ECONOMIC INTEG RATION MODELS AS A RESPONSE TO AN INCREASINGLY UNCERTAIN ENVIRONMENT

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Abstract
In a reality where the "exit " phenomenon had its triggering exercise, the study of integration models through cooperation contributes to the examination of the obstacles that torpedo this process, especially the dynamics of changes have not yet reached their extreme. In this situation, the investigation of the causes that produced the retention of expectations related to these encouraging models, but which suffered final formatting blockages, acquires increasing gravity. We consider the case of the MERCOSUR bloc to be relevant to establish the importance of the integration process (bi -regional: EU-MERCOSUR), especially since the chances of benefiting economically as a result of a relational cluster between the regions are obvious.

Keywords: *fragmentation, integration, global energy economy, strategic conversion, economic models, natural resources*

JEL Classification: *A12, F02, F15*

I. Introduction

It becomes clear that placing the future in a paradigm of predictability eludes modern man. On the contrary, precisely the suspension of stability and precision, as a term for fixing future expectations, are from now on the clauses that time imposes on us in a continuous dialogue between man and reality. The statement would not arouse curiosity as well as caution if it did not influence major changes both at the level of human behavior in correlation with an increasingly specified lifestyle, as well as a revision of relational communication between states. Not to join the tableau of challenges with echo effects for generations to come is to consciously diminish *the offer of expression and self-definition in a context of the convoluted historical narrative.*

As a result, following the outlook of geostrategic changes for 2024, we are increasingly willing to follow a formula that would be, rather, the compensatory solution to the element of uncertainty to which we are exposed (McCaffrey et. al., 2023).

In a condensed presentation of the year 2024, the optics of its decryption is seen in the context of an *increasingly pronounced global multipolarity, with great attempts for a leadership process marked by a super-cycle of global electoral elections, with an imposing number of states (64) and of trained people* (4.2 billion), a moment that will only repeat itself in 2048 (Duffy & Harbath , 2024). Thus, in the mosaic picture of the future, the states propose to identify common procedures for the regulation of Artificial Intelligence, alongside *economic security policies,* measured in actions to reduce the risk of global interdependence in a context of geostrategic competition, as well as *sustainability policies, the objectification of which presupposes the predominance of energy security policies.* The remark about energy security will become an increasingly exciting topic, because it creates the comfort of an "immunization" in the face of an obstacle, which starts with the *provision of critical mineral resources* along with food and water. The ability to *access renewable energy* also becomes an *econometric indicator of national power*. *Environmental security* will continue to be infused with a mix of pragmatic thinking that combines the risks and opportunities determined by *environmental sustainability policies*. *The transition to clean energy, aka green*, will determine the areas of gravity on the map of high-demand energy resources such as ***lithium, copper and nickel,*** which will matter much more in the near future, while oil and gas, as well as regions that ensure their supply, will attract less and less attention (Standage, 2023).

The competition for *green resources* is transforming geopolitics and trade and profiling winners and losers. Meanwhile, we see the spread of the "greenlash" phenomenon among voters who see green policies as a conspiracy by the elite against ordinary people. The invoked moment acquires expansion in the tendency of the states to develop the internal production *of critical products***,** which *explains the adjustment of economic policy to foreign national security policies in the following year*. The conflicts in the Middle East, the rising US-China rivalry, the attention to Asia, which is becoming dominant in the strategic game, created the context of the symbolic predictability of the 21st century defined in the context created as the "century of Asia" (World Economic Forum Davos, 2024). The last remark requires the explanation of the phenomenon in the conditions in which a new world order emerges, whose marker such as geo-economic fragmentation, already has the projection of its effects since it is the subject of several studies. Under these conditions, the increasingly pragmatic communication between countries will lead developing countries to a geopolitical alignment.

The recent study of the International Monetary Fund, from December 2023, in which the scenario of fragmentation on geo-political criteria was analysed, emphasizes that the geopolitical alignment of a country will influence the development of its international trade. In other words, the greater *the geopolitical coherence, the fewer the barriers to trade, thus confirming the relationship between political coherence and trade flows between countries.* By no means accidental, the novelty of the year is the interest in the joint management space as is the water space as a whole, which involves the opportunity to ship goods through maritime routes with a coverage *of 90% of global trade, but also transit risks due to geopolitical disruption.* The extended projection of the given scenario assumes that developing countries in particular will be forced to access the orbit of a satellite in order to generate a development of policies of national interest by receiving entrance access to the largest markets. On the other hand**,** *the context of bipolar fragmentation puts back on the agenda the subject of the interrelated binomial between energy security and the compliance threshold of natural resource reserves in order to create an advantageous position for promoting the national strategy* (Hakobyan et al., 2023).

The analytical exposition confirms that the situation of fragmentation puts pressure on the leaders of the world order, because it tests, in their case, the field of attraction and persuasion of others. The process of "loyalty" of new members in these geopolitical clusters is based on the reasoning of analysing the compromise and the losses that each side is ready to assume.

In order to follow this process of *geopolitical loyalty* following a scenario of fragmentation, the study carried out by the International Monetary Fund from the "Working documents" category, published in October 2023 has been analysed, in which the authors conventionally divided the countries into two blocs: China - Russia , USA-EU, starting from a finding that the production market is marked by *a geographical concentration* that determines the boundary of interdependence between blocks with raw materials (Alvarez, Andaloussi et al., 2023, pp. 54-58, pp. 66-68).

Thus, for certain raw materials, primarily mineral raw materials, not only the extraction stage, but also the processing stage is highly geographically concentrated, which could become a strong comparative advantage for some, a disadvantage for others. The share of raw materials that is exported is much higher than that of other commodities. The finding leans towards another topic of discussion related to the "curse of resources" and the fight for them. Returning to the study, the findings are crucial because they establish the degree of vulnerability of one block in relation to another. If you are an extra-bloc importer, prices go up, if you are an intra-bloc exporter, prices go down. The discussion leans towards a circumspect examination of mineral commodities such as cobalt, lithium, copper, nickel, key resources for the green transition, commonly used in the production of electronics, aerospace, metallurgy, chemistry, energy, mechanical engineering, construction and medicine. Also, magnesium, platinum, palladium, aluminium used in the production of catalysts for automobiles, electronics, as well as in the energy, nuclear, aviation, chemical and oil refining industries. Another conclusion drawn would suggest that *decision-making autonomy in promoting an interest is determined by the availability of energy resources* (oil, gas and coal) and *agricultural products* (wheat, cotton, corn and rice), with the exception of palm oil and soybeans, of otherwise flagship products for Brazil and Argentina alongside the US, Indonesia and Malaysia. From the above, it appears that fragmentation could cause a supply shortage as well as price volatility, which slows economic growth as a whole. And any departure from the bloc or alignment with another bloc has direct and irremediable consequences. The critical minerals market, according to the experts in the field, is the most exposed and becomes, in this situation, a *marker of the sufficiency in assuming a position*.

The culmination of the forecasted aspects, however, lies in the exercise of the states to test the multiverse space from a geopolitical point of view by adapting the ability to understand the context in the manifestation of national interests without admitting the diversion of the strategy of functionality in the prolific sense of the proposed objectives of a state. For global actors, the situation either requires them to review their supply chain with the necessary resources, or it forces them to strengthen joint projects with raw material supplying countries.

II. Materials and methods

The article generates an analytical projection of the objectification of the bi-regional cooperation file between the EU-MERCOSUR with a long-awaited finality by both blocs, regarding the ratification of the Association Agreement, signed on June 28, 2019. The interest for this example of integration through bi-regional cooperation is relevant for the Republic of Moldova in the context when in December 2023, the leaders of the European Union decided to open the accession negotiations of the Republic of Moldova following the request submitted in March 2022, establishing an agenda for the European Union's enlargement policy.

The hypothesis of this study is the following: The Association Agreement with the EU in the context of the return to multipolar policies, presupposes the strengthening of the commercial competitiveness of the signatory countries of the South American bloc: Argentina and Brazil, as well as Uruguay and Paraguay, applying new economic models. The study proposes an analysis of the possibilities for exploring the new global context: by presenting (I) the diegesis of the relations between MERCOSUR and the EU in the new geopolitical context created (II) the economic and geostrategic incentives that would lead the MERCOSUR bloc countries to harmonize relations with the EU creating a cooperation platform, starting from the green economy agenda (III), thus overcoming the blockages in its cooperation relations.

III. Results and discussion

3.1. Diegesis of EU-MERCOSUR relations, the current context

The specialized literature, divided depending on the case supported, has generated discussions on the interpretation of a dysfunction that exists in the promotion of the EU-MERCOSUR Agreement, despite the fact that the establishment of MERCOSUR was seen by many as a common fortification platform following the path of ***integration*.** An example of a first attempt at integration in Latin America, reminded by Ahmet Gorgen (2023) was the founding of the LAFTA Association with the Treaty of Montevideo, February 18, 1960, association within which entered Argentina, Brazil, Chile, Uruguay and Peru, later Colombia, Ecuador, Venezuela and Bolivia. ***However, the lack of a central power that would be distinct as a voice to assume the association and competition between states and their economic capacities determined the end of the blo*c**. In other words, the dysfunction of creating an *intergovernmental regionalization format* strengthened the members of the MERCOSUR regional block to review this difficulty over time (Caichiolo, 2017). As a consequence, living in an increasingly competitive global context, the resumption of regionalist policies, by welding the regional giants Argentina and Brazil, proved to be a mechanism for consolidating democracies resurrected after a colonial history and a means of preventing conflicts arising from historical rivalries. The Additional Protocol to the Treaty of Asuncion (1991) signed in 1995 established the need for consensus in the decision-making process and ratified the legal personality of MERCOSUR in the context of international law, *which allowed it to impose itself with the power of a common voice in international negotiations, which was to consolidate the bloc within itself, creating the conditions for an international recognition***.** It should also be mentioned that in 1992 the EU established strategic partnerships on a bilateral basis with other countries in the region, including the member states of the bloc, and in 1995 the EU - MERCOSUR signed an interregional cooperation Framework Agreement subject to international law.

Even if the history of becoming a MERCOSUR regional block dates back to 1991, with the conclusion of the Treaty of Asuncion, however the year 2019 is interpreted by many researchers as the achievement of some targets of major importance because it created the expectation of a finality delayed in time, namely the ratification of an Agreement on Association between the EU-MERCOSUR blocs, intended to gradually decongest the economic development of the member states (see the Treaty of Asuncion). What followed immediately after 2019 aroused reactions, in large part, of reluctance and doubt, and in some places of *capping the intention of association***.** Celebrating 30 years since the conclusion of the Treaty of 1991, at the meeting in the online format, the presidents of the MERCOSUR bloc invoked the common desire to negotiate in addition new trade agreements with other countries in addition to those already signed, which for now have limited relevance for the quota index of the market.

Celebrating 30 years since the conclusion of the Treaty of 1991, at the meeting in the online format, the presidents of the MERCOSUR bloc invoked the common desire to negotiate new trade agreements with other countries in addition to those already signed, with a very limited relevance in terms of market share. *The tendency to review the regional cooperation strategy finds an explanation in the perception of resistance to the ratification of the agreement with the EU,* interpreted "*as the last chance for MERCOSUR to act as an international player". As a result, it seems inevitable that MERCOSUR will face a new era of juxtaposing national interest with international trends* (Koop, 2022). MERCOSUR is currently in open negotiations with South Korea, Singapore, Canada, Lebanon and the European Free Trade Association (EFTA). All this against the background of internal requests not to allow *the bloc to lose its relevance, given that China* becomes the main export destination today.

For clarity, we argue that the **idea of integrating the countries into a MERCOSUR block has become** both a **historically advanced stake**, which expresses the rationale of a development, considering *that the strategy of integration through cooperation with the EU*, is a manifestation of the economic propensity, in the situation when the historical format of the evolution of the globalization process increasingly leans towards the idea of regionalism in a multipolar world, compared to the format of bilateral relations. The author Lohayne Gomes de Lima states that MERCOSUR's legal personality in the context of international law allowed it to impose itself with the power of a common voice in international negotiations, which would also strengthen the bloc within itself, as well as build international recognition. *Engaging in actions to overcome the old centre/north-periphery disparities has encouraged MERCOSUR to choose EU as a model of* *regional construction due to its unique and stimulating institutional structures in the development path. In other words, the EU has the image of a developed center* **(**Lohayne Gomes de Lima, 2022).

To what extent was the EU-MERCOSUR project capitalized in an efficient way and how could the new world reality influence the change of the communication paradigm between the blocs, taking into account those invoked, is to be analysed?

It seems that the new *nodal element* in the dispute between the blocs has become *the new European legislation* to ban the import of goods associated with deforestation and human rights violations that came into force at the end of June 2023 and could have a significant impact on dependent countries of agriculture from MERCOSUR. The European "deforestation" law applies to all countries with which the EU bloc has trade relations, but could have a particular impact on those in MERCOSUR, for which the EU is the largest trading and investment partner and the second largest in trade with goods, after China. The agribusiness sectors and MERCOSUR governments considered it a protectionist regulation. In particular, the Brazilian side interpreted it as a screen in which the environmental issue with compliance with the voluntary commitments of the Paris Agreement became mandatory (Damasio & Hiba, 2023).

We remind that according to the new legislation, companies exporting to the EU will have to provide "conclusive and verifiable" information, according to which goods of suspicious origin associated with deforested territories will not be accepted. This will facilitate the introduction of *the traceability passport* with the printing of the production geo-location certification route (Damasio & Hiba, 2023). The law therefore creates an incentive for states to adopt reforms and clean up their production chains.

3.2. The strategic conversion of the MERCOSUR block states as a platform to demonstrate commitment to integration in an uncertain environment

In this context, ***Brazil is one of the countries that would "probably" start with a high-risk list,*** Christophe Hansen, member of the European Parliament (EP) and rapporteur for legislation, told the press in April. The precariousness of the situation results from the lack of legal commitments regarding the provision of data on the production chains aimed at raising cattle associated with 80% of the deforestation produced in Brazil (Damasio & Hiba, 2023). From the 2022 return to power of Brazilian President Luiz Inacio Lula da Silva have revived the amorphous discussions on regional cooperation, thus efforts are being made for an agreement between the European Union and MERCOSUR to be ratified as soon as possible. To show serious intentions regarding the climate agenda, Lula de Silva made efforts to host in 2025 the UN Conference COP30, which will be held in the city of Belem, Brazil, which would have signaled the importance of the commitment to preserve local biodiversity alongside combating the phenomena that accompany environmental degradation. In particular, the disheartening statistics related to the appearance of land-use changes produced 48% of Brazil's total emissions in 2022, 36% of which were caused by the disappearance of strips of Amazonian rainforest. As a consequence, Brazil is the sixth most polluting country in the world, with about 1.5 billion net tons of CO2 emitted into the atmosphere per year, largely caused by the agricultural sector, especially livestock. In addition to the Brazilian president's effort to change international opinion in the "pro" direction of the transition agenda towards environmental protection climate policies, some events have nevertheless created controversy. It is about the announcement made by Petrobras (National Petroleum Agency of Brazil) which, in the days after the UN COP28 conference, held on December 1, 2023, in Dubai, launched its strategic plan to increase oil production and auctioned 192 areas for oil and natural gas exploration, including in the Amazon region. And the president's statement about a "less fossil fuel-dependent economy" at the Conference mentioned alongside the Brazilian government's initiative to join OPEC, in a sense, generated equivocal interpretations of Brazil's intentions regarding the climate agenda (Milhorance, 2023).

As a result, we observe a desire of Brazil to show ***leadership*** *starting from its development interests, which emerge from* ***energy security*** as a platform for the country's industrialization. Brazil's record viewed in an international as well as regional context is determined by certain markers that also set the country's development targets. It is important for the context to pay attention to agriculture in Brazil, defined as an agent for the promotion of Brazilian exports, in which soybean cultivation and beef production prevail. In addition, the synchronicity with which the given sector contributes to the destruction of the environment becomes a significant challenge for traceability efforts (product tracking), a clause in the new European legislation. Invoking the figure of 225 million cattle raised on farms in Brazil, compared to 203 million inhabitants, sets henceforth a challenge for the country's leadership, as well as a pretext for debate at European level. A series of investigations by environmental organizations have shown that cattle sold by large slaughterhouses often come from illegally deforested areas, and about 80% of the country's deforestation is associated with cattle farming. Although the new president's government has launched a plan to achieve zero deforestation in the Amazon by 2030, the figures reveal gaps in environmental preservation. Regarding to Brazil and MERCOSUR's relations with the EU, Lula de Silva called for "***mutual trust, not mistrust and sanctions***". After the meeting with the President of the European Commission, Ursula Von Der Leyen, in June 2023, the Brazilian president said that the law which effects territory beyond European Union will bring "potential restrictions on Brazilian agricultural exports and industrial capacity" (Foy, 2023).

The strength of Brazil's positioning in the dispute about the new EU rules, has behind it a portfolio of trade exchanges for 2022 worth 607,164 million US dollars, achieving a 21% increase compared to 2021 (*Informe Técnico de Comercio Exterior 2022,* Foreign Trade in Goods Report, 2023, pp.29-35). Thus, exports were recorded in the amount of 334,463 mln. US dollars, and the figure of 272,701 mln. US dollars was the figure of imports. Brazil's exports in 2022 were to the following regions: Asia 48%, Europe 18%, North America 15%. Together, three regions accounted for 81% of Brazilian exports. The main destination of Brazil's exports in 2022 was China, with a share of 26%. In second place is the EU with 16%, followed by the USA with 11% and Argentina with 5%. Together, these four countries accounted for 58% of Brazilian exports. As for imports, their origin was: Asia 40%, Europe 23%, North America with 21%. Together these three regions accounted for 84% of Brazilian foreign purchases.

At the same time, Brazil is developing new sustainable economic models, promoting bioeconomic projects (Brazil nuts, copaiba oil and rubber) to overcome the poverty threshold of indigenous populations (Leitão et al., 2023). The Brazilian government's actions regarding the strengthening of sustainable models related to the climate agenda underline the desire to *re-invent its own resources that would reconfigure the national strategic agenda as a target for strengthening its voice abroad.*

Brazil's bloc partner, ***Argentina*** promotes a leadership that adjudicates its decision-making right by the reason of the one who weighs the risks, because *Argentina's tactical reluctance does not stop the implementation* of programs against deforestation. To clarify, Argentina's export basket, consisting largely of *beef and soybean production,* was the reason behind the loss of 7 million hectares of forests in the last two decades. Europe is the main destination for the country's chilled beef, although China is the largest buyer of frozen beef. So far, 108 of the region's 26,000 cattle farmers have signed up for tracking, with satellite images made available on a digital platform. For now, the program is voluntary, but those who do not join will have less chance to export, therefore "VISEC" becomes a platform aimed at giving quality certification to producers in the Gran Chaco, a biome heavily affected by deforestation in Argentina (Hiba, 2021).

In addition, Javier Lewkowicz (2022) points out that the sovereign debt as well as the reduced access to international financial markets, concretizes with China's interest as an investor in Argentina in the energy sector. In other words, China is already a major player in Argentina's renewable energy sector, providing technology, building and operating wind and solar farms, and selling equipment, being the manufacturer of a third of the world's wind turbines, about 80% of solar panels and two-thirds from lithium batteries.

Even though the current president of Argentina, Javier Milei, has stated that the country will not join China in the BRICS bloc of developing economies, its accession to the long-delayed Belt and Road project advances the idea of China's participation in the economic projects of the country, which would enable vital investment in infrastructure and transport, fossil and renewable energy, mining, manufacturing, agriculture, innovation and information technology (Koop, 2023). Investments would therefore improve and develop the infrastructure for trade corridors connected to foreign markets, thus reducing logistics costs and increasing competitiveness. At the same time, the weakness of Argentina's debts determines the volatility of its external communication. In this regard, the opinion of Jorge Malena, director of the Executive Program for Contemporary China at the Universidad Católica Argentina, is remarkable: "As the US and China compete for world leadership, there is not only competition for trade and technology, but also for allies. For Argentina, the most beneficial [position] would be to promote fluid ties with both, maintaining a pragmatic equidistance." (Dalto, 2020). Following the official statistics of the MERCOSUR block, it can be noted that for the first three positions, Argentina's exports in 2022 are distributed as follows: Asia 34%, South America 29%, Europe 15%. Together these regions made up 78% of total exports. Under the heading of the destinations of Argentine exports during 2022, the statistical data are as follows: Brazil 14% of exports, China 9%, USA 6% and Chile 5% (*Informe Técnico de Comercio Exterior 2022,* Foreign Trade in Goods Report, 2023, pp. 17-23). Even if the EU leads the percentage of total exports compared to China and the USA, it should be noted that China remains a destination that arrogates to itself a permanence with growth trends for Argentina. China's market share in Argentina is also impressive. In 2022, China ranks first with 21%, Brazil with 20%, EU with 14%, USA with 13% and Bolivia with 3%. Together these five destinations accounted for 71% of Argentine imports.

China's interest in a participation in Argentina's investment projects confirms the country's potential regarding the expansion *of the renewable energy matrix*, even if experts mention that investing in Argentina involves additional risk compared to other South American countries, due to its legal volatility and regulation, currency restrictions and limited electricity transmission capacity. The rationale of the compromise is based on the finding that **Argentina,** Chile, Bolivia represent 68% of the global lithium reserves, data confirmed by a study of the Latin American Council of Social Sciences (Clacso), Thus, the industries called "the new three" (solar cells, lithium batteries and electric vehicles) will drive China's exports in 2024 as well, becoming key areas of cooperation with Latin America []. It seems that Argentina is configuring its national strategy, calling on its environmental resources, generating convergence to the energy transition. The protection of these resources remains a strategic priority, believes Manuel Jaramillo, the general director of Fundación

Vida Silvestre, an environmental organization that represents the World Wildlife Fund in Argentina, because the revival of the country from its major crises has been possible thanks to its "bio-capacity: nature and its natural resources" (Jaramillo, 2024).

Paraguay is the MERCOSUR country with the lowest exports of agricultural goods to the EU and yet is a supplier that also wants to make commitments related to environmental protection, given that massive deforestation, especially in the Chaco, a biome that Paraguay shares with Argentina, Bolivia and Brazil, is caused by the agricultural sector. It is estimated that in the last two decades, Paraguay has lost around 6 million hectares of forest, 93% of which are associated with soy, meat and timber production, according to Global Forest Watch data**.**

Following the official statistics, we learn that Paraguay in 2022 had a commercial exchange of 24,541 mln. US dollars, promoting a 6% increase compared to 2021, registering exports worth 9,953 mln. US dollars and 14,587 mln. US dollars for imports (*Informe Técnico de Comercio Exterior 2022,* Foreign Trade in Goods Report, 2023, pp.41-47). By region, exports were distributed as follows: South America 73%, Asia 13%, Europe with a 9% share. Together, these three regions accounted for 95% of Paraguayan exports. The destinations for the exports generated by Paraguay in 2022 were: Brazil with a participation of 37%, Argentina 20%, Chile 11% and the EU 4.4%. Imports from Paraguay increased by 16% in 2022 compared to 2021, rising from 12,525 mln. US dollars to 14,587 mln. US dollars. China was the main source of imports from Paraguay in 2022, with a 29% share, followed by Brazil with 24%, the US and Argentina, both with a 9% share, the EU with 7%, and other countries with 22%. The country's export and import figures demonstrate the country's dependence on the agribusiness sector (beef, soybeans), as well as the lack of technology to develop and diversify its export basket. The negative trade balance underlines a shortage in the country's industrial development. At the same time, the figure of China's market share in imports represents a strategic interest of China for this country along with an "understanding" on the subject of Taiwan (Youkee, 2019).

Returning to the relations between China and Paraguay, we believe that their stake invokes an important economic interest for both countries, especially since Paraguay has rich biodiversity and hydraulic energy resources. It should be noted that Paraguay consumes only 16% of the electricity it produces. Last elected President Santiago Peña mobilized his electorate by promoting renewable energy with the intention of renegotiating the Agreement with Brazil regarding Itaipú, one of the largest hydroelectric plants in the world, which is located on the border between the two countries on the Paraná River. The bone of contention between the two countries is *the mandatory transfer principle* whereby the distribution of unused surplus power from Itaipú forces Paraguay to transfer – not sell – its power to Brazil at an amount that is eight times less than selling at market price, without having the option of transmitting or selling it to third parties.

As the least industrialized country in MERCOSUR, Paraguay approaches the country's development strategy through projects that would encourage the aviation biofuel production sector and not only. The Omega Green project, the largest in South America, whose finality is expected in 2025 and which would contribute 8 billion dollars to Paraguay's GDP over 10 years, strengthens the idea of development in the direction of renewable energy security (Godoy, 2022). We remind you that Paraguay is considered the country with the largest hydroelectric energy reserves in the region, having on its territory 3 hydropower plants Acaray, Yacyretá and Itaipú, however for the internal use of its needs it relies on biomass. And the climate crisis, generated by deforestation, could call energy security into question, given the decrease in rainfall potential below the historical critical mass twice in the last 10 years.

From the above it is inoculated that the climate agenda can be the "apple of discord" between the EU-MERCOSUR or, through a ***strategic conversion, a way to enter the circle of those meant to develop an integrationist agenda in the international arena.***

According to some experts, **Uruguay** is *the country best prepared to meet the requirements of the anti-deforestation legislation*. And its livestock traceability system is already mandatory, in addition to being "transparent and well regulated". Since 2007, all Uruguayan producers have also adopted a system that monitors animals at every step of the chain in both domestic and international markets. *Beef generates the largest exports for Uruguay. In 2022, the EU bought 12% of production, well below China's 58% share***.**

The economic profile of Uruguay for the year 2022 is defined by the commercial exchange in the amount of 23,202 mln. US dollars, suggesting a 22% increase compared to 2021. Exports reached a value of 11,183 mln. US dollars and imports of 12,019 mln. US dollars (Informe *Técnico de Comercio Exterior 2022,* Foreign Trade in Goods Report, 2023, pp.52-59). In 2022 the exports created by Uruguay were distributed in this way: Asia 28%, South America 28%, Europe with a share of 10%. Together, these three regions accounted for 66% of Uruguayan exports. China was the main destination for Uruguayan exports in 2022, accounting for 21%. As a side note, meat, seeds, oleaginous fruits (which can be used to make oils) and wood were the three main items exported to China. Beef represented 46.8% of the total.

In second place was Brazil with 15%, Argentina and the European Union, both with 8%. Together, these four countries accounted for 52% of Uruguayan exports. Uruguay's imports in 2022 were mainly from: Asia with a share of 40%, Europe 23%, North America 21%. Together, these three regions accounted for 84% of Uruguayan imports. The main countries that promoted its imports in the Uruguayan space for 2022 are: Brazil 20%, followed by China 17%, the USA 16%, Argentina 12% and the European Union 11%. Motor vehicles, organic chemicals, plastics and manufactures were the main items brought in, accounting for 65% of Uruguay's total imports.

The data cites both the trade route with other states and the openness in managing its economic sector by promoting traditions of cooperation with other extra-bloc countries, especially China. It should be noted that Uruguay was the first country in MERCOSUR to join the global *Belt and Road connectivity project* promoted by China in 2013, which stimulated substantial loans to finance infrastructure construction. The welding of relations continued with the signing of a strategic partnership agreement in 2016. Becoming the main partner of Uruguay, both countries bilaterally negotiate a Free Trade Agreement, a pretext that generated intra-bloc discussions with certain attentions about "exploring bilateral commercial potential" (Koop, 2022). The reluctance of some members of the bloc for a joint agreement with China hides a reluctance, given that Argentina and Brazil are industrially diversified economies, in other words certain industrial sectors would have had reasons for concern.

On another note, Uruguay has outstanding natural resources for the development of renewable sources such as predictable and consistent wind power, having the comparative advantage for high levels of water flow compared to other bloc countries. In other words, unlike Argentina and Brazil that promote the transition to green energy, Uruguay has the constant and abundant water reserves necessary for the production of green hydrogen. In addition, Uruguay aims to become a regional hub for green hydrogen alongside Chile, which is a leader in Latin America in the production of green hydrogen, thus accelerating the decarbonization of its transport sector. It is known that through the H2U pilot project, Uruguay aims to create technologies in the production of green hydrogen for heavy transport, the production of ammonia and green fertilizers (Barreiro, 2023).

More recently, Uruguay is making increased efforts to produce green hydrogen, also called "the fuel of the future". Work is underway on the H2U pilot, a strategy that can be applied to both heavy transport and ammonia and green fertilizer production. In the private sector, the German company Enertrag, in cooperation with the Uruguayan side, is designing the Tambor Green Hydrogen Hub, a plant for the production of green hydrogen and derivatives such as methanol.

So, one of Uruguay's strategic targets is to start producing green hydrogen in 2025, according to its own plan. The country has comparative advantages that will allow it to position itself as a "green alternative fuel supplier" in new markets. Uruguay generates more than 98% of its electricity from renewable sources, which has created grounds to include green hydrogen in the "Long-Term National Climate Strategy" following ongoing pilot projects (Cuberos, 2022).

3.3. Natural resources – a platform for economic revival

From the above, it can be observed that the countries of the MERCOSUR bloc connect to the strategic targets of the European Union symmetrically projected in the global agenda, such as the energy transition and decarbonization. It is obvious in this situation that the bloc states will generate economic models that will create availability to connect to the global industry for the production of alternatives to fossil fuels, including green hydrogen, also capitalizing on the high potential of renewable energy while stimulating the development of green technologies. The goal of changing the energy matrix is a real and very challenging one. It should be noted that the countries in the MERCOSUR block are also exporters of raw materials implicitly from the category of critical minerals, from which it follows that there are reasons to boost economic growth. Under these conditions, natural resources fall into the category of strategic targets that would benefit the bloc's position in negotiations. For many Latin American countries, natural resources have become a strategic conversion platform to gain economic growth and bargaining power.

A recent study titled "Latin America's Opportunity in Critical Minerals for Clean Energy Transition" published on the official website of the International Energy Agency supports a key idea that the Latin American continent is becoming a source of raw materials, especially minerals essential for clean energy technologies (Bernal et al., 2023). The region already produces large amounts of lithium, which is needed for batteries, and copper and supports the expansion of renewable energy and electricity networks. Latin America accounts for 40% of global *copper production*, led by Chile (27%), Peru (10%) and Mexico (3%). The region holds more than half of global *lithium reserves*, located mainly in Argentina (21%) and Chile (11%). Latin America has significant potential in the production of *graphite, nickel, manganese and rare metals*. According to the graphic table in the study, it can be noted that Brazil has reserves of lithium, tin, nickel, bauxite, graphite, in addition to the fact that it holds about a fifth of the global reserves of each of these resources, but currently produces only small amounts to moderate, between 0.2% of global rare metal production and 7% for graphite, demonstrating that Latin America has not yet attracted sufficient investment in line with its potential, for example only 7% of the global exploration budget for nickel and rare metals is allocated to the region.

Argentina is increasing its leverage by tapping into its silver and lithium reserves. In other words, mining is a sector with potential for development. As a result, Latin America holds the promise of growth in the mining and processing of critical minerals and could make an important contribution to the long-term supply of minerals needed for global energy transitions. Further investment in this sector could also open new avenues for economic growth and diversification by developing local capabilities for mining, processing and manufacturing of clean energy technology components. The abundant availability of clean energy resources (hydroelectric, solar and wind) creates a competitive advantage for building a mining sector. We note that another study, posted on the official page of the International Energy Agency, in which the query in its title "Why does the European Union need bold and comprehensive strategies for essential minerals?" urges to identify a rationale for *strategic cooperation between Latin American countries and the EU* (Birol & Canfin, 2023). Therefore, the transition to clean energy strengthens the emergence of *a new global energy economy.* As a consequence, the invoked phenomenon presupposes an initiative of strategic repositioning of states, which deals with the availability of natural resources, also taking into account the limited number of countries that have the technologies to produce essential minerals. From this point of view, the authors suggest, economic power is claimed by agglutination of spaces that can contribute to the fulfilment of its objectives, reminding us that countries like China already represent 80% of the global production of graphite used for batteries, being in a dominant position to the processing and refining of many minerals and metals, thus absorbing the processing of almost two-thirds of the rare and critical metals for a multitude of technologies, including those favouring the production of photovoltaic panels, wind turbines and electric motors.

To highlight the idea of determining the position of the EU in assuming its agenda, the authors of the study emphasize the firmness of the position of the EU by promoting a persuasive power for a consistent cooperation model noting that the EU maintains its efforts in the matter of clean energy production, being stimulated by acute dependence on imports of critical materials. The observation remains a cause for concern in many Member States. In other words, Europe has the imperative to supplement the missing materials that fuel the political green transition.The last statement creates the expectation that the EU-MERCOSUR economic integration model will know a reconceptualization of economic relations following a significant demand for energy and environmental security policies, in an increasingly advanced framework of limited resources.

IV. Conclusions

The MERCOSUR block has the necessary potential to become a generator of economic models of regional integration and bi-regional cooperation, given the characteristics of its member states and the impact in achieving sustainable development targets by accessing its strategic advantages. The specificity of the block states, which ensured their initial success as suppliers of raw materials and agricultural products, hijacked the evolutionary process of industrialization, so that countries industrialized under the constraints of the economic situation to satisfy their domestic market. These disparities along with the asymmetries of economic development within the bloc have contributed to the sinusoidal nature of EU-MERCOSUR relations. The sensitive subject in the negotiation process, agriculture, encouraged the search for economic models that would provide a stake of confidence in the future of EU-MERCOSUR regional integration. The reason for interregional cooperation seems to be that after 2019 it began to discover its strategic importance, being put in a position to recognize another geopolitical reality with migratory accents towards Asia, a moment that conditioned the European Union to assume the power of persuasion with the status effective cooperation model.

In order to avoid the inability to provide raw materials necessary for the energy transition to which it remains faithful, the European Union wants to develop a strategy that ensures sustainability standards and reliable access markets. Under these conditions, the market of natural resources provided by the states of the MERCOSUR block remains a strategic stake that must be supported in many ways. New opportunities are discussed for the region building its transformation based on new technological paradigms.

The idea of cooperation through integration demonstrates its reason for its existence especially following the phenomenon of farmers' protests in several countries, with the invocation of topics related to subsidies and the encouragement of the protection of domestic production in the agri-business sector. Probably, a mechanism that would allow the strengthening of the negotiating positions between the parties by determining the strengths is needed. The first step, in this sense, is the capitalization of the country's strategic resources. In this sense, *the adaptive leadership* of the states of the MERCOSUR block acquires the power of the economic revival strategy. Without these economic models, any growth target could degenerate into a deadlock that risks diminishing the value of the integration offer. The MERCOSUR case for the Republic of Moldova is relevant because it promotes the idea of the economic model of integration, the characteristics of which are: adaptability to an increasingly uncertain environment, access to new integration markets, the development of new technological paradigms.

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