



A-GENDA

GENDER AND TRADE IN CENTRAL AMERICA

APRIL 2007

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Trade liberalisation and the gender gap

by Ana Lilian Vega¹

Clothes sellers
in Bluefields,
Nicaragua



Helen Dixon

In El Salvador and the rest of Central America, trade opening and the signing of free trade agreements has been, for over a decade, one of the main politico-economic measures used to stimulate growth. This policy has its loyal supporters, even though there is no evidence of any positive results. El Salvador, for example, has signed at least four free trade agreements (FTAs)² but its imports have increased without there being any significant increase in its exports, resulting in an increasing trade gap both in real terms and also as a percentage of GDP.

There are those who contend that FTAs have only negative effects, in particular the unfair competition for both primary products and manufactured goods posed by Central America's trade partners, which they argue would lead to bankruptcy and consequent job

losses. They also highlight environmental concerns and governments' loss of decision-making power to private transnational institutions. What is clear is that hardly any of the prominent positions in this debate take into account the fact that gender gaps play a role in determining the effects of FTAs on both wellbeing and competition.

Central American society is characteristically patriarchal and this gives rise to the discrimination and economic exclusion of women. Women are more or less confined to their role as women and mothers, their natural environment seen as that of the home and the family. However, they find themselves obliged to leave this environment because of the need for income, either because there is no man around or simply because their household expenditure exceeds its income.

In the patriarchal view of society, paid work done by women is seen mainly as additional to the main household income and not as important as their assigned reproductive tasks.

Although the process of trade liberalisation has enabled large numbers of women to enter the workforce there is more than enough evidence of the low quality of the jobs they are doing – little education is needed for example, as can be seen in the garment sector. It is easier for women to be taken on 'flexible', low-paid jobs with no social security contributions if these jobs are considered as supplementary – the 'flexibility' can even be seen as an advantage as they can perhaps carry out reproductive tasks during what are considered normal working hours.

In spite of the growing, if unstable, incorporation of

women into the labour market, the gender division of work does not seem to have changed: women continue spending a large amount of their time on reproductive tasks with most men sparing them relatively little. A survey of time spent on household tasks found that over 75 per cent of men spend only three hours or less a week on these tasks whereas over 32 per cent of women spent eight hours or more.

Where women workers need to balance their work and family responsibilities they have to make decisions that are likely to affect their productivity at work and/or the competitiveness of their small businesses.

The prevailing patriarchal attitudes lead to productive activity being categorised as male or female. Female productive activity is seen as that which is compatible with women's role as

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mothers and carers in the home – preparing and selling food, dressmaking, washing clothes, working in beauty salons, in nurseries, in shops and on stalls, or as a cleaner or domestic worker are all considered stereotypical female jobs. The result is a workforce segmentation that excludes many women from the more buoyant productive sectors that have developed as a result of globalisation and trade liberalisation, such as vehicle maintenance, electronics, software development and construction.

In conclusion, trade opening and the signing of free trade agreements with developed

countries can create opportunities in the labour market; however, the patriarchal character of Central American society makes it more difficult for women in the region to find jobs in their economies' more buoyant sectors as opposed to in low productivity sectors, with their poor working conditions. Until specific women-focused policy is implemented that changes the prevailing stereotype of women and their role, very little will be achieved in terms of gender equity in the Central American economy.

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El Salvador: Percentage of men and women spending X hours on household tasks per week

Sex	Total	No time	Up to 3 hours	4 to 7 hours	8 hours or more
Men	100.0	23.9	51.6	16.3	8.3
Women	100.0	6.0	30.3	30.3	32.7

Note: children were not included in the survey

Source: IUDOP-UCA and Las Dignas (1999), taken from "Perfil de Género de la Economía del Istmo Centroamericano", UNDP (2004)

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2. With Mexico, the Dominican Republic, Panama, Chile and the United States

EDITORIAL: The EU must learn lessons from DR-CAFTA

"Women are the vast majority of the world's poor, and efforts to end global poverty cannot be successful if trade and economic policies do not create real economic opportunities for women. Trade policy impacts the lives of women around the world, often more than any other economic policy tool, including development assistance".

It is less than two years since the Central America Free Trade Agreement between the USA and Central America and the Dominican Republic (DR-CAFTA) came into effect in Nicaragua, Honduras, El Salvador, Guatemala and the Dominican Republic (in the face of major public opposition Costa Rica has yet to ratify the agreement). Already the region is preparing to negotiate another free trade agreement, this time with the European Union (EU). Once again the world's strongest economies will be negotiating with countries that have recently come out of internal armed conflicts and political upheaval

and whose economies are far from stable. In the run up to the ratification of the DR-CAFTA its potential impact on vulnerable sectors was the cause of much discussion and analysis and a few flexibilities were won whereby countries were allowed 15-20 year transition arrangements for sensitive products. On the whole though little attention was paid to concerns about impacts on groups such as women and indigenous people. The 'fast track' provisions, which enabled negotiations to be completed in just one year, allowed little time or space for the participation of civil society in the process, through which these marginalized voices might have been heard. Two years on it is becoming possible to identify trends in the impact of the DR-CAFTA so far and indications are that it will prove very damaging for many vulnerable sectors.

The EU and Central American governments will very soon start negotiations on an Association Agreement which includes a free trade

agreement. Once again it is proposed that these negotiations should take not much longer than one year. Once again the participation of civil society has yet to be taken fully into account. The EU is apparently committed to carrying out a Sustainable Impact Assessment (SIA) but these have traditionally been weak and it seems it will happen only once the negotiations are already underway. The impact of previous free trade agreements on the region would be a good place to start in identifying potential problems. The EU must learn the lessons of the DR-CAFTA. The potential impact of further trade liberalisation must be fully studied and the results must feed into the negotiation process. Civil society participation and consultation including with women's organisations, indigenous groups, smallholders associations, trade unions and peasant organisations must be fully integrated into the negotiation process.

CAWN is currently recruiting a Central American researcher to carry out a study of the impact of the DR-CAFTA so far on women in the region. The research will also present a series of recommendations to the EU negotiating process on how to avoid and mitigate negative impacts on women. The research will be published later this year and CAWN and Central American organisations will use it in our advocacy with EU and Central American governments.



Helen Dixon

EU trade policy: Assessing the impact on women

by Tessa Mackenzie, CAWN



Helen Dixon

Cement block makers, Nicaragua

It has been stated that trade liberalisation increasingly depends on bringing more women into the workforce¹ but what does this really mean for gender equity? Can we conclude that women gain from free trade since they have increased access to the labour market and to economic and technical resources? Many of the new jobs created by trade liberalisation are indeed filled by women who previously did not work outside of the home. Or do we in fact need to look beyond the quantity of women in jobs and examine the quality of those jobs, and the gender equality implications of macro economic changes to reveal the wider impact on women's lives? Women are more likely to be in low paid, low skilled, flexible employment which offers them little stability, no social security benefits and often does not even cover their basic needs. If we also consider the social reproductive role played by women in caring for children and the elderly, nurturing and educating in their families and communities, it is clear that the chances of poor women working their way out of poverty in jobs created by trade liberalisation are very slim. It would seem that trade liberalisation is more likely to reproduce and increase

existing gender inequalities than to effectively transform them.

Yet trade liberalisation continues to be the lynch pin of economic policy-making, and developed countries justify it not only in terms of expanding markets for their own goods, but also as a strategy to promote the development of poor countries. "Trade opening can promote sustainable development. It can create opportunities for economic growth, for social development, for instance, through boosting employment for women in the tourism sector, or the environment, through better use of environmental resources."²

The European Union has recognized however that "liberalisation can lead to negative environmental or social impacts"³ and in 1999 committed itself to applying Sustainable Impact Assessments (SIAs) to all its major trade negotiations. These SIAs aim at ensuring that trade liberalisation measures contribute not only to economic growth but also to equity, environmental protection and ecological efficiency. They are usually carried out by independent consultants and are based on a core group of indicators that have "economic, environmental and social components and include variables such as average real income, employment, net fixed capital formation, equity and poverty, health and education, gender inequality, environmental quality of air, water and land, biological diversity and other natural resource stocks."⁴

Unfortunately to date there is little evidence of SIAs actually being translated into policy changes or impacting EU negotiating positions so that trade liberalisation works in favour of the poor and

marginalised. NGOs criticise the SIAs for being disconnected from trade policy and decision-making, inadequate in proposing measures to mitigate the negative impacts of trade liberalisation, insufficiently participatory and based on very limited stakeholder consultation, biased in favour of trade liberalisation, and economic.⁵

The attention paid to gender issues in the SIAs has also been sorely inadequate. Women in Development Europe (WIDE) has lobbied hard for the incorporation of gender into the SIAs, arguing that "the gender dimension of SIAs is key to sustainable development and not just another indicator". Emphasising the major potential impact that trade liberalisation has on gender equality WIDE has called for a gender analysis of trade agreements that includes:

- identifying how gender inequalities constrain trade policies (...) and trade activities to benefit women and improve women's income, rights and well being;
- analysing how trade, trade policies (...) contribute to, or diminish gender inequalities, gendered markets, female poverty and discrimination against women and girls;
- analysing how gender relations at the household level and women's reproductive tasks interact with trade and trade-related activities and vice-versa;
- identifying the power of women in decision-making on trade at different levels."⁷

Other gender-sensitive frameworks for analysis have been developed and used in some cases to carry out impact assessments of trade agreements. The Washington DC

based organisation Women's Edge Coalition, for example, has developed a tool called the Trade Impact Review (TIR) which they describe as "one mechanism that governments and non-governmental organisations (NGOs) alike can use to ensure that trade agreements address rather than ignore the needs of the world's women."⁸ Women's Edge explains that "utilizing existing sector-by-sector analyses of a country's economic and legal regime, the TIR highlights economic sectors in which the poor are particularly active, and it identifies potential effects that a change in policy or law might produce."⁹ The TIR has so far been used to determine the impact the North American Free Trade Agreement (NAFTA) had on poor citizens in Mexico, and to determine the impact of a potential Free Trade Area of the Americas (FTAA) on poor women and men in Jamaica.

A recent study for WIDE¹⁰ provided another tool which can be used to mainstream gender equality goals in trade agreements. The gender and trade indicators that the tool uses relate to food affordability, the gender gap and gender equality in employment, and the gender wage gap in both the export and import competing sectors.

Crucial to whatever methodology is used is that women's voices are heard in the impact assessment process. All those likely to be directly affected by trade liberalisation such as peasant organisations, cooperatives, small producers and women's groups should be supported to take part, and this includes allocating funds to carry out a proactive, balanced and consistent consultation.¹¹

There are undoubtedly

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challenges in effectively identifying the potential impact of trade liberalisation on women. Gender inequalities may result from a variety of policies and trends besides trade so it may be difficult to identify exactly what role trade agreements play. Indeed as Lilian Vega discusses in this bulletin,¹² patriarchal structures are often inherent to the social and economic context of a country before trade liberalisation takes place so how much can we really 'blame' on

free trade? Women are also disproportionately represented in the informal economy, a sector where it is difficult to assess the direct and indirect impact of trade liberalisation.

But the methodologies outlined above show that these challenges can be addressed. Those who promote free trade have a responsibility to fully identify its impacts. There is considerable expertise available and much work has already been done to find ways to measure the impact of free trade agreements on women. Women

in developing countries themselves can contribute vital information and perspective if they are consulted. If the EU is serious about promoting sustainable development through trade liberalisation then they must consult women stakeholders and use appropriate tools to comprehensively assess the impact on gender equality and then change their policies and practices accordingly.

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Costa Rica: 'Las Doñas' – women organised against the Free Trade Agreement (FTA)

by **Andrea Alvarado**, Radio Internacional Feminista (RIF/FIRE)

Las Doñas emerged in June 2006 as a group of seven women who had decided to get together to fight against the ratification of the free trade agreement between Costa Rica and the United States (CAFTA). The women were all committed to social causes and concerned about the harmful impact of neoliberalism, globalisation and the inhuman policies of FTAs. In the words of Flora Fernández "we set up the group because there was very little information around for women, for housewives who are those who will be most affected by the Free Trade Agreement".

Las Doñas do not have any particular base and their structure is non-hierarchical. They meet once a week over coffee and homemade bread to plan their work, which includes meetings with other women, visits to communities, film showings, leaflets distribution and other charitable activities. Flora Fernández believes that the FTA will particularly affect women in the areas of health and medicine, employment, intellectual property, education, and food and agriculture,

especially genetically modified seeds.

The group has developed an efficient strategy for expansion and for the diffusion of information against the FTA – every woman who joins the group has to take on the challenge of organising a meeting with another seven women, who will then, in turn, pass on the information to yet more women. This cascade strategy has been so successful that, according to Marlyn Bendaña, "we do not know exactly how many Doñas there are now. The group has grown so much that we are now sending out packs of leaflets to communities outside of the city and we sometimes receive and distribute material produced by new Doñas we don't even know".

Las Doñas are women from across the socio-economic spectrum, in the main housewives of all ages but also students, professionals, feminists, women agricultural workers, domestic and factory workers, graduates in both academic and practical fields, freelancers and employed workers.

Although they did not plan to have a leading voice in the media, they soon emerged from being an 'anonymous' group and became an inspiration to others because of their ability to organise and mobilise people in the fight against the FTA, and to get their messages across to everyone regardless of age or sex, shunning xenophobia, racism or any other form of discrimination.

It is important to point out that Las Doñas do not seek or receive any funding – for them willingness to be involved and

determination are more important than money. The women themselves finance their information and awareness-raising work around the harmful effects that ratification of the FTA would have with income from other work. These brave women are model examples of commitment, resistance and dogged, selfless work, working towards a better, fairer society, one free from exclusion and characterised by more solidarity, in which trade agreements that benefit the few and harm the poorest would have no place.



On 26th February 2007, tens of thousands of Costa Ricans took to the streets in a protest against the ratification of the Free Trade Agreement (FTA) between the United States, Central America, and the Dominican Republic (DR CAFTA) and rejected because Costa Rica is the only country included in the agreement that has not yet ratified the agreement.

European Union-Central America relations: Reflections on the human rights implications of a future Association Agreement

by **Marta Ibero Dolla**, Copenhagen Initiative for Central America (CIFCA)

In the 1980s and at the start of the 1990s the European Union (EU) played a key role in Central America, in the negotiated end to armed conflict in the region, the establishment of peace and democracy, the progress towards institutional democracy, and the process of regional integration. Nevertheless, there are still serious structural problems in Central America, the socio-economic objectives of the peace accords are yet to be achieved and the structural causes of the political violence of the past and the social violence of today have not been successfully addressed. Corruption, impunity and social inequality continue to hinder democratic governance.¹

In this context, the EU has taken a new approach in its relationship with Central and Latin America, based on World Bank premises, which gives priority to an economic view of development in which opening up to the free market would potentially lead to the elimination of poverty. This new

approach can be seen in the speed at which trade relations between the EU and Latin America are moving: the establishment of Association Agreements with Mexico and Chile; the back-and-forth agreement negotiations with Mercosur; and the launch of Association Agreement negotiations with Central America and the Andean Community at the 4th EU-LAC (Latin America and the Caribbean) Summit.

What is an Association Agreement?

Association Agreements (AA), regulated by article 310 of the European Union Treaty, are a legal framework set up between the European Community and one or more independent states, which contain mutual rights and responsibilities in various areas including free trade. An AA is essentially made up of a number of elements: a democratic clause, a Political Dialogue and Cooperation Agreement² and a trade agreement that includes a

specific agreement on free trade.

Many civil society organisations have pointed out that certain of these agreements' requirements are even stricter than those imposed by the World Trade Organization (WTO) in its agreements. A study carried out by CIFCA³ shows that the EU expects its bilateral free trade agreements to be 'WTO Plus', taking things further than existing agreements such as GATS (General Agreement on Trade in Services), the TRIPS (Trade-Related Aspects of Intellectual Property Rights) Agreement and the Agriculture Agreement, and bringing the so-called Singapore Issues into play (investment, government procurement, and competition rules).⁴

The trade negotiations that have most potential to have a negative impact on human rights are those being carried out in relation to GATS, which is concerned with the liberalisation of trade in services ranging from telecommunications, tourism and transport on the one hand to health, education and access to drinking water on the other. An excessive and unregulated liberalisation in these sectors could have a serious impact on the enjoyment and exercise of human rights, especially in Central American countries that do not have the necessary infrastructure or regulations to effectively protect these rights. Alongside this, negotiations on the TRIPS Agreement could have a negative effect on food security, indigenous knowledge, biosecurity and access to sanitation.

Faced with this situation, a

large number of European and Central American organisations are urging the governments in both regions and the European Commission itself to respect the fundamental importance of their human rights responsibilities and the first duty of governments to promote and protect these rights.⁵ This bi-regional responsibility is enshrined in the democratic clause, one of the core elements of an AA. This clause states that human rights and democratic principles are both the foundations and the aim of the agreement, and as the legal dimension of the AA it should act as a guarantee that all trade, financial and investment relations are based on, and are developed in line with, respect for and achievement of these rights.

New challenges for civil society organisations

In light of this, and given the speed at which negotiations are moving, we are faced with some considerable challenges. In May 2006, Latin American and European social movements took part in the Alternative Summit 'Enlazando Alternativas 2' with the common aim of coming together to consider EU-LAC relations, to create a political forum and foster bi-regional mobilisation, and to set a positive agenda of joint projects and alternative ideas.

As a result of this important summit, in which we analysed not only neoliberalism but also our own actions, we took on the challenge of 'Enlazar Alternativas': to make links, to work together to achieve minimum consensus between



a demonstration to block ratification of the Free Trade Agreement between the EU and Central America. The demonstration was held in Costa Rica to prevent the approval to implement legislation demanded by the United States. For more information please go to www.stopcafta.org.

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organisations, networks, institutions, etc, within both Central America and Europe, and to come up with joint mobilisation and advocacy/lobbying strategies with which to approach the negotiations around the future Agreement. In short, we accepted the challenge to promote a bi-regional development model for working towards a fair, equitable and

anti-patriarchal world, objectives which are all given legal currency in the existing international human rights instruments.

Notes

1. See the 2003 UNDP report on Central America
2. EU-CA Political Dialogue and Cooperation Agreement, signed in 2003 in Rome and currently undergoing ratification
3. CIFCA, May 2006
4. The fourth 'Singapore Issue', trade facilitation, was introduced in July 2004 with the Decision on the Doha Work Programme (the 'July package').

5. World Conference on Human Rights, Vienna 1993

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Final declaration of the Alternative Summit 'Enlazando Alternativas 2', May 2006

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European Union-Central America relations: a historical-conceptual perspective

Comisión de Estudios Políticos Alternativos¹

The relationship between the European Union (EU) and Central America goes back a long way. Beginning in 1492, it has been characterised by a series of symbolic, social, economic and political interactions, all bearing the hallmark of imbalance and dependency. This imbalance, different to that seen in the relationship between the United States and the Central American region, which is based on the exercise of direct political and military power, can be seen in terms of the use of mechanisms of cooperation and trade.

The EU is the second largest foreign export market for Central America, worth approximately a thousand million euros; in contrast, the Central American market is of little import to Europe. In the area of international cooperation, an aid-dependent relationship between Central America and the EU has developed: in just the four years from 2002 to 2006 this group of countries sent around 655 million euros to the region. And now, the two regions are on the threshold of trade negotiations in the form of an Association Agreement.

This negotiation process began with the signing, in 1983,

of the San José Agreement, which was then followed up under the Framework Agreement on Cooperation in 1993 – this laid down the guidelines for how international aid from Europe should be channelled and contained a political dialogue that established cooperation targets. The negotiation process has taken shape within the bounds of this agreement and also within a regional framework covering the whole of Latin America – established at the Rio

Summit in 1999 – which has been followed up with biennial presidential summits and many lower-level ministerial meetings.

At the Guadalajara Summit in 2004, at the same time as the negotiation rounds of the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) were taking place, the launch of a process of assessment between the EU and Central America was announced, which would establish the necessary conditions for an

Association Agreement that would include a specific free trade agreement. The assessment would be carried out by an interregional group made up of representatives from both EU and Central American countries. The start of formal negotiations would be dependent on two factors: progress in the Central American customs union process and also in the negotiations on the World Trade Organisation (WTO) Doha Development Agenda.

Meetings & conferences leading up to & directly after the 2006 Vienna Summit

Date	Meeting	Topic
May 2004	Guadalajara Summit	Joint assessment period for an Association Agreement announced
January 2005	13th Mixed EU-CA Commission	Official start of joint assessment
April 2005	1st Ad Hoc EU-CA Working Group Meeting	Report on joint assessment of progress in customs union, investment and services
July 2005	2nd Ad Hoc EU-CA Working Group Meeting	Report on joint assessment of progress in customs union, investment and services
November 2005	3rd Ad Hoc EU-CA Working Group Meeting	Report on joint assessment of progress in customs union, investment and services
December 2005	27th Heads of State of the Central American Integration System (SICA) Meeting	Speeding up of Central American customs union activities
March 2006	14th Mixed EU-CA Commission	End of joint assessment period
May 2006	Vienna Summit	Negotiations between the EU and Central America announced
July 2006	28th Heads of State of the Central American Integration System (SICA) Meeting	Panama Declaration, commitment to continue the customs union process



Market in Bluefields, Nicaragua

Neither of these conditions has been met. In terms of the Doha Agenda, progress was brought to a standstill because of the lack of flexibility on the part of Europe regarding the issue of agricultural subsidies and the adoption of the Singapore Issues regarding investment, resulting in the EU unilaterally removing this condition. Regarding the customs process, although the interregional group established that progress had been made towards a Central American customs union, with 94 per cent of tariff lines already standardised, there is still a significant lack of progress in the area of non-tariff barriers and those related to foreign investment and services. In addition, the process has been hindered by the fact that progress in the different countries has been out of synch – although Guatemala, Honduras, Nicaragua and El Salvador all have similar tariff systems, Costa Rica is lagging a long way behind.

After a series of meetings, in which various aspects of an Association Agreement were discussed, the 2006 Vienna Summit was held. At this summit, in the light of the results outlined by the interregional group, the Central American presidents' official commitment under the Panama Declaration to achieving progress in customs standardisation, and the coming into effect of the DR-CAFTA, among other things, negotiations for an Association Agreement between the two country groups were officially launched. Both regions have begun to organise

their negotiating teams; in Central America, however, the process has been characterised by heated debate and conflict of interest, revealing the cracks in the process of Central American integration.

Although Central America has undoubtedly undergone considerable economic integration, this has not been as a consequence of the efforts of the region's official institutions. Integration has been mainly led by the strongest economic sectors (national and transnational), which have bypassed the national circuits of capital accumulation in favour of a regional one. There is therefore economic but not official, political integration in Central America and the image projected is of a highly fragmented region. Central America's internal organisation process in preparation for the negotiations confirms this image. Although the region has many different bodies responsible for coordinating integration, for example the Central American Integration System (SICA), the Central American Parliament (PARLACEN) and the Secretariat for Central American Economic Integration (SIECA), in reality they have very little legitimacy and political decision-making power, and have therefore been given a back seat. The main political power in this process lies with the ordinary and extraordinary summits held by the region's political leaders.

This institutional weakness has been thrown into relief by the unilateral condition imposed by the EU that the Central American countries take part in

the negotiations as one united voice, which has resulted in a highly conflictive organisational process in the lead up to the first round of negotiations. A good example of this are the incensed pronouncements made by Costa Rica against the other SICA countries, who, in a meeting in which Costa Rica was sidelined, elected a single negotiator to represent the whole region. This was a diplomatic stumbling block, and even when the issue was resolved it left a degree of uncertainty in terms of how the region would approach the negotiations with the EU. Nevertheless, an agreement was reached at the 29th Ordinary Summit held in Costa Rica in December of last year. It was proposed that a cross-sector committee be set up, comprising the foreign, economy and foreign trade ministers of each country. This body would lead the negotiations, and there would also be a regional spokesperson that would rotate between the countries. This cross-sector committee would also be responsible for ratifying the regional strategy document.

In contrast to what has been happening in Central America, the EU process of organisation has been relatively fluid. This has reached a fairly advanced stage, making it likely that the negotiation rounds will begin around the middle of this year. The EU has gone so far as to establish a negotiating mandate which, among other things, sets out that the commission in charge of the negotiation process will be assessing concrete achievements such as the establishment of the Central American customs union, the ratification of a Central American Agreement on Investment and Services and the development of a legal mechanism which would guarantee that an economic legal framework be established in the region. Nevertheless, considering that the political institutions and integration process coordinating bodies have very little legitimacy and are in a very fragile state, these

achievements will represent huge obstacles to overcome during the negotiations.

The EU's negotiating mandate covers areas that need to be discussed in more depth, but such a discussion is beyond the scope of this article. In brief, these are:

- Firstly, it should be emphasised that the European interests behind the current process do not prioritise market liberalisation or the creation of greater trade impact, rather, they primarily want to establish the same conditions as those achieved in the CAFTA so that European investors are not at a disadvantage compared to investors from the States
- Secondly, the effects of accelerated integration, as pushed for by the EU, need to be studied. Regardless of the considerable interest in achieving standardisation in access to investment and services, such rapid progress could have serious negative consequences in the current context of a clearly very fragile institutional set-up for the purposes of integration.
- Thirdly, the political demands that the EU is placing on the region should be analysed and discussed, in particular the signing of a series of political agreements which the EU has not even signed up to itself and which could it be using as a legitimising tool to justify the current agreement with Central America.
- Lastly, the impact of a possible Association Agreement on the aid sent to Central America by the EU has not been studied in depth. This is a key issue since, as was mentioned at the beginning of this article, aid has become a dependency mechanism, which the EU can use as leverage in negotiations around sensitive issues.

FORO POPULAR INTERNACIONAL CENTRO AMÉRICA-UNIÓN EUROPEA FAIR AND EQUITABLE TRADE IS POSSIBLE

TEGUCIGALPA DECLARATION

We, the undersigned – organisations representing the rural poor, workers, consumers, teachers, professionals, small and medium producers, indigenous peoples, people of African descent, student organisations, Central American and European NGOs and social movements, human rights organisations, and feminist and women's organisations – gathered in Tegucigalpa, have witnessed the start of the negotiations of an Association Agreement (AA) between the Central American and European governments with great concern. Although the AA comprises a political dialogue and cooperation agreement, at its core is 'the creation of a free trade zone'.

We, the undersigned, have been warning for years about the negative effects on the peoples of Central America of these so-called free trade agreements, effects that are worsened by the imbalance between the economies of the two regions.

The strategy being used by the European Union in its Negotiating Mandate is based on the liberalisation of public services in order that European transnationals can have a slice of the market. It also includes the liberalisation of tariffs on an equal basis, between regions that are diametrically unequal, and considers intellectual

property, investment, natural resources and the environment in terms of its own interests and not in terms of the development and integration of the Central American region. The governments of the region are happily defending the interests of powerful economic groups rather than promoting integration from within the region and defending the interests of the popular sectors.

The ultimate aim of any negotiations between our regions should not be the creation of a free trade zone but the achievement of the following objectives:

1. Regional integration – political, social, economic, environmental and cultural – which contributes to the fair and equitable redistribution of Central America's revenue and riches
2. Scientific and technical progress shared between the two regions, contributing to the economic and social development of the peoples of Central America
3. Intellectual property rights which benefit healthcare and the protection of Central America's genetic resources
4. Regulated foreign investment, which respects both the environment and workers' rights and promotes development in the Central American region
5. Integrated agricultural reform and protection for small-scale

agricultural and agro-industrial producers that contributes to the achievement of food sovereignty

6. The acceptance by states of their responsibility for the social, economic and political development of Central American countries, including their control over public services, guarantees of universal access to education and health, and the protection and appropriate management of natural resources
7. Development cooperation that contributes to the elimination of the structural causes of poverty and inequality in Central America
8. Fair and equitable relations between women and men
9. The ratification and implementation of international agreements, treaties and conventions on the protection of human rights, labour rights, the environment, the rights of people of African descent, and the rights of indigenous people and groups to the defence and respect of their ancestral land and to live according to their own culture and traditions
10. Appropriate mechanisms in place for the participation of the different social actors in decision-making regarding relations between the two regions

11. Respect for migrants' labour and human rights.

We advocate the strengthening of multilateralism, every country's right to define its own development policies and the pursuit of relations based on respect, cooperation and solidarity.

For integration from within the region! Fair and equitable trade is possible!

Signed in Tegucigalpa MDC on 5th March 2007

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