4-5-2013

New Four-Country Latin American Body Unites Pro-U.S. Allies

Andrés Gaudán

Follow this and additional works at: https://digitalrepository.unm.edu/notisur

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
New Four-Country Latin American Body Unites Pro-U.S. Allies

by Andrés Gaudín

Category/Department: Region

Published: 2013-04-05

Within a region that has developed an integration process in recent years leading to the creation of several economic and political bodies—from the Southern Cone Common Market (MERCOSUR) to the Comunidad de Estados Latinoamericanos y Caribeños (CELAC)—four countries sharing both a common ideology and a Pacific coastline (Mexico, Colombia, Peru, and Chile) have formed a new organization. The Alianza del Pacífico (AL) was first proposed in early 2011 (SourceMex, Dec. 7, 2011) by then President Alan García of Peru, who was careful to specify that "what we are attempting is not a poetic, romantic integration but rather a realistic integration with the world and to the world."

The union was formalized in June 2012 and began to operate late last year (SourceMex, June 20, 2012). Neither political leaders nor Latin American and Caribbean analysts expressed differences with the Peruvian president's superficial comments. But most delved into the concept and understood the AP as a schism—Brazilian José Luis Fiori, a researcher at the Universidade Federal do Rio de Janeiro (UFRJ), called it "the Pacific schism"—that has more ideological than economic importance.

"Politically it deals with a part of President Barack Obama's project to reaffirm US power in the Pacific," said Fiori in an analysis published Feb. 3 by the online Spanish-language magazine Sin Permiso.

Fiori and other experts see the AP as a victory for neoliberal economists and present the new four-country body as a trade bloc promoted to compete with MERCOSUR. They point out that the four countries have economies based on commodity exports (oil and minerals), and all subscribe to the most orthodox economic policies. They emphasize that the "geopolitical enthusiasm of AP cheerleaders hides elemental facts and data."

The first is that, before the four member countries had signed the agreement creating the new organization, they had already signed free-trade agreements (FTAs) with the US and major Asian countries. The second—perhaps most important—is that Mexico is geographically part of North America. Since its incorporation into the North American Free Trade Agreement (NAFTA) in 1994, it has been become inseparably linked to the US economy (SourceMex, Aug. 17, 2011). Its territory is the battleground for the war waged by the large drug cartels that supply US society with cocaine (SourceMex, April 11, 2012), which comes from two of the four AP countries—Peru and Colombia. Third, say the experts, is that the three South American countries in the new bloc have territories isolated by mountains and tropical forests and their coastal export economies are of relative importance for and have limited trade with Mexico.

FTAA revisited?

A quick glance at history reminds us that, at the IV Summit of the Americas in 2005 in Argentina (SourceMex, Nov. 16, 2005, and NotiSur, Dec. 2, 2005), Latin America rejected the Free Trade Area of...
the Americas (FTAA) because it understood that the proposal pushed by then US President George W. Bush was aimed at "reimposing policies of imperial domination on our economies," as the late Venezuelan President Hugo Chávez said at the time.

Besides becoming the major diplomatic defeat of the Bush era (2001-2009), the FTAA's demise was the beginning of the institutional rebirth of continental unity from a Latin American perspective and without US and Canadian participation. Thus, the region formalized the Unión de Naciones Suramericanas (UNASUR) in 2008 (NotiSur, May 30, 2008) and CELAC in 2012 (NotiSur, Jan. 6, 2012), along with strengthening the Alianza Bolivariana para los Pueblos de Nuestra América (ALBA) and reinvigorating MERCOSUR with Venezuela's full membership and the imminent entry of Bolivia (it formally applied for membership on Dec. 7, 2012) and Ecuador.

But the region's countries did not all travel the same path. In the Mexico led until Dec. 1, 2012, by conservative President Felipe Calderón (2006-2012), in the Colombia of far-right President Álvaro Uribe (2002-2010), and especially in the Peru of neoliberal President Alan García (1985-1990, 2006-2011), planning began on a strategy to create the AP, close to the White House but, unlike the FTAA, without direct, visible US participation (SourceMex, June 20, 2012).

These rightist governments, joined in March 2010 by Chilean President Sebastián Piñera, had to accept to some extent the new rules of the game set by the majority. Thus, in August 2010, when UNASUR diplomacy was able to put out the first flames of a potential military confrontation between Venezuela and Colombia, President Juan Manuel Santos, Uribe's successor, had to recognize the regional organization's efforts (NotiSur, Jan. 7, 2011).

Nevertheless, although formally accepting the new Latin American and Caribbean forums, the Western Andean countries were looking for a political and economic counterweight. Peruvian President Ollanta Humala forgot the progressive positions that he had espoused when he took office on July 23, 2012, instead taking up Alan García's banner and, together with the new leadership in the other three countries, helping to establish the first accords on structuring the AP, its objectives, and its membership requirements.

The documents that followed the foundational Declaración de Lima (April 28, 2011) spoke of "slowly moving toward the objective of achieving the free flow of goods, services, capital, and labor," a veritable declaration of principles. The Declaración—ratified at the group's last summit in January in Santiago, said that the AP's major objective is "the integration of the states based on the international division of labor," which basically implies producing goods in a way that makes them competitive. Because of that focus, the AP countries are turning to exporting raw materials (minerals, oil, food) and importing value-added products.

"For the South American integration model represented by UNASUR, that position means a shift toward neoliberal economic paradigms, in that South American sovereignty and economic interdependence remain subject to the vagaries of globalization and financial capital," said Nicolás Rojas Scherer, a researcher with the Instituto Argentino de Estudios Geopolíticos (IADEG).

**AP part of US strategy for Trans-Pacific Partnership?**

AP countries account for 35% of Latin America's GDP, and, if they were considered one country, their total production would represent the ninth-largest economy in the world. They have a population of 215 million (35% of Latin America and the Caribbean), a GDP of US$1.9 billion, and
per capital income of close to US$13,000. Their exports make up 55% of the total for Latin America and the Caribbean, greater than the volume for MERCOSUR. Piñera says, "By mid-2013, more than 90% of goods will be able to circulate duty free among the four countries."

While MERCOSUR includes the largest (Brazil), third-largest (Argentina), and fifth-largest (Venezuela) economies in Latin America, the AP has the second-largest (Mexico) and fourth-largest (Colombia). A clear indication of the positioning of the AP countries is that all have signed FTAs with the US and various preferential trade agreements with the European Union (EU) and Asian countries.

Mexico, Chile, and Peru are also part of the Asia-Pacific Economic Cooperation (APEC). With its admission into the Trans-Pacific Partnership (TPP), Mexico joins Chile and Peru, which also belong to that select group. Panama and Costa Rica are observers in the AP with the possibility of becoming full members. Spain, Japan, Canada, Guatemala, Uruguay, Australia, and New Zealand are also observers.

Despite the impressive numbers, Fiori and his colleagues in the economics department at the UFRJ say, "This Pacific schism has more ideological than political importance and would be almost irrelevant politically if it were not part of Obama's plan to create the TPP, a key piece in his policy to reaffirm US military and economic power in the Pacific region. Since 2010, Obama has insisted that the US is a 'Pacific nation,' which implies exercising a central and long-term role in geopolitical and economic control on both sides of that ocean, in the Indian Ocean, and in South Asia."

To look more precisely at the role the AP and its four member countries could play on the global stage, the Brazilians quoted an article by Barnard K. Gordon in the July/August 2012 edition of Foreign Affairs, the bimonthly publication of the Council on Foreign Affairs. If the negotiations bear fruit, says Gordon, "the TPP will add billions to the US economy and solidify Washington's political, financial, and military commitment to the Pacific for decades to come."

-- End --