe, and almost never towards Germany. For precisely this reason, Latin America has once again moved to the top of the United States' list of strategic priorities, as Hardy Ostry underlines in his article. Nonetheless, we too should reconsider our relative lack of interest.

On the one hand, Latin America offers enormous opportunities, particularly with regard to raw materials, as Christina Stolte compellingly explains in her article on a possible lithium partnership with Bolivia. On the other hand, it can no longer be taken for granted that security threats

originating in Latin America will not spill over into Europe. Pablo Zeballos illustrates this point using the example of transnational organised crime, with the same state-eroding methods now being applied in Antwerp and Rotterdam that were perfected over decades in Medellín and Sinaloa.

Thirdly, it may indeed have been the very "natural quality" of this partnership between Europe and Latin America – that is, the cultural proximity and shared underlying values that are endlessly invoked in summit declarations and strategy papers – that exacerbated one of the fundamental flaws of European – and especially German – foreign policy in recent decades: namely a lack of pragmatism. We often struggle to accept socio-political differences in other countries while at the same time taking a pragmatic view of potential shared interests. This is even more true in the case of partners whom we tend to regard as culturally close to us. That has to change because neither today nor in past decades has Latin America been governed exclusively by administrations that would have been politically acceptable in Germany's domestic political discourse. Since there is little reason to assume that this situation will be different in the foreseeable future, Maximilian Hedrich is correct when – in his interview on the political situation ahead of the elections in Brazil – he reminds us that even if the outcome is not one we favour, we still have an interest in keeping channels of communication with the government of this important country open. At the same time, in terms of our own mission as a political foundation, cooperation with democratic forces remains vital – in particular with Christian democratic actors. During a period when Christian democracy is under pressure in both Europe and Latin America and party systems are undergoing profound transformation, strengthening and networking with like-minded partners is becoming increasingly important. At the same time, a key part of the Konrad-Adenauer-Stiftung's mission is to resolutely oppose extremist forces on both the left and the right in addition to opposing authoritarian tendencies.

Fourthly and finally, the Iberian countries – particularly Spain – have long managed to portray Europe's relations with Latin America as being essentially in their own domain and have tended to define much of the agenda in this area. That may well be in Madrid's interest; however, whether it is also in the broader European and German interest is another matter entirely, as Martin Friedek and Ludger Gruber demonstrate in their article. The current Spanish government in particular has put a marked

ideological slant on relations with Latin America, with Prime Minister Pedro Sánchez inviting left-wing Mexican President Claudia Sheinbaum of the MORENA party to a democracy summit in Barcelona despite that party's mixed record in this respect – with judicial reform being a case in point – while at the same time having virtually no access to governments in the region with opposing political orientations, such as in Buenos Aires. German and broader European policy on Latin America should clearly set itself apart from this approach.

We Germans and Europeans continue to have many friends in Latin America. Our soft power remains considerable, though it did suffer during the pandemic due to the slow provision of European COVID-19 vaccines. When asked in our interview for the present issue about the international allies of a future free Venezuela, Nobel Peace Prize laureate María Corina Machado was quick to refer to the Western democracies – meaning not only the United States, but also Europe. However, this underlying goodwill is by no means a free pass. Indeed, if we fail to offer concrete partnerships, Latin American states will increasingly turn elsewhere, particularly towards Asia, whose growing role is examined in the article by Andreas Klein. Thus, even if we are understandably preoccupied with the urgent crises in Europe and the Middle East, it is essential for us to devote greater attention to Latin America. We hope this issue will contribute to that goal.

I hope you find this report a stimulating read.

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Latin America

The Underestimated Partner

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Latin America through German eyes: Many people in our country view the subcontinent as culturally close to us. The level of fundamental goodwill is perhaps higher than for any other world region. However, efforts to translate this abstract affinity into concrete cooperation have so far met with limited success. Pictured is a miniature model of Copacabana on display in Hamburg.
Photo: © imagebroker, Imago.

“A People Determined to Be Free Cannot Be Stopped”

An Interview with María Corina Machado

Photo: © alterphotos, Imago.

At the beginning of 2026, the US intervened militarily in Venezuela, taking strongman Nicolás Maduro out of the country. However, the authoritarian regime in Caracas remained largely intact, now under the leadership of Delcy Rodríguez. Opposition leader María Corina Machado had been excluded from the 2024 presidential election by Maduro. Edmundo González, at that moment something of a political nobody and the candidate who ran in her place, nevertheless clearly won the election. However, the regime falsified the result and retained de facto power. Machado – who had been living in hiding in her own country – managed to leave Venezuela covertly, travelled to Oslo to receive the Nobel Peace Prize at the end of 2025, and has been living in exile ever since. In this interview with International Reports, conducted on 8 May 2026, Machado talks about the situation in her country, what should happen next, and why this also concerns us in Germany and Europe.

***International Reports (IR):** On 3 January 2026, the US intervened militarily in Venezuela and removed dictator Nicolás Maduro. How did you feel when you received the news?*

María Corina Machado: To have an idea of what that day meant to us, you have to understand what we Venezuelans have been going through for 27 years. Thousands and thousands of lives have been destroyed by the tyranny ruling our country. And at that moment, people saw something like justice for the first time. The fact that the man who has been at the head of this criminal structure in our country for many years now has to face justice has triggered the feeling among many that the truth will finally come to light.

So, the reaction in Venezuela was initially great joy. In the beginning, however, this joy was visible not so much in the country itself as it was in the reaction of exiled Venezuelans all over the world. The cloak of terror that the regime had put over the country was not gone at that moment, nor is it gone today. It has developed cracks, but it is still there. That's why I would say that in Venezuela, there were these two feelings at the same time: on the one hand, great joy, and on the other hand, the fear that feeds on the realisation that the regime is not yet gone.

***IR:** And what significance will be attributed to 3 January 2026 in the history of your country?*

Machado: It will be seen as a symbol of a path that will lead us to justice and freedom. I feel that we Venezuelans today – regardless of how things have developed in detail since then – are convinced that this process is now irreversible.

***IR:** Even so, let's stay briefly with the developments of the past few months. The situation on the ground is confusing, especially for distant observers. It starts with the fact that you don't really know who is actually ruling Venezuela: the Chavista regime under the new leader Delcy Rodríguez, or the United States. And it continues with the question of whether anything has noticeably changed for the average person in Venezuela compared with six months ago. Does this person see economic improvements? Can people express themselves more freely?*

Machado: The question of who is actually ruling is indeed complex. I think it depends on the respective policy area, and even for us Venezuelans, it is difficult to make a complete assessment at the moment.

Has anything changed? Definitely! Last weekend, our civil society, students, workers, and political parties organised more than 100 events. This emerged progressively after 3 January. People began gathering and organising themselves in churches. There have also been more and more events at universities.

On the other hand, what I have just said applies: The repressive apparatus of the state is still intact, there is still fear. People still don't speak completely freely. Hundreds of my colleagues still live in exile and have not been able to return to Venezuela. There are also still more than 500 political prisoners. The torture centres are still

in operation. The state repression squads and the state-directed paramilitaries have not disappeared from the streets.

It was only last Thursday that we learned of the dramatic case of Víctor Hugo Quero Navas, a Venezuelan who “disappeared” in January 2025. His mother had spent months scouring the prisons to look for him. Everywhere the same answer: “We don’t have your son”. On Thursday, the regime admitted that her son had been dead for nine months, having died in custody. They tortured and buried him and then mocked his mother.[1]

We will see more and more such atrocities, tragedies, and human rights violations come to light. This will inevitably be a difficult process in which we will have to realise that there must be justice in our society for forgiveness to be possible at some point.

Dictator in handcuffs: When the United States ousted Nicolás Maduro on 3 January 2026 and took him out of the country, the joy among many Venezuelans was immense. Initially, this joy was most openly expressed among exiles. Photo: © Zuma Press, Imago.

__IR:__ The US has drafted a three-phase plan for Venezuela that is first about stability and economic recovery before the political transition is to come. How confident are you that the United States is committed to the democratic transition and will not eventually settle for an authoritarian but at least obedient regime in Caracas?

Machado: I am absolutely sure that Venezuela will be free and that we will walk the path towards democracy for several reasons. First of all, there is our most important ally in this cause, which is the United States. I have spoken at length about these issues with Secretary of State Marco Rubio, and I trust that his assessment of the regime and of what it means not only for Venezuela itself, but for all of Latin America and also the United States is accurate enough to know that we urgently need to move forward with this political transition.

Secondly, the support that I also receive from other governments – but especially from people all over the world – is enormous, be it in Europe, in Latin America, or in other democratic states. Everyone knows that those who govern in Caracas today rely on exactly the same structures as before. Nicolás Maduro has been removed, but the structure remains. It is the same regime that committed all the crimes we have already talked about.

The most important reason, however, is the Venezuelan people. I am really impressed, and I admire how mature these people and even the humblest of Venezuelan citizens are. They immediately make the connections and know that if they are to do well economically, economic freedom is indispensable. But this economic freedom must go hand in hand with political freedom. And when workers or trade unionists take to the streets peacefully today, they of course do so for decent wages – because salaries are currently ridiculous: A teacher earns one dollar a day. But they also immediately establish the connection I have just spoken of and also demand elections.

So, Venezuela today is a country with a pronounced political maturity in which we have both. It is the simultaneity of the fear of a still-criminal state apparatus, of human tragedies in a destroyed country, and on the other hand, of a hope that is growing steadily – because we know that a people determined to be free cannot be stopped.

__IR:__ Let's take a closer look at a possible democratic transition. What role do you see for your party, Vente Venezuela, in this transition? That of the leader of a united bloc confronting the current government?

Machado: That's an important question. I think that in retrospect, 2023 will be identified as the turning point. At the beginning of that year, the situation in Venezuela seemed hopeless. It was said that nothing could be done, that the regime would last forever. The parties, they said, were divided, the people no longer believed in anything. But the opposition parties also showed maturity. Not only did they coordinate, but they decided to hold primaries across a broad spectrum of parties from left to conservative with a view to the 2024 presidential elections. And we did so completely

detached from the regime's infrastructure: without the National Electoral Council and its voting machines, without money – basically, without anything.

It was quite audacious to get society to hold its own elections. More than ten candidates competed. The regime thought that hardly anyone would participate in the primaries. It expected 100,000, a maximum of 300,000 people. But in the end, there were more than three million. I remember getting a phone call on the morning of 22 October 2023 and being told that the ballots we had printed were running out.

I had the honour – and thus also the responsibility – of winning these primaries with 92 per cent of the vote. The next day, I sat down with all the other parties and told them that this constellation had to be transformed into a grand coalition in which positions were to be allocated based not on proportional representation, but on merit.

***IR:** However, the regime did not stand idly by for long ...*

Machado: On 20 January 2024, they basically arrested my entire team. I was left alone. So, I had to start from the beginning, approached the other parties again, and chose the best people.

***IR:** Only to be excluded from the presidential election by the government. Edmundo González ran in your place, actually winning the election. The government, however, falsified the result.*

Machado: But we were able to prove it to the whole world. The extraordinary thing about these elections on 28 July 2024 was that we were able to mobilise and organise more than one million volunteers, who secured the election documents on site at the polling stations at great risk in order to be able to prove the electoral fraud.

Why am I telling you all this? Because it shows that we have already proven that we can forge this grand coalition across the political spectrum. Vente Venezuela is a classic liberal party, but our alliance also brings together social democrats and conservatives. We are an alliance that transcends party boundaries, that even integrates some groups that once adhered to the Chavista government camp as well as parts of civil society and student movements. We must preserve this alliance as a large social movement.

***IR:** Many are wondering what concrete steps need to be taken now, and at what pace. What needs to happen so that there can be new elections and for you to be able to return to Venezuela, and when will that be?*

Machado: The return of Venezuelans living in exile – including me – is a step that must happen soon. This is also part of what we have been discussing with the US and other actors. As far as the timetable for elections is concerned, the technical aspect is important. The electoral system in Venezuela is basically destroyed, and we have

Stolen Election: Opposition candidate Edmundo González – who ran in place of María Corina Machado – won the presidential election in July 2024 by a landslide, according to the voting records secured on the ground. The government, however, simply fabricated its own result. Photo: © Zuma Press, Imago.

to rebuild it first. According to my estimates, about 40 per cent of those who were actually eligible to vote were unable to exercise this right in the presidential elections in July 2024. These were Venezuelans abroad and young people who had not been allowed to register, among others.

So, the first thing we have to do is to put together a voter register that reflects reality. Everyone who is eligible to vote should be able to vote – and only once, which is also important. That means we will have to register four to five million Venezuelans abroad and three to four million people within Venezuela. In addition, we must ensure that the entire election process be observed from beginning to end. We want to deliver a real blueprint for free and fair elections. Technically, this will certainly take seven to nine months. But to initiate such a process, a political decision is needed. This insight must now prevail, and that includes the appointment of a new National Electoral Council.

***IR:** In light of a future democratic transition, you mentioned two words earlier that seem important to us: justice and forgiveness. Could you elaborate on that?*

Machado: In this context, I would first like to come back to something that I have already said: Many people who were once supporters or part of the Chávez and then the Maduro regime are now part of our coalition. At my rallies in Venezuela, people

who had previously been on the side of the regime sometimes came to me. They hugged me, cried, asked me for forgiveness. And I always said, "We are all part of the same country". I realised that many of these people – military personnel, civil servants – had also been something like prisoners of the regime in a certain way.

Of course, there are also particularly serious cases of human rights crimes, some of which are being investigated by the International Criminal Court. We must not forget that there are people whose children have "disappeared" or been murdered, such as Mrs Navas, whom I spoke about earlier. We cannot tell them that there will be complete impunity for all perpetrators, especially since there would always be the danger of some people practicing vigilante justice.

At the same time, we must face up to the need to give certain guarantees to some perpetrators, and in many cases, this will not be easy. This is a very difficult situation, and I am well aware that I will have the great responsibility of standing in front of the country and asking for trust so that we can provide appropriate arrangements and incentives to those who want to help make this political transition possible.

IR: *At the end of our conversation, we would like to take a look at the international level. What role did Chávez's and Maduro's Venezuela play here?*

Machado: For years, I have raised international awareness about the fact that what has been happening in Venezuela is causing damage and destroying many lives not only there, but also in the entire Western Hemisphere. During this time, Venezuela has developed into a kind of safe haven for criminal regimes from all over the world, such as Russia and Iran, as well as for criminal groups, such as Hezbollah and Hamas, for drug cartels, and also for the Colombian guerrillas. They all flocked to Venezuela because it is a country with extraordinary natural resources that they wanted to extract and exploit. And also because of its geographical location. You have to understand that Venezuela is located in the heart of the Americas, with access to the Atlantic Ocean, close to the Panama Canal, a three-hour flight from Miami. It was like a cancer that first attacked Venezuela and from there spread throughout America.

IR: *And what place do you see for a free Venezuela in the world? Whose side will it stand on?*

Machado: Clearly on the side of Western democracies, of our value partners. If our movement in Venezuela has achieved one thing, it is having united a country along certain values: human dignity, respect for pluralism, solidarity – and, of course, individual responsibility combined with freedom. I will never tire of emphasising that there has been no generation as well prepared for freedom and democracy as is today's Venezuela. Because this society, this generation, has become even more generous in the hard years it has gone through and is still going through. In all the years of terror, it has also proven its courage. And in the face of terrible divisions – one-third of the population has had to flee – we value family and freedom more than any other generation. Around all these values, we must build close relationships with the nations that share them.

***IR:** Which brings us to Germany and Europe, among others. Why should we not look indifferently at what is happening in Venezuela?*

Machado: A free Venezuela will be a gigantic energy supplier for Europe and also a great ally in security issues. But I want to emphasise one thing above all else: I believe that the democratic transition in Venezuela will trigger shock waves. And not only will they reach Cuba and Nicaragua, where the regimes will fall because the democratisation of Venezuela will be for Latin America what the fall of the Berlin Wall was for Europe, but we will also prove something to the whole world: There may be criminal and destructive regimes that want everyone to believe that the nation they oppress will never rise up against them, but a united people who love freedom can very well do it. What democratic society could be indifferent to that?

This interview was conducted by Sören Soika and Jakob Kerstan (the Konrad-Adenauer-Stiftung's Head for Venezuela).

– translated from Spanish –

1 Carmen Navas died shortly after this interview had been conducted.

From Monroe to Donroe

The Trump Administration's Latin America Strategy

Photo: © Agencia EFE, Imago.

In a Nutshell

With "Shield of the Americas", the Trump administration launched an initiative that focuses on cooperation with like-minded Latin American governments and deliberately bypasses multilateral forums. The military fight against drug cartels is at the centre of the initiative. The United States is offering training and support for the armed forces of selected partner countries and is promoting military means as the central instrument in combating drug trafficking and migration.

The National Security Strategy 2025 prioritises the Western Hemisphere and, through the "Trump Corollary", sets out a power-political reworking of the Monroe Doctrine, including an increased military presence and the use of trade diplomacy.

Friendly countries are to be integrated and rewarded, while other countries are to be discouraged from cooperating closely with China, particularly with regard to accessing strategic infrastructure and security-related facilities.

The policy is being driven by Donald Trump's foreign policy team, which has extensive experience of Latin America; Marco Rubio plays a key role.

Criticism focuses on the overemphasis on military solutions, the neglect of structural problems, and the risk of growing anti-American sentiment in a region that has thus far remained comparatively peaceful.

The Author

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Shield of the like-minded

What the National Security Strategy describes was put into practice in March 2026 at Donald Trump's golf resort in Doral, Florida: namely the new "Shield of the Americas" security initiative, which is a core component of the Trump administration's new Latin America policy. Representatives from 17 countries attended the inaugural meeting – predominantly conservative heads of state and government from Latin American countries who are ideologically aligned with Trump. It was the first multilateral meeting with representatives from the region, which – according to the National Security Strategy – plays a central role in the defence of the United States. Established platforms such as the Organization of American States and the Summit of the Americas were not involved. Although the United States and the countries of Latin America are also closely linked by intensive trade relations, particularly between the United States and Mexico, another no-less-significant issue dominated the meeting in Florida.

The initiative centres on the fight against drug cartels. To that end, a declaration establishing an "Americas Counter Cartel Coalition" was signed at the meeting in Florida that commits the 17 countries to using "hard power against this threat to security and civilisation".[1] In order to support this effort, the United States is offering training and capacity-building for the armed forces of partner countries. According to President Trump, only the use of the military can help in the fight against drug smuggling. Many of the politicians who were present shared the view that the problem can only be solved through tough measures.

Participants included Presidents Javier Milei of Argentina, Nayib Bukele of El Salvador, and Daniel Noboa of Ecuador, who have opted to cooperate closely with Trump. Shortly before the parliamentary midterm elections in October 2025, the United States supported Milei with a multibillion-dollar aid package in the form of a currency stabilisation purchase. In addition, Treasury Secretary Bessent signalled a willingness to purchase an Argentine government fund worth a further 20 billion US dollars, although the fund was aimed at private investors.[2]

Bukele launched a "war on gangs" and declared his willingness to accept deported refugees from the United States, which earned him the goodwill of the US President. Trump, Milei, Bukele, and Noboa used similar tactics in their election victories by representing an anti-elitist populism, focussing on internal security – placing it above institutions and civil rights where necessary – and using social media to communicate directly with their supporters. New to the group was Nasry Asfura, the recently elected president of Honduras. He narrowly secured victory after Trump had explicitly endorsed his candidacy. Noboa had also showcased his closeness to Trump when seeking reelection in Ecuador, although it is difficult to verify whether this was the sole factor contributing to his success. However, observers view this strategy as being at least one among various reasons.[3]

For Trump, the "Shield of the Americas" is a coalition of the willing that supports his approach to curbing migration and drug smuggling. It remains questionable whether this initiative also seeks to address underlying problems such as weak institutions, corruption, or deficiencies in the rule of law. One key weakness is that major Latin American countries such as Brazil, Mexico, and Colombia have not been involved.

The National Security Strategy

The latest US National Security Strategy was published in November 2025.[4] It summarises the president's "America First" strategy and applies it to the various regions of the world. One of its core concerns is full control over the United States' borders and immigration.

> **The new security strategy prioritises the Western Hemisphere in addition to defining migration, cartels, and Chinese influence as threats.**

The president's strategy did not remain without consequences within the United States for those who had helped put him in office in 2024. At least 46 per cent of Latinos living in the United States voted for Trump. While many had initially supported both stronger border controls and enhanced border security, approval ratings among this voter group had declined dramatically by summer 2025, particularly against the backdrop of raids and checks by US Immigration and Customs Enforcement (ICE), which have been widely perceived as overly aggressive. This has had drastic consequences, with more than half (52 per cent) of Latinos living in the United States reportedly fearing deportation, regardless of their actual immigration status. It is therefore hardly surprising that Trump has lost considerable ground among this voter group, which the Democrats in turn are seeking to regain through an even more forceful condemnation of Trump's migration policy.[5]

Under the heading "What Do We Want From the World?" the Western Hemisphere ranks first. The idea is that the region is to be stable and so well governed that mass migration to the United States from within this region would no longer be possible. The respective governments are expected to cooperate with the United States against "narco-terrorists",[6] cartels, and internationally operating criminal organisations. Hostile actors are to be kept out of the hemisphere, and supply chains maintained. Moreover, the United States is to retain or gain access to strategic locations in the region.

From the administration's perspective, this is a continuation of the Monroe Doctrine – the so-called "Trump Corollary". It is described as a "common-sense and potent restoration" of American power and priorities, with the aim being to control migration, to stop drug trafficking, and to ensure stability in the Western Hemisphere. To that end, countries are divided into two groups corresponding to one maxim each: "enlist" and "expand".

Under the heading "enlist", the aim is to involve friendly countries, to reward them, and to encourage them when they align themselves with US objectives. The "Shield of the Americas" is built around this group. Under the heading "expand", the administration seeks to engage additional countries in the region. These countries are expected to recognise that the United States is the partner of choice and – accordingly – to cooperate less with other actors. This maxim is clearly directed against China, whose influence in the region has increased significantly in recent years. The influence of such "other actors" is to be minimised, especially where the control of military facilities, ports, and infrastructure is concerned – that is, regarding "strategic assets, broadly defined".

At the centre of the "Trump Corollary" lies the military presence of the United States, which is to be strengthened in the Western Hemisphere at the expense of other world regions whose significance for national security is considered to have declined. The Coast Guard and Navy are to control shipping routes, particularly in relation to illegal migration and drug smuggling. Furthermore, the military is also to be deployed against drug cartels.

Another focus of the strategy is trade diplomacy: Tariffs and trade agreements are considered

Sanctions as a test of resilience: The protests outside the Cuban Embassy in Washington in April 2026 express resistance by parts of civil society to Trump's intensified energy blockade. Whilst political pressure on the Cuban government is mounting, it is the civilian population that is bearing the brunt of the resulting supply crisis. Photo: © Matrix Images, Imago.

necessary in order to strengthen the domestic economy. The region is to be further expanded as a market for American companies. This would require US diplomats to clearly communicate the attractiveness of American goods, services, and technologies compared with those of other countries.

After only a few months, it is already apparent that the Trump administration's actual conduct does not always follow the strategy. For example, it states that the administration seeks a "flexible realism" aimed at good relations with other countries without imposing democratic or social change on them. The administration claims to stand for sovereignty and to encourage other countries to defend their own interests – a departure from the concept of "nation building", which played an important role in the wars in Iraq and Afghanistan and is rejected by Trump's MAGA movement. This rejection becomes less consistent when direct US interests are involved, however: Indeed, President Trump has already intervened in several elections in Latin America – through either endorsements, monetary gifts,[7] or threats.

Trump's "Donroe Doctrine" shifts the logic of Monroe towards political domination and influence in Latin America.

Turning point or continuation?

Ever since the 19th century, the United States has sought to define its relationship with its southern neighbours – its "backyard". In so doing, the nation has always oscillated between asserting its own power and promoting good neighbourly relations. The new National Security Strategy clearly shifts back into "power" mode, driven by obviously domestic political motives: namely migration, drug trafficking, and markets for American products. Added to this is the determination to push back Chinese influence, which has increased enormously in recent years, particularly in terms of trade policy. A 2025 study by the Konrad-Adenauer-Stiftung's office in Washington, D.C., analyses just how deeply rooted China already is in the region,[8] with the nation pursuing not only trade relations, but also cultural, political, and diplomatic influence while additionally becoming engaged in security policy – all areas that have traditionally belonged to the American sphere of influence.

As already stated, the strategy takes the Monroe Doctrine as its historical frame of reference, further developed by President Trump himself into the "Donroe Doctrine" and officially termed the "Trump Corollary" in the National Security Strategy. President James Monroe proclaimed his doctrine in 1823 with the aim of keeping European colonial powers out of the Western Hemisphere and separating the spheres of influence of the United States and Europe. The doctrine was significantly expanded in 1904 by President Theodore Roosevelt, who added the "Roosevelt Corollary", under which the United States claimed the right to intervene in the internal affairs of Latin American

Side by side with Milei: Donald Trump is backing the president and has saved Argentina from a severe currency crisis with a twenty-billion-dollar deal. Photo: © UPI Photo, Imago.

states whenever this was deemed necessary for the stability of the region. This corollary serves as the actual model for the "Trump Corollary".

The United States has repeatedly intervened in the region, temporarily occupying the Dominican Republic, Cuba, Nicaragua, and Haiti; helping Panama gain independence from Colombia; and taking possession of the Canal Zone. Military interventions have occurred regularly, including in Grenada and Panama in the 1980s. President Franklin D. Roosevelt was an exception when he proclaimed the Good Neighbour Policy in 1933, which opposed intervention and military occupations.

When the new National Security Strategy speaks of the "neglect" of the region, this most likely refers to the years since 2000. Presidents George W. Bush and Barack Obama also had plans and strategies for Latin America, but the attacks of 11 September 2001 and their consequences shifted foreign policy attention elsewhere, as did the economic rise of Asia. At the beginning of this year, the war against Iran showed that even the Trump administration is not immune to redirecting its focus back to other regions of the world.

Critics object to the focus on military solutions to problems that are better addressed through social policy or policing.

In particular, the United States' prolonged engagement in the Middle East has led to growing war fatigue among Americans. Trump has responded by promising to refocus on "America First". Latin America is an important foreign policy component in this regard because the region is closely linked to two domestic problems in the United States: drug smuggling, which fuels the American drug epidemic, and illegal migration, which Trump and his MAGA movement view as a major threat to American prosperity.

The drug problem in the United States is among the country's most bitter and deadly developments: According to statistical data, as many as 107,000 people died in the US in 2023 as a result of drug use. The US–Mexico border in particular is regarded as a preferred transit point for fentanyl, the cheaper and highly potent opioid that is 50 times more deadly than heroin,[9] with the 3,000-kilometre border between the United States and Mexico serving as a transit hub for drug cartels – against which Trump declared war. The renewed focus on the Western Hemisphere appeals to several factions within the Trump coalition: namely immigration opponents, represented by influential Trump adviser Stephen Miller; supporters of a masculine, combative military, represented by Defence Secretary Pete Hegseth[10]; and advocates of a dominance-oriented foreign policy, represented by Secretary of State Marco Rubio. Trump is better able to fulfil his "America First" promise here than in other regions of the world. Steve Bannon – ideologue of the MAGA movement – remarked that this was easier to sell to the base than "that stuff in the Middle East".[11]

The question remains as to whether this new strategy for Latin America can sustainably improve US relations with its neighbours. Critics particularly object to the focus on military solutions to problems that are better addressed through social policy or policing. Rosemary Kelanic of the think tank Defense Priorities writes that the newly found interest in Latin America is "unnecessary, counterproductive, and could unleash Middle East-like chaos in [...] [the US's] backyard".[12] From a military perspective, says Kelanic, the region is exceptionally peaceful, with very few interstate armed conflicts, and an increased US military engagement could jeopardise this stability. She notes that the use of the military against drug smugglers is considered similarly problematic to the military's role in the global war on terror, which tied the United States to conflicts to which no military solution existed. The question posed by Kelanic and other defence experts is thus why additional attention and resources should be devoted to a region that the United States already dominates.

Indiscriminate action against "other actors" – meaning China – could also have the opposite effect. Latin American states depend on foreign investment, and it would be a dangerous game to force countries to choose between the United States and China, warns Monica de Bolle of the Peterson Institute for International Economics (PIIE).[13] Chinese influence on investment in infrastructure and markets is already substantial; therefore, attempts to push China out of the region could ultimately endanger the region's political and economic stability. At the same time, however, the European Union is also increasingly focusing on the continent and presenting itself as an alternative, which is to some extent intensified and driven by US trade policy. The conclusion of the EU–Mercosur agreement is creating one of the world's largest free trade areas, which in the medium to long term could also lead to shifts in trade policy and could also possibly reduce some countries' dependence on China. This gives the EU the opportunity to establish itself in this position as a credible and – in some respects – complementary trade and economic partner.

Individual personalities shape policy

In examining the foreign policy team Trump has assembled during his second term in office, one striking feature is its extensive Latin America expertise. Marco Rubio is the first Latino Secretary of State in US history. His deputy – Christopher Landau – previously served as ambassador to Mexico, while UN Ambassador Mike Waltz dealt extensively with the region during his time in Congress. Ryan Berg – director of the CSIS Americas Program – speaks of the "first Latin America-focused administration in at least a century".[14]

At the centre stands Marco Rubio, who is not only Secretary of State, but also acting National Security Adviser. Formally, his concentration of power is comparable with that of Henry Kissinger, albeit with the limitation that Trump likes to rely on negotiators from outside the government apparatus, especially Steve Witkoff and Jared Kushner. However, without placing himself excessively in the spotlight or inflaming public debate with provocative statements, Rubio is involved in all major foreign policy decisions of the Trump administration while leaving the provocations to the president or to Vice President Vance. Rubio thus behaves "both ruthlessly and chameleon-like".[15]

During his years as a senator, Rubio cultivated the image of a foreign policy hawk. He is now implementing a foreign policy that incorporates many of his personal objectives while differing from the neoconservative era of George W. Bush. The goal is no longer to overthrow autocratic regimes in order to secure the triumph of democracy; rather, what matters now is power and influence – "regime compliance rather than regime change, a doctrine of destroy and deal".[16] The aim is to bridge the gap between Trump's promise not to lead the United States into endless wars on the one hand and the attempt to enforce American interests worldwide on the other hand.

For Rubio, relations with Latin America are at the centre of his political engagement. There are personal reasons for this – for example, his parents came from Cuba – as well as electoral considerations: Indeed, conservative Latinos formed a core part of his electorate when he represented Florida in the Senate.

These ties gave Rubio influence over foreign policy during Trump's first term in office, when Rubio was still a senator: Trump knew he needed the votes of conservative Latinos in Florida in order to secure his re-election. Rubio's influence extended so far that even then, he was referred to as the "Secretary of State for Latin America".[17] His core interest then – as now – was a hard-line policy towards the socialist dictatorships in Venezuela, Nicaragua, and Cuba. Critics argued at the time that this influence had distorted the strategy and led to an "obsession" with these three dictatorships, thereby causing the rest of the region to be increasingly ignored.[18]

Rubio commented on the situation in Venezuela as early as in 2019, advocating that President Maduro be removed from office. Change in Venezuela would weaken Cuba's political

leadership – one of Rubio's central political objectives.[19] To a certain extent, his predictions at the time have proved accurate: The action taken by the US towards Maduro and its de facto control over Venezuelan oil exports have significantly weakened the Cuban regime. For this reason, President Trump is already openly considering taking control in Cuba, as well.[20]

Conclusion

The relationship between the United States and Latin America has been marked by constant change: At times, the focus has been on good neighbourly relations, while at other times, it has been on overt power politics. The Trump administration is clearly interested in power, influence, and deals. Its primary drivers are domestic political issues: immigration, drug smuggling, and boosting exports. What is lacking is a broad-based policy capable of both taking into account the interests of all countries involved and promoting the region's sustainable development.

The danger is that an overly hard-line policy towards the region could once again lead to widespread anti-American sentiment, as in the past: This applies in particular if the right-wing conservative governments that are openly supported by Trump fail to deliver the peace and prosperity they promised their citizens. Important development policy instruments such as USAID and democracy programmes have also been significantly restricted by the Trump administration and are now scarcely available to support a more multidimensional policy in the hemisphere.

From a German and European perspective, this could additionally create new opportunities and possibilities not only to strengthen ties with Latin America in trade and economic policy terms, but also to place cooperation on broader footing through political dialogue.

– translated from German –

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The EU–Mercosur Agreement

Fresh Momentum for European–Latin American Relations

Photo: © Christian Ohde, Imago.

In a Nutshell

The EU–Mercosur Agreement marks an important step towards deepening relations between Europe and Latin America and sends a political signal in favour of free trade as well as multilateral cooperation.

By gradually eliminating around 90 per cent of mutual tariffs, the agreement strengthens bilateral trade and improves market opportunities for European companies in particular.

Safeguard clauses and accompanying measures seek to limit negative effects on the European agricultural sector and to ensure fair competition.

The agreement contributes to the diversification of supply chains and reduces the EU's dependence on individual third countries, especially China and the United States.

Beyond trade, the agreement promotes closer cooperation on global challenges such as climate protection, sustainability, democratic governance, and the strengthening of the rules-based international order.

Overall, the agreement opens new economic, development-policy, and geopolitical opportunities for both regions.

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The trade component of the agreement between the European Union and the South American economic bloc and customs union Mercado Común del Sur (Mercosur)[1] – which was under negotiation for a quarter of a century – is being provisionally applied as of 1 May 2026. The EU officially transmitted the necessary instrument to the Mercosur states after they had swiftly completed their national ratification procedures in March. EU Trade Commissioner Maroš Šefčovič stressed that this was "an important step in demonstrating our credibility as a major trading partner".[2]

Earlier, the vote in the European Parliament in January had sparked a political debate over the so-called firewall against the AfD. In the vote, the Greens and the Left Party joined forces with far-right AfD members in supporting a legal review of the agreement by the European Court of Justice, thereby significantly delaying its entry into force. This prompted accusations that the firewall had been weakened and also triggered internal controversy within the Greens.[3]

The rocky road to agreement

The vote in the European Parliament was preceded by what was a historic moment for European–Latin American relations: After around 26 years of negotiations, the agreement between the South American economic bloc and the European Union was signed at the Mercosur summit in Asunción, Paraguay, on 17 January 2026 in the presence of European Commission President Ursula von der Leyen. This marked the decisive milestone on the path towards a comprehensive agreement between the European Union and the Mercosur founding states of Argentina, Brazil, Paraguay, and Uruguay. A brief look back at the process – which lasted decades – not only illustrates the complexity of such a far-reaching agreement – with its continual advances and setbacks – but also shows how closely these dynamics are linked to the prevailing geopolitical climate of the time.

Bilateral trade agreements with the Mercosur states have existed since the 1990s. At the EU summit in Madrid in 1995, the parties signed the Interregional Framework Cooperation Agreement between the European Community and Mercosur, which entered into force in 1999. Its aim was to promote trade and economic relations as well as political dialogue. After years of negotiations, the European Union and Mercosur concluded a free trade agreement in June 2019 that formed part of a broader association agreement. It was the most extensive trade agreement the EU had ever concluded. Beyond trade, the agreement seeks to deepen political dialogue and improve cooperation in areas such as migration, the digital economy, corporate and social responsibility, environmental protection, maritime policy, and the fight against terrorism, money laundering, and cybercrime. However, the signing failed in 2019 due to additional EU demands relating to climate and environmental policy. One reason for this was the massive increase in deforestation in the Amazon region under the government of Brazilian President Jair Bolsonaro. This in turn prompted fresh demands on the part of the Mercosur states. It has since been possible to negotiate an additional protocol addressing protection against deforestation and the rights of Indigenous populations, thereby paving the way for the political breakthrough at the Mercosur summit in Montevideo with the signing of the strategic association agreement between the EU and Mercosur on 6 December 2024.

In September 2025, the European Commission initiated the pending ratification process with

the Mercosur bloc and submitted two parallel but legally distinct instruments to the European Parliament and the member states. Ratification of the full agreement requires a qualified majority in the Council (15 of 27 states, representing at least 65 per cent of the EU population) as well as the approval of the European Parliament. After approval by both institutions, the agreement must also be ratified by the national parliaments of the EU and by the Mercosur member states. To accelerate this process, the European Commission adopted a splitting strategy: The agreement was divided into a trade component and a political component: the Partnership Agreement (EMPA) and the Interim Trade Agreement (iTA). As the EU has exclusive competence for the common commercial policy, the trade agreement can be adopted in advance by the EU institutions without requiring ratification by the national parliaments of the EU member states. Once the full agreement has been ratified by the national parliaments and enters into force, the iTA will be repealed and replaced by the EMPA.

The next important step came at the beginning of 2026, when a qualified majority of member states supported the Mercosur Agreement in the Council of the EU. France, Poland, Austria, Hungary, and Ireland voted against it, while Belgium abstained. Italy voted in favour, having previously also expressed concerns about possible negative consequences for its own agricultural sector.[4] This cleared the way for Commission President Ursula von der Leyen and European Council President António Costa to travel to Paraguay in mid-January for the signing ceremony.

However, it was just a few days after the signing that the above-mentioned setback occurred: By a narrow margin, the European Parliament decided to refer the agreement to the Court of Justice of the European Union for review. A total of 334 MEPs voted in favour of a review, and 324 voted against it, while eleven abstained.[5] Critics particularly objected to the splitting of the agreement, arguing that it circumvented national parliaments.

In February, the European Parliament voted by a large majority in favour of additional protection and safeguard clauses for European agriculture in order to prevent damage to the EU agricultural sector resulting from trade liberalisation.[6] In the meantime, the four Mercosur countries completed ratification in their national parliaments within a matter of weeks, thereby placing the EU under pressure to provisionally apply the trade agreement. Political support for this approach came from German Chancellor Friedrich Merz, among others.[7] There are still hurdles to be overcome, however: As noted above, only the trade component of the agreement has entered into force provisionally. What is more, full implementation of the entire partnership agreement will depend on ratification by the national parliaments of the EU member states.

Opening up new markets could offset potential business losses resulting from US tariffs.

What opportunities does the agreement offer?

With the trade agreement's entry into force, the European Union and the four Mercosur states of Argentina, Brazil, Uruguay, and Paraguay are creating one of the world's largest economic areas. The participating states represent more than 700 million consumers, generate around 20 per cent of global economic output, and account for 31 per cent of worldwide goods exports. With a combined population of around 270 million people, the Mercosur countries alone constitute the world's sixth-largest economy. In terms of trade in goods, the EU is Mercosur's second-most important trading partner, after China and ahead of the United States. Almost 17 per cent of Mercosur's total trade in 2024 was with the EU. By the same token, the Mercosur region ranks tenth among the EU's most important trading partners in goods trade. In the same year, EU trade with Mercosur amounted to more than 111 billion euros (55.2 billion euros in exports and 56 billion euros in imports). More than 80 per cent of these trade flows were accounted for by trade between the EU and Brazil.[8]

Effective protest: Farmers gathered with their tractors outside the European Parliament in Strasbourg to protest against the EU-Mercosur free trade agreement. France voted against signing the agreement in the EU Council on 9 January 2026. Photo: © Panama Pictures, Imago.

The most immediately visible benefit of the agreement lies in its tariff reductions. Once the agreement enters into force, the two economic blocs will gradually eliminate more than 90 per cent of mutual tariffs (91 per cent of export tariffs to the Mercosur states and 92 per cent of import tariffs into the EU). Long transition periods nevertheless apply to sensitive industrial sectors, with full tariff liberalisation in the automotive sector planned over a period of 15 years, for example. This will give domestic markets time to adjust and will create planning certainty. According to estimates, European companies could save up to 4 billion euros annually in tariffs as a result of the agreement. Thus far, the Mercosur countries have imposed high tariffs, including up to 35 per cent on cars, up to 20 per cent on machinery, and 20 per cent on chocolate. As a result, European products and services on the large Mercosur market will become significantly more competitive, as will goods from the Mercosur states within the EU. Supporters in the EU – including Germany and Spain – argue that opening up new markets could offset potential business losses resulting from US tariffs. Experts view mechanical engineering, the automotive industry, green energy, and chemicals in particular as major beneficiaries of the agreement. Germany's SME sector will also benefit considerably: More than 70 per cent of the approximately 12,500 German companies that export to the Mercosur countries are small and medium-sized enterprises.[9]

In addition to tariffs, non-tariff trade barriers such as duplicate product certification requirements are also to be reduced, and protected geographical indications are likewise to be recognised – including Bavarian beer and Swabian *Spätzle*. In addition, European providers in the field of public procurement will gain significantly improved access to markets, just as companies from the Mercosur states will do in the EU. This will secure European access to important raw materials from South America while also enabling supply chains to be diversified in order to reduce dependence on China. At the same time, the EU will be able to exert influence in order to ensure higher standards in areas such as sustainability and employment. For the Mercosur countries, meanwhile, the agreement will provide easier access to urgently needed investment, including in infrastructure.

Criticism: European agricultural interests and environmental standards

Opponents of the agreement within the EU – above all, France – fear that imports of inexpensive food products such as beef, poultry, and sugar will rise sharply, thereby placing European agriculture under considerable competitive pressure. For this reason, the EU has introduced comprehensive bilateral safeguard clauses for agricultural products. These make it possible to suspend imports of sensitive products and to tighten controls, particularly with regard to pesticide residues; in addition, there will also be a crisis fund, accelerated support payments, and lower import tariffs on fertilisers. Protective measures of this kind have existed for years, but the aim of the new framework is to create a faster, clearer, and more predictable system. One key feature is an automatic trigger threshold that obliges the Commission to act as soon as there is suspicion of serious harm. In addition, a system of continuous and structured monitoring will be introduced, with the Commission having to report every six months on the quantities and prices of sensitive agricultural products.[10] Comprehensive measures to protect European agriculture have thus been introduced, though these have in part been criticised by the Mercosur countries as an unfair adjustment after the fact.

In South America, European environmental arguments are frequently perceived as a form of protectionism.

Public debate often overlooks the fact that Asia is likely to remain the principal export market for agricultural products from Mercosur and that a "flood of beef" into Europe is therefore unlikely. To support this argument, the Mercosur states point out that the additional beef import quota of 99,000 tonnes set out in the trade agreement amounts to only around 200 grams per EU citizen per year.

Environmental and human rights organisations in particular criticise the lack of environmental protection standards, the clearing of rainforest for pastureland, and possible consequences for Indigenous communities; however, these arguments often overlook realities on the ground. If the EU is not available to the Mercosur states as a trading partner, this is unlikely to halt deforestation activities; rather, these states would primarily export their agricultural products to China. In addition, the fact that many unused areas exist in the South American countries that could be used productively for agriculture without requiring further deforestation is often overlooked. For this reason, European environmental arguments are frequently perceived as patronising in South America and as a form of EU protectionism concealed behind a "green agenda".

A driver for a new orientation in development cooperation?

The European Union maintains a long-standing strategic partnership with Latin America and the Caribbean based on shared values. After Europe and North America, Latin America is regarded as one of the world's most democratic regions. The two sides view themselves as key partners

in strengthening a rules-based international order. There are also close trade and investment ties between them as well as a shared objective of promoting sustainable growth and economic resilience based on the 2030 Agenda. Within the framework of the Global Gateway investment strategy, the two sides are additionally committed to a fair, green, and digital transformation.[11]

Europe and Latin America are closely linked culturally, as well. In many countries in the region – especially Argentina and Brazil – millions of people have European roots, which forms the basis for deep social and cultural ties. Regular summits between the EU and the states of Latin America and the Caribbean (CELAC)[12] have taken place since 1999, with EU–CELAC summits alternating between venues in Latin America and Brussels since 2013. At the fourth EU–CELAC summit in November 2025 in Santa Marta, Colombia, German Foreign Minister Johann Wadephul emphasised Germany's strong interest in deeper economic cooperation as well as in strengthening and expanding trade partnerships. Even though economic development in some countries has stagnated in recent years, Latin America continues to be regarded as a growth region with considerable potential. The European Union has concluded a number of trade agreements with countries in the region, including bilateral agreements with Chile and Mexico.

> **The economic structures of Mercosur and the EU complement each other.**

After the United States and China, the EU is Latin America's third-largest trading partner, with trade volume approaching 370 billion dollars and continuing to rise. With investments totalling 741 billion euros, the EU is also the largest foreign investor in Latin America and the Caribbean.[13] The EU–Mercosur trade agreement highlights the extent to which the economic structures of Mercosur and the EU complement each other. European companies primarily export machinery, automobiles, and chemical products, while the Mercosur states can supply Europe with raw materials essential for the energy transition, such as copper, lithium, and rare earths. For the Mercosur countries, Europe is viewed less as a market for agricultural products and more as a partner for investment, modernisation, and increasing the productivity of their economies. Since Mercosur is one of the most protectionist markets in the world, there has thus far often been a lack of innovation pressure that more intense foreign competition could generate. Therefore, the states in the region are hoping for an increase in European direct investment, be it through equity stakes, acquisitions, joint ventures, or the establishment of local operations. Economic engagement on the part of European companies in the region is generally regarded as long-term, innovation- and growth-oriented, and sustainable.

Similar priorities emerge for the two largest Mercosur economies: Brazil and Argentina. The focus in Brazil is on the anticipated economic stimulus for national development. President Luiz Inácio Lula da Silva has explicitly stressed that the agreement must not cement his country's role as merely a raw materials exporter: Instead, it is to strengthen the international competitiveness of Brazilian industry and to facilitate exports of industrial goods to the EU. The modern agricultural sector also expects benefits through new market access and diversification away from dependence on China and the United States. Brazil additionally hopes that European requirements for imported products will positively impact working conditions, environmental standards, and anti-corruption efforts, for example, through certification processes.

The Argentine government likewise expects positive economic effects. It views the agreement as an opportunity to expand or simplify access to the EU market and to diversify the country's export basket more broadly. Alongside growth in agro-industrial products, Argentina is hoping for momentum in industrial exports – such as petrochemical raw materials – as well as for new impetus in the energy and mining sectors. The

government also expects positive effects in the area of foreign direct investment in strategic sectors of the economy, especially given that the EU is already the country's largest foreign investor. The services sector could additionally benefit, as could an adaptable and innovative start-up scene in fintech, agtech, e-commerce, and software development.

The geopolitical significance of the agreement is particularly evident in the case of Bolivia, which became a full Mercosur member in 2024: It is currently in a transitional phase for implementing Mercosur law and is not covered by the EU–Mercosur Agreement. Nevertheless, the new government under President Rodrigo Paz travelled to Paraguay for the signing ceremony in January in order to signal its future orientation towards Europe and its openness to Western partners after two decades of close relations with China, Russia, and Iran. Bolivia is particularly interested in deeper cooperation with the EU both in terms of development policy through EU programmes and in terms of economics due to the urgently needed investment required to stabilise its crisis-ridden economy.

These examples illustrate that the agreement between the EU and the Mercosur states is more than merely an economic one; rather, it opens up new prospects for stronger development cooperation, thereby reconnecting with the original guiding principle of development cooperation: namely to promote the economic development of democratic partner countries.

Geopolitical imperative

Alongside the economic benefits already outlined, the Mercosur Agreement sends out an important signal in support of multilateral trade agreements, free trade, and international cooperation among partners that share common values – and this at a time when protectionism is once

Coveted partners: The EU, China, and the US are increasingly competing for political and economic influence, as well as strategic interests, within Mercosur and Latin America. Pictured are heads of state and government at a meeting during the MERCOSUR and Associated States Summit in Buenos Aires in mid-2025.
Photo: © Zuma Press, Imago.

again gaining ground worldwide. In so doing, the agreement counters the aggressive tariff policy pursued by US President Donald Trump. Not least, the Trump administration's trade policy towards Europe likely helped secure the qualified majority required for the agreement within the European Council. Europe and the Mercosur states are sending out a clear political message: At a time of global instability, two regions are joining forces and deliberately opting for cooperation rather than confrontation. They are demonstrating that free trade and shared values are more effective pathways to prosperity and stability than are isolation and protectionist measures.

Beyond this, the Mercosur Agreement strengthens the EU's strategic sovereignty, promotes the formation of new alliances, and reduces dependencies on other major powers – fully in line with the de-risking strategy formulated by Commission President Ursula von der Leyen in order to strengthen European resilience. Russia's war of aggression against Ukraine has further sharpened awareness that the EU must broaden both its sources of key raw materials and energy as well as its export markets.

Argentina and Uruguay have joined China's Belt and Road Initiative.

At the same time, China's economic influence in Latin America continues to grow. Chinese engagement is particularly pronounced in South America, while the United States continues to dominate in Central America and the Caribbean. The EU lost its position as Mercosur's most important trading partner to China as early as in 2017. Within the space of two decades, China became the leading trading partner for countries including Brazil, Chile, and Peru as well as – since last year – Argentina, thereby overtaking Brazil as Argentina's principal trading partner. In other countries, such as Mexico and Colombia, China is now the second-most important trading partner, after the United States.

Many Latin American countries have also joined China's Belt and Road Initiative (BRI), including the Mercosur states of Argentina and Uruguay, whereas Brazil and Paraguay are not participating. This can be explained by the traditionally pragmatic foreign policy approach adopted by many Latin American states – particularly Brazil – that maintain close relations with a range of global actors. The most populous and geographically largest country in Latin America, Brazil, is a member of the BRICS+ grouping, for example, but not part of the Chinese BRI. Nevertheless, following the G20 summit in Rio de Janeiro in November 2024, President Luiz Inácio Lula da Silva and President Xi Jinping signed a total of 37 new bilateral agreements aimed at deepening economic cooperation.

During the election campaign, Argentine President Javier Milei stressed that he did not wish to cooperate with "communists"; nevertheless, immediately after taking office, his government acknowledged the need for close economic relations with China and opened the market to Chinese imports and investment in the strategically important lithium mining sector.

Uruguay has also deepened its cooperation with China in recent years through numerous bilateral agreements, and negotiations on a comprehensive free trade agreement are currently underway. Mercosur member Paraguay is the exception: It is the only South American country that maintains diplomatic relations with Taiwan, and as a result of this foreign policy positioning, it has only very limited economic ties with China.

However, the issue here is not only China: Indeed, under Donald Trump, the United States is also increasingly emerging as a geopolitical competitor to Europe. Considerable irritation arose within the EU following the announcement – shortly after the conclusion of the EU–Mercosur Agreement – of a bilateral trade and investment agreement between the United States and Argentina that establishes different standards in several areas – including protected geographical indications – from those agreed on with the Europeans. In addition, the United States has

secured privileged access to critical minerals and rare earths in Argentina – an area in which the EU had hoped to gain substantial economic advantages.[14]

Furthermore, the new US National Security Strategy of November 2025 underlines Washington's strategic ambition to invest more heavily in Latin American economies, which it regards as part of the Western Hemisphere and therefore as being within its own sphere of influence. The document explicitly states that every conceivable effort should be made to displace foreign companies that build infrastructure in the region[15] – including European companies that operate in key markets. The United States is increasingly aligning all its development cooperation with the promotion of its own economic interests.

Consequences and a look ahead

For all the political debate surrounding the benefits and potential disadvantages of (free) trade agreements, one point must be clear from a European perspective: If the EU fails to conclude such agreements, partner countries will turn to other actors instead.[16] For Europe, access to both major export markets and strategically important raw materials is at stake. In order to counter resistance within the EU, the negative connotations that are often associated with trade agreements should be met with a positive narrative that clearly communicates not only the benefits for companies, but also the tangible positive effects for citizens. Alongside tariff reductions, greater emphasis should therefore additionally be placed on other beneficial elements of the agreement, such as strengthening the competitiveness of the EU services sector. Overall, it is important to remember that the EU's efforts are aimed not at "laissez-faire free trade", but rather at a rules-based trade pact that emerged through a lengthy and detailed negotiation process that had taken account of a wide range of interests and that will ultimately contribute to greater prosperity on both sides.

One item that is frequently overlooked in the debate is that the Mercosur states are democratic systems shaped by Western traditions and should actually be regarded as Europe's natural partners for this reason. This relationship is reciprocal: Indeed, political decision-makers in Latin America regularly emphasise that Europe is their preferred partner. Nevertheless, the EU remains underrepresented in the region. The lengthy negotiations and repeated additional demands made by the EU have also weakened Europe's standing in Latin America. As a result, important opportunities to strengthen alliances with democracies in an increasingly unstable geopolitical environment have been missed.

Europe must therefore not only declare its interest in deeper cooperation with Latin America, but also give concrete substance to that commitment. A key instrument for achieving this is the EU–Mercosur Agreement. Its ratification should now be concluded swiftly and as a priority so that at least the trade component can definitely enter into force and begin to deliver its economic impact.

– translated from German –

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If Not Now, When?

Why a Lithium Partnership with Bolivia Is Strategically Crucial for Germany and Europe

Photo: © Photothek, Imago.

In a Nutshell

A historic moment in Bolivia: With the new government under President Rodrigo Paz, Bolivia is opening up to international cooperation and breaking with the ideologically driven resource policies of past decades.

Strategic importance for Europe: Bolivia possesses the world's largest-known lithium reserves and could become a key partner to the EU as the latter seeks to strengthen supply security under the Critical Raw Materials Act and to reduce its heavy import dependence.

A technological turning point: Modern technologies for direct lithium extraction now mean that for the first time, Bolivia's magnesium-rich brines can be exploited in an economically and environmentally viable way, thereby opening up new industrial opportunities and prospects for European–Bolivian cooperation.

Political and social prerequisites: Given that previous projects have failed due to a lack of participation and regional resistance, it is now essential to ensure transparency, clear environmental standards, and the involvement of local communities. Partnership with the EU could help create legitimacy in this context.

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Europe's lithium dilemma – Bolivia's unique role

Since President Rodrigo Paz Pereira took office in November 2025, Bolivia has entered a phase of profound political and economic transformation. This is not merely a change of government, but a systemic shift – a clear break with the ideologically driven economic and resource policies of past decades. The new government is opening the country to international cooperation, strengthening state institutions, and focusing on economic modernisation instead of on political isolation.[1]

This momentum marks more than a programme of political reform: Indeed, it creates a historically rare window of opportunity for a genuine fresh start in the lithium sector. For the first time, political willingness to reform, social openness, and technological feasibility are converging. This situation enables what once seemed unthinkable: namely the development of a modern, transparent, and internationally integrated lithium model that could give Bolivia and its partners an entirely new role in global value chains.[2]

This political shift provides the framework within which Bolivia's exceptional lithium deposits must now be reassessed: The country possesses the world's largest-known reserves, estimated at around 21 to 23 million tonnes. This extraordinary concentration of a key raw material for the energy transition makes Bolivia a geopolitically pivotal country. The most significant deposits are located in the Salar de Uyuni – the world's largest salt flat – as well as in the neighbouring salt flats of Salar de Coipasa and Pastos Grandes. These geological resources are remarkable, yet they have been only inadequately developed to date – a paradoxical situation given rising global demand for lithium for batteries, electric vehicles, energy storage systems, and digital devices.[3]

The EU officially classifies lithium as a strategic raw material and lists it as particularly security-relevant under the Critical Raw Materials Act (CRMA).[4] This classification is not merely technical; rather, it also reflects a geopolitical reality: The EU remains heavily dependent on imports, particularly from China, which controls large parts of global lithium processing. The European Commission is fully aware of this strategic risk and has begun taking concrete steps through the RESourceEU initiative[5] and the CRMA in order to strengthen supply security, diversify supply chains, and reduce dependence on geopolitical rivals.[6]

Europe's new raw materials strategy: Reducing geopolitical vulnerability

The European Union is currently fundamentally reshaping its raw materials policy – a step that appears long overdue in light of geopolitical tensions, growing industrial demand, and global dependencies. Through the RESourceEU initiative, the EU aims to make its supply of critical raw materials more resilient, sustainable, and strategically independent. Brussels is pursuing a combination of domestic value creation, global partnerships, and close coordination with the international investment initiative Global Gateway.[7]

At the heart of the EU's new raw materials strategy is the ambition to increasingly process and secure scarce and geopolitically sensitive resources within Europe itself, including rare earths, lithium, and cobalt. In order to achieve this, recycling rates are to be significantly increased, battery materials more efficiently

Massive Deposits: Bolivia possesses the world's largest lithium reserves. One of the largest deposits is the Salar de Uyuni, pictured here. Photo: © Anadolu Agency, Imago.

recovered, and new processing and extraction capacities developed. The strategy additionally seeks to reduce dependence on imports – especially from China – and to strengthen the resilience of European industry.[8]

Through Global Gateway, the EU can invest strategically in raw material-related infrastructure.

Alongside the expansion of European capacity, the EU is placing particular emphasis on international cooperation. Partnerships with resource-rich countries such as Australia, Canada, Chile, Kazakhstan, and Ukraine are to be deepened in order to place the extraction and processing of critical raw materials on broader and more reliable footing. The aim of these partnerships is not only to ensure raw material security, but also to promote fair trading conditions, sustainable extraction, and long-term industrial cooperation.

The European global development initiative Global Gateway has a key role to play in this endeavour. As a global investment strategy, it combines European foreign and infrastructure policy and mobilises public and private funding in order to support infrastructure projects worldwide in the areas of transport, energy, digitalisation, health, education, and research. This linkage is crucial for Europe's raw materials strategy: Through Global Gateway, the EU can invest strategically in raw material-related infrastructure, including ports, transport corridors, energy facilities, and local processing plants in partner countries. This allows supply chains to be diversified while also supporting sustainable local value creation. At the same time, the RESourceEU programme emphasises that Europe needs international raw materials partnerships in order to reduce dependence on geopolitically risky supply chains and to build stable relations with countries that are crucial to European supply security. The EU has therefore announced that it will make three billion euros available for targeted raw materials investments, including projects of high relevance to Bolivia.

The global race for lithium

Lithium is considered a strategic raw material because it is key to both the global energy transition and digitalisation. As a core component of modern lithium-ion batteries, it is indispensable for electric vehicles, stationary energy storage systems, and a wide range of mobile devices – sectors that are expanding rapidly worldwide. At the same time, supply remains constrained: Economically viable deposits are geographically concentrated, particularly in Australia, Chile, Argentina, and Bolivia, thereby creating geopolitical dependencies. At a time when many countries are redefining their energy and industrial policies, access to lithium is becoming crucial for technological sovereignty, innovative capacity, and the competitiveness of entire economies, thereby turning this resource into a strategic instrument of power.[9]

Since control over critical raw materials will decide who determines the standards and technologies of the energy and transport transition in the future, lithium is not merely an industrial resource: Indeed, it is also a strategic factor in the wider competition between China, the United States, Europe, and emerging powers such as India and South Korea.[10]

Since the EU already sources more than 80 per cent of its lithium precursor products from China, and given that much of the battery value chain is also located there, lithium has become a geopolitical risk factor for Europe. The EU has recognised this danger and is working intensively to establish new, reliable partnerships in order to diversify and strengthen the resilience of its supply chains. Bolivia has a key role to play in this context because despite all the challenges, no other country offers comparable resource potential.

Why Bolivia's potential has thus far remained untapped

Bolivia could play a major role in this global competitive environment. The country possesses the world's largest lithium deposits, yet it has hardly benefited from this potential over the past decades, and no significant lithium production industry has been successfully established to date. There are several reasons for this.

For one thing, Bolivia has long struggled to make lithium extraction economically viable. One major reason lies in the geochemical characteristics of Bolivian brine: Its high magnesium content makes conventional evaporation methods far less efficient and more expensive than is the case with Chilean and Argentine deposits. In addition to the difficult geochemical structure of the brine, inadequate infrastructure in the remote regions of the Bolivian Altiplano has also prevented the country's lithium wealth from being fully exploited.[11]

More serious than the technical and logistical hurdles, however, are the political factors that have thus far prevented Bolivia from building up lithium production on a scale comparable with that of its neighbours Chile and Argentina. For

Fig. 1: Bolivia's lithium at a glance

Factor	Details
Size of reserves	Bolivia possesses the world's largest-known lithium deposits, estimated at 21 to 23 million tonnes
Main locations	Salar de Uyuni; Salar de Coipasa; Pastos Grandes
Key challenges	High magnesium content in the brine; lack of infrastructure; social conflicts
Political situation	Opening-up process under President Rodrigo Paz Pereira since 2025
Relevance to Europe	Lithium is classified as a strategic raw material under the EU Critical Raw Materials Act

decades, an ideologically driven state lithium policy, political instability, regional conflicts, institutional weaknesses, and social protest movements have hindered the development of the lithium sector, thereby leaving Bolivia largely absent from the global lithium market despite the country's substantial resources.[12]

In line with the state-centred logic of the government of Evo Morales, the idea was for the state to control the entire value chain.

The main reason for the failure of Bolivia's lithium strategy to date lies in the decades-long ideological approach to resource policy pursued by the socialist governing party Movimiento al Socialismo (MAS). In line with the state-centred logic of the government of Evo Morales (2008–2019), the idea was for the state to control the entire value chain – from brine extraction to battery production. Legal frameworks such as the Ley de Minería y Metalurgia (2014) and the Ley de YLB (2017) established a complete state monopoly that did not integrate private or foreign investors, thereby effectively excluding them altogether. This structure soon proved to be a structural trap, thereby creating a system that was both financially overstretched and organisationally and technologically overwhelmed.[13]

The technological overconfidence of the MAS governments became especially evident in the ambitious promise not only to extract lithium, but also to manufacture batteries domestically. The vision was compelling: A country that had exported raw materials for centuries would now – for the first time – place a high-tech product within global value chains. However, this vision soon clashed with the industrial reality. The state-run factories – some financed with well over two billion US dollars from foreign currency reserves – later proved technically inadequate. Several plants were reportedly "inviables" – that is, not operationally viable at all – a bitter verdict after years of investment. The state-owned potassium chloride plant operates at only around one-quarter of its planned capacity, while the lithium carbonate plant barely reached 20 per cent capacity at launch. For this reason, analysts describe the Bolivian lithium model under the MAS governments as a failed political experiment that had never progressed beyond the pilot stage.[14]

The MAS government under Luis Arce (2020–2025) continued to intensify the ideological orientation of Bolivia's lithium policy. Recognising the limited technological capacity to establish a fully domestic lithium industry all the way through to battery production, Arce did seek international partners – but only within his own ideological sphere.

Bolivia aligned its lithium policy closely with geopolitical partners such as China and Russia. The agreements with the Chinese company CATL and the Russian state enterprise Uranium One were concluded at a time when the MAS governments were deepening their traditional distance from the United States and increasingly turning towards authoritarian allies. In so doing, Arce opted for new direct extraction technologies from China and Russia that were embedded in a foreign policy environment that had for years been defined by anti-imperialist rhetoric and the ambition to pursue major economic projects outside "Western spheres of influence". Critics argued that the agreements had been concluded behind the backs of regional stakeholders[15] and reflected a geopolitically motivated preference for two states that were actively seeking to expand their global influence through investments in critical raw materials.

Central role of the local population

When concluding their lithium agreements, Bolivia's MAS governments repeatedly excluded key local stakeholders, thereby triggering considerable discontent in the affected regions. As early as in 2019, a joint German–Bolivian lithium extraction venture collapsed after

President Evo Morales had withdrawn his previously expressed support in response to massive resistance from the local population, which felt sidelined and distrusted the process in the context of the election campaign.[16] However, the protests against the joint German–Bolivian venture should not be misinterpreted as a fundamental rejection of Europe: Indeed, they were directed primarily at the lack of transparency and the insufficient involvement of local communities – a structural problem that later also arose in connection with projects involving China and Russia. As such, the conflict revolves less around specific partners than around the question of how inclusive and transparent the projects are designed to be.

In the years that followed, the government and the state lithium company YLB increasingly disregarded the legally required consultations with indigenous communities and left environmental impact assessments incomplete. The consequence involved protests, particularly around the Salar de Uyuni salt flat, where indigenous organisations such as CUPCONL had barred companies from entering their territories and accused the government of systematically ignoring their interests.

The growing resistance ultimately led to a political and legal deadlock that affected all new lithium agreements. In 2024 and 2025, MAS governments negotiated billion-dollar contracts with Russian and Chinese corporations, but nationwide protests, turmoil in parliament, and judicial interventions stopped these contracts from being implemented. Courts ordered precautionary measures and blocked parliamentary consideration of the contracts because the affected indigenous communities had not been consulted and sufficient environmental studies had not been carried out. At the same time, demonstrations, local popular assemblies, and pressure from Potosí prevented the projects from moving forward.[17] As such, the more recent contracts followed the same pattern that had caused the German–Bolivian joint venture to fail in 2019: a lack of transparency, the sidelining of the local population, and the resulting social mobilisation, which had ultimately put a stop to all previous lithium agreements.

Demands of indigenous communities

In substantive terms, indigenous and rural communities articulate three non-negotiable concerns[18]:

1. *Water as a lifeline:* Access to non-renewable fossil aquifers is the most sensitive issue in this arid highland region. The demands concern water baselines, open data, community monitoring using bioindicators, and robust rules for the reinjection of residual brines. Every form of technology – be it evaporation or direct extraction – is to be judged by its water, chemical, and energy profile.

2. *Participation and value creation:* Fiscal revenues must be felt locally, including revenue-sharing arrangements for regions, municipalities, and indigenous territories (TIOC) as well as local procurement, training, employment, and investment in healthcare, water infrastructure, and sustainable tourism.

3. *Cultural and ecological integrity:* The Salar de Uyuni is not only a raw material deposit, but also a tourist magnet and habitat for animals such as flamingos. Projects that are not ecologically viable endanger the region's identity and income.

A political turning point in La Paz and a geostrategic window

The change of government to President Rodrigo Paz Pereira in 2025 has fundamentally changed the political atmosphere, with a new openness, a willingness to cooperate internationally, and a pragmatic reform agenda now determining Bolivia's positioning. Regarded as a moderate figure who seeks to overcome decades of polarisation in Bolivian politics, Paz has declared the country's economic modernisation a priority. His approach

is significantly more business-friendly and internationally oriented than that of his predecessors.

The Paz government views the lithium sector as a key instrument for stabilising an economy that has been in crisis for years.[19] At the same time, it knows that sustainable development is only possible if the country does not enter into new dependencies. This has led to a rare convergence of interests between Europe and Bolivia: Bolivia's government is seeking diversified partnerships in order to overcome the economic crisis and avoid becoming one-sidedly dependent on China or Russia. The EU, in turn, aims to strengthen its raw materials security while positioning itself more independently in geopolitical conflicts.

The opportunities for Europe are all the greater because Bolivia finds itself in a situation in which it depends economically and politically on reliable partnerships. Europe offers a combination of technology, financial support, governance expertise, and long-term partnership that Bolivia perceives as attractive and stable.[20]

The EU and its member states are regarded as partners committed to long-term development rather than to short-term extraction.

In addition, China and Russia are coming under increasing pressure in Bolivia. Several lithium agreements signed by their companies in recent years have triggered domestic political controversy. In Potosí in particular, protests have occurred against agreements with Chinese and Russian companies, which have been accused of lacking transparency and offering insufficient benefits to the local population. This situation has led to a lasting crisis of confidence vis-à-vis China and Russia.[21]

For Europe, this development opens up a strategic window of opportunity: Compared with Chinese and Russian actors, European investors enjoy a better reputation in Bolivia because they are perceived as more rules-based, transparent, and sustainable. The EU and its member states are regarded as partners committed to long-term development rather than to short-term extraction – an approach closely associated with European development cooperation, the rule of law, and governance standards. In its partnership documents, the EU delegation in Bolivia explicitly emphasises that European support focuses on democratic institutions, sustainable resource management, and green transformation, thereby complementing Bolivia's development needs.[22]

Why Europe is the right partner

Partnership with Bolivia entails not only opportunities, but also risks since Bolivia's political and social environment remains volatile. This domestic instability poses a challenge for foreign investors and partner states. At the same time, however, it demonstrates how important it is for a partner such as the EU to play an active role in Bolivia since the EU attaches particular value to the rule of law, transparent procedures, and participatory processes.

Europe has many years of experience in cooperating with countries undergoing transformation processes, and it possesses instruments capable of strengthening institutional capacities, involving local communities, and defusing conflicts. With the lithium roadmap,[23] which has attracted considerable attention in Bolivia, the EU has already made a concrete contribution to consultation with local communities; ongoing programmes complement this contribution through initiatives in environmental protection, social inclusion, and governance.

Europe also offers something Bolivia urgently needs: industrial value creation. Unlike many resource powers, the EU does not pursue short-term resource extraction, instead supporting long-term cooperation that additionally includes investment in local production and processing. The Global Gateway strategy underlines this approach by explicitly focusing on sustainable

Ideology trumping efficiency: Bolivia's previous socialist governments sought foreign partners for lithium extraction exclusively among their "anti-imperialist" allies. Pictured: Russian Foreign Minister Sergei Lavrov (left) with then-President of Bolivia, Luis Arce (right), in September 2025. Photo: © Zuma Press, Imago.

infrastructure, institutional strengthening, and value creation within partner countries. This difference is not merely economic: Indeed, it is also significant geopolitically. For Bolivia, partnership with Europe means a greater degree of political independence and technological modernisation; for Europe, meanwhile, it means the opportunity to secure a stable and reliable source of raw materials while simultaneously promoting a sustainable, long-term industrialisation model. In this respect, Europe differs significantly from China, which – despite investing heavily – relocates most value creation back into its own industrial system.

The technological factor: Direct lithium extraction as a source of geopolitical leverage

Bolivia's political realignment coincides with a technological advance that for the first time makes the economic development of its deposits feasible. Modern direct lithium extraction technologies (DLE) enable lithium to be extracted sustainably and efficiently, even from magnesium-rich brines such as those found in Bolivia. Whereas conventional evaporation methods require years-long processes and are heavily impaired by the high magnesium content of Bolivian brines, DLE technology enables direct extraction that is both more environmentally sustainable and economically viable.[24]

European companies such as Vulcan Energy Resources have successfully carried out corresponding pilot projects together with EAU Lithium and the state-owned YLB, thereby confirming the technical feasibility of the approach.[25] This technological development is not merely a scientific breakthrough; rather, it is also significant geopolitically. While reducing China's technological advantage in lithium processing, the development opens up a shared opportunity for Bolivia and Europe to create a sustainable lithium model. The EU actively supports these projects diplomatically, as demonstrated by the presence of European ambassadors at contract-signing ceremonies.

This technological basis is crucial because it offers Bolivia genuine industrial prospects for the first time. DLE could enable the country to play a role not only in raw material extraction, but also in downstream processing that goes far beyond the previous model of merely exporting raw materials. For Bolivia, this would create the

opportunity to establish value chains within the country itself – a vision pursued by many Bolivian governments for decades, but one that has repeatedly failed due to a lack of technology and insufficient international partnerships.

A fly in the ointment: A window of opportunity fraught with risk

Promising though the current momentum may be, the success of a European lithium partnership with Bolivia is by no means guaranteed. The political, social, and geopolitical conditions are simply too fragile. Domestically, Bolivia remains politically volatile. President Rodrigo Paz stands for openness and reform, but his agenda is by no means irreversible. The still-influential MAS retains a stable base in society and – in the event of a change in political leadership – could attempt to return to the more state-centred resource policy of previous years. In such a scenario, existing agreements could be reopened that range from renegotiations to political obstruction. For Europe, this would considerably increase the already-substantial investment risks.

A second factor is equally crucial: the role of the local population. The past has repeatedly shown that lithium projects fail less because of technical obstacles than because of social resistance. Without credible participation, transparent procedures, and visible benefits for the affected regions, protests, legal interventions, and project suspensions are likely.

Geopolitically, the partnership also exists within a broader strategic context. Alongside China, the United States may additionally attempt to expand its influence in Latin America in order to secure access to critical raw materials. It thus remains unclear whether Europe can establish Bolivia as a long-term exclusive partner or whether a new competition will emerge in which political and economic spheres of influence are renegotiated.

Ultimately, major challenges also exist on the European side. Ambitious strategies such as the CRMA and Global Gateway often come up against slow decision-making processes, regulatory hurdles, and limited risk appetite. Europe recognises the strategic pressure to act, but whether it is able to do so quickly and decisively enough remains uncertain: Success depends less on the availability of lithium than on political continuity, social acceptance, and geopolitical effectiveness.

Strategic convergence: Why both sides need each other

Europe is systematically seeking new sources of supply, while Bolivia is deliberately diversifying its partnerships. This creates an unusually favourable basis for cooperation. Bolivia needs technology, capital, and international legitimacy in order to expand its role in the global lithium market. Europe needs lithium – and large quantities of it – in order to decarbonise its energy systems, to keep its industry competitive, and to reduce its dependence on China.

In conclusion, a nuanced picture emerges: Bolivia and Europe stand at a historic juncture – not on solid ground, but rather on shifting terrain. The political opening in Bolivia, criticism of existing partnerships with China and Russia, the technological maturity of European DLE technology, and the geopolitical pressure facing Europe together create a rare window of opportunity for cooperation. At the same time, the success of this partnership depends crucially on whether political stability can be secured, public acceptance ensured, and competitiveness maintained in the international arena.

If Europe acts decisively while remaining politically sensitive, it can not only secure its own supply chains, but also contribute to a more sustainable and equitable raw materials order. The conditions are in place – but success is by no means guaranteed. The key question is therefore not whether partnership is possible, but whether it can be made sustainably viable under difficult conditions.

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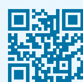
under discussion

“A Lot of People in Brazil Want a Political Middle Ground”

An Interview with Maximilian Hedrich

Photo: © Zuma Press, Imago.

Brazil is heading into elections that are marked by different political camps: the left around President Lula, the right-wing Bolsonaro camp, and the *Centrão* – a loose alliance of parties and MPs with no fixed ideological orientation. The debate is dominated above all by the economic situation, with high inflation and rising living costs. While Lula stands for social policy measures, the right attracts support on domestic security issues. The political centre remains fragmented, thus far failing to offer a convincing alternative – though that is precisely what many voters are looking for. The election is important for Europe because Brazil remains a key partner on trade, climate, and geopolitical issues.



Maximilian Hedrich is Head of the Konrad-Adenauer-Stiftung’s Brazil Office in Rio de Janeiro.

International Reports (IR): *Presidential and parliamentary elections are due to be held in Brazil in October. To begin with, could you give us an overview? Who are the main parties and figures?*

Maximilian Hedrich: Indeed: A whole series of elections is set to take place in October. Voters will elect a new president and a new national parliament – the entire Chamber of Deputies and part of the Senate. What is more, new governors and state parliaments will be elected in all 26 federal states. The political landscape is rather confusing, especially from the perspective of non-Brazilians. If we focus just on the federal level, the political landscape can broadly be divided into a left-wing camp around President Lula, a right-wing camp aligned with former president Jair Bolsonaro, and various parties positioning themselves somewhere in between. In Brazil, the latter are often referred to as the *Centrão*. That sounds like the centre, but it is not necessarily comparable with how the term is understood in Germany, for example.

IR: *That's one aspect we'll certainly come back to shortly ...*

Hedrich: On the left, the dominant figure is clearly the current president, Luiz Inácio Lula da Silva. The prospects of his party – the Workers' Party PT – winning the presidency depend heavily on him personally. Now 80 years old, if Lula were for some reason unable to run after all, it would probably be very difficult for the left. Lula is expected to run once again alongside his current vice president, Geraldo Alckmin – a highly respected and rather technocratic politician.

On the right, the dominant force is the somewhat misleadingly named Partido Liberal, or PL – the political platform of former president Jair Bolsonaro. Following the violent storming of institutions in Brasília in January 2023, however, Bolsonaro remains imprisoned until 2053: He is barred from running for political office and is technically not even allowed to make political statements. *De facto*, he has nevertheless succeeded in establishing his son Flávio as the provisional presidential candidate – or *precandidato*, as it is called in Brazil – though political family dynasties have not traditionally been common in the country. Flávio lacks both the charisma and – thus far – the approval ratings of his father.

IR: *What distinguishes father and son in terms of political substance?*

Hedrich: Flávio Bolsonaro is often equated with his father, but he differs in his political style. While Jair Bolsonaro was known for confrontational rhetoric and marked polarisation, Flávio is more moderate and strategic in his approach. He remains loyal to the family's conservative course in terms of political substance, but he seeks to appear more institutional and to develop a distinctive profile of his own. Whether Flávio Bolsonaro would in fact govern more moderately if elected remains an open question.

IR: *Which issues have been shaping the political debate in this election year thus far?*

Hedrich: The economy is clearly the dominant issue. Inflation remains relatively high, and people in Brazil are feeling rising prices in all areas of life, be it at the supermarket or on public transport. And the problem no longer affects only the lower classes: The middle class, too, is struggling with the rising cost of living. More complex economic issues also feature to some extent, such as public finances, debt, and the tax system. But the question that ultimately resonates with most voters is: How much do I have left to spend at the end of the month?

***IR:** And whom do people trust to deliver better solutions?*

Hedrich: For many people, Lula still stands above all for the fight against social inequality and poverty and – more generally – for an active state. People remember the social programmes introduced during Lula's first two terms in office from 2003 to 2011. The major question is whether that model was sustainable at the time and – even more so – whether this type of policy remains viable today given higher public debt and slower economic growth.

The second major issue, in which the Bolsonaro camp enjoys greater public trust, is domestic security – that is, the fight against organised crime and everyday violence, especially in the major cities. Many people trust the right more on this issue and point to the successes achieved during Jair Bolsonaro's presidency from 2019 to 2023, although that period was dominated by the exceptional circumstances of the COVID-19 pandemic.

A third issue that has come to be more of a factor in a Brazilian election campaign for the first time – as far as I can judge – is foreign policy. Brazil is a large country that tends to focus primarily on itself, even during elections. This time, the situation is different, at least to some extent. And here, the advantage again lies more with the left. It might be going too far to describe him as a "foreign-policy president", but Lula has spent a great deal of time abroad since 2023 and – even in the eyes of some people who are not among his supporters – he has represented Brazilian interests effectively overall. Together with his vice president, he succeeded in getting high US tariffs reduced again, which Brazilians greatly appreciate. He continues to defend Brazil's role within the BRICS alliance – now BRICS+ – though less vocally than in the past. At last year's COP summit in Belém, he was able to present himself as a pioneer of climate diplomacy, and the EU–Mercosur agreement might well have failed without him.

***IR:** Are environmental and climate issues really relevant in the election campaign overall?*

Hedrich: Not really. For us Europeans, the Amazon issue is often relatively high on the agenda, and under Lula, deforestation there has indeed declined significantly – unlike in other regions of the country, which receive far less attention. But this is not really an election issue, nor would it fit particularly well with Lula's broader narrative, in which national economic development clearly takes centre stage.

Migration is another issue that barely features in the election campaign at all, perhaps surprisingly for outside observers, especially in Europe. Brazil does host

refugees, for example, from Venezuela, but in a country of this size, they effectively disappear from view.

One issue widely debated among experts but entirely absent from the campaign is the possibility of education reform. In fact, this is one of the key reasons for the country's extreme social inequality. Public schools are simply of poor quality, and if parents cannot afford expensive private schools, children have virtually no chance of advancing economically. However, it may be that the elites prefer things that way, and there appears to be little real determination to change the situation.

***IR:** As things currently stand, Brazil could this year once again face a choice between a president from the Lula camp and one from the Bolsonaro camp – for the third election in a row. Centre-right candidates who in the past either won the presidency or at least reached the run-off may once again prove insignificant. Does this reflect growing polarisation in Brazilian society?*

Hedrich: Not really. If anything, it feels almost somewhat schizophrenic. My impression from conversations in the country itself is that the level of polarisation is not quite as high as the presidential elections might suggest. Indeed, there are indications that polarisation may even have declined. When Jair Bolsonaro was elected

Similar but not identical: Flávio Bolsonaro is often equated with his father but comes across as significantly more moderate and strategic than Jair Bolsonaro. In terms of policy, however, he remains true to the family's conservative line. Photo: © TheNews2, Imago.

president in 2018, divisions often ran through families and groups of friends. In some cases, people stopped speaking to one another altogether.

What was interesting was the reaction to the attempted coup at the beginning of 2023 and the eventual conviction of Jair Bolsonaro. Following the attempted coup, almost the entire country was shocked: Most people in Brazil had never believed such a thing to be possible. The trial itself was relatively calm, however. It is true that supporters and opponents of Bolsonaro demonstrated in advance according to their respective positions. But after that, everything proceeded in a fairly routine manner. As is common in Brazil, the trial was broadcast live on television. One day, people watched the proceedings and the verdict against Bolsonaro, and the next day, the telenovela was back on their screens. There were certainly fears beforehand. In the end, however, most people in Brazil trusted the Supreme Court to conduct the trial properly – and rightly so, in my view.

Today, I would say that Brazilian society can be roughly divided into three equally large groups: those clearly on the left, those firmly aligned with the Bolsonaro camp, and another third somewhere in between. Many people in Brazil essentially want a political middle ground between the camps on the left and right. Brazilians refer to this as the *terceira via* – literally, the "third way". But people are deeply disappointed by the parties occupying this space, which they view as being more interested in lining their own pockets than in pursuing coherent political programmes.

Brazil as partner country at the Hannover Messe in April 2026. Federal Chancellor Friedrich Merz and Luiz Inácio Lula da Silva, President of the Federative Republic of Brazil, opened the trade fair. The latter will also be standing for re-election in this year's Brazilian elections in October. Photo: © Bernhard Herrmann, Imago.

IR: *Now is probably the right moment to take a closer look at the parties in Brazil's political centre. We've already heard that this bloc is often referred to as the Centrão. Which parties belong to it, and what do they stand for?*

Hedrich: One classic representative of the *Centrão* is the MDB, which stands for Movimento Democrático Brasileiro. It's a party that has frequently provided ministers at the national level and that also performs well in regional and local elections, but it has never achieved the major breakthrough of winning a presidential election.

Then, there's the PSDB, the Brazilian Social Democratic Party – again, a somewhat misleading name because the party is certainly not social democratic in the German sense. Today, it is best described as a liberal-centrist or moderately conservative reform party, and it is currently fighting simply to stay in parliament.

União Brasil is likely positioned on the more conservative side of the *Centrão*, and the Republicanos party also belongs in this category. Finally, there is the PSD under its chairman, Gilberto Kassab. Its name, too, suggests social democracy, but in reality, it may be centre-left, centrist, or centre-right depending on the geographical region in question. The PSD is currently the leading force within the *Centrão*. It performed extremely well in the last municipal elections and could once again be the kingmaker in this year's national elections. Under Kassab, the party has positioned itself very effectively and professionally: During the party-switching window – the phase of political reshuffling in the Brazilian autumn, which is the spring in Europe – it succeeded in attracting numerous politicians and officeholders from other parties.

IR: *Party-switching window?*

Hedrich: In Brazil, the "party-switching window" is a legally defined period during which elected politicians are allowed to change their party without losing their parliamentary seat. In light of this, it is also easier to understand the broader dynamics within the *Centrão*. And this brings us to the fundamental question of what these parties actually stand for. In Germany, we're used to centrist parties representing certain substantive political positions despite their willingness to compromise. Anyone looking at Brazil should abandon that assumption right away. If you google these parties, almost every one of them seems to be described as "catch-all" or "pragmatic" – and "pragmatic" is actually not a bad description. Viewed in a positive light, these parties are extremely willing to compromise. They also do not engage in the culture wars pursued by both the right and the left through clearly defined ideological positions. Instead, they generally try to determine which political winds are most favourable at any given moment.

Viewed in a more negative light, these parties are largely devoid of substantive content. Essentially, they are vehicles for the political ambitions of individuals. If one of these vehicles begins to lose support in the polls, people simply switch allegiance and back a more promising "horse". Within Brazil's political system, these parties act as kingmakers.

IR: *Where does this power come from?*

Hedrich: Brazil has a presidential system, while the parliamentary chambers are elected through proportional representation with open lists. This gives rise to a focus on personalities, but it also tends to produce fragmentation. The president's party almost never has the outright majority needed to pass legislation, and that's the leverage enjoyed by the *Centrão* parties. In exchange for political support, these parties receive ministerial positions and other offices or funding for their constituencies, the use of which is then subject to little scrutiny. Some people say this amounts to a system of perfected – or even "legalised" – corruption.

In recent years, Lula's government relied on virtually all *Centrão* parties, including União Brasil – that is, almost right up to the edge of the Bolsonaro camp, though União Brasil has since left the government. And according to forecasts, the next parliament is likely to be even more conservative than the current one. Thus, even if Lula himself is not particularly moderate on the left, his government very much is – out of sheer necessity.

Another factor distinguishing the *Centrão* parties from both the Workers' Party and the PL is their geographical base: They generally have specific regional strongholds and focus primarily on delivering benefits there. By contrast, both the Lula and Bolsonaro camps have nationwide support bases.

What almost all parties still have in common, however, is the low proportion of women. There are certainly female officeholders, but many of them face such a torrent of sexist abuse that – unfortunately – after a single term, many say, "Thank you, I've had enough!"

IR: *That doesn't sound very encouraging. Is there really no political voice at present capable of credibly representing a programme that reflects the people's desire for a "third way", which you yourself clearly perceive?*

Hedrich: The loudest voice in that sense is probably the PSD already mentioned, together with its chairman, Kassab; prominent liberal-democratic figures, such as Eduardo Leite; or the more conservative Ronaldo Caiado, whom Kassab has established as the party's *precandidato* for the presidential election. But overall, one doesn't get the impression that the party genuinely believes it can win the presidency. More likely, it simply wants to drive up the political price demanded from whichever candidate from the left or right it eventually decides to support.

To be honest, the opinion polls currently suggest little else. Over the past four years, the parties between the left and right camps have effectively wasted their opportunity. Partly because nobody wanted to step aside, they failed to agree early enough on a single figure who could systematically have been built into a serious presidential contender. As in so many countries across the region, the political centre has unfortunately lost momentum and no longer offers clear substantive alternatives. In the

Latin American context, personalities play a particularly important role in elections, so if there is no genuine political heavyweight capable of challenging someone like Lula – an ageing politician – things naturally get difficult.

***IR:** To conclude, let's turn to Europe. What would ultimately be better for us: a fourth Lula presidency or a president from the Bolsonaro camp?*

Hedrich: Lula is certainly a difficult and – at times – uncomfortable figure for us. But it is also true that on raw materials, climate policy, and also economic policy, he's been a relatively reliable partner to both the previous and the current German government. I have already mentioned his role in the EU–Mercosur agreement. That's an extremely important issue for us because Brazil is a major partner. It's not for nothing that the world's largest German Chamber of Commerce was in São Paulo for many years. Recent developments have once again shown how important Brazil is for us, too: This year, it was the partner country at the Hannover Messe, which was opened jointly by Lula and German Chancellor Friedrich Merz. Lula arrived with a delegation of no fewer than 15 ministers, who also took part in the German–Brazilian intergovernmental consultations. All this once again underlines the strategic partnership between our countries.

At the same time, we should not deceive ourselves: Lula will not change his position on BRICS or his broader foreign-policy narrative, which is at times highly critical of the West. Particularly regarding the Middle East conflict and the role of Israel, he continues to use rhetoric that we rightly view very critically. However, his foreign-policy team and ministries are highly professional, and a pragmatic working relationship is maintained on other issues that matter to us.

If Flávio Bolsonaro or a similarly aligned politician were ultimately to prevail, there probably wouldn't be any major changes in the areas of business and trade. Bolsonaro Senior also supported the signing of the EU–Mercosur agreement in 2018/2019. But we would have to assume that under such a president – at least as long as Donald Trump remains in office in Washington – Brazil would seek closer alignment with the United States, possibly at the expense of Europe and Asia.

In addition, tensions with Europeans could once again arise over environmental and human-rights issues. Under no circumstances should we repeat the mistake made during Jair Bolsonaro's presidency: Despite all political differences, we should have kept channels of communication much more open at that time simply because Bolsonaro was the representative of Brazil – an important partner and key country for us. It is foreseeable that in such a scenario, some NGOs in particular would again push strongly for maximum distancing. And criticism should be voiced where appropriate and in a suitable context, of course. But as I said: We must not close the channels of communication again. Last time, it was possible to reopen them after the Bolsonaro freeze. Next time, I believe things may be different.

This interview was conducted by Magdalena Falkner and Sören Soika.

– translated from German –

Shadow Economy and Extra-legal Governance

A "Fifth Wave" of Transnational Organised Crime Threatens Democracy in Latin America – and Europe's Security

Photo: © Zuma Press, Imago.

In a Nutshell

In recent years, transnational organised crime in Latin America has evolved into a flexible, globally networked parallel system that replaces state order, exercises power, and controls economic flows.

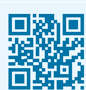
Criminal networks now operate in decentralised, diversified, and cross-border ways while embedded in legal markets and international logistics chains.

In weak states, criminal organisations take on governance functions, impose order, levy charges, and gain a form of functional legitimacy, particularly in urban slums, rural areas, and prisons.

The contours of a new phase in the development of organised crime are already becoming visible. This phase will be shaped by technology, automation, artificial intelligence, and strategic influence over public discourse, and it will require coordinated, democratically legitimised counterstrategies.

Europe is no longer merely a target market; rather, it is increasingly also a site of institutional infiltration – particularly in ports, financial systems, and the real estate sector – driven by high demand and limited oversight. Without decisive countermeasures, the continent runs the risk of undergoing a process of "Latin Americanisation".

The Author



Pablo Zeballos is a Chilean researcher and consultant specialising in transnational organised crime. He spent decades working for Chile's security forces.

Over the past decade, Latin America has borne witness to a gradual yet profound transformation of transnational organised crime, the full implications of which are still not widely understood. The phenomenon can no longer be analysed using traditional categories such as drug trafficking or the notion of hierarchically structured organisations with visible leaders. Organised crime has taken on more complex, adaptive, and resilient forms. It is capable of integrating into global economic flows, assuming governance functions in certain areas, and exercising political power.

This process can be understood as a further development of the so-called "fourth wave" of transnational organised crime,[1] which is characterised by the growing interconnection of different illegal economic sectors, flexible transnational networks, the partial infiltration of institutions, and the emergence of a form of extra-legal governance in which organised crime in certain contexts takes on quasi-sovereign functions beyond the framework of state law. It is a phase in which organised crime moves beyond its role as a hidden actor and becomes a kind of parallel system that replaces state order, generates revenue, and exercises power.

In order to grasp the significance of this transformation, it must be placed in historical context. The "first wave" of organised crime centred on the rise of the Medellín Cartel under Pablo Escobar, which produced cocaine on a massive scale for the US market, deployed extreme violence against the state, and pursued a strategy of controlling ever-larger territories. The "second wave" was dominated by the Cali Cartel: Rather than confronting the state directly, it relied on corruption and infiltration. Its links with Mexican cartels reshaped smuggling routes and transformed money-laundering mechanisms. The "third wave" was marked by the progressive criminalisation of entire states, particularly those located in regions that were strategically important for production and transport, and for the protection of illegal economic activities. Normative standards were deliberately shifted, institutions weakened, and the rule of law systematically exploited. In this way, armed non-state actors and highly capable criminal groups created conditions that enabled them to embed themselves – formally or informally – within state structures. This process blurred the line between governments and transnational criminal organisations beyond recognition, thereby giving rise to what some analysts describe as criminalised states – that is, entities in which politics and crime are not in competition but effectively merge or at least mutually reinforce each other.

The "fourth wave" of organised crime in Latin America combines elements of all these earlier phases while also introducing something qualitatively new. For the first time, highly developed actors from other regions are playing a major role: the Italian 'Ndrangheta, Balkan clans, Turkish syndicates, and even Chinese networks that supply precursor materials. These actors operate together with Latin American criminal organisations in a dynamic, transnational criminal ecosystem that adapts to emerging opportunities and increasingly operates independently of specific states and territories.

Understanding this "fourth wave" is one thing. More important, however, is recognising that the outlines of a "fifth wave" are already emerging – a wave that will be even more complex, demanding, and potentially dangerous. This new stage of development will be characterised by the use of cutting-edge technologies and artificial

intelligence, by the automation of illegal activities, and – crucially – by strategic competition in the public sphere. This involves attempts to legitimise, conceal, or normalise illegal economic activities within the legal economy by drawing on a transactional political logic with populist or authoritarian tendencies.

Much more than drug trafficking

For decades, analyses of organised crime have been shaped by a narrow focus on drug trafficking. Now in the "fourth wave", however, criminal organisations are already operating as diversified economic conglomerates. They are simultaneously active in multiple illicit markets, including in drug and human trafficking, smuggling, illegal mining, financial fraud, arms trafficking, and cybercrime.

All of these activities cause human harm and often result in environmental damage. Moreover, they do not occur in isolation, instead forming part of an integrated "ecosystem" aimed at maximising profits while minimising risk to the criminal organisations themselves.

Latin America has become a key hub for global illicit economic flows.

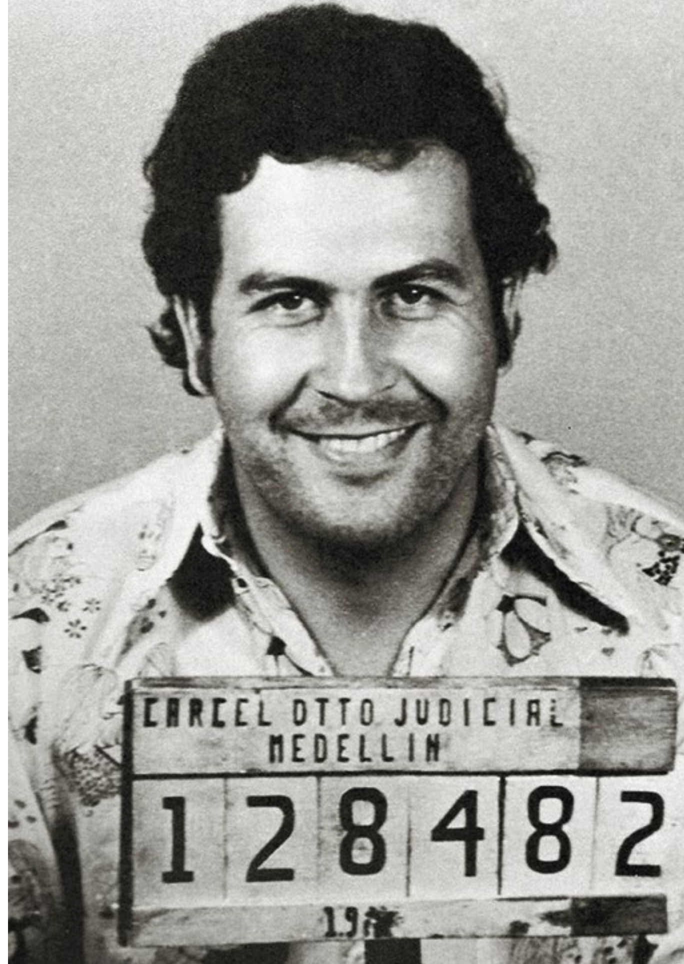
One defining feature of this phase is the shift from vertically structured organisations to more horizontal, modular structures. Their complexity is not yet fully understood and will require new conceptual frameworks. For the time being, they may be described as forms of "exo-criminality"[2] – a phenomenon that does not rely on centralised strategic planning and that instead capitalises on external conditions such as social crises, mass migration, and institutional collapse. This new structure makes criminal networks more resilient to state intervention. Their decentralised organisation makes them difficult for authorities to dismantle completely; meanwhile, they maintain constant internal exchange through the extensive use of modern communication technologies, specialised intermediaries, and strategically formed, transactional alliances.

Globalisation of organised crime

In this context, the globalisation of organised crime has reached unprecedented levels. Latin America has become a key hub for global illicit economic flows, particularly with regard to the smuggling of cocaine to Europe. Criminal networks from the Old Continent – especially from Albania – have established a foothold in Latin America and disrupted existing structures, thereby showing a remarkable ability to insert themselves independently into the key stages of this business, including in financing, logistics, distribution, and money laundering.

The figures speak for themselves. According to the United Nations Office on Drugs and Crime (UNODC),[3] global cocaine production reached a new record of 3,708 tonnes in 2023 – an increase of 34 per cent compared with in the previous year – while the number of users worldwide has grown from 17 million to 25 million within the past decade. Europe has emerged as one of the fastest-growing markets, with 323 tonnes seized in the EU in 2022. In the following year, 116 tonnes were confiscated in the port of Antwerp alone. According to Europol, in 2024, around 70 per cent of the cocaine entering Europe came through Antwerp and Amsterdam.[4] Albanian networks have played a key role in this development. Between 2012 and 2018, they secured direct access for suppliers from Colombia, Ecuador, and Venezuela by bribing port officials. In so doing, they drove down the price of a kilogram of cocaine in the Netherlands from 30,000 to 23,000 euros, thereby bringing entire segments of the European market under their control.

Unlike other actors, Albanian groups generally prefer to remain in the background and avoid media attention, instead relying on pragmatic relationships with local organisations and political actors. Their key strength lies in their ability to connect to global markets at any time. This is



The "first wave" of organised crime in Latin America: Pablo Escobar (pictured in 1977) and his Medellín Cartel opted for open confrontation with the state. Later generations of criminals replaced this strategy with stealthy infiltration. Photo: © Cinema Publishers Collection, Imago.

supported in particular by their detailed knowledge of European markets and their capacity to launder large volumes of drug money through sophisticated mechanisms. In a context of cocaine overproduction in the Andean region, these networks have helped optimise routes, improve transport efficiency, and open new markets.

The cocaine surplus has created competitive pressure that acts as a driver of criminal innovation.

One telling example is the case of Dritan Rexhepi, an Albanian national who – after escaping from prisons in Albania, the Netherlands, and Belgium – settled in Ecuador in 2012. From there, he operated as a logistics entrepreneur, organising cocaine flows to European ports such as Antwerp, Gioia Tauro, and Thessaloniki. His role was not that of a traditional, visible crime boss; instead, he adopted the guise of a discreet businessman, establishing banana import companies that mixed legitimate cargo with drugs. An investigation by the Center for Advanced Defense Studies[5] identified six Albanian companies importing bananas from Ecuador that had been linked to cocaine seizures since 2014. Most of them continued operating after making only superficial changes to their management, thereby highlighting the resilience of these networks in the face of law enforcement.

The cocaine surplus has also created competitive pressure that acts as a driver of criminal innovation. Organisations are constantly seeking to reduce costs, diversify risks, and secure distribution points. As a result, ports and international

The "Latin Americanisation" of Europe? Attempts by organised crime to infiltrate the port infrastructure in Antwerp led local authorities in 2026 to describe this as a "threat to the stability of our society". Photo: © Photo News, Imago.

logistics chains have become strategically contested spaces. The infiltration of these infrastructures not only facilitates drug smuggling, but also opens the door to other forms of illicit economic activity.

Maritime transport and ports have therefore become key risk factors for democracies in Latin America as well as for consumer markets in Europe. A combination of corruption, coercion, and operational intelligence enables criminal networks to penetrate port systems, manipulate containers, recruit port workers, and exploit technical vulnerabilities. All of this undermines security, distorts economic competition, and erodes trust in global trading systems.

The co-option of port officials is a central tool in this process. Criminal groups recruit individuals who work on the docks, who operate scanners, or who are employed in customs. This is often done through bribery, but sometimes also through threats against these individuals' families. EU ports handle around 90 million containers each year, yet authorities are only able to inspect between two and ten per cent of them. In Antwerp, the infiltration of port structures by organised crime has reached such a level that the president of the city's court of appeal publicly raised the alarm this year: "The amount of money used to influence, bribe, and corrupt individuals is so great that it poses a real threat to the stability of our society"[6]. This is no longer an external problem for Europe; indeed, it is already a European problem.

Extra-legal governance

At the same time, the "fourth wave" of organised crime in Latin America has led to the spread of what can be described as extra-legal governance. In areas where the state is weak or perceived as

illegitimate, criminal organisations have assumed quasi-state functions. They regulate markets without resistance, enforce norms, resolve disputes, and provide security. This is particularly evident in urban slums, rural regions, and – with serious consequences – in Latin American prisons.

> **Many Latin American prisons are no longer places of state control; rather, they are operational centres for criminal activity.**

This form of governance is not based on violence alone. It is able to take hold because it provides order and predictability in contexts otherwise characterised by insecurity and uncertainty. From the perspective of the populations concerned, criminal organisations are often simply those that offer practical solutions, thereby granting them a form of functional legitimacy.

As already noted, prisons in Latin America have become a focal point of these developments. In many countries, they are no longer places of state control; rather, they are effectively operational centres for criminal activity. It is from here that organisations coordinate their activities, manage illicit economic flows, and project influence externally. The loss of state control over prisons not only weakens the ability to enforce punishment effectively, but also fosters the emergence of increasingly complex and well-organised criminal structures.

The Venezuelan group Tren de Aragua illustrates this process particularly clearly. The organisation emerged in Tocorón prison in the state of Aragua, where it initially established control over the facility. Soon, the prison featured a swimming pool, sports facilities, a restaurant, and a discotheque. From there, the group began to govern entire communities, collect pseudo-taxes, settle disputes, and provide services that the Venezuelan state could not deliver. This model of extra-legal governance subsequently expanded to more than a dozen Venezuelan federal states before moving into Colombia, Peru, Chile, and Argentina, with the organisation exploiting the exodus of millions of Venezuelan migrants. The US government under Donald Trump designated Tren de Aragua a foreign terrorist organisation in 2025. What is particularly striking is that this group is not an isolated case. Similar developments can be observed today in Ecuador and Brazil as well as in the most overcrowded prisons in Mexico and Central America.

The end result of this process is not a constitutional democracy governed by the rule of law, but a form of "functional rule of law" with populist or authoritarian characteristics that serves corrupt and criminal interests and that hollows out the very principles it claims to uphold.

Organised crime as a political actor

In this context, organised crime increasingly behaves like a rational political actor.[7] This is accompanied by a growing capacity to influence decision-making, to take control of institutions, and to shape the regulatory environment itself. In various settings, criminal organisations finance election campaigns, co-opt decision-makers, or agree on informal arrangements with political actors. This type of interaction changes the nature of the problem as it appeared in the "fourth wave". In the future, it will no longer be sufficient to combat criminal organisations; indeed, the integrity of the democratic system itself will have to be defended.

There are numerous concrete examples of this infiltration of politics. Former Honduran President Juan Orlando Hernández was extradited to the United States and was sentenced there in June 2024 to 45 years in prison for drug trafficking after it had been proven that he had accepted millions of US dollars from the Sinaloa Cartel – and from Joaquín "El Chapo" Guzmán personally – in exchange for state protection and assistance in facilitating the shipment of more than 400 tonnes of cocaine to the US market. On

1 December 2025, Hernández was granted a full and unconditional pardon by Donald Trump, who argued that the trial had been politically motivated by the Biden administration. Analysts and members of Congress from both parties pointed out the contradiction between this decision and the current US administration's anti-drug policy, while legal experts in Honduras described it as an affront to the judiciary.

Former Mexican minister of public security Genaro García Luna was also convicted in the United States for links to the Sinaloa Cartel. In Guatemala, corrupt networks attempted through legal means to prevent the inauguration of President-elect Bernardo Arévalo in January 2024, while in Spain, the head of the economic and financial crime unit of the Madrid police was arrested on suspicion of links to drug trafficking: Investigators had found 20 million euros in cash at his home. Indeed, the ability of organised crime to buy strategically important state actors does not stop at national borders.

The transition to a "fifth wave" of organised crime will intensify these trends and further increase the complexity of the problem. The use of advanced technologies – particularly artificial intelligence – will enable criminal organisations to optimise operations, to automate processes, and to expand their sphere of influence. From the use of algorithms for money laundering, the creation of virtual identities, and the manipulation of data to the systematic spread of disinformation, organised crime is increasingly operating in areas that are ever more difficult to detect and regulate.

The battle over narratives

Perhaps the most disruptive element of this "fifth wave" of organised crime will be the battle over who controls the narrative in public discourse. At a time when information circulates at extreme speed and perceptions directly affect the legitimacy of institutions, criminal organisations will seek to establish narratives that normalise their actions, that delegitimise the state, and that even create the impression that their activities enjoy social acceptance. This is a symbolic struggle that serves the true primary objective of organised crime: namely to channel its profits into the legal economy.

The real battleground is therefore economic as well as cultural. Money laundering is no longer confined to traditional mechanisms: Today, it also takes place through trade, technology, the entertainment industry, and the real estate market. The ability to turn dirty money into legal assets allows criminal networks to remain economically viable over the long term. In the "fifth wave", this capacity is likely to be enhanced by technological tools that both make financial flows harder to trace and enable increasingly sophisticated operations.

One thing is clear: The transition from the "fourth wave" to the "fifth wave" of organised crime is one of the greatest challenges currently facing Latin America. It is not merely a security problem: It is a structural threat to democracy, to the economy, and to social cohesion.

Those who fail to understand this transition will inevitably underestimate the scale of the phenomenon. In concrete terms, this means ceding sovereignty in certain areas and territories to actors that are quietly reshaping the present and future of our societies through a logic of power, technology, and profit.

The fight against organised crime must not degenerate into practices that themselves weaken democratic principles.

What can be done?

In the face of these challenges, conventional counterstrategies are no longer remotely sufficient. While criminal prosecution of course remains necessary, it must be embedded in a broader mix of measures, including investigative capacities, international cooperation, public–private partnerships, the regulation of modern

technologies, and the strengthening of institutions. The transnational nature of the phenomenon also requires unprecedented cooperation between states, particularly in information sharing, financial oversight, and port security.

International cooperation has two dimensions: Alongside the operational level, there must also be a shared political strategy to defend the rule of law. This additionally means that the fight against organised crime must not degenerate into practices that themselves weaken democratic principles. After all, the legitimacy of the state is one of its key advantages over criminal organisations, even if the latter constantly seek to undermine this legitimacy.

The warning signs in Europe are unmistakable.

At the domestic level, it is of fundamental importance to make progress in reclaiming spaces where extra-legal governance has taken hold. This requires a comprehensive approach that combines security, social development, and the strengthening of state institutions. State presence must be effective, but it must also be legitimate. Territories should not merely be controlled; rather, they must actually be governed.

It is further essential to combat illegal economic flows by targeting their underlying economic logic. As long as these activities remain highly profitable, they will continue to spread. Such an approach must focus above all on reducing incentives, on strengthening financial control systems, and on promoting inclusive legal opportunities to earn a living.

The Latin American spectre haunting Europe

What is happening in Latin America today also concerns Europe. It is likely a preview of what awaits the European continent if it does not act with the determination the situation demands. Europe is no longer simply a target market for Latin American cocaine; rather, it is a theatre in which transnational organised crime is attempting to replicate the very strategies of institutional infiltration, political co-option, and extra-legal governance that it has perfected over decades in the Andes and Central America. The warning signs are unmistakable. In Belgium and the Netherlands, judicial authorities complain that drug-related crime is increasingly taking forms previously associated only with Medellín or Ciudad Juárez: targeted killings, car bombs, and the intimidation of prosecutors and journalists. Dutch journalist Peter R. de Vries – who reported on links between organised crime and politics – was murdered in broad daylight on a street in Amsterdam in 2021. It was a tragic and dramatic sign that organised crime is beginning to attack those who get too close to it, as has long been the case in Mexico, Honduras, Colombia, Ecuador, and Peru.

Cocaine smuggling routes to Europe – and also to Oceania – are expanding and becoming increasingly diversified. Ever since controls were stepped up in Antwerp and Rotterdam, smugglers have begun testing smaller ports with weaker security arrangements in the Mediterranean and on the continent's periphery. Spain and Portugal have become some of the most important alternative entry points. In France, more than 50 tonnes of cocaine were seized in 2023 – more than twice as much as the year before. However, the risk is not confined to drug trafficking. Criminal networks launder their money in the European real estate market, in the entertainment sector, and through other services. The model of gradual capture of state institutions implemented in Honduras and Guatemala can be replicated in any democracy whose institutions are weakened, overburdened, or infiltrated.

What then should Europe do? First, it should acknowledge that the problem extends beyond its borders. Cooperation with Latin America on financial investigations, port controls, and the confiscation of illicit assets is not charity; rather, it is in Europe's own strategic interest. Second, Europe should invest heavily in the security of its

critical infrastructure, beginning with its ports. The model tested by Europol in Antwerp, Rotterdam, and Hamburg indicates progress, but it will not be enough without sufficient resources, technical equipment, and an institutional culture that places security above logistical efficiency. Third, the EU urgently needs to establish common mechanisms to combat transnational money laundering. Criminals operate across borders with ease, while European judicial systems remain fragmented. The new EU Anti-Money Laundering Authority, AMLA – which is due to begin work in 2028 – is a step in the right direction, but the planned timelines and resources do not match the pace at which criminal organisations move.

Finally, Europe should openly and honestly confront the fact that European demand for drugs is what keeps the system running. As long as 25 million cocaine users worldwide, an increasing share of them living in Europe, create a market worth tens of billions of euros each year, there will be organisations willing to take every risk to serve that market. Public programmes that combat addiction are not only a matter of health policy; indeed, they also serve national security. Europe has been unwilling to recognise this for too long, and Latin America has been paying the bloody price for decades. The question Europe's policymakers must ask themselves today is no longer whether the same thing could happen on their continent; rather, the question is whether there is still enough time to prevent it.

– translated from Spanish –

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From a Country of Emigration to a Migration Hub

Mexico and the Changing Dynamics of Migration

Photo: © Zuma Press, Imago.

In a Nutshell

Migration in Mexico today is marked by several parallel developments. Alongside traditional emigration, the phenomenon encompasses transit migration, immigration, return migration, and internal migration. This overlap makes Mexico one of the most complex and dynamic migration regions in the world.

The composition of migrants transiting through Mexico has changed. Alongside Central American and Caribbean migrants, growing numbers of South Americans – particularly Venezuelans – are now travelling through Mexico towards the United States.

With stricter US border policies and the outsourcing of migration control to third countries, international migrants are increasingly forced to remain in Mexico, while return migration and declining emigration are simultaneously contributing to the fact that for the first time, more Mexicans are returning from the United States than are emigrating there. As a result, Mexico is increasingly developing into a net receiving country.

The central challenge for the state lies less in widespread public rejection than in managing overlapping and increasingly complex migration dynamics coupled with limited institutional capacity.

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Mexico today occupies a central and highly complex position in terms of global migration patterns. For a long time, it was perceived primarily as a country of origin for migration – the point of departure for millions of people seeking work and better living conditions in the United States. However, this image is becoming increasingly inadequate. Over recent decades, Mexico has undergone profound change: Migration today no longer consists solely of people leaving the country, but also of people moving through it, settling in it from elsewhere, and returning to it.

This development is no coincidence, but rather the result of structural shifts across the American continent as a whole. More rigorous border regimes, new refugee movements within Latin America, and the growing shift of US migration enforcement to third countries have turned Mexico into a central hub where different migration dynamics converge. People from Central and South America, the Caribbean, and – in some cases – other regions of the world pass through the country, many of them now remaining for longer than originally planned or settling permanently.

As a result, the political significance of migration in Mexico has fundamentally changed. Migration is no longer an isolated policy field, instead touching on key questions of state capacity. It affects economic development just as it does internal security, social integration, and foreign relations. The relationship with the United States is of particular importance in this regard.

As such, Mexico exemplifies a new reality of global migration in which traditional categories such as country of origin, transit country, and destination country are no longer sufficient on their own to capture the actual dynamics on the ground. Instead, different functions overlap to create a complex migration system.

Mexico as a country of origin

For much of the 20th and early 21st centuries, Mexico was one thing above all: a classic country of emigration. Migration to the United States shaped the country over generations to such an extent that it became a permanent part of Mexico's social, economic, and cultural reality. Hardly any other country in the world has been influenced in a comparable way by the sustained emigration of a significant share of its population. Mexicans and people of Mexican descent form one of the world's largest diaspora communities. According to estimates, around 40 million people of Mexican origin currently live outside Mexico, approximately 97 per cent of them in the United States.[1]

Mexicans began migrating to the United States in larger numbers as early as in the late 19th century, initially in connection with railway expansion and later increasingly as workers in agriculture, construction, and industry. During the 20th century, this development became further entrenched, particularly due to the high level of demand for cheap labour on the US market. Migration thus became a central component of an asymmetric yet highly integrated North American economic area.[2]

The causes of this migration lay primarily in the considerable economic disparities between the two countries. In rural and structurally weak regions of Mexico in particular, migration became a rational strategy for social security. Those with no realistic prospect of well-paid work in their place of origin sought such opportunities

across the border. In this way, migration became not just an individual decision, but a pattern spanning generations. Families, communities, and entire regions developed transnational ways of life in which the departure of one or more family members was firmly anticipated. However, this development was by no means evenly distributed across Mexico. In 2022, around 54.7 per cent of all Mexican consular registrations issued in the United States were attributable to migrants from seven of Mexico's 32 federal states.[3]

One key reason that these migration movements were able to stabilise over such long periods was the formation of dense social networks. Once a larger group of migrants from a particular region had settled in a US state, this constellation considerably facilitated the migration of further relatives, friends, and acquaintances.

In some areas, emigration is a central economic stabiliser.

However, the structure of this migration changed over time: Whereas migration was previously more circular in nature, tendencies towards permanent settlement increased from the 1980s onwards. Paradoxically, one reason for this was the tightening of border controls. The riskier, more expensive, and more uncertain that border crossings became, the less attractive it was for migrants to move back and forth between the two countries. Instead, many chose to remain permanently in the United States and arrange for their families to join them.[4] This development also affected the demographic profile of Mexican emigrants. Up until the 1980s, emigrants were predominantly young men of working age. Since then, this profile has diversified considerably as a result of family reunification and permanent settlement. Today, there is only a slight male majority, while the average age is around 45.

While migration generally pays off economically for Mexican migrants and subsequent generations continue to improve their economic position, Mexico itself also benefits considerably from this development, particularly through remittances sent by emigrants. Between 2013 and 2024, remittances rose from around 23 billion to 64.7 billion US dollars, reaching an economically outstanding level for Mexico. In 2024, they amounted to around 3.5 per cent of Mexico's gross domestic product (GDP). Approximately 97 per cent of these transfers originated in the United States, with most of the remainder coming from Mexicans living in Canada.[5]

For many households, particularly in rural regions, these money transfers are far more than just supplementary income. On average, recipient households receive more than 30 per cent of their current income from *remesas*, as remittances are referred to in Spanish. A total of around 20 per cent of Mexican households receive such transfers, with almost half of all households benefiting from them in certain particularly affected regions, where they account for more than ten per cent of a federal state's GDP. In some areas, these *remesas* effectively replace what is lacking in terms of local development, formal employment, or state support.[6] Emigration is therefore not merely a demographic process, but also a central economic stabiliser.

However, this situation also creates a structural vulnerability, with the strong dependence on remittances leaving parts of Mexico exposed to economic developments in the United States. This became evident most recently in 2025, when the long-standing upward trend in *remesas* was interrupted for the first time and they fell to around 61.8 billion US dollars. Among the reasons were weaker employment dynamics in the United States and a declining number of Mexicans living there. Despite this development, Mexico remains the largest recipient of remittances in Latin America and the world's second-largest recipient after India.[7]

Mexico as a transit country

Alongside its role as a country of origin, Mexico has increasingly developed into a central transit country for migration across the American

continent since the 1990s. This function arises first and foremost from the country's geographical location. From the 1990s onwards, transit migration through Mexico was comparatively clearly structured and was based on the Meso–North American migration system. This system was primarily the result of migrants from the so-called Northern Triangle of Central America – that is, Guatemala, Honduras, and El Salvador – but also involved migrants from the Caribbean, especially Cuba, Haiti, Jamaica, and the Dominican Republic. These people used Mexico as a transit corridor on their way to the United States.[8]

Along migration routes in Mexico, migrants face extortion, kidnapping, and violence, with tens of thousands of people disappearing without a trace.

Since the mid-2010s, however, this system has changed fundamentally, with the composition of migrants travelling through Mexico to the United States having become far more heterogeneous. Today, most migrants crossing Mexico on their way to the United States come from Venezuela, Nicaragua, Cuba, and Haiti.[9] Mexico has thus evolved since the late 20th century from a country shaped almost exclusively by emigration into a key transit state. This growing heterogeneity is additionally reflected in the demographic composition of the migrants. Whereas young men once predominated, the profile today is far more diverse. Alongside men travelling alone, increasing numbers of women, families, and minors are also making the journey, particularly from Venezuela, Haiti, and Cuba.

Migrants travelling through Mexico are frequently exposed to extremely adverse conditions. In order to evade state controls, they often resort to informal and dangerous routes. One long-standing example involves the use of freight trains known as "La Bestia". Travelling on the roofs of carriages or between wagons, migrants covered large sections of their journey through Mexico in ways that involved considerable risks. Serious accidents have repeatedly occurred, resulting in injuries, amputations, and even deaths.[10] Although these trains are now used less frequently due to stricter state controls, alternative forms of transport such as buses and migrant caravans are by no means less dangerous. Along these transport routes, migrants travelling through Mexico frequently fall victim to extortion, kidnapping, and violence, and there are repeated cases of people disappearing without a trace. Estimates suggest that several tens of thousands of people have fallen victim to such disappearances.[11]

Mexico as a destination and immigration country

At the same time, Mexico's function within the migration system is also changing. Whereas the country long served primarily as a transit corridor, the increasing fortification of the US border means that many migrants are unable to continue their journey. For many of them, Mexico is therefore changing from a transit corridor into the de facto endpoint of their journey.

The United States began tightening border controls with Mexico from the late 2000s onwards – initially under the administration of US President George W. Bush, but above all under Barack Obama. At the same time, an increasing externalisation of US migration control began, with enforcement progressively shifting to third countries. A key starting point was the Mérida Initiative of 2008. Under this initiative, substantial US funding was channelled into expanding migration control in Mexico, including information-sharing, the training of migration officials, and the deployment of surveillance technologies. The result was a declining success rate for irregular border crossings from Mexico into the United States.[12]

By 2019 at the latest, during the first administration of US President Donald Trump, this

development intensified further. Measures such as "Title 42" and the "Migrant Protection Protocols" – particularly the "Remain in Mexico" programme – effectively shifted the US border southwards. These programmes were designed to require asylum seekers to wait in Mexico while their cases were processed and to permit entry into the United States only if their applications were successful. The success rate was around two per cent, thereby resulting in a significant bottleneck effect. Hundreds of thousands of migrants from Central and South America as well as the Caribbean remained on Mexican territory – often for long periods and without any clear prospects. A total of between 2.5 and 3 million international migrants who originally travelled there with the intention of entering the United States are currently living in Mexico.[13] This population group is heterogeneous in terms of its demographic structure, with the share of families – and therefore of women and children – being comparatively high. Although there are still young men travelling alone, they no longer constitute the dominant group.

The close interconnection between Mexican and US migration policy means that important policy decisions in Mexico are generally taken in response to political priorities in Washington; therefore, Mexican migration policy is aligned with US objectives in key respects. Independent domestic policy initiatives such as regularisation programmes, integration initiatives, and the integration of migrants into the labour market remain limited and are often subject to foreign policy considerations. By contrast, Mexico is considerably more active in engaging with its diaspora in the United States. Given the diaspora's political significance, the Mexican government takes an assertive stance in protecting its citizens in the United States, drawing on a dense consular network that comprises some 50 representative offices across roughly 25 US states in order to maintain contact and indirectly influence political debate in the United States.

"La Bestia": That was the name given to the freight trains with which many migrants used to travel large parts of their journey through Mexico towards the US – on the roofs or between the wagons. Photo: © Newscom, GDA, Imago.

Shared problems: US Secretary of State Marco Rubio and Mexican Foreign Minister Juan Ramón de la Fuente met in Mexico City on 3 September 2025. Both advocated for closer cooperation to dismantle violent drug trafficking organisations, curb the trade in fentanyl and weapons, and strengthen border security.
Photo: © Zuma Press, Imago.

Mexico as a country of return

Alongside its role as a country of origin, as a transit country, and increasingly also as a country of immigration, Mexico has in recent years additionally taken on the function of a country of return migration. Hundreds of thousands of people now return to Mexico every year, in some cases voluntarily yet also particularly as a result of deportations and of the increasingly harsh rhetoric directed at Mexicans in the United States, though they primarily do so through forced deportation.

The available data specifically indicate that migration dynamics between Mexico and the United States changed fundamentally around 2010. In the years following the financial crisis, particularly between 2009 and 2014, there were for the first time more Mexicans returning from the United States to Mexico than new migrants emigrating from Mexico to the United States. As a result, Mexico recorded negative net emigration during this period. In subsequent years, the migration balance remained broadly even or only slightly positive. Since the 2020s, however, there has once again been a trend towards negative net emigration: For almost five years, more Mexicans have been returning from the United States to Mexico than have been emigrating from Mexico to the United States.[14]

In total, almost four million Mexicans have returned from the United States to Mexico over the past 15 years, the majority of them as a result of deportations. 15 years ago, around six million Mexicans were living irregularly in the United States. Today, this figure is estimated at around five million, with nearly three million undocumented Mexicans having left the country over the past 15 years and around two million Mexicans having migrated to the United States during the same period and now living there without regular residence status.[15]

Most Mexicans who have been deported from the United States belong to the first generation of emigrants. In other words, they are people born in Mexico who emigrated to the United States and usually lived there for decades, often having become well integrated. In general, returning Mexicans are initially looked after at reception centres along the border after arriving in Mexico. There, they receive short-term support focused primarily on acute needs rather than long-term assistance. This return migration therefore largely involves adults – often men from the first generation of migrants who generally return together with their families. As a result, a significant proportion of the individuals concerned are children and adolescents who were born in the United States and are now returning to Mexico with their parents.

The reintegration of Mexicans returning from the United States proves difficult.

The real challenge begins after the initial reception phase and involves social and economic reintegration into Mexican society.[16] In many cases, this proves difficult. One essential problem is the economic situation of returnees since returning is often associated with a substantial loss of income. At the same time, many of those affected are returning to regions that are themselves marked by economic weakness and a lack of employment opportunities. Their return additionally means an end to the financial support previously provided to family members who have remained behind, thereby further exacerbating existing economic problems and potentially contributing to widening regional inequalities.

Alongside economic challenges, social and cultural factors are also important. For example, returning migrants also lose their social networks. This trend is particularly evident among children and adolescents who were born and raised in the United States and hold US citizenship but whose parents are deported and return to their country of origin accompanied by their children. These children often have only limited proficiency in Spanish and face difficulties integrating into the Mexican education system, potentially resulting in academic problems, social exclusion, and long-term disadvantages.

In addition, return migration often does not occur in isolation and is instead closely linked to other forms of migration. Many returnees arrive in regions simultaneously affected by internal migration and forced displacement. This overlap of different forms of migration confronts the Mexican state with significant challenges. Existing institutions often lack the capacity to simultaneously integrate returning migrants, internally displaced individuals, and international migrants. Reintegration programmes remain fragmented and frequently focus on short-term measures, with long-term strategies currently lacking.

Internal migration and displacement

Alongside cross-border migration movements, internal migration within Mexico itself is also a key phenomenon. Internal migration is by no means new, but over the past two decades, it has increased considerably in both intensity and complexity.

Traditionally, the main internal migration flows have followed clear economic patterns: from rural regions to urban centres, and from the structurally weaker south to the more economically dynamic north of the country. This form of migration is driven primarily by economic incentives and reflects deeply rooted regional inequalities within Mexico. Estimates suggest that around five million Mexicans have become internal migrants.[17]

In recent years, however, a second and increasingly significant driver has emerged: internal displacement caused by violence and insecurity. In some federal states, large numbers of people are forced to leave their places of origin because organised criminal groups control entire regions through violence. Extortion, kidnappings, forced recruitment, and violent conflicts between cartels

mean that many residents no longer have any realistic possibility of remaining in their communities. Over the past ten years alone, around 2.5 to 3 million people are likely to have become internally displaced as a result of violence and insecurity.[18]

This trend is also reflected demographically in the profile of internal migrants. Whereas internal migration initially consisted primarily of men and women of working age, increasing numbers of entire families with children are now moving within the country. The reception of these internal migrants poses additional challenges, particularly for urban centres. While urban infrastructures are already overburdened, especially in terms of housing, the labour market, education, and healthcare, they are now under additional pressure: Many internally displaced people find themselves living in precarious conditions, often without adequate social protection.

Any sustainable migration policy must therefore address not only cross-border movements, but also the structural causes and consequences of internal migration. Without improvements in the security situation, a reduction in regional inequality, and an expansion of the state's capacity to receive and integrate migrants, the dynamics of internal migration will continue to intensify.

Societal impact and the state's response

The growing complexity of migration is having a clear impact on the social reality of Mexico, though it has not given rise to pronounced political polarisation to date. Unlike in many European states, migration in Mexico is not a dominant source of conflict in public discourse, due largely to the composition of the external migrant population. A large proportion of this group comes from other Latin American countries and shares linguistic, cultural, and religious similarities with the Mexican population. This proximity facilitates integration processes and limits potential lines of conflict.

Public perception is gradually changing, however. As migrants become increasingly present in urban centres and border regions, their visibility in day-to-day life is growing. Migration and its consequences are increasingly perceived as a part of social reality, particularly in urban areas such as Mexico City and along the northern border. Initial forms of rejection and social distancing are emerging, though they remain isolated for the time being. Economically, many migrants work in the informal sector or in low-skilled occupations, meaning that direct competition on the labour market remains limited in the short term. As such, integration largely takes place in precarious conditions: While migrants do find employment, they generally have little social protection or long-term prospects. Direct competition with the local population remains limited, though pressure on the lower end of the labour market is increasing. For many migrants, their situation improves in the short term compared with conditions in their countries of origin, but overall, it remains unstable. Over the longer term, however, these precarious employment conditions reinforce existing social inequalities.[19]

For the Mexican state, the central challenge therefore lies less in widespread public rejection than in managing these complex and overlapping migration dynamics. Mexico is simultaneously confronted with international immigration, transit migration, return migration, and internal displacement. Institutionally, responsibility lies with the Instituto Nacional de Migración (National Migration Institute), although in reality, the security forces and the National Guard have a key role to play.

In practice, migration policy has become increasingly "securitised".[20] Across party lines, Mexican politics have traditionally treated migration primarily as a matter of control and regulation, whereas comparatively little emphasis is placed on social and integration policy.[21] This situation is closely linked to Mexico's foreign policy position. For decades, the United States has exerted pressure on Mexico to curb migration flows heading northwards. As a result of Mexico's economic dependence on the United States in particular, Mexican migration policy is in many respects designed to reduce migration to the United States

and thereby also to accommodate Washington.[22] This policy is reflected, for example, in the Plan Frontera Sur: Introduced in 2014, the plan is a measure taken by the Mexican government to significantly tighten control of its southern border. Since then, migrants have increasingly been intercepted either upon entering from Guatemala or along key transit corridors and have been prevented from continuing their journey. This strategy was further expanded in the years that followed. Since 2019, Mexico has made greater use of the National Guard to control migration movements, thereby strengthening its physical presence along major routes. These measures are supplemented with increased deportations and more restrictive residency regulations aimed at stopping migration as early as possible. Overall, therefore, Mexico is pursuing a policy designed to prevent migrants from reaching the US border in the first place.

Although there are examples of a pragmatic approach, such as temporary regularisation programmes, local integration initiatives, and cooperation with international organisations, these measures remain fragmented and have thus far proven insufficient to comprehensively address structural challenges.

As such, it is evident overall that Mexico is no longer a classic country of origin, a transit country, or a destination country, but rather a space in which different forms of migration overlap and reinforce one another. The key challenge lies not only in controlling these complex dynamics, but also in managing them institutionally and integrating them into society.

The authors would like to thank Niklas Flüeck – an intern at Konrad-Adenauer-Stiftung's office in Mexico – for his support in preparing this article.

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The Ibero-American Axis

How Spain and Portugal Are Positioning Themselves as Geopolitical Bridges between Europe and Latin America

Photo: © Agencia Prensa-Independiente, Imago.

In a Nutshell

Spain's investments in Latin America – amounting to 245 billion euros – effectively constitute Europe's economic anchor in the region. However, the Sánchez government's one-sided support for left-wing populist to left-wing authoritarian networks in Latin America is weakening this bridging role and contributing to political polarisation in the region.

Traditional centre-right networks are eroding in Latin America. While the Latin American partners of Spain's People's Party and Germany's CDU/CSU are losing influence, right-wing populist actors such as Vox and their Latin American allies are filling the vacuum. The influence of moderate conservative forces must be revitalised and consolidated at the leadership level.

Geopolitically, Europe is losing ground in Latin America to China's trade policy and US security policy. What is required is a strict de-ideologisation of the EU's all-too-often-moralising Latin America policy, with a new focus on key policy areas such as rule of law, security policy, economic policy, and energy, from which both sides would benefit.

Madrid and Lisbon can complement and promote a common EU economic and security policy, but they cannot replace it. Both the European Union and Germany have substantial interests in Latin America and should, particularly in light of the recent investigation into the Spanish former prime minister Rodríguez Zapatero, pursue them independently.

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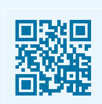

Dr Ludger Gruber was Head of the Konrad-Adenauer-Stiftung's Spain and Portugal Office until May 2026.

On 4 and 5 November 2026, the 30th Ibero-American Summit will take place in Madrid under the title "Iberoamérica: Juntos construimos nuestra Comunidad" ("Ibero-America: Together, we are building our community"). For Spain and Portugal, this is another opportunity to articulate their claim to being a "bridge" and "driving force" behind closer relations between Europe and Latin America.

However, geostrategic shifts in the international trade and security architecture also require closer cooperation between Latin America and Europe as a whole. Despite all their differences, the two regions are linked by a shared history, common "Western" values, and – above all – shared potential.

Regional cooperation mechanisms

Founded in 1991, the Ibero-American Summit comprises 19 Hispanophone and Lusophone countries in the Americas along with Spain, Portugal, and Andorra in Europe. The Community has maintained a General Secretariat (SEGIB) in Madrid since 2005.[1] This year's summit agenda seeks to achieve a strategic realignment, with topics including measurable outcomes, sustainable growth, digitalisation, energy security, and cooperation in culture and education.[2] Spain is also looking to establish an Ibero-American disaster fund. Ibero-America has a total population of some 700 million people (including Spain, Portugal, and Andorra) – around 56 per cent more people than the EU (450 million).

The EU-CELAC summits (formerly EU-LAC summits) have also taken place since 2013. CELAC is the community of all 33 countries in Latin America and the Caribbean. In 2023, during Spain's EU Council Presidency, Spanish Prime Minister Pedro Sánchez succeeded in reviving this summit format after eight years of stagnation. Despite disagreements over the invasion of Ukraine and colonial history, the summit adopted a joint declaration – against Nicaragua's vote – on deepening this strategic, values-based partnership, and the EU committed to investing 45 billion euros in green energy, digital transformation, and healthcare in the CELAC region by 2027 through the Global Gateway Investment Agenda.[3] The follow-up summit in Colombia in 2025 established an EU-CELAC alliance in order to combat transnational crime as well as an EIB investment initiative worth more than 1 billion euros for Latin American energy infrastructure. At the same time, cooperation was reaffirmed on renewable energy and AI, as was a shared commitment to multilateralism and democracy.[4] Spain and Portugal advanced the alliance thanks to the presence of Pedro Sánchez, Portuguese Prime Minister Luis Montenegro, and European Council President Antonio Costa.[5]

Political cooperation

Perceptions of Spain and its head of state

King Felipe VI is Spain's head of state and represents the country under international law. In practice, however, his role is limited to ceremonial and largely symbolic functions: The king has to coordinate his speeches and international appearances with the Spanish government. Felipe VI has travelled to Latin America more than 30 times since 2014, and in most countries, he is primarily perceived as a symbol of cultural ties. The monarch met Venezuelan opposition politician

María Corina Machado in Chile in March 2026. However, he has thus far been denied an official state visit to Venezuela.

In the latest special barometer on Spain's reputation in Latin America,[6] carried out in 2023, Spain consistently received ratings ranging from satisfactory (in Chile, Peru, Argentina, Colombia, and Brazil) to good (in Ecuador, Mexico, and Guatemala), while the EU received the highest approval ratings compared with other alliances, such as the UN and NATO.[7] This reveals that the reputation enjoyed by Spain and Europe in Latin America is better than is often portrayed in the course of attempts by left-wing intellectual and left-wing populist circles on both sides of the Atlantic to reinterpret European history.[8]

Spain's bilateral cooperation

Since Pedro Sánchez of the Socialist Workers' Party (PSOE) came to power in 2018, the Spanish government has maintained close ties with Latin America. Strategic authority rests with Sánchez and the foreign minister. The coalition partners that are positioned on the far left of the political spectrum (Unidas Podemos from January 2020 to November 2023 and Sumar since November 2023) have no formal influence over Spanish foreign policy, but they are able to assert ideological influence in practice due to the government's weak minority position. This can be seen in the Sánchez government's growing orientation towards explicitly left-wing populist to left-wing authoritarian governments and regimes in Latin America.

Since Javier Milei took office, relations between Argentina and Spain have been in a diplomatic deep freeze.

As early as in 2018, Sánchez made the first official and symbolically significant visit to Cuba since 1986 in order to begin political consultations with the Cuban dictatorship, with Sánchez promising President Díaz-Canel that Cuba would occupy a "privileged place in Spanish foreign policy".[9] Economic ties are negligible between the two countries due to Cuba's stagnant economy, but the Cuban dictatorship supports the illegitimate regime in Venezuela through its military apparatus and intelligence services, which means that Cuba remains geopolitically relevant.[10]

In 2021, Sánchez signed a strategic action plan with Argentina's president – left-wing Peronist Alberto Fernández – to protect Spanish investments in the energy and technology sectors.[11] Fernández and Sánchez met four times over the course of two years. Strong cultural and migratory ties exist between the two countries, but since libertarian President Milei came to power, relations have been in a diplomatic deep freeze, and the tone of the disputes has deteriorated dramatically: In March 2024, Spanish Transport Minister Puente accused President Milei of "taking drugs", while Milei made disparaging remarks about Sánchez's wife, who is under judicial investigation for corruption.[12] Spain subsequently withdrew its ambassador from Argentina from May to October 2024.

Following Luiz Inácio Lula da Silva's inauguration as President of Brazil in January 2023, Sánchez established close relations with him. Previously, relations had been severely strained under the right-wing populist Jair Bolsonaro. Until Lula's election victory, Sánchez largely used Brazil as a stage for domestic political messaging to portray the opposition parties – specifically, the moderate centre-right People's Party (PP) and the national conservative to right-wing populist Vox – as misogynistic, homophobic, and racist parties that "are like Bolsonaro".[13] Under Lula, Spain and Brazil signed a renewed strategic partnership agreement in 2023, which was extended in 2025 to establish the first permanent bilateral commission at the head-of-state and government level.[14]

Chile also maintained particularly close ties with Spain during the presidency of the progressive Gabriel Boric (2022–2026), with the two countries concluding several agreements on women's rights, sustainability, energy, and investment

Ideological narrowing: Under Prime Minister Pedro Sánchez (pictured here in 2018 during a state visit to Cuba), Spanish–Latin American relations have focused on left-wing governments and dictatorships. Photo: © Agencia EFE, Imago.

during this period. In 2025, Sánchez was invited as the only European head of government to the Democracia Siempre government summit in Santiago, which aimed to create "a front against the global rise of the far right". This initiative sparked controversy because it simultaneously implied that only a small number of heads of government – some of them explicitly left-wing – were capable of speaking on behalf of democracy, including Yamandú Orsi of Uruguay, Gustavo Petro of Colombia, and Lula da Silva.[15]

In Colombia, the Sánchez government signed a reciprocal investment protection and promotion agreement with President Iván Duque in September 2021 that aimed to provide particular protection for Spanish companies in Colombia and that further deepened economic ties. Following the change of government to Gustavo Petro in 2022, Sánchez further deepened relations with Colombia and actively supported the Colombian peace process, as reflected in several bilateral meetings and close coordination on security and migration issues. However, Petro's ambitious agrarian reform, substantial tax increases, and attempts at judicial reform also had the potential to make the investment climate more difficult for Spanish companies,[16] but for the time being, Colombia continues to represent an important destination for Spanish direct investment.

Although Mexico is governed by the left-wing populist and left-wing nationalist MORENA movement (Andrés Manuel López Obrador/Claudia Sheinbaum), ties with the Spanish left remain weak. The reasons for this situation lie in MORENA's nationalist-Indigenist ideological stance. Since Prime Minister Sánchez declared the normalisation of Spanish–Mexican relations a priority, Foreign Minister Albares began in winter 2025 to acknowledge the "pain and injustice" inflicted on Mexico's Indigenous

peoples. King Felipe VI offered a more nuanced acknowledgement in March 2026, calling for a historically honest and precise interpretation. He argued that Spain's overseas territories had been parts of the kingdom rather than colonies – a vision that had culminated in the Constitution of Cádiz (1812), which granted parliamentary representation in the Spanish Cortes to territories in both hemispheres.[17] In order to support the rapprochement with the Sheinbaum government in Mexico as promoted by Sánchez, Felipe VI acknowledged in March 2026 that during the more-than-330-year integration of the Americas into the Spanish monarchy, there had been "much abuse", of which "no one could be proud". At the same time, however, he stressed that the Spanish Crown had treated the overseas territories not as colonies, but as fully fledged viceroyalties and had protected the fundamental rights of Indigenous peoples as early as in the 16th century through the *Leyes de Indias* ("Laws of the Indies").[18]

Following the electoral fraud in Venezuela in 2024, Spain was the only European country to advocate dialogue with the Maduro regime.

Due to doubts over the legitimacy of Nicolás Maduro's re-election to a second term, the Sánchez government recognised Juan Guaidó as the legitimate interim president of Venezuela in February 2019. Spain continued to maintain close diplomatic relations, however, primarily through the so-called "shadow diplomacy" of former Prime Minister José Luis Rodríguez Zapatero, who to this day repeatedly calls on both the Venezuelan opposition and the EU to remain "open to dialogue" with the regime of Maduro or with that of Maduro's successor, Delcy Rodríguez. The situation developed differently following the presidential elections of 28 July 2024, which saw an overwhelming voter turnout, united participation by the opposition parties, and a very clear result. Opposition candidate Edmundo González – who later fled to Madrid – won 67 per cent of the vote, while the opposition published more than 81 per cent of the polling records online, thereby demonstrating the indisputability of the result.[19] However, the regime declared Maduro the winner and effectively remained in power. Although no EU country formally recognised the actual election result, a non-legislative resolution of the European Parliament acknowledged González's electoral victory.[20] Spain then became the only European country alongside the left-wing governments of Brazil and Colombia to advocate continued dialogue with the authoritarian-dictatorial Maduro regime, while the United States had already withdrawn its recognition of the regime's legitimacy.

With regard to the near future, the Spanish government's official "Strategy for External Action 2025-2028"[21] reaffirms that Latin America and the Caribbean will remain a strategic constant in Spanish foreign policy and that the government intends to further intensify cooperation within the "Ibero-American sphere". Spain will seek to continue serving as the link between Latin America and Europe. Last year, the state acted as a mediator in the ratification processes for the EU–Mercosur agreement, the EU–Chile agreement, and the EU–Mexico Global Agreement. At the 30th Ibero-American Summit Conference at the end of 2026, economic relations are also to be further deepened (investment, trade, and Global Gateway funding), as are cultural and institutional ties.

All in all, therefore, Prime Minister Sánchez can be credited with several accomplishments in Latin America policy since 2018. However, the broader picture additionally includes the fact that his political room for manoeuvre has become more narrowly focused on left-wing and far-left populist forces in Latin America. In addition, he has deliberately made use of foreign policy conflicts with individual heads of state and government – such as Milei and Nayib Bukele of El Salvador – to fuel polarised domestic debate with the PP.

Portugal's bilateral cooperation

Portugal pursues a more focused form of bilateral cooperation that is primarily limited to Lusophone Brazil, with the two countries holding Portuguese–Brazilian summits on a regular basis. At the 14th such summit, in 2025, 19 cooperation agreements were signed, including initiatives in the areas of health, science, tourism, and justice.

Portugal's foreign policy strategy is geared towards cross-party consensus-building.

Portugal also uses the Community of Portuguese Language Countries (CPLP) as a vehicle for launching collaborative projects in Latin America. Since 2023, for example, a Portugal–Latin America–Africa triangular cooperation fund has been working together with SEGIB.

Furthermore, Portugal strongly advocates the EU–Mercosur agreement and the EU–CELAC format. Despite its focus on Brazil, the Portuguese political and diplomatic elite maintain a clearly defined global foreign policy strategy that is geared towards cross-party consensus-building. As a result, Portugal is often more successful at communicating and integrating its strategic interests at the European and international level than is the more inward-looking Spain. In order to pursue these interests, the Portuguese make use of a highly developed soft power based on their language, their extensive and exceptionally well-integrated diaspora, and trade, thereby enabling them to build robust global networks.

Party cooperation and transnational political interconnections

Spain

The PSOE is organised within the "Socialists and Democrats" group in the European Parliament. In the Latin American context, however, the PSOE positions itself considerably closer to left-wing populism and authoritarianism than it does in Europe. Since November 2024, Pedro Sánchez has served as President of the Socialist International and – particularly in Latin America – has sought to present himself in this role as a counterweight to President Trump's US administration. At the Democracia Siempre summit, he argued that the left must "go on the offensive" against the rise of the "extreme right" worldwide.[22] For Sánchez, however, all political forces that are not "social and progressive" are right-wing or even far-right – forces that stand beyond a "wall".[23]

Former Deputy Secretary-General of the PSOE Adriana Lastra is the deputy coordinator of the Puebla Group, which has repeatedly expressed public support for the authoritarian regimes in Venezuela (2020, 2021), Cuba (2021), and Nicaragua (2023). The Group's executive board members also include Evo Morales, who was forced to resign in Bolivia in 2019 due to electoral manipulation, and Rafael Correa, who is currently living in exile in Belgium and repeatedly amended the constitution during his presidency in Ecuador, restricted press freedom, and was sentenced to eight years in prison for corruption in 2020.

Spain's far-left parties and Sánchez's coalition partners (Podemos until 2023; now, Sumar) maintain close ties with parties and movements ranging from left-wing populist to left-wing authoritarian parties in Venezuela, Cuba, Bolivia, and Colombia. Party leaders Pablo Iglesias (until 2021) and Ione Belarra (since 2021) have cultivated close relations with Hugo Chávez and Nicolás Maduro since the founding of Podemos, while current Labour Minister Yolanda Díaz (Sumar) works primarily with Lula, Petro, and Boric.

These networks had a noticeable influence on Spanish foreign policy between 2020 and 2023: The coalition advocated dialogue with Maduro, criticised US sanctions, and blocked tougher EU positions vis-à-vis Cuba and Nicaragua. The central themes here are "anti-imperialism", solidarity with left-wing governments, feminism, and climate justice. These parties position themselves

as part of a "progressive" transatlantic network that uses the Foro de São Paulo and the Puebla Group to coordinate shared positions.

The right-wing populist party Vox is skilfully exploiting the broad rightward shift in Latin America, which in many places can be attributed to the public's disappointment with previous left-wing populist to left-wing authoritarian governments.[24] Its most important partners are President Javier Milei of La Libertad Avanza in Argentina (right-wing libertarian populist), President Nayib Bukele of Nuevas Ideas in El Salvador (right-wing authoritarian populist), and José Antonio Kast of the Partido Republicano in Chile (right-wing national conservative). Since 2020, Vox has organised the Foro Madrid both as an international summit meeting of conservative to right-wing populist parties (while maintaining distance from the German AfD, which is not integrated in the Foro) and through so-called regional forums in Latin America (held in Bogotá in 2022, in Lima in 2023, and in Paraguay in 2025). This demonstrates Vox's particularly strong track record in organising international political events in Latin America. Ideologically, Vox is also connected to the MAGA movement and the Orbán movement, their common denominator being the culture war against "wokeism" and the extreme left. At the same time, however, Vox rejects Russian and Chinese geopolitical influence in the Western hemisphere, which is one of the main ways in which Vox differs from the AfD. Meanwhile, Vox is also encroaching on the former sphere of influence of the traditional centre-right PP by maintaining formal relations with Venezuelan opposition leader María Corina Machado[25] as well as informal contacts with politicians from Mexico's PAN.[26] Within the framework of its "Iberosphere" concept, Vox draws a very clear distinction between its hard-line anti-immigration policy in general and immigration from Latin America in particular, arguing on the basis of cultural, linguistic, and religious proximity.[27]

The centre-right PP traditionally maintained deep and institutionalised ties with Christian

A changing partner landscape: Traditional allies of Spain's center-right Partido Popular have lost influence in Latin America, and new ties are being forged. In 2024, Isabel Díaz Ayuso, president of the Madrid metropolitan region, did just that through talks with Argentine President Javier Milei in Buenos Aires. Photo: © Zuma Press, Imago.

Democratic and liberal-conservative parties in Latin America, which have lost ground in the course of the region's political transformation. PP leader Alberto Núñez Feijóo travelled once in 2022 to Uruguay, Argentina, Chile, and Ecuador, where he advocated the EU–Mercosur agreement, political moderation, and strong relations between Europe and Latin America, but no reports of further initiatives by him in the region have appeared since then. Traditional partners such as PAN in Mexico, PSDB in Brazil, PCC in Colombia, CREO in Ecuador, Renovación Nacional in Chile, and PRO in Argentina have tended to lose influence over the past 20 years. As a result, the PP has also moved closer to parties that are not traditional members of the International Democracy Union (IDU) or the Centrist Democrat International (CDI), such as Centro Democrático in Colombia (CDI; only associated with the IDU) and Daniel Noboa's Acción Democrática Nacional in Ecuador (not a member of either the IDU or the CDI).

Visible international initiatives have come from Isabel Díaz Ayuso (PP), who – as regional president of Madrid, Spain's economic powerhouse – uses foreign visits to combine political outreach with efforts to strengthen economic cooperation[28]: Since 2021, Ayuso has travelled to the United States six times, and she spoke with the Latin American diaspora in Miami in 2022. Moreover, she has also travelled to Latin America on five occasions (Chile, Mexico, Peru, Ecuador, and Argentina). There, she met figures such as Argentine President Javier Milei, Venezuelan opposition leader María Corina Machado, Ecuadorian President Daniel Noboa, Chilean politician José Antonio Kast, and Bolivian politician Luis Fernando Camacho (during their respective periods as opposition leaders).

Portugal

The Partido Socialista (PS) maintains close personal ties with Brazil's PT under Lula as well as with socialist and social democratic parties in Colombia, Chile, and Uruguay while systematically using the CPLP and the EU–CELAC format for political and economic networking and influence-building. Its Latin America policy is highly organised, stable, and strongly centred on Brazil, combining ideological affinity with pragmatic diplomacy.

The centre-right Partido Social Democrata (PSD) maintains good contacts with liberal, liberal-conservative, and Christian Democratic parties such as the PSDB in Brazil, Renovación Nacional in Chile, Cambio Radical and Centro Democrático in Colombia, and also CREO in Ecuador, placing strong emphasis on economic diplomacy and the promotion of Portuguese investment. Its Latin America policy is pragmatic, relatively non-ideological, and stable, although it appears somewhat more passive than that of the PS. However, the PSD shares with Spain's PP the problem that many of its traditional partner parties in Latin America have lost influence in recent years.

The Sánchez government has lost many political channels of access in Latin America.

The right-wing populist Chega is Vox's closest ally in Europe: It shares the same core convictions and is an active member of Foro Madrid. Since 2022, party leader André Ventura has rapidly built up a network with the new right-wing forces in Latin America, particularly with Javier Milei in Argentina, Nayib Bukele in El Salvador, and José Antonio Kast in Chile. Prior to January 2023, he also maintained close contacts with Jair Bolsonaro but has distanced himself from Bolsonaro since the storming of the political institutions in Brasília. Chega's Latin America policy is ideological and dynamic, but it is comparatively weakly institutionalised and remains more heavily dependent on personal contacts and on the networks of Vox.

Geopolitical perspectives

Spain and Portugal continue to possess unique historical, cultural, and economic bridges linking Europe and Latin America, although

both countries use them differently. With an FDI stock of around 245 billion euros, Spain possesses by far the strongest economic foothold of any European state and will be able to strengthen its position further through the 2026 Ibero-American Summit. However, the Sánchez government has partly squandered this strength through its ideological narrowing towards left-wing regimes, thereby losing many political channels of access. Portugal acts more pragmatically and with a stronger focus on Brazil, refraining from asserting a leadership role and successfully relying on soft power and economic diplomacy, although its overall reach remains more limited than Spain's.

The geopolitical situation in Latin America is shaped by two major external powers. The US National Security Strategy of November 2025 once again claims the Western Hemisphere as an exclusive sphere of influence, a claim that was underlined with military intervention in Venezuela in January 2026. At the same time, China is rapidly expanding its presence: In 2024, its trade volume with the region reached 515 billion US dollars – around ten times that of Spain. Russia and Iran play a less important role, though they continue to retain security-policy relevance for the remaining left-authoritarian regimes.

In this context, the EU–Mercosur agreement is particularly relevant: For Spain, it offers the opportunity to secure the state's economic foothold in the bloc's core countries (especially Brazil and Argentina) and to strengthen its bridging role within the EU, while for Portugal, the focus lies almost exclusively on Brazil, where the agreement would provide significant market-access advantages for key companies.

The significance for Europe, Germany, and German Christian Democracy

Many of the initiatives undertaken by Spain and Portugal benefit the European Union as a whole. Spain contributed to the reactivation of the EU–CELAC format and to the conclusion of the EU–Mercosur agreement, for example. Through the CPLP and the Portugal–Latin America–Africa triangular cooperation fund, established in 2023, Portugal has built up an important global mediating role. Both countries will also "represent" Europe at the 2026 Ibero-American Summit in Madrid.

The "Iberian bridge" can be only one of several EU instruments vis-à-vis Latin America.

However, at the same time, the Spanish government has increasingly narrowed its foreign policy ideologically towards left-wing and left-wing authoritarian regimes (Venezuela, Cuba, and Nicaragua) since 2018 while neglecting governments that represent other political currents. Through his often-one-sided positioning, Sánchez has intensified political polarisation in Latin America to some extent. In addition, both Iberian states tend to react to immediate events rather than to pursue a long-term strategy.

As such, the "Iberian bridge" is important, but it can be only one of several foreign policy instruments available to the EU. Moreover, the EU should also continue to develop its own initiatives (Global Gateway, EU–Mercosur, Euroclima+, the anti-drug cooperation programme COPOLAD, etc.) – albeit in a manner that is aligned with Latin American interests. After all, many governments there would prefer that Europe offer pragmatic cooperation between equals focused on investment and growth that is underpinned by rule-of-law and strategic security cooperation rather than an economically burdensome and overregulated green agenda combined with identity and gender standards that is tied to one-sided conditions. Europe itself would additionally benefit directly from closer cooperation against Latin American drug cartels that use the continent as a gateway.

Within this web of cooperation, Germany should also continue to develop its own already highly extensive networks (GIZ, Goethe-Institutes,

political foundations, and German Chambers of Commerce Abroad) in a targeted manner and align them with the major geopolitical challenges and issues of the 21st century (systemic competition with China, Russia's continental security threat, transnational mass migration, etc.), thereby taking its own interests into account. Bilateral cooperation with Spain and Portugal can generate synergies but should focus on projects that are less ideologically constrained and should pursue a Latin America policy that includes all relevant democratic forces in the region.

At both the institutional and the working level (through its Office for International Relations, the political foundations, the EPP, the IDU, the CDI, etc.), the CDU/CSU has maintained contacts in Latin America for decades. In a political environment characterised by hyper-personalisation and digital *ad hoc* communication, however, it is questionable whether these structures alone will be sufficient for political and ideological engagement on the continent in the future. What is required instead is a dynamic, continuous, and strategic network of political relationships involving party leaders as well as representatives of the legislative and executive branches.

On the one hand, the CDU/CSU could deepen these ties together with Spain's PP and the Portuguese sister parties PSD and CDS-PP in a symbiotic manner: The CDU/CSU could contribute its existing institutional resources, while the Iberian partners reactivate and build on their historically established networks in Latin America through joint strategic initiatives and coordinated positions within the EPP and IDU. This could help the CDU/CSU better interpret current political trends in Latin America and establish long-term relationships with future political leaders. On the other hand, the CDU/CSU could simultaneously continue developing independent political initiatives in addition to directly identifying and engaging emerging moderate forces in Latin America through its own networks, for example, by expanding bilateral dialogue formats at the political leadership level, by increasing its political presence in strategically important countries, and by strengthening economic forums.

While Prime Minister Sánchez has high hopes for the 30th Ibero-American Summit as a means of consolidating his influence in Latin America, the judicial investigation into his predecessor and mentor, José Luis Rodríguez Zapatero, in the "Plus Ultra case" marks a historic turning point. Since his time as prime minister (2004–2011) and to this day, Zapatero – as an ideological figurehead of the Spanish left – has systematically promoted left-wing populist and left-wing authoritarian governments in Latin America. Through massive economic aid to Venezuela, close partnerships with Evo Morales and former Argentine President Cristina Kirchner, and the co-founding and promotion of the Grupo de Puebla, he helped build a transatlantic far-left network.[29]

Now, in the 4,000-page indictment, he is accused not only of improper influence, money laundering, and document forgery, but also of forming a (transnational) criminal organisation. Despite the embargo, raw materials such as gold, nickel, and oil are alleged to have been funneled from Venezuela to China through him. At the same time, he is alleged to have potentially provided China (e.g., Huawei) with improper access to the Spanish government.[30]

These revelations could not only further undermine the credibility of progressive narratives in Latin America, exacerbate polarisation, and strain Spain's role as a bridge to the region, but also lead to disillusionment with Europe. It is therefore essential that Europe and Germany work more actively to build the aforementioned sustained, non-partisan, and issue-oriented relationships with the new Latin American leaders.

– translated from German –

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In Search of New Alliances

Latin America's View of Asia Based on the Example of the Pacific Alliance

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In a Nutshell

Since the 1990s, relations between Latin America and Asia have developed into a central component of global economic and geopolitical transformation processes. As globalisation has intensified and traditional institutional structures of world trade have become increasingly fragmented, the processes linking Latin America with the Asia-Pacific region have gained strategic importance over the past three decades.

Against the backdrop of growing economic interdependence and the search for new political and economic partners, Asian states – above all, China – have significantly expanded their presence in Latin America. At the same time, Latin American states have pursued diversification strategies in order to reduce their dependence on traditional partners such as the US and the European Union.

This development is embedded in the broader transformation of the international order, which is shaped by shifts in power in favour of emerging regional powers and by new forms of South-South cooperation. Institutional formats such as the Pacific Alliance and the BRICS group of states serve as key mechanisms through which these new forms of interaction are manifested.

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Since the 1990s, dynamic interregional cooperation has developed between Asia and Latin America that is closely linked to globalisation and to the associated geopolitical change.[1] One key indicator of this development is the rapid increase in interregional trade. Between 1990 and 2011, trade between Asia and Latin America increased tenfold to around 473 billion US dollars.[2] China occupies a particularly prominent position within this dynamic: As early as in the 2000s, the country became the most important trading partner for several Latin American economies, in many cases overtaking the US as the main export market. In 1990, the People's Republic (PR) of China accounted for 5.2 per cent of total trade between Asia and Latin America. This share rose to an average of 11.9 per cent between 1990 and 2003 and then to an average of 40.3 per cent – or around 221 billion US dollars – between 2004 and 2011. During this period, the PR China replaced Japan as Latin America's most important Asian trading partner.[3]

Since 2011, trade in goods between Latin America and Asia has expanded significantly once again and deepened structurally. After the slowdown caused by the fall in commodity prices in the 2010s and the pandemic-related slump in 2020, the long-term trend was confirmed. To date, Asia has become an increasingly important sales, procurement, and investment region for Latin America.[4]

However, cooperation between the countries of Asia and Latin America – particularly in economic terms – can thus far be regarded as a partnership of equals only to a limited extent. While equal cooperation certainly exists in multilateral contexts and selected policy areas, many bilateral relationships exhibit structural asymmetries. This is particularly true of relations with China, where an unequal economic division of labour often predominates, with Latin America primarily acting as a supplier of raw materials and China as a centre of capital, technology, and demand.[5]

Importance of the Pacific region and new trade routes

The development of relations between Asia and Latin America in the 20th and 21st centuries is closely linked to structural changes in the global economy. While interaction between the two regions remained highly limited during the Cold War and primarily took place through bilateral or ideologically shaped contacts, relations intensified significantly after the end of the bipolar world order.

With the economic and political liberalisation of many Latin American states in the 1980s and 1990s and the rise of South and East Asian economies, a new basis for interregional cooperation emerged.[6] An important institutional framework for this was provided by the Asia-Pacific Economic Cooperation (APEC), which was founded in 1989 and promoted dialogue and economic integration in the Pacific region. With the accession of Mexico (1993), Chile (1994), and Peru (1998), Latin American economies were systematically integrated into this trans-Pacific cooperation architecture for the first time, thereby deepening Latin America's economic links with Asia and making it more possible to conceive of the Asia-Pacific region as a shared economic space.[7]

Another key turning point was China's accession to the World Trade Organization (WTO) in 2001.[8] This step accelerated China's integration into the global economy and led to a massive expansion of its trade relations with Latin

America. As a result, China became the most important trading partner to several Latin American countries within just a few years, particularly in the raw materials sector.

This transformation is reflected in the rapid increase in trade between the two regions, which rose from a few billion US dollars in the 1990s to several hundred billion US dollars in the first quarter of the 21st century. The dynamic can thus be attributed not to economic growth alone, but also to strategic foreign trade decisions through which the Pacific region has emerged as a central geostrategic corridor between Asia and Latin America. It is an evolution that is driven to a significant extent by the expansion of maritime infrastructure and logistics networks. The modernisation of sea routes, ports, and transport corridors helps reduce transaction costs and increase the efficiency of global supply chains.

> **China's engagement in Latin America is to be understood in connection with its geostrategic positioning.**

One example of this is the construction of the deep-water port of Chancay in Peru, which is regarded worldwide as one of the most important infrastructure projects of recent years. Officially opened on 1 June 2025 around 80 kilometres north of Lima, "China's megaproject"[9] marks a strategic access point to the Pacific that shortens the shipping route from China to South America by one to one-and-a-half weeks at sea. The Chinese state-owned company COSCO Shipping Ports has invested around three billion US dollars in the construction and operation of the port and holds a majority stake in the operating company. This allows China – with its fleet of deep-water megafreighters – to call directly at Peru as a gateway to South America without time-consuming and costly transhipments – for example, in Singapore or Busan – while controlling the entire logistics chain from departure to unloading. Chancay is thus becoming a logistics hub that is reshaping the trade architecture between South America, Asia, and the entire Pacific region.[10]

These developments are part of a broader shift in global trade routes. While the Atlantic region long represented the centre of international economic relations, the focus is increasingly shifting towards the Pacific region, thereby creating ties that extend far beyond those between China and the South American continent. This shift also opens up new export markets for the ASEAN member states, while the reverse applies to the Pacific littoral states of Chile, Peru, Colombia, and Mexico, which have joined together in the Pacific Alliance (PA). Alongside the PA, BRICS – with major powers Brazil, India, and China – and China's Belt and Road Initiative (BRI) also play a central role in expanding interregional trade relations between Latin America and Asia.[11]

China's strategic objectives in South America: Belt and Road Initiative and BRICS

This shift is not only economic, but also geopolitical in nature as it is accompanied by a redistribution of influence and power. Against this background, China's engagement in Latin America should be understood not solely as a consequence of growing trade volumes, but also as part of a long-term geostrategic positioning. Central to this is securing access to raw materials, agricultural goods, and energy; opening up new markets for Chinese companies; and shaping the infrastructure through which future trade flows, data flows, and political dependencies will be channelled. South America is particularly relevant in this regard because the region has key deposits of copper, lithium, iron ore, oil, and agricultural raw materials.[12]

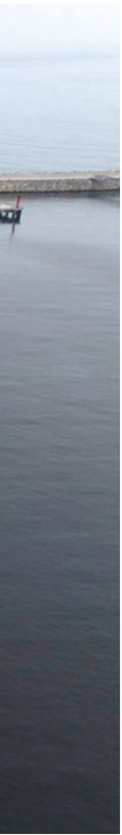
In this context, the BRI serves China as a political and institutional framework for embedding bilateral projects within a broader narrative of connectivity, development, and South–South cooperation.[13] Unlike Eurasia, South America is less about a continuous land corridor and more about a network of ports, rail, road, and energy infrastructure; digital connectivity; and

China's megaproject: The Port of Chancay in Peru is seen as a key component of China's Belt and Road Initiative in Latin America. The deep-sea port is intended to shorten and strategically shift trade routes between Asia and South America. Photo: © Xinhua, Imago.

financing instruments. Strategically, the BRI in South America aims to align supply chains more closely with Chinese demand, Chinese logistics, and Chinese corporate networks. Infrastructure projects such as the deep-water port of Chancay illustrate this logic: Those who are involved in controlling ports, transport axes, energy transmission, or digital networks are able to influence not only costs and efficiency, but also partner countries' political room for manoeuvre.

Through loans, direct investment, free trade agreements (FTAs), technology cooperation, and forums such as the China-CELAC[14] Forum (Community of Latin American and Caribbean States), Beijing is seeking to consolidate its role as a reliable partner for development and modernisation. For many South American governments, this creates room for manoeuvre vis-à-vis traditional partners such as the US and the EU. At the same time, new vulnerabilities are emerging: Raw material exports often remain concentrated, value creation takes place locally only to a limited extent, and the involvement of Chinese companies in critical infrastructure can create dependencies that extend beyond the economic sphere.

BRICS complements this strategy at the multilateral level. In Brazil, South America has a founding member of the group that serves China as a key political partner in the "Global South". The expansion of BRICS opens up additional opportunities for China to involve South American states in forums that explicitly emphasise both the reform of global governance structures and – in the longer term – reduced dependence on the US dollar.



As such, China's engagement in South America is part of a broader reordering of economic and political relations in which the region no longer appears merely as a supplier of raw materials or a sales market, but increasingly also as a strategic hub between the Atlantic, the Pacific, and Asia. For precisely those countries whose foreign trade has traditionally been more strongly oriented towards the Pacific, the question therefore arises as to how they can not only passively respond to this growing Asian dynamism, but also actively shape it. Against this background, the PA is gaining particular importance: It is a regional attempt to institutionally bundle economic opening, integration, and connections to the Asia-Pacific region.

The Pacific Alliance as an instrument of regional integration and a bridge to Asia

Founded in 2012, the PA is one of the most interesting trade integration projects in Latin America in the 21st century. It reflects a strategic reorientation of the foreign economic policies of its member states, Chile, Colombia, Mexico, and Peru, which – with the exception of Colombia – became increasingly aware of their Pacific orientation through their APEC membership from the 1990s onwards.[15] The Alliance's strategic orientation beyond South and Central America was emphasised by then-Chilean President Sebastián Piñera – host of the signing ceremony in the northern Chilean city of Antofagasta – when he highlighted the fact that the PA was pursuing a "deep integration" that would "go far beyond free trade and extend into the Asia-Pacific region".[16]

One key feature of the Pacific Alliance is its openness to external partners.

Unlike other integration projects in Latin America, the PA is characterised by an explicitly market-oriented and open approach without the objective of creating supranational institutions. While alliances such as MERCOSUR and the Andean Community (CAN) place greater emphasis on protectionist elements and internal market integration, the PA seeks to integrate its member states into global value chains and to facilitate access to international markets, particularly in the Asia-Pacific region.[17]

The PA was founded against the backdrop of growing economic ties with Asia. Even before its formal institutionalisation, the participating states concluded a series of bilateral trade agreements with Asian partners, including China, Japan, and South Korea.[18] With a population of more than 220 million people and accounting for more than one-third of Latin America's gross domestic product, the PA is a significant economic area within the region. Dispensing with supranational decision-making mechanisms, its institutional structure was deliberately designed to be flexible. This flexibility allows for rapid adaptation to global economic developments, though at times, it can complicate coherent political coordination.

One key feature of the Alliance is its openness to external partners. The possibility of participating as an observer state has led numerous Asian countries – including China, Japan, South Korea, and Singapore – to become closely involved in the Alliance's activities. At their twelfth summit, in June 2017, the Alliance's four member states took a further step by deciding to begin association negotiations with Canada, Australia, New Zealand, and Singapore. In so doing, the PA was responding directly to the suspension of negotiations on the Trans-Pacific Partnership (TPP) by US President Donald Trump by seeking to conclude "ambitious economic and trade agreements"[19] as a bloc and to maintain the objectives that had once been associated with the TPP. The presidents of the four member states reiterated this global, free trade-oriented approach in their "Pacific Alliance Strategic Vision for 2030".[20]

One key component of this strategy is the export-driven orientation of the member states. As early as in 2011, the Alliance countries exported goods worth around 71 billion US dollars to Asia, with annual growth of approximately ten per cent.

This exchange was deliberately expanded further in the years leading up to 2019. Overall, trade volume between the PA and Asia increased by an estimated 40 to 60 per cent during this period, with trade with China in particular growing at an above-average rate. Asia's share of the Alliance's total exports rose moderately to around 15 to 18 per cent, while its share of imports remained significantly higher, at around 30 to 35 per cent. The ASEAN–Pacific Alliance Work Plan 2021–2025[21] ushered in a new phase of cooperation with ASEAN. With the adoption of the ASEAN–Pacific Alliance Framework for Cooperation at the third ministerial meeting on 24 September 2016, the PA member countries and the ASEAN states had agreed to deepen economic and trade relations between the two blocs and to explore an expansion of cooperation. The work plan further elaborated cooperation in the areas of trade and investment, education, science, technology and innovation, the digital economy, gender issues, and sustainable development.

As the largest trading partner of many Latin American states, China is heavily involved in infrastructure projects.

Cooperation with Asian partner states

Cooperation with Asian states is a central element of the PA. Trade relations have been intensified and investment flows increased through bilateral and multilateral agreements. China plays an outstanding role in this regard. As the largest trading partner of many Latin American states, the country is heavily involved in infrastructure projects and investments. At the same time, Japan and South Korea have also expanded their engagement in the region, particularly in technology-intensive sectors such as the automotive industry and electronics production.[22]

Institutional relations between the PA and ASEAN have to date developed only selectively overall, essentially being limited to bilateral FTAs and memoranda of understanding (MoUs) between individual PA member states and selected ASEAN countries and exhibiting varying degrees of intensity.[23] Against this backdrop, Singapore's recent association with the PA could mark the starting point for a qualitatively new form of interregional cooperation across the Pacific. This step was facilitated by the withdrawal of the US administration from the TPP negotiations in January 2017, just days after Donald Trump was inaugurated as the 45th President of the United States. The decision marked a major turning point in US trade policy and encouraged the remaining TPP partners to seek alternative forms of cooperation in the Asia-Pacific region, thereby increasing the importance of new interregional rapprochement. Chile and Singapore were the driving forces behind a trans-Pacific FTA without the US, with the economic success of both countries resting in no small part on the negotiation of extensive FTAs. The two countries were crucial in the drafting and development of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – signed in Santiago de Chile in 2018 – in which they acted as conceptual pioneers and laid the foundations for additional deepened trans-Pacific cooperation.[24]

The Pacific Alliance as a deepening of regional cooperation between Asia and Latin America?

The FTA with the first associated member of the PA – Singapore – entered into force on 3 May 2025. The signing of this agreement was a "landmark moment"[25] for both Singapore and the PA in the Alliance's orientation towards Asia, with the aim of creating new incentives for attracting investment, facilitating public procurement procedures, and improving market access for service providers across a wide range of sectors.

Both the admission of Singapore as an associated member of the PA and the resulting Pacific Alliance–Singapore Free Trade Agreement (PASFTA) are symbolically significant and constitute a test case for the growing role of minilateral agreements within the Asia-Pacific order. The

agreement signals that the Pacific region does not merely consist of Asian and American subregions operating alongside one another, but that transregional integration is both possible and politically desirable. Singapore gives the PA global credibility and connectivity to Asia, while the Alliance allows Singapore to expand its role as a hub of trans-Pacific trade beyond existing ASEAN, CPTPP, and APEC structures.

Through its association with the PA, Singapore helps embed the APEC model of open, market-oriented, and globally integrated trade into a more operational form of regional cooperation. While APEC provides the strategic and normative framework, the PA together with Singapore now – for the first time – offers a trans-Pacific integration dynamic that goes beyond dialogue. This step is significant in terms of integration policy because it creates an institutional link between Southeast Asia and Latin America that had previously not existed in this form, with Singapore functioning as an anchor and intermediary between the two levels: It remains embedded in APEC while additionally using the PA as a platform to concretely advance trans-Pacific issues such as the digital economy, trade facilitation, services, and SME integration. This demonstrates that economic integration in the Pacific region can advance not only through mega-forums, but also through smaller, compatible integration cores. In this respect, Singapore's association with the PA serves as a functional complement to APEC, which continues to provide the overarching and inclusive framework for dialogue and agenda-setting. The PA – together with Singapore – is becoming a practical building block of integration within this framework.

At a time of fragmented trade orders, this step demonstrates how multilateral openness (APEC) and selective deepening (PA) can interact productively within the Pacific region. Particularly in areas highlighted by APEC in its 2020 roadmap ("Putrajaya Vision 2040"[26]) as drivers of economic development – that is, digitalisation,

Counterbalancing Beijing's influence: In light of China's economic expansion, the EU is seeking to consolidate its status as a strategic partner for Latin America through increased investment commitments and closer political ties. Pictured is the 2025 EU-CELAC summit in Santa Marta, Columbia. Photo: © Photothek, Imago.

more resilient supply chains, and connectivity – the PASFTA promises deeper cooperation across the Pacific region.

> **The integration of Singapore makes the Pacific Alliance more attractive as a partner for the EU.**

Singapore's association sends two signals to the EU: (1) Latin American–Asian rule-setting is gaining independent weight, and (2) "bridge actors" are becoming more important. For the EU, Singapore's association agreement with the PA signals that Latin America is building integration axes independently.[27] The successful integration of Singapore into the PA structures through a network of interregional FTAs between Asia-Pacific and South America also makes the Alliance more attractive as a partner for the EU, not least in the context of defending multilateral approaches. The PASFTA coincides with the EU–Singapore Digital Trade Agreement, which entered into force on 1 February 2026 and likewise emphasises ambitious goals and a values-based approach.[28] Because the EU has already developed a cooperation framework with the PA since 2019, including on digital strategies, mobility, and climate, this framework may now be strategically strengthened through Singapore's role as a practice-oriented rule-maker in the digital sphere. In its 2019 Latin America and Caribbean strategy "Vision 2030 – A Partnership for the Future", the CDU/CSU parliamentary group in the Bundestag strongly advocated associated EU membership in the PA,[29] which it identified as a potential "hub of trade between the Atlantic and Pacific".[30] With Singapore as a shared partner and "bridge actor", the next step towards closer cooperation between the EU and the PA could be accelerated.

For ASEAN, Singapore's association with the PA has both an integrative and a competitive signalling effect. It is integrative insofar as ASEAN and the PA already possess established contact formats and a cooperation framework. Joint ministerial meetings have repeatedly taken place since 2014, ultimately leading to a concrete work plan extending to 2025. In addition, three further ASEAN member states – Indonesia, Thailand, and the Philippines – hold observer status in the PA. In this context, Singapore's association can serve as a model for further operationalising existing ASEAN–PA cooperation, for example, through joint projects in trade, connectivity, innovation, or tourism.

At the same time, the PASFTA sends a competitive signal to ASEAN because Singapore demonstrates that ambitious trade and digitalisation standards can increasingly be advanced through flexible, issue-specific, and partner-oriented agreements – even when large regional organisations progress more slowly. The PASFTA could therefore provide additional incentives for other ASEAN members to harmonise existing ASEAN regulatory frameworks more rapidly or to increasingly seek suitable cooperation partners outside established ASEAN formats.

Outlook

The growing integration of Asia and Latin America has far-reaching implications for the global order. Indeed, this integration has contributed to the emergence of a multipolar world in which traditional centres of power are losing importance while new actors are gaining influence. One central aspect of this development is the growing importance of South-South cooperation, which enables states of the so-called Global South to diversify their economic and political relations and to operate more independently from traditional Western-dominated institutions. At the same time, however, there is a risk of new forms of dependency and inequality. The existing asymmetric trade structures between Asia and Latin America – particularly vis-à-vis China – mean that economic benefits are distributed unevenly and that existing structural problems persist.

Moreover, infrastructure projects and new trade routes are reshaping global value chains and intensifying competition between states and

regions. The increasing economic and political interconnectedness are therefore opening up new opportunities for growth and development while simultaneously creating considerable challenges. In particular, both China's dominance and the enduring asymmetric trade structures demonstrate that integration does not automatically lead to balanced development; rather, there is a danger that existing dependencies will be reproduced and new ones created. For Latin America, this situation has given rise to the central challenge of finding a balance between integration and autonomy. Indeed, sustainable development requires the diversification of economic structures, the expansion of institutional capacities, and the strategic shaping of international cooperation.

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ISSN 0177-7521
Volume 42
Issue 2|2026

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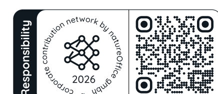
Sources of all other photos and graphics as indicated.

Translation:
Proverb oHG, Stuttgart

Copy editing:
Ryan DeLaney, Heidelberg

Design / Typesetting:
sustentio GmbH, Berlin

Printing:
Print & Media, Rostock



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