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The Pacific Alliance: Platform of Global Projection

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บทความนี้ศึกษากลุ่มพันธมิตรแปซิฟิก (Pacific Allaince) ในฐานะเครื่องมือในการบูรณาการในมิติทางการเมือง โดยพยายามทำความเข้าใจการบูรณาการจากทั้งสองฝั่งของมหาสมุทรแปซิฟิกในบริบทการเมืองระดับประกาศ บทความกล่าวถึงบริบทของการก่อตั้งกลุ่มพันธมิตรแปซิฟิกและอาเซียน รวมถึงเป้าหมายในระดับโลกของกลุ่มพันธมิตรดังกล่าว บทความสรุปด้วยการแจกแจงถึงความท้าทายทางยุทธศาสตร์ของกลุ่มพันธมิตรแปซิฟิก 6 ประเด็นซึ่งอาจเป็นอุปสรรคต่อการรวมตัวของสมาชิกและการบูรณาการกลุ่มพันธมิตรแปซิฟิกสู่การเมืองระดับประกาศอย่างมีนัยสำคัญ

คำสำคัญ: กลุ่มพันธมิตรแปซิฟิก การบูรณาการระดับภูมิภาค ลาตินอเมริกา อาเซียน
Abstract

The article examines the Pacific Alliance (PA) as an instrument of integration from the political perspective. It seeks to understand the integration on both sides of the Great Ocean in the context of the globalized international system. The paper discusses the context with regards to the formation of the Pacific Alliance, the constructive relationship between the Pacific Alliance and ASEAN, as well as the global projection of the Alliance itself. It concludes by characterizing six substantial strategic challenges of the Alliance which could impede its consolidation and its substantive integration into global politics.

Keywords: Pacific Alliance, regional integration, Latin America, ASEAN
1. Introduction

The Pacific: A Great Ocean in a Narrow World

Even though it was only around 1990s that a term “globalization” has been embraced by public audiences and writers in English-speaking world, the world has arguably started to globalize long before the term was launched. Thanks to the tremendous progress from the last century in terms of technologies and advances in communications, history is now performed in a real time and geography confirms its own relevance. The world has shrunk.

The connection between two sides of the Pacific Ocean existed for a long time. Looking back on some histories will refresh a background of the link between the two shores of the great ocean, the largest body of water of the planet which joins together the banks of America, Asia, Oceania and Antarctica.

According to French scholar J. de Guiones, the Chinese may come to Mexico around the fifth century, and he even argued that “the Chinese discovered America a thousand years

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before Columbus.”\(^2\) Compared with the Hispanic history, the first European who reached the Pacific from the New World was a Spanish conquistador Vasco Nunez de Balboa (1475-1519) in 1513.

Few years later, Portuguese explorer Ferdinand Magellan brought us to what are now the Philippines. There is no geographical exploration without commercial expectations. Spanish galleons travelled from Acapulco to Manila carrying products such as fabrics, and silver; and came back with goods from China, India and Southeast Asia such as spices, silks and porcelain. At the time, Mexico served as a bridge between Spain and the Philippines, while the Philippines have gradually connected with China, India and Mexico. The Pacific Ocean, thereby, became a bridge connecting Asia with America and Europe.

Times have changed. The Galleons from Acapulco, also called The Manila Galleons, used to take three months to make its journey from Mexico to the Philippines\(^3\) and it could take


another three or four months back to their homeland due to inclement weather. Nowadays, a freighter takes between two and four weeks to cross the Pacific, while the airport routes between the two regions takes about 15 hours on a nonstop flight. The cargo capacity has also increased dramatically and even the transportation of perishable products becomes more common.

Political changes have not been less dramatic. Two hundred years ago in Americas, nations of the occidental hemisphere freed from the old colonial rule. Whereas in Asia the process of decolonization that came after the World War II left behind four centuries of colonial presence. The second half of the twentieth century gave birth to at least fifty countries in Asia. Later on, these new and old nations from both regions became part of an international global system and have started to participate in different forms of cooperation at different levels.

2. Integration in both Banks of the Pacific

The post–World War II era was marked by simultaneous processes with global impact; the nascent international cooperation and a factual division of the world in two big poles led to the times of the Cold War. In the constructive facet, it
is worth mentioning the creation of the United Nations (UN) and the establishment of agreements of global integration, such as the General Agreement on Tariffs and Trade (GATT). There were also progresses in the regional level. The most significant one was the European integration, a real pioneer of these kinds of processes all over the world.

In Southeast Asia, five countries (Indonesia, the Philippines, Malaysia, Singapore and Thailand), signed the ASEAN Declaration (to be known as Bangkok Declaration) which brought forth the Association of Southeast Asian Nations (ASEAN) in August 1967. ASEAN is the most successful mechanism of integration of developing countries nowadays. The common denominator of ASEAN are the cooperation in economic, social, cultural, technical, and academic fields; the promotion of peace and stability; the rule of law; and the respect for the principles enshrined in the Charter of the United Nations.⁴

Also, in the other bank of the Pacific, two years later, in May 1969, five countries (Bolivia, Colombia, Chile, Ecuador and Peru- four of them located on the South Pacific Ocean) gave birth to the Andean Community (CAN), another dream

of integration, through the subscription of the Cartagena Agreement. According to its strategy, Andean Community aims towards “a single market, an Andean territorial development strategy, and an Andean strategy for social cohesion.” The trade bloc was joined by Venezuela in 1973. However, several political and economic difficulties have affected the stability of the Andean Pact for decades. In 1976, under the military rule of Augusto Pinochet, Chile decided to withdraw the bloc. In the same vein, accusing the organization of being too dependent on Washington’s influence, Venezuelan President Hugo Chávez declared Venezuela’s withdrawal from the CAN in 2006.  

In any case, ASEAN and the Andean Community are two initiatives from the developing world striving towards cooperation with similar goals in parallel fields, though the former was initially established in the context of the political instability and the rise of communism in Southeast Asia. In 1989, as the Berlin Wall collapsed, countries of both banks of the Pacific Rim established the first meeting of Asia-Pacific Economic Cooperation (APEC) as the first interregional economic forum. The initiative was promoted by Australia in response to several developments, for example, the growing

interdependence of Asia-Pacific countries and the growing dominance of Japan in Asia-Pacific economies. According to its founding directives, APEC is oriented towards economic and technical cooperation, human security, and facilitation of a sustainable business environment. Today, the organization has 21 members including China, Russia, Vietnam, Mexico, Peru and Chile.

In April 2011, the Presidents of Chile, Colombia, Mexico, and Peru established through the Declaration of Lima the Pacific Alliance (PA) as a mechanism of deep integration in order to further the sub-regional economic integration, push forwards trade liberalization and enable the free flow of goods, services, capital and people. The Alliance aims at promoting growth, development, and competitiveness of the members’ economies and turning itself into a platform of political articulation, economic and commercial integration, and international projection with an emphasis on Asia-Pacific.\(^6\)


The focus on the Asia-Pacific region which inspires the framework of the Alliance envisions potential pathways of its convergence with ASEAN. Both mechanisms of integration have in common their basis on emergent economic models, and comparable level of development of its members. These characteristics differ significantly from those of APEC which looks to integrate visibly asymmetric economies from both sides of the Pacific. Moreover, ASEAN and the Alliance are comprised of countries with various similarities, formed by emergent economies and successful models of integration. Naturally, there are also differences between both blocs that need to be taken into account in order to understand each own dynamic and to promote the effective coordination between the two.

To begin with, there are differences in quantitative terms. ASEAN is formed by ten countries while the Alliance by only four. The population of ASEAN almost triples the Alliance’s (608 vs. 216 million).\(^8\) ASEAN’s GDP doubles the Alliance’s

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(3.5 vs. 2.1 trillion USD). But overall these are two relevant groups with a significant regional influence and potential global weight. ASEAN’s ten countries represent about 10% of the Asia Pacific GDP, 15% of its population and 18% from the total of commercial exchange.9 ASEAN is currently the 7th world economy but, according to Myanmar’s President Thein Sein in his speech at the opening of the ASEAN Business and Investment Summit (ABIS), it is expected to be the 4th world economy before 2050.10 On the other hand, the Pacific Alliance represents 50% of Latin American commerce, 35% of the GDP, includes more than a third of the regional population; more intense integration would make the Alliance the 8th global economy.11 Even more, ASEAN and the Alliance together represent the 3rd biggest economy in the world, formed by emerging economies.


There are other figures that reveal the dynamics and trajectory of each regional integration mechanisms on each side of the Pacific, in particular intraregional commerce. While the commerce among the members of the Pacific Alliance in 2013 was about 40 billion USD,12 trade among ASEAN countries was about 600 billion USD.13

When it comes to the positioning of the members into the global context, Mexico, Peru and Chile from the Alliance, as well as seven countries from ASEAN are taking part in APEC. Three ASEAN countries are observers to the Pacific Alliance: Indonesia, Thailand and Singapore. Besides, Brunei, Malaysia, Singapore, Vietnam, Chile, Mexico and Peru are part of the process of negotiation of the Trans-Pacific Partnership (TPP). Also, ASEAN’s and the Alliance’s greatest economies, Indonesia and Mexico are members of the G-20. Similarly, all member countries of both sides (except Mexico) are part of the G-77 and the Non-aligned movement, which are in force and active within the United Nations framework.

Regarding local political factors, the beginning and evolution of both mechanisms keep interesting similarities,


such as the fact that the governments of the five constitutive countries from the ASEAN as well as the four from the Alliance had a similar political orientation. It is also important to highlight that most of the success of both groups is due to their political identity which deepen the scope of the integration around common interests, and avoid the interference of local political issues on the priority of common purposes.

There are also differences regarding the nature of the constitutional regimes. The members of the Alliance have democratic systems while ASEAN members vary between monarchies (Thailand, Cambodia, Malaysia and Brunei) and republics (Indonesia, Singapore, the Philippines and Myanmar). In the cultural and linguistic area, the four members of the Pacific Alliance have Spanish as their common language while ASEAN has as many languages as nations. In religious matters, the Alliance has a predominance of Christian beliefs while in ASEAN Buddhists and Muslims have coexisted for a long time. Similar identities are a big asset for the Alliance whereas cultural and religious differences can be both a challenge and an asset for ASEAN.

In terms of the institutional structure of each mechanism, after almost half a century of existence, ASEAN has a solid institutional framework and the General Secretary located in Jakarta, Indonesia. For almost fifty years, ASEAN has been
growing its structure, maybe in an excessive way. The Secretary has almost one hundred officials and there are more than one thousand two hundred meetings related to ASEAN affairs a year. This situation has motivated the creation of Task Forces to rationalize the structures’ performance and the excess of meetings.

The Alliance, on the other, keeps a lighter and less formal organization and performance mechanism. The main decisions come from the Summits. There is a rotary presidency (one year term), a Council of Ministers (Foreign Affairs and Commerce) and five High Level Groups (GAN from its Spanish acronym) in the head of Deputy Ministers that supervise the work of the technical groups in matter of migration, trade, services, capital, cooperation and institutional affairs.

3. Bringing Together the Pacific Alliance and ASEAN: an Ongoing Task

Since 2014, the member countries from the Pacific Alliance have promoted progressive approach to ASEAN. A pioneer meeting between the Ministers of Foreign Affairs of both parties was celebrated in New York in September 2014 in the framework of the United Nations General Assembly. This was the first exchange of points of view about diverse matters and recent developments between the two banks of the
Pacific Ocean. In the following year, the first meeting between the Committee of Permanent Representatives of ASEAN and representatives of the Alliance was held in May 2015 in Jakarta. It closed with the Declaration of the Co-chairs of the conference, Mexico and Singapore, on the behalf of the Alliance and ASEAN respectively.14

In this meeting, both groups agreed on promoting a bigger economic cooperation to facilitate the investment flow, and recognized the relevance of the private sector (including SMEs) in the integration processes. There were concrete progresses and business opportunities in the fields of energy, minerals, trade facilitation, innovation, logistics, infrastructure, SMEs and agriculture. Cooperation in education, culture, tourism and sports were also studied.

In order to encourage this interregional coordination, the Pacific Alliance and ASEAN accorded to promote commercial missions and negotiation forums, deepen mutual knowledge, ease an understanding between both mechanisms, and prepare future meetings at ministerial level. This is all about

constructing a roadmap that not only add but multiply mutual cooperation. The advances in the dialogue between the two parties were highlighted in the final Declaration of the Pacific Alliance Summit taken place in Paracas, Peru.¹⁵

There are two relevant considerations regarding the potential of the relations between the two mechanisms. First, there is an enormous space for the expansion of trade among the member countries from both mechanisms as the current volume of commerce between the blocs is only 16.8 billion USD, with a slightly positive trade balance for ASEAN.¹⁶ The trade between the Pacific Alliance and ASEAN is still marginal compared with the total foreign trade of the Alliance itself. The same conclusion can be obtained if one considers the volume of trade with the PA compared with the total volume of exports of the ASEAN. In addition, the closer ties between the two will boost their capacity of coordination and interlocution at the global level, including their relations with the G20.


¹⁶ As of 2015, ASEAN exports to the Pacific Alliance are 9,000 million USD. Pacific Alliance exports to ASEAN are 7.8 million USD. See ASEAN Statistics, http://www.asean.org/resources/category/asean-statistics (accessed November 25, 2015).
4. Progress of the Pacific Alliance

While ASEAN is currently in the process of materializing its own vision of the ASEAN Economic Community, the Pacific Alliance which based its integration on an open regionalism is working towards the free flow of goods, services, capital and people. Its progress shows quantifiable accomplishments in terms of the abolition of visa requirements and the facilitation of student mobility, cooperation in tourism, business participation, diplomatic missions with shared headquarters and coordination between agencies of commercial promotion.

Considering the Colombia’s projection to Asia-Pacific during the first and second term of the government of President Juan Manuel Santos, six of thirteen Colombian diplomatic and consular representations within the region have been established by the Santos administration. Two of them, Singapore and Vietnam, were established together with Mexico and Peru in the framework of the administrative cooperation from the Pacific Alliance. Colombia is moving forward to increase its commercial links with Asian countries. In this regards, it is worth mentioning the negotiation and signature of the FTA with Korea.17

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17 The publication of studies and researches on the Pacific Alliance by leading academics is also an indicative of the great interest of Colom-
Taking into account its own dynamic, ten meetings among Heads of State in four years show the vertiginous rhythm of the Alliance. The most recent summit was held in Paracas, Peru on July 3rd, 2015. This year there are multiple reasons to celebrate: the coming into force of the Framework Agreement, the progressive development in the Additional Protocol (and Modifying Protocol), the implementation of the platform to exchange information on migration security, among others.

In the 10th summit in Peru, new purposes and tasks that go beyond trade and economy were also added. For example, the wellbeing of citizens was discussed at the first meeting of Deputy Ministers of Health. Likewise, the purpose of social inclusion and the elimination of inequality were highlighted in the Final Declaration.

The social scope and sense of the Alliance was described in an unambiguous way during the closing ceremony of the Paracas Summit by the President of Peru, Ollanta Humala: “The Pacific Alliance is a great engine that gives dynamism to our economies; it is a space of opportunities for the four countries to increase the quality of life.” He added that “It is not an advanced FTA; it’s a spirit of integration that not only

bia. See, for example, Eduardo Pastrana and Hubert Gehring (eds.), *Alianza del Pacífico: Mitos y Realidades* (Bogotá: Pontificia Universidad Javeriana, 2014).
looks at economic and commercial issues, but also to other topics such as the education and the poverty levels.”

The Pacific Alliance also pays more attention to other global agendas, namely, climate change and resilience. In the latest summit, the member countries supported the Declaration produced in the framework of the 20th session of the Conference of the Parties to the UNFCCC that took place in Lima in December 2014. It is worth mentioning the agreements regarding external relations, due to their direct implications for the political projection of the Alliance. In particular, the Alliance has declared the strong commitment to promote the relations with observer countries and third parties.

The 10th summit reflected the pragmatism of the governments of the member states, expressed in an illustrative way by the President of Colombia, Juan Manuel Santos, during his intervention in the meeting with business executives: “One of the greatest advantages that we have is that the four countries share visions, principles and values when talking about economic and social issues. The four of us follow the third way: as much market as possible and as much state as is necessary.”18

All of these progresses have political consequences and effects. The good reputation, prestige and credibility of the Alliance have repercussions for the business climate and investment in the member countries. They also enhance the capacity of international interlocution of the individual members and of the group.

Given that there are so many organizations, forums and platforms where states can interact in the globalized world, it is urgent to know how to manage the resources and capacities in order to prevent those mechanisms from becoming weak or sterile. This is why it is essential for the Pacific Alliance to have clear objectives. The true question is not whether states should act internationally, but where the efforts should be focused and how to do so, in order to achieve a more distinguished place and a better projection and interlocution within the contemporary international system.

5. Conclusions

Above all, it is important to address at least six concrete challenges of the Pacific Alliance which could impede its consolidation and its substantive integration into global politics.
The first challenge is how to deepen its internal cohesion. The Alliance doesn’t count on permanent structures which limit its flexibility and adaptability to the changing world. Nevertheless, when circumstances demand it, it will be necessary to consider the establishment of a General Secretary or it would be possible to explore intermediate possibilities, such as the construction of a Virtual or Cyber Secretariat, similarly exists today in the Forum for East Asia and Latin America Cooperation (FEALAC).19

Small footsteps have been made in the direction of the establishment of functional support mechanisms, such as the Task Force created by the Council of Ministers in the framework of the 10th summit to convey the cooperation offered by observer countries. This Force could be integrated by one member of the Ministry of Foreign Affairs from each member country of the Alliance and would support a pro tempore Presidency.

The Pacific Alliance should be careful about the number and speed of the growth of the memberships since to deepen is more important than to enlarge. A first step was made by

19 FEALAC is an interregional organization with 36 member countries. It aims to facilitate the dialogue between East Asia and Latin America countries with a broad-spectrum process and less ambitious common denominators. It emerged from an initiative of Singapore in 1999.
the Council of Ministers in the 10th summit in Paracas when the recommendation was to focus on rationalizing the tasks of the External Relations Group and to stop processing new applications for observance for one year. To date, Costa Rica is the only observer state that has advanced on its incorporation to the Alliance. In any case, it should be highlighted that in only four years the Alliance has attracted the attention of 42 observer countries, including the biggest economies of the world. This fact inevitably reflects that the international community is following with great interests in the success of regional integration in the Pacific.

It’s important to note that each summit makes progress in the process of integration, which means always going beyond the general declarations and translate them into specific tasks. On the other hand, the ministerial meetings (Council of Ministers) can boost its performance since they are the material base of the summits and because of the links between them and the sectorial work at the High Level Groups (GAN). The GAN proliferation should be controlled, and should strictly respond to the practical needs in order to avoid the bureaucratization that traditionally has hampered this kind of integration.

The second challenge of the Alliance is how to consolidate intraregional commerce. As it was said before, the intraregional commerce within the Alliance in 2013 was only 40 billion
USD,\textsuperscript{20} which contrasts deeply with that of ASEAN, whose intraregional volume of commerce is close to 600 billion USD.

Free movement of goods and services should be consolidated with high impact initiatives. In the words of Mexico’s President, Enrique Pena Niet: “We must achieve the internationalization of small and medium enterprises of our four countries, in order for those SMEs to be able to participate in it, either by being part of the global value chains through the regional integration of their products before competing globally; or by trading their products or investing within the market of the Pacific Alliance.”\textsuperscript{21}

The third challenge is about how to deepen and move forward its relationship with ASEAN. The 10\textsuperscript{th} summit acknowledged this approach. It is clear that there is a great potential of cooperation and relationship between parties, which is the most dynamic and promising processes of integration on both banks of the Pacific Ocean. The strengthening and


development of the Pacific Alliance-ASEAN relationship requires efforts to promote the growth of the commercial and economic exchange between Latin America and Southeast Asia, as well as the promotion of their collective roles in the contemporary international system.

The fourth challenge is how to project itself as a platform of convergence. In Latin America, even if it is different from other existing models of integration, the Pacific Alliance doesn’t compete with them, but coexists. The basic difference resides in the interest of the Alliance which aims to promote itself as a platform of convergence. In this regards, it is worth underlining the remarks of Chile’s President, Michelle Bachelet, on the closing ceremony of the 10th Summit in Paracas. She noted: “The Pacific Alliance is one of most powerful and dynamic instruments of the region and of the world.” She also highlighted the relevance of projecting the Alliance beyond its borders, especially when talking about ASEAN’s countries and Mercosur.

The fifth challenge is how to develop parallel agendas with world powers and countries with the most relevant economic weight, such as the United States, the European Union, China, India, Japan and Korea, as well as other international

22 AFP, “Alianza del Pacífico se Postula como una ‘Tercera Vía’ para el Crecimiento Regional.”
organizations. In fact, the United States, China, Japan and Korea are already observers to the Pacific Alliance which allow a more fluid interlocution inside the Alliance’s framework. In this sense, it is pertinent to mention the instruction of the 10th summit regarding external relations with observer states, as well as with third countries. In the meeting with the observers held by the Council of Ministers on the 10th summit, there were participants from the European Union, the OECD, the CAF–Development Bank of Latin America, and the Inter-American Development Bank who evaluate the cooperation areas on fields such as innovation, education, trade facilitation and competitiveness.

The last one is how to increase its own global projection. Basically, it requires increasing its interlocution not only with more symmetrical partners like ASEAN, but even with groups such as the G-20, an international forum of world major economies. Lesson learned from various years of experience of ASEAN could help the Alliance to set its more ambitious agendas and determine the plausible way forward.


