

South America: Cooperation in a Changing World Order – Event Transcript

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Charles
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Society



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On 29 May 2026, the Charles Diplomacy Society welcomed H.E. Claudio Javier Rozencwaig, Ambassador of Argentina, and H.E. Víctor Abujatúm Sepúlveda, Ambassador of Chile, for a discussion on the evolving relationship between South America and Europe, held in the first month of the EU–Mercosur agreement's provisional entry into force.

The ambassadors traced the distinct paths by which their countries reached their agreements with the European Union — Argentina through the Mercosur bloc, Chile bilaterally — and argued that both are fundamentally geopolitical rather than merely commercial: instruments for securing reliable partnerships, critical raw materials, and shared democratic values in a shifting global order. The panel addressed European agricultural concerns, the strategic significance of Chilean and Argentine minerals for Europe's green transition, environmental commitments, and regional coherence, before an audience discussion turned to the legacy of United States influence in the region and the work of confronting historical memory.

Panellists: H.E. Claudio Javier Rozencwaig, Ambassador of Argentina, and H.E. Víctor Abujatúm Sepúlveda, Ambassador of Chile; **Moderator:** Thaddäus Hildemann, Charles Diplomacy Society

Thaddäus Hildemann (Moderator): Thank you very much. From my side as well, thank you to everybody here — to our distinguished guests and panellists. I'm sure we'll have an interesting discussion on a very important topic. We are going through changing times, and we have two representatives of South American countries here: Argentina and Chile. This month, May, is the first month in which the EU–Mercosur agreement — of which Argentina is a founding member — goes provisionally into effect. Global alignments are changing, and

South America is at the core of it. Today we want to explore not only the Mercosur agreement but also the relationship of Chile with the European Union. How do these countries interact? How will the global order change? The Mercosur agreement will connect 700 million people in one of the largest free trade zones in existence. Before we dive in: Argentina's and Chile's paths of cooperation with the European Union are very distinct. Perhaps we can start there — what does each path tell us about South America's, and each country's, individual relationship to Europe?

1. Two paths to Europe

Amb. Rozencwaig (Argentina): Thank you very much to the Diplomacy Society for organising this event, and thank you to my dear friend the Ambassador of Chile. Thank you also to the Ambassador of Greece, the Ambassador of Portugal, and Ukraine for being here. This is an important subject — not only for Mercosur, but for the European Union and for countries interested in joining it. The paths of Argentina and Chile toward Europe may differ because our histories differ. In Argentina's case, the country was profoundly shaped during the 19th and early 20th centuries by immigration from Europe — from Spain, Italy, Portugal, Greece, Ukraine, Germany, France, and beyond, including Lebanon. This had an enormous impact and helped build a new Argentine identity. As for the negotiations, they have taken roughly 25 years. The Mercosur path — Argentina, Brazil, Paraguay, Uruguay together — reflects the end of the dictatorships in our countries in the 1980s. The vision of President Alfonsín in Argentina and President Sarney in Brazil was to move beyond old hypotheses of conflict and to put democracy, human rights, and freedom on the table. This led to the founding treaty of Mercosur in 1991, and from there, the idea of seeking partners in trade and politics — including the European Union — grew naturally. This reflects our path: historical reasons, questions of identity, our shared history. Perhaps the Ambassador of Chile can explain how this looked from the other side of the Andes.

Amb. Abujatúm (Chile): Thank you for the invitation, and thank you, Thaddäus and Claudio. I think we have to put this in historical perspective. For Europe, there is no region more attached to it in values and history than Latin America. The surnames Rozencwaig or Abujatúm are themselves products of immigration. Chile began its relationship with the European Union in the early 1990s. You have to remember that during the 1970s and 1980s Chile was isolated under a harsh dictatorship, and part of the Chilean exile community was working closely with Europe. They developed a knowledge of the institutions of what is now the European Union. So in 1990, when President Patricio Aylwin took office, there was a political will to reintegrate with the world. Since then, our relationship has had key

milestones: a first agreement in 1996, and negotiations beginning around 1999. For countries like Chile — or Mexico, Singapore, Korea — a good relationship with a partner like Europe is about more than trade. Our first agreement had three pillars: political, cooperation, and economic-commercial. So there is no real difference between us; it is part of the diversity of our region. We share two main languages, Spanish and Portuguese, but our culture is deeply linked to Europe.

2. Why the agreement was less contested in South America

Thaddäus Hildemann (Moderator): Let me cross the Andes again and return to Argentina. The provisional Mercosur–EU agreement is intended to reduce tariffs on numerous goods, and is projected to increase EU exports by €49 billion and Mercosur exports by €9 billion by 2040. In Europe this agreement was heavily contested — Poland is going to court against it, and the disagreement has been far more visible on the European side than the South American one. Could you take us through why this agreement was ratified so much faster and with less controversy on your side of the Atlantic?

Amb. Rozenwaig: Thank you — this is an interesting question. For us — and this applies to Argentina, Brazil, Paraguay, Uruguay — the agreement passed our parliaments in one or two months. Incredibly fast. Why? Because our countries are strongly in favour of it. First, it means more liberalisation; second, more trade and less bureaucracy. For Argentines this is very important, because we have had a closed economy for many decades. Crucially, for us this is a geopolitical agreement, not merely a commercial one. It is not a question of chicken, poultry, beef, or sugar. Some European countries focus heavily on those products, but the figures for South American agricultural exports relative to total European consumption are very low. Speaking geopolitically: there is a war in Europe, in Ukraine, and the EU is increasingly talking about autonomy in energy and value chains, about new synergies. A week ago I met an important Czech minister who is searching for LNG and energy diversification abroad. Mercosur offers itself as a reliable partner — taking into account our history, our shared values, human rights, democracy, and freedom. I was recently at GLOBSEC, and everyone is discussing raw materials and critical materials — where to source them. Argentina and Chile have these resources. The Mercosur–EU agreement is a way to be less dependent on authoritarian regimes. We are talking about raw materials, value chains, energy security, and food security. This is what drove the votes in the parliaments of Brazil, Argentina, Uruguay, and Paraguay. We are not afraid of competition. We can compete in agriculture, and in other fields. Industrial matters are very important in Europe, and the Mercosur agreement is a major opportunity for the industries of the Czech Republic and

Germany — which is why those countries strongly support it. We also don't fear the EU's enlargement to Moldova or Ukraine. There is no "ghost" for us here. We are open to compete.

Thaddäus Hildemann (Moderator): May I follow up on the geopolitical aspect briefly? Argentina has moved much closer to the US in recent years. Meanwhile, the EU might now conceptualise the Mercosur agreement partly as a strategic step away from the US — while Argentina is moving closer. Is there a way to square that circle? Might there be a forced choice at some point?

Amb. Rozencaig: Our government has an important alignment with the US administration, and we have signed a trade and investment agreement with Washington. But these are simply two different paths toward the same goals: more investment, more liberalisation, less bureaucracy. I'll note that we have also signed an agreement with EFTA — Switzerland, Norway and others — a few months ago, and with Singapore. We are in negotiations with Canada, the Emirates, and Vietnam. So aligning with the US does not contradict the European agreement. With the EU there are deep historical ties and major investment in Argentina — from Italy, France, Spain, Portugal. These are different avenues to the same objective: more trade, more liberalisation, better value chains. No contradiction.

Amb. Abujatúm: In Chile's case — first, we are an associate member of Mercosur, so even with our own negotiations, we are a partner of the bloc. For us, Europe is the fourth trading partner: first Asia, then North America, then the rest of South America, then the EU. Yet we have enormous European investment — for example, Siemens and Porsche investing in a green hydrogen plant in Patagonia. That only happens where there is a strategic relationship that goes beyond the purely commercial. You are all very young, and those of you from the EU were born with the free movement of students, Erasmus, and so on. In Latin America we are on a similar path. And of course there are differences in how Chile and Mercosur began — Chile is a country of 18.5 million people, so you cannot compare it to a negotiation involving 270 million.

3. One country or a bloc

Thaddäus Hildemann (Moderator): If I may follow up — Chile went alone on its agreement and moved faster. We heard it took more than two decades between the large Mercosur bloc and the EU. Chile got it done much quicker, and arguably more on its own terms. Is that the way to go — one country negotiating directly with the EU rather than through a bloc?

Amb. Abujatúm: I wouldn't put it that way. When Chile began negotiating, it was roughly the same era, but Chile had already undergone a process of trade liberalisation before Argentina and Brazil built the Mercosur framework. So Chile was a little ahead. Today about 98% of our trade is fully liberalised. If you look at which countries have the most free trade agreements — Singapore, Chile, then perhaps the UK — Chile is near the top. So there is no contradiction between Chile's path and Mercosur's. We are partners of Mercosur. If any two countries demonstrate that integration works, it is Argentina and Chile. The important thing is that South America and Europe, after 25 years, finally have a long-term perspective in trade rather than a defensive one. I remember people in Spain fearing we would use the term "cava," or the French fearing "champagne." We said: tell us which terminology works for you, and we'll compete on quality. The proof is that our wines compete in the European market without subsidies. The EU and South America — and Mexico, with its newly modernised agreement — now have a long-term relationship in view.

4. The tilted playing field

Thaddäus Hildemann (Moderator): Crossing the Andes one more time. I'd like to explore the perception of a tilted playing field, especially in the EU–Mercosur agreement. European farmers are concerned about cheap poultry and beef from across the Atlantic and have been protesting for years — represented now by Poland going to court. On the other side, South American producers argue that European standards can amount to protectionism through excessive regulation. So both sides perceive an unfair playing field. In the long term, which side is right — and is there a version of the agreement that feels less tilted?

Amb. Rozenwaig: Let me say a few things, because this is important. In any free trade agreement, some sectors are in a stronger position and some in a different one. In our region too, the industrial sector was worried about competition from Germany, the Czech Republic, France, and Italy. That's something to acknowledge — it could be a problem, though I don't think it will be. On the "famous farmers" and the "famous pact": if you read the Mercosur–EU agreement now in provisional application, you'll see, first, respect for geographical indications — around 350 protected European indications, such as Gorgonzola from Italy, Porto from Portugal, and Greek products. Second, on the products people worry about — beef, poultry, sugar — let's talk figures. On beef, the agreement sets a limit of 99,000 tonnes, which is about 1.5% of the EU's annual consumption. So there is no "invasion of Argentine cows." On poultry — the concern of France and Poland — about 180,000 tonnes, roughly 1.4% of EU annual consumption. On Brazilian and Paraguayan sugar, about 180,000 tonnes, roughly 1.2% of EU consumption. These are not invasions. We are really

talking about competitiveness, and about subsidies and specific interests within the EU. And these countries have the same concerns with other trading partners, not just Argentina and Brazil — France with various countries, Poland with Ukrainian grain. There are also safeguards and quotas built into the agreement. So this is a question of competitiveness, not of the agreement itself. On our side, Argentine and Brazilian industry will also have to make an effort to compete, because machinery, parts, and pharmaceuticals will come from Germany, the Czech Republic, and elsewhere into our markets. As a Czech minister put it to me, in terms of meat we're really talking about roughly one hamburger per person per year.

Amb. Abujatúm: We don't produce that type of meat, but we export meat — including pork to the Czech Republic. It's understandable that people fear a flood of imports, but even Mercosur plus Chile — even adding Mexico — cannot "flood" the European market. The answer to this fear is more cooperation and more free trade, because other large countries — China, India — are also waiting to trade, and they compete very aggressively. Take cars: years ago, five companies produced cars in Chile. Then it became cheaper to produce in Argentina, and they left Chile. The Chilean consumer once dreamed of an American or European car — but those makers couldn't compete with Japan, Korea, and now China and India. When you open a market, there are consequences, but in the long term openness is the only way. You must find balance, but you cannot keep markets closed. Every week a new company from China or India enters our market — and there's no "cow problem." Competitiveness is the real issue.

5. Critical resources and leverage

Thaddäus Hildemann (Moderator): I'd like to follow up with Ambassador Abujatúm. South America doesn't only export beef, poultry, and sugar. Chile in particular sits on critical resources the EU needs — its copper and lithium reserves are among the most significant in the world. Does Chile conceive of this as leverage, especially regarding the EU's green transition?

Amb. Abujatúm: Honestly, Chile does not see copper and lithium simply as geopolitical leverage. We see them as part of a broader opportunity to build a long-term strategic partnership. In copper we are the world's largest producer — roughly a quarter to a third of global production. Every mobile phone needs copper and lithium, and every car needs even more. You can buy lithium or copper from Chile, or lithium from Argentina — but it is better to have a long-term relationship. Otherwise we export copper or lithium to China, and it comes back to Europe only as finished batteries or cars. We want to be partners in adding

value to our products. Argentina and Brazil already produce cars and even aircraft — Embraer makes excellent planes that compete with anyone. The idea is to be a reliable partner, to share experience, and perhaps to produce batteries and cars in Chile and Argentina. So we don't see copper and lithium as something to hold over Europe.

6. Environment and standards

Thaddäus Hildemann (Moderator): I'd like to move to a critical note often raised from the European side regarding South American environmental standards. Both agreements contain environmental commitments. Yet in Argentina the Ministry of Environment was dismantled, and in Chile cutting environmental protections is under debate. How is that to be reconciled with the high European environmental standards?

Amb. Rozenwaig: A few important points. The EU agreement's provisions reference the Paris Agreement. Beyond that, there are groups interested in various products and various regulations — and I say this without judgement. To be clear: the Mercosur–EU agreement respects the EU Deforestation Regulation. In Argentina's case, our soy, meat, and forestry products already comply with the European deforestation norms. This is proof that these environmental regulations are respected. Of course, in some cases environmental and sanitary regulations can function as barriers — Mercosur knows this, and Europe knows this. There are economic groups behind some of these regulations, because they produce certain goods. We don't live in a world where everyone acts purely on principle. The environmental precepts — the Paris Agreement and the deforestation regulation — are more or less included in the agreement. There's also the "precautionary principle," which has long been a major point of international debate, because it can act as a barrier: you can restrict a product as a potential risk to health even without full scientific evidence. The agreement includes this precautionary principle. In the future there may be discussion about it, but it is recognised in the agreement even absent full scientific certainty. That is more or less our position.

Amb. Abujatúm: Environmental regulation is not only a European concern — it matters across our region. Some countries, like Costa Rica, are very advanced, and we can all learn from them. Chile, too — former Chancellor Angela Merkel used to call us one of the "ambitious countries," a small group of seven or nine that met in the Petersberg Dialogue and were deeply involved in the 2030 and 2050 goals. Unlike the Mercosur agreement, Chile's first agreement with the EU already included environmental regulations, and the modernised agreement includes a chapter on sustainable development — protecting the seas, energy production, climate change, and oceans. In South America, three countries were key in ocean

protection: Chile, Peru, and Ecuador — and I see a colleague from Peru here. We were somewhat ahead of other regions on ocean protection. In Chile, regardless of which government is in power, the agreement stands. President Kast has been in office only three months; every government says it will change this or that, but the agreement remains. We cannot simply say we won't comply. And we have chosen to include an environmental chapter in every free trade agreement we sign. We want to be among the countries most advanced toward the 2030 and 2050 goals.

7. Strategy, coherence, and geopolitics

Thaddäus Hildemann (Moderator): Before we turn to the future of cooperation, I'd like to return to the strategic dimension — and perhaps merge two questions. Both agreements offer new opportunities within South America and with the EU. How coherent is South America already, and how do the agreements affect that coherence?

Amb. Rozenwaig: This agreement is so important because it is not only commercial but geopolitical. The first purpose is liberalisation; the second, more trade — less bureaucracy, more industry, more European investment in Latin America, and more Latin American products in Europe. But behind it lies a geopolitical idea. When we began 25 years ago, it was a matter of values: freedom, democracy, and the historical ties between Mercosur and the EU. Consider the enormous European immigration to Brazil and Argentina in the late 19th and early 20th centuries — millions of people. Consider the shared values of freedom and democracy, reflected in how we position ourselves relative to other powers beyond our borders. The idea of this agreement was always to bring together two regions with a common history and common values regarding democracy, freedom, and human rights. I'm sure the Ambassador of Greece — who was posted in Buenos Aires — and the Ambassador of Portugal understand what I mean when I say the "Southern Cone" shares similarities in culture and ways of living rooted in that history.

Amb. Abujatúm: As Claudio said, there is a shared history between Europe and the Americas — North, Central, South, and the Caribbean. We hold the same values and protect the same ideas. Fortunately, our region has been without war for a long time and without nuclear arms, yet we support values such as standing with Ukraine in the war it now suffers. We face the same challenges as Europe: artificial intelligence, drugs, smuggling, organised crime. These agreements are often seen only as commercial. In Chile's case, from the very beginning it was perceived more as a long-term alliance — which is why our agreement speaks of an "associate member" relationship built on three pillars: political, cooperation, and

commercial. In the long term, values matter more. And frankly: when a European citizen pays for Argentine meat or Chilean wine and also pays taxes or subsidies on certain products, they end up paying extra. If we are good allies, why should they? Chile had an excellent free trade agreement with the US, and now faces a flat 10% tariff — yet our main export to the US is copper and lithium. If American citizens pay more to produce cars, they lose competitiveness. It's a trap. So free trade among allies is the stronger path.

Amb. Rozencwaig: I'd add that we're talking about natural resources — copper, lithium — and about value chains and raw materials, and about not being dependent on authoritarian regimes. The agreement is a path to going further among democracies that share values: freedom, food security, energy security, and politics — including support for Ukraine, which is a matter of values and human rights. I'd also stress the principle of territorial integrity, which lies at the foundation of the independence of Chile, Argentina, and Brazil. In Latin America we cannot accept that anyone takes territory by force. The Organization of American States has an article prohibiting wars of aggression and the seizure of territory by force. This is clear in Latin American law — and it is part of what "values" means when we say this is more than a commercial agreement.

8. Beyond trade

Thaddäus Hildemann (Moderator): Before I open the floor for the final 15 minutes — on a last note, since the title of the event is cooperation: is there one specific issue, beyond trade, that most needs agreement or further discussion?

Amb. Abujatúm: In the agreement Chile has with the EU — and I'm sure this will soon become a topic for agreements or regulation generally — the issue is artificial intelligence. When a drone strikes in Romania because its targeting system, designed by AI, was aimed at Ukraine — or when we see tragedies in Iran or Gaza — it becomes clear that AI will require regulation. The EU and Latin America will not be able to compete with what China or the US can produce in this field; they are the strong actors. This is a matter that needs cooperation.

Amb. Rozencwaig: In our case, we are waiting not only for the commercial agreement but also for the cooperation and political parts. The provisional application we're discussing today covers only the commercial part. The cooperation and political part — perhaps less contentious, since it doesn't involve tariffs — is also important, and I would urge everyone to push for its approval as well.

9. Audience discussion

Thaddäus Hildemann (Moderator): I'll take two questions at a time.

Audience member (Ukraine): Thank you, Thaddäus and the team, for organising this. And thank you to the ambassadors present for standing with Ukraine — that truly means a lot. Regarding South America, we're seeing something more characteristic of the previous century. Chilean democracy was once destroyed with US sponsorship or sympathy, and we seem to be seeing something similar today in US relations with South America — with Venezuela, with Brazil under Bolsonaro, perhaps even Cuba — where instead of genuine cooperation there is a strategy of supporting friendly authoritarian governments. Do you think there needs to be a reconciliation and revision of relations between the United States and South American countries, given that this resembles a Monroe Doctrine approach?

Audience member (Honduras): Likewise, thank you, your excellencies. Inspired by my Ukrainian friend, I'm reminded of a verse by Pablo Neruda — whose pen name came from the Czech poet Jan Neruda — describing Central America as a dry, dead fruit that was consumed. We've talked about crossing the Andes; I recall the Condor Plan, and now a Trumpian reinterpretation of the Monroe Doctrine. Latin America has seemed unable to respond cohesively on trade, commerce, and integration. Could the regional commercial leaders — Brazil, Mexico — propose models attractive to your governments? For instance, Honduras has been collaborating with Mexico on exports.

Amb. Rozenwaig: On reconciliation: from Argentina's point of view, our government has a very good relationship with the United States. We've signed an investment and trade agreement. So for us it is not really framed as a debate about "reconciliation" regarding any regime. More broadly, this depends on the time and the countries involved — it is not permanent or fixed. If you ask a Cuban, or some Central Americans, you may get one answer; if you ask a South American, a different one. These are democracies, and the picture depends on the administrations — both in our countries and in Washington. You cannot analyse it the way one might discuss the Soviet Union in Central or Eastern Europe. Administrations change. That's my view.

Amb. Abujatúm: On revising the history of the region's relationship with the US — I can speak only from the Chilean perspective. After the dictatorship, the US released files from the CIA and the State Department to our memorial sites, and even paid for translations. Fortunately, democracy is now a value that is not in question in our region, and when turbulence arises we have mechanisms to address it. But revising history is not easy — and

not only for Latin America. Imagine how, in 100 years, someone will analyse relations between European countries and the Soviet Union, or Russia and Ukraine, or the US and Japan. History needs time. You cannot resolve it within a single administration — Trump's, or Kast's, or Milei's. In the long term, the region is more connected, and yes, the Monroe Doctrine and its modern reinterpretation must be reviewed — but that is something the whole world must do, not only our region.

Amb. Rozenywaig: I'd distinguish between macro-history and micro-history. The macro-history — relations between Brazil, Argentina, the US, Europe, the Soviet Union and Central Europe — is one thing. The micro-history is more difficult, because it touches families: who was killed, who did the killing, who collaborated. In Argentina there were trials of the military juntas when democracy returned, but the discussion of civilian collaboration continues, because that is micro-history. I'll be provocative: it is easy to say "the Nazis did this" at the macro level, but harder to confront the civilian collaborators within a society. We face this in Latin America; Europe faces it too. In 100 years, when people discuss the Russian aggression against Ukraine, they will examine not only the macro-history but also who stayed silent, who collaborated. That is always difficult, because it touches human beings, values, and beliefs — difficult, but important.

Amb. Abujatúm: One short addition on how even a small piece of world history can require revision. Last week in Brno there was a congress of the Sudeten German people — the first held in Brno since the Second World War — and the debate beforehand was significant. For younger generations it may mean little, and colleagues in Berlin told me it draws little interest there, but in parts of the Czech Republic, for some generations, it remains a live issue. It is not bad, from time to time, to go back to history and confront it. In our own case: Chile and Argentina share more than 5,300 kilometres of mountain border, and in the late 1970s we were on the brink of war over three small islands — insignificant in the world context, but under two dictatorships it became the key issue. Fortunately, thanks to diplomacy — with the Pope as final mediator — we reached a peace agreement. That framework now guides the relationship between Chile and Argentina. Going back to history without fear is something we manage to do, just as French and German diplomats work together despite a terrible shared past.

Amb. Rozenywaig: It's not bad to discuss these things. In our society this debate was tough, but it allowed us to say: this was a mistake, this happened and was wrong. That doesn't cause our country to collapse. Societies — in Latin America, and perhaps in time China too — can recognise past wrongs. There are people, Chilean and Argentine, responsible for terrible

things, and acknowledging that is not an act of national self-destruction. We remain proud of our nationalities, our flags, our anthems. Saying that something was wrong 50 or 100 years ago does not diminish that pride. The macro-history is difficult, but the micro-history is harder still, because it depends on people's sentiments. In Europe it may be even harder, because there are so many terrible histories — including the suffering of Ukrainians today, which continues. These discussions will belong to future generations, especially those whose families were affected.

Closing

Thaddäus Hildemann (Moderator): Thank you very much for those hopeful closing reflections on cooperation — on how war was once prevented and peace agreements formed. Thank you, Ambassador Abujatúm, and thank you, Ambassador Rozencwaig. Thank you to everyone here, and to our distinguished guests.

Amb. Rozencwaig: Thank you to all the students, to the Charles Diplomacy Society, and to our colleagues — the Ambassador of Greece, the Ambassador of Portugal, and the Deputy Head of Mission of Ukraine — for being part of this discussion. We share this because it matters for Europe and for the countries of Europe and Latin America. Thank you.

Amb. Abujatúm: Thank you.

Thaddäus Hildemann (Moderator): Thank you very much.

Note: Transcript edited for clarity using clean verbatim protocols. Utterance particles and false starts are omitted. Lightly edited for clarity.