Mercosul/Mercosur: Institutional Structure and Decision-making Procedure. Part 3

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This is the last article of a series of three that have been published in this Journal on Mercosul, its institutional structure and decision-making procedures. It is not definite, as there is no such a thing for any topic. However, its aim is to summarize, despite all the difficulties, and they have been many, some positive steps that have been taken towards the deepening of institutional commitments during the last decades. Not being a broad list, hopefully, it will provide margin for further discussions.

The highlights chosen would include:
1) the transformation of the Administrative Secretariat of Mercosul (ASM) in to the Technical Secretariat (which showed a lessening of Brazilian’s aversion to any real increase in institutionalization);
2) The Protocol of Olivos, mentioned before, with a permanent tribunal; and
3) the approval (after more than six years of negotiations) of the Community Customs Code (CCC), accompanied by the Unique Mercosul Customs Document and the Manual for Control Procedures for customs valuations of Mercosul, and the elimination of the double collection of the Common External Tariff (CET).

What would be a possible and partial conclusion about all these years of negotiation?

On the positive side, and this article will be limited to these, one may observe that:
- Mercosul has achieved a true increase in trade and investment flows, creating greater interdependence and facilitating the realization of joint projects.
- Historically speaking, during its initial stage, the process started by Presidents Sarney and Alfonsin had considerable achievements. The building of confidence, the elimination of the possibility of conflict, and the creation of an area free of nuclear weapons constitute major results.
- At the transition stage, with the signing of the Treaty of Asunción, the chosen methodology, based on a schedule of universal, automatic and linear tariff reduction, far from repeating the slow and dismal negotiating systems of LAFTA / LAIA, achieved its objectives.
- Beyond obvious limitations, policy decisions at the presidential level achieved a smoothing of rough edges and gave a necessary political dimension to the process, something that was missing in the LAFTA and LAIA (no agreement can thrive without real political commitment at the highest level).

In this sense, the positive aspects included the end of the possibility of military conflict in the sub region, the formation of a free trade area (although imperfect) as never before seen in the subcontinent, its undeniable ability to survive the constant
economic and political crises, and the achievement of collective negotiations with multilateral agencies, blocs and individual countries.

It is clear however that not all is rose-colored. A number of issues of significant importance are still outstanding. Among them, it might be quoted:

- The (lack of) harmonization and coordination of macroeconomic policies is still a sensitive one on Mercosul’s agenda.
- The process lies in the super-sizing of its agenda, which led to a corresponding increase in breaches of the agreement.
- The sharp economic imbalances that the partners have been experiencing were always fertile ground for emergency measures that reduced incentives for the deepening of the process as a whole.
- The deficiencies of the institutional structure, resulting from a breach of the agreed rules and incorporation into the national legal systems of the partners.

The million-dollar question seems to be how to work out the paradox of a regional integration process like Mercosul. The answer will take much further analysis and political will.

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**Image:**
Mercosur flag

**Source:**

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**Bibliographical sources:**


