Mercosur is an economic and political bloc comprising Argentina, Brazil, Paraguay, Uruguay, and Venezuela. Created during a period when longtime rivals Argentina and Brazil were seeking to improve relations, the bloc saw some early successes, including a tenfold increase in trade within the group in the 1990s. However, many experts say Mercosur has since failed to live up to its ambitions of integrating the region. More From Our Experts. Jennifer Hillman. However, Mercosur economies have recently signaled a willingness to open to other markets, reaching a landmark trade deal with the European Union in 2019 after long-stalled negotiations. If ratified, it would be the largest free trade agreement in the world.

How Mercosur Works. Daily News Brief. Africa. Anguilla. Antigua and Barbuda. MERCOSUR is an economic and political bloc of South American States which has been compared to the European Union. It stands for el Mercado Común del Sur (the Common Market of the South). MERCOSUR was founded by Argentina, Brazil, Paraguay and Uruguay in 1991 under the Treaty of Asunción. The initial goal of MERCOSUR was to establish a common economic market. In 1998 it also created a political forum with the aim of establishing common positions and resolving issues affecting the region. The political mechanism was expanded in December 2006 with the creation of a common parliament. The Mercado Común del Sur (MERCOSUR), or Southern Common Market, was once regarded as among the most successful examples of the new regionalism among developing countries. But the unsteady evolution of Latin America’s common market since the 1990s offers several lessons for African countries. It sheds light on both the challenges and the opportunities that developing countries face in the construction and maintenance of regional groupings in a context of increased economic interdependence and asymmetric power distribution.