

Abstract

The trade-sustainable impact assessment of the European Union-Mercosur trade agreement found that the economic impact of the trade liberalisation scenario could be positive in the agriculture sector of Mercosur countries. However, it also found that the social and environmental impacts would be mixed and potentially detrimental. This paper addresses the likely effects on the livelihoods of vulnerable rural populations. It argues that the potential impacts can be analysed within a diversified livelihood strategies framework, which is expanded to include institutional and policy factors. It concludes that the negative expected impact responds to the highly uneven access to capital assets. On the other hand, the effects are not generalised to all Mercosur countries, nor to all regions in each of the member countries. Enhancing or mitigating measures refer to the importance of sequencing and regulation to improve disadvantaged groups' abilities to participate in trade-led agricultural intensification or industrialisation processes.

Keywords: Sustainable impact assessment, Livelihoods, Bio-fuels, Gender, Mercosur

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