

# Examination of the Pacific Alliance

PÍO GARCÍA<sup>a</sup>

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**ABSTRACT** Over the past two years, Chile, Mexico, Peru and Colombia have multiplied their meetings in order to establish the Pacific Alliance. It is a cooperative mechanism that looks for a deep integration of these countries' economies, which themselves are exposed to mutual competition, based on the current free trade agreements. This analysis explains the marginal expansion of exchange in the medium term and highlights the adverse effects of the experiment on pan pacific and Latin-American integration. However, the results of social mobility and scientific cooperation will be valuable for the concerted development of Latin America.

**KEYWORDS** Latin America, Asia, regional cooperation, integration.

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## CORRESPONDENCIA:

Pío García, Carrera 1 # 12-66,  
Bogotá, Colombia.

<sup>a</sup> Ph. D. Professor and researcher, Universidad Externado de Colombia, Bogota, Colombia. E-mail: [piogarcia02@yahoo.com](mailto:piogarcia02@yahoo.com)



## Escrutinio de la Alianza del Pacífico

**RESUMEN** En los dos últimos años, Chile, México, Perú y Colombia multiplicaron sus encuentros, con el fin de establecer la Alianza del Pacífico. Se trata de un mecanismo de cooperación que busca la integración profunda de sus economías, de por sí expuestas a la competencia mutua, con base en los acuerdos de libre comercio vigentes. El presente análisis explica la expansión marginal del intercambio en el mediano plazo y resalta los efectos adversos del experimento sobre las iniciativas de integración pampacífica y latinoamericana. No obstante, los resultados de la movilización social y la cooperación científica serán aportes valiosos para el desarrollo concertado de América Latina.

**PALABRAS CLAVE** América Latina, Asia, cooperación regional, integración.

## Escrutínio da Aliança do Pacífico

**RESUMO** Nos dois últimos anos, Chile, México, Peru e Colômbia multiplicaram os seus encontros, com o fim de estabelecer a Aliança do Pacífico. Trata-se de um mecanismo de cooperação que procura a integração profunda das suas economias, de por se expostas à competência mutua, com base nos acordos de livre comércio vigentes. A presente análise explica a expansão marginal do intercâmbio no mediano prazo e salienta os efeitos adversos do experimento sobre as iniciativas de integração pan-pacífica e latino-americana. Não obstante, os resultados da mobilização social e a cooperação científica serão aportes valiosos para o desenvolvimento concertado de América Latina.

**PALAVRAS CHAVE** América Latina, Ásia, cooperação regional, integração.

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## Introduction

The 7th Summit of the Pacific Alliance took place in May 2013. This meeting between the Presidents of Mexico, Chile, Peru and Colombia was the second event of internal importance for the host country in almost 30 years. Since 1985, when the Non-Aligned Movement took place, until 2011 (year of the Summit of the Americas in Cartagena), the San Carlos diplomacy<sup>1</sup> did not summon any other relevant meetings of regional or global relevance. This isolation was even more dramatic in the last decade, due to the presidential decision to intensify the internal war without external surveillance, but with Washington's ample financial and logistical aid through Plan Colombia. The change of address in 2010 was celebrated with joy, but it should not be the case. Although the political and financial effort to restore cooperation with Venezuela and Ecuador and to reopen the 25 diplomatic missions closed in 2002 cleared the stage for the country's internationalization, the truth is that political and strategic links with the United States remain unscathed. It is not a matter of boycotting that relationship or ignoring the role of the greatest power in world affairs, but the challenge is achieving a more transparent foreign policy with greater social benefit.

The Pacific Alliance has become the Colombian government's preferred mechanism of regional coordination and therefore it is valued as the best instrument to insert the country into the current global dynamics. The Santos administration puts its political capital in the Latin American field in this event given its integration model, instead of agreements in progress which are similar to Mercosur. The Alliance took rapid steps since its creation in April, 2011 in Lima, in the last weeks of Alan García's second term. Shortly thereafter and in a record time, the new organization overcame the digressions imposed by Humala's critical discourse. With remarkable coldness and sagacity he detached himself from his campaign promises to embrace opening efforts without further inhibitions, boosting the Latin American neoliberal club (Ugarteche, 2012). The Cali meeting was preceded by six summits, six ministerial meetings, thirteen high-level meetings between

deputy ministers of Commerce and nine negotiation rounds between technical groups (Chile, General Directorate of International Economic Relations, 2013). Simultaneously, there were business and parliamentary consultations and meetings. Parliamentary meetings were in charge of structuring the legal framework of the integration project (El Diario de Negocios de Chile, 2013).

An ambitious and multiple agenda emerged from the Cali meeting, with peremptory deadlines to "move progressively towards the goal of achieving the free circulation of goods, services, capital and people" (Alianza del Pacífico, 2011), which was seen as a key resource to strengthen growth, development and competitiveness. Among other tasks, the leaders instructed their foreign ministers to establish shared diplomatic missions in Ghana, Algeria, Morocco and Vietnam. Ministers of Economy were responsible for facilitating investment, trade, professional services, communications, financial movements and transport. Similarly, they decided to reduce the 90% tariff on traded goods to 0, eliminate visas and create a cooperation fund to stimulate scientific and technical research (Alianza del Pacífico, 2013).

The Alliance is therefore presented as a radical alternative, in comparison with other organizations in the region. In this sense, it is worth asking, How much can be expected from the association of a group of countries that was not comfortable with other regional integration schemes? Of course, the view points on this experiment are divided. Judgments have contrasting variations among the hopes of advancing to the group of advanced economies (Wilhelmy, 2013; Caro, 2012; Botero, 2013; Montenegro, 2013) and criticisms on the persistent subjugation by US geopolitical opinions (De la Torre, 2013; Miranda, 2013; Fortique, 2013), the absence of workers and local populations in the negotiations and the lack of inclusion of human rights in the agenda (Rodríguez, 2013; Molano, 2013; Tickner, 2013).

In order to assess the Alliance in a balanced way, it would have to be addressed in all its complexity, given its wide range of objectives as an economic initiative enriched by social and academic components. In this sense, mutual incentives and gains in commercial terms are likely to find increasing difficulties on the part of countries that accumulate deficits, leading to the introduction of mechanisms that are close to those that protect domestic markets in other integration schemes in order to counteract popular discontent, although

1 It refers to the diplomacy applied by the Ministry of Foreign Affairs following presidential instructions. The Ministry is located at Palacio de San Carlos, former office of the Colombian leaders.

the social exchange process can take place faster than in Mercosur, the Bolivarian Alliance for the Peoples of Our America (Alba), and the Community of Latin American and Caribbean States (Celac).

The following sections will first analyze the scope of the Alliance, then its possible legitimacy difficulties and finally its impact on Latin American integration initiatives.

## The advantages of economic opening for market expansion and social exchange

The general situation seems to indicate that the economic, social and political foundations sustaining the Pacific Alliance will continue to provide institutional recognition and strength to it for a while. After, the collateral effects of the sponsoring doctrine can diminish some of its objectives. This take off and reaping reward phase may be maintained over this decade.

In order to measure the benefits, it must first be mentioned that the Alliance's market size is the second most important in Latin America, with 200 million inhabitants. Their average income is US \$14,000 per year, which corresponds to a total gross domestic product (GDP) of US \$2,8 billion, equivalent to 80% of Mercosur's production. Like several Latin American countries, members of the Alliance enjoy the boom of direct foreign investment, which in 2012 provided to the region a record amount of US \$173,000 million. From that amount, Brazil obtained US \$65,000 million and the four countries of the Alliance received US \$67,000 million.

Although the region's growth is lower than that of Asia (which is usual) and Africa (which is unusual) (International Monetary Fund, 2013), its resources are so important that investment is still fueled by the demand of mineral, metal and energy supplies, in particular from China. In consequence, currently there are ample budgets. Better government financial support, together with transaction facilitation and movement of people are the foundations of a wide market that is capable of making beneficial negotiations with potential investors and other economic cooperation schemes.

Because the initial four members have proposed a thorough integration that eliminates tariffs, their productive systems are exposed to increased competition in a context that is relatively smaller

than in cases where other countries like Canada and Japan participate with a very competitive offer. Gaining commercial spaces and mutual investments benefits the countries' productive capacities, given that their economies are increasingly open to global competition. This is due to the generalized reduction of their tariffs at will, which is in turn caused by the tariff reductions agreed upon in the free trade agreements (FTAs) signed with different countries. In both cases, it is a group that stands out in Latin America, since its custom duties for the entire universe of goods is 4% (The World Bank, 2013), while at the same time they are the countries with the largest number of signed free trade agreements (twelve on average).

So far, exchange within the Alliance has progressed based on the FTAs signed by its members back in 1995, when the commercial agreement between Mexico, Colombia, and Venezuela (the G-3) entered into force and later operated satisfactorily for a few years. It also retakes Foro Arco del Pacífico, presented in San Salvador in October 2008, a project that was not formalized. This new agreement bets on a commercial, investment and productive agent network without restrictions. Mutual flows have a significant potential, taking into account that member participation in each of their imports is for example smaller than that of China, which is the group's second most important commercial partner, after the United States. None of the countries of the Alliance is among the top 10 of suppliers of another country in the same group and South Americans receive only 2,2% of Mexican exports, while the United States gets 73% (National Institute of Statistics and Geography, 2012). In the Colombian case, only 7,8% of exports are directed to its three partners in the Pacific Alliance, according to official statements (Agencia EFE, 2013).

In addition to exploiting its commercial offer more intensively, the expanded market will revitalize mutual investments, while becoming a more attractive area for extra-regional investment, especially from Asian capital. In this regard, it has been noted that these countries "have paid little attention to Latin America because of heavy size-asymmetric competition, among other factors" (Wilhelmy, 2013). Another factor is the business boost resulting from rapid tax approval and investment coordination through the stock markets (Andina, 2013), with the purpose of consolidating

the regional exchange of the Latin American Integrated Market (MILA).

Second, flows of goods and facilitation of transactions that narrow economic interdependence invigorate the efforts to strengthen citizen relations. The mobilization of people in Latin America has progressed in a sustained and healthy way for the coming together of our peoples.

The third aspect refers to the attention that Mexico is paying on South America based on its participation in the Alliance, which is a very valuable aspect for regional agreement. In fact, since the last decade of the 20th century and as a result of its entry into NAFTA, that country was much more engaged with American interests, which automatically removed it from a number of issues about the countries located south of its border on aspects not related to drug trafficking and the transit of workers to the United States. The former Latin American leader was now more than a commercial partner of its great neighbor and it became a real ally, especially in its war against illicit drugs at an implausible human price, with more than 60,000 violent deaths only during Felipe Calderón's administration between 2006 and 2012 (Agencia EFE, 2012). With a disappointed population because of this bloodshed, Mexico looked coyly to the South and welcomed the initiative to host the start of Celac at the Quintana Roo Summit in February 2010. Undoubtedly, the Mexican-Brazilian coordination represents the possibility of recomposing the Latin American influence on the world.

## The costs of unrestricted openings

The current governments of the countries participating in the Alliance endorse neoliberal postulates directly. They rely on the absolute benefits of market rationality to achieve maximum efficiency of economic agents and have radical opening programs, in spite of redistributive popular demands and criticism to the failures of deregulated markets. For this reason, they continue to expose their productive bases to competition from distant suppliers through FTAs above regional agreements signed in the past. All of them began economic opening processes in the last decade of the 20<sup>th</sup> century, under the influence of the Chilean experience, which was the Latin American pioneer in the application of the guidelines dictated by the Chicago Boys since Pinochet times. The

general tariff decline was accompanied by even more drastic reductions through FTAs.

However, since the members of the Alliance participate in mutual FTAs, their economies have a remarkable level of relationships on which it is not feasible to locate new niches in the medium term, so specializations achieved so far tend to be maintained. In that sense, Mexico invigorates its industrial production advantage, obtained from its association with the United States and Canada (Kalmanovitz, 2013), while South Americans retain their supply of basic goods. The links with Costa Rica and Panama are smaller because of their market size and their dependence on partners which are not Latin American, in particular the United States and China. The most affected country by this commercial fabric will continue to be Colombia, whose installed industrial capacity is higher than that of Chile and Peru, but it is very vulnerable to the competition of the Mexican manufacture. It is also believed that the negative effects on its agricultural production are remarkable, as pointed out by Moreno (2013) "Mexican exports seriously threaten the country's corn and rice industries. In the same way, fruits and food are also exports that seriously threaten our regional and national agriculture".

The Colombian trade deficit with Mexico seems irreparable by itself because of the lack of offer of significant goods to the Mexican consumer.

If large customers and suppliers are the most robust economies of the United States, China, Japan and Korea, the exchange within the alliance will tend to be marginal. According to the events occurred after 2000, the dependence on the China group both as an importer of basic goods and food and as an exporter of equipment and light manufactures is supported by the FTAs with Chile, Peru and Costa Rica. Chile and Peru now provide satellite operations to the Chinese industry, while the others are US satellites, which accounts for 60% of all foreign sales. This means that the bulk of economic integration of the Alliance must occur in a short time, without any foreseen aspects that can trigger new flows of goods between them. Likewise, the tendency to consolidate economic groups through the acquisition of smaller companies must continue, as has been the case in the banking, telecommunications and large store retail sectors, which does not alter employment but has an impact on wealth concentration.

In other words, the economic relations aided by the Alliance, instead of altering the productive

patterns specialized in obtaining benefits through the extraction of natural resources, tend to reinforce this model in Chile, Colombia and Peru. The main problems of this option are the following: a low use of labor in productive processes, low tax levels, repatriation of profits by the foreign investor, a gap between generated expectations and achieved results and a lack of coordination between the interests of the foreign investor and national development policies (ECLAC, 2012). As if that were not enough, countries with abundant natural resources witness environmental deterioration, which is extremely fast.

To sum up, the South American members of the Alliance, whose productive specialization hinders employment formalization and wealth distribution, will increasingly have to deal with the manifestations of citizen discontent for the flagrant social and environmental costs. Indeed, welfare generation in the last decades is a kind of mirage or the so-called “natural resources curse” (Van der Ploeg, 2011), with the following diagnosis, in the case of intensive extraction of minerals in Colombia:

(...) now that international prices have delighted transnational corporations, we see an environmental (social, economic and ecological) failure caused by the disdain towards Colombian institutions, the desire for profit and the ignorance on the functioning of tropical humid and mountain geo-ecosystems. These are simplistic attitudes that were able to raise the voice of entire countryside and city communities against them (Carrizosa, 2013).

This delegitimation caused by the benefit concentration and environmental loss socialization model may be more visible in the South American members of the Alliance. Their vulnerability may be more exposed as the TPP<sup>2</sup> intercontinental project advances.

## Geopolitical background of the Pacific Alliance

Within the framework of transpacific institutions, the Alliance offers small incentives to Chile, Peru and Mexico, which are part of the Asia-Pacific Economic Cooperation (APEC) forum from the start. This group owns more than half of the world's wealth. For its part, the Colombian government can justify its efforts to promote the Alliance and to use resources for its programs as a step to enter APEC, which the country has been trying to access since 1995. But that is where contradictions arise, given that the guidelines of the new association point to proposals that undermine the foundations of the Pacific government body. This ongoing project is the Trans-Pacific Partnership (TPP), led by the United States. It is a model for the integration of the Pacific basin and it is subsidiary to its economic and political interests, which are being negotiated with eight APEC economies (Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam).

As a result, the future of APEC as a tool to coordinate 21 Pacific economies becomes uncertain given the protests against its universal free trade principles. There is no doubt that its founding “open regionalism” idea as a facilitator of good exchange and promoter of appropriate use of natural and human resources still persists in the Forum's written documents. Some time ago, its philosophy of free movement of capital, goods and knowledge in the delimited area of the Pacific zone was accepted as the model that would translate regional achievements into multilateral agreements. Its initial objectives as a global trade facilitator were solved to a large extent with the creation of the World Trade Organization (WTO) in 1995. However, its achievements were not complete because although this organization regulates most of the exchange of goods and services, some delicate matters still lack multilateral consensus, such as agricultural subsidies, intellectual property rights and political conditions for international economic activities, which inspired the TPP. It is clear that the Alliance favors “submissive regionalism”, something which is against APEC's ideals.

The American economic interests in the TPP are intended to maintain their profits in agribusiness and commercial technology markets. On the one hand, the US subsidized supply of cereals and meat fails to comply with WTO prohibitions, freezing the Doha Rounds and, on the other hand,

<sup>2</sup> The Transpacific Partnership is the trade integration agreement signed by most of the Pacific Rim countries, which the US government has been promoting since 2005. In its first draft it was called Strategic Agreement of Economic Association and the Transpacific Association name derived from it.

this country seeks to secure the benefits of its computing corporations. As it is well known, the tacit agreement with the European Union that prevents the reduction of customs taxes to the agricultural supply of developing countries has been the main obstacle to conclude the negotiations. Instead, an open multilateral system would generate more access to those markets than the preferences enjoyed by some non-industrial economies (Amiti and Romalis, 2007), as 70% of the population of non-industrial economies depends on agriculture-related activities (Stiglitz, 2013).

The Pacific Alliance, already established, and the TPP, currently being set up, are subject to that type of conditions incorporated into the FTAs with the United States, despite popular resistance to control mechanisms which are perceived as unfair or neocolonial. According to Alejandra Alayza, Executive Coordinator of the non-governmental organization Red Peruana por una Globalización con Equidad,

The United States has proposed in the negotiation a series of mechanisms that would extend patent validity, which in turn extends medication monopolies. This restricts competition through a reduced entry of generic drugs into our markets and therefore potential problems to handle health care (Salazar, 2013).

On the one hand, the subsidized agricultural supply attacks local production to the extent that it loses competitiveness, even in the internal market. On the other hand, the controversial American unilateral measures on intellectual property must be accepted even though the PIPA (Protect Intellectual Property Act) and SOPA (Stop Online Piracy Act) bills have not been approved by the Congress<sup>3</sup>, although they were agreed on with some signatories of the Anti-Counterfeiting Trade Agreement (ACTA)<sup>4</sup>.

3 Protect Intellectual Property Act (Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act, PIPA) and Stop Online Piracy Act (SOPA). Citizen criticism on both projects stalled their legislative process in 2012. Rejections pointed to reduced access to public information in websites, as well as benefit guarantees only for large IT companies (Newman, 2013).

4 Anti-Counterfeiting Trade Agreement (ACTA) is a measure against the copying of products signed by the United States, Australia, Canada, Korea, New Zealand, Morocco and Singapore in October 2011 in Tokyo (USTR, 2011).

This is how, according to Botero (2012),

(...) for decades the first world has followed an agenda to protect its development model, which is based on strengthening intellectual property. This agenda was developed in international forums such as the United Nations' WIPO (World Intellectual Property Organization), it reached its peak with the creation of the World Trade Organization and today it is transferred to trade forums controlled by the world's powers (such as ACTA and TPP, both multilateral trade agreements led by the US through closed and secret negotiation strategies).

Finally, governments which are reluctant to US global political guidelines, such as Bolivia, Cuba and Iran, are very familiar with trade sanctions on the part of the United States. On the contrary, the countries negotiating the TPP are aligned with that foreign policy to the extent that they want to avoid disputes with China or see themselves as members of "democratic" countries. In this respect, it has been stated that in the end the Alliance lends itself to the political work of counteracting the growing influence of the Asian power:

[The 7th summit coincided] with the active role of Latin America on Barack Obama's economic agenda for his second administration. Several high-level summits have been held in the region, involving Vice President Biden. Obama himself recently visited Mexico and Central America. Some specialists on geopolitics point out that the new US strategy is to contain China with the FTAs, which has shown strength with an active global diplomacy (Fortique, 2013).

In these terms, both the apprehension and the acceptance of the great powers in the Alliance are understandable. Of course, for Washington the initiative deserves all the official recognition possible (La Prensa, 2013), while China accepts it with caution and requests for observer status (Cerdeña, 2013) as part of the measures to prevent political and economic developments against it. Brazil, in turn, expresses its suspicions before a noisy movement for South American integration (América Economía, 2013). We would then face a reconfiguration in which the Pacific Alliance violates Latin American coordination and concertation, while the TPP damages the cooperation program based on APEC. If, on the one hand, Latin America loses its capacity to negotiate in a concerted manner with strong groups, including the Asian, on the other hand, the dream of establishing an

economic community in the Pacific under APEC dissolves, because the intercontinental bloc that the Americans are interested in becomes an obstacle.

## The Pacific Alliance and Latin American integration

As an economic and political project, the Alliance has a supra-regional nature with direct effects on Latin American integration initiatives. Its purpose of gathering the great market of the Pacific Rim presents both positive and negative aspects. On the one hand, complementarity in the exchange with industrial countries sustains a flow of fresh resources owned by national elites. On the other hand, the extractive route inhibits economic and social development in the long run and its actions, in conjunction with the US integrationist plan, sacrifice Latin American autonomy to a large extent. This model is contrasted with the autonomous regional association initiative in favor of national industries advocated by Mercosur. It seems that the speed given to the Alliance is related to the need to disfigure the South American role in integration under the banner of an expanded market (Miranda, 2013). In this way, the profound and now insurmountable fracture of Latin America emerges, since after five decades of promises it failed to agree on joint development and a unified position against global powers (García, 2013). To reach this goal, the regional agenda should work clearly on the convergence of both projects or take advantage of their complementarity, according to Rafael Quiroz, professor at Universidad Central de Venezuela (Contreras, 2013), and not to delve into the fissure that separates these countries.

Of course, the problem is not entirely related to dissociation projects, but also to the ambivalence of the countries with regional leadership (Mexico and Brazil). Given that Mexico was integrated into the North American bloc since the 1990s, the hopes for regional agreement were on the Brazilian goodwill. At that time, this country was immersed in a deep budget crisis, with high inflation and productive stagnation. Its recovery was remarkable in the following decade, as well as its greater international position, which in Lula's times allowed the country to strengthen ties with Africa and the Arab nations. Brazil also became

aware of its global role as a participant in the BRICS –a Goldman and Sachs' acronym to identify major emerging economies: Brazil, Russia, India, China and South Africa- (Wilson, D. 2003). However, the regional dimension of its foreign policy is quite timid and it is still circumscribed to the South American section, leaving aside Mexico, Central America and the Caribbean.

In two centuries of republican life, Latin American countries have lost each opportunity for concerted development and coordinated projection for mutual benefit. In the 19th century, these countries' priorities were related to their relationships with various European cities and in the 20th century they orbited around the Northern polar star<sup>5</sup>. The emancipatory attempts of the 1960s, when Aladi and the Andean Group<sup>6</sup> were created, generated temporary ties, as did the political settlement of the 1980s, which ended because of the neoliberal trends of the following decade and the discredit on ECLAC discourse. The effects on the standard of living, wealth concentration and deterioration of the social fabric were so strong that they created a favorable environment for center-left governments that try to make feasible proposals for an alternative management of society and its resources, so cooperation among themselves becomes problematic. Their meager results become justifications for the conservative wing to try to legitimize its attachment to Washington's economic and strategic policies.

Colombia is one of the countries that has given up on its aspirations to some kind of regional leadership, as the one held in the 1960s or 1980s. Although its position is not one of open hostility towards reformers, its deeply rooted compliance with US guidelines turns it into a partner of

5 *O respice polum*, foreign policy motto coined by former president Marco Fidel Suárez (1918-1921) that proposed following Washington's guidelines, due to the outcome of the First World War and despite the recent struggle with the United States, because of its open participation in the independence of Panama.

6 Aladi stood for Latin American Integration Association. It was the new denomination given in 1980 to the Latin American Association of Free Trade (Alalc) created by the Montevideo Treaty in 1960. Since 1969, the Andean Group gathered six countries of the sub-region (Bolivia, Colombia, Chile, Ecuador, Peru and Venezuela), and preceded the subsequent Andean Community, without Chile as a founding member.

“submissive regionalism”, which is evident by its intense involvement in the Pacific Alliance. This alignment is so radical that it accepted openly the systematic spying revelations by the National Security Agency in Washington and the European confrontation against the Bolivian president, who was not allowed to land in five cities. However, the country’s constitutional parameters point in a different direction, since they privilege Latin American concertation and integration as a beacon of the country’s foreign policy, according to Article 9:

The State’s external relations are based on national sovereignty, respect for self-determination of the people and the recognition of international law principles accepted by Colombia.

Similarly, Colombia’s foreign policy will be oriented towards Latin American and Caribbean integration (Colombian Political Constitution, 1991).

Today, when popular movements have managed to obtain important changes in the closed world of official decisions, when fratricidal struggle becomes a non-violent arrangement between people and when there is a range of economic and political actors in internationalization options, Colombia is experiencing a favorable situation for its various internal interest groups to agree, as well as to discuss and coordinate its external projection in a democratic way. If this trend is assessed, its healthy effect on Latin American integration will be evident.

## Conclusion

The establishment of the Pacific Alliance took a swift course. Two years were enough to install its basic institutional infrastructure, which has caused satisfaction to its managers and admiration to observers and future partners. Given the difficulties to take advantage of the large market in terms of the generation of goods with higher added value, its praiseworthy beginnings may face external and internal obstacles in the future. On the inside, social and environmental issues of radical extraverted economies to guarantee investments in extractive macro-projects encourages protest movements in defense of ecosystem protection and national employment. In the political aspect, adherence to Washington’s economic and strategic interests creates geopolitical

tensions with an outstanding business partner such as China<sup>7</sup>, the most important market for the Chilean and Peruvian offer.

The future of association seems to be an enigma. Given the unsuccessful previous attempt to gather Latin American countries of the Pacific Rim in Foro Arco del Pacífico, the Alliance may go through the same phases and enter a stagnation phase. But, as long as its momentum continues, its fundamental doctrine may encourage this association to collaborate openly with the TPP, serving as a landing platform for US policies in the region.

Beyond these uncertainties, and as an alternative to external financial and technical dependence, the Alliance should take more seriously the Latin American consultation and cooperation options as strategies to negotiate the construction of the community of the Americas in equal terms. Regional integration is a key element for a balanced and mutually beneficial relationship with the United States and it is the proper background to guarantee well-being across the continent. As long as Latin Americans are not an interlocutor group, they will have to choose between submission and confrontation with the great powers, with disastrous effects of both alternatives. Likewise, and from the positive effect, taking advantage of the rapid social exchange and academic and technical cooperation of the Pacific Alliance becomes a challenge for Latin America. This opportunity must be weighed in the spirit of overcoming the fissure that separates our peoples. Colombia, which in the past has had integration issues, could play a greater role in this action front.

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<sup>7</sup> The global bipolar tension, whose visible heads are precisely the United States and China, was evident in the treatment given to the conflict in Syria and the Iranian nuclear policy in 2013. Russia and China maintained their support to those countries and their intervention was decisive for the solutions proposed in the Security Council, besides the participation of Germany in the Iran case. This strategic re-configuration perpetuates old East-West tensions (García, 2001).

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