GENDER AND TRADE COALITION

POLICY BRIEF

The EU-Mercosur Free Trade Agreement

A FEMINIST ANALYSIS



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The **Gender and Trade Coalition** was initiated in 2018 by feminist and progressive activists to put forward feminist trade analysis and advocate for equitable trade policy.

This publication is the first in a series of policy briefs unpacking key trade agreements from a feminist perspective, with the aim of making the impacts of these agreements legible to a broad audience. It was written by Tania Martínez Portugal (WIDE+), Edmé Dominguez R. (WIDE+), and Isabela Callegari (Public Services International). Graciela Rodriguez (Instituto Equit/REBRIP) provided helpful comments to the authors. Erica Levenson (Regions Refocus) edited the policy brief for publication. Mariana Silvério (Regions Refocus) designed this publication and translated it into three languages.

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INTRODUCTION

The multilateral order, with all its inequalities, is facing fundamental threats. Trade in particular has been turbulent, spurred by increasingly coercive and confrontational policies implemented by the United States (US) since Donald Trump returned to power in 2025. Many developed countries are returning to protectionism to secure their own national interests, reviving their industrial development strategies from the previous century. This renaissance draws out one of the longest-standing trade injustices: only after securing their own industrial prowess did the now-developed countries embrace the rhetoric of free trade and impose it as mandatory guidance on the world's most vulnerable economies.[1] Europe, too, has strengthened its strategy of protectionism, geopolitical expansion, and external projection, in response to growing tensions and strategic competition with the US, even as it remains a close transatlantic ally. Recent positions adopted by both the European Union (EU) and the US at the World Trade Organisation (WTO) reflect a growing preference for plurilateral rather than multilateral decision making,[2] and the gradual abandonment of the norms underpinning existing multilateral rules and institutions. Against this backdrop, the significance of the next phase of the long-negotiated free trade agreement between the EU and Mercosur countries extends far beyond the 740 million people living within the two regional blocs and approximately €110 billion in annual trade flows. It represents an attempt to reorganise the established power relations of global capitalism, at a time when the very system that produced those relations is entering a period of profound crisis.

THE EU-MERCOSUR AGREEMENT: A BRIEF HISTORY

Initial negotiations on the EU-Mercosur Agreement began in 2000 and intermittently resumed several times, each time breaking down due to political disagreements. The Agreement faced robust opposition from social movements and a wide range of agricultural actors in both regions, creating an unusual convergence between sections of the political left and the far right that revived many of the concerns that stalled the negotiations during the 1990s. Within the EU, governments involved

in negotiations were widely criticised for their disregard for human rights and environmental legislation. In South America, meanwhile, the Agreement has been met with a long history of grassroots resistance to free-trade policies and their social and environmental impacts. As a result of this sustained social resistance, the Agreement was effectively stalled for almost two decades.

In 2019, after a prolonged pause, negotiations once again resumed – driven by the right-wing governments of Mauricio Macri in Argentina and Jair Bolsonaro in Brazil, with the support of Paraguay and Uruguay. Nevertheless, the ratification process remained paralysed until 2024, when Luiz Inácio Lula da Silva returned to the Brazilian presidency. As the most influential member of Mercosur, and with a new progressive government, Brazil adopted an active strategy aimed at renegotiating specific clauses of the Agreement, particularly those concerning intellectual property rights, public procurement, and a number of safeguards intended to protect Mercosur's productive sectors and the region's capacity to advance its reindustrialisation. Lula's objective was to secure a less detrimental agreement for the region, including more favourable provisions and safeguards, while preserving Mercosur's cohesion in a context of deepening political fragmentation. This strategy unfolded at a time when the Agreement no longer carried the same social weight as a focus of resistance, as multiple overlapping and more immediate crises had moved to the centre of social movements' agendas, while Mercosur itself was increasingly strained by the coexistence of progressive and far-right governments. Meanwhile, Europe's leading industrial economies and major exporters of services energised the negotiations within their bloc.

The Agreement was signed in early January 2026 by the European Commission presidency and subsequently submitted to the Council of the European Union, where each member state holds one vote. In response to pressure from farmers and various groups in parliament, the European bloc succeeded in securing a series of last-minute safeguard measures and quota arrangements for the agricultural sectors of several of its countries. These concessions, however, failed to quell public opposition in Europe. Moreover, the fact that Mercosur failed to obtain such concessions in return crystallises the hierarchical nature of the Agreement and highlights the asymmetry

of power between the two regional blocs. The finalisation of the Agreement by the Mercosur bloc in January 2026 – despite continued opposition from across social movements and civil society – should be understood as part of Brazil's broader effort to preserve the Mercosur bloc in the face of repeated threats by President Javier Milei to withdraw Argentina. Ultimately, priority was given to maintaining a regional integration project that has taken more than three decades to build, even with all its contradictions. Continued protests in Europe led to a narrow majority in the European Parliament calling for the Agreement to be reviewed by the Court of Justice of the European Union, a process that could delay its full implementation by as much as two years. In the meantime, the European Commission invoked the mechanism of provisional application, allowing the Agreement to become effective once it had been ratified by at least one Mercosur member.

After twenty-five years of negotiations and sustained resistance from social movements across Europe and Latin America, the EU-Mercosur Agreement entered into provisional application on 1 May 2026. As of mid-July 2026, just over two months after its provisional application, all Mercosur countries had already completed the ratification process. Under the Agreement, nearly all tariffs and market barriers will be eliminated in both regional blocs. Reinforcing the structural asymmetries between and within the two regional blocs, the major impact of the Agreement will be to strengthen Europe's industrial corporations, service exporters, and its access to critical minerals from the Mercosur countries, in exchange for a small niche of Mercosur's agribusiness sector gaining increased market access in the EU. The effects of such an arrangement promise to concentrate power even further at the expense of deepening inequalities both within and between countries in the Global North and Global South.

From a feminist perspective, the impacts of the EU-Mercosur Agreement cannot be separated from the broader framework of the capital–life conflict: it reinforces capital accumulation dynamics that have depleted common resources, degraded ecosystems, and historically rendered invisible and externalised the costs of sustaining life. These costs continue to fall disproportionately on the poor; small-scale farmers; Indigenous communities; and women, particularly those facing

greater structural vulnerability. Against this backdrop, the application of the EU-Mercosur Agreement reignites the fundamental debate over who determines the rules of trade and to what extent sector-specific economic benefits are prioritised at the expense of social and environmental justice, demonstrating once again how the Ricardian liberal theory of comparative advantage can serve to reproduce and entrench existing hierarchies rather than overcome them.

A VIEW FROM MERCOSUR

Developing countries across the Global South face multiple threats. These include direct military intervention, economic manipulation through unilateral measures, and combinations of both forms of violence, as recently seen in Cuba and Venezuela. Trade has facilitated and financed the ongoing genocide in Palestine, illegal aggression in Iran aimed at securing control of oil production and maritime corridors, and widespread violence and land theft of Indigenous communities. The intensifying global race for energy resources, combined with growing geopolitical instability, is prompting renewed forms of imperial intervention in the Global South on the one hand, and entrenching the race to sign bilateral treaties on the other. Under such intense pressures, developing countries are often forced to accept arrangements that further reinforce their subordinate positions.

What is even more worrying is that exploitative trade arrangements are also being voluntarily accepted by a growing cross-section of left- and right-wing governments in the Global South. In Mercosur, several far-right governments (including those identifying as libertarian or “anarcho-capitalist”) have aggressively promoted free trade and deregulation. Argentina, under the governance of far-right President Javier Milei, has signed a bilateral agreement with the US that is potentially even more far-reaching than the EU-Mercosur Agreement, covering key economic areas such as investment, digital regulation, technical standards, and critical raw materials. Similarly, Ecuador, under the governance of far-right President Daniel Noboa, recently signed a bilateral agreement with the US under which the small

Latin American country has committed itself to fully liberalising its economy and removing existing safeguards for small-scale producers, with little regard for its national sovereignty. At the same time, both Ecuador and Paraguay are allowing an expanded US military presence within their territories under the pretext of cooperation in the fight against drug trafficking. Even left-wing governments and more traditional sectors of social movements, constrained by multiple external threats and subject to intense political and economic pressures at home, have demonstrated an increasing tendency to abandon their historical opposition to free trade agreements. Rather than rejecting these treaties outright, they now seem to focus on negotiating individual provisions and safeguard clauses. Such is the case with Brazil.

The Brazilian government's role in pushing through the EU-Mercosur Agreement reflects not only broader geopolitical pressures, but also President Lula's political alliances with influential corporate interests, including agribusiness and multinational corporations, consistent with his administration's strategy of class conciliation. The Brazilian position caused a rift among the country's social movements. A large segment of the political left chose to support the Brazilian government – which they have historically backed – and ignore criticisms of the Agreement. This also reflects the relative deprioritisation of trade among the country's social movements. Many ceased to question the Agreement as a whole, interpreting it instead as a negotiating success, or even as a positive step towards regional integration in an international context characterised by the progressive erosion of multilateralism. While this rift made it difficult to build organised opposition among left-wing movements, critical voices continued to warn that the Agreement posed a serious threat to Mercosur's prospects for reindustrialisation. This was not the case in other Mercosur countries, however: Argentine and Paraguayan social movements opposing their current governments have maintained unequivocal opposition to the Agreement.

The EU-Mercosur Agreement locks in Mercosur countries' subordinate position in global trade and the international division of labour, weakening prospects for social development and industrial upgrading. Provisions of the Agreement restrict the ability of Mercosur countries to implement their own industrial policies, impose

export taxes, and nurture the development of domestic value chains, effectively undermining their economic sovereignty. The Agreement particularly targets the mining sector: it facilitates foreign investment and encourages the unbridled extraction of finite natural resources in Mercosur countries, regardless of the social and environmental impacts this extraction promises. The imposition by Mercosur countries of legitimate restrictions on mining activities, whether on social and ecological grounds or to safeguard national sovereignty, may be constrained by the Agreement's trade and investment disciplines, even though the text vaguely mentions sustainability commitments. Similarly, the expansion and consolidation of Mercosur's agribusiness sector is expected to further threaten small-scale farmers in both blocs while exacerbating the already severe ecological and social impacts associated with large-scale industrial agriculture. Brazil's carbon dioxide (CO_2) emissions are projected to increase by 29.41%,[3] with additional expected effects including deforestation and higher emissions of methane and other greenhouse gases, which have their own impacts on land and the broader issue of food sovereignty. Predictably, powerful agribusiness interests in Mercosur (and particularly in Brazil) supported the Agreement, without regard for non-economic impacts.

As with other free trade agreements, the groups most affected by the EU-Mercosur Agreement within Mercosur countries will be working, peasant, and Indigenous women, whose interests stand in direct opposition to those of the large agribusiness corporations favoured by the treaty. Women have long played a central role in the protection of the environment and the conservation of ecosystems that are likely to be affected by an agreement of this nature. The most obvious example is the threat posed to the Amazon rainforest, but similar risks extend to numerous agricultural areas dedicated to domestic production and local food markets. These territories are systematically at risk from the expansion of industrial agriculture and large-scale mining. At the same time, Mercosur countries face declining industrial capacity, job losses, and deteriorating wages. These each contribute to broader social impoverishment while disproportionately affecting those in the most precarious positions within labour markets, largely women.[4]

A VIEW FROM EUROPE

After decades of cuts to the social welfare system that have fanned mounting internal discontent, pressures posed by Trump's trade war, and the decline of once-dominant industrial sectors (particularly automotive and pharmaceutical), Europe is at a tipping point. A growing base of social movements is demanding protection against further privatisation, the renationalisation of essential public services, an end to austerity measures, and, more broadly, greater state regulation to curb the abuses of speculative capital. Europe increasingly perceives itself as being relegated within the international order and has attempted to preserve its prestige and status through a renewed focus on bilateral trade agreements with developing countries. This explains the 2025 update of the EU's agreement with Chile, the progress of the prolonged negotiations with India, the modernisation of the EU's agreement with Mexico in early 2026, and most importantly, the renewed urgency surrounding the EU-Mercosur Agreement that led to its provisional application.

Above all, the EU-Mercosur Agreement fulfils Europe's raw material import and industrial export needs. It is part and parcel of Europe's strategy to secure access to raw materials and critical minerals, reflected in the 2024 Critical Raw Materials Act.[5] This Act explicitly states that Europe needs to secure its supply of raw materials generally as well as its access to "critical raw materials," encompassing those necessary for renewable energy, agriculture, and technological production. In particular, the Critical Raw Materials Act is relevant for Europe's energy security: the war in Ukraine and the ongoing sanctions imposed on Russia have dramatically increased the urgency of diversifying Europe's energy supply. In response, Europe has made a concerted effort to reduce energy dependency by expanding trade and investment agreements with resource-rich regions. In addition, Europe's waning automotive and pharmaceutical industries, as well as other high-technology sectors, need to expand into new markets to sustain competitiveness and their capacity for innovation. Ultimately, these needs– combined with geopolitical pressures– beat out the traditional barriers of the EU's protectionist agricultural policies and the domestic resistance of member states with powerful farming lobbies.

The European agricultural sector, which has been one of the principal forces opposing and delaying the ratification of the Agreement, is far from homogeneous. On one side are large-scale producers, agricultural cooperatives, and farming lobbies that support an industrial model of agriculture. These organisations enjoy the greatest representation within the European Commission and receive public funding to participate in COPA-COGECA, the principal organisation representing European farmers and agricultural cooperatives. On the other side are small- and medium-scale farmers, for whom the Agreement poses a direct threat to their means of livelihood. Approximately five million farms have disappeared over the past decade in Europe,[6] and the Agreement stands to continue this trend. With the influx of agricultural imports from Mercosur– that will be sold for much cheaper, stemming from their lower production costs– European small and medium-sized farmers in particular will be at a competitive disadvantage. Therefore, the Agreement threatens the right of peoples to determine their own sustainable policies for food production, distribution, and consumption. Freedom to prioritise local production and access to land is restricted, as well as choice and preferences regarding healthy, culturally appropriate food.[7] Ironically, this is the exact same phenomenon that has marginalised small-scale farmers and undermined food sovereignty in many developing countries, prompted by the influx of industrial agricultural imports from developed countries– and Europe in particular.

Both the social democratic and liberal-conservative majorities in Europe have attempted to justify the Agreement through macroeconomic indicators. They have cited a projected increase in export volumes, savings from tariff elimination, job creation, and corresponding gains in GDP. However, even under the most optimistic projections, these gains remain very modest. For example, in Spain – one of the countries expected to benefit the most from the Agreement – long-term GDP growth is estimated at a mere 0.23%.[8] This highlights the contradictions in Europe's approach to trade policy: the industrial and technology-based sectors have been privileged for decades, while the primary sector has been marginalised. The Agreement also represents a major contradiction in Europe's climate policy: as mentioned, impact assessments carried out to date project that the Agreement will lead to an increase in atmospheric CO_2 emissions, with the EU as the principal contributor, accounting

for nearly 60%.[9] This is counter to the EU's legislative commitments on climate and several of its flagship environmental strategies, including the European Green Deal, the Farm to Fork Strategy, and the Nature Restoration Law, all of which seek to restore ecosystems and place environmental sustainability at the supposed centre of European policymaking. In the heat of these contradictions and the absence of a strong and coherent European political project, far-right movements and parties seize the opportunity to broaden their social base by capitalising on growing discontent.

Although all trade agreements concluded by the European Union include chapters on sustainable development and labour rights, these provisions are usually not legally binding. To monitor the implementation of the agreements with respect to these chapters, the EU has established Domestic Advisory Groups (DAGs), composed of representatives from civil society.[10] In practice, however, the effectiveness of these bodies has been severely constrained by a lack of financial and institutional resources. More importantly, the constituencies represented within the DAGs often pursue conflicting interests. Business representatives, from the European side and from partner countries, frequently advance positions that are fundamentally at odds with those of trade unions, environmental organisations, and representatives of affected social groups. The committees established within Mercosur will likewise need time to become familiar with these institutional mechanisms before they are able to carry out proper monitoring.

CONCLUDING REMARKS

It is clear that the much-lauded potential increase in trade of the EU-Mercosur Agreement primarily serves the interests of Mercosur's agribusiness sector and large European industrial corporations and service exporters at the expense of ecological integrity and socioeconomic objectives. The Agreement's overriding priority is the consolidation of strategic alliances and the mere expansion of markets, even when this entails maintaining or exacerbating historical asymmetries

and increasing environmental degradation. The structural asymmetries between and within the two regional blocs remain firmly intact. The logic of capital continues to follow the law of the strongest, without any respect for international norms or for the sustainability of life on the planet. The conflict between capital and life once again manifests itself with striking clarity in the contemporary world, whether through its most overt expression – the ongoing wars – or through the less visible forms of structural violence embedded in deeply unequal agreements. These agreements do not merely regulate the exchange of goods and services; rather, they institutionalise asymmetries of power that subordinate social and ecological needs to the imperatives of capital accumulation.



NOTES

[1] Chang, Ha-Joon. 2002. Kicking Away the Ladder: Development Strategy in Historical Perspective. Anthem Press.

[2] Gender and Trade Coalition. 2026. "GTC Statement to the World Trade Organisation MC14."

[3] Latorre, María, Hidemichi Yonezawa, and Zoryana Olekseyuk. 2021. El impacto económico del Acuerdo Unión Europea-Mercosur en España ("The Economic Impact of the European Union-Mercosur Agreement in Spain"). Ministry of Economy, Trade, and Business of Spain.

[4] Dourado, Vanessa, Bettina Müller, and Graciela Rodriguez. 2023. Impactos do acordo Mercosul–União Europeia sobre as mulheres: Precarização, perda de emprego, pobreza ("Impacts of the Mercosur–European Union agreement on women: Precarisation, job loss, poverty"). PowerShift, REBRIP, ATTAC Argentina, and Instituto Equit.

[5] European Parliament and Council of the EU. 2024. Regulation (EU) 2024/1252 of the European Parliament and of the Council. Document 32024R1252.

[6] Eurostat. 2023. "EU farms: 5.3 million fewer in 2020 than in 2005." 3 April 2023.

[7] European Coordination Via Campesina. 2026. "Los países de la UE dan luz verde al acuerdo de libre comercio entre la UE y el Mercosur: los agricultores ignorados y la democracia marginada" ("EU countries give the green light to the EU-Mercosur free trade agreement: farmers ignored and democracy sidelined"). Press release.

[8] Latorre et al. 2021.

[9] Ibid.

[10] European Commission. n.d. "Domestic Advisory Groups."