Abstract

The purpose of this work is to examine two political and economic blocs of South America; MERCOSUR and Pacific Alliance. Concretely, it focuses on the way of founding above mentioned organizations as well as it stresses economic power of both coalitions and their potential for the future. Region is analysed by realism perspective. While MERCOSUR was understood as a product of bandwagoning executed by Brazil’s neighbours, the research about Pacific Alliance was based on balance of power behaviour. I used two research strategies: (1) a descriptive method applying bandwagoning and balance of power concepts on process of creation of both respective organization and (2) comparative analysis to compare coalitions and bring insight on current success of Pacific Alliance and potential outlook in the future. Since the relevant continent is considered as zone of peace, the realistic view on power was enriched by economic aspect. Hence, a driving force in regional affairs is economic, rather than military power. In case of Pacific Alliance, The focus was on two founding members, Chile and Colombia, since both are considered as secondary powers on the South American continent. The main sources to conduct this research were published economic reports and academic articles, analyses and journals. Even though MERCOSUR as an outcome of bandwagoning is not explicitly true, Pacific Alliance could be seen as a balancing actor vis-à-vis MERCOSUR. Additionally, number of Free Trade Agreements, GDP per capita, economic growth rate of its members and political coordination showed that Pacific Alliance successfully commenced its era and it is more prosperous that its counterpoise. On the other hand, it was criticised for low level of integration and intra-regional trade flow, where MERCOSUR results were very reasonable. It was remarkable that geographical location preconditioned their trading partners. MERCOSUR is oriented on potential trading partners around Atlantic Ocean while Pacific Alliance is focused on markets around Pacific Ocean.