

Another Transatlanticism Is Possible: Europe's Moment in Latin America amid Trump's Return

by Raffaele Piras

Donald Trump's return to the White House has reignited his hallmark "America First" agenda, with significant consequences for Latin America. During his inaugural address, Trump emphasised the need to regain US control of the Panama Canal, framing it as a cornerstone of national security amidst heightened competition with China.¹ This rhetoric marks the continuation of a policy approach that relies on coercion and transactional diplomacy to achieve US objectives. While Trump's focus on Latin America will undoubtedly reshape the region's geopolitical dynamics, it also presents a strategic opportunity for the European Union to strengthen its role as a stabilising force and reliable partner.

Washington and Latin America: Containment, coercion and consequences

Trump's approach to Latin America is shaped by three overarching priorities: restricting migration through stricter border policies and mass deportations, intensifying the fight against drug trafficking, and containing China's growing influence in the region. These objectives will define his administration's interactions with Latin America, influencing policies on trade, security and diplomacy. To pursue these goals, Trump's policies are expected to prioritise short-term, coercive measures over long-term partnerships. His administration is likely to lean heavily on punitive actions such as tariffs, sanctions and even potential military interventions. For example, Trump has suggested the possibility of drone strikes against Mexican cartels, a move that could destabilise the region and strain bilateral relations with

¹ White House, *The Inaugural Address*, 20 January 2025, <https://www.whitehouse.gov/remarks/2025/01/the-inaugural-address>.

Raffaele Piras holds a PhD in International Studies from Roma Tre University and an MSc in International Relations from the Vrije Universiteit Amsterdam. His research focuses on Latin America and the dynamics of US-China rivalry.

Another Transatlanticism Is Possible: Europe's Moment in Latin America amid Trump's Return

Mexico, the US's largest trading partner in Latin America.

On another front, Trump's threats to reclaim the Panama Canal have sparked backlash, with several regional leaders expressing solidarity with Panama in response. Sure, Latin America's overall reaction has been fragmented, as demonstrated by the cancellation of the extraordinary Community of Latin American and Caribbean States (CELAC) summit initially convened to address US migration policies.² Yet while broader regional coordination has yet to materialise, discontent with Washington's hard-line approach persists, and Trump's confrontational stance risks driving Latin American nations closer to China and Russia, undermining US influence in its own hemisphere.

These developments reinforce an ongoing erosion of Latin America's alignment with the US – a process that has accelerated in recent years. During Trump's first term, much of the region was led by conservative governments that largely aligned with Washington on issues such as Venezuela. Today, however, the political landscape is more diverse, with a mix of left-leaning and centrist leaders who may be less willing to follow the US lead. This greater ideological variety could translate into increased resistance to Washington's policies and, in turn, foster deeper geopolitical estrangement. Countries like Brazil, which have deep economic ties with China, may increasingly

view Beijing as a more stable and pragmatic partner. Even Mexico, despite its dependence on US trade, could seek to diversify its partnerships to reduce vulnerability to Washington's unpredictable policies.

The EU-Mercosur Agreement: A framework for sustainable engagement

In contrast to the US's coercive approach, the EU has positioned itself as a reliable and constructive partner for Latin America. The finalisation of the EU-Mercosur trade agreement in December 2024³ marks a turning point in EU-Latin America relations. However, while the agreement presents a significant opportunity for economic integration, its ratification remains uncertain. Several EU member states, including France and Italy, have expressed concerns over environmental standards and the potential impact on European farmers, making the approval process in both national legislatures and the European Parliament still a matter of debate. Failing to move forward with the agreement would not only stall economic benefits but also weaken the EU's position as a strategic partner for Latin America. At a time when China is expanding its influence in the region, prolonged uncertainty risks leaving the EU sidelined in key trade and investment opportunities. Advancing the ratification process is therefore critical to ensuring that the EU plays a central role in shaping sustainable

² Paloma Duran, "CELAC Summit Canceled as Latin America Fails to Reach Consensus", in *Mexico Business*, 30 January 2025, <https://mexicobusiness.news/node/44763>.

³ European Commission, *EU and Mercosur Reach Political Agreement on Groundbreaking Partnership*, 6 December 2024, https://ec.europa.eu/commission/presscorner/detail/en/ip_24_6244.

trade policies and reinforcing its commitment to multilateral economic governance. By promoting sustainable trade practices and enforcing high environmental and labour standards, the agreement not only strengthens economic ties but also aligns with the region's priorities for inclusive and sustainable development.

Moreover, the agreement provides a platform for addressing shared challenges, such as the vulnerabilities of global supply chains exposed by recent geopolitical crises. By fostering near-shoring and reshoring strategies, the EU can strengthen Latin America's role in global trade while offering an alternative to China's growing economic footprint in the region. Over the past two decades, China has positioned Latin America as a key export market for its manufactured goods while simultaneously expanding its presence through large-scale infrastructure investment and increased demand for raw materials such as lithium and copper. However, this economic engagement often comes with challenges, including debt dependency, environmental concerns and a lack of local economic development.

Latin America's increasing focus on climate action and renewable energy offers fertile ground for EU engagement. Through initiatives like Global Gateway,⁴ the EU can support investment in green technologies, biodiversity conservation and

⁴ European Commission website: *Global Gateway*, https://commission.europa.eu/node/5445_en.

digital infrastructure. For instance, partnerships in renewable energy could help countries like Brazil and Chile transition to low-carbon economies while creating opportunities for European businesses in the green energy sector.

While Trump's protectionist stance may push some Latin American economies to seek closer ties with Beijing, the EU presents a more sustainable and cooperative alternative. Europe's emphasis on multilateralism, environmental standards and equitable trade policies aligns more closely with Latin America's long-term interests, particularly in areas such as climate change cooperation and digital infrastructure investments. By deepening its economic engagement, the EU can position itself as a stabilising force in the region and mitigate the risks of an over-reliance on either the US or China.

This approach not only enhances economic resilience but also supports Europe's strategic goals for a greener and more secure global economy, reinforcing its role as a key partner for Latin America in the shifting geopolitical landscape.

Turning challenges into strategic opportunities

Trump's militarised approach to migration and security presents immediate challenges for Latin America, but also creates opportunities for the EU to differentiate itself as a partner. Policies such as mass deportations and aggressive border enforcement could exacerbate social

tensions and economic instability in countries already struggling with poverty and inequality.

The EU can address these root causes by providing targeted development assistance, particularly in regions where migration patterns have become increasingly complex, involving both traditional and new migratory routes driven by political and economic instability. For example, the EU could expand its support for programmes that promote economic inclusion, education and local governance. These initiatives not only reduce the push factors driving migration but also strengthen the social fabric in vulnerable communities.

The EU's emphasis on governance and human rights also offers a counterbalance to Trump's transactional diplomacy. By investing in civil society and democratic institutions, Europe can help mitigate the authoritarian tendencies that often emerge in response to external pressures. This approach not only aligns with the EU's values but also reinforces its credibility as a champion of multilateralism and inclusive development.

A renewed role for multilateralism

While security frameworks like the Rio Treaty have diminished in relevance, Latin America faces an array of challenges that require collective action. Climate change, migration and economic inequality are not issues that can be addressed unilaterally. The EU, with its emphasis on cooperative governance, is well-positioned to

promote multilateral initiatives that address these pressing concerns.

One emerging area of cooperation is digital governance, as Latin America navigates challenges related to cybersecurity, data protection and technological infrastructure. The EU has already taken steps in this direction, notably through recent initiatives like the EU-LAC Digital Alliance,⁵ which aims to foster bi-regional cooperation in these areas. With increasing Chinese investment in digital networks across the region and US dominance in platform governance, the EU can offer a balanced alternative by promoting regulatory standards that align with democratic principles and privacy protections.

At the same time, the EU is well-positioned to lead in another critical area: climate resilience. Latin America is one of the regions most vulnerable to climate change, with rising sea levels, deforestation and extreme weather events threatening livelihoods and ecosystems. Through partnerships under the Paris Agreement, the EU can support adaptation and mitigation efforts, such as reforestation projects in the Amazon or investments in renewable energy infrastructure.

Additionally, the EU can play a leading role in fostering dialogue on migration. Trump's strict migration policies are likely to redirect flows toward Europe, increasing pressure on its asylum systems. By working with Latin

⁵ European Commission DG International Partnerships website: *EU-Latin America and Caribbean Digital Alliance*, https://international-partnerships.ec.europa.eu/node/2061_en.

American governments to create legal pathways for migration and investing in local development, the EU can address the root causes of displacement while promoting stability in the region.

A call for renewed engagement

The upcoming EU-CELAC summit in Colombia⁶ represents a pivotal moment for Europe to deepen its engagement with Latin America. This meeting offers a platform to advance shared priorities such as climate resilience, digital governance and inclusive trade while fostering stronger transatlantic ties.

By presenting itself as a reliable partner that prioritises cooperation over confrontation, the EU can solidify its influence in a region increasingly caught between US-China competition. Initiatives like the EU-Mercosur agreement and Global Gateway provide tangible opportunities for Europe to assert leadership in sustainable development and multilateralism.

While Trump's policies may strain US-Latin America relations, they offer the EU a unique chance to fill the void with constructive and forward-looking partnerships. Through strategic engagement and a focus on long-term goals, Europe can help foster a more resilient transatlantic alliance that benefits both regions.

19 February 2025

⁶ European External Action Service (EEAS), *EU-CELAC: Senior Officials Launch the Consultative Coordination Mechanism and Kick Off Preparations for Next Bi-Regional Summit in 2025*, 28 May 2024, https://www.eeas.europa.eu/node/442335_en.

Istituto Affari Internazionali (IAI)

The Istituto Affari Internazionali (IAI) is a private, independent non-profit think tank, founded in 1965 on the initiative of Altiero Spinelli. IAI seeks to promote awareness of international politics and to contribute to the advancement of European integration and multilateral cooperation. Its focus embraces topics of strategic relevance such as European integration, security and defence, international economics and global governance, energy, climate and Italian foreign policy; as well as the dynamics of cooperation and conflict in key geographical regions such as the Mediterranean and Middle East, Asia, Eurasia, Africa and the Americas. IAI publishes an English-language quarterly (*The International Spectator*), an online webzine (*AffarInternazionali*), two book series (*Trends and Perspectives in International Politics* and *IAI Research Studies*) and some papers' series related to IAI research projects (*Documenti IAI*, *IAI Papers*, etc.).

Via dei Montecatini, 17

I-00186 Rome, Italy

Tel. +39 066976831

iai@iai.it

www.iai.it

Latest IAI COMMENTARIES

Editor: Leo Goretti (l.goretti@iai.it)

- 25 | 09 Raffaele Piras, *Another Transatlanticism Is Possible: Europe's Moment in Latin America amid Trump's Return*
- 25 | 08 Riccardo Alcaro, *Trump's Call with Putin Raises Great Concerns, Few Hopes*
- 25 | 07 Emanuele Ballestracci, *The European Screening Mechanism and Its Implications for Chinese FDI*
- 25 | 06 Filippo Simonelli, *The Mattei Plan One Year On*
- 25 | 05 Amjed Rasheed, *The New Syria and the Regional Balance of Power*
- 25 | 04 Milica Pejanović-Đurišić, *How Technology Can Empower Women Peace Mediators*
- 25 | 03 Matteo Bursi, *A Tough Opponent for Trump: Inflation*
- 25 | 02 Riccardo Alcaro, *Trump First, America Second*
- 25 | 01 Aurelio Insisa, *The US TikTok Ban, the RedNote Moment and China*
- 24 | 79 Gaia Ravazzolo and Alessandro Marrone, *EU Defence Industrial Initiatives: A Quantum Leap Is Needed*