

THE PACIFIC ALLIANCE FACING THE COVID-19 OUTBREAK

*Beatriz Walid de Magalhães Naddi
Julia de Souza Borba Gonçalves*

The Pacific Alliance, composed of Chile, Colombia, México, and Peru, celebrated its 9th anniversary amid the pandemic of the COVID-19. Created on 28th April 2011, the Pacific Alliance emerged in the regional context, according to its first presidential declaration, with the aim of developing a profound integration area among its members and of achieving a greater political and economic rapprochement with the Asia-Pacific region.

Since its emergence in the regional scenario up until recently, the Pacific Alliance has approved its Framework Agreement (2012) and the Additional Protocol to the Framework Agreement (2013), which established the legal bases to its integration project; promoted the dialogue with the Southern Common Market (Mercosur) aiming at the convergence between the two blocs (2014-2018); sought to foster the relationship with Asia-Pacific countries throughout the creation of the category of Associated States¹ of the Pacific Alliance (2017), and the agreed and renewed a Work Plan with the Association of Southeast Asian Nations (ASEAN) (2018-2019).

The Pacific Alliance seeks to potentialize the political and economic ties of its members with extra-regional partners, without questioning the dominant structure of trade, economy, and politics (OYARZÚN, 2017). They foster, as Nolte (2016) argues, a nation-branding regionalism, in which these countries, already known for their economic openness, potentialize their strategies of trade and investments with third parties. Regarding the development of the Pacific Alliance, some analyses point out that this bloc does not aim to advance into further stages of integration², neither to promote the economic interdependence among its Member States, as demonstrated in a report

authored by Cepal (2018). It is thus considered as a form of intergovernmental cooperation in a minimalist feature (OYARZÚN, ROJAS, 2013; CORREDOR, VELEZ, 2016; PASTRANA, 2016).

Consequently, its institutional design was built up to promote an economic agenda. It does not have a General Secretary nor headquarters, and their activities are conducted by a Pro Tempore Presidency, which rotates annually. According to Bressan and Luciano (2018), the Pacific Alliance has a low-level of institutionalization if compared with the Andean Community, the Mercosur, and the Union of South American Nations (Unasur); meanwhile, Legler, Garelli-Ríos, and González (2018) argue that, despite having a low degree of institutionalization that has been efficient to promote its goals, this loose feature can undermine the bloc's decision-making process in face of external constraints.

Its institutional chart is organized as follows: Presidential Summits, Pro Tempore Presidency, Council of Ministers, the High-Level Group (also known as GAN on its Spanish acronym)³, and Technical Groups. Regarding the sectoral groups, the Pacific Alliance does not have a group specialized in Health and this reflects on how the bloc has been responding to the COVID-19 crisis. It is worth mentioning that the capability of the Pacific Alliance to respond to the pandemic has to be analyzed in the context of its stagnation due to the political crisis in Chile, Colombia, and Peru at the end of 2019, the Mexican government's lack of interest in this project, and the creation of the Forum for the Progress and Development of South America (Prosur) (PASTRANA; CASTRO, 2020).

The bloc's first response to the coronavirus pandemic occurred on March 13th, when the GAN declared that member states would encourage the exchange of practices and information to face the health crisis, and that, when they overcome this emergency scenario, the bloc would work to support the recovery of economic activity (PACIFIC ALLIANCE, 2020a). Therefore, on April 1st, the National Coordinators⁴ virtually met to analyze actions to mitigate the impacts of COVID-19 that could be carried out by technical groups (PACIFIC ALLIANCE, 2020b). In mid-April, GAN declared the possibility of using resources from the Alliance's Cooperation Fund⁵ to finance measures to mitigate the coronavirus impact. In addition, they highlighted the importance of fostering e-commerce within the bloc and supporting small and medium-sized enterprises (PACIFIC ALLIANCE, 2020c).

The first results of these meetings began to take effect in May. On the 12th day of this month, a virtual meeting was held between the National Coordinators and the Development Bank of Latin America (CAF) in order to foster mechanisms for working together on behalf of small and medium-sized enterprises, such as protecting payment chains, stimulating virtual businesses and rebuilding business networks, in addition to conducting a study on the elements necessary for the reactivation of these companies (PACIFIC ALLIANCE, 2020d). Almost two months later, on July 9th, four projects submitted by the technical groups were approved by the GAN to promote the reactivation of tourism⁶, the digital training of workers in the tourism sector and teachers, and the implementation of a Social Observatory to manage and publish information of the social sector to fight the pandemic (PACIFIC ALLIANCE, 2020e).

Finally, the Technology Transfer Workshop Network (TransferAP) promoted a contest of technological initiatives developed in member states which could contribute to mitigating the damage caused by the health crisis of COVID-19 (PACIFIC ALLIANCE, 2020g). With prizes ranging between 5 and 10 thousand US dollars, besides the provision of diverse support and mentoring, 396 proposals⁷ were received, resulting in eight winners, with projects such as a remote access platform to physical laboratories, a pulmonary re-expansion technique, a monitoring system for the detection of coronavirus, reusable masks design, a virtual clinic, and a platform for creating virtual businesses.

As previously argued, the Pacific Alliance adopted measures that seek to minimize the economic impacts on various sectors. What we observe is that coordinated measures regarding health are being discussed in other fora, such as PROSUR and the Andean Health Agency – Hipólito Unanue Convention (ORAS-CONHU) of the Andean Community (CAN). This is both a result of the absence of an institutional design to respond to the health crisis and the simultaneous participation of its members in other regional organizations: Chile, Colombia, and Peru are members of PROSUR; Mexico is a member of the United States-Mexico-Canada Agreement (USMCA), and Colombia and Peru are members of the Andean Community. Despite Chile having withdrawn from the CAN in 1974, it is still a member of the ORAS-CONHU.

This is more evident in PROSUR, mainly because all of its meetings were impelled by Chile in its Pro Tempore Presidency during the first semester of 2020 while it was

also Chile ahead of the Pacific Alliance's Pro Tempore Presidency in the first semester, which was later extended until the end of the year (DIARIO FINANCIERO, 2020). Until recently, four presidential meetings and three health ministers' meetings took place. PROSUR's action regarding the measures to confront COVID-19 is problematic because even though it was created with a rhetoric to substitute UNASUR's role in the region and it includes the sectoral theme of health in its priority agenda, PROSUR was not efficient in promoting consensus and joint actions in the region. One of the possible explanations for its failure would be that the bloc has a loose institutional design⁸ (Prosur is not a regional bloc per se) and it does not encompass all the countries of South America⁹ likewise UNASUR. Since the COVID-19 crisis has taken global proportions it would require comprehensive regional coordination (BARROS, GONÇALVES, SAMURIO, 2020).

The CAN has promoted discussions on economic measures to facilitate intra-Community trade and health measures to prevent and mitigate the disease. There was an increase in resources allocated to ORAS-CONHU to promote cooperation to confront COVID-19. Among the adopted measures, it can be listed: the reactivation of the Andean Epidemiological Surveillance Network; the articulation between Andean National Institutes; the cooperation for health surveillance at countries' borders; the discussions on the access to COVID-19 vaccine; the production of reports and documents of supporting guidelines; and the implementation of 2 weekly meetings with the ORAS-CONHU's technical team (BRESSAN, 2020, in this volume).

It could be questioned if the USMCA is being used as an instance of regional cooperation by Mexico in the face of the coronavirus pandemic, but this does not appear to be the case. As analyzed more deeply by Suárez Romero and Toledo (2020) in this Dossier, the USMCA does not have an institutionalized mechanism to coordinate joint actions in the face of the COVID-19 health crisis. Keeping the characteristics of the former NAFTA, the USMCA is a strictly commercial agreement, which does not cover integration on political or social cooperation schemes. Therefore, it closely resembles the limitations seen in the Pacific Alliance. The lack of convergence among its members is also evident in the greater adoption of restrictive measures by Canada compared to the United States and Mexico. An example of this was the absence of Canadian Prime Minister Justin Trudeau at the meeting on July 8th of this year between Andrés López Obrador and Donald Trump in celebration of the entry into force of the USMCA a

week earlier.

Alongside these timid regional efforts, the Pacific Alliance's member states - following a global trend - have been opting for individualized actions. For example, even though Mexico was the first country in the bloc to confirm cases of coronavirus in its territory, on February 28¹⁰, its government was the one that later took measures to contain it. An example was the holding of a major music festival on March 14 and 15, and the initial disregard for social isolation by its president (EFE, 2020). On the other hand, Chile, Colombia, and Peru, although without any intended coordination, between March 15 and 18, have suspended non-essential trade and services, decreed a lockdown in some cities and regions, limited the internal traffic of people, and even closed their borders. For comparison purposes, only on March 26, non-essential activities were suspended in Mexico (PACIFIC ALLIANCE, 2020h).

A point of convergence between all four countries was the promotion of measures to contain the economic impacts of the pandemic. In this sense, government support measures stand out through the expansion or creation of social programs, such as economic subsidies to families in social vulnerability, financial and psychological support to the elderly, and people with comorbidities, among others. Employment protection measures were also adopted, such as reduced working hours, suspension of contracts, and protection of wages through subsidies. In addition, emergency plans were formulated for companies, especially small and medium-sized ones. (PACIFIC ALLIANCE, 2020h)

Even so, the Pacific Alliance countries are among the 10 countries with the most cases of COVID-19 in the world, which explains some challenges not dealt with within the bloc. One of its main problems is the unpreparedness of the public health system, which in addition to impacting mortality rates also results in numerous cases of underreporting. Peru, for example, has the highest mortality rate in the world (September 2020). Chile, on the other hand, although at first was considered an example in the control of the pandemic, starting in May, saw the numbers of the cases increase dramatically, due to the underreporting of the cases¹¹ (CARMO, 2020). In addition, characteristics inherent to the underdevelopment of these countries make it even more difficult to control the pandemic, such as a large number of informal workers, the lack of infrastructure in homes (refrigerators, for example, to assist in stocking food, limiting

the need to go to the market) and difficulty using digital payments (whether due to lack of internet access, equipment or bank account) (PIGHI, HORTON, 2020).

In the face of this adverse health crisis scenario, it is important to highlight some political and social tensions faced by these countries. The first is the exacerbation of political instability in some of these countries, especially in Peru and Chile (AFP, 2020). The most dramatic example is the Chilean case since the coronavirus outbreak encountered the country in intense social upheaval since October 2019¹². In fact, the referendum for the new Constitution scheduled for April was voted on October 25, 2020 (G1, 2020). Other controversies were also generated in the face of the attempt by the Peruvian federal government and Colombian cities, such as Bogotá and Cartagena, to establish circulation restrictions that included a rotation of days when men and women would be authorized to go to the market, pharmacy, or bank. This measure was widely criticized by the LGBT community for not considering transsexual and non-binary people (RAMOS, 2020). In addition, Colombian President Iván Duque was the target of criticism for the abusive use of the media and self-promotion by creating a daily television program in which he reported on the country's situation vis-à-vis the COVID-19 and the measures taken by the government.

Certainly, COVID-19 is a challenge never seen before. Its impact is being felt across the globe, with no regional bloc or country safe from its adversities. However, this health crisis has highlighted something that has already shown its signs in previous crises: the fragility of regional integration projects. The Pacific Alliance is no different. The lack of a broader integration project, which would include political and social dimensions, has denoted the Pacific Alliance's scope limitation in the face of health crises such as the COVID-19 pandemic. The consequence was the occurrence of debates with an essentially commercial-economic focus and individualized actions by its members.

Notes

¹ Candidates for Associate States are Australia, Canada, New Zealand and Singapore.

² The Pacific Alliance can be considered part of the first stage of regional economic integration, i.e. a free trade area. The subsequent stages according to Balassa (1961) are the customs union, the common market, the economic union and full economic integration.

³ The High-Level Group of the Pacific Alliance is composed of the Vice Ministers of Foreign Trade and Foreign Affairs of the member states.

- ⁴ The National Coordinators are the executive body responsible for coordinating the different actions to implement the bloc's integration process, in addition to following up on the commitments agreed by the GAN, Council of Ministers and Heads of States. In the pandemic scenario, it was defined as the body responsible for exchanging information and addressing any difficulties in commercial operations caused by the coronavirus.
- ⁵ The Pacific Alliance Cooperation Fund was created in May 2019 with the aim of developing and financing joint projects to generate more opportunities for citizens and strengthen the capacities of small and medium-sized enterprises. Its initial contribution was US \$ 1 million (PACIFIC ALLIANCE, 2019b).
- ⁶ With support from the Pacific Alliance Cooperation Fund, the Inter-American Development Bank (IDB) and the European Union (PACIFIC ALLIANCE, 2020f).
- ⁷ 49% related to health, 34% to community e 17% to education.
- ⁸ Unlike other integration initiatives and regional blocs in South America, PROSUR was created in 2019 and does not have a Constitutive Treaty, General Secretariat, headquarters or budget - this is explained by the presidents' aims of proposing a "flexible" and "inexpensive" integration for its members. For more information, see Barros, Gonçalves and Samurio (2020).
- ⁹ Argentina, Brasil, Chile, Colômbia, Equador, Guiana, Paraguai, and Peru are members of Prosur.
- ¹⁰ Four days later, it was Chile's turn; while Colombia and Peru had their first cases confirmed on March 6.
- ¹¹ On May 7, for example, 663 unreported cases were announced.
- ¹² Initiated by the increase in the passage of the subway in the capital Santiago, the protests in Chile started to have as their main agenda the criticism of the neoliberal economic system present in the country for decades, especially the almost complete private access to health and education, the high inequality, the low value of pensions, and the high price of basic services.

Beatriz Walid de Magalhães Naddi

PhD candidate in International Relations at University of São Paulo. Email: bwnaddi@gmail.com.
Orcid: 0000-0002-3201-9609

Julia de Souza Borba Gonçalves

Researcher at the Institute of Applied Economic Research (IPEA); Master in International Relations at the PPGRJ San Tiago Dantas. Email: juli.borbagoncalves@gmail.com. Orcid: 0000-0002-3148-4808

How to cite:

NADDI, Beatriz Walid de Magalhães; GONÇALVES, Julia de Souza Borba. The Pacific Alliance facing the COVID-19 outbreak. **Cadernos de Regionalismo ODR**, São Paulo, v. 4, 2020, p. 30-40. ISSN: 2675-6390.

REFERENCES

AFP. As tensões da pandemia reativam protestos na América Latina. UOL. 17 jul. 2020. Notícias. Available in: <<https://noticias.uol.com.br/ultimas-noticias/afp/2020/07/17/as-tensoes-da-pandemia-reativam-protestos-na-america-latina.htm>>. Accessed in: 26 aug. 2020.

BALASSA, Bela. The Theory of Economic Integration. Westport: Greenwood, 1961.

BARROS, Pedro Silva; GONÇALVES, Julia de Souza Borba; SAMURIO, Sofia Escobar. 2020. “Desintegração econômica e fragmentação da governança regional na América do Sul em tempos de COVID-19”. May-August 2020. Boletim de Economia Política Internacional. Available at: https://www.ipea.gov.br/portal/images/stories/PDFs/boletim_internacional/2009_30_bepi_27_a8.pdf. Accessed in 09/30/2020.

BRESSAN, Regiane; LUCIANO, Bruno. La Alianza del Pacífico como un actor regional In PASTRANA, Eduardo; BLOMEIER, Hans. La alianza del Pacífico: ¿atrapada en el péndulo del regionalismo y del interregionalismo. Bogotá: Opciones Gráficas Editores, 2018, p. 173-187.

BRESSAN, Regiane Nistch. Andean Community and the COVID-19 pandemic. Cadernos de Regionalismo ODR: Dossiê Regionalismo e Pandemia, v. 4, 2020. Disponível em: . Acesso em: .

CEPAL. La convergencia entre la Alianza del Pacífico y el MERCOSUR: Enfrentando juntos un escenario mundial desafiante. Cepal: Santiago de Chile, 71 p., 2018.

CARMO, Márcia. Coronavírus: Como o Chile precisou mudar estratégia contra a covid-19 após disparada de casos. BBC News Brasil, 18 jul. 2020. Disponível em: <<https://www.bbc.com/portuguese/internacional-53415588>>. Acesso em: 12 out. 2020.

CORREDOR, Germán. VÉLEZ, Ricardo. Entre la soberanía, el liberalismo y la innovación: un marco conceptual para el análisis de la Alianza del Pacífico. In: BUELVAS, Eduardo; GEHRING, Hubert. Alianza del Pacífico: mitos y realidades. Bogotá: Pontificia Universidad Javeriana, p. 75 – 117, 2014.

DIARIO FINANCIERO. Presidencia pro t mpore de Chile en la Alianza del Pac fico se extiende hasta diciembre por coronavirus. Economia. 2020. Available in:

<<https://www.df.cl/noticias/internacional/economia/presidencia-pro-tempore-de-chile-en-la-alianza-del-pacifico-se-extiende/2020-05-15/172302.html>>. Accessed in: 28 aug. 2020.

EFE. Los mexicanos acuden al Vive Latino y exhiben escasa información sobre el COVID-19. Agencia EFE, Edición América, Cultura y Entretenimiento, 15 mar. 2020. Disponible em: <<https://www.efe.com/efe/america/cultura/los-mexicanos-acuden-al-vive-latino-y-exhiben-escasa-informacion-sobre-el-covid-19/20000009-4196176>>. Acesso em: 12 out. 2020.

G1. Plebiscito para nova Constituição do Chile é adiado por pandemia de novo coronavírus. 19 mar. 2020 (2020). Mundo. Available in: <<https://g1.globo.com/mundo/noticia/2020/03/19/plebiscito-para-nova-constituicao-do-chile-e-adiado-por-pandemia-de-novo-coronavirus.ghtml>>. Accessed in: 26 aug. 2020.

LEGLER, Thomas; GARELLI-RÍOS, Ornela; GONZÁLEZ, Paula. La Alianza del Pacífico: un actor regional en construcción. In PASTRANA, Eduardo; BLOMEIER, Hans. La alianza del Pacífico: ¿atrapada en el péndulo del regionalismo y del interregionalismo?. Bogotá: Opciones Gráficas Editores, 2018, p. 143-173.

MARINO, André. Plano contra coronavírus não inclui socorro a grandes empresas e bancos no México. UOL. 6 abr. 2020. Economia. Available in: <<https://economia.uol.com.br/noticias/estadao-conteudo/2020/04/06/plano-contra-coronavirus-nao-inclui-socorro-a-grandes-empresas-e-bancos-no-mexico.htm>>. Accessed in: 26 aug. 2020.

NOLTE, Detlef. The Pacific Alliance: Nation-Branding through Regional Organisations. GIGA Focus: Latin America, n. 4, 2016.

OYARZÚN, Lorena; ROJAS, Federico. La Alianza del Pacífico en América Latina ¿Contrapeso regional? Cuadernos sobre Relaciones Internacionales, Regionalismo y Desarrollo, v. 8, n. 16, p. 9 – 30, 2013.

OYARZÚN, Lorena. The Pacific Alliance and the construction of a new economic regime? lights and shadows of the renewal of open regionalism. IN: RUIZ, José.; MORALES, Isidro (Orgs.). Post-Hegemonic Regionalism in the Americas: Toward a Pacific–Atlantic Divide? New York: Routledge, 1ª ed., p. 141 – 159, 2017a

PACIFIC ALLIANCE. Declaração de Lima. XIV Cumbre de la Alianza del Pacífico, 2019a. Available in: <<https://alianzapacifico.net/en/declaracion-de-lima-xiv-cumbre-de-la-alianza-del-pacifico/>>. Accessed in: 28 ago. 2020.

_____. Acuerdo para el establecimiento del Fondo de Cooperación de la Alianza

del Pacífico. Aliança do Pacífico, 2019b. Available in: <<http://www.tlc.gov.co/TLC/media/media-TLC/Documentos/Acuerdo-establecimiento-Fondo-de-Cooperacion-AP.pdf>>. Accessed in: 26 aug. 2020.

_____. Declaración de la Alianza del Pacífico sobre la pandemia del COVID-19. Alianza del Pacífico, 13 de marzo de 2020 (2020a). Available in: <<https://alianzapacifico.net/declaracion-de-la-alianza-del-pacifico-sobre-la-pandemia-del-covid-19/>>. Accessed in: 26 aug. 2020.

_____. Coordinadores Nacionales de la Alianza del Pacífico se reúnen de manera virtual para dialogar sobre posibles líneas de acción del mecanismo en contexto del COVID-19. Alianza del Pacífico, 1 de abril de 2020 (2020b). Available in: <<https://alianzapacifico.net/coordinadores-nacionales-de-la-alianza-del-pacifico-se-reunen-de-manera-virtual-para-dialogar-sobre-posibles-lineas-de-accion-del-mecanismo-en-contexto-del-covid-19/>>. Accessed in: 26 aug. 2020.

_____. A raíz de la pandemia, la Alianza del Pacífico trabaja en identificar temas comunes para mitigar el impacto económico en los sectores productivos, principalmente en las Pymes. Alianza del Pacífico, 17 de abril de 2020 (2020c). Available in: <<https://alianzapacifico.net/a-raiz-de-la-pandemia-la-alianza-del-pacifico-trabaja-en-identificar-temas-comunes-para-mitigar-el-impacto-economico-en-los-sectores-productivos-principalmente-en-las-pymes/>>. Accessed in: 26 aug. 2020.

_____. Alianza del Pacífico y CAF definen trabajo conjunto para apoyar a las pymes a enfrentar efectos de la pandemia. Alianza del Pacífico, 13 de maio de 2020 (2020d). Available in: <<https://alianzapacifico.net/alianza-del-pacifico-y-caf-definen-trabajo-conjunto-para-apoyar-a-las-pymes-a-enfrentar-efectos-de-la-pandemia/>>. Accessed in: 26 aug. 2020.

_____. Viceministros de la Alianza del Pacífico se reúnen para aprobar proyectos que contribuyan a mitigar el impacto económico de la pandemia. Alianza del Pacífico, 9 de julho de 2020 (2020e). Available in: <<https://alianzapacifico.net/viceministros-de-la-alianza-del-pacifico-se-reunen-para-aprobar-proyectos-que-contribuyan-a-mitigar-el-impacto-economico-de-la-pandemia/>>. Accessed in: 26 aug. 2020.

_____. (@A_delPacífico). “Con el apoyo del Fondo de Cooperación de la #AlianzaDelPacífico, @el_BID y la Unión Europea, la Alianza se encuentra desarrollando un plan de reactivación para el sector turístico de los cuatro países que permita preparar a la región para el escenario post pandemia”. 24 jul. 2020, 21:00h (2020f). Tweet. Available in: <https://twitter.com/A_delPacifico/status/1286813516779921408>. Accessed in: 26 oct. 2020.

_____. Reto COVID-19 TransferenciAP. Página inicial. 2020g. Available in: <<https://retocovid19transfe.wixsite.com/home>>. Accessed in: 26 aug. 2020.

_____. Acciones implementadas por los países de la Alianza del Pacífico frente al COVID-19. Alianza del Pacífico, 2020h. Available in: <<https://alianzapacifico.net/informacion-paises-ap-frente-al-covid-19/>>. Accessed in: 27 aug. 2020.

PASTRANA, Eduardo.; CASTRO, Rafael. (2020). Auge y estancamiento de la Alianza Del Pacífico. *Análisis Carolina*, 7, p. 1-20. Available in: <https://www.fundacioncarolina.es/wp-content/uploads/2020/02/AC-7.2020.pdf>. Accessed in: 16 jul. 2020.

PASTRANA, Eduardo. *The Pacific Alliance: facing regional projects and global transformations*. Cidade do México: Fundación Konrad Adenauer, 2016.

PIGHI, Pierina; HORTON, Jake. Coronavírus: por que um lockdown rigoroso não impediu explosão de casos no Peru. BBC, 26 jun. 2020. Reality Check. Available in: <<https://noticias.uol.com.br/ultimas-noticias/bbc/2020/06/26/coronavirus-por-que-um-lockdown-rigoroso-nao-impediu-explosao-de-casos-no-peru.htm>>. Accessed in: 26 aug. 2020.

RAMOS, Raphaela. Coronavírus: países determinam rodízio por gênero para sair de casa. Mas será que essa é uma boa estratégia? *O Globo*. 14 abr. 2020. Celina. Available in: <<https://oglobo.globo.com/celina/coronavirus-paises-determinam-rodizio-por-genero-para-sair-de-casa-mas-sera-que-essa-uma-bou-estrategia-24368914>>. Accessed in: 26 aug. 2020.

SUÁREZ ROMERO, Ana María; TOLEDO, Laís. From NAFTA to USMCA: the negotiation, the signing of the agreement and the entry into force amid the COVID-19 Pandemic. *Cadernos de Regionalismo ODR: Dossiê Regionalismo e Pandemia*, v. 4, 2020.