



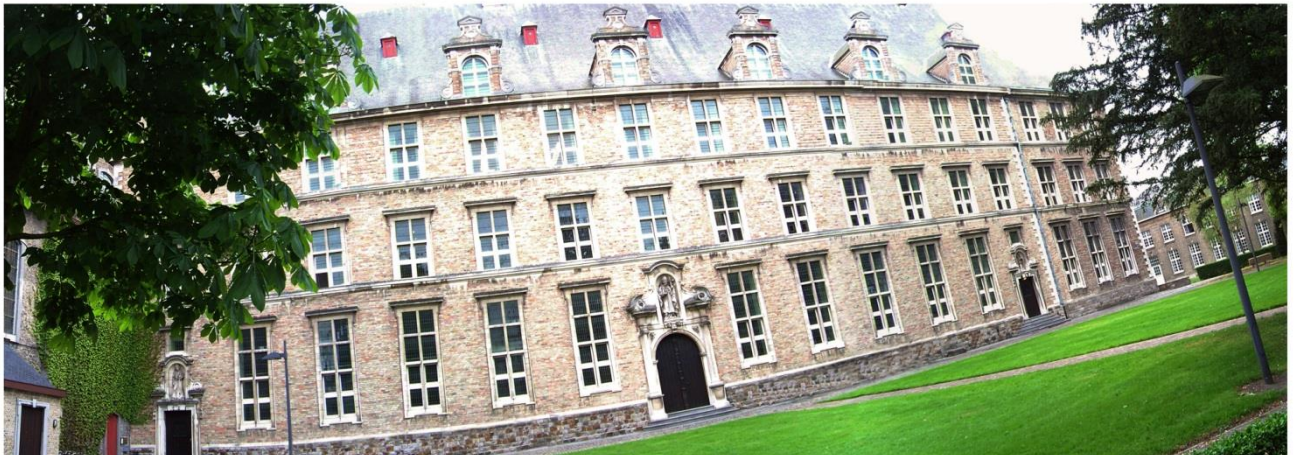
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Managing Global Interdependence on the Central American Isthmus:  
EU-Central America Interregional Relations



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## UNU-CRIS Working Papers

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## **Abstract**

The European Union (EU)-Central American interregional relationship has often been referred to as “one of the most successful examples of EU relations with any sub-region in the world” (former Commissioner for External Relations Christopher Patten, 2003). In summer 2013, the EU and Central America agreed on an Association Agreement, which was the first of its kind concluded between regions. The EU has now also established a region-to-region delegation in Managua, Nicaragua. This paper analyses the EU’s interests in pursuing such relations and argues that it mostly does so in order to promote liberal internationalism. Data was acquired through a literature review and – primarily – a large number of interviews conducted in Europe as well as Central America.

Keywords: Central America, regions, region-to-region, interregionalism, EU, Latin America, EU external relations.

## Introduction

Since the Treaty of Westphalia was signed in 1648, the world order has been dominated by states. States were chosen above other types of governance such as city-leagues or city-states as they were seen to be the strongest tools for handling industrialization, urbanization, nationalism, military and fiscal modernization.<sup>i</sup> However, since the end of the Second World War, this state-centered global order has been challenged more and more intensely. According to Van Langenhove (2011), the role of states is diminishing (heavily) as “regions” also enter the global playing field, with the most notable “region” being the EU.

But there are many others too: ASEAN in South-East Asia, the African Union on the African continent, and MERCOSUR in South America to name a few. An often ‘forgotten’ region, however, is Central America, which according to Mahoney (2001) has been evolving ever since its independence from Spain in the 19th century. All these regions establish links and relations amongst each other, a phenomenon that is often referred to as “inter-regionalism” and which will be the subject of this work.<sup>ii</sup> In this paper we will have a look at the interregional relations the EU sustains with the region of Central America. Why did the EU formally establish interregional relations with this region, how is this interregional dialogue constructed, what are its underlying interests for doing so and what is the interest of the Central Americans in agreeing to such an interregional dialogue.

In order to answer these questions, we have conducted over 40 expert interviews in both Central America and Europe (especially Brussels) with diplomats from both groups of countries, experts from the respective Ministries of Foreign Affairs, EU administrators that work on Central America on a daily basis as well as administrators from Central American regional integration bodies and institutions such as the Central American Parliament (PARLACEN) and the general secretariat of the Central American Regional Integration System (SICA) (see the annex for the list of interviewees). The interviews were semi-structured and, although also encompassing other issues (notably Central American regional integration and the role of the EU therein), they lasted on average one hour. The acquired data was then analyzed using an online qualitative data analysis software tool called “Dedoose”<sup>iii</sup> and further complemented with data acquired through a literature review. The results are shown below. For a full overview of the applied methodology please also have a look at the Annex.

What follows are three parts. In the first, we will investigate why the EU does (or does not) pursue interregional relations with other regions of the world. The theoretical framework that will be applied in this paper will also be laid down here. As will be argued, we believe that the theory put forward by Söderbaum, Stalgren and Van Langenhove (2006) helps us to best understand EU's (desire for) interregional relations. In their book entitled 'The EU as a Global Actor: Politics of Inter-regionalism' they state that the EU's interregional policy is driven by its quest to (1) promote liberal internationalism, (2) build the EU's identity as a Global Actor and/or (3) defend its economic and commercial (as well as political) interests. In part two, we will have a look at EU-Central America relations more broadly and what the main interests are for both parties etc. In the last part, we will then apply the theoretical framework outlined in part one to the case study.

It will be argued that the EU pursues interregional relations with Central America first and foremost in order to promote liberal intergovernmentalism on the Central American isthmus. Defending its own political/economic interests lies at the heart of the EU's choice for a strong interregional dialogue with Central America. For their part, the Central Americans aim especially for economic gains and/or further development cooperation by pursuing a region-to-region relationship with the EU. The recently signed Association Agreement includes the establishment of a Free Trade Area between the EU and Central America, which could become especially beneficial for the Central Americans, as will be argued below.

## **EU's interregional approach**

### **Interregionalism as one of the EU's four foreign policy tools**

Let us first have a look at the EU's interregional approach. How does the EU pursue relations with other regions of the world? Following Hettne and Söderbaum (2005), the EU has primarily four different tools to pursue its external relations; it can do so through 1) enlargement, which encompasses the candidate countries and potential candidates in the Balkans, 2) stabilization in the so-called 'European Neighborhood', encompassing post-Soviet countries and northern Africa through instruments such as the European Neighbourhood Policy, 3) bilateralism with great powers such as the US and Russia, and 4) through interregionalism with other regional organizations or groups around the world.<sup>iv</sup> Interregionalism is thus a foreign policy tool that the EU uses to build up external relations with different regional organizations across the globe.<sup>v</sup> This can be

with other well-defined and established regional organizations such as ASEAN and MERCOSUR, but in some cases the EU's counterpart 'region' is 'constructed' and labeled as a regional grouping (like the African, Caribbean and Pacific (ACP) countries) in order to enter into a wider dialogue with the EU.<sup>vi</sup> Interregionalism as a foreign policy tool is thus largely attributed to the EU, as this regional organization is the major driving force behind the region-to-region relations taking place in the world.<sup>vii</sup> Aggarwal and Fogarty (2005) put it as follows: "interregionalism is primarily a strategy aimed at achieving gains the EU has been unable to reap through more traditional multilateral and bilateral channels".<sup>viii</sup>

The phenomenon of interregionalism can be traced back to the 1960s and 70s when the EU entered into so-called "hub-and-spokes" networks<sup>ix</sup> or "bi-regional dialogues", such as the EU-Arab dialogue in 1973, cooperation with the Mediterranean region in 1972, and the Lomé I convention, which was signed with the group of ACP countries in 1975. But as the regional organizations (or 'just' groups of countries, as was the case with the ACP, for example) participating in these cooperation schemes were not yet too developed, the relations were very limited in scope and activity, and also asymmetric in nature. As these interregional organizations developed and became more integrated over time, the path was paved for a more profound and balanced symmetric interregionalism.<sup>x</sup> Especially since the 1990s, there has been a considerable increase in interregional relations, which led Aggarwal and Fogarty to the conclusion that "understanding the driving forces behind interregionalism is likely to become a crucial theoretical and policy concern".<sup>xi</sup> Let us now have a look at how this was translated into a scholarly research agenda.

### **Academic research on interregionalism is still in its early stages**

As Gaens (2012) notes: "scholars are currently engaged in a heated debate on the definitions and theoretical implications of the interaction of regions, and on the actual importance and potential future impact of interregionalism within the international order".<sup>xii</sup> Although some recent studies have analyzed interregionalism in its own right as a new phenomenon that potentially adds a new layer to the system of global governance (Hänggi, Roloff and Rüländ 2006), academic perspectives on interregionalism are rather limited.<sup>xiii</sup> Even the concept of interregionalism itself is still unclear and shifting since the respective research field is in the early stages of its development.<sup>xiv</sup> What follows are brief examples of scholarly attempts to define the complex concept of 'interregionalism'.

In an attempt to define interregionalism as 'simply' as possible, Roloff (2006) describes it as "a process of widening and deepening political, economic, and societal interactions between international regions".<sup>xv</sup> Hänggi (2000) goes a step further by differentiating between three different forms of interregionalism: transregionalism, hybrid interregionalism and pure interregionalism.<sup>xvi</sup> The first encompasses a relationship between regional and state actors focusing on high-level strategic thinking (for example EU-USA). The second and predominant type refers to a relationship between two regional groups in two different world regions where only one region is a customs union (e.g. EU-Arab dialogue), while in the third type, pure interregionalism, both regions are customs unions and possibly have concluded an agreement establishing a shared customs union (e.g. EU-Central America).

According to Hardacre (2009), this last type of interregionalism has the most to offer as it rests on a robust and wide-ranging relationship between regional organizations with a substantial level of capacity for collective action.<sup>xvii</sup> It is also the type of interregional relationship that is most actively pursued by the EU, and especially by the European Commission.<sup>xviii</sup> But the reality of the EU's interregional approach is much more complicated, according to Hardacre (2009).<sup>xix</sup> This is why he suggests differentiating between "pure interregionalism" and "complex interregionalism", and advocates defining the EU's approach as the latter.<sup>xx</sup> From his point of view, this notion could serve as a more complete framework for assessing "the relationship between the pursuit of 'pure interregionalism' and the conduct of existing bilateral and multilateral relations"<sup>xxi</sup> as it "proposes a multi-dimensional model of interregionalism, in which the coexistence of multi-level diplomacy and institutional structures with mixed motivations and strategies on the parts of the actors involved forms the key element".<sup>xxii</sup>

In sum, we can thus state that interregionalism can be defined as a region-to-region conduct of foreign relations, which is different from the more classical diplomatic interstate relations and global governance<sup>xxiii</sup>. But as the constitutive elements of these interregional dialogues and cooperation are still (mostly) states, what are then the exact reasons why this region-to-region approach is gaining such importance and scope?

### **Interregionalism's "raison d'être": its role as balancer, institution builder, rationalizer, agenda setter and identity former**

Just as there is an academic discrepancy in defining interregionalism, there are also a variety of opinions regarding the driving forces that led to its emergence.<sup>xxiv</sup> From a



realist point of view, its balancing role is stressed as it is seen as a "policy strategy that actors employ in their external relations as a pragmatic and flexible means to advance their position, either by countering the moves of other actors or by supplementing their capabilities by joining them".<sup>xxv</sup> The institutionalist school of thought approaches interregionalism by looking at the issue of institution-building and its role in providing a stable framework for dialogue and cooperation on policy matters on a wide range of issues.<sup>xxvi</sup> The social constructivists emphasize the interaction between interregionalism and collective identity building in the expectation that it will contribute to the growth of regional (self) identities and thus foster deeper regional integration.<sup>xxvii</sup> In his book "The European Union and interregionalism: Patterns of engagement", Doidge (2011) proposes an overall analytical framework that combines the insights of the three previously mentioned schools in order to understand the reasons why an interregional dialogue was initiated. By building further upon previous work done by Hänggi et al. (2006) and Rüländ (2001), he argues that inter-regional relations serve one or several of the following five functions: (1) balancing, (2) institution-building, (3) rationalizing, (4) agenda-setting and (5) collective identity building. Regarding the first function (1), which is very much in line with the realist point of view, he argues that interregionalism can best be considered as a means by which states create and maintain equilibrium amongst themselves. They do so by defending their own positions in the international (trade) environment or by constraining the actions of others. The second and third functions are both extracted from the institutionalist school and stress the importance of institutions and agreements that can oversee the implementation of decisions or deal with a particular policy matter (2). The rationalizing function (3) stresses the importance of rules, norms, and common decisions that facilitate communication and cooperation between states as they create for a debate (Doidge, 2007: p. 233); they are further able to alleviate difficulties in multilateral negotiations and in that sense they could serve as a "clearing house" for multilateral debates by rationalizing the global discourse (Doidge 2011).

In addition, interregionalism can also serve as a mechanism to first create consensus on a lower level of the global governance structure before introducing these common positions to the agendas of multilateral forums in a concerted manner (4). Finally, interregionalism can serve the process of identity formation: as 'a self' engages with an identifiable 'other' (Gilson, 2005), it allows the regional identity to be formed through differentiation from the other and/or through the interaction and the mutual exchange with partner(s).

## The EU's choice for interregional relations: a natural answer for managing global interdependence

As we have seen, the EU has embraced interregional dialogue as a foreign policy tool in order to develop and deepen its external relations with other parts of the world and to assert itself at the global level. However, as the EU has three further foreign policy tools at its disposal to do so, why exactly does it choose the interregional approach above the others to pursue its goals? Former European Commissioner for External Relations Patten (2000) might provide us with an answer when he stated that "as a regional organization, it makes sense to deal with others on a regional basis. Interregionalism, therefore, is seen as providing a natural answer to managing global interdependence".<sup>xxviii</sup>

It appears that the EU chooses interregional relations for two major reasons. First of all, interregionalism has an important impact on regional integration and the worldwide development of regionalism. As interregional dialogue and cooperation requires both (or more) regions to have a coherent and well functioning regional organization/system, it will considerably contribute to the development of the latter. This is exactly what the EU strives for, as it firmly believes (based on its own experience) that regional integration/regionalism can "enhance peace, prevent conflict and promote cross border problem solving and the better use and management of natural resources".<sup>xxix</sup> Even though it is true that the European model of integration can't (always) serve as a 'blueprint' for other regional integration processes around the world, it still is the EU's firm belief that the broader concept of regionalism/regional integration can lead to stability, peace and security in a region.<sup>xxx xxxi</sup> From the European administrators' point of view, the economic, political and social aspects of regional integration enjoy a comparative advantage over national diplomacy in achieving these goals,<sup>xxxii</sup> thus the choice for interregional interaction and dialogue in order to strengthen these 'regions' as much as possible. To put it simply: "the logic of interregional cooperation derives from the successful European model", as Regelsberger and De Flers (2004) have pointed out.<sup>xxxiii</sup>

Next to promoting and developing regionalism around the world, the EU also chooses interregionalism as it "legitimizes" itself as a (global) actor in international relations.<sup>xxxiv</sup> "By promoting interregionalism, the EU enhances its own international recognition and acceptance"<sup>xxxv</sup> and interregionalism thus serves as a powerful tool for framing the European identity at the international level.<sup>xxxvi</sup> By further building upon these two theories, a range of case studies, and other relevant insights from the realist, liberalist and constructivist disciplines, Söderbaum and Van Langenhove (2005) believe that the

EU pursues interregional relations for one or a combination of the following three reasons: (i) the promotion of liberal internationalism; (ii) building the EU's identity as a global actor; and (iii) the promotion of the EU's power and competitiveness.<sup>xxxvii</sup> Whereas the first two are closely related to the theories stated above, the third one is relatively new.

According to the authors, the promotion of liberal internationalism (i) is a fundamental reason why the EU pushes for more and deeper interregional relations. As the European Union promotes the human aspects of international relations, it believes that (again, building on its own experience) this can best be done through the promotion of regionalism and regional integration and thus region-to-region dialogues. Issues that matter to the EU for which it is labeled as a 'liberal internationalist'<sup>xxxviii</sup> range from themes including international solidarity, human rights, global poverty eradication, sustainable and participatory development, and (inclusive) democracy to the 'human' benefits of economic interdependence.<sup>xxxix</sup> This follows the same trend as the so-called 'civilian power' argument that describes that the EU promotes 'universal values' such as social pluralism, the rule of law, democracy and the market economy instead of conducting a militaristic foreign policy.<sup>xl</sup> The second main reason why the EU pursues interregional dialogues and interactions is very similar to what we have described above: building the EU's identity as a global actor. But the third function is rather new and derives from the realist school of thought: strengthening the EU's power. Here, the authors argue that the goal is "to strengthen the EU's political power" and to "defend its legitimate economic and commercial interests in the international arena as it has started to appear more frequently in the justification of its foreign policy and external relations".<sup>xli</sup> This "turn to power" can also be traced back in the Lisbon agenda, which signals the EU's increased emphasis on strengthening its economic power position as it describes that the EU should strive to become "the world's most competitive knowledge-based society while at the same time maintaining its social welfare system."<sup>xlii</sup> Finally, the authors also differentiate between defending the EU's interests as a relative (economic) power, by counterbalancing the influences of other major powers such as the USA and/or Japan, and the promotion and strengthening of its absolute power (especially towards developing countries).<sup>xliii</sup> In what follows, we will apply these theoretical insights to our case study: EU interregional relations with Central America. But before doing so, let us first have a look at how exactly these relations are shaped and oriented.

## Overview of the relations with Central America

If we turn to the academic literature in order to find out more about EU-CA relations, we will soon find that it is very limited. Especially academic books and articles in English are rather difficult to find, for which reason this part is mostly based upon information and data acquired through the conducted study trip and interviews in Central America<sup>xliv</sup> Based upon the literature available, it is safe to state that EU-CA relations find their origins in the early 1980s when the Central American isthmus was in deep political as well as social crisis. According to Smith (1995), the conflicts that broke out in Central America led the European Community to play a major political role as an international mediator.<sup>xlv</sup> For Smith there were two major strategic reasons for the EU to be actively involved: “the containment of the Nicaraguan revolution through constructive engagement” on the one hand, and the “prevention of Nicaragua becoming overly reliant on the USSR and thus potentially escalating East-West tensions between Washington and Moscow” on the other hand.<sup>xlvi</sup> The European Community (and its Member States) thus feared that the conflicts in Central America (and Latin America more broadly) would lead to a major confrontation between the US and USSR, which could also have serious consequences for the European continent.<sup>xlvii</sup> By facilitating peaceful negotiations<sup>xlviii</sup> to solve the conflicts, the European Community’s involvement proved to be effective as “Nicaragua did not become a ‘second Cuba’, the US did not invade, and the conflict did not develop into a full-scale East-West conflict”.<sup>xlix</sup> According to Schumacher (1995), it was especially because of the accession of Spain (and to a certain extent also Portugal) that the European Community turned its attention towards Central America.<sup>i</sup> It also turned out to be a success in the formation of the EU as an *international actor* as it provided the EC with a “more substantial foundation to EC policy-making in the short term”.<sup>ii</sup> However, as Sotillo (1998) notes, the more the situation in Central America stabilized and the conflicts in Nicaragua and El Salvador were resolved, the more the EC’s (political) attention toward the region weakened.<sup>iii</sup> For Sotillo (1998), both the EU (post-Maastricht) and Central America turned their focus inwards and as the Cold War ended, Central America too stopped to be a ‘nine o’clock news issue’ for European policy makers.

Next to a decrease in the intensity of the relations between CA and the EU, the 1990s are also characterized by re-orientation.<sup>liii</sup> As the European Council made clear in an important document in 1994<sup>liv</sup> and the Luxembourg Agreement of 1999,<sup>lv</sup> it would increasingly focus its relations with Central America (and by extension Latin America) on commercial aspects: promoting trade and investment.<sup>lvi</sup> A look at the Political

Dialogue and Cooperation Agreement (PDCA) signed in 2003 confirms this as well. As there are only three short articles on political dialogue (Title II) out of a total of 50 articles, it is difficult to interpret this differently than as a sign that political relations came to be of secondary importance. It is true that in the first decade of the 21st century, economic ties between the two regions considerably increased,<sup>lvii</sup> which leads us to conclude that in contrast to the geopolitical interests of the US in Central America, the EU is rather interested in fostering greater trade ties and investment opportunities. The core of the recently signed Association Agreement was also the trade aspect and the establishment of a free trade zone.<sup>lviii</sup> But are economic interests today really the dominant factor for the EU in pursuing relations with Central America, and vice versa? As became clear after numerous in-depth interviews with experts and policy makers on the matter, from a European point of view, this is not (really) the case.<sup>lix</sup> As the following figure shows, the EU's interest in the region is still more political than economic.

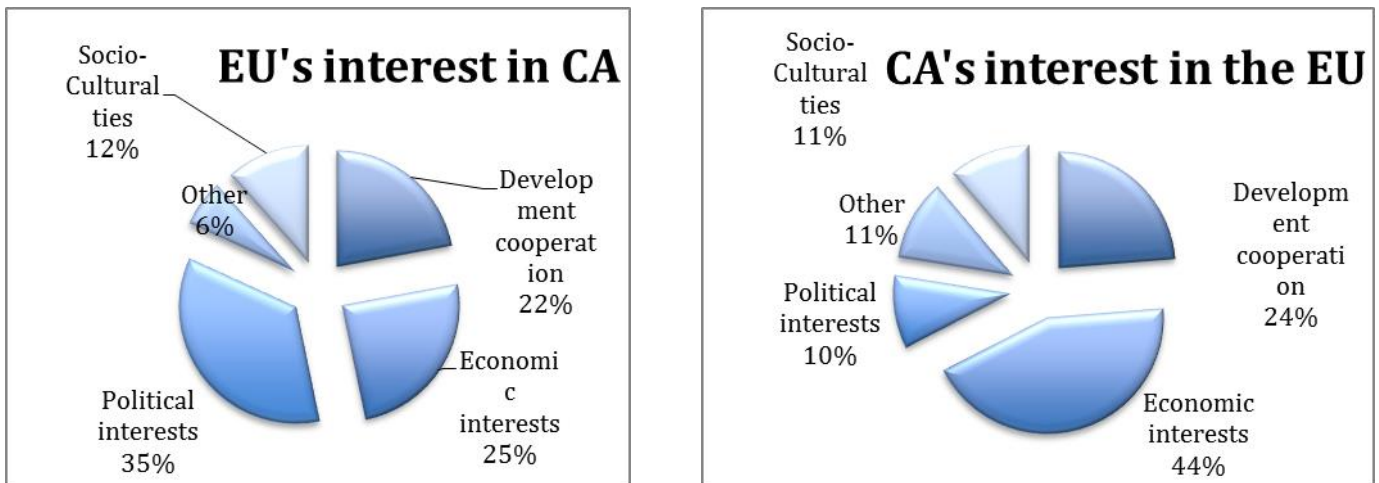


Figure 1: Interests for interregional relations anno 2013

From a Central American perspective, it is clear that by far the region first approaches the EU for economic reasons, followed by an interest in development cooperation. Political interests are rather limited as they tend to prefer political relations with the United States (although there are some important exceptions, cf. infra), and for both regions socio-cultural ties also constitute a (limited) *raison d'être* for relations with each other. Let us have a closer look at the two most important types of relations: political and economic.

## Political relations between the EU and Central America: from concern to interest

As stated above, the political relations between the EU and Central America have their roots in the 1980s, when the EU actively tried to find peaceful and negotiated solutions for the armed conflicts in Nicaragua, Guatemala and El Salvador. The way in which the EU communicated/interacted with Central America was through the so-called San José dialogue: an institutionalized format for political dialogues between the two regions.<sup>lx</sup>

This institutional framework was renewed on several occasions (as in 1996 in Florence and 2002 in Madrid) and slightly changed in format over the years. Whereas in the beginning, the ministers of foreign affairs of both regions gathered once a year, this became biennial while alternating with meetings between the Central American ministers of foreign affairs with the EU Troika that consisted of the Minister of Foreign Affairs of the Member State holding the presidency of the Council of Ministers, the High Representative for CFSP and the European Commissioner in charge of external relations.<sup>lxi</sup> But in terms of content the San José dialogue also changed as a consequence of the re-oriented (although limited) political interest of the EU in the region and the peaceful resolution of the Central American conflicts. As it made little sense to continue talking about conflict resolution, the dialogue oriented itself towards other issues such as democracy, human rights, the recently signed association agreement and finally also regional integration.

Next to this bi-regional dialogue, the EU also politically (and arguably also economically) interacts with its Central American counterparts in the broader context of the EU-Latin America and Caribbean summits (EU-LAC or recently renamed "CELAC"). In total, seven Summits have been held so far: in Rio de Janeiro (1999), Madrid (2002), Guadalajara (2004), Vienna (2006), Lima (2008), Madrid (2010) and Santiago in 2013.<sup>lxii</sup>

Finally, the EU also conducts, albeit less institutionally, national political dialogues with all of the Central American countries through its delegations in each of these countries.<sup>lxiii</sup> Now, more existentially: why exactly does the EU pursue a political dialogue with Central America in 2014? And why do we believe that these political reasons are actually the EU's main drives and strive in its relations with Central America?

In total, many types of arguments were used in the conducted interviews in order to explain the political interest of the EU in Central America, which we will briefly discuss. Some are more often used than others, but all were mentioned on several occasions by several types of interviewees: European diplomats, Central American professors, Central American diplomats in Europe, EU administrators in the region etc.<sup>lxiv</sup> The first and by far most frequently used argument to explain the EU's political interest in Central America is that it wants the region to be 'stable and peaceful'. As was the case in the very beginning of EU-CA relations in the 1980s, it appears that this argument still stands. Some added that of equal importance to the EU is that the region should not only be stable and peaceful, but that it also develops in a sustainable manner. The second type of frequently used argument is closely related to the role of the EU as a 'civilian power' and its promotion of liberal intergovernmentalism. In this sense, it was stressed that the EU actively promotes and helps to enhance democracy, fair and free elections, human rights etc. It also promotes "human security", however, which encompasses more than physical security alone while taking into account issues like "freedom of want" and "freedom of fear".<sup>lxv</sup> A third set of arguments envisages the role the EU should play in combatting the serious problem of Central American illegal drug trafficking as well as illegal human and weapons trafficking as these have direct consequences for Europe. But other problems should also be pro-actively tackled by cooperating politically with Central America: terrorism was mentioned several times as well. Linked to these issues are the fifth set of arguments, which stresses the importance for the EU to 'finding UN friends'. As one EU diplomat put it very boldly, one country is one vote, Central America thus equals eight votes. By cooperating politically on a regional (or national) level, the EU could thus more easily forge coalitions within the UN of likeminded states in order to address global challenges such as climate change in a more concerted manner. Counterbalancing the influence of the US (in the region) was also mentioned on various occasions, as was the issue of migration (especially to the Iberian countries). The eighth and ninth sets of arguments are also closely related: the EU has a political interest in Central America as it has a historical bond with the (sub)continent that already goes back to the large European emigrations to the continent in the 19<sup>th</sup> century and (at least theoretically) the EU's most western borders are the ones with Central America.<sup>lxvi</sup> Finally, various Central American professors and EU representatives in the region also believed that for the EU it is of great interest to have political relations with Central America as it 'legitimizes' itself in that way.

By creating a region-to-region political bond and dialogue, the region itself is also enforced in its self-identity. In addition to analysing *why* the political relations with Central America would be of the most importance to the EU, it is also interesting to see *who exactly* believes this. The following graph shows the number of times that

interviewees mentioned political interests when asked about “the main reasons for the EU to have relations with Central America”.

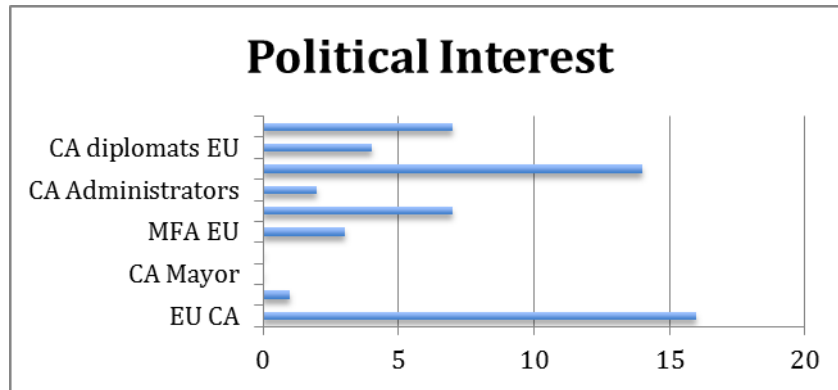


Figure 2 : Political interest of the EU in Central America

The graph clearly shows that among the interviewees, the Europeans in particular stressed the importance of political interests. Next to the vast majority of European national diplomats, it is especially the EU officials in the EU’s delegations in the region that believe that political interests matter *the most*. This confirms our hypothesis that for the EU, above all, political interests are the most important reasoning for conducting relations with Central America. However, as it was stressed during the interviews, for some Central American countries, and notably Costa Rica, there is also a considerable Central American political interest in pursuing interregional relations with the EU in order to counterbalance the US’ influence in the region and to diversify their relations. Nevertheless, this goal is not *per se* shared by all the Central American countries (notably Nicaragua), which makes the overall *Central American* political interest in the EU rather limited.<sup>lxvii</sup>

### Asymmetric economic relations and interests between the EU and CA

The economic relations between the EU and Central America are characterized by various imbalances. First of all, the EU is economically far more important for Central America than Central America is for the EU. Trade with the EU represents 8.8% of the total trade balance of Central America, making it the region’s third biggest trading partner after the USA and intra-regional trade.<sup>lxviii</sup> For the EU, however, annual trade



with Central America, which is worth 29.06 billion Euros, represents only 1.6% of its total trade balance. This stands in sharp contrast with, for example, the EU's trade with China and Russia, which is ten times greater and worth 289.91 billion and 213.21 billion Euros, respectively.<sup>lxix</sup>

If we look at the trade balance between the EU and Central America, we can also observe an import-export trade imbalance. First of all, as the graphic below shows, the EU has continuously imported more from CA than vice versa, and secondly, and more importantly, the EU's exports toward CA have been growing at a faster pace than CA's exports to the EU. Whereas the EU's exports have grown by 67% between 2009 and 2011, CA's export grew by 39%.

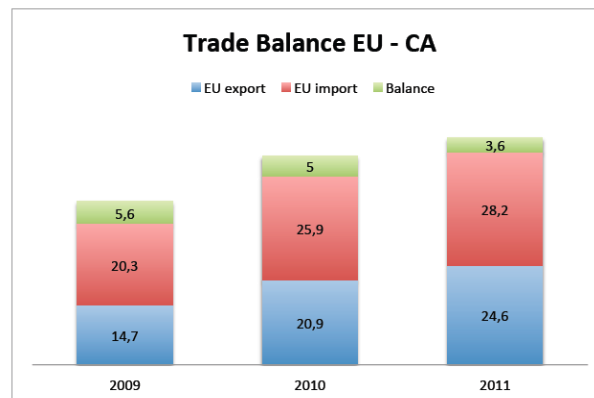


Figure3: Trade in goods 2009-2011, € billions

If we focus more on who exactly trades within which region, we notice another imbalance. For Central America, Costa Rica is responsible for by far the majority of the imports (34%) and exports (45%) to and from the EU. Whereas for the EU, it is the 'Northern' countries of The Netherlands, Belgium and Germany that are the biggest importers of Central American exports, accounting for more than 60% of all imports combined. Spain, Italy and Germany export the most to Central America, and are accountable for 45% of all EU exports to Central America.<sup>lxx</sup> The following figure visualizes these imbalances.

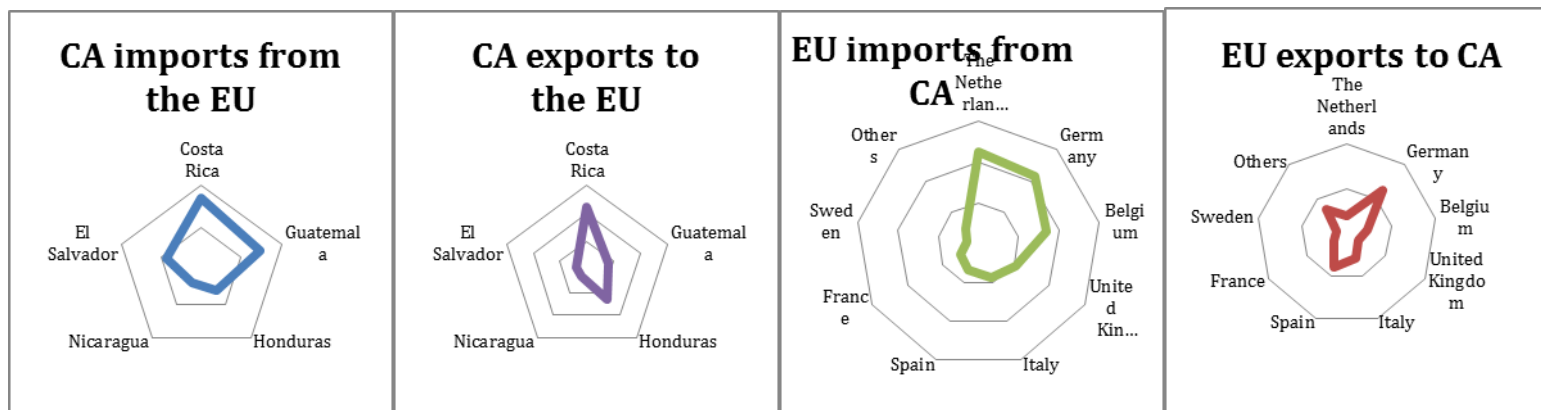


Figure 4: Trade imbalances EU-CA for 2012

The last important characteristic of the trade relations between the EU and Central America can be found at sectorial level.<sup>lxxi</sup> If we look at which types of products are traded between the two groups of countries, it is clear that the trade relations follow the typical pattern for North-South trade:<sup>lxxii</sup> the Central Americans export primarily agricultural products such as bananas, melons and pineapple, as well as products of a relatively low added value such as plastic goods and rubber. They import mostly products of higher added value, however, including manufactured products such as machines, electronic tools, chemical products and transport material. The following table provides an overview of the seven most exported (types) of products from Central America to the EU (left) and the seven most imported goods from the EU to Central America (right) in 2011, which confirms this once again.

Section	Value	Share
Agricultural products	2428	68,5%
Machinery and electronic tools	400	11,3%
Agro-alimentary products, alcohol and tabac	399	11,3%
Medical & Chirugial machinery	155	4,4%
Fishery and shellfish	80	2,3%
Animal and vegetal oils	59	1,7%
Plastic goods and rubber	23	0,6%
<b>Total</b>	<b>3544</b>	<b>100,0%</b>

Section	Value	Share
Machines and electronic tools	871,5	36,5%
Chemical products	678,9	28,4%
Transport material	260,5	10,9%
Plastics and rubber	162	6,8%
Surgical equipment	127,3	5,3%
Agro-alimentary products	101,5	4,2%
Metals	73,8	3,1%
<b>Total</b>	<b>2388</b>	<b>100,0%</b>

Figure 5: 7 most imported (left) and exported (right) products from the EU to CA in 2011<sup>lxxiii</sup>

If we take a closer look at the financial flows between the two groups of countries, we can observe the same trends and imbalances. In terms of Foreign Direct Investment (FDI), the EU is also far more important for Central America than is Central America for the EU. If we look at the total direct investment of the EU in Latin America at large, the EU accounts for about 40% of the total FDI in Latin America, and is the second biggest supplier of FDI in all the Central American countries.<sup>lxxiv</sup> However, investment in Latin America and the Caribbean accounts for (only) 2.6% of the EU's total FDI. If we look at where in Latin America these investments go, we find that over 75% goes to Brazil, Mexico or Argentina, followed by the countries of the southern cone.

It is thus easy to conclude that the share that Central America receives within the overall EU FDI picture is minimal. Regarding the internal distribution of FDI, we can also see an imbalance as a very big chunk of the investments in Central America are directed towards Panama and Costa Rica and are almost exclusively supplied by Spain, the Netherlands and Germany.<sup>lxxv</sup> On the basis of these insights, we could thus conclude that for the EU, Central America is only of limited economic interest. But for Central America, the EU is a very important economic partner as it is its third biggest trading partner and second biggest source of FDI (and biggest source of development cooperation, as we will see later on). However, if we look at the following figure, which shows how often the interviewees mentioned economic interests when asked about the main drivers for EU-CA relations, we could be tempted to conclude otherwise.

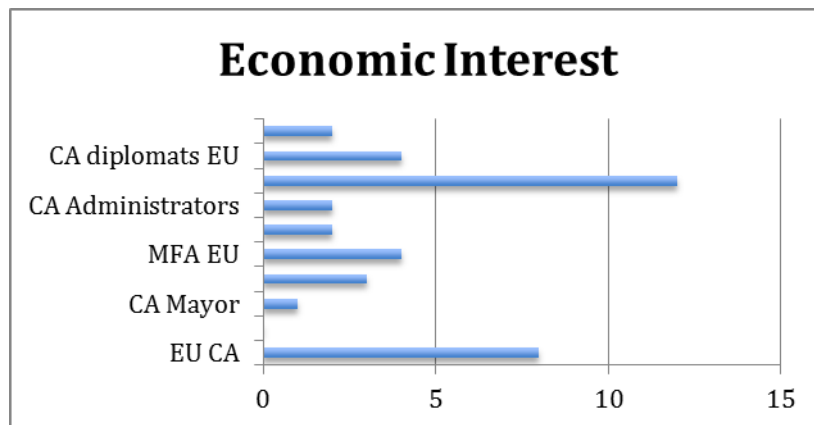


Figure 6 : Economic interest of the EU in Central America

It was not only Central Americans who mentioned economic interests, but the Europeans also did so on numerous occasions. Especially the EU diplomats based in Central America seem to be convinced that Central America is also of economic interest for the EU and vice-versa. How can we explain this trend? After closely analyzing the exact answers and arguments for possible economic interests, we can state that for the time being, Central-America is indeed not *yet* of (great) economic interest to the EU. But there are various valid reasons to argue that Central America would be of (greater) economic interest in the future. Nevertheless, according to almost all the interviewees, this could only be the case if certain conditions were met (see below). On the other side, the interviews confirmed that for Central America the EU was of major economic interest, as explained above. Another argument that popped up on various occasions is that the EU is of great economic interest for the Central Americans in order to diversify their economic relations as much as possible, as they are currently being dominated by the USA with all the consequences entitled when this nation is in crisis or in recession.

Why would Central America become of (greater) economic interest for the EU? The interviewees proposed five different sets of arguments to defend the idea that a true Central American region would only be of economic interest for the EU. First of all, if you take Central America as a whole, it does represent quite a big population of 55 million people that are all potential consumers of (European) products.<sup>lxxvi</sup> As the EU is constantly looking for new markets and new opportunities, Central America could be one of those, as it is not yet (extensively) 'exploited'. Secondly, once you have decided to sell your products there, it could be of interest to bring your production closer to your market as well, in order to reduce transportation costs as well as import duties, etc. Thirdly, as Central America is rich in raw resources and the EU (as well as its trading partners) is in constant search for more primary resources, Central America could be an interesting alternative rather than buying them from other nations such as Russia and China.<sup>lxxvii</sup> Fourthly, as the region is developing more and more, EU companies might be interested in setting up the direly needed infrastructure. Fifthly and finally, Central America might serve as a very interesting logistical hub between two oceans (Pacific and Atlantic Ocean) and close(r) to the USA as well as fast developing nations such as Brazil, Chile and Argentina. This brings us to the important *if* question. As there are apparently ample reasons to foresee a serious increase in EU-CA economic relations, why then has this not been the case so far?

Most of the interviewees believe that the business climate in Central America does not *yet* allow for a deepening in trade and investment relations, for various reasons. The most important impediment for possible investors in Central America appears to be the staggering security issue: be it physical or legal/juridical. The Central American

countries still range amongst the most violent countries in the world, with a murder rate of up to 86 homicides per 100,000 individuals a year in Honduras.<sup>lxxviii</sup> But legal/judicial security is also lagging. The example of the dispute between the big Italian energy company ENEL with the El Salvadorian government in 2011 showed that legal contracts may lose their value if one of the parties thinks otherwise than earlier agreed upon.<sup>lxxix</sup> Next to this, it was stressed that in order to make Central America more attractive to international investors, the countries' governments and administrative bodies should be empowered, corruption should be combatted, institutional stability should reign and the quality of transport infrastructure and lines should be improved. Finally, all the interviewees agreed that the various Central American countries individually would not be of any interest at all to the EU, but if they would combine their forces and strengths, there would be great potential for a deepening of economic relations. They alluded to the creation of a true customs union and one shared Central American common market on various occasions.

### **EU-Central America interregional dialogue: promoting liberal internationalism and defending their own interests**

Let us now have a closer look at the exact reasoning behind the EU's drive for interregional relations with its Central American counterpart(s). In this part, we apply the theoretical framework on EU interregionalism as proposed by Söderbaum and Van Langenhove (2005) to the acquired data and information from all our interviews. As discussed in part I, Söderbaum and Van Langenhove (2005) believe that the EU pursues interregional relations for one or a combination of the following three reasons: (i) the promotion of liberal internationalism; (ii) building the EU's identity as a global actor; and (iii) defending its (political and/or) economic interests. As the following figure shows, in the case of Central America the EU interregional approach can best be explained by (a combination of) its desire to promote liberal internationalism and secondly its political and economic interests.

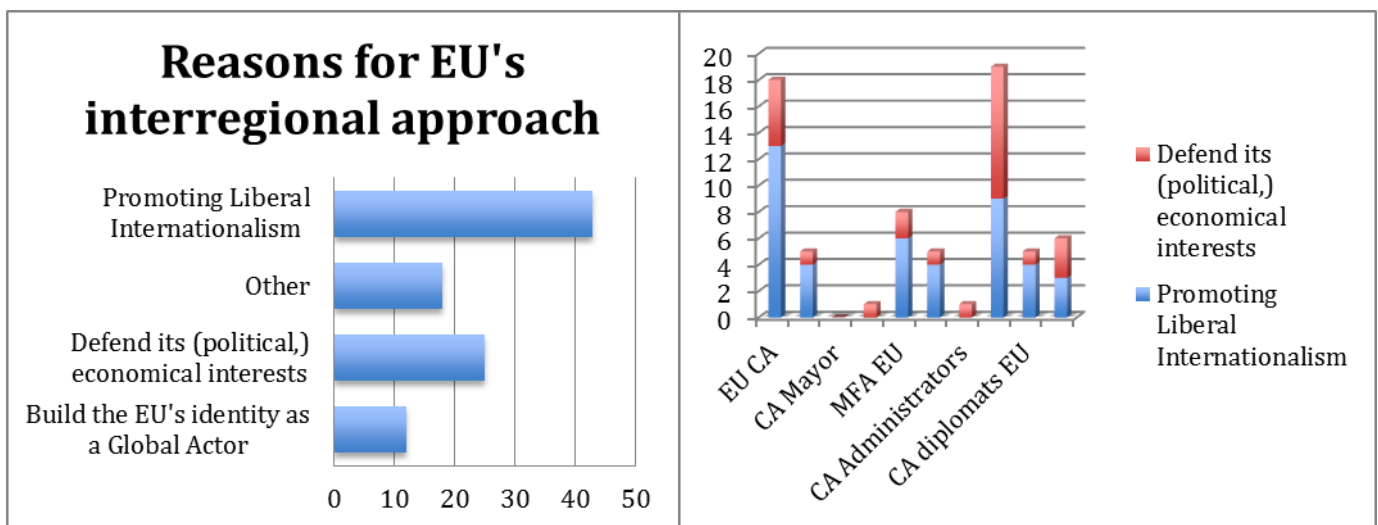


Figure 7 : Reasons for the EU's interregional approach

### Promoting Liberal Internationalism

As Figure 7 shows, especially EU officials believe that the EU's interregional approach serves the objective of promoting liberal internationalism in Central America.<sup>lxxx</sup> As we have seen in the previous part, the main objectives for the EU in Central America are the promotion of a *stable* and *peaceful* region where democracy, good governance and human rights reign. How best to achieve this? Indeed, regional integration and the set-up of supranational structures and cooperation frameworks provide *regional* solutions to *regional* (or at least regionally shared) challenges. Without entering into too many details, we can state that the Central American Republics share transnational problems (linked to security, democracy, poverty and development) for which regional solutions could best be found and addressed (such as regional social cohesion). The EU could cooperate and work on a regional level. This explains its preference for interregional dialogue and cooperation. Finally, if we have a look at the aims of the bi-regional San José Dialogue (to extend peace, democracy, security and economic and social development throughout the Central American region) as well as the agendas (agenda points include [human] security, democracy, good governance, human rights, ...) of the EU-SICA summits in which the Heads of State of CA and high authorities of the EU gather occasionally, we are tempted to draw the same conclusions.<sup>lxxxi</sup>

## Defending its (political and) economic interests

There are good reasons to believe that the EU has (or will have) an economic interest in the region.<sup>lxxxii</sup> But this will only be the case when Central America installs a true customs union, a shared common market, harmonizes more economic standards and norms and improves its general business and investment climate. It seems that through enhancing its bi-regional relations with CA, the EU is already laying the foundation of a true economic dialogue and cooperation between two *single markets* in order to be able to better defend its (future) economic interests. The same can be said about possibly defending its (future) political interests. However, by pushing for ever stronger interregional relations, it already actively contributes to the Central American *region* building process and in that sense stabilizes the region, which is one of the EU's fundamental goals as we have seen.

Finally, this data also confirms that it is true for Central America in particular that its interregional relations with the EU are driven by economic interests. The Central Americans know that it is only possible to acquire access to the largest single market in the world through an interregional dialogue with the EU. As the EU would not be willing to separately negotiate free trade agreements with the eight Central American countries, CA states have little choice but to combine forces and become a *regional bloc* themselves in order to be *attractive* to the EU too. The two main reasons why the EU conducts interregional relations with Central America (and vice-versa) are thus part of the same trend as its overall (foreign) policy objectives as described in the previous part. However, there are various other reasons why the EU also pushes for more inter-regional relations with Central America, which we will briefly discuss now.

## Building the EU's identity as a global actor

Another reason why the EU pursues a regional dialogue and interaction with Central America is to strengthen its own identity as a global actor. This reasoning is two-fold, and was mostly stressed by people from the ministries of foreign affairs and academics.

The first reason regards the strengthening of its own identity. As the EU as a proper entity, and not its various Member States separately, is able to have its own political, economical and socio-cultural relations with another region, this enforces its sense of self. In that way, the European Union at large and more specifically the European Commission consolidates itself as a regional entity or actor in international relations.

Although there is a lot in academic literature available on the issue, we will not discuss what type of actor the EU would then be.<sup>lxxxiii</sup> We will limit ourselves to looking at its own stated ambition to become a *Global Actor*, as announced in its *Global Europe* strategy.<sup>lxxxiv</sup> According to the interviewed scholars, here we can also find arguments that help us to understand why the EU pursues regional relations with Central America: in order to be a *global* actor, you must be present *everywhere*. Including in Central America. By establishing a firm interregional dialogue with this region, these EU objectives and ambitions would be met. Furthermore, the *Global Europe* strategy also helps us to understand why the EU has negotiated and agreed the establishment of a Free Trade Zone between the two regions, as the strategy suggests that: "Where our partners have signed FTAs with countries that are competitors of the EU, we should seek full parity at least".

The EU's *partner* in Central America is of course the United States of America, which has negotiated and agreed a free trade area with Central America, creating CAFTA (later renamed DR-CAFTA when the Dominican Republic joined in 2009).<sup>lxxxv</sup> By signing its own free trade agreement in 2013, the EU counter-balanced the USA and tried to portray itself as a relevant global actor too. However, the EU did not only succeed in negotiating a pure Free Trade Agreement, but went a step further by signing a full-fledged Association Agreement, which also encompasses political and development issues. In that way, the EU tries to do its best to not only portray itself as a *global trading* partner and big *economic* power, but also as a *global political* actor. Next to this, the recently signed Association Agreement also allows the Central Americans to diversify their political and commercial relations, which have been dominated by the USA to date.

Finally, as the recently signed Association Agreement between the EU and Central America was the first ever region-to-region Association Agreement, it might serve as a "successful example" for its relations with other regions in the world. Two other sub-regions in Latin America are of note: the Community of Andean Nations (CAN) and MERCOSUR. The more interregional agreements it signs, the more its ambition to become a *global actor* will be met.

### **Time management, replacing national European embassies and collective identity building matters too**

There are a number of further reasons for an interregional dialogue between the two groups of countries, which were mentioned sporadically. First of all, having a region-to-



region dialogue would also be of pragmatic interest as it allows the EU (countries) to deal with all Central American countries at the same time. As the countries individually does not seem to be of *great interest* for the EU (especially to various member states), having to deal with only one region instead of eight countries sounds more attractive. Furthermore, if Central America can be dealt with as one regional bloc, it might be of greater interest to the EU but also for more EU member states than when dealing with the Central American countries separately. It is also an issue of time management: as the countries more or less share the same problems and challenges (or at least various aspects which are of concern for the EU), it is of greater interest to deal with them at a regional level and at the same time. Linked to this issue is the argument of *replacing* EU member states' national embassies and diplomacy. Due to various reasons (austerity measures back home, changing role of national diplomacies, etc.), several EU member states are closing down their national embassies in the region or reducing them to just one.<sup>lxxxvi</sup> In order for these European countries to be still *present* and continue to have relations with Central America, an increased EU-CA region-to-region dialogue provides a valid alternative. Finally, another argument that is linked to the first set of arguments of promoting liberal intergovernmentalism is the role of *collective identity builder*. As Central America starts to share the EU's values of democracy, human rights and political stability and forms a similar *identity*, it will be easier for the EU to find coalitions at the international level to pursue its objectives more globally.

## Concluding remarks

By applying the theory of Söderbaum, Stalgren and Van Langenhove (2006) to the case study of EU-Central America interregional relations, we demonstrated that the EU's interest for (more) interregional relations with Central America can best be explained by its objective of promoting liberal internationalism and the defense of its political and economic interests.

More broadly, it was also argued that Central America was more of a political than an economic interest for the EU, for many reasons. These include the EU's objective to "have the region stable, peaceful and secure", combatting the (serious) problem of Central American illegal drugs trafficking<sup>lxxxvii</sup> as well as illegal human and weapons trafficking as it has direct consequences for Europe, counterbalancing the influence of the US, finding "UN friends", and dealing with issues such as migration (especially to the Iberian countries) etc. This stands in contrast to the Central American perspective,

for which economic benefits and interests clearly justify the relationship, followed by an interest in development cooperation and some specific political interests such as counterbalancing the eminent influence of the United States in the region. However, even though Central America is economically not yet of (great) interest to the EU (it represents only 1.6% of its total trade balance), it might be so in the future if a certain set of conditions are met (improving the *business climate*, forming *one economic block*, etc.).

It remains to be seen whether the recently signed Association Agreement will serve as an impetus for making the needed change happen, and whether or not the EU's interregional approach towards the countries of the Central American isthmus will then also change accordingly.

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## **Annex: Methodology and list of interviewees\***

In order to work with all the extracted information gathered from the interviews and to analyze it as efficiently and thoroughly as possible, we decided to use a qualitative analysis software tool called "Dedoose". This program allowed us to compare the given answers to the (research) questions and draw general conclusions about our research topics. What follows is a brief description of the way in which we proceeded in order to make the analysis happen. First we had to add all our transcripts of interviews as "media". We then set up our coding scheme: looking at our theoretical frameworks, which possibilities could come out as answers during the interviews? For example when asked about the reasons why the EU pushes for more and more interregional relations, answers could include (1) Liberal intergovernmentalism, (2) Defending its political and/or economic interests, (3) Building the EU's identity as a global actor and (4) Other. In that sense, we set up a whole set of 'codes' or 'indicators' that could serve as responses to the questions/topics of concern for our paper. The full coding scheme can be provided if interested. Now that we had our codes or indicators and our media, it was time to analyze all interviews one by one and to start 'coding' them. We looked at the answers to the various questions and then labeled them as being an indicator of, for example, the argument "economic interests" etc. While doing this for all the interviews and all the responses to all questions, we have come up with a huge amount of "excerpts" or arguments for one hypothesis or another, and in that sense, we were able

to look at which answer was given most frequently to which question. We were also able to compare the given answers by different 'type' of interviewees (Central American administrators vs. European Diplomats, Central Americans vs. Europeans etc.) in order to further analyze the complex issues at hand in more detail. Next to this, the created "excerpts" were labeled and grouped, and could also be shown separately and thus be used for a more in depth analysis as well. Finally, the excerpts could also be used to write parts of the actual paper and to quote some interviewees. For a visualization of this whole process, please contact the author by e-mail. The results of the analysis of the interviews were then combined with the knowledge acquired from secondary academic reading materials and primary sources which then led to this paper.

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<sup>i</sup> L. Van Langenhove (2011). *Building Regions: The Regionalization of World Order*. Ashgate, Publishing, Ltd., Burlington

<sup>ii</sup> See for example J. Rüländ (2002) "Interregionalism in International Relations: Conference Summary", Freiberg, [online] available at <http://www.politik.uni-freiburg.de/pdf/InterregSum.pdf> [Accessed 13 October 2013].

<sup>iii</sup> For more information on the tool, please go to the website: <http://www.dedoose.com>.

<sup>iv</sup> B. Hettne and F. Söderbaum (2005) "Civilian Power or Soft Imperialism? The EU as a Global Actor and the Role of Interregionalism", *European Foreign Affairs Review*, vol.10, p. 510.

<sup>v</sup> F. Söderbaum, P. Stålgren and L. Van Langenhove (2005) "The EU as a global actor and the dynamics of interregionalism: a comparative analysis", *European Integration*, 27(3), 365-380.

For a definition and/or categorization of (possible) regional integrations around the world, see M. Doidge "Interregionalism and the European Union: Conceptualising Group-to-Group Relations" in Baert, Scaramagli & Söderbaum (Eds.) (2014) *Intersecting Interregionalism*, Springer, Dordrecht, pp. 47-63.

<sup>vi</sup> Ibid.

<sup>vii</sup> A. Hardacre and M. Smith (2009) "The EU and the diplomacy of complex interregionalism", *The Hague Journal of Diplomacy*, 4(2), 167-188.

<sup>viii</sup> V. Aggarwal and E. Fogarty (2005) "The limits of Interregionalism: The EU and North America", *European Integration*, vol. 27/3, 342.

<sup>ix</sup> Such as EU-ASEAN and EU-ACP. For more on the early forms of interregional dialogues : H. Hanggi (2003) "Regionalism through interregionalism: East Asia and ASEM" in F.K. Liu and P. Regnier, *Regionalism in East Asia: paradigm shifting?*, Routledge, London.

<sup>x</sup> G. Edwards and E. Regelsberger (eds) (1990) *Europe's Global links: the European Community and Interregional cooperation*, London, Pinter.

<sup>xi</sup> V. Aggarwal and E. Fogarty (2004) *EU Trade strategies: Between Regionalism and Globalism*, Basingstoke, Palgrave, p. 238.

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<sup>xii</sup> B. Gaens (2012) *The Rise of Interregionalisms: “The Case of the European Union’s Relations with East Asia”*, *The Ashgate Research Companion to Regionalisms*, Burlington.

<sup>xiii</sup> For more on this matter, see Baert, Scaramagli & Söderbaum (Eds.) (2014) *Intersecting Interregionalism*, Springer, Dordrecht, 197 p.

<sup>xiv</sup> F. Söderbaum, P. Stålgren and L. Van Langenhove (2005) “The EU as a global actor and the dynamics of interregionalism: a comparative analysis”, *European Integration*, 27(3), 365-380.

<sup>xv</sup> R. Roloff (2006) “Interregionalism in theoretical perspective: state of the art”, in *Interregionalism and international Relations: A stepping stone to Global Governance*, Hänggi et al, New York, Routledge, p.18.

<sup>xvi</sup> H. Hänggi (2000) *Interregionalism: Empirical and Theoretical Perspectives*, paper presented at the conference entitled ‘Dollars, Democracy and Trade: External Influence of Economic Integration in the Americas’, Los Angeles.

<sup>xvii</sup> A. Hardacre and M. Smith (2009) “The EU and the diplomacy of complex interregionalism”, *The Hague Journal of Diplomacy*, 4(2), 167-188.

<sup>xviii</sup> *Ibid*, p.169.

<sup>xix</sup> *Ibid*.

<sup>xx</sup> *Ibid*.

<sup>xxi</sup> *Ibid*.

<sup>xxii</sup> *Ibid*.

<sup>xxiii</sup> For more, see J. Rüländ (2002) “Interregionalism in International Relations: Conference Summary”, Freiburg, [online] available at <http://www.politik.uni-freiburg.de/pdf/InterregSum.pdf> [Accessed 13 October 2013].

<sup>xxiv</sup> A. Hardacre and M. Smith (2009) “The EU and the diplomacy of complex interregionalism”, *The Hague Journal of Diplomacy*, 4(2), 167-188.

<sup>xxv</sup> *Ibid*.

<sup>xxvi</sup> M. Doidge (2011) *The European Union and interregionalism : Patterns of engagement*, Ashgate Ltd., Surrey, p.36.

<sup>xxvii</sup> J. Gilson (2005) “New Interregionalism? The EU and East Asia”, *European Integration*, 27(3), 307-326.

<sup>xxviii</sup> As quoted in T.M. Shaw and S. Cornelissen (2012) *The Ashgate research companion to regionalisms*. Ashgate Publishing Ltd, Burlington, p.76.

<sup>xxix</sup> Söderbaum et al (2005) “The EU as a Global Actor and the Dynamics of Interregionalism: a Comparative Analysis”, in *European Integration*, vol. 27/3, p. 370.

<sup>xxx</sup> B. Zepter (2008) “Reflections on regionalization in Europe: lessons for Asia?” , *Asia Europe Journal*, vol. 5, p.463.

<sup>xxxi</sup> This because of various levels of historical enmity or amity, social differences, varying level of economic development of states forming a particular region etc.



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<sup>xxxii</sup> Söderbaum et al, op cit, p. 372

<sup>xxxiii</sup> N.A. De Flers, N.A. and E. Regelsberger (2004) "The EU and Inter-regional Cooperation", in C. Hill and M. Smith (eds.), *International Relations and the European Union*, Oxford, Oxford University Press, p. 341.

<sup>xxxiv</sup> A. Hardacre and M. Smith (2009) "The EU and the diplomacy of complex interregionalism", *The Hague Journal of Diplomacy*, 4(2), 167-188.

<sup>xxxv</sup> V. Allahverdiyev (2008) *Interregionalism as a Foreign Policy Tool of the EU: The Cases of ASEM and EU-ASEAN Partnership* (Doctoral dissertation, Central European University).

<sup>xxxvi</sup> Ibid.

<sup>xxxvii</sup> F. Söderbaum and L. van Langenhove (2006) *The EU as a global player: The politics of interregionalism*, Taylor and Francis Group, London/New York.

<sup>xxxviii</sup> M. Smith (2004) "Between two worlds? The European Union, the United States and world order", *International Politics*, 41(1), 95-117.

<sup>xxxix</sup> Many of the official statements and proclamations released by the European Commission underline the liberal and idealist underpinnings of the EU.

<sup>xl</sup> For more on this issue, have a look at I.F. Nunes (2011) "Civilian, Normative and Ethical Power Europe: Role Claims and EU Discourses", *European Foreign Affairs Review*, 16(1), 1-20.

Or T.A. Börzel, and T. Risse, (2009) "Venus approaching Mars? The European Union as an emerging civilian world power" *Berliner Arbeitspapiere zur Europäischen Integration*, Center of European Studies, Freie Universität Berlin, 9(11).

<sup>xli</sup> F. Söderbaum, P. Stålgren and L. Van Langenhove op cit. p.372.

<sup>xlii</sup> Ibid, p.378.

<sup>xliii</sup> Ibid.

<sup>xliv</sup> See annex for an overview of the conducted interviews.

<sup>xlvi</sup> H. Smith (1995) *European Union Foreign Policy and Central America*, Palgrave Macmillan, Basingstoke.

<sup>xlvi</sup> Ibid, p. 147-149.

<sup>xlvi</sup> For more, have a look at J.D. Martz (1995) *United States policy in Latin America: a decade of crisis and challenge* (Vol. 2), Bison Books, Lincoln.

<sup>xlix</sup> H. Smith (1995) op cit. p.149.

<sup>l</sup> E. Schumacher (1995) "Spain and Latin America: The Resurgence of a Special Relationship", in Kaufman, S. Purcell and F. Simon, *Europe and Latin America in the World Economy*, Lynne Rienner, London, p. 113-137.

<sup>li</sup> H. Smith (1995) op cit. p.154.

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<sup>lii</sup> J.A. Sanahuja and J.A. Sotillo (1998) *Integración y desarrollo en Centroamérica: más allá del libre comercio* (Vol. 68), Los Libros de la Catarata, Madrid.

<sup>liii</sup> See M.Y. Altamirano and G.S. Valle (2007) *The Association Agreement Between the European Union and Central America: Its Potential Impact on Women's Lives in Central America*, Central America Women's Network (CAWN), London and F. Pena and R.T. Macau (2005) *Hacia una nueva etapa en las relaciones Unión Europea*, University of Barcelona, Barcelona.

<sup>liv</sup> European Council (1994) "Europe and Latin America: A partnership for action. Basic document on the relations of the European Union with Latin America and the Caribbean" [online] available at <http://aei.pitt.edu/41670/> [Accessed 7 October 2013].

<sup>lv</sup> European Council (1999) "Luxemburg Agreement" [online] Available at <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=768> [Accessed 7 October 2013].

<sup>lvi</sup> See for example : F. Ocampo, E. Lizano and J. Granados, J. (2009) *El futuro de las relaciones económicas entre Centroamérica y la Unión europea. Un puente para el crecimiento*, IEB, San José, [online] available at <http://ruta.org:8180/xmlui/bitstream/handle/123456789/566/RN104.pdf?sequence=1#page=209> 197. [Accessed 7 October 2013].

<sup>lvii</sup> Cfr infra for more details.

<sup>lviii</sup> European Commission (2012) "EU-Central America association agreement", [online] available at <http://trade.ec.europa.eu/doclib/press/index.cfm?id=689>, [Accessed 19 October 2013].

<sup>lix</sup> Arguably, this is different for Mexico, but this goes beyond the scope of this paper.

<sup>lx</sup> The role of Spain and Portugal in putting Central America on the EU agenda needs to be stressed. For more see C. Piening (1997) *Global Europe: The European Union in World Affairs*, Lynne Rienner, London.

<sup>lxi</sup> F. Pena and R.T. Macau (2005) *Hacia una nueva etapa en las relaciones Unión Europea*, University of Barcelona, Barcelona.

<sup>lxii</sup> For an overview of what was discussed at each summit, please go to EU-LAC Foundation (2013) "EU-LAC documents", [online] available at <http://www.eulacfoundation.org/content/eu-lac-documents> [Accessed 13 November 2013].

<sup>lxiii</sup> With the possible exception of Belize where it (only) has a Technical support Office and not a full-fledged delegation.

<sup>lxiv</sup> For a full overview of all interviewed people, please have a look at the annex.

<sup>lxv</sup> For more on this issue: a good starting point could be S. Tadjbakhsh and A. Chenoy (2007) *Human security: Concepts and implications*, (Vol. 51), Routledge, New York.

<sup>lxvi</sup> This because of the numerous Oversea territories of various EU member states in the Carribeans such as Curacao (The Netherlands), Aruba (The Netherlands), Martinique (France), Guadeloupe (France) and the Cayman Islands (United Kingdom).

<sup>lxvii</sup> Arguably, this is different for Mexico, for more on this issue please have a look at G. Edwards and E. Mendizabal (2012) "Latin American and European Relations in an Age of Uncertainty and Opportunity" in M.

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Nilsson and J. Gustafsson (2012) *Latin American Responses to Globalization in the 21st Century*, Palgrave Macmillan, New York, pp. 188-200.

<sup>lxviii</sup> Source: EUROSTAT (2013) COMEXT database [online] available at <http://ec.europa.eu/eurostat/> [Accessed 13 October 2013].

<sup>lxix</sup> Data for 2012, obtained from the website of the European Commission's DG TRADE. [Accessed 23 October 2013].

<sup>lxx</sup> Source: EUROSTAT (2013) COMEXT database [online] available at <http://ec.europa.eu/eurostat/> [Accessed 13 October 2013].

<sup>lxxi</sup> For more on trade relations between the two groups of countries, have a look at <http://www.sieca.int/Documentos/DocumentosMostrar.aspx?SegmentoId=2&DocumentoId=3003>

<sup>lxxii</sup> F. Rueda-Junquera (2009) "Economic relations between the European Union and Central America: building a bi-regional association", *Jean Monnet/Robert Schuman Paper Series*, Vol. 9, No. 11.

<sup>lxxiii</sup> Source: Global Trade Atlas (2013) [online] available at <http://www.gtis.com/GTA/> [Accessed 19 October 2013].

<sup>lxxiv</sup> Data from the OECD (2013) Statistical Database [online] available at <http://stats.oecd.org/> [Accessed 19 October 2013].

<sup>lxxv</sup> For a complete overview of all FDI and examples of European firms investing in Central America, please have a look at CEPAL (2011) *La inversión extranjera directa en América Latina y el Caribe*, United Nations, Santiago de Chile, [online] available at <http://www.cepal.org/publicaciones/xml/0/46570/LIE2011esp.pdf> [Accessed 13 October 2013].

<sup>lxxvi</sup> In that sense, the big Spanish franchise group "ZARA" for example is truly conquering the Central American market.

<sup>lxxvii</sup> For more on this issue, look for example at H.J. Leonard (1987) *Natural resources and economic development in Central America*, USAID, X.

<sup>lxxviii</sup> M. Shifter (2012) *Countering Criminal Violence in Central America*, (No. 64), Council on Foreign Relations Press.

<sup>lxxix</sup> For a full dossier, please go to Central American Data (2011) "El Salvador: LaGeo Case Affecting Country's Image" [online] available at [http://www.centralamericadata.com/en/article/home/El\\_Salvador\\_LaGeo\\_Case\\_Affecting\\_Countrys\\_Image](http://www.centralamericadata.com/en/article/home/El_Salvador_LaGeo_Case_Affecting_Countrys_Image) [Accessed 13 October 2013].

<sup>lxxx</sup> For more on Liberal Intergovernmentalism, please go back to the part one.

<sup>lxxxi</sup> As was confirmed in an interview with the El Salvadorian Vice President S. Sanchez Cerén after the last EU-SICA summit held in Santiago de Chile, January 2013: <http://www.diariocolatino.com/es/20130206/portada/112478/América-Latina-y-el-Caribe-están-enfocados-en-la-unión-y-la-integración-a-partir-de-nuevos-principios-Sánchez-Cerén.htm> [Accessed 13 October 2013].

<sup>lxxxii</sup> For all the details, please have a look at the previous part.

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<sup>lxxxiii</sup> Look for example at M. Telo (2007) *European Union and new regionalism: regional actors and global governance in a post-hegemonic era*. Ashgate Publishing Company, Burlington.

<sup>lxxxiv</sup> European Commission (2006). *Global Europe: competing in the world*, Communication COM 567, Brussels.

<sup>lxxxv</sup> The following publication provides more information on the agreement: Coad, P. (2012). *Dr-Cafta: An Impact Analysis Thus Far*, Indiana University, Bloomington, 19p.

<sup>lxxxvi</sup> As an example: the Dutch Embassy in Guatemala will be closed at the end of 2013. The Netherlands will from then on have (only) one embassy in the region: in Costa Rica.

<sup>lxxxvii</sup> If interested in finding out more about this, a good starting point could be Wigell, M., & Romero, M. (2013) *Transatlantic drug trade: Europe, Latin America and the need to strengthen anti-narcotics cooperation*, The Finnish Institute of International Affairs, Helsinki, 9p.

Name	Country	Organization	Function	Date of the interview	by e-mail
Sergio Acosta	The Netherlands	Embassy of Honduras	Minister Counselor	10/12/12	
Noëlla Put	Belgium	Ministry for Foreign Affairs	Desk officer Central America	4/01/13	
Filip David	Belgium	Ministry for Foreign Affairs	Director External Relations of the EU	4/01/13	
Frank van de Craen	Belgium	Ministry for Foreign Affairs	Director Latin America and Caribbean desk	4/01/13	
Christian Meeùs	Belgium	Europe-Central America Chamber of Commerce (EURACEN)	President	7/01/13	
Alfonso Gahona	Belize	Ministry for Foreign Affairs	Director of International Affairs	16/01/13	
Ayesha Boyland	Belize	Ministry for Foreign Affairs	Diplomat EU affairs	16/01/13	
Jackie Brown	Belize	British High Commission	Deputy High Commissioner	16/01/13	
Richard Van der horst	Belize	European Commission Technical Office	Project Manager	17/01/13	
Allan Ramos	Honduras	City of Puerto Cortes	Mayor	20/01/13	
Edgardo Dumas	Honduras	British Honorary Consulate San Pedro Sula	Honorary Consul	21/01/13	
Patty Recarte	Honduras	British Honorary Consulate San Pedro Sula	Administrator	21/01/13	
Selvin Lopez	Honduras	University of Honduras (UNAH)	Professor International law and Judge	21/01/13	
Sylvanie Jardinet	Honduras	European External Action Service Delegation	Attaché for cooperation and trade	22/01/13	
Lisa Marcela Arias	Honduras	European External Action Service Delegation	Communications officer	22/01/13	
Jose Ruben Mendoza	Honduras	Belgian Consulate	Honorary Consul	22/01/13	
Luis Velasquez	Honduras	Ministry for Foreign Affairs, Center for Geopolitical Studies	Director General	23/01/13	
Juan Merino Cubillo	Honduras	Embassy of Spain	Deputy Ambassador	23/01/13	
Carsten Schneider	Honduras	Embassy of Germany	Counsellor	24/01/13	
Bernard Monot	Honduras	Embassy of France	Counsellor	24/01/13	
Allan Suazo	Honduras	Ministry for Foreign Affairs	Director Regional Integration	25/01/13	
Luis Asena	Honduras	Ministry for Foreign Affairs, Center for Geopolitical Studies	Diplomat	25/01/13	
Peter Versteeg	Honduras	European External Action Service Delegation	Head of Delegation	28/01/13	Yes
Luis Padilla Vassaux	Guatemala	University Rafael Landivar	Professor regional integration	28/01/13	
Jacques Remmerswaal	Guatemala	Embassy of the Netherlands	Counsellor	29/01/13	
Michael Fabri	Guatemala	Embassy of Germany	Deputy Ambassador	31/01/13	
Laurent Estrade	Guatemala	Embassy of France	Counsellor for Economical affairs and Trade	31/01/13	
Rubén Najera	Guatemala	SIECA	Project Director	31/01/13	
Hector Marroquin	Guatemala	Embassy of the United Kingdom	Prosperity Officer	1/02/13	
Gilberto Valdez	Guatemala	PARLACEN	Special Advisor	1/02/13	
Antonio Dal Borgo	Guatemala	European External Action Service Delegation	Attaché for security, justice and election programs	1/02/13	
Carlo La Face	Guatemala	European External Action Service Delegation	Attaché for trade and regional integration programs	1/02/13	
Carlos Monterrosa	El Salvador	Central American University	Program Director Central American Regional Integration	4/02/13	
Jorge Umana Garcia	El Salvador	Ministry for Foreign Affairs	Director for Regional integration and CA relations	5/02/13	
Remy Linares	El Salvador	European External Action Service Delegation	Cooperation attaché	5/02/13	
Vincente Cano	El Salvador	Spanish Fund for the support of SICA (AECID project)	Senior Advisor	6/02/13	
Irene Diaz	El Salvador	Spanish Fund for the support of SICA (AECID project)	Project management	6/02/13	
Carlos Echeverria	El Salvador	General Secretariat - SICA	Director of Communications and Public Relations	6/02/13	
Edgar Chamorro Marin	El Salvador	General Secretariat - SICA	Executive Director	6/02/13	
Walter Leiva	El Salvador	General Secretariat - SICA	Communications officer	6/02/13	
Kavier Sales	El Salvador	Embassy of the United Kingdom	Attaché	8/02/13	
Philippe Vinogradoff	El Salvador	Embassy of France	Ambassador	8/02/13	
Thomas Le Vaillant	Belgium	European Commission DG TRADE	Coordinator Central America	5/03/13	
Luz Hated Castellon	Nicaragua	EEAS Central America Delegation	Regional projects desk officer	8/03/13	Yes
Kenneth Bell	Belgium	EEAS Mexico and Central Amrica	Head of Division	18/03/13	
Fransisco Duenas Leiva	Belgium	Embassy of Costa Rica towards the EU and Belgium	Ambassador	21/03/13	
Dolores Romeo	Belgium	European External Action Service	Responsible for EU-CA associate agreement	18/04/13	
Ivo Gombola	Nicaragua	EEAS Central America Delegation	Deputy Ambassador	28/04/13	Yes

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