

# Northumbria Research Link

Citation: Gomez Arana, Arantza (2015) The European union and the central American common market sign an association agreement: Pragmatism versus values? European Foreign Affairs Review, 20 (1). pp. 43-63. ISSN 1384-6299

Published by: Kluwer Law International

URL: [https://kluwerlawonline.com/journalarticle/Europea...](https://kluwerlawonline.com/journalarticle/Europea...<https://kluwerlawonline.com/journalarticle/European+Foreign+Affairs+Review/20.1/EER2015004>)  
<<https://kluwerlawonline.com/journalarticle/European+Foreign+Affairs+Review/20.1/EER2015004>>

This version was downloaded from Northumbria Research Link:  
<http://nrl.northumbria.ac.uk/id/eprint/44860/>

Northumbria University has developed Northumbria Research Link (NRL) to enable users to access the University's research output. Copyright © and moral rights for items on NRL are retained by the individual author(s) and/or other copyright owners. Single copies of full items can be reproduced, displayed or performed, and given to third parties in any format or medium for personal research or study, educational, or not-for-profit purposes without prior permission or charge, provided the authors, title and full bibliographic details are given, as well as a hyperlink and/or URL to the original metadata page. The content must not be changed in any way. Full items must not be sold commercially in any format or medium without formal permission of the copyright holder. The full policy is available online: <http://nrl.northumbria.ac.uk/policies.html>

This document may differ from the final, published version of the research and has been made available online in accordance with publisher policies. To read and/or cite from the published version of the research, please visit the publisher's website (a subscription may be required.)

EUROPEAN FOREIGN  
AFFAIRS REVIEW

---

---

Published by:  
Kluwer Law International  
P.O. Box 316  
2400 AH Alphen aan den Rijn  
The Netherlands

Sold and distributed in North, Central and South America by:  
Aspen Publishers, Inc.  
7201 McKinney Circle  
Frederick, MD 21704  
USA

In all other countries sold and distributed by:  
Turpin Distribution Services  
Stratton Business Park  
Pegasus Drive  
Biggleswade  
Bedfordshire SG18 8TQ  
United Kingdom

ISSN 1384-6299

©2015 Kluwer Law International BV

Print subscription prices, including postage (2015): EUR 462/USD 616/GBP 339.  
Online subscription prices (2015): EUR 428/USD 571/GBP 314.

(2015) 20 EFA Rev. should be used to cite this volume.

This journal is available online at [www.kluwerlaw.com](http://www.kluwerlaw.com).  
Sample copies and other information are available at [www.kluwerlaw.com](http://www.kluwerlaw.com).  
For further information, please contact our sales department at +31 (0) 172 641562  
or at [sales@kluwerlaw.com](mailto:sales@kluwerlaw.com).

For Marketing Opportunities please contact [marketing@kluwerlaw.com](mailto:marketing@kluwerlaw.com).

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the publishers.

Permission to use this content must be obtained from the copyright owner. Please apply to: Wolters Kluwer Legal Permissions Department, 76 Ninth Avenue, 7th Floor, New York NY 10011-5201 United States.  
E-mail: [permissions@kluwerlaw.com](mailto:permissions@kluwerlaw.com).

---

---

#### *EDITORS*

##### **Jörg Monar**

Professor and Rector  
College of Europe  
Bruges, Belgium

##### **Nanette Neuwahl**

Professor of European Law,  
University of Montreal, Canada  
Director of Interdisciplinary European Studies,  
College of Europe, Natolin Campus

#### *BOOK REVIEW EDITOR*

##### **Professor Alasdair Blair**

Head of Department of Politics and Public Policy  
De Montfort University  
The Gateway  
Leicester LE1 9BH, UK  
Tel.: 0116 2577209  
Email: ablair@dmu.ac.uk

##### **Dr Kerry Longhurst**

Professor at the Natolin Campus of the  
College of Europe  
Jean Monnet Professor, Collegium Civitas  
Warsaw, Poland  
Tel.: 0048 508480289  
Email: kerry.longhurst@coleurope.eu

#### *EDITORIAL OFFICE*

##### **Dr Saïd Hammamoun,**

Center for Research in Public Law  
University of Montreal  
C.P. 6128, Succursale Centre-ville  
Montreal QC  
Canada H3C 3J7  
Tel.: +1 514 343-6111 # 2138  
Fax: +1 514 343-7508  
Email: EFAR@kluwerlaw.com

#### *ADVISORY BOARD*

##### **Dr Gianni Bonvicini**

(Director, Istituto Affari Internazionali, Rome)

##### **Professor Jacques Bourrinet**

(Aix-Marseille Université)

##### **Prof. Dr Günter Burghardt**

(Ambassador (Ret.))

##### **Professor Marise Cremona**

(Department of Law, European University Institute,  
Florence)

##### **Professor Alan Dashwood**

(University of Cambridge)

##### **Professor Sir David Edward**

(Judge of the Court of Justice of the EC, 1992–2004)

##### **Dr Geoffrey Edwards**

(University of Cambridge)

##### **Professor Piet Eeckhout**

(King's College London)

##### **Lord Hannay of Chiswick**

(House of Lords)

##### **Professor Christopher Hill**

(University of Cambridge)

##### **Dr Antonio Missiroli**

(European Union Institute for Security  
Studies, Paris)

##### **Prof. Dr Josef Molsberger**

(Emeritus Professor of Economic Policy,  
University of Tübingen)

##### **Professor David O'Keeffe**

(Founding Joint Editor)

##### **Dr Jacek Saryusz-Wolski**

(Chairman of the Foreign Affairs Committee of the  
European Parliament)

##### **Ambassador Philippe de Schoutheete de Tervarent**

(Former Permanent Representative of the Kingdom  
of Belgium to the European Union)

##### **Professor Loukas Tsoukalis**

(University of Athens; President, Hellenic  
Foundation for European and Foreign Policy  
(ELIAMEP))

##### **Lord Wallace of Saltaire**

(House of Lords)

##### **Professor Joseph H.H. Weiler**

(President of the European University Institute (EUI))

##### **Prof. Dr Wolfgang Wessels**

(University of Cologne)

# The European Union and the Central American Common Market Sign an Association Agreement: Pragmatism versus Values?

Arantza GOMEZ ARANA<sup>\*</sup>

*This article discusses the association agreement between the European Union and Central America signed in 2010. The importance of this agreement is crucial in international relations since it is the first successful association agreement between two regional groups that include trade, political dialogue and development aid. The central argument of this article sustains that the agreement was possible thanks to the efforts of the Spanish diplomatic team. However, this was not sufficient and the efforts of Central American countries were absolutely essential. The main events that influenced the agreement are analysed in order to find the reasons behind the agreement: the Spanish presidency; the bananas conflict between the EU, the US and Central American countries; and the political conflict in Honduras.*

## 1 INTRODUCTION

European Union relations with Central America have not been exhaustively analysed. There is a gap in the literature on the explanations behind the EU actions towards Central America, and the interest of the latter in developing relations with the former. The fact that it is the first case that two regional groups successfully signed an association agreement including political dialogue, development aid and trade negotiations deserves special attention. These negotiations started in 2007 and finalized successfully in May 2010<sup>1</sup>. One of the main obstacles was the demand to decrease the tariffs added to Central American exports to the EU in the agricultural sector due to the traditional protectionist measures of the European Union.

This article shows the different interests on both sides of the Atlantic. It demonstrates how far some of the countries were willing to go in order to achieve

---

<sup>\*</sup> Dr Arantza Gomez Arana, Lecturer at Birmingham City University (Arantza.GomezArana@bcu.ac.uk).

<sup>1</sup> The 29 Jun. 2012 the EU and CA (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) and Panama signed the Agreement.

the agreement –mainly in the American continent– and how the sometimes difficult obstacles were solved with pragmatism on both sides. Overall this article argues that the European Union developed an agreement with the Central American Common Market due to the Spanish efforts before and during the presidency of the EU in the first semester of 2010. Necessary this momentum as it was, however, it was not sufficient; it was crucial the extraordinary interest on the American side to achieve this agreement due to the economic benefits that had for them.

## 2 THE EUROPEAN UNION AND CENTRAL AMERICA

There is little literature that focuses on the development of European Union relations towards Latin America in the 1980s and early 1990s. Most of the work focuses on the relations in the late 1990s and focusing mainly on EU-Mercosur relations, with the exception of the work of Hazel Smith (1995) ‘European Union Foreign Policy and Central America’ and ‘The Reconstruction of Central America: the Role of the European Community’<sup>2</sup> by Joaquín Roy, (1991). Nevertheless, those works that do look at the relations between the European Union and Latin America agree on a clear change in EU-Latin America relations since the mid-1980s to late 1980s;<sup>3</sup> Some have suggested that the change in relations between the EU and Latin America came as a direct result of the EU’s involvement in Central America. Some of them focused on the on-going debate that discusses the suitability of the EU as an example of integration for Central

<sup>2</sup> J. Roy, Editor, Coral Gables Fla: Institute of Iberian Studies/European Community Project, (University of Miami, 1991).

<sup>3</sup> F. Aldecoa Luzarraga, *El acuerdo entre la Unión Europea y el Mercosur en el marco de la intensificación de relaciones entre Europa y América Latina*, 22 *Revista de Instituciones Europeas* 3, 761–792 (1995); J.M. Anacoreta Correia, *Europa América Latina: 20 años de Documentos oficiales (1976-1996)*, (IRELA, 1996); A. Ayuso, *La relación euro-latinoamericana a través del proceso de integración regional europea*, 32 *Revista Cidob d’Afers internacionals* numero, 147–164 (1996); Cepal, *América Latina en la agenda de transformaciones estructurales de la Unión Europea* (Santiago de Chile, junio, 1999), M. Cienfuegos, *La asociación estratégica entre la unión europea y el Mercosur, en la encrucijada* (CIDOB, 2006); J. Dauster, *União Européia: rumo à associação inter-regional*, 14 *Política Externa* 4 (1996); A. Hoste, *The new Latin American Policy of the EU* (University of Bradford, 1999); DSA, *European development Policy Study Group*, Discussion Paper 11 (February, 1999); C. Freres, *The European Union as a Global ‘Civilian Power’: Development Cooperation in EU-Latin American Relations*, 42 *Journal of Interamerican Studies and World Affairs* 2 (2000); D. Laporte Galli, *La Unión Europea y el Cono Sur emprenden la reconciliación* (Fundacio Cidob, 1996); R. Youngs, *Spain, Latin America and Europe: The Complex Interaction of Regionalism and Cultural Identification*, 5 *Mediterranean Politics* 2, 107–129 (2000); A. Vasconcelos, *European Union and Mercosur*, in *European Union and New regionalism* (ed. M. Telo, Ashgate, 2001); J. A. Sanahuja, *De Río a Madrid. Posibilidades y límites de las relaciones Unión Europea -América Latina*, Working papers del Observatori de Política Exterior Europea 45 (Barcelona, Institut Universitari d’Estudis Europeus, 2003); K. Smith, *European Foreign Policy in a Changing World* (Cambridge Polity Press, 2003).

America.<sup>4</sup> Others discuss the association agreement itself but there is not an analysis of the reasons behind the EU's actions.<sup>5</sup>

## 2.1 EUROPEAN UNION-CENTRAL AMERICAN COMMON MARKET ASSOCIATION AGREEMENT

Until this agreement, the most important development of the Central American countries trade relations with the EU was the GSP+ (Generalized System of Preference 'Plus'); a preferential treatment decided unilaterally by the EU, while the Association Agreement is jointly negotiated. On the positive side within the framework of the GSP + Central American countries did not have to offer preference access to European products in return. However, with the association agreement, Central American countries both demand and offer preferential access of different products and sectors. For the Costa Rican government this is important because:

The major difference between the Agreement and the GSP is that it will be impossible for the European Union, once the agreement has entered into force, to suspend tariff preferences or apply sanctions, on the basis of non-fulfillment of environmental or labor laws by the Parties.<sup>6</sup>

The CA countries trade with the EU at different levels. This explains the higher importance of this agreement for Costa Rica since it exports to the EU four times more than Guatemala.<sup>7</sup> 'In 2012, trade in goods between the two regions was worth EUR 14 billion – EUR 8.7 billion with Costa Rica, EUR 1.4 billion with Honduras, EUR 1.3 billion with Guatemala, EUR 1.2 billion with Panama, EUR 0.8 billion with El Salvador and EUR 0.4 billion with Nicaragua'.<sup>8</sup>

There have been some obstacles due to the specific requirements on the technical, procedural, sanitary and phytosanitary rules which has been resolved to

<sup>4</sup> F. Rueda-Junquera, *European Integration Model: Lessons for the Central American Common Market*, 6 Jean Monnet/Robert Schuman Paper Series 4 (2006); L.R. Solórzano, *The EU Model: Can Integration Remedy Central American Underdevelopment?* 4 Jean Monnet/Robert Schuman Paper Series 10 (2007).

<sup>5</sup> F. Rueda-Junquera, *Economic Relations between the European Union and Central America: Building a Bi-Regional Association*, 9 Jean Monnet/Robert Schuman Paper Series 11 (2009).

<sup>6</sup> According to the statistics of Aprovech both regions 'exclude about 4% of the tariff lines, in the Central American case equivalent to only 0.7% and for the EU 0.1% of trade between the regions. This means that practically all bi-regional trade will be liberalized' (Aprovech, July 2010).

<sup>7</sup> The main exporters from Central America to the EU, in 2010, were Costa Rica (53.9%) and Honduras (21.6%) followed by Guatemala (12%). Exports consisted mainly of coffee, bananas, pineapples and microchips (European Union, 1 (2012)).

<sup>8</sup> *Free-trade operational with the six countries*, Agence Europe, 29 Nov. 2013.

some extent.<sup>9</sup> These rules could be used as a barrier for trade, therefore it was important to create some sort of harmony. The agreement will also improve EU's access to investment in key areas in Central America, such as telecommunications, financial and environmental maritime services.<sup>10</sup>

## 2.2 PRELIMINARY EFFECTS OF THE AGREEMENT

In the area of regional integration, CA is the one with more work to do in order to keep the agreement going. Consequently they have agreed on a number of commitments. For example, CA has agreed to use regional standards instead of national ones and to harmonize regulations to avoid technical obstacles to trade.<sup>11</sup> It seems that Central America is aware of the expectations of the EU in integrating as a regional group and this agreement has helped CA to increase its commitment in this area since the EU negotiated with those countries as a group.<sup>12</sup>

In 2012 'EU imports from Central America are dominated by office and machinery and transport equipment (59.6%) and agricultural products (30.1% in 2012)',<sup>13</sup>. And 'the most important exports from the EU to Central America are machinery and transport equipment (47.2%) and chemicals (21.5% in 2012)'.<sup>14</sup>

The view of an Honduran representative is clear on how beneficial this agreement is for the region: 'Honduran Deputy Trade Minister Melvin Redondo said the association agreement would not solve all the region's problems but it would allow them to be addressed, taking the lead from the EU'.<sup>15</sup> The information provided on Graphs 1 and 2 explains perfectly the increase in trade between both regions; Since 2010 in particular.

<sup>9</sup> European Commission, *European Union-Central America: Trade Relations under the Association Agreement* (5, 2012).

<sup>10</sup> *Ibid.*

<sup>11</sup> (European Commission, 7, 2012). Moreover: 'Regional Integration will also help to reduce divergences between the Central American countries in the services sectors, including maritime transport' (European Commission, 9, 2012).

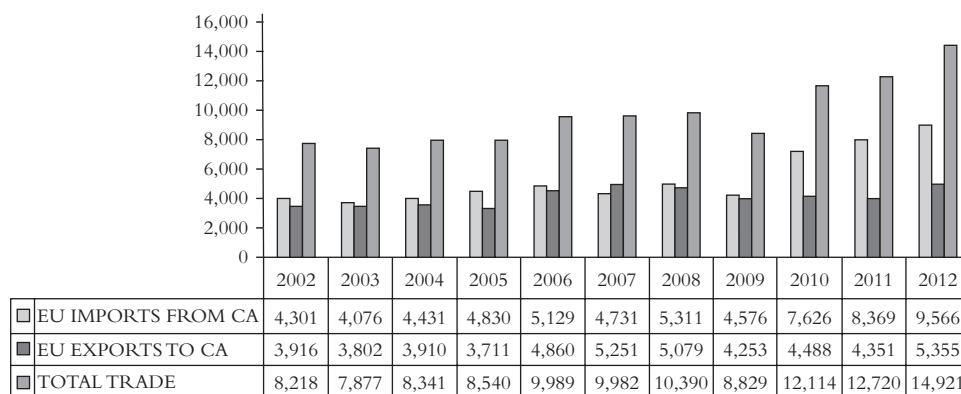
<sup>12</sup> Interview 1; Represent of a Central American country (April 2013).

<sup>13</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/regions/central-america/>.

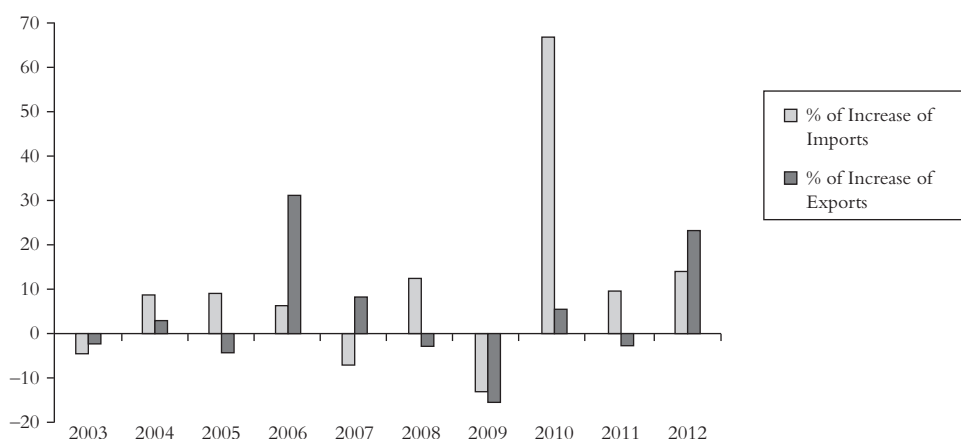
<sup>14</sup> *Ibid.*

<sup>15</sup> *Association Agreement is step to more mature relationship*, Agence Europe 30 Mar. 2012.



*Graph 1 EU Trade with Central America (thousands)*

Source: Created by author with data from the European Commission website (last time accessed June 2014).

*Graph 2 EU Trade with Central America (%)*

Source: Created by author with data from the European Commission website (last time accessed June 2014).

De Gucht believes that the agreement could 'facilitate the regional economic integration in Central America' and also the agreement brings trade rules that go further than the compromises of the WTO.<sup>16</sup>

In fact, it is expected that it will help to consolidate the customs union, moreover the second program to support integration in the Centroamerican

<sup>16</sup> La CE ve un hito la aplicación en toda Centroamérica de acuerdo de asociación (29 Nov. 2013), [www.informaicon.com](http://www.informaicon.com) (accessed June 2014).

region supported by the EU was inaugurated in March 2014.<sup>17</sup> And according to Hugo Martinez, the Secretary of the Central American Integration System there is already an increase of trade between both regions because of the agreement.<sup>18</sup> Moreover, according to an EU officer it seems that this step will help to deal together global challenges, now that both regions are associated.<sup>19</sup>

For the president of the European Parliament, this agreement will intensify the trade that brings welfare.<sup>20</sup> Furthermore, Schulz affirmed: 'I consider that on many occasions the European Union limits its ideas and relations to the US and it does not give the relevant importance to Latin America where Costa Rica plays a key stabilizing role very important to promote integration and cooperation'.<sup>21</sup> Also Nicaragua used this association as an opportunity to attract the interest of businesses of Spain and France and Germany.<sup>22</sup> It could be the case that those European countries were chosen due to higher interest in that region compared to others.

### 3 CAUSES FOR THE AGREEMENT

According to John Whalley<sup>23</sup> there are mainly six reasons that explain the motives for developing regional trade agreements; some of these reasons are present at the same time but holding a different weight of the explanation.

#### 3.1 TRADITIONAL TRADE GAINS

The first reason 'traditional trade gains' is the most straightforward; the benefits for the EU in this area will cover different sections but in general terms: 'Once the trade pillar of the Agreement is in force, EU exporters will save EUR 87 million annually in customs duties'.<sup>24</sup>

Central American countries will benefit as well from this agreement. The European Commission estimated the amount of tariffs saved by Central American exporters at the end of the transition period: 'In agriculture and foods products, Central American exporters will save over EUR 200 million from tariff

<sup>17</sup> <http://www.elcomercio.com/actualidad/mundo/centroamerica-destaca-oportunidades-del-acuerdo.html> (accessed 17 Mar. 2014).

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*

<sup>20</sup> *El Parlamento Europeo urge a Costa Rica a ratificar el acuerdo de asociación*, Efe Economía, 13 Feb. 2013.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Empresarios de Nicaragua y España hablarán sobre Acuerdo de Asociación*, Efe Economía, 12 Feb. 2013.

<sup>23</sup> J. Whalley, *Why Do Countries Seek Regional Trade Agreements?* in *The Regionalization of the World Economy* (ed. J.A. Frankel, University of Chicago Press, 1998).

<sup>24</sup> European Commission Press Release 'Highlights of the trade pillar of the Association Agreement between Central America and the European Union' 20 Jun. 2011.

elimination.(...) In industry and fisheries exports, Central American exporters are expected to save EUR 15 million annually'.<sup>25</sup> For Central America, the EU is one of the main trade partners. 'The EU is substantially much more relevant to Central America than the opposite. It is its third trade partner, its second investor and its first donor (considering both the EU's multilateral aid and the Member States' bilateral aid'.<sup>26</sup> It is clear the gains that these two regions will achieve by trading with each other in improved conditions, but it is also clear that these gains are more significant for Central America than for the European Union. In relative terms the % of EU trade with Central America represents less than 2% of the total trade.<sup>27</sup> In addition, in the case of Honduras (at the time of the coup), even its own neighbours such as Costa Rica were asking the EU to re-start the negotiations leaving Honduras out of the agreement if it was necessary.<sup>28</sup> This shows how important the agreement was for Central America economically.

Moreover it benefits Europe to deal with the current crisis: 'Trade policy plays an important role and is currently one of the main growth engines in Europe, trade being the only positive growth engine in the EU in 2012'.<sup>29</sup>

### 3.2 GUARANTEE OF ACCESS

Also important is the 'guarantee of access' which is of particular importance for small countries as is the case of Central American states.

Oscar Arias (former president of Costa Rica) explained how every country sent the representatives of different key sectors to Spain for the EU-LA Summit; agreements on technology are of extreme interest as it is the beginning or continuation of productive relations.<sup>30</sup> The interest of several chambers in Costa Rica is obvious. The chambers of business and the representatives of External Commerce have insisted on several occasions on the urgency of the ratification of these association agreements.<sup>31</sup> As mentioned before, the GSP was a unilateral offer by the EU that could be suspended whenever the Europeans decided. The Association Agreement however had to be negotiated and approved by CA. Therefore Central American countries tried to include as many areas as possible. Also, of invaluable importance was the fact that some agricultural products would

<sup>25</sup> European Commission 2012:3.

<sup>26</sup> Rueda-Junquera, *supra* n. 5.

<sup>27</sup> European Commission Directorate-General for trade website (accessed 15 Jan. 2013).

<sup>28</sup> *Las fuerzas de seguridad acordonan la Embajada de Brasil en Honduras*, El País 23 Sep. 2009.

<sup>29</sup> *EU's Eyes on Free Trade to Stimulate Growth*, Agence Europe, 01 Jun. 2012.

<sup>30</sup> *Centroamérica y Unión Europea cerraron hoy negociación de acuerdo comercial*, La Nación, 17 May 2010.

<sup>31</sup> *Las cámaras empujan acuerdo con UE*, La Nación, 19 Mar. 2013.

be exported to Europe in more competitive conditions for CA. The inclusion of 2 polemic agricultural product, sugar and bananas would bring exceptionally good benefits for Central America.<sup>32</sup>

And also it works the other way around. The EU by signing with a regional group it provides guarantee of access, since political changes in one of the countries should not affect the stability of the agreement; At least not in the same way that if it was an agreement between the EU and one country. In fact the other countries would probably put pressure on that country to continue with the agreement

### 3.3 STRATEGIC LINKAGE

Another reason is 'strategic linkage': how it helps to increase and promote regional integration. The European Union developed the association agreement to promote integration and trade according to the official sources: 'The EU's central economic policy objective for Central America is to strengthen the process of regional integration between the region's countries. In practical terms this means the creation of a custom union and economic integration in Central America; and the EU has fostered this process through its trade-related technical assistance in the region'.<sup>33</sup>

It seems that the EU favours regional integration in order to achieve the customs union in the region or at least the common external tariff so necessary for trade agreements between regions. Therefore the support of regional integration seems more pragmatic than normative.

Benfita Ferrero-Waldner and a Minister of Costa Rica promoted the joining of Panama at that point even though this country was not part of the deal a priori and not a member of the Central American Common Market. According to Ruiz: 'To us it seems very important that (Panama) is in it, it would reinforce Central America a lot with the presence of one of the most growing economies in the region'.<sup>34</sup> Beneficial or not for them the inclusion of such a complex country (formerly part of Colombia, of geopolitical interest because of its Canal etc.) it clearly exposes the debate of achieving further regional integration through association agreements.

<sup>32</sup> L.R.H. Rojas-Romagosa, *Economic Implications of an Association Agreement between the European Union and Central America*, IIDE discussion paper, (October 2007).

<sup>33</sup> European Commission, Directorate-General for Trade, Central American region website, last time accessed June 2014.

<sup>34</sup> La Nación, 21 Jan. 2010.

### 3.4 STRENGTHENING DOMESTIC POLICY REFORM

Another reason is ‘strengthening domestic policy reform’; in other words, these agreements help to change or upgrade domestic policies. In the case of Spain to change policies at European level without being able to change them. Spain has used the presidencies to reach agreements with Latin America such as the one with Central America in order to lock in policies in the European Union.

‘It is essential that relations between Europe and Latin America are given greater political weight and more content. Spain has the role of leading this qualitative advance in the Union’s relations with Latin America and we will take advantage of our Presidency to promote the signing of the European Union Association Agreement with Central America (...)’.<sup>35</sup>

Among all the members of the European Union, Spain is and has been the most persistent driving force in bringing Latin American issues to the table at every opportunity. The agreement with Central America is another example of the Spanish efforts towards the achievement of its foreign policy goals under the European Union umbrella. For example, of the 5 delegations of the European Parliament to Latin American countries or regions where regular dialogues are developed, all of them are managed (Eurolat, Andean Community, Mercosur, Mexico and Chile), bar one (Central America) by Spanish MEPs.<sup>36</sup>

Since the development of the rotatory system of the European Presidency, every country has tried to use it with more or less success to develop its own agenda. The Presidency reflects the different interests of the country that is holding the Presidency, letting the Commission be more or less active depending if it goes in favour of the country holding the Presidency.<sup>37</sup> The country holding the Presidency is expected to be impartial.<sup>38</sup> However, since the Presidency is responsible for preparing the agenda for the meetings of ministers, there is a fear that the Presidency could be used to promote national interests rather than European interests. The extra influence that can be gained from holding the Presidency is important in terms of developing the policy agenda and also in terms of having access to information.<sup>39</sup> In addition, it is also argued that it depends on which stage of the policy development a country holds the presidency, being more beneficial to receive the policy at the voting stage instead than just at the

<sup>35</sup> Congress of Deputies Priorities of Presidency (16 Dec. 2009).

<sup>36</sup> EP/Delegations: ‘Parliament Composes its Delegations’, Europe Daily Bulletin 9979, Agence Europe, 18 September 2009.

<sup>37</sup> M.T. Johnston, *The European Council*, (Westview Press, 1994).

<sup>38</sup> J. Talberg, *Leadership and Negotiation in the European Union* (Cambridge University Press, 2006) cited in J. Schalken, R. Torenvlied, J. Wessie & F. Stokman, *The Power of the Presidency in EU Council Decision-Making*, 8 European Union Politics 2, 229–250 (2007).

<sup>39</sup> A. Warntjen, *The Council Presidency: Power Broker or Burden? An Empirical Analysis*, 9 European Union Politics 3, 316–338 (2008).

beginning of the policy.<sup>40</sup> The Spanish presidency during the first six months of 2010, like in its previous presidencies (1989, 1995 and 2002), considered Latin America a priority in the area of foreign affairs.

With regard to Central America, the Spanish efforts towards an agreement with Central America started with the launching of the negotiations. As early as August 2007, De la Vega, the then vice-president of the Spanish government visited Honduras where she discussed the association agreement with the then president of Honduras- Zelaya.<sup>41</sup> The European Parliament used every opportunity to support the association agreement as well. At the Euro-Latin American Parliamentary Assembly (EUROLAT) third plenary session in April 2009 at the Spanish Congress of Deputies, the support for the Association Agreement with Central America among other issues was highlighted one more time.<sup>42</sup> Moreover, at the end of the session an implicit support towards Latin America came from other Spaniards. Eneko Landaburu, the European Commission's Director General for external relations, who said: 'a budgetary effort would be made to provide funding for Latin America'.<sup>43</sup> And Lopez Garrido, 'promised that the future Spanish Presidency would do everything to take the Euro-Latin America strategic relationship to a level never before reached'.<sup>44</sup>

The momentum created by the Spanish diplomacy through their preparation of the Presidency a year in advance was being encouraged openly by different trips to Latin America by different actors with particular influence in the policy. In August 2009, one more time the vice-president of the Spanish government commitment herself to achieve the agreement between the EU and Central America during her visit to Costa Rica.<sup>45</sup> In fact, she claimed that Spain has a protagonist role in this agreement in order to facilitate the development of close positions between both regions and make possible the agreement.<sup>46</sup> Moreover, De la Vega explained that this goal was going to be a priority during the Spanish presidency, however, there were two problems that the Vice-president discussed with Arias: the banana's tariff and the political crisis in Honduras.<sup>47</sup>

The problems started almost from the moment Zelaya was elected since it achieved the majority narrowly in 2005; and before the end of his term the president offered a referendum to change the Constitution so he could be a

<sup>40</sup> Schalken et al, *supra* n. 38.

<sup>41</sup> *Honduras, segunda parada de la gira latinoamericana de Fernandez de la Vega*, El País, 1 Aug. 2007.

<sup>42</sup> EP/LATIN AMERICA: *EuroLat Assembly Adopts Euro-Latin American Charter for Peace and Security*, Europe Daily Bulletin 9880, Agence Europe 10 Apr. 2009.

<sup>43</sup> *Ibid.*

<sup>44</sup> *Ibid.*

<sup>45</sup> *De la Vega se compromete en Costa Rica a culminar el pacto entre Centroamérica y la UE*, El País 3 Aug. 2009.

<sup>46</sup> *Ibid.*

<sup>47</sup> *Ibid.*

candidate again for the elections of the 28 June 2009.<sup>48</sup> The Parliament, the Tribunal and the Army decided the referendum was illegal five days before it was due, and the following day Zelaya fired the army General Vasquez and accepted the renounce of the Minister of defence.<sup>49</sup> The next day, Thursday the army took the capital, Tegucigalpa, and the Tribunal brought Vasquez back to his post.<sup>50</sup> On early Sunday morning the army detained the president and deported him to Costa Rica suspending the referendum.<sup>51</sup> By Monday, the United Nations General Assembly asked to recognize only Zelaya's government, and the next day, (1 July) the American States Organization gave Honduras 72 hours to re-establish democracy which it did not happen and the on 4 July Honduras was suspended from this organization, influencing potentially its access to international credits.<sup>52</sup> The chronological order is crucial to understand the mix of political ideologies and pragmatism that surrounded this case.

Oscar Arias decided to intervene between Zelaya and the de facto president, Micheletti, an event criticized by the late Venezuela's president, Chavez, who blamed Washington for this situation.<sup>53</sup> The electoral campaign in Honduras started on 31 August and on 3 September the US blocked permanently non humanitarian aid and increased the sanctions.<sup>54</sup> On 22 September, Zelaya managed to arrive at Tegucigalpa and hide at the Brazilian embassy, and as a consequence the army surrounded the embassy.<sup>55</sup>

The Ministers of foreign affairs in the EU adverted that they were preparing more restrictive measures towards Honduras if Micheletti did not accept a negotiated solution.<sup>56</sup> For Spain, the declaration meant zero tolerance for both the coupe d'état and the government officials involved according to Diego Lopez Garrido, and Moratinos explained that Spain would forbid the entrance in Spain of the current government in Honduras.<sup>57</sup>

However, Spain would not take unilateral actions against the Honduran government and would work with the EU.<sup>58</sup> The EU decided not to send observers to the elections since they were not being developed in a free and democratic way.<sup>59</sup> The deputy director general of the external relations

<sup>48</sup> *El Ejército de Honduras detiene al presidente de Zelaya y lo expulsa a Costa Rica*, El País 28 Jun. 2009.

<sup>49</sup> *Ibid.*

<sup>50</sup> *Ibid.*

<sup>51</sup> *Ibid.*

<sup>52</sup> *Cronología*, El País 28 Jun. 2009.

<sup>53</sup> *La primera ronda de diálogo sobre Honduras concluye sin ningún acuerdo*, El País, 11 Jul. 2009.

<sup>54</sup> *Las fuerzas de seguridad acordonan la Embajada de Brasil en Honduras*, El País 23 Sep. 2009.

<sup>55</sup> *Ibid.*

<sup>56</sup> *Ibid.*

<sup>57</sup> *Ibid.*

<sup>58</sup> *Ibid.*

<sup>59</sup> *La UE anuncia que no enviara observadores a las elecciones de Honduras*, El País, 10 Sep. 2009.

Directorate General of the European Commission, Stefano Sannino, affirmed that the EU 'like other Latin-American countries does not recognize these elections as democratic'.<sup>60</sup> Among the decisions taken by the EU the association agreement with Central America was frozen, and the EU search for measures to put pressure over Micheletti's government.<sup>61</sup>

The democratic clause included in the association agreement became an obstacle for the continuation of the negotiations, although the Central American countries were keen on continuing in these circumstances.<sup>62</sup> At the beginning of February of 2010 the EU and the CA decided to continue with the negotiations since the EU affirmed that (the results of the elections with the winning of) Lobo left room for the EU to normalize relations with CA.<sup>63</sup>

But these negotiations needed support from other actors if they wanted to achieve a result by May 2010. The Spanish Secretary of State for Iberoamerica, Juan Pablo de Laiglesia, met up with Oscar Arias to discuss how to recover the dynamism in the negotiations to reach an agreement in May.<sup>64</sup> Other type of Spanish support came through the European Parliament. The Spanish MEP Jose Salafranca presented a report which was approved by the EP in which they were asking to speed up their efforts in developing a more effective association between Latin America and the EU.<sup>65</sup> It is of crucial importance to understand how the momentum was trying to be continued by all the different sides of the Spanish diplomacy and policy-makers. This MEP belongs to the conservative party in Spain while at that time the social-democrats were in charge of the government. Again this shows how Spanish interest in Latin America is enormous to the point where politicians leave aside their political ideology.

At one point, Lobo explained that he was going to attend the Summit since he got a formal invitation from the Spanish government and it would be an honour even though UNASUR rejected his presence.<sup>66</sup> The president of Ecuador, Correa threaten not to attend the Summit in Spain due to the presence of Porfirio Lobo.<sup>67</sup> Chavez decided not to attend the summit in the end.<sup>68</sup>

Latin American countries did not seem to seek polemic, therefore the language used was very careful on both sides. The Spanish invitation was

<sup>60</sup> *Ibid.*

<sup>61</sup> *Ibid.*

<sup>62</sup> *El Gobierno interino de Honduras levanta el toque de queda*, El País 12 Jul. 2009.

<sup>63</sup> *Istmo y UE retoman negociación para lograr Acuerdo de Asociación*, La Nación 2 Jan. 2010.

<sup>64</sup> *Secretario de Estado español se reunirá con Arias para impulsar TLC*, La Nación 2 Oct. 2010.

<sup>65</sup> *Parlamento Europeo pide más avances en cooperación UE-América Latina*, La Nación 5 May 2010.

<sup>66</sup> *Ibid.*

<sup>67</sup> *Rafael Correa amenaza con no asistir a la Cumbre de Madrid*, El País 4 May 2010.

<sup>68</sup> *Chávez anuncia que no acudirá a la cumbre UE-América Latina*, El País 15 May 2010.



considered a mistake from a civil servant without attention to detail.<sup>69</sup> Even Correa, considered that ‘with all respect due for the Spanish government’, the invitation has been a mistake.<sup>70</sup> The Spanish diplomacy still had to deal with the exile of Zelaya at this point.<sup>71</sup>

In the end, almost everyone took a pragmatic view to the issue without giving up on their goals. Porfirio Lobo decided to avoid the boycott from Latin America and did not attend the summit of Head of States. But the Portuguese adviser of Lula suggested<sup>72</sup> the idea before Lobo made it public.<sup>73</sup> Moreover Lobo left it on the Spanish hands: ‘We leave it for Spanish consideration, we are not going to be any element that generate some conflicts, there is no need for that, we are here to do what they indicate us to do, which prudently let, instead of conflicts, the development of harmony in these events, so if there is any problem we do not go’.<sup>74</sup> More specifically: ‘If our presence in Spain at the invitation of the European Union causes conflict, then we shall not go’.<sup>75</sup> Lobo decided to attend only the meeting that was negotiating the EU-CA association agreement and avoid the Summit of Head of States:

“Even though he considers that South-American countries became ‘intransigents and arrogant’ and they forget that who is damaged is Honduran people who depend on country friends”.<sup>76</sup> On this issue, Oscar Arias agreed that the lack of acceptance of Lobo’s government is a punishment for the Honduran people: ‘To continue unrecognizing Lobo’s regime is not a punishment for him. It is not a damage to the president, it is a damage to the Honduran people. (...) that people have suffered so much, and do not deserve it’.<sup>77</sup>

Correa pointed out that it was a light mistake the fact that the countries in the region were not consulted: ‘we all want to go but we do not want to give up on our position respected to Honduras’.<sup>78</sup> After this decision Correa as president of Unasur spoke with Zapatero to confirm Lobo’s decision and after it was confirmed by the Spanish president, the Ecuadorian communicated it to Lula who confirmed his assistance along with the assistance of other South-American countries.<sup>79</sup> Lobo could not have done any more at that moment and time. Spain

<sup>69</sup> *América Latina amenaza con boicotear la cumbre con Europa en Madrid*, El País, 5 May 2010.

<sup>70</sup> *Ibid.*

<sup>71</sup> *Ibid.*

<sup>72</sup> *Ibid.*

<sup>73</sup> *Honduras no asistirá a la cumbre con la UE en Madrid para evitar el boicot de América Latina*, El País 6 May 2010.

<sup>74</sup> *Ibid.*

<sup>75</sup> *Spain Avoids Clash with Latin American Countries over Honduras’ Participation at Madrid Summit*, Europe Daily Bulletin 10135, Agence Europe 8 May 2010.

<sup>76</sup> *Honduras no irá a cumbre con la Unión Europea*, elnuevodiario.com., 6 May 2010.

<sup>77</sup> *Arias llama a reconocer a Lobo para no ‘castigar’ a pueblo hondureño*, La Nación 21 May 2010.

<sup>78</sup> *Rafael Correa amenaza con no asistir a la Cumbre de Madrid*, El País 4 May 2010.

<sup>79</sup> See, *supra* n. 75.

did have a diplomatic problem, but the solution came from Latin America before any damaging decision was necessary. The discourse of pro-democracy did not come from Spain or the EU, but Latin American countries. Spain even invited a country with an illegitimate president and still the solution came from Latin America.

Spain had the clear goal of having successful EU-LA relations, and democratic problems in Latin America were not going to stop it. Spain tried its best but LA did the same and even helped to solve a Spanish diplomatic 'mistake'. The US accepted Lobo as president and soon other countries too. The most pragmatic solution for Spain was to ignore the issue of lack of democratic elections in Honduras and to go ahead with the agreement with Central America. Benita Ferrero-Walder explained (...) We are not hypothetic politics, but pragmatic ones who go step by step and the fact is that we want to continue these negotiations'.<sup>80</sup>

The pressure to continue with the negotiations after Zelaya was expelled from Honduras came from Central America to the point where they considered, especially Costa Rica to continue leaving Honduras aside.<sup>81</sup> Spain acted as a bridge between both regions, but the incessant pursue and interest from Central America was crucial, to the point where Lobo decided not to attend the summit to avoid problems.

One of the reasons for Spanish pragmatism during the presidency is that they were aware of the general lack of interest in the EU in relation to LA:

Well aware that the next Presidencies of the Council of the EU may ignore Latin America, the Spanish presidency has pulled out the stops to make the Madrid Summit a success. It has achieved tangible outcomes in trade issues like the signing of a free trade deal with Central America (Costa Rica, Honduras, Guatemala, Nicaragua, Panama and El Salvador), the first EU free trade deal with a Sub-regional body.<sup>82</sup>

The idea for Spain was to lock-in deals through the different agreements, since there would not be many other opportunities to do so, and it was achieved with Central America.

At the time of the coup d'état, Spain tried to demonstrate its leadership within the EU on Latin American issues. This leadership is possible probably due to the lack of interest on LA. The president of Spain, demanded the immediate replacement of the democratically elected Zelaya.<sup>83</sup> Moratinos, the Spanish Minister of External Affairs immediately behaved as the bridge between LA and the EU and even suggested that he was the source of information for the EU

<sup>80</sup> *Costa Rica es ganador en el acuerdo con la Unión Europea*, La Nación 21 Nov. 2012.

<sup>81</sup> *Adiós a la unión centroamericana*, El País 13 Aug. 2009.

<sup>82</sup> *Summit sees readjustment of EU-Latin American relations*, Europe Daily Bulletin 10142, Agence Europe 20 May 2010.

<sup>83</sup> *España y la UE reclaman que se restituya la legalidad*, El País, 29 Jun. 2009.

relations to LA: 'I have informed my colleagues (...) and the EU is going to condemn without palliatives the coupe d'état' Moratinos declared after a meeting with his European colleagues in Corfu.<sup>84</sup> Even the political parties in the opposition to the Spanish government agreed with Zapatero.<sup>85</sup> Spain asked EU states to withdraw all ambassadors in Honduras. Moratinos, was firm: 'it is a necessary and urgent measure to show the firmness of the European Union before the rupture of the institutional order'.<sup>86</sup> 'Neither Spain neither the international community is going to do any gesture or maintain any contact that can be understood as an approximation, according to Moratinos.<sup>87</sup> These words have even more meaning and intensity since they were pronounced in front of the secretary of NATO Jaap de Hoop Scheffer on his official visit to Spain. A year after the coup d'état a group of associations<sup>88</sup> sent a letter to the EU explaining how the situation in the country was far from democratic and how the people that organized the coup d'état were still holding influence on the government.<sup>89</sup>

The level of pragmatism of the EU and Spain is obvious; the coup d'état, the expulsion of Zelaya, the illegitimate elections and the current political situation in Honduras demonstrate a lack of democracy that Spain in particular and the EU in general were aware of before the signature of the agreement.

Spain has a clear interest in both Latin America and Europe and it affects its external relations; taking Gratius's words 'Spain foment the schizophrenia of being at the same time part of Europe and Latin America', an example of which was the confusing policy of Spain towards Honduras, it does not recognize the new government but it does invite them to the EU-LA Summit.<sup>90</sup>

### 3.5 MULTILATERAL AND REGIONAL INTERPLAY

The European Union has been in a conflictive situation for decades in relation to the preferential treatment given to some countries which exported bananas to the EU. The final bananas trade agreement at multilateral level (December 2009) was a necessary event before the signature of the EU-CA agreement since banana is one of the products included in the agreement.

<sup>84</sup> *Ibid.*

<sup>85</sup> *Ibid.*

<sup>86</sup> *Ibid.*

<sup>87</sup> *España pide a la UE que retire a sus embajadores de Honduras*, El País 30 Jun. 2009.

<sup>88</sup> ALOP, APRODEV, CIFCA, FIDH, FIAN and Grupo Sur.

<sup>89</sup> *Newsletter on the Relations between the EU and Central America*, Aprovev 23 (July 2010).

<sup>90</sup> *La vocación iberoamericana*, El País 17 May 2010.

The conflict started many years ago due to the European Union preferential treatment to the imports of bananas.<sup>91</sup> There were three systems before the Single Market for trading bananas: 'A preferential market for ACP/EU bananas in the UK, France, Greece, Italy, Portugal, and Spain; a duty free market in Germany; and a market subject to a 20% tariff in Belgium Denmark, Ireland, Luxembourg, and the Netherlands'.<sup>92</sup>

With the single market there was necessity for the creation of a policy but 'due to the respective obligations on the part of Member States to their banana suppliers, and the difference in production costs between the cheaper Latin American bananas and the more expensive ACP/EU fruit there was no single arrangement that was readily acceptable to every Member State'.<sup>93</sup> The negotiations took time due to the Caribbean attempts to influence the process to get an advantageous deal: 'in February 1993, a single market regime based on quota, tariff and licence protection for ACP/EU fruit was adopted. The agreement was a successful story for Caribbean diplomacy and lobbying efforts with regard to the EU and its trading policy'.<sup>94</sup>

The issue then was taken to the international arena. The then head of US Trade Representative, Mickey Kantor together with Guatemala, Honduras, Ecuador and Mexico complained to the General Agreement on Tariffs and Trade (GATT) arguing that the EU's new policy was against its previous trade commitments.<sup>95</sup> Kantor claimed it was defending these issues due to the effects on the banana companies that employed 16,000 people, and implicitly affected three big transnational banana companies.<sup>96</sup> Latin American countries with interest in banana trade were concerned about the acceptability of the preferential treatment that African, Caribbean and Pacific (ACP) bananas had entering the EU,<sup>97</sup> and in 1993 and 1994 the GATT ruled against the EU.<sup>98</sup> The EU decided to deal with this issue at different levels.<sup>99</sup> Costa Rica and Colombia achieved a EU framework

<sup>91</sup> The EU imported more than 90% which corresponded to Euros 2.9 billion (2008) and the rest comes from Cyprus, France, Greece, Portugal and Spain (Europa press release MEMO/09/557).

<sup>92</sup> P. Clegg, *The Caribbean, the EU, and the WTO: The Political Economy of Marginalization*, in *Emancipations Caribennes: Histoire, Mémoire, enjeux Socio-économiques et Politiques*, 309–320, 311 (ed. B. Labarthe & E. Dubesset, Harmattan, 2010).

<sup>93</sup> *Ibid.*, 311.

<sup>94</sup> *Ibid.*, 312.

<sup>95</sup> H.J. Frundt, *Toward a Hegemonic Resolution in the Banana Trade*, 26 *International Political Science Review* 2, 215–237 (2005).

<sup>96</sup> *Ibid.*

<sup>97</sup> Clegg, *supra* n. 92, 312.

<sup>98</sup> Frundt, *supra* n. 95, 2005.

<sup>99</sup> The EU thought that the Lome Convention was an accepted body of international law, and hence had a secure legal basis, see Clegg, *supra* n. 92, 313.

agreement that gave favourable quotas, with the consequent US anger which requested Nicaragua and Venezuela not to participate, however by September four Latin America countries had achieved the framework agreement.<sup>100</sup>

The US provoked the support of Ecuador, Guatemala, Honduras, and Mexico before the World Trade Organization (WTO) asking for the dispute settlement mechanism<sup>101</sup> since they had not signed the framework agreement with the EU.<sup>102</sup> The EU declared that its trade regime did comply, but in May 1997 the WTO ruled against them, but as it was the first time it was used this mechanism the EU decided to reinterpret its meaning and asked to reject the decision complaining of the heavy influence of the US in this decision.<sup>103</sup> By September the WTO decision of the appellate panel and the Dispute Settlement Body decided against the EU again and put the EU in a position to comply by 1 January 1999.<sup>104</sup> In mid-1998, the EU offered a proposal, but the US, along with the four other nations plus Panama, labelled the changes as 'cosmetic'.<sup>105</sup>

It seemed that the conflict was over after the WTO Ministerial Conference in Doha (2001) because the EU decided to introduce the first of January 2006 a tariff regime only; however the WTO decided that it was not satisfying the requirements.<sup>106</sup> After many offers and rejections an agreement was finally reached. The European Union decided a reduction of the tariff for Latin America in July 2008 at Euros 176 per tonne.<sup>107</sup> The European Union and Latin America agreed finally to 'cut its MFN import tariff on bananas in eight stages, from the current rate of Euros 176/tonne to Euros 114/tonne in 2017 at the earliest' and Latin America agrees (...) 'not to demand further cuts in the framework of the Doha Round of talks on global trade once it resumes'.<sup>108</sup>

The Minister of External Commerce of Costa Rica, confirmed the positive indication from the EU to reduce the tariffs. However the Minister had even higher expectations when negotiating the Association Agreement, ideally there would not be restrictions for trade on fruits for Costa Rica to compete with the

<sup>100</sup> Frundt, *supra* n. 95, 220.

<sup>101</sup> The WTO was meant to have more power than the GATT, developing a Dispute settlement mechanism which was used for the first time with the bananas conflict.

<sup>102</sup> Frundt, *supra* n. 95.

<sup>103</sup> *Ibid.*

<sup>104</sup> *Ibid.*

<sup>105</sup> *Ibid.*

<sup>106</sup> G. Anania, *The 2005 episodes of the 'banana war' serial. An empirical assessment of the introduction by the European Union of a tariff-only import regime for bananas*, Working Paper 06-02 (TRADEAG is a Specific Targeted Research Project financed by the European Commission within its VI Research Framework, 2006).

<sup>107</sup> *UE aumenta a reducir arancel a banano de Latinoamerica*, La Nacion, 17 Jul. 2008.

<sup>108</sup> *The EU-Latin America Bananas Agreement-Questions and Answers*, Europa Press Release, MEMO/09/557 (2009).

African Caribbean and Pacific countries.<sup>109</sup> For Costa Rica this is of special interest since 23% of the total exportations from Costa Rica to the EU are bananas and these bananas exported to the EU represent half of the total exports of bananas from Costa Rica.<sup>110</sup>

This agreement was crucial for different reasons. First it was important for a possible agreement of the Doha Round, because ‘it also allows the EU to set a tariff on bananas to which all other WTO members have agreed’ which would help the stabilization of the global banana demand.<sup>111</sup> Also it helped the possibility of an association agreement between the EU and Central America. The EU and the US agreed on a parallel agreement where the US ‘acknowledges the EU’s commitments to Latin American suppliers, and (...) to settle its dispute definitely with the EU over bananas’.<sup>112</sup> However in relation to the ACP countries they achieved a better deal than Latin America. The ACP will still export on a duty-free and quota-free basis, and also the main ACP banana-exporting countries will receive up to Euros 200 m in extra support to help them adjust to the new tariff’.<sup>113</sup>

In relation to the association agreement, it was clear that the banana conflict had to be finished. Oscar Arias highlighted to the Vice-president of Spain that the banana conflict was an obstacle for Central America.<sup>114</sup> Also the necessity of a successful ending to the banana conflict was highlighted by the Commissioner Benita Ferrero-Waldner on her last visit to Central America as Commissioner months before the Summit of May 2010: ‘The conclusion last month of an agreement on the long-running banana dispute demonstrates the European Union’s commitment to improving ties with Latin America and paves the way for finalizing negotiations with Central America, with the aim of concluding these negotiations in time for the EU-Latin America Summit in Madrid on 18 May 2010’.<sup>115</sup> The Spanish Minister confirmed as well the importance of the banana agreement for a possible association agreement. ‘He hoped that the fact that the long-running banana issue had been settled at the World Trade (...) would make it easier to make progress on farm issues’.<sup>116</sup> The association agreement seems to

<sup>109</sup> See, *supra* n. 107.

<sup>110</sup> *Ibid.*

<sup>111</sup> Europa Press Release, *supra* n. 108.

<sup>112</sup> *Ibid.*

<sup>113</sup> Europa Press Release, *supra* n. 108.

<sup>114</sup> El País, 3 Aug. 2009.

<sup>115</sup> European Commission Press Release “Benita Ferrero-Waldner to visit Central American countries to discuss trade and investment issues” 15 Jan. 2010.

<sup>116</sup> Agence Europe, 9 Jan. 2010.

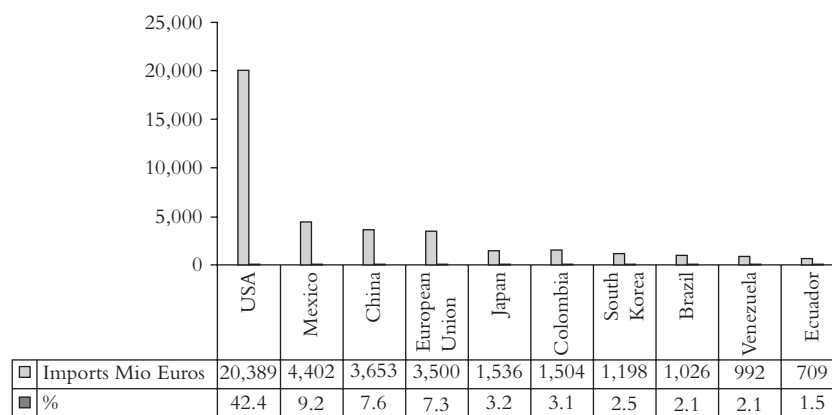
have put some pressure on the ending of the conflict on both sides in terms of accepting a different deal that in different circumstances they would not have agreed.

Finally in relation to Central America and the US, the EU benefited actually from the US-CA interaction. This is because the US-CA agreement required more sophisticated trade policies and standards procedures of trade in Central American countries which helped to speed up the EU-CA negotiations since this policies already existed. But it should be noticed that the Central American Free Trade Agreement (CAFTA) was just a trade agreement,<sup>117</sup> while the agreement with the EU covers other areas. The EU promotion and support of regional integration (as inconsistent as it can be) is not comparable with the US behaviour in this area.

Moreover, the EU is currently negotiating an agreement with the US which could have consequences for EU-CA and EU-US relations. According to the Commissioners Ferrero-Waldner: 'There are synergies to be found', she said. She referred to the possibility of a 'triangulation' of talks with the EU, the US and Latin and Central America.<sup>118</sup>

Still it is undeniable also the importance of trading with the US from a Central American point of view by looking at Graph 3 and 4.

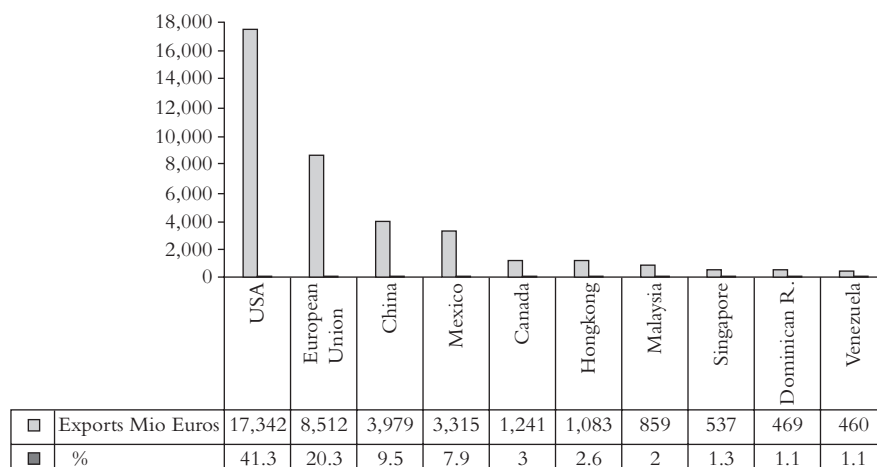
Graph 3 Principal Trade Partners of Central America (Imports)



Source: Created by author with data from the European Commission website (last time accessed June 2014).

<sup>117</sup> Interview 1 *supra* n. 12.

<sup>118</sup> Ferrero-Waldner Wants Decisions by Qualified Majority, Agence Europe, 24 Jul. 2013.

*Graph 4 Principal Trade Partners of Central America (Exports)*

Source: created by author with data from the European Commission website.

#### 4 CONCLUSION

The achievement of the European Union association agreement with the Central American Common Market is of key importance in the understanding of EU relations with Latin America in general. The fact that it was achieved in those circumstances helps to understand the real reasons behind the actors involved in them. First Spain has had always the interest to develop relations with Latin America. And Central America considers of great importance the development of trade agreements with the EU which benefits its agricultural exports to the region. As a consequence, this article has showed how the agreement was possible thanks to the interest of Spain which used its presidency of the EU to achieve the agreement with Central America. The different obstacles were overcome: the bananas trade war, the lack of legitimate democratic elections in Honduras and the lack of economic interest of the EU in Central America.

Overall, this article shows how the political interest is crucial behind many EU trade agreements. In other words, the EU uses its trade agreements to achieve political ones which are not necessarily normative goals.

Also it is important to understand other consequences of this agreement. Panama was included in the agreement even though it is not part of the Central American Common Market. Moreover, this agreement consolidates the integration in the region in order to keep up with the agreement. The fact that the agreement between the US and Central America was developed first it helped to



speed up the negotiations on the technical side with the European Union, since many necessary changes were already done by CA to trade with the US. Moreover it also helps to create a trade triangle between the US, the EU and Central America.

Furthermore, it demonstrates to other regions such as Mercosur that and interregional agreement is possible if there is a will. And finally, the agreement has already brought an increase in trade between both regions which benefits Central America clearly, but also a European Union in great need to overcome an long-lasting economic/financial crisis. Growth through external trade could be a starting point for recovery as it has been said.



## **[A] Aim of the Journal**

The aim of *European Foreign Affairs Review* is to consider the external posture of the European Union in its relations with the rest of the world. Therefore the journal focuses on the political, legal and economic aspects of the Union's external relations. It functions as an interdisciplinary medium for the understanding and analysis of foreign affairs issues which are of relevance to the European Union and its Member States on the one hand and its international partners on the other.

The journal aims at meeting the needs of both the academic and the practitioner. In doing so it provides a public forum for the discussion and development of European external policy interests and strategies, addressing issues from the points of view of political science and policy-making, law or economics. These issues are discussed by authors drawn from around the world while maintaining a European focus.

Authors should ensure that their contributions will be apparent also to readers outside their specific expertise. Articles may deal with general policy questions as well as with more specialized topics.

## **[B] Contact Details**

Manuscripts should be submitted to the Deputy Editor, Dr. Said Hammamoun.

E-mail address EFAR@kluwerlaw.com or said.hammamoun@gmail.com

## **[C] Submission Guidelines**

- [1] Manuscripts should be submitted electronically, in Word format, via e-mail.
- [2] Submitted manuscripts are understood to be final versions. They must not have been published or submitted for publication elsewhere.
- [3] Manuscripts should be between 6,000 and 8,000 words.
- [4] Only articles in English will be considered for publication. Manuscripts should be written in standard English, while using 'ize' and 'ization' instead of 'ise' and 'isation'. Preferred reference source is the Oxford English Dictionary. However, in case of quotations the original spelling should be maintained. In case the complete article is written by an American author, US spelling may also be used.
- [5] The article should contain an abstract, a short summary of about 200 words. This abstract will also be added to the free search zone of the Kluwer Online database.
- [6] A brief biographical note, including both the current affiliation as well as the e-mail address of the author(s), should be provided in the first footnote of the manuscript.
- [7] An article title should be concise, with a maximum of 70 characters. Short titles are invited for use as running heads.
- [8] Special attention should be paid to quotations, footnotes, and references. All citations and quotations must be verified before submission of the manuscript. The accuracy of the contribution is the responsibility of the author. The journal has adopted the Association of Legal Writing Directors (ALWD) legal citation style to ensure uniformity. Citations should not appear in the text but in the footnotes. Footnotes should be numbered consecutively, using the footnote function in Word so that if any footnotes are added or deleted the others are automatically renumbered.
- [9] This journal should be cited as follows: (2015) 20 EFA Rev.
- [10] Tables should be self-explanatory and their content should not be repeated in the text. Do not tabulate unnecessarily. Tables should be numbered and should include concise titles.
- [11] Heading levels should be clearly indicated.

For further information on style, see the House Style Guide on the website: [www.kluwerlaw.com/ContactUs/](http://www.kluwerlaw.com/ContactUs/)

## **[D] Review Process**

- [1] Articles will be subjected to a review procedure, intended to establish and maintain a high standard in order to attain international recognition. Before submission to the publisher, manuscripts will be reviewed by the Board of Editors and may be returned to the author for revision.
- [2] The journal's policy is to provide an initial assessment of the submission within thirty days of receiving the posted submission. In cases where the article is externally referred for review, this period may be extended.
- [3] The editors reserve the right to make alterations as to style, punctuation, grammar etc.
- [4] In general the author will not receive proofs of the article. Proofreading will be taken care of by the Board of Editors.

## **[E] Copyright**

- [1] Publication in the journal is subject to authors signing a 'Consent to Publish and Transfer of Copyright' form.
- [2] The following rights remain reserved to the author: the right to make copies and distribute copies (including via e-mail) of the contribution for own personal use, including for own classroom teaching use and to research colleagues, for personal use by such colleagues, and the right to present the contribution at meetings or conferences and to distribute copies of the contribution to the delegates attending the meeting; the right to post the contribution on the author's personal or institutional web site or server, provided acknowledgement is given to the original source of publication; for the author's employer, if the contribution is a 'work for hire', made within the scope of the author's employment, the right to use all or part of the contribution for other intra-company use (e.g. training), including by posting the contribution on secure, internal corporate intranets; and the right to use the contribution for his/her further career by including the contribution in other publications such as a dissertation and/or a collection of articles provided acknowledgement is given to the original source of publication.
- [3] The author shall receive for the rights granted a free copy of the issue of the journal in which the article is published, plus a PDF file of his/her article.