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# The Pacific Alliance in the Colombian Foreign Policy: A Key Part for the Geographic Diversification?

**Eduardo Pastrana Buelvas**

Professor and Head of the Department of International Relations at the Javeriana University of Bogotá.
E-mail: efpastranab@gmail.com

**Rafael Castro Alegría**

Professor at the Universidad Santiago de Cali
E-mail: rafeca1318@gmail.com

# บทคัดย่อ

กลุ่มพันธมิตรแปซิฟิก (Pacific Alliance) กลายเป็นกุญแจสำคัญของนโยบายต่างประเทศของโคลอมเบีย อันช่วยให้โคลอมเบียสามารถมีส่วนในการบูรณาการทางเศรษฐกิจระหว่างประเทศในระดับที่สูงขึ้น ขยายบทบาทในสถาบันอภิบาลระดับภูมิภาคและบทบาทในการออกแบบยุทธศาสตร์เพื่อส่งเสริมการมีส่วนร่วมในภูมิภาคเอเชีย - แปซิฟิกให้มากยิ่งขึ้น กลุ่มพันธมิตรแปซิฟิกยังช่วยให้โคลอมเบียแสวงหาแรงสนับสนุนในการเป็นสมาชิกของสถาบันระหว่างประเทศต่างๆ อาทิ เอเปค และการเข้าร่วมเจรจาทางเศรษฐกิจขนาดใหญ่ เช่น ความตกลงหุ้นส่วนเศรษฐกิจภาคพื้นแปซิฟิก (TPP) บทความนี้มุ่งวิเคราะห์บทบาทของโคลอมเบียในกลุ่มพันธมิตรแปซิฟิก โดยจะแสดงให้เห็นปัจจัยและตัวแสดงภายในประเทศ ระดับภูมิภาค และระดับโลกที่กำกับและผลักดันบทบาทของโคลอมเบีย รวมถึงเป้าหมายและอุปสรรคสำคัญต่อการมีส่วนร่วมของโคลอมเบียในกลุ่มพันธมิตรแปซิฟิก บทความยังมุ่งอภิปรายถึงผลกระทบที่อาจเกิดขึ้นกับความสัมพันธ์ของโคลอมเบียกับประเทศอื่นๆ ในภูมิภาค โดยเฉพาะบราซิล รวมถึงความสัมพันธ์กับสถาบันอภิบาลระดับภูมิภาคและประเทศนอกภูมิภาค ซึ่งอาจช่วยสนับสนุนกลุ่มพันธมิตรแปซิฟิกอีกทางหนึ่ง นอกจากนี้ บทความเสนอในตอนท้ายถึงความเป็นไปได้ที่กลุ่มพันธมิตรแปซิฟิกจะมีความสำคัญทางยุทธศาสตร์เพิ่มมากขึ้นในบริบทโลกที่กำลังเปลี่ยนแปลงไป

**คำสำคัญ**: กลุ่มพันธมิตรแปซิฟิก ภูมิภาคนิยม นโยบายต่างประเทศของโคลอมเบีย

## Abstract

The Pacific Alliance (PA) has become a key in geographically diversifying Colombia's foreign policy agenda. It has allowed the Colombian state to achieve a higher level of international economic integration, increase its participation in regional governance institutions and in designing strategies for greater engagement with the Asia-Pacific. Also, it has allowed Colombia to seek support to enter institutions like APEC and enter into negotiations with mega-trade blocs, such as the Trans Pacific Partnership (TPP). This paper aims to analyse Colombia's participation in the PA. It will highlight the global, regional, and domestic factors and actors that have propelled Colombia's move, as well as key objectives and obstacles pertaining to its participation. Then, it will discuss possible impacts on Colombia's relationship with the regional power, Brazil in particular, regional governance institutions, and extra-regional powers, which could deepen or promote the PA. The paper concludes by proposing several possible scenarios for the growth of strategic importance of the PA in a changing hemispheric context.



**Keywords:** Pacific Alliance, regionalism, Colombian foreign policy

# 1. Introduction

## Global and Regional Factors of Colombia's Participation in the Pacific Alliance (PA)

The analysis of Colombia's participation in the PA in 2011 should consider factors of global and regional order. To begin with, the consequences of the economic and financial crisis in the United States (U.S.) in 2008 kept North America in a complex economic situation whereby having to raise the ceiling of public debt in 2011. As Colombia's first trading partner, the U.S. crisis also impacted the bilateral trade relationship. Having aligned itself in such an extreme way, both thematically and geographically, with the American superpower, Colombia's external vulnerability became evident. In the same way, the American crisis slowed down economic growth in the European Union (EU), which also found itself in the midst of the Euro crisis. Therefore, even though Colombia was negotiating a Free Trade Agreement with the EU in 2011, it came to realize the need to seek new alliances.

In the regional area, a large number of Latin American countries have been increasingly established profound relationships with China and the Asia-Pacific, resulted in China becoming the principal trading partner of many of these

countries. At the same time, with Juan Manuel Santos' arrival to presidency (2010 - present), Colombia found itself emerging from a regional isolation since the presidential terms of Álvaro Uribe (2002 - 2010). That was a time when an exacerbation of alignment with the US occurred. This situation precipitated the strategy of engaging in regionalization processes with Latin American partners.

However, while the proliferation of post-hegemonic regionalism prioritizing political matters and social justice had taken place,[1] the issues were not as much a priority for Colombia as the need to secure new economic alliances. Although participating in post-hegemonic regionalism, i.e., Mercosur and UNASUR, has decreased its political isolation, it did not help Colombia to meet its trade objectives. Within this context, the emergence of an institutional alternative that would be better linked to its economic interests, like those ideas of pro-free traders, was pertinent to Colombia.

[1] Pía Riggirozi, "Reconstructing Regionalism: What does development have to do with it?," in *The Rise of Post-hegemonic Regionalism: The Case of Latin America*, eds. Pía Riggirozi and Diane Tussie (London: Springer, 2012).

## 2. Domestic Factors and the Drive towards the Pacific Alliance

In accordance with neoclassical realism, in order to analyse the foreign policy of a state, domestic variables should also be kept in mind.[2] In the Colombian case, one of the most important domestic factors that have contributed to Colombia's participation in the PA is the arrival of President Juan Manuel Santos, who positioned the trade policy as one of the central pillars of Colombia's foreign policy. With the aim of strengthening this policy, Santos took a more pragmatic approach to Colombia's international relations, interacting with countries that have diverse ideologies but without generating any controversial confrontations. These interactions, as can be observed in the balance sheets of Colombian Foreign Affairs Minister, have focused on creating and/or strengthening the trade and diplomatic ties with numerous countries with shared economic and trade interests but different political orientations.[3] Precisely, the PA was created by those countries

[2] Steven Lobell, Norrin Ripsman and Jeffrey Taliaferro, "Introduction: Neoclassical Realism, the State and Foreign Policy," in *Neoclassical Realism, the State and Foreign Policy*, eds. Steven Lobell, Norrin Ripsman and Jeffrey Taliaferro (Cambridge: Cambridge University Press, 2009), 4.

[3] Juan Rodríguez, Santiago Sosa and Luis Vargas, "El comercio como plataforma de la política exterior colombiana en la administración

with which Santos had greater ideological affinity in terms of international trade and strategies for internationalising the economy and encouraging foreign investment. There is also a similar interpretation of trends in the global geo-economy that all the members of this agreement are free-trade promoters and want to increase trade with the Asia-Pacific.[4]

Colombia's participation in the PA is also congruent with another of Santos' foreign policy strategies: the strengthening of the relationships with the Latin American countries. This is in contrast with the isolation that the former government of President Uribe (2002 - 2008) favoured, owing to his views on security and the privileged relationship with the U.S. The strengthening relationships with its neighbors have been developing with an increasing participation in regional institutions, such as Mercosur and UNASUR; the depolarisation of relationship with Venezuela and Ecuador; and the signing of a large amount of bilateral cooperation agreements with South American countries. Before the consolidation of the PA,

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de Juan Manuel Santos," *Colombia Internacional* 76 (July - December, 2012): 287.

[4] Eduardo Pastrana, Ricardo Betancourt and Rafael Castro, "Colombia y la Alianza del Pacífico: un proyecto regional de cara a la multipolaridad creciente," in *Alianza del Pacífico: mitos y realidades*, eds. Eduardo Pastrana and Hubert Gehring (Cali: Editorial Universidad Santiago de Cali, 2014).

President Santos had also tried to 'relaunch the CAN' in 2011, in order to increase trade relations among member states and to resolve existing differences inside the organization. However, his attempt was unsuccessful.

Other domestic actors that decidedly supported and have contributed to the process of consolidating the PA are Colombian businesses associated with the National Association of Industrialists (ANDI)[5] and the National Federation of Merchants. The president of ANDI, Bruce Mac Master, even declared that the PA "is vital for the region" and pointed out that it can bring growth of between 0.7 and 1 percent to the Colombian economy, as well as contribute to the generation of employment and development for the four members.[6] With regard to its involvement, the ANDI has a seat in the Business Council of the PA, which is a body created with the aim of allowing the private sector to make recommendations to the government (e.g. with regards to competitiveness), identifying new business opportunities for country members,

[5] ANDI, "ANDI ve con optimismo acuerdos de la Alianza del Pacífico," *ANDI*, February 7, 2014, http://www.andi.com.co/pages/prensa/comunicados_prensa_detalle.aspx?Id=591 (accessed July 17, 2014).

[6] ANDI, "Alianza del Pacífico impulsará la economía: Andi," *ANDI*, February 8, 2014, http://www.caracol.com.co/noticias/economia/alianza-del-pacifico-impulsara-la-economia-colombiana-andi/20140208/nota/2074778.aspx (accessed May 15, 2014).

contributing to the promotion of trade, joint participation of business undertakings with country members, and maintaining a constant dialogue of private sector and state leaders within the framework of the summit.

Another actor that has been involved in the process after signing the agreement is the Colombian Congress which, together with the legislations of the other PA members, has constituted the Parliamentary Commission on Monitoring the Pacific Alliance for supporting the executives in making progress towards the consolidation of the PA, so that agreements can be transformed into laws. Regarding this committee, the former Colombian Minister of Trade, Industry and Tourism, Sergio Díaz-Granados (2010-2013), said that it would be more practical than the Andean Parliament, and it would reflect, in his opinion, 'the future integration of Latin America.'[7]

Also, the PA does not generate resistance from an extremely important player in Colombia: the Armed Forces. As evidenced in the lastest presidential election, the Armed Forces prefered an approximation to the PA countries, much more than an approximation to the axis of '21st century socialism,'

[7] El Espectador, "Alianza del Pacífico pone en marcha su propio parlamento", *El Espectador*, May 6, 2013, www.elespectador.com/noticias/politica/alianza-del-pacifico-pone-marcha-su-propio-parlamento-articulo-420525 (accessed December 12, 2013).

which is represented by the countries from the Bolivarian Alliance for the Peoples of Our America (ALBA).

## 3. Colombian Foreign Policy towards the Asia-Pacific

The entering into the Asia-Pacific never constituted a priority in Colombia's foreign policy agenda. For example, despite the approach to Asia dating back to the signing of a treaty of friendship, trade and navigation with Japan in 1908, the relationship between both parties has always been limited. In 1947 a relationship with the Republic of China began to be constructed, still it was only temporary due to the context of the Cold War. Colombia's participation in the Korean War in the 1950s established a fruitful relationship with the Asia-Pacific;[8] however it was based more on Colombia's participation in the UN rather than any defined objective towards the Asia-Pacific.

It was not until the end of the 1970s that Colombia has initially established diplomatic relationships with Vietnam, Thailand, Indonesia, the Philippines, Singapore and Malaysia.[9]

8 Fernando Barbosa, "Una mirada a la historia," in *La inserción de Colombia en el Asía Pacífico 2020: Colombia en el nuevo océano*, eds. Fernando Barbosa, Enrique Posada and Enrique Serrano (Bogotá: Universidad Jorge Tadeo Lozano, 2011), 29-30.

9 Eduardo Velosa, "Colombia frente al Asía Pacífico," in *Colombia: ¿una potencia en desarrollo? escenarios y desafíos para su política exterior*, ed.

In 1980s, during the presidency of Turbay Ayala (1978 - 1982), a diplomatic relationship with China was reestablished. Soon after the mandate of Virgilio Barco (1986 - 1990), the Asia-Pacific began to occupy a more important place in Colombia's foreign policy. Thus, for example, the first formal visit to the Popular Republic of China took place, and in 1987 the Colombian Cooperation Council in the Pacific, that aims to increase Colombia's insertion into the region, was created.

Until the 1990s, with Cesar Gaviria (1990 - 1994) as President, Japan appeared on Colombia's horizons as a reference for economic growth with Colombia's admission to the Pacific Economic Cooperation Council (PECC), and doors were opened to Colombian businesses to join the Colombian Pacific Economic Council (PBEC). During the government of Ernesto Samper (1994 - 1998), Colombia took advantage from being the leader of the Non-Aligned Movement to approach to the Asia-Pacific, having particularly Indonesia as a destination for the official visit. Furthermore, in 1995 Colombia also sought to enter into the Asia-Pacific Economic Cooperation (APEC), but its bid was suspended since the organization denied accepting more members.

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Stefan Jost (Bogotá: Konrad Adenauer Stiftung, 2012), 361.

In spite of the weaknesses in the relationship with the Asia-Pacific, the global changes in recent years have transformed the Pacific basin, its relevance to the world, and the interest that it has awakened in Colombia's foreign policy. After the fall of the Berlin Wall, spaces were opened so that emerging powers, especially China, could begin to occupy a significant place in their respective regions and within the world. Although China felt comfortable in its role of regional power in the 1990s, at least two factors have prompted a rapid expansion of its aspirations to become a global major power.

First, the U.S. effort to completely capture the space left by the Soviet Union in Asia, especially in the central area, altered the equilibrium of the Asian continent. China saw the proliferation of the U.S. influence in the Asia-Pacific as a threat to its own power and autonomy. Moreover, given their access to fossil fuels has fallen increasingly under the U.S. control, China was urged to develop a more active role in the region.[10]

Then, the accelerated growth of the Asia Pacific occurred at the time of the creation of APEC, an economic and political forum whose members constitute approximately 50 percent

[10] Pío García, "Colombia transpacífica: opciones de política y liderazgo regional," in *Colombia: una política exterior en transición*, ed. Diego Cardona (Bogotá: Fescol, 2011), 182.

of world GDP, in 1989, and the establishment of ASEAN[11] Free Trade Area (AFTA) with China, Japan, Korea and India, among others, which together constitute the biggest market on the planet, displacing NAFTA and the European Union (EU). In a world that is no longer bipolarity, a region with these characteristics tends to become one of the axes of the polycentric order. Hegemony seemed to be held solely by the U.S., though now it is disputed by several rival countries, of which some of the most important are Asian.[12]

Even so, the inheritance of *respicepolum,*[13] has led Colombia to continue to lag behind other neighboring states, such as Mexico, Peru, Chile and Ecuador, in strengthening their approach to the Asia-Pacific. Although the government of Álvaro Uribe Vélez (2002 - 2010) seemed to be aware of the growing importance of the Asia-Pacific region to the point that in 2004 the Vice Minister of Foreign Affairs visited

[11] This block, composed of emerging economies, represents 11 percent of GDP in Asia-Pacific (with an average growth of 5.7 percent from 1990 to 2010), 24 percent of its exports, 23 percent of its imports and 17 percent of its population. (Colombian Ministry of Foreign Affairs)

[12] Amitav Acharya, *Asia Rising. Who is leading?* (Singapore: World Scientific Publishing Co, 2008), 164.

[13] Understood as 'looking towards the north,' certain traits of Colombia's foreign policy since the end of 1910s when Colombia nearly fully aligned itself with the U.S. and left aside the possibility of relationships with the rest of the world are known under this name.

Thailand to look for support in seeking Colombia's entrance to APEC,[14] there have been contradictory actions in the closure of Colombian diplomatic missions in Australia, Indonesia and Thailand.[15] Colombia's foreign policy agenda, limited thematically and geographically to security and bilateralism with the U.S. respectively, could prevent them from playing a more pragmatic role in a changing world.

Nowadays, both in political and economic terms, it is notably restricted to bring about foreign policy practices such as those present during the Cold War, when a country's relationship with a superpower could determine allies and possible agreements, since it could remove their possibility of establishing links with other powers. During the last 25 years, it has become evident that this governing style is archaic and that multilateralism is the standard which has been developed in addressing foreign policy. The multilateralism implicates strengthening and cultivating relationship with the Asia-Pacific as a very important objective of any country's foreign policy.

[14] Eduardo Velosa, "Asia Pacífico es más que economía: la necesidad de una política exterior integral," in *Más allá de la seguridad democrática agenda hacia nuevos horizontes*, eds. Eduardo Pastrana, Stefan Jost and Martha Márquez (Bogotá: Konrad Adenauer Stiftung and Pontificia Univeridad Javeriana, 2010), 513.

[15] Eduardo Velosa, "Colombia frente al Asía Pacífico," 362-363.

## 4. Colombia's Objectives in the Pacific Alliance

Undoubtedly, the PA is the epicenter of the geographical and thematic diversification strategy in Juan Manuel Santos' foreign agenda. In this way, the PA emerges as a 'mechanism of regional integration' that drives the cooperation with countries in the region, enabling the coordination of strategies, and pushing forward policies for entering into the Asia-Pacific. Participating in the PA is thus part of the Colombian foreign agenda for integration in the region and through this it seeks:

- To increase the export capacity of Colombian businesses to the Asia-Pacific through greater promotion of their products.

- To attract Foreign Direct Investment (FDI) coming from the Asia-Pacific, for example, by introducing potential investment projects in the PA countries to Asian businesses. At the same time it seeks to make the national market more attractive through the elimination of barriers and tariffs between the PA members, which could become the eighth biggest world economy.

- To construct the identity of the PA as the greatest Latin American expression of open and liberal

regionalism in which, three of the four Pacific cooperation organizations would be included: PBEC (Pacific Basin Economic Council), PECC (Pacific Economic Cooperation Council) and APEC,[16] so that it would encourage a positive association among member states.

• To stimulate the development of infrastructure projects contributing to the improvement of intra and extra-regional trade.

• To expand the Colombian diplomatic presence in the region through the joint opening of embassies with members of the PA, some of which are already in operation and others that have been planned.[17]

• To facilitate Colombia's participation in the Trans-Pacific Partnership (TPP), where currently some countries in the Asia Pacific, the US and Latin American are participating. Also to facilitate Colombia's entry in APEC[18] in which 21 economies from the Pacific

[16] Pío García, "Colombia transpacífica: opciones de política y liderazgo regional," 184.

[17] Colombian Ministry of Foreign Affairs, *Abecé De La Alianza Del Pacífico* http://www.cancilleria.gov.co/newsroom/news/abece-la-alianza-del-pacifico (accessed June 30, 2014).

[18] As Velosa mentions, membership in APEC has become an essential aspect of Colombia's strategy for entry into the Asia-Pacific. This

Coast have joined. Strategically, since the other members of the PA already participated in the TPP and are current members of APEC, they can supposedly support Colombia's entry.[19]

• On the other hand, Colombia is looking for contributing to the conformation and consolidation of CIVETS[20] and become a member of the Organisation for Economic Cooperation and Development (OECD) where two of its fellow PA associates are already members (Mexico and Chile).[21]

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is proven by the balance sheets of the Ministry of Foreign Affairs regarding the meetings with different countries in the region (Cambodia, Korea, Indonesia, Singapore, Thailand, Vietnam, Australia and New Zealand), a phenomenon that could be categorized as 'diplomacy for entry.' See Eduardo Velosa, "Colombia frente al Asía Pacífico," 366.

[19] Detlef Nolte and Leslie Wehner,"The Pacific Alliance Casts Its Cloud over Latin America," *GIGA Focus International Edition*, 2013, https://giga.hamburg/en/system/files/publications/gf_international_1308.pdf (accessed September 12, 2014), 13.

[20] Colombia, Indonesia, Vietnam, Egypt, South Africa (although Egypt appears to be unfeasible given its internal political-military crisis). This acronym refers to a potential second wave of 'new emerging economies' or 'blocs' of medium economic powers as coined by Robert Ward, Director of the 'Economist Intelligence Unit'.

[21] Cooperation Forum of Latin America, the Caribbean and East-Asia

In addition to the economic development that the Colombian government hopes to achieve through the PA, and as part of Santos' geographic and thematic diversification strategy, the potential involvement of Colombia in regional organizations, such as APEC, could allow the government to create or strengthen its agenda of positive integration[22] with Asia-Pacific countries: that is, a strengthening of non-commercial relations, such as telecommunications and energy cooperation, which are also part of the agenda of this regional forum. In contrast with these potential gains, there are also economic risks, since the high demand of primary materials in Asian countries could aggravate the reprimarization, environmental degradation and deindustrialization of the Colombian economy,[23] which could lead to a socio-economic crisis. Furthermore, the AP poses a challenge for Colombia. If it does not invest generously in ports and road infrastructure, the

[22] In this regard, the Asia Pacific strategy, poured into the National Development Plan '*Prosperity for all*' 'is aimed at deepening the bilateral political dialogue and to participate actively and constructively in the forums and multilateral mechanisms in Asia with the aim of strengthening economic relations to facilitate the flow of investment and to diversify the issues of a positive agenda' (Colombian Ministry of Foreign Affairs). Emphasized by authors

[23] ElEspectador, "Retos de Colombia frente a Alianza del Pacífico no son solo económicos".*ElEspectador*, January 7, 2014, http://www.elespectador.com/noticias/economia/retos-de-colombia-frente-alianza-del-pacifico-no-son-so-articulo-467216(accessed June 5, 2014).

country could linger behind in taking advantage of its already established trade agreement and therefore its sought-after entry into the Asia- Pacific.

## 5. Colombia and Other Regional Projects

Throughout Juan Manuel Santos' presidency, Colombia has increased its participation in the various regional organizations. Precisely for this reason, one of the questions that have arisen with the emergence of the PA is in turn what implications Colombia might have by involving in said organisations.

Firstly, the question of how Colombia will manage itself in the organisations where it has already participated (Mercosur, UNASUR, CELAC, CAN) and, secondly, how its interaction with those organisations of which it is not a member, especially ALBA, will be evaluated. With regards to the first point, it should be considered that Colombia is one of the associate members of Mercosur and has already signed an Economic Complementation Agreement (ECA). Therefore, despite not being a full member, the possibility of bringing both agreements together has been raised.[24]

[24] HoyDigital, "Santos y Rousseff buscan aproximar a la Alianza del Pacífico y el Mercosur", *HoyDigital,* June 19, 2014, http://hoy.com.

As for what can be interpreted as a Brazilian reaction to the PA, President Dilma Rousseff has asked members of Mercosur to accelerate the process of lifting tariffs with the PA member countries (except Mexico) in order to form a 'South American free trade area.' In response to such events it is possible to suggest that good relations would be maintained between the PA and Mercosur, or rather, that inter-institutional polarization will not occur despite the differences between both blocs. Actually, given the preexisting agreements on economic matters and the current political will, there is scope for further trade liberalization and a positive integration agenda. However, the PA and Mercosur have different geopolitical boundaries in the region (Latin America vs. South America); different trade policy models (free-trade vs. interventional). Moreover Mercosur also encourages some analysts[25] to argue that the PA could become a soft counterweight or a *soft balancing* strategy used against Mercosur and especially against its leading country: Brazil.[26]

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do/santos-y-rousseff-buscan-aproximar-a-la-alianza-del-pacifico-y-el-mercosur/ (accessed September 12, 2014).

[25] Detlef Nolte and Leslie Wehner,"The Pacific Alliance Casts Its Cloud over Latin America," 5.

[26] The PA can be considered as a *soft balancing* strategy denominated as *buffering* which consists of forming a diplomatic coalition that restricts the projection of the regional power and permits its state members to extend their room for maneuver in the region.

With regards to UNASUR, it should be noted that Colombia has sought to support the regional institution, the Organisation of American States (OAS), in which the U.S. participates, so that the OAS provides the space for regional policy agreements and crisis management. However, in recent years Colombia, like most South American countries, has opted to legitimize UNASUR as a stage that can also be suitable for such discussions. With the rise of the PA, the possibility that this agreement will constitute a replacement or challenge to UNASUR has been suggested. Nonetheless, its members have not expressed intentions to that effect nor have they committed themselves to mechanisms that consider this type of role, except for the possibility of cooperation on drug trafficking and fight against organized crime under the PA's framework agreement which, if implemented, could compete with some functions of the South American Defence Council, which is part of UNASUR. Whereas the regional political cooperation is at an early stage, the counterweight of CELAC on behalf of Colombia is not considered significant given the fixed objectives of the PA members which are mainly limited to issues of goods mobility, capital, services and people. But it is also possible to argue that the 'return' of Mexico in terms of aligning politics with CELAC and economics with the PA and the strengthening of these regional arenas can give a relative counterweight to UNASUR

and to Brazil as the regional leader.[27]

However, there are three events that can diminish the importance of a counterweight to UNASUR. In the first place, the declarations made by the Minister of Foreign Affairs in Chile, Heraldo Muñoz, shows that President Michelle Bachelet is against the idea of turning the PA into an ideologically exclusive organization of countries in the region or into an organization for political cooperation since Bachelet considers that the ideal body to take on that function would be the CELAC. Secondly, it should be noted that, with respect to the period of tension and polarization in the Venezuelan political crisis in 2014, the PA declared that it would not take a stance as it is not a political forum. In the same way, none of the PA members ceased to participate in UNASUR and CELAC[28].

On the other hand, members of ALBA, a regional organization critical of neoliberalism, have taken a stance against the PA. The president of Bolivia, Evo Morales, has catalogued

[27] Eduardo Pastrana, "Dilemas de lagobernanza regional em Suramérica frente a lasactualestransformaciones hemisféricas," *PensamientoPropio, 42* (July-December, 2015): 56-58.

[28] Colombia is also part of, joint with Brazil and Ecuador, the commission of foreign ministers in UNASUR which tracks the dialogues between the Venezuelan government and the Bureau of Democratic Unity (MUD).

it as an attempt driven by the US, designed to undermine the Latin American integration.[29] At the same time, the president of Ecuador, Rafael Correa, said that Ecuador will not be part of these 'neoliberal adventures' as long as he remains in power, seeing that they do not contribute to promoting inclusion and social justice in the region.[30]

It could be considered that the PA resolves, in a certain way, the mystery surrounding the future of the Andean Community of Nations (CAN), an organization that has been stalled since the signing of NAFTA by Colombia and Peru with the U.S., and since Venezuela's exit in 2006. Such paralysis is largely due to Colombia and Peru's proximity to economic neoliberalism as promoters of economic openness, clashing with Ecuador's and Bolivia's vision that opposes these types of values.[31] Although it is recognized that CAN has contributed to

[29] AméricaEconomía, "Evo Morales: Entrar a la Alianza del Pacífico es romper la unidad regional", *América Economía*, September 5, 2014, http://www.americaeconomia.com/economia-mercados/finanzas/evo-morales-entrar-la-alianza-del-pacifico-es-romper-la-unidad-regional (accessed December 10, 2014).

[30] AméricaEconomía, "Alianza del Pacífico y Mercosur: dos bloques que buscan la integración en América Latina", *AméricaEconomía*, October 15, 2013, http://www.americaeconomia.com/node/102993, (accessed August 15, 2014).

[31] Santiago Gutiérrez et al., *Evaluación de la Justificación Económica y Política de la Alianza del Pacífico* (Bogotá: Proexport Colombia, 2013)

the free movement of goods and people among member states, ideological differences have led to a stagnation of the project[32] because the current governments of Ecuador and Bolivia have favoured their membership to ALBA, while Colombia and Peru have become members of the PA.

## 6. The Importance of the PA for Colombia's Relationships with Extra-regional Powers

On the other hand, it is also important to investigate the impact of Colombia's relationship with extra-regional powers that could influence the creation and the eventual consolidation of the PA. There are generally positive reactions from external powers, such as the U.S., the EU, China and ASEAN countries.

The PA has also been interpreted as part of a new attempt by the U.S. to create a free trade area for the entire continent[33] following the failure of the Free Trade Area of the Americas (FTAA). Another objective of the PA would be to 'position'

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[32] Eduardo Pastrana, "La política exterior colombiana hacia Sudamérica: de Uribe a Santos," in *IX Curso para Diplomáticos Sudamericanos*, ed. FUNAG, (Río de Janeiro: Fundaçao Alexandre De Gusmão, 2011), 210.

[33] Emir Sader, *A contracorriente*. http://blogs.publico.es/emir-sader/2014/03/15/alianza-del-pacifico-una-alternativa/ (accessed July 8, 2014).

Mexico as a continental leader since it is the country that is still, to the greatest extent, following the recommendations of the International Monetary Fund and the World Bank, and embodying the neoliberal principles promoted by the U.S.[34] Furthermore, it has also been hypothesized that both PA and the TPP agreement are part of a containment strategy by Washington to China and to Brazil, which aims to economically and strategically restrict them and remove their political influence in the Pacific and Latin American region.[35]

As the PA is in line with other agreements and organisations in which the U.S. is a member (e.g. TPP), and both have shared certain values and norms, it is considered that the U.S. should become a permanent member of the PA.[36] Nevertheless, some member countries of the PA may have reservations surrounding the entry of the US due to the lengthy American legislative processes, which would be in contrast with the results-oriented approach of the PA.[37]

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[34] Ibid.

[35] Cristina Soreanu, "O Brasil e as Relações Sino-Americanas: Triangulações e Percepções," in *Global Governance. Crossed Perceptions: Discussion Papers*, ed. Funag (Rio de Janeiro: Fundação Alexandre de Gusmão, 2013), 66.

[36] The US has been granted observer status after being invited by PA members.

[37] Carl Meacham, "Why should the United States Join the Pacific

With regards to the relationship between the EU and the PA, it is important to highlight that all of the PA members have free trade agreements with the EU while a large number of European countries are observer states in the PA (including Germany).[38] The EU has liberalized the movement of people with Colombia by lifting the visa requirement for staying less than ninety days. The similar processes have already been carried out with Chile and Mexico.

In addition, an increasing significant connection between both sides can be seen through the statements of the President of the European Council, Herman van Rompuy, which stated that "The integration relations within the Pacific Alliance are going to reinforce the group's position regionally and internationally, which makes them more attractive actors

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Alliance?," *Center for Strategic and International Studies*, July 10, 2013, https://csis.org/publication/why-should-united-states-join-pacific-alliance (accessed March 10, 2014).

[38] It has also been argued that, in case of Spain, there is an interest of triangulation, that is, to become an intermediary between Asia and Latin America, taking advantage of the banks and Spanish companies found in Latin America to establish contact with Asia. Meanwhile, the ex-president of Chile, Sebastian Piñera, said that the Alliance could serve as a bridge for Europe's projection in the Asia-Pacific region, see Santiago Gutiérrez et al., *Evaluación de la Justificación Económica y Política de la Alianza del Pacífico*, 84.

for European countries."[39] The point was also made by the Ambassador of European Delegation, Irene Horejs, in Peru. She expressed that the PA countries have similar policies with the EU, for example, they are stable in growth with macroeconomic stability, and have chosen trade liberalization. Horejs pointed out that the European bloc has common ground with PA state members and that the cooperation between two blocs from different multilateral fields can lead to substantial benefits for both parties.[40] It is even suggested that the EU establish free trade and strategic cooperation with the PA, whereas it hardly happens with Mercosur or ALBA.[41]

In response to their desire for integration with the Asia Pacific, the PA sent an invitation to ASEAN so that it could officially participate as an observer.[42] Meanwhile, Javier Becker,

[39] HoyDigital, "Cumbre Celac-UE cierra con fuerte interés europeo en Alianza del Pacífico", *HoyDigital*, January 27, 2013, http://hoy.com.do/cumbre-celac-ue-cierra-con-fuerte-interes-europeo-en-alianza-del-pacifico/ (accessed October 21, 2014).

[40] AméricaEconomía, "UE ve a la Alianza del Pacífico como un socio muy cercano", *AméricaEconomía*, February 26, 2014, http://www.americaeconomia.com/economia-mercados/finanzas/ue-ve-la-alianza-del-pacifico-como-un-socio-muy-cercano (accessed June 18, 2014).

[41] Detlef Nolte and Leslie Wehner,"The Pacific Alliance Casts Its Cloud over Latin America," 6-7.

[42] CGB, Senado De La República De México. Centro De Estudios Internacionales Gilberto Bosques. *La Alianza Del Pacífico ¿el Futuro De*

Chilean Ambassador to Thailand also mentioned the possibility that ASEAN countries could enter into the PA. In turn, through this platform, ASEAN member countries can more easily export their goods to South America.[43]

On May 25th 2015, the first meeting between the Permanent Representatives of ASEAN and the Representatives of the PA took place. The meeting was resulted from the sustained dialogue between both blocs in September 2014 in the framework of the General Assembly of the United Nations (UN). The official statement showed the organisations' prospects regarding the possibilities of cooperation in areas, such as trade facilitation, innovation, logistics, urban infrastructure, small and medium sized companies, agriculture, energy and minerals.

Besides, both parties supported the idea of greater cooperation in education, culture, sports and tourism. They discussed the importance of deepening mutual knowledge and the understanding between regions, the structure and workings of both institutions to facilitate cooperation, and expectations

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*La Integración Regional?* Vol. 1. Documentos De Análisis (México D.F.: July, 2014).

[43] ASEAN, "ASEAN briefing The Pacific Alliance: ASEAN's Bridge to South America",*ASEAN*, November, 14, 2013, http://www.aseanbriefing.com/news/2013/11/14/pacific-alliance-aseans-bridge-south-america.html (accessed December 15, 2014).

of cooperation through other institutions, such as the Forum for East Asia - Latin America Cooperation (FEALAC). It was left established in the joint declaration that it is considered useful to continue carrying out ministerial meetings in order to exchange views and keep track of the areas in which they will cooperate.

With regards to the points addressed between the two blocs at the summit, it is possible to highlight some areas that will be of great benefit for members of the PA, such as:

- Firstly, one of the main challenges in increasing exports for members of the PA to ASEAN is how do they work together in aspects of logistics and infrastructure to create greater connectivity that makes the increase in trade flow viable.

- Given the experience of ASEAN in terms of integration (it was created in 1967) and the high degree of economic development of its members, it is possible that it could provide the PA with some of the lessons learned in organizational management, industrialization strategies, value chains, development of human capital, education and international economic integration.

- Apart from the agreements between ASEAN and the PA, the transference of technology from the former to the latter could contribute to the industrialization of PA members. Such processes could reduce their excessive dependence on the exports of primary materials to the Asia Pacific without reducing the complementarity between both economies by improving the production capacity of PA countries in value-added goods which are currently in great demand in ASEAN.

It should be noted that the cooperation between both blocs could support some goals of the international economic policies of each bloc's members. For example, all the members of ASEAN and the PA are part of the TPP, except Colombia, which has expressed an interest in accessing the agreement. Then with the support from members of both blocs, Colombia could have greater weight behind its request to participate in the TPP. On the other hand, in contrast to the policies of more protectionist blocs in Latin America like Mercosur, the PA could provide a platform for increasing trade between the members of ASEAN and Latin American countries, owing to the affinity of participants' from both sides.

- The collaboration between both blocs should not necessarily be restricted to bloc-to-bloc approach, but rather it can strive to find similar views on issues of

> global and regional governance, as highlighted in the ministerial meeting regarding potentially working together in institutions like FEALAC.

Additionally, even Colombia and China still lack knowledge of one another;[44] it is worth noting that China is looking for a partner in Latin America "whether it be a regional leader or a reliable and working forum- that allows it to strengthen its commitment to this side of the world."[45] For this reason, the development of the PA, in which China has the status of observer state, could be strategic so that it becomes a central organization connecting China with Latin America and giving Colombia a relatively advantageous position compared to other Latin American states that are not part of it.

Although China's main interest in Latin America and the Caribbean is access to resources (food, raw materials and energy) and markets, its approach to the region is not just pinned down to the signing of bilateral trade agreements to achieve this objective. It has also established a win-win relationship

[44] Enrique Posada, "Segunda Parte. Relaciones Colombia-China: una agenda con futuro," in *La inserción de Colombia en Asía Pacífico. 2020: Colombia en el nuevo océano*, eds. Fernando Barbosa, Enrique Posada and Enrique Serrano (Bogotá: Universidad de Bogotá Jorge Tadeo Lozano, 2011), 112.

[45] Benjamin Creutzfeldt, "América Latina en la política exterior China," *Papel Político* vol. 18, 2 (July-December, 2013): 607.

for Latin American countries given that China has invested heavily in local infrastructure and health, in exchange for access to such resources.[46] For Colombia, apart from increased trade deriving from FTA negotiations, three projects have been proposed, financed by China Development Bank or/and Chinese businesses: a railway line that connects the Atlantic and Pacific coasts, a pipeline that would cross Venezuela and Colombia to the Pacific Coast, and a canal project in the Magdalena River.[47] Thanks to China's interests in global issues, such as climate change and food security, the joint effort on these fronts and other possible political coordination through global and regional institution could broaden, in turn, South-South cooperation.

Thus, an increase in trade relations and a broadening and deepening of the positive agenda between the two countries could allow Colombia to reduce its traditional dependence on the U.S., giving it more room for political and economic

[46] Nele Noesselt and Ana Soliz-Landivar,"China in Latin America: Competition in the United States' Strategic Backyard," *GIGA Focus Number 7*, 2013, http://www.ssoar.info/ssoar/bitstream/handle/document/35972/ssoar-2013-noesselt_et_al-China_in_Latin_America_competition.pdf?sequence=1 (accessed October 28, 2014), 1-3.

[47] FinancialTimes, "Santos in China: no time wasted", *Financial-Times,* May 10, 2012, http://blogs.ft.com/beyond-brics/2012/05/10/santos-in-china-no-time-wasted (accessed February 17, 2014).

maneuver. It should be kept in mind, amongst other things, that China's cooperation is not as strongly linked as that of the US to the implementation of certain policies in a domestic environment. Nevertheless China is one of the countries that have decisively supported the candidacy of Colombia to enter the APEC.[48] For all these reasons, it would be strategic for Colombia to foster a deeper connection with China and the PA in its search for entry into the Asia-Pacific region.

## 7. The Pacific Alliance in the Face of Hemispheric Transformations

It is important to highlight that the hemispheric context, in which the PA emerged, is transforming. The fall in prices of raw materials and oil, as well as the economic slowdown in China, has caused a considerable impact on Latin American economies. This situation has led several countries that promote post-hegemonic regionalism to locate once again the trade issue as a fundamental factor in their foreign policy agendas. All of this can facilitate the building of bridges between the PA and regional organizations like Mercosur. At the same time, it can also lead other countries to seek full membership and use the

[48] Minuto30, "China comprometió apoyo a Colombia en ingreso a Apec", *Minuto30*, March 16, 2011, http://www.minuto30.com/politica/china-comprometi-apoyo-colombia-en-ingreso-apec/ (accessed June 31, 2014).

PA as a platform to reactive their economies through a greater entry into the international economy.

After a decade of relative absence, the return of the U.S. to Latin America also marks a change that can impact the strategic importance of the PA, in a context in which the superpower hopes to contain the growing presence of China and Russia in Latin America.[49] One of the potential tactics to cope with this situation may be to encourage the involvement of more Latin American countries in the PA and the TPP, agreements that promote free trade agendas with the support of the U.S. At the same time, the cooperation can allow the U.S. to counter the increasing influence of China which is recently unfolding in Asia, as seen through the creation of the Asian Infrastructure Investment Bank and the Regional Comprehensive Economic Partnership (RCEP); as well as to help increase economic relations with Latin American countries, which attempt to regain relative importance and weight in the time of China's downturn.

[49] Eduardo Pastrana, "Dilemas de lagobernanza regional em Suramérica frente a lasactualestransformaciones hemisféricas," 57.

## 8. Conclusion

Colombia's participation in the PA must be interpreted within a specific global and regional context. There are a number of factors that boost their involvement. This paper suggests that global-systemic factors, such as the international financial crisis which had a strong impact on the US and the EU, have led Colombia to seek alternative geographical diversification of their trade relations.

Furthermore, given that in 2011 the South American regional context was leaning towards a post-hegemonic regionalism that relegated the economic integration processes to a secondary place, Colombia's strategy to leave the regional isolation, a consequence of ex-president Álvaro Uribe's foreign policy, has driven its need to become part of the building of institutional alternatives that support free trade and economic liberalization.

As for domestic factors, the President Juan Manuel Santos, who, from the offset, prompted a closer cooperation with Latin American countries, is the key actor in pushing Colombia towards engagement in regional integrations At the same time, President Santos shared many ideas with the founders of the PA regarding strategies for international economic integration and visions about the movements of the global geo-economy,

pointing to the need to enhance the relationship with the Asia - Pacific region.

In approaching the Asia-Pacific, Colombia has faced many opportunities and challenges, including the increase in trade and further reception of foreign direct investment from one of the most economically active regions in the world. Likewise, an economic aspiration has stimulated it to engage with institutions like APEC and participate in negotiations of mega free trade agreements like the TPP.

The paper has also discussed the possible impacts of the PA on other regional projects, such as UNASUR, Mercosur, CELAC and ALBA. It contends that the PA is not projected as a direct political counterweight to other regional organizations, such as UNASUR and CELAC. However, because the PA's regionalism is more open and focused on trade issues, it counteracts, to a certain degree, post-hegemonic regionalism of institutions like Mercosur. Still such opposition does not hinder the possibility of building bridges between these institutions.

Subsequently, the paper argues for the possibilities of relationships that could occur through the PA with extra-regional powers like the U.S., China and the EU as well as international organizations like ASEAN by highlighting in particular the U.S. and China as observers and the possibilities

of working on topics, such as global economic governance, with the EU and the potential bloc-to-bloc cooperation with ASEAN.

Lastly, in a transforming hemispheric context where the U.S. set out a new and more active strategy towards Latin America after a decade of relative absence, the need to reactive the regional economy is evident. For this reason, the trade issue begins to gain importance in the foreign policy agendas of Latin American countries. This can also explain why the PA can become a scenario of convergence regarding the regional idea of achieving greater international economic integration that will address the complex economic situation in the region.

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