

**EUROPEAN COMMUNITY POLICY TOWARDS CENTRAL AMERICA
IN THE 1980S**

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Abstract

This thesis asks and responds to the question 'why and how did the European Community intervene in Central America in the 1980s?' In order to provide a useful response to the question a description and analysis of the policy is presented. The conceptual context utilised is of EC foreign policy making and the historical and geographical context is of EC Latin American policy.

European Community policy towards Central America has been commonly described as a 'surprising' example of an independent EC policy vis-a-vis the United States, partly because it involved the institutions of the Community in Latin America, a region which the US had considered since the advancement of the Monroe Doctrine in 1823 as their domain. Even more surprisingly still (superficially) was the choice of Central America for active intervention. Not only had the EC since its creation displayed minimal economic or political interest in the region, but it also risked conflict with its ally and partner, the United States, which did have very specific political and strategic interests in Central America.

In the thesis two levels-of-analysis are utilised. The first is that of the EC as international actor and as the primary unit of analysis. The second is that of the member states or the sub-units of the EC.

The conclusion is that while the EC and its member states were motivated by shared strategic interests with the US (anti-Communism) they had differing views as to how to pursue those interests. The EC (and the member states to varying degrees) became involved in Central America in order to a) try to control the revolutionary movements of the region but more importantly to b) prevent the US from transforming what the west Europeans considered as a regional problem into a major focus of global East-West confrontation.

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1. EC Official Documentation

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- (iii) European Parliament**
- (iv) Economic and Social Committee**
- (v) Miscellaneous**

2. Books and articles

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Abbreviations

ACP	African, Caribbean and Pacific
ADLAF	German Association for Research into Latin America
ALADI	Latin American Integration Association
AMU	Arab Maghreb Union
ANN	New Nicaragua (Press) Agency
ASEAN	Association of South East Asian Nations
BCIE	Central American Bank for Economic Integration
CABEI	Central American Bank for Economic Integration
CACM	Central American Common Market
CAHI	Central American Historical Institute
CAP	Common Agricultural Policy
CARICOM	Caribbean Community
CATIE	Central America and Tropical Agriculture Research and Training Centre
CCP	Common Commercial Policy
CDU	Christian Democrat Union
CDWU	Christian Democratic World Union
CET	Common External Tariff
CETIM	Europe-Third World Centre
CFSP	Common Foreign and Security Policy
COMECON	Council for Mutual Economic Assistance
COREPER	Committee of Permanent Representatives
CSCE	Conference on Security and Cooperation in Europe
CIEC	Conference on International Economic Cooperation
CIVS	International Verification and Follow-Up Commission
CRIES	Regional Coordination for Social and Economic Research
CSU	Christian Social Union
ECJ	European Court of Justice
ECLAC	UN Economic Commission for Latin America and the Caribbean
ECSC	European Coal and Steel Community
ECU	European Currency Unit
EDC	European Defence Community
EDF	European Development Fund
EEC	European Economic Community
EFTA	European Free Trade Association
EIB	European Investment Bank
EP	European Parliament
EPC	European Political Community
EPC	European Political Cooperation
EPU	European Payments Union
ERP	European Recovery Programme
EUA	European Unit of Account
EURATOM	European Atomic Energy Community
FDI	Foreign Direct Investment
FDP	Free Democratic party
FNSP	National Foundation of Political Science

FSLN	Sandinista National Liberation Front
G7	Group of Seven
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GNP	Gross National Product
GRUCA	Group of Central American Ambassadors
GRULA	Group of Latin American Ambassadors
GSP	Generalised System of Preferences
HSG	Heads of State and Government
ICFTU	International Confederation of Free Trade Unions
ICJ	International Court of Justice
IDB	Inter-American Development Bank
IIP	International Investment Partners
IMF	International Monetary Fund
INCAP	Institute of Nutrition of Central America
IPS	Institute for Policy Studies
IRELA	Institute for European-Latin American Relations
JCMS	Journal of Common Market Studies
LAA	Latin America and Asia
LAB	Latin American Bureau
LAFTA	Latin American Free Trade Association
MFA	Multi-Fibre Agreement
MNR	National Revolutionary Movement
NACLA	North American Congress on Latin America
NAFTA	North American Free Trade Area
NATO	North Atlantic Treaty Organisation
NIC	Newly Industrialising Country
NSC	National Security Council
NSC	Nicaragua Solidarity Campaign
NTB	Non-Tariff Barrier
OAS	Organisation of American States
ODA	Official Development Assistance
ODUCA	Christian Democratic Organisation of America
OEEC	Organisation for European Economic Cooperation
OJEC	Official Journal of the European Communities
OOPEC	Office of Official Publications of the European Community
OPEC	Organisation of Petroleum Exporting Countries
PACCA	Policy Alternatives for the Caribbean and Central America
PAHO	Pan American Health Organisation
PLN	National Liberation Party
PS	Socialist Party
PSOE	Spanish Socialist Workers' Party
RIIA	Royal Institute of International Affairs
SEA	Single European Act
SELA	Latin American Economic System
SI	Socialist International
SIECA	Secretariat for the Economic Integration of Central America
SPD	Social Democrat Party

STABEX	Stability in export earnings
TNI	Transnational Institute
UDC	Union of the Democratic Centre
UDF	Democratic Union of France
UNESCO	United Nations Educational Scientific and Cultural Organisation
UNICEF	United Nations Childrens' Fund

Introduction

This thesis is a study of European Community (EC) foreign policy making. It focuses on a specific geographical region - Central America - and a specific historical period - the 1980s. It locates the making of EC policy within a study of the strategic issues involved in East/West and West/West relations. The overall context is of East/West relations but the specific context for the thesis is of West/West relations.

In terms of the overall context the 1980s were characterised by a Cold War between two superpowers which battled to extend their influence worldwide. The Cold War was transmuted into numerous 'hot' conflicts in regional wars throughout the world - in Africa, Asia and Latin America. One of the most controversial of these regional wars was fought in Central America. This war captured the world's headlines for nearly ten years - throughout most of the 1980s.

What became known as 'the Central American crisis' was fought in three major theatres of conflict. These were in El Salvador, Guatemala and Nicaragua - although neither Costa Rica nor Honduras, particularly the latter, remained immune from the fighting. In the 1980s some 160,000 people (out of a total regional population in 1986 of some 23 million) were killed and hundreds of thousands forced into internal or external emigration.

From the late 1970s the major domestic protagonists in El Salvador, Guatemala and Nicaragua were the governments and the revolutionary movements which opposed them. After the Sandinista Liberation Front (FSLN) took office in July 1979 the crisis escalated as the United States grew determined to prevent 'another Cuba'

in this area which it knew as the Caribbean Basin (Central America and the Caribbean). US policy towards the Nicaraguan revolution and the rest of Central America, particularly after the advent of the Reagan administration in 1981 was based on the use of the military instrument. It involved providing arms and finance for the counterrevolutionaries (contras) which from 1981 made serious attempts to destabilise and overthrow the Nicaraguan government and the arming of 'friendly' governments.

US intervention in turn precipitated the involvement of other international actors in the region. These actors either opposed, sought to moderate or supported US policy. Somewhat unexpectedly, one of the most active opponents of US policy in the region was the European Community. Central America was a region where the Community and its member states possessed few direct interests in contrast to the United States, its major ally, which did perceive the region as of primary security significance. The first questions therefore, that this thesis seeks to respond to, are why and how the EC became involved in Central America. It will ask why the EC risked conflict with its major ally on this issue which was of little intrinsic importance for the EC. This study will describe and analyse the Community's policies, activities and objectives in order to try to provide a useful response to these questions.

A logical corollary of the last question is whether EC intervention in Central America in the 1980s mattered and to whom? To what extent did EC policy and activism contribute to the attainment of its own objectives and to desirable international outcomes, which were in this case the promotion of peace and stability in Central America?

These latter questions are difficult to answer in that because the Central American drama involved a multiplicity of actors it is difficult to single out any one factor as a singular cause leading to a particular outcome. In order to offer an informed judgement as to the relative efficacy of the EC's policies there would be a need for a thorough analysis of the activities of every important actor in the crisis. This is not the intention of this study which is an analysis of the actions of just one of the actors involved, the European Community. Given this caveat however, some attempt will be made in the conclusion to this thesis to assess the importance of the EC's contribution to promoting peace and stability in Central America.

This study concentrates on the Community's policy making towards one specific area of the world but it will attempt to utilise the research in order to consider how this particular experience of foreign policy making may have affected the EC's foreign policymaking processes as a whole. It will address the question of how EC foreign policymaking may have altered as a result of the Central American policy. A further question that will be asked is whether any tentative generalisations can be made on the basis of this study about EC foreign policy in general. In other words it will ask if there are any theoretical conclusions about the nature of EC foreign policy which can be drawn from this study?

The Literature

Analysis of the EC's foreign policy activities in international crises has hitherto concentrated on the EC's contribution to the various efforts made in the

1970s to bring a peaceful and negotiated solution to the Arab-Israeli conflicts. The EC entered into the 'Euro-Arab dialogue' in the mid-seventies and in 1980 issued the 'Venice declaration' which placed on the record a commitment to support both Israel's right to security and the rights of the Palestinians.¹ The EC's involvement in the Middle East prefigured its involvement in Central America in the 1980s in that it raised questions about the nature of the different and sometimes conflicting different interests from its closest ally the United States. There were some basic differences in the two foreign policy areas however in that in the Euro-Arab dialogue the EC became involved primarily out of economic necessity and was reluctant to take on board the political ramifications of closer relations with the Arab states. By contrast the Central America policy was a predominately politically inspired policy in which economic considerations were minimal.

Also by way of contrast was the EC's ability to sustain a policy towards Central America which provoked hostile reactions from the United States, particularly given that US antagonism to EC 'interference' in the Middle East had contributed to the virtual demise of EC contributions to efforts for peace in that region. This is one of the reasons that the policy towards Central America has commonly been described as 'surprising' or 'remarkable'.²

The policy appeared surprising and remarkable partly because it involved the Community in Latin America, a region which the US had considered since the advancement of the Monroe Doctrine in 1823 as their political domain. Even more surprisingly still (superficially) was the choice of Central America for active intervention. Not only had the EC since its creation displayed minimal economic or political interest in the region, but it also risked conflict with its ally and partner,

the United States, which did have very specific political and strategic interests in Central America.

Few analysts have recognised the extent to which the European Community established an institutionalised role for itself in Central America in the 1980s. For instance, in the context of a discussion of west European policy towards Nicaragua published in 1988 the Latin American Bureau (LAB) referred simply to 'a' meeting of the European Community member state foreign ministers and their Central American and Latin American counterparts in San José, Costa Rica which had taken place in September 1984.³ This reference came after four inter-ministerial meetings (1984, 1985, 1987 and 1988) within what had become by 1988 an institutionalised political and economic EC/Central America/Contadora Group⁴ dialogue sanctified by a ratified treaty between the Community and the members of the Central American Common Market and Panama and known as the San José process.

Some studies have been made of the broader subject of West European/Central American relations or aspects of those relations. The most useful and probably the most extensive of such analyses emanate from the independent research organisation based in Madrid, the Institute for European-Latin American Relations (IRELA) which was set up in 1984 and which is funded by the European Community.⁵ IRELA has published a number of studies, in English and Spanish, of European/Central American relations although only one, rather speculative piece, has been produced specifically on the subject of the San José process.⁶

Studies have also been made of the impact of the European involvement in Central America on European/United States relations. A number of such studies have

resulted from US conferences or research activity which for the most part reflected the concern of political elites within the United States that the European allies either did not understand or were not doing enough to support US goals in Central America.⁷ The EC's role is hardly mentioned except by German Christian Democrat Alois Mertes in his essay published in Andrew Pierre's useful discussion, Third World Instability: Central America as a European-American issue.⁸

Other studies of Europe's relations with Central America and of Central America as an issue in Europe/ US relations - from those more critical of US policy in Central America - have also tended to either not mention, underplay or misunderstand the role of the European Community in the Central American crisis. The 1988 LAB publication has already been referred to but other studies which have failed to recognise the extent of the institutionalised links between the EC and Central America include scholarly analysis published in cities as disparate as Amsterdam, Paris and New York. The Amsterdam based Transnational Institute in a study of West European aid to Nicaragua, published in 1988, also identifies the first of the San José meetings as a singular event.⁹ A 1986 study, published in Paris, referred to the 1984 and 1985 EC/Central America/Contadora conferences but did not allocate any significance to them other than as an indication of ad hoc activity by the EC towards Central America.¹⁰ Nadia Malley, in her comments on Nicaragua's relations with the European Community, which were published in 1985 in an article contained in Thomas Walker's often-quoted publication, Nicaragua: The First Five Years, almost seems to argue that an EC policy towards Central America did not exist. She says that 'it is difficult to pinpoint a specific "European Policy".¹¹

Studies of the Central America conflict itself have focussed on the major actors which were conventionally perceived as the United States government and the Sandinista government. In this context the European Community is often not mentioned at all or referred to in parenthesis. David Close's study of Nicaragua is an example of the former approach.¹² Holly Sklar's study entitled Washington's War on Nicaragua is an example of the second.¹³

The other area of scholarly literature in which there might be expected to have been studies on the role of the EC in Central America is in the field of EC foreign policy making and European Political Cooperation (EPC). The major textbooks contain few references to the Central American policy.¹⁴ The exception is the eight page discussion by Simon Nuttall in his 1992 publication, European Political Cooperation.¹⁵ Within the EPC literature there appears to be only one article in English and no published book on the subject apart from a collection of conference papers (see below). The one article, 'Relations with Central And South America: a question of over-reach?' is by Wolf Grabendorff and is contained in the edited volume by Geoffrey Edwards and Elfriede Regelsberger entitled Europe's Global Links: The European Community and Inter-Regional Cooperation. Grabendorff provides a short description of the San José process and notes among other things that a renewed political dialogue with Latin America arose because of the joint EC/Contadora group efforts to find a peaceful solution to the Central America crisis.¹⁶

It would be misleading however to focus entirely on the predominant approach within the literature. A few scholars have identified the European Community as worth investigating in terms of its role in the Central American crisis. One of the

earliest references to the potentially important role of the EC is contained in a pamphlet published by the Washington DC based Institute for Policy Studies entitled Outcast Among Allies.¹⁷ Another analysis by Luis Carvajal-Urrestia published in 1985 in Paris also recognised the central role played by the European Community in Central America which is distinct and separate from that of the United States.¹⁸

More recent scholarship has also sought to inquire into the nature of the EC's involvement in Central America. A published scholarly investigation of the San José process and one of the few sustained descriptions and analyses of the European Community's role in Central America can be found in an article, written in Spanish and published in 1988 by Professor Rafael de Juan y Peñalosa.¹⁹ Another article written in German and published in 1989, by Doris Eschke, indicates that German scholars have taken some interest in the subject.²⁰ A more recent 1992 book length publication The Reconstruction of Central America: the Role of the European Community, brought together 26 papers which had been delivered at a conference in Miami in March 1991.²¹ The conference and the book reflected, almost for the first time in scholarly circles, an understanding of this previously neglected area of study. However the book sacrificed depth for breadth and among other things suffered from a poor translation from the original Spanish. There are some indications however that interest in this issue will be sustained given the recent publication of Laurence Whitehead's article entitled 'Europe and the Central American Conflict: A Retrospective Assessment' which considers the subject central to this thesis.²² Whitehead's investigation of why the EC became involved in Central America includes some of the themes present in this thesis but his conclusion is somewhat different. He argues that 'the San José process was driven

by a logic internal to the European integration process rather than by Central American needs'. This thesis will consider what Whitehead characterises as the EC's integrationary logic (and this thesis might characterise as the EC's capability of action) as one aspect of the multidimensional causation process vis-a-vis the EC's intervention in Central America.

Overview

This thesis therefore attempts to explain the European Community's policy towards Central America in the 1980s.

The conceptual context utilised for this study is of EC foreign policy. The historical and geographical context utilised is of EC Latin America policy.

Two levels of analysis are utilised in looking at EC policy. The first is that of the EC as international actor and as the primary unit of analysis. The second is that of the member states or the sub-units of the EC. It is a truism to state that the international system provides the context for the EC as a foreign policy actor. In this thesis however the international context of interest is of 'West-West relations' or the sub-systemic context. This study will primarily focus on the relationship between the unit and the sub-systemic levels of analysis; the relationship between the EC as international actor within the context of 'West-West' relations - more specifically within the context of EC/US relations. For analytical purposes Central America is viewed here as primarily the object of EC (and US) policy.²³

Chapter 1 provides the empirical framework for the thesis in that it summarises significant contextual issues. These are US policy towards Central

America, the international relations of the Nicaraguan revolution and the Latin and Central American peace processes.

Chapter 2 examines the foreign policy making capacity of the European Community. Two interrelated problems are discussed. The first is that of the analytical distinction between European Community 'external relations' and 'European Political Cooperation' (EPC). The second more important discussion relates to whether or not the EC can be conceived of as a foreign policy actor at all, at least in the sense in which a foreign policy actor is conventionally conceived. The chapter also examines the development of EC foreign policy in terms of its relations with West Europe's major ally, the United States. In other words the development of EC foreign policy is considered partly as a function of the EC/US relationship.

Chapter 3 offers an historical and geographical context for the thesis through a summary of the EC's policy towards Latin America. The chapter also evaluates the relationship between the EC's Latin American policy and its decision to become actively involved in Central America in the 1980s.

Chapters 4 and 5 examine the development of EC interest in Central America and presents an exposition of the various policy objectives of both the Community as a whole and its three most important constituent parts - the Council, the Commission and the Parliament. Chapter 4 discusses the early ad hoc responses by the Community to the problems of Central America. It further discusses the coalescing and consolidation of the Community's policy in respect of Central America which took place in the mid-1980s. Chapter 5 considers the implementation of the EC's Central American policy and how that policy changed through the late 1980s.

The evidence obtained suggests that there were two major related reasons for EC interest and activity in the region in the 1980s. The first reason for involvement was as an attempt to deal with the revolutionary movements in the region and in particular the revolutionary government in Nicaragua (1979-1990). The second issue of concern to the EC was US policy to the region and its impact on West-West and East-West relations.

Chapter 6 tests these two assumptions by examining the foreign policies of four of the member states in respect of Central America and in particular Nicaragua. It also considers the relationship of these four states to the United States in the context of the US' Central American policy. The aim is to try to explain EC policy by considering how the interests and policies of its component parts might have converged to allow for the EC's intervention in Central America in the 1980s. The second aim of Chapter 6 is to try to counter any methodological bias towards overestimating the role of the European Community in Central America by changing the level of analysis of the central problem addressed in this thesis, that is 'why did the EC intervene in Central America in the 1980s?'.

Notes to Introduction

1. For discussion of EC involvement in the Middle East in the 1970s see David Allen and Alfred Pijpers (eds), European Foreign Policy and the Arab-Israeli Conflict, (Dordrecht: Martinus Nijhoff, 1984).
2. For examples of this terminology see Erik Jan Hertogs, 'Western European Responses to Revolutionary Developments in the Caribbean', in George Irvin and Xabier Gorostiaga (eds), Towards an Alternative for Central America and the Caribbean, (London: Allen and Unwin, 1985), p. 77; Hertogs comments are cited by Wolf Grabendorff, in 'The Central American Crisis: Is there a Role for Western Europe?', in Millennium, Vol. 13 No. 2, Summer 1984, p. 213; Nadia Malley, 'Relations with Western Europe and the Socialist International', in Thomas W. Walker (ed), Nicaragua The First Five Years, (London: Praeger, 1985), p. 485. A 1988 study refers to the 'remarkably constant' assistance by the EC to Nicaragua. See Solon Barraclough et al., Aid that Counts: The Western Contribution to Development and Survival in Nicaragua, (Amsterdam: TNI/CRIES, 1988), p. 83.
3. James Ferguson, James Painter and Jenny Pearce, 'Under Attack: Central America and the Caribbean', in James Ferguson and Jenny Pearce (eds), The Thatcher Years: Britain and Latin America, (London: Latin American Bureau, 1988), p. 39.
4. The Contadora countries were Colombia, Mexico, Panama and Venezuela. See Chapter 1 for discussion.
5. By December 1991 IRELA had published 35 'dossiers' on various subjects including debt, the situation in various countries such as Peru, Chile, Panama and Mexico. IRELA has also published several 'working documents' on subjects equally varied. For a list of Dossiers see appendix to IRELA, Towards a North American Trade Bloc? The NAFTA, Latin America and Europe, Dossier No. 35, (Madrid: IRELA, 1991). For a list of working documents (up to and including 1990) see Appendix to Francisco Villagrán Kramer, Encazamiento y Posible Solución del Conflicto Centroamericano: El Papel de Europa y de las superpotencias, Working Document No. 22, (Madrid: IRELA, 1990). IRELA also produced a number of summary papers of conferences held on various issues.
6. See IRELA, San José III: Possibilities for Cooperation between the EC and the Central American Isthmus, Dossier No. 9, (Madrid: IRELA, 1987). The most useful of the more general publications is Francisco Villagrán Kramer, Encazamiento y Posible Solución del Conflicto Centroamericano: El Papel de Europa y de las superpotencias, only available in Spanish.
7. The best of these is Andrew J. Pierre (ed), Third World Instability: Central America as a European-American Issue, (New York: Council on Foreign Relations, 1985): See also Joseph Cirincione (ed), Central America and the Western Alliance

(eds), (New York: Holmes & Meier, 1985); Wolf Grabendorff and Riordan Roett (eds), Latin America, Western Europe and the U.S., (New York: Praeger, 1985); Wolf Grabendorff, Heinrich-W. Krumwiede, Jörg Todt (eds), Political Change in Central America: Internal and External Dimensions, (Boulder: Westview, 1984); Ottfried Hennig, 'Western Europe and Central America', in Jiri Valenta and Esperanza Durán (eds), Conflict in Nicaragua: a Multidimensional Perspective, (Boston: Allen and Unwin, 1987), pp. 237-247; Howard J. Wiarda (ed), Rift and Revolution: The Central American Impasse, (Washington DC: American Enterprise Institute for Public Policy Research, 1984).

8. Alois Mertes, 'Europe's Role in Central America: a West German Christian Democratic View', in Andrew J. Pierre (ed), Third World Instability: Central America as a European-American Issue, (New York: Council on Foreign Relations, 1985), pp. 120-123.
9. Solon Barraclough et al., Aid that Counts: The Western Contribution to Development and Survival in Nicaragua, pp. 76-77.
10. Michael Stührenberg and Eric Venturini, Amérique centrale: la cinquième frontière, (Paris: La Découverte, 1986), p. 297.
11. Nadia Malley, 'Relations with Western Europe and the Socialist International', in Thomas W. Walker (ed), Nicaragua The First Five Years, p. 487.
12. David Close, Nicaragua: Politics, Economics and Society, (London: Pinter, 1988).
13. Holly Sklar, Washington's War on Nicaragua, (Boston, MA: South End Press, 1988).
14. Juliet Lodge's textbook study of 'inter-regional diplomacy outside Europe' mentions an EC link with Latin America 'through ANDEAN and the younger Contadora Group' but provides no references to analysis of these relationships. See Lodge, 'European Political Cooperation towards the 1990s', in Juliet Lodge (ed), The European Community and the Challenge of the Future, (London: Pinter, 1989), p. 239. There are also scattered references to the Central American policy in Roy Ginsberg's recent study of EC foreign policy actions. See Roy H. Ginsberg, Foreign Policy Actions of the European Community, (Boulder: Lynne Rienner, 1989).
15. Simon Nuttall, European Political Cooperation, (Oxford: Clarendon, 1992), pp. 222-230.
16. Wolf Grabendorff, 'Relations with Central and South America: a question of over-reach?', in Geoffrey Edwards and Elfriede Regelsberger (eds), Europe's Global Links: The European Community and Inter-Regional Cooperation, (London: Pinter, 1990), pp. 84-96.
17. Daniel Siegel and Tom Spaulding with Peter Kornbluh, Outcast Among Allies: The International Costs of Reagan's War against Nicaragua, (Washington DC: IPS, 1985), pp. 11-14.

18. Luis Carvajel-Urrestia, 'L'Europe occidentale: témoin et complice', in Marie Duflo and Françoise Ruellan, Le Volcan Nicaraguayen, (Paris: La Découverte, 1985).

19. Rafael de Juan y Peñalosa, 'La Comunidad Europea y Centroamérica: Un ensayo de cooperación global e integradora', in Información Comercial Española (ICE), No. 664, (Madrid: Ministerio de Economía y Hacienda, December 1988), pp. 157-177. The spanish of this author is not sufficiently fluent to make good enough use of this article except to note that a short but useful chronology of EC/Central America cooperation is included (pp. 158-159). Peñalosa concludes that in the San José process the EC has engaged in 'a new type of relationship - more complete and more integrated - with developing countries'. (p. 177, my translation).

20. Doris Eschke, 'Die EG und ihre politische Rolle in Mittelamerika', in IPW Berichte, Vol. 18, No. 3, 1989, pp. 15-21. The title of the article in English is 'The EC and its Political Role in Central America'. This author does not read, write or speak German. Therefore, the significance for this study is less its content and more the fact that it is the only article cited in the Social Science Citation Index 1985-1992 on the subject of this thesis.

21. Joaquín Roy (ed), The Reconstruction of Central America: the Role of the European Community, (Miami: Iberian Studies Institute/European Community Research Institute, 1992).

22. Laurence Whitehead, 'Europe and the Central American Conflict: A Retrospective Assessment', in The Oxford International Review, Vol. III, No. 3, Summer 1992, pp. 2-5.

23. Central America was of course subject as well as object of the EC/Central America relationship. I indicate in Chapter 1 some of the activity in which Central American actors were involved. The focus of this thesis however is of an analysis of European Community actions and perceptions.

The European Community's policy towards Central America and intervention in Central America developed as a result of both factors internal to the member states and as a result of external inputs. The most important of the latter was US policy towards the region. Also of significance was the Nicaraguan revolution and the Latin and Central American peace processes. This chapter provides a short and necessarily derivative discussion of these issues in order to provide an empirical context for the following, more detailed chapters which review, *inter alia*, the Community's response to those inputs.

US Policy towards Central America

The predominance of United States power in respect to Central America is a twentieth century phenomenon. US dominance was consolidated after 1945 with the establishment and sustenance in Central America of governments which were, in the main, prepared to subordinate their interests to those of the United States. Costa Rica was the major exception to this rule throughout the post-war period - although Costa Rica certainly remained sensitive to US security and political objectives. Up until the 1979 Nicaraguan revolution the other exception was Guatemala during the period of the reformist Arbenz government which was overturned by a US sponsored military coup in 1954.¹

The US took from the British, the previous Central American hegemon, the same choice of instruments, that of economic and military mechanisms of persuasion and

coercion. Compared to the British however the US means of enforcing compliance were crude. The British had relied on economic leverage backed up by gunboat diplomacy with the occasional military foray into the mainland.² The US employed 'dollar diplomacy' in Central America in the twentieth century in that Central America became reliant on US trade and credit. But 'dollar diplomacy', especially in the period prior to World War II, was supported by the frequent use of either direct military interventions to replace governments deemed unfavourable to US interests and/or finance, logistical help and political backing for indigenous military putsches against legitimate governments along with substantial military and financial support for 'friendly' governments. The post-war period was characterised by the latter two usages of the military instrument.³ The exception to this rule was the US invasion of Grenada in October 1983 (see below).

US foreign policy objectives in respect of Central America after 1945 were based primarily on security and political interests. Although Central America was not important for the US economy as a whole, certain sectional economic interests, particularly the multinational fruit companies, have influenced US policy in the region.⁴ The often stated objective of US policy was to prevent Communist 'subversion' and after the start of the Cold war and the 1959 Cuban revolution to prevent what for US policymakers were synonymous - Soviet and Communist expansionism.

Central America did not however remain important to successive US administrations because of factors intrinsic to the region. There were two less immediate but crucial reasons for US concern. The first was a geostrategic issue. Central America was the gateway to South America and the Caribbean and was

proximate to the Panama canal, the US' most important strategic asset in Latin America. Central America was also a symbol or microcosm of US power internationally. If the United States could not ensure a quiescent 'back-yard' how could it prove to its allies that it could maintain a US led order internationally? External involvement and/or domestic political instability within the region was therefore viewed by the US as a threat to overall US foreign policy objectives - so that for the United States Central America was of quintessential foreign policy importance.⁵

US concern to maintain domestic political stability which for the US meant the maintenance of governments supportive of US objectives resulted in US support for anti-democratic and dictatorial regimes in Central America. The most notorious of these was the Somoza dynasty in Nicaragua.⁶ Reformist governments such as that led by Arbenz in Guatemala were viewed as inimical to US interests. With the intensification of the Cold War any suggestions of reform particularly agrarian reform were seen by the US as attempts by external Communist governments to foment 'subversion'. This in turn contributed to a polarisation within Central American societies as reformist movements were either forced into illegality and thus radicalised or annihilated (often physically). The result was the formation at one and the same time of both pro-US elites and their radical opponents - professedly anti-imperialist guerrilla movements which were the only political forces seemingly able to work for socio-economic structural change.⁷ And in the Central American context anti-imperialist meant anti-US government. The major exception to this pattern was again Costa Rica and this was partly a result of the relatively fair land tenure system thus giving less cause for dissatisfaction than in the other four

republics.⁸ In the 1970s in Guatemala and in the 1980s in El Salvador the class based nature of this polarisation became more visible as both elites and liberation movements adopted nationalist, anti-US stances but still remained in conflict over socio-economic issues at the core of which was the problem of inequitable structures of land tenure.⁹

There were two US attempts in the post-war years to offer more progressive policies to the region. The first was Kennedy's Alliance For Progress and the second was Carter's human rights policies as applied to Central America. Both had limited success because both administrations never abandoned the national security rationale for US policy. The Alliance for Progress programme, born as a reaction to the Cuban revolution, led to the US providing economic support for local governments which because of the corrupt and grossly inequalitarian class structures ended up by disproportionately benefitting those least in need of relief. When protest movements erupted the US finished by providing material and political support for repression of what were seen by wide sectors of the population as legitimate demands.¹⁰ Carter's human rights policies were faced with much the same contradictions although by late 1979 - partly as a result of the Soviet invasion of Afghanistan - the Carter administration's policies began to seem confused and consistent as well as immanently contradictory.¹¹ This was particularly obvious in Nicaragua. Carter attempted to pressure Somoza to respect human rights but was loath to accept the consequences of the policy which was an increasing weakening of the Somoza dynasty and a strengthening of the revolutionary opposition.¹²

Another reason for the slide back towards the classical US approach to the region was because of US domestic pressure on Carter from the increasingly

vociferous New Right headed intellectually by Jeane Kirkpatrick and politically by Ronald Reagan.¹³ Reagan's attachment to this strategy was more than simply a generalised reassertion of Republican values. A central plank of Reagan's successful presidential campaign had been that of opposition to the Panama canal treaties.¹⁴ Reagan's appreciation of the popularity of this campaign may have contributed to his decision to elevate the objective of the roll back of Communism in Central America as a major foreign policy of his administration.

One of the Reagan administration's first acts, implemented just three days after the President took office, was to carry out a series of measures designed to express disapproval of the Nicaraguan government. These included the blocking of the remaining \$15 million of a tied aid package of \$75 million which the Carter administration had approved for Nicaragua and the cancellation of credits for wheat shipments.¹⁵ The administration injected military and economic aid into El Salvador whose revolutionary movement had failed in its 1980 'final offensive' but which was still a viable and active political and military force. Military aid to El Salvador rose from \$6 million in 1980 to \$35.5 million in 1981.¹⁶

The Reagan administration adopted an approach designed to roll back the Central American revolutions. The major strategic goal was to try to change the 'present structure' of the government of Nicaragua - the policy was intended to terminate the revolutionary experiment in Nicaragua and to discourage the other revolutionary movements in the region. the political and diplomatic aim was to isolate and delegitimise the Sandinista government. The preferred means of implementation was through the provision of military and economic support to all the governments in the region bar Nicaragua and through support for the contras -

the armed bands formed from the remnants of Somoza's National Guard which were attempting to destabilise the new Nicaraguan government. The US also attempted to build a diplomatic bloc of the four non-revolutionary Central American governments to exert pressure on Nicaragua. Internationally the US government attempted to persuade its allies to cease aiding Nicaragua and to accept the US view of Nicaragua as an 'outlaw' state.¹⁷

The rationale and rationalisation for the policy changed over time. The US charged the Sandinistas with exporting arms to the Salvadorean revolutionaries, threatening the peace and stability of the neighbouring republics and finally in 1985 as constituting 'a security threat to the [Central American] region and, therefore, to the security and foreign policy of the United States'.¹⁸ The reason given for intervention from the mid-eighties onwards was to support the 'democratization' of Nicaragua.¹⁹ What remained constant however was the US administration's view that the Sandinistas were at the root of all of Central America's problems. An internal White House briefing paper stated in 1985 that

'It has been the consistent view of the United States that the domestic and foreign policies of the Sandinista National Liberation Front (FSLN) are the root source of inter-state tensions in Central America. Sandinista policies are also the cause of the internal conflict in Nicaragua.. Sandinista backing of insurgent groups, in the form of organization, command and control, training, communication and logistical support, has been the major factor in the level and duration of conflict elsewhere in the region, especially in El Salvador.'²⁰

Both the economic and military foreign policy instruments chosen proved controversial domestically and internationally. The economic aim was 'to make the Nicaraguan economy scream'. The US stopped all development loans to Nicaragua and suspended export-import credits. In 1982 Standard Fruit unilaterally abrogated its contractual commitments to purchase Nicaraguan bananas and in 1983 the US cut Nicaragua's sugar quota to the US. The US administration pressured commercial banks not to lend to Nicaragua and in 1983 the US Treasury made public the administration's decision to oppose all loans from multilateral agencies such as the World Bank and the Inter-American Development Bank. On 1 May 1985 in Bonn the US government announced a complete trade embargo on Nicaragua and abrogated the 1956 US/Nicaragua Treaty of Friendship, Commerce and Navigation.²¹ In order to carry out these policies the Reagan administration declared a 'national emergency' in the US.²²

US military involvement intensified in the aftermath of the Falklands/Malvinas war of 1982 after the contras' Argentine advisers were withdrawn and US passive support to the counterrevolution changed to a more active and open policy of training, arming and financing the contras.²³ The policy divided Congress and public opinion in the US and in late 1982 the Chair of the House Intelligence Committee, Edward Boland pushed through Congress an amendment which prohibited the administration from providing any military assistance to any group 'for the purpose of overthrowing the government of Nicaragua'.²⁴ Domestic unease with Reagan's policies sharpened in 1984 when it was discovered that the CIA, without informing the Congressional Intelligence Committees, had mined Nicaragua's harbours. The CIA had thus broken US domestic law by ignoring the Boland

Amendment and international law because of its direct military intervention in the affairs of a sovereign and officially at least 'friendly' country.²⁵ One of the consequences of the increasing difficulties that the president faced in securing funding for the contras from a Congress which from 1986 was controlled by the Democrats was to force funding underground into the now well known 'guns for hostages', 'Contragate' or 'Irangate' operation.²⁶ Oliver North's privatised foreign policy network succeeded in providing more finance to the contras but ultimately in contributing to a discrediting of Reagan's Central American policies with broad sections of US and international opinion.²⁷

Another reason for domestic controversy in respect of Reagan's Central American policies was the cost. Taking into account the costs of direct support for the contras, military and economic aid for Central American governments and the costs of the frequent US exercises in Honduras and the Caribbean two US scholars calculated the annual expenditure in the mid-eighties as at \$9.5 billion annually. Other scholars have estimated annual expenditure ranging from \$7 billion to \$19 billion annually. The administration admitted to spending some \$1.2 billion per annum to finance its Central American policies.²⁸

The Reagan administration complemented its regional policies with a concerted diplomatic campaign to try to win support from its allies. A high level delegation which visited the major European capitals soon after Reagan's inauguration surprised the European governments by insisting that Central America be placed top of the security agenda.²⁹ Pressure on the European allies to cease aid to Nicaragua continued.³⁰ Some of that pressure was via normal diplomatic routes. The independent Latin American Special Report noted that 'the US felt it necessary to

fill its European embassies with Central American experts and aim a heavy propaganda campaign towards the European press, at least until late 1985.³¹ US diplomats were periodically dispatched to west European governments in an effort to persuade them to refrain from direct involvement in Central America.³²

Some pressure however was exerted via more indirect mechanisms orchestrated by the CIA and the National Security Council (NSC). In October 1984 for instance the NSC approved a document entitled 'Plans to Provide the Facts to the International Community'. The document included a detailed programme designed to encourage West European (and Latin American) government leaders, political figures, trade unions, intellectuals and academics and media sources to take a more sympathetic view towards US policy towards Central America.³³

The Reagan administration did not develop a specific policy to respond to the EC's activities in Central America and this in part reflected the Reagan administration's preference for bilateral West European relationships. It was the administration of President Bush which gave more importance to the relationship with the EC at the same time as giving a decreasing priority within US foreign policy to Central America. Both these changes evolved as a reaction to a number of extraneous factors. Central America became of less importance for the US during 1989 as the regional peace process seemed to make some progress (see below). The region assumed even less importance for the US after the Sandinistas were defeated in the February 1990 elections and the strategic goal, to change the 'present structure' of the Nicaraguan government, was achieved. With the fall of the Berlin Wall in November 1989 Nicaragua was no longer by definition a Cold war problem (as there was no longer any Cold war). On the other hand the potential instability

in the East and the increasing problem facing all the G7 countries of recession propelled the US into more collaborative arrangements with the EC.³⁴

The Nicaraguan Revolution

Nicaragua was governed by the Somoza family dictatorship from 1937 to 1979 when a broad-based revolutionary movement led by the Sandinista National Liberation Front (FSLN) assumed power after a two year insurrection which had cost some 50,000 lives (out of a population of only two and a half million).³⁵ Having achieved a political revolution with mass support the FSLN judged that it would be possible to move rapidly to instigate a social and economic transformation of society.³⁶ Socio-economic reforms and the institutionalisation of a particular conception of democracy which included participatory and representative forms were the basis of domestic policies. Non-alignment was the policy chosen internationally. Sandinista attempts to radicalise the revolutionary process coincided with the onset of the 'second cold war' and in practice the FSLN in government was forced into a position whereby throughout its years in office the priority was to respond to an aggressive US policy the open objective of which was to overturn the Sandinista government.

The FSLN countered the US campaign with a social, economic, military, political and diplomatic strategy designed to garner support for the revolution and to try to delegitimise US action - domestically and internationally. At home, the FSLN altered and accelerated its land redistribution programme. The original plan had been to introduce agrarian reform via cooperatives but the demand from the

peasantry was for individual plots of land. The FSLN therefore distributed land to both cooperatives and individuals - arming the farmers in the war zone so that they could defend their newly acquired property.

Politically a system of democracy was introduced which incorporated a multi-party system but with representatives appointed from sectoral constituencies (including political parties to the Left and Right of the FSLN) to a co-legislative (with the three person executive) Council of State. In 1985 after the November 1984 elections the FSLN adopted much more of a representative model with members representing political parties elected from geographically based constituencies to a parliamentary assembly. Efforts to maintain an element of 'participatory democracy' within the system were confined to encouraging the activity of the 'mass' or 'popular' organisations.³⁷

The FSLN sought support for the revolution internationally from a broad range of governments. Where governments were not sympathetic the FSLN sought to rally support from within those societies with the aid of solidarity groups, trade unions, church-based organisations and other groups and individuals which might be broadly in agreement with the Nicaraguan revolution.

Attempts had been made to establish friendly relations with the US with a senior delegation of FSLN leaders visiting Washington in September 1979 to request aid for reconstruction including support for reorganising and equipping the re-formed Nicaraguan armed forces. Although there had been some sympathy within the Carter administration for a policy which would have offered positive inducements to prevent the Sandinistas from adopting pro-Soviet policies, the advent of Reagan precipitated a deterioration in relations. As the war escalated FSLN diplomacy

concentrated on three related objectives. The first was to prevent the US from isolating the Sandinista government internationally. The second was to gain international support for Nicaraguan and Latin and Central American peace initiatives. The third - in a counterpoint to US policy towards Nicaragua - was to attempt to discredit and delegitimise US policy towards Central America.

Nicaraguan diplomacy coalesced around a strategy designed to emphasise the illegality of US policy. The FSLN called for an end to US sponsorship of the contras and intervention on the basis of international law as outlined in the Charter of the United Nations. The revolutionary government called for support for the self-determination of the Nicaraguan people, for respect for the territorial integrity of the nation, for non-intervention in the internal affairs of Nicaragua and for the US to adhere to the doctrine of the juridical equality of sovereign states irrespective of size or power. Alejandro Bendaña, the former Secretary-General of the Nicaraguan foreign ministry stated that

'We are making our defence on the basis of very conservative principles. For a revolutionary nation we are calling for law and order on an international scale and this is something which a broad range of sectors and governments can and indeed feel compelled to identify with.'³⁸

The FSLN backed up the diplomatic offensive with an expansion of the military, introducing conscription in 1983. The belief was that,

'Success in foreign policy is basically a function of success in military policy.'

Had we three times the creativity and brains.. yet somehow on a military level we had faltered, somehow our people had not stood up to the military and economic pressure, all of this would have collapsed. Foreign policy in and of itself would not have been able to sustain it.³⁹

In 1982 Nicaragua was elected to the Security Council despite US opposition and used its position to announce various plans for peace. From 1983 however Nicaraguan diplomatic efforts concentrated on support for the Contadora and Esquipulas peace plans (see below). By 1987 opinion in Washington was shifting in favour of the Esquipulas peace plan with senior Democrat Jim Wright stating in public that US presidential advisers seemed to be trying to topple the peace process.⁴⁰ By 1987 all of the US' allies were also supporting the Central American peace plans. International support for the peace plans was important to the FSLN not just because of the intrinsic merit of the promotion of peace, but also because whatever criticisms of the Nicaraguan government the plans contained, they all recognised the legitimacy of the Sandinistas as the party of government. Bendaña stated that

'Diplomacy has enabled.. other Central American countries, the prime US allies, to recognise, as they did in Esquipulas, the legitimacy of the Nicaraguan revolution, to recognise the Nicaraguan government as a legitimate government. This is something the United States fought tooth and nail against. We have been able to gather together one of the broadest anti-interventionist international fronts in modern times.'⁴¹

The radicalisation of the revolution had contributed to the change in US policy from relatively passive to active hostility. It also contributed to a distancing from the revolution of former allies which included the European and Latin American member parties of the Socialist International (see Chapter 6). But despite the misgivings of Western governments (and the outright hostility from the US), a politically catholic range of governments chose to maintain diplomatic and economic relations with Nicaragua and continued to regard the Sandinistas as a legitimate government. It could perhaps be concluded therefore that in terms of the international legitimacy of the FSLN government it was Sandinista diplomacy had succeeded and US diplomacy had failed.

The Latin and Central American Peace Processes

The genesis of what evolved as a succession of Latin American and Central American initiatives for peace came partly from Nicaragua's initiatives in the Security Council and elsewhere which in February 1982 were given influential backing when the President of Mexico, José López Portillo called for support for his own peace plan.⁴² The Mexican president's proposal was followed by a September 1982 letter to the presidents of the US, Nicaragua and Honduras from the presidents of both Mexico and Venezuela, who announced that they were concerned that armed border clashes between Nicaragua and Honduras might turn into a 'conflict that could extend to the whole region'. The two Latin American presidents called for peace talks to establish 'a global agreement that might provide true peace talks to establish 'a global agreement that might provide true peace between Nicaragua and

Honduras and which will bear a positive result in a framework of world tensions and confrontations.⁴³

Venezuela and Mexico pursued their peace efforts, joining with Colombia and Panama in January 1983 to form the Contadora Group - called after the Colombian island where the four countries first met to discuss the Central American crisis. The Contadora Group's objectives were set out in a draft twenty-one point peace treaty in September 1983 which was drawn up after consultation with the Central American republics. The recommendations included the withdrawal of all foreign military advisers from the region, the end of support to irregular forces and the cessation of tension-generating military manoeuvres in the border regions. The 'Document of Objectives' was primarily concerned with security issues although the draft treaty included some references to internal issues such as promoting national reconciliation, the establishment of 'democratic, representative and pluralistic systems' and respect for human rights.⁴⁴

The Contadora initiative was accompanied by intensive regional and international diplomatic activity. The Contadora group met eleven times in 1983. The Central American foreign ministers met six times as part of the Contadora process and the technical commission, composed of representatives from all the Central American countries met four times. In September 1983 the Latin American Economic System (SELA) gave its support to the Contadora process and set up the 'Committee of Action and Support for Economic and Social Development in Central America'. In January 1984 the Contadora Group and the Central American nations attempted to strengthen the process by creating three joint committees to deal with security, political and social and economic issues.⁴⁵

This intensification of diplomatic activity took place within the context of an increasingly militaristic posture by the United States towards the region. Bellicose speeches by President Reagan threatening military action against Nicaragua were followed by invasion, not of Nicaragua, but a much smaller Grenada (population 100,000) on October 25 1983. In February 1983 and again in February 1984 the US also carried out large scale troop exercises near the Nicaraguan border in Honduras – the 'Big Pine I' and 'Big Pine II' manoeuvres. The US illegally mined Nicaragua's ports in February and March 1984 (see above) and in April 1984 began more military exercises, 'Granadero I', in Honduras. These military exercises were followed by US naval exercises off Nicaragua's coasts, involving 30,000 troops and 350 ships.

The Contadora Group continued to pursue its peace efforts and in June 1984 presented its 'Draft Act on Peace and Cooperation'. Amendments from the five republics were incorporated and in September 1984 Guatemala and Costa Rica agreed to sign the revised Act. Of the five governments Nicaragua had been one of the most critical of the revised Act,

'disliking the Act's proposal for international monitoring of internal political processes and openly unhappy at the prospect of establishing regionally-defined force limits while direct US military pressures and the war with the 'Contra' rebels continued.'⁴⁶

On September 21 1984 however it was the Nicaraguan government which became the first of the five to sign the Act. This entirely unexpected decision resulted in a United States diplomatic offensive designed to encourage the other four republics

to reject the Contadora Act. Honduras, El Salvador and Costa Rica responded by agreeing amendments - published in the October 1984 'Tegucigalpa Document' - which if agreed would have weakened the provisions within the Contadora revised Act designed to prohibit military forces and bases from the region. A leaked US National Security Council document concluded that through the use of intensive regional diplomacy the US had 'effectively blocked efforts made by the Contadora Group to impose their second version of the Contadora Act'.⁴⁷

The Contadora Group continued to meet throughout 1985 although it faced continued difficulties because of US wariness in respect of the Contadora proposals and because of the continued US military activity in the region. In April 1985 the United States suggested that the peace process be transferred from within the framework of the Contadora process to the Organisation of the American States (OAS). Support for this unsuccessful proposal came from Honduras, El Salvador, Costa Rica and the now pro-US Grenada. The Contadora process was given fresh impetus in 1985 however when Argentina, Brazil, Peru and Uruguay agreed to form themselves as a support group for the Contadora process, calling themselves the 'Lima Group'. Collectively the Contadora and Lima Groups became known as the 'Group of 8' (renaming itself the Rio Group in 1986). Attempts by the United States to enlarge the group to include the more pro-US Ecuador and the Dominican Republic were unsuccessful.

The Contadora and Lima Groups continued to meet through 1985 presenting yet another draft Act in September. This time Nicaragua objected given that the proposed treaty allowed for the continuation of US military exercises and gave no guarantees as to the cessation of US funding for the contras. Instead Nicaragua

proposed that a direct dialogue between itself and the US take place and called for a general treaty to be negotiated for all the Central American counties to be signed at a meeting of the Central American presidents scheduled for May 1986.

The next step in the peace process was taken at Caraballeda, Venezuela with the issuing of a statement from the Contadora and Lima Groups in January 1986. The Caraballeda Declaration called on the United States to resume talks with Nicaragua (unsuccessful bilateral US-Nicaraguan talks had taken place in 1984 at Manzanillo, Mexico), to suspend aid to the contras and to withdraw its troops from the region. All five Central American presidents supported this declaration as did the major political parties in Western Europe. The Group of 8 pressed their proposals at a meeting with Secretary of State George Shultz in Washington in February 1986 but were informed that the United States would only talk directly to the Nicaraguans when the Sandinista government talked directly with the contras. The US rebuff of these latest Contadora proposals combined with the continued increase in the US military presence in the region meant that the peace process made little progress in 1986 although the Contadora Group continued to meet throughout that year.

The May 1986 meeting of the Central American presidents at Esquipulas, Guatemala achieved little. The discussions centred on relatively narrow economic issues, partly because the newly elected President Arias of Costa Rica was reluctant to undertake broader discussions which would include the Nicaraguans and which would appear therefore to concede democratic legitimacy to President Ortega.⁴⁸ The only agreements made were to meet again the following year and to create a Central American Parliament.

Some impetus to the Latin American efforts for peace was given in November

1986 when the Secretary General of the United Nations and the OAU, Javier Pérez de Cuellar and Joao Baena Soares launched a joint initiative, designed to put both international organisations at the disposal of the peace process. Another development which had a significant impact in both mobilising international support for the peace process and isolating the United States in respect of its policy towards Central America was the final judgement of the International Court of Justice issued on June 27 1986. The judgement stated, inter alia, that the United States was in breach of international law because of its support for the contras and its military and economic intervention against Nicaragua (see above).⁴⁹

Tensions rose to new heights in December 1986 with a series of border clashes involving Nicaraguan and Honduran troops. The United States moved its troops to within 40 km of the Nicaraguan border in December 1986 and the Nicaraguan army responded by mobilising its army to carry out exercises just 10 km from the Honduran border. The Nicaraguan government invited the UN, the OAS, the Contadora Group and the Lima Group to send an investigation team to the border zone and at the end of 1986 the Contadora Group was supporting this idea, proposing the establishment of a peace commission comprising the foreign ministers of the Group of 8 and the General Secretaries of the UN and the OAS.

Despite the general lack of progress in 1986 in terms of the peace process there were changes occurring within the Central American polities which pointed to a more hopeful political environment. In January 1986 President Cerezo took office in Guatemala as a civilian head of state and with a commitment to restoring democracy and working for peace. President Arias, who was elected in May 1986, committed his government to actively work for peace. President Azcona of Honduras

pledged that he would rid his country of the contras. President Duarte in El Salvador, having been unable to control either the economic crisis or the death squads at home, may have considered that he could gain some credibility for his beleaguered (from the Right as well as from the revolutionary movement) Christian Democratic party from a regional peace settlement which also might contribute to ending the murderous Salvadorean civil war.

In the first half of 1987 President Arias put together the first version of his proposed plan for peace. Guatemala rejected this version as being discriminatory towards Nicaragua and suggested a number of modifications. The revised plan called for the withdrawal of all foreign military advisers from the region, a complete cease-fire and the holding of free and pluralist elections in all of the countries of Central America. despite President Reagan's personal disapproval and his last minute intervention supported by senior Democrat Jim Wright, the Central American presidents ratified their own proposals for peace. On August 7 1987 the five presidents signed the 'Procedure for the Establishment of a Strong and Lasting Peace in Central America' - more commonly known as the 'Esquipulas II' peace agreement.⁵⁰

The Esquipulas agreement acknowledged that the root causes of the conflict were due to social and economic factors. It also asserted the necessity for representative and participatory democracy and called for respect for national independence. The Central American nations committed themselves to a process of national reconciliation, to take measures to bring about a cease-fire, to declare amnesties for political prisoners, to end any states of emergencies or states of siege, to hold free and pluralist elections, to stop all aid to irregular forces, to refuse to

allow their territory to be used by irregular forces and to set up National Reconciliation Commissions. The Accords were to be overseen by an International Verification and Follow-Up Commission (CIVS) which would be comprised of the foreign ministers of the Group of 8 and the Central American republics, and the Secretary General of the UN and the OAS.⁵¹ The Esquipulas Accords received widespread international support including from important sectors of US public opinion. Jim Wright abandoned his opposition and adopted a stance of active support for the Esquipulas proposals. President Arias was awarded the 1987 Nobel peace prize in recognition and in support of this new plan for peace.

In January 1988 the CIVS reported back to the third Central American presidential summit (Esquipulas III). The CIVS spoke positively about the Nicaraguan efforts to implement democratic reforms and criticised other, unspecified countries for human rights abuses. The Commission also openly criticised the US for its continued aid to the contras.⁵² These actual and implied criticisms of the US and its allies were not well received and this summit seemed likely to have ended without advancing the peace process further until the Nicaraguan government announced a series of unilateral actions including the surprising (and in Nicaragua controversial) decision to talk directly to the contras. Nicaragua was also forced to concede the abolition of the CIVS and its replacement by a monitoring team composed of the five Central American foreign ministers.⁵³ The peace process thus continued throughout 1988 albeit losing some momentum as all sides waited to discover who would be the next president of the United States - envisaging a possible change of policy.

The February 1989 summit of the Central American presidents took place at a

particular hiatus in the peace process, before the new US president appeared to have formulated any clear policies for the region. This summit brought another surprising development with all five Central American presidents displaying unprecedented independence from Washington. The five presidents, at the request of President Azcona of Honduras agreed a plan which was intended to disarm and demobilise the contras within ninety days of the summit. Guatemalan President Cerezo reflected the prevalent mood in his comment that

'the truth is that events are imposing peace on us. To do the contrary, to continue violence, is to go against development and the solution to the region's economic and social problems.. We reached the Esquipulas 2 agreement that frankly set the bases for a new phase in international policy. Now we talk about negotiation, and the mechanism of confrontation and war is rejected.'⁵⁴

However the Central American peace process of itself did not bring peace. The Bush administration devised a 'bi-partisan accord' between Republicans and Democrats who in April 1989 agreed to provide some \$50 million in 'humanitarian aid' for the contras. The Salvadorean war did not come to an end until a UN brokered peace deal succeeded in 1991. The Guatemalan peasantry, particularly the Indian population, remained the subject of military repression (see Chapter 5).

However peace of a sort did come to Nicaragua in 1990 after the defeat of the Sandinistas in the February elections. This election result, combined with the redirection of US priorities to the Middle East and Europe, resulted in a cessation of aid to the contras and the latter's demobilisation.

The peace process did succeed in so far as it helped to dissuade the US from launching a full scale invasion of Nicaragua (as happened in Panama in 1989) and therefore the consequent conflagration that had been envisaged for Central America was avoided. While invasion was never the only US option, it is reasonable to suggest that without external pressure it would have been more likely.

That the peace process maintained the momentum it did was partly due to international support - arguably the most important sources of that support being from within the United States for instance from members of Congress, churches, labour unions, solidarity groups, municipal authorities - and from similar sources within West Europe.

The major difference between the US and the EC in terms of the sources of support for the peace process was that the former government attempted to block and stall the peace process and the latter organisation and its member states actively backed both the Contadora proposals and the Esquipulas II initiative. This was because the US was opposed to a settlement which would have granted legitimacy to the Sandinista government and the latter organisation and its member governments were (reluctantly in some cases) prepared to concede legitimacy to the FSLN in order to help the peace process succeed.

Notes to Chapter 1

1. For a useful account of post-war US policy towards the five Central American republics see Walter LaFeber, Inevitable Revolutions: The United States in Central America, (New York: W.W. Norton, 1984).
2. The last major British armed intervention in Central America was in 1780 when an invasion force (which included within its ranks Horatio Nelson) attempted to drive the Spanish out of what is part of contemporary Nicaragua. Although the British were defeated they emerged in the nineteenth century as the dominant power in Central America. See Chapter 2 entitled 'The First Nicaraguans' and Chapter 3 entitled 'The Anglo-US Struggle for Nicaragua', in Hazel Smith, Nicaragua: Self-Determination and Survival, (London: Pluto, forthcoming 1992).
3. For a comprehensive account of the genesis, objectives and implementation of US policy towards Central America since the early nineteenth century see Jenny Pearce, Under the Eagle: U.S. Intervention in Central America and the Caribbean, (London: Latin American Bureau, 1982).
4. In 1978 US investments in Central America amounted to just 0.6 per cent of total US investment. In the same year US trade with the region amounted to just one per cent of US trade. See Edelberto Torres-Rivas, Repression and Resistance: The Struggle for Democracy in Central America, (Boulder: Westview, 1989), p. 106. For detail on US investment in Central America see Tom Barry, Beth Wood and Deb Preusch, Dollars and Dictators: A Guide to Central America, (London: Zed, 1982).
5. See Edward Best, US Policy and Regional Security in Central America, (London: IISS/Gower, 1987), p. 6.
6. For a good account of the US/Nicaraguan relationship see Karl Bermann, Under the Big Stick: Nicaragua and the United States since 1848, (Boston: South End Press, 1986); see also Bernard Diederich, Somoza and the Legacy of U.S. Involvement in Central America, (London: Junction Books, 1982).
7. Edelberto Torres-Rivas, Repression and Resistance, (Boulder: Westview, 1989).
8. Costa Rica's relatively equitable land distribution was because 'Costa Rica never had a very large Indian population; and without a large Indian population to enslave, the Spanish colonialists could not establish the system of latifundismo (large-scale plantation farming) as had been done elsewhere in Central America. Instead the Spanish colonists in Costa Rica established small farms, which could be worked by a single family.' See Bill Weinberg, War on the Land: Ecology and Politics in Central America, (London: Zed, 1991), p. 100. Of course there had been an Indian population. But it had been exterminated or expelled from the province by the early Spanish colonisers. See Ralph Lee Woodward, Jr., Central America: a Nation Divided, Second Edition, (Oxford: Oxford University Press, 1985), p. 34.

9. The best recent analysis of the relationship of the land issue to the Central American conflicts of the post-war era is Weinberg, War on the Land: Ecology and Politics in Central America.

10. On the Alliance for Progress see Best, US Policy and regional Security in Central America, pp. 8-9; see also President John F. Kennedy, 'The Alliance For Progress (1961)', in Robert S. Leiken and Barry Rubin (eds), The Central American Crisis Reader, (New York: Summit, 1987), pp. 119-123.

11. Best, US Policy and Regional Security in Central America, pp. 15-19; LaFeber, Inevitable Revolutions, pp. 209-213; Pearce, Under the Eagle, pp. 108-121; Richard E. Feinberg, The Intemperate Zone: The Third World Challenge to U.S. Policy, (New York: W.W. Norton, 1983), pp. 26-28.

12. Diederich, Somoza, pp. 122-135.

13. Partly due to this pressure the Carter administration approved the renewal of military aid to El Salvador in mid-1979 'even before the "reform" coup'. See Phillip Berryman, Inside Central America: US Policy in its New Vietnam, (London: Pluto, 1985), p. 62. But it would be a mistake to conceive of Carter and Reagan having radically different approaches to Central America. The strategic goals were the same. The major difference was in terms of the intensity of Reagan's commitment to eradicating 'Communism' from the region.

14. Ronald Reagan, 'The Canal as Opportunity: A New Relationship with Latin America', in Orbis, Vol. 21 No. 3, Fall 1977, pp. 547-563.

15. Manlio Tirado, 'The United States and the Sandinista Revolution', in Richard Harris and Carlos M Vilas (eds), Nicaragua: A Revolution Under Siege, (London: Zed, 1985), p. 204.

16. LaFeber, Inevitable Revolutions, p. 286.

17. For the US view see internal White House briefing paper, Report on Nicaragua, mimeo, November 6, 1985. For views on Nicaragua and Central America which are in the main supportive of US policy see Jiri Valenta and Esperanza Durán, Conflict in Nicaragua: A Multidimensional Perspective, (London: Allen & Unwin, 1987). There is a huge amount of literature, mostly critical, on the Reagan administration's policies towards Central America and in particular Nicaragua. See Best, US Policy and Regional Security in Central America; Laurence Whitehead, 'Explaining Washington's Central American Policies', in Journal of Latin American Studies, Vol. 15 Part 2, November 1983, pp. 321-363; Berryman, Inside Central America, Richard Fagen, Forging Peace: The Challenge of Central America, (Oxford: Basil Blackwell, 1987); Chapter 7 entitled 'Yankees and Sandinistas', in Dennis Gilbert, Sandinistas, (Oxford: Basil Blackwell, 1988), pp. 153-176.

18. Quote from the address to the US Congress in respect of the presidential declaration of the national state of emergency, issued by the Office of the Press Secretary of the White House, Bonn, West Germany, May 1 1985, mimeo, copy in

European Parliament files.

19. For an analysis of what 'democracy' meant to the different actors in the conflict see Hazel Smith, 'Agenda Setting: The Intellectual Corollary of the Reagan Doctrine', in Latin American Research Review, Vol. 26 No. 1, 1991, pp. 251-265; see also Edelberto Torres-Rivas, Repression and Resistance.

20. The White House, Report on Nicaragua, mimeo, November 6 1985, p. 1.

21. For a summary of the economic pressure exerted on the Sandinista government see Daniel Siegel and Tom Spaulding with Peter Kornbluh, Outcast Among Allies: The International Costs of Reagan's War Against Nicaragua, (Washington DC: IPS, 1985), pp. 7-11.

22. See address to the US Congress in respect of the presidential declaration of the national state of emergency, issued by the Office of the Press Secretary of the White House.

23. Reagan first approved covert funding for the contras in November 1981. See Best, US Policy and regional Security in Central America, pp. 56-57.

24. Best, US Policy and Regional Security in Central America, p. 71.

25. See International Court of Justice (ICJ), Nicaragua V. U.S.A., (The Hague: ICJ, 27 June 1986).

26. See John Tower et al., The Tower Commission Report, (New York: Bantam/Times, 1987); Bob Woodward, Veil: The Secret Wars of the CIA 1981-1987, (London: Simon & Schuster, 1987).

27. For a discussion of the role of US public opinion in respect of the Reagan administration's policies see Robert Pastor, 'A Question of US Interests in Central America', in Wolf Grabendorff, Heinrich-W. Krumwiede, Jörg Todt (eds), Political Change in Central America: Internal and External Dimensions, (Boulder: Westview, 1984), p. 207. See also a critical piece by Mark Falcoff who argues that the 'clerico-leftist foreign policy lobby' was manipulated by Central American revolutionaries who learned to take advantage of the US pluralist system of democracy. In Falcoff, 'The Apple of Discord: Central America in US Domestic Politics', in Howard J. Wiarda (ed), Rift and Revolution, (Washington DC: American Enterprise Institute for Public Policy Research, 1984), pp. 368-369.

28. Joshua Cohen and Joel Rogers, Inequity and Intervention, (Boston: South End Press, 1986), p. 48.

29. Pastor, 'A Question of US Interests in Central America', in Grabendorff, Krumwiede, Todt (eds), Political Change in Central America: Internal and External Dimensions, p. 184.

30. Robert Matthews, 'The Limits of Friendship: Nicaragua and the West', in NACLA, Vol. XIX No. 3, May/June 1985, pp. 28-30.

31. Latin American Special report, Latin America - the European connection, SR-86-04, December 1986.

32. See 'Europe's role in Central America', in CIIR News, London, March 1987.

33. For a discussion of State Department, NSC and CIA plans to persuade West Europe to adopt or move closer to the US line on Central America see Peter Kornbluh, 'The International Public Diplomacy Campaign', in his Nicaragua: The Price of Intervention, (Washington DC: Institute for Policy Studies, 1987), pp. 184-187.

34. Institutional cooperation was established between the US and the EC for the first time in 1990. See European Political Cooperation, Declaration on EC-US Relations, Brussels, 23 November 1990.

35. The best account of the insurrection and the early years of the revolution is George Black, Triumph of the People, (London: Zed, 1981). For a longer historical perspective see Hazel Smith, Nicaragua: Self-Determination and Survival.

36. Alejandro Bendaña, former Secretary-General of Nicaragua's foreign ministry, speech to a conference organised by the Catholic Institute for International Relations, London, January 1991, quoted in Hazel Smith, 'Revolutionary diplomacy: Sandinista style: lessons and limits', in Race and Class, Vol. 33 No. 1, July/September 1991, p. 59.

37. For a useful description of the place of the mass organisations in Nicaraguan society see Gary Ruchwarger, People in Power: Forging a Grassroots Democracy in Nicaragua, (Massachusetts: Bergin & Garvey, 1987).

38. Alejandro Bendaña, author's interview, Managua, September 1988.

39. Ibid.

40. Pierre Harrisson, Etats-Unis Contra Managua, (Geneva: CETIM, 1988), p. 227.

41. Bendaña, author's interview, Managua, September 1988.

42. President Portillo, 'Speech in Managua: February 1982', in Robert S. Leiken and Barry Rubin (eds), The Central American Crisis Reader, (New York: Summit, 1987), pp. 631-634.

43. President Luis Herrera Campins and President José López Portillo, 'Letter to President Reagan: September 1982'. in Robert S. Leiken and Barry Rubin (eds), The Central American Crisis, (New York: Summit, 1987), pp. 635-636.

44. 'Contadora: Document of Objectives' and 'The Contadora Act for Peace and Cooperation in Central America', in Robert S. Leiken and Barry Rubin (eds), The Central American Crisis Reader, (New York: Summit, 1987), pp. 638-647.

45. For detail on the Contadora peace initiatives and associated activity outlined in this and the following paragraphs see Isabel Rodriguez, 'Contadora: after three years of existence, peace continues to be the challenge', in ANN Bulletin, 20 January 1986, pp. 9-12; 'Chronologie des efforts de négociation en Amérique centrale (1979-1987)', in Pierre Harrisson, Etats-Unis Contra Nicaragua, (Geneva: CETIM, 1988), pp. 213-233; 'Selected Chronology of Events', in Bruce Marcus (ed), Nicaragua: The Sandinista People's Revolution, (New York: Pathfinder, 1985), pp. xiii-xviii; see also the chronology in the appendix to Nicaragua's Peace Initiatives, (London: Nicaraguan Embassy, 1985), mimeo, pages not numbered.

46. Best, US Policy and Regional Security in Central America, p. 81.

47. Harrisson, Etats-Unis Contra Nicaragua, p. 215, my translation from French.

48. On President Arias' attitude to President Ortega see Update, Central American Historical Institute (CAHI), Washington DC, May 9 1988.

49. See ICJ, Nicaragua V. U.S.A.

50. For detail on US attempts to prevent the signing of the agreement see Harrisson, Etats-Unis Contra Nicaragua, pp. 218-222.

51. Liisa North and Tim Draimin, The Central American Peace Process: An Overview, (Toronto: Canada-Caribbean-Central America Policy Alternatives, February 1988).

52. CIVS, Progress Report on Implementation of the Accords of the Procedure for the Establishment of a Firm and Lasting Peace in Central America, (London: Embassy of Nicaragua, 1988), mimeo, unofficial translation of the 14 January 1988 document.

53. The Nicaraguans saw this move as akin to letting the foxes keep guard over the hen-house. (From discussions at the Nicaraguan Embassy in London, 1988).

54. President Cerezo, BBC Summary of World Broadcasts, ME/0387 D/1, 17 February 1989.

This chapter outlines the basic theoretical assumptions which will be utilised throughout this study.

The chapter reviews the history and development of European Community (EC) foreign policy. This sketch of EC foreign policy relates to the EC as an international actor, that is the unit level of analysis. The EC as unit of analysis is however viewed within a systemic context, in this case a two-layered systemic context. The overarching systemic context is the international system as a universal system. The more immediate systemic context is a delimited international system; that of West-West relations, and in particular, that of European Community-United States relations. For the purposes of this study EC/US relations form an important sub-systemic analytical context.

Two interrelated problems in the study of EC foreign policy are discussed. The first is the analytical division between two aspects of the EC's external activities; the 'external relations' of the EC and 'European Political Cooperation' (EPC). The argument is, that at least by the mid-eighties, the analytical distinction between the two had declined. The suggestion is that a more appropriate conception of these two activities is of two institutionally and theoretically interrelated components of an EC foreign policy.

The second, more important, problem is the issue of whether or not the EC can be considered as possessing a foreign policy, in the sense in which that term is normally conceived. The conclusion is somewhat agnostic (and open), for two reasons. Firstly, a judgement about the nature of EC foreign policy is inextricably

related to the paradigm selected for interpretation of EC 'actorliness' and activities. Secondly, the historical record demonstrates that the EC faced an unresolved contradiction at the heart of its foreign policy activities; how to accommodate itself to the security leadership of its ally and partner the United States within the context of West-West relations, while at the same time permitting the growth of an autonomous, independent (of the United States if necessary) foreign policy. The argument is that this practical obstacle - of how to find a way to work independently of, yet in partnership with the United States - as much as any theoretical or institutional issue, caused a major dilemma which mitigated against attempts to consolidate European Community foreign policy capabilities.

The chapter therefore presents a review of the historical development of EC foreign policy which focuses on these two theoretical problems. The contradictory historical and institutional development of the EC's external relations and EPC are reviewed in terms of the trends towards convergence of these two related external activities. Institutional and historical developments are related to the shared interests, and the difficulties and contradictions of the EC's relationship with the United States.

Definitions and concepts

This section outlines four theoretical assumptions which will be utilised as basic conceptual 'building-blocks'. These are - the EC as international actor; a definition of 'foreign policy'; the notion of 'foreign policy decision-making analysis'; and the distinction between 'foreign policy' and 'international relations'. The section

postulates a distinction between decision-making and structural analysis in the study of EC foreign policy and proposes a conceptual schema for further analysis of structural factors in the study of EC foreign policy.¹

A perhaps not uncontentious assumption which underpins this study is that the European Community was an international actor possessing at least the potential capacity to operate within the international system as an integrated body and consequently with a potential foreign policy capacity similar to that of the nation state.² The thesis however, does not rest on the assumption that the EC has operated in a similar fashion to the nation state in contemporary international relations. Instead, there is an attempt to explain the unique features of the EC's actor capacity in international relations and how those unique features were operationalised in foreign policy terms. One reason that the EC was unique as an international actor was because of its differences, as an actor which makes and implements foreign policy, as well as its commonalities with the nation-state. This chapter therefore contains an assessment of the scope and nature of actually-existing EC foreign policy. EC foreign policy is considered as the dependent variable; not the independent variable, the development of which is assessed either implicitly or explicitly in order to better understand the progress of the EC towards union or integration.³

Without precluding any final assessment of the utility of the terminology, the term 'foreign policy' is utilised here to describe the EC's international activities. This does not imply a defence of the idea that the above mentioned EC policies can be categorised as 'foreign policy' in the same sense that the nation state has a developed foreign policy (the obvious difference is the EC's lack of a centralised

military instrument controlled by a centralised government). Nor is the argument made here that the EC's purposive policies directed beyond its borders necessarily could or should be evaluated as a sui generis foreign policy.

One widely accepted definition of 'foreign policy' is 'governmental activity which is concerned with relationships between the state and other actors, particularly states, in the international system'.⁴ For the purposes of this study the foreign policy of the EC is thus understood as 'European Community activity which is concerned with relationships between the European Community and other actors, particularly states, in the international system'. European Community foreign policy had two strands to it; European Political Cooperation and 'external relations' (see below).

This study analyses EC foreign policy at both the level of the unit and the level of the system. At the unit level the focus of the study is on foreign policy decision-making, and consequently the how and why questions in respect of EC behaviour in international relations.⁵

At the systemic level the study will focus on both decision-making and structural analysis.⁶ The suggestion proposed in this study is that in theoretical terms, structural affects or the structural impact of the EC on third countries (excluding the member states) came about either because of the position of the EC in the international system relative to other actors, or because of unintended or unanticipated affects on third parties of EC international and domestic policies.⁷ The further suggestion is that, for analytical purposes, the former type of structural affect can be termed a positional affect, and the latter a contingent affect. Positional and contingent structural factors can be separated analytically although

in practice it is likely that the structural impact of the EC in the international system would combine both factors.

A structural positional affect can be exemplified through reference to the consequences which have arisen from the position of the EC in the international system as a prosperous, relatively cohesive, political and economic unit, which have included both emulative and reactive responses from other international actors.⁸ For example the growth of regional blocs such as the Association of South East Asian Nations (ASEAN), the Gulf Cooperation Council (GCC) and the revived Central American Common Market (CACM) came about partly due to a desire by small states to emulate what was perceived as the successful regional integration undertaken by the EC.⁹ Applications to join the EC from the East European countries, Turkey and Austria, among others, were examples of reactive linkages to the EC.

An example of the contingent structural affect of the EC's domestic policies might be the impact of the enlargement of the EC on citrus fruit growers in the Third World. Although the inclusion of Spain and Portugal was not designed to make Third World producers of citrus fruits economically weaker, this was an unintended consequence of enlargement. This structural contingent affect had a direct foreign policy ramification for the EC because Third World producers wanted to renegotiate trading agreements with the EC.

In sum, foreign policy decision-making responses were required or elicited from the EC in all the examples cited above of structural affects. One likely consequence therefore of structural factors is pressure for foreign policy decision-making reactions from the EC.

Fred A. Sondermann's analytical distinction between 'foreign policy' and 'international relations' is utilised in order to further clarify the conceptual framework used to separate the unit and systemic levels of analysis. Sondermann stated that 'a country's projection of policies beyond its borders is a "foreign policy" when considered from the point of view of the country itself, and an "international relationship" when considered from the point of view of the larger system.'¹⁰

In conclusion, the argument presented is that given the EC uncontestedly does engage in formation and implementation of policies that are directed beyond its borders, it can be said to have a foreign policy. The important question is not the semantic issue. More interesting is the theoretical question as to what extent that foreign policy can be considered in any way analogous to the foreign policy function of the nation state. The answer to this question partly emerges from an assessment of the extent to which the EC had developed as a cohesive, autonomous, international actor. In order to make that assessment this chapter reviews the historical development of the actor capacity of the EC in international relations.

Historical development of EC foreign policy

Historically, the foreign policy of the EC developed via two institutionally separate, if increasingly interrelated spheres of activity; the EC's 'external relations' and 'European Political Cooperation' (EPC). Although, for analytical purposes it has been conventional to separate the discussion of EC external relations from the discussion of EPC, this analytical practice has not been without its critics. For instance Juliet Lodge referred to this distinction as 'artificial'.¹¹ Although

this chapter will adopt the conventional methodology, it will also contain a critique of it.

The function and role of the EC's external relations were related to the EC's specific economic policy responsibilities and competencies as set out in the Treaty of Rome. However it was difficult for EC (and member state) policy-makers to confine the ramifications of EC external activities solely to the economic or functional competencies on which they were founded. The EC's external economic relationships had political ramifications beyond the EC's borders. For example sugar policy which was a clear EC responsibility under the Rome Treaty provisions relating, inter alia, to the Common Agricultural Policy (CAP) became in practice, EC sugar policy a contentious foreign policy issue vis-a-vis relations between Third World sugar exporting nations and the EC and its member states. It has also caused political controversy between the member states.¹²

The second sphere of EC foreign policy activity was that of European Political Cooperation (EPC). EPC emerged the 1969 Summit of Heads of State and Government (HSG) and was institutionalised in the 1987 Single European Act (SEA). EPC was conventionally considered as synonymous with the direct foreign policy function of the European Community. In fact, EPC, as the name implies, encompassed a wider political function than simply the development of a harmonised, coordinated or common foreign policy. As Philippe de Schoutheete stressed in his seminal work, La Coopération Politique Européenne, political cooperation included two areas other than foreign policy harmonisation efforts. These were the attempts by EC member states to create a 'European judicial space' and the systematised cooperation in the field of public order, the latter initiated in

1976. As De Schoutheete reported, the 1970 Luxembourg Report which set out the basis for EPC practice, envisaged that foreign policy cooperation would be only the beginning of efforts by member states to try to coordinate and work together in other areas of political activity.¹³

Both EC external relations and EPC possessed a wider remit than pervasive theoretical interpretations commonly admit. The question is whether there were significant variations in the practice such as to make the theoretical distinction between the two categories either untenable, or of decreasing explanatory utility. Using the conventional distinction however, the following sections trace the historical development of both strands of EC foreign policy separately in order to try to examine how the EC operated purposefully beyond its borders. Comment is made on how and where both strands converge.

European Community external relations

The European Community (EC) is an amalgam of three different institutions. The first to be set up, in 1951 by the treaty of Paris was the European Coal and Steel Community (ECSC). The second and the third, the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM) were created by the Treaty of Rome in 1957. The three Communities were amalgamated in 1967.

Like all international organisations the EC emerged from and was shaped by specific historical conditions. The historical circumstance in which the Community was created give some indication as to why foreign policy competencies were excluded from the 1957 Treaty.

The precursors of European Community foreign policy cooperation can be traced to post-war West European efforts to establish cooperation in defence matters. The first fruits of such coordination were the Anglo-French Dunkirk Treaty signed on 4 March 1947 and the Brussels Treaty signed by Britain, France and the Benelux countries on 17 March 1948. Both these treaties were specifically directed against Germany.¹⁴ France, and to a lesser extent Britain, placed a high premium in their foreign policies on the containment of renewed German expansionism.

For the United States, post-war political priorities coalesced around anti-Communist objectives. The threat of German resurgence was considered a secondary issue compared to the importance of defending the West against Soviet or Communist (these terms were used more or less interchangeably in US government pronouncements and policy declarations) encroachments. US post-war strategy was to encourage the development of West European integrationist efforts whereby Germany could be allowed to reindustrialise and partially rearm in order to better provide a stronger, more cohesive West European element to the united Western front against Soviet expansionism. Post-war institutionalised West European cooperation which included Germany began therefore as a result of United States pressure.

The US encouraged European cooperation by making the European Recovery Programme (ERP or Marshall Aid), conditional on West European coordination and cooperation in respect of its disbursement.¹⁵ In 1948 the Organisation for European Economic Cooperation (OEEC) was created to carry out this function. In 1950, an offshoot of the OEEC, the European Payments Union (EPU), was set up in order to support increased intra-European trade and by so doing reduce West

European dependence on US exports and dollars. According to one scholar, Amitai Etzioni, the success of the EPU, laid the basis for the establishment of the European Coal and Steel Community (ECSC) in 1951.¹⁶ The ECSC incorporated the six countries which were to become the founding members of the European Economic Community (EEC) in 1957; France, West Germany, Italy, Luxembourg, Belgium and the Netherlands.

The ECSC was created as an institutionally independent West European organisation although it was politically and initially financially supported by the United States.¹⁷ Its remit was specific and linked to narrow economic issues but the rationale for its establishment was predominately political. The ECSC was a concrete manifestation of US policy which was to support a reindustrialised Germany as part of a European bulwark against Communism. French fears of resurgent German militarism were to be allayed by incorporating an element of French control over German industrial policy vis a vis the supranational elements of the Paris Treaty which established the ECSC.¹⁸

French supervision of German rearmament, intended to parallel the supervisory capabilities over German reindustrialisation, which had been established via the mechanisms and the institutions of the ECSC, was intended to occur via the establishment and institutionalisation of a European Defence Community (EDC) and the putative European Political Community (EPC) (envisioned in Article 38 of the draft EDC Treaty). The EDC was strongly supported by the United States which was particularly anxious to strengthen the European contribution to Western defence in the aftermath of the Korean war - which seemed, to a United States which considered it had just 'lost' China - yet another example of the dangers of

expansionist Communism. However, despite US pressure, both the EDC and its potential partner, the European Political Community, were stillborn in 1954 when the French National Assembly refused to ratify the EDC Treaty.¹⁹

Defence issues and priorities for Western Europe were resolved in 1955 to the extent that Germany was accepted into the US dominated North Atlantic Treaty Organisation (NATO). All participants in this new organisation, which had been established in 1949, accepted the strategic goal of the containment of Soviet expansionism. Thus by 1955, just a decade after the Second World War, old enemies were now allies (somewhat reluctantly in the French case) and an ex-ally was now the main enemy. Anti-Communist objectives, initially promoted most vigorously by the United States, were now accepted as the shared strategic priority of both sides of the transatlantic alliance.

The implication for evolving West European integrationist efforts of both the failure of the EDC and the placement of strategic policy making within a transatlantic organisation was that consideration of West European defence and political cooperation (including foreign policy cooperation) was postponed. A gradualist approach to further European integration was adopted, based on what was widely seen as the success of the ECSC - an organisation with modest and apparently achievable objectives.²⁰

This gradualist perspective informed the discussions that laid the foundations for the Treaty of Rome, signed on 25 March 1957.

¹⁹The treaty amplifies close targets and underplays more remote and more difficult goals, allowing time for adjustments to new arrangements and to the partial

loss of sovereignty that the new institutions entail.²¹

The Treaty committed the founding members to the broad generality of progress towards 'ever closer union'. It was only specific about limited economic objectives, including, *inter alia*, the gradual attainment of a quantitative and qualitative trade barrier-free Community. The Treaty envisaged that the 'ever closer union' would develop by way of incremental steps which would involve the creation of a free trade area, a customs union, common market and possibly at later stages, economic, monetary and finally political union. But even these limited economic competencies had external ramifications. The EC, because of its domestic functions, would necessarily function as an international actor - if not an international actor with the same capabilities and responsibilities as that of the nation state.

From its inception the EC assumed four specific external relations functions. The first was the task of developing and implementing a Common Commercial Policy (CCP). The CCP would necessarily be complemented by a Common External Tariff (CET) and non-tariff barriers (NTBs) to trade.²² Tariffs and NTBs by their nature are not neutral instruments. They are directed against trading partners and in the case of the EC in support of the economic prosperity and development of the member states.²³ Trade barriers were likely to affect the EC's political allies given that the USA and Japan evolved into the other two major trading blocs in the contemporary international political economy. Any vigorous measures by the EC either to promote its own exports or to limit its competitors imports - particularly in those sectors which were in direct competition with Japanese and US export sectors - would be likely to provoke at least an economic response and probably a

political backlash from the EC's major allies.²⁴

The French insisted on the creation of a second external relations responsibility which was a recognition of the member states historical with certain developing countries. Part IV of the Treaty contained provisions which provided the foundations for the later creation of the extensive institutionalisation of links between the EC and the African, Caribbean and Pacific countries in the four Lomé Treaties (1975, 1979, 1984, 1989).²⁵

The third external relations responsibility allocated to the EEC was the power to negotiate association and preferential trade agreements with third states and international organisations. As a result of this competence the EC acted on behalf of the member states in international organisations ranging from the General Agreement on Tariffs and Trade (GATT) to the North Atlantic Fisheries Organisation.²⁶ Even where the EC did not replace the member states it sometimes achieved a permanent place in multilateral decision making fora. For instance the EC was granted observer status at the United Nations. At the meetings of the Group of 7 industrialised countries (G7), the Community became the only international actor, apart from the group's constituent members, which was permitted to participate.²⁷

A fourth EC competence which has external relations implications was contained in Article 237 which provided for the EC to negotiate accession with potential new members. This competence was exercised with respect to Britain, Ireland, Denmark and Norway (Norway later leaving the EC after a referendum voted to reject EC membership) which acceded to the EC in 1973; Greece in 1981; and Spain and Portugal in 1986.

In addition to the four specific EC competencies, other spheres of EC activity as laid out in the Treaty, were likely to have indirect consequences in respect of an increasing necessity for the EC to consider the external ramifications of domestic policy responsibilities. Two such policies, that of agriculture and nuclear research, were identified by Christopher Hill and William Wallace.²⁸ These less specific competencies assumed a greater significance in 1976 when the European Court of Justice (ECJ) ruled that 'once an internal power has been used, the respective external power exclusively stays with the Community, at least as long as the internal order requires a unitary use of external powers towards third states.'²⁹

An attribute of the EC's external relations capacities was a discernible tendency towards multilateral diplomacy. The Commission took part in the Conference on International Economic Cooperation (CIEC), the Euro-Arab dialogue, the Multi-Fibre Agreement (MFA) and as previously noted the Commission plays a major role in both GATT and the G7.³⁰ One reason for the EC's tendency towards multilateral diplomatic fora and initiatives was that as a multilateral institution itself, the Community found easily identifiable organisational compatibilities with other multilateral institutions.

In terms of the 'reach' and the 'impact' of the EC's external relations the Community's activities could broadly be divided into the following four geo-political regions.³¹ The first of these was the industrialised, capitalist north including the US and Japan. The Newly Industrialising Countries (NICs) would also later share certain interests with these major industrial powers.³²

The second of these regions included the geographically proximate nations such as the members of the European Free Trade Association (EFTA)³³ and the

Mediterranean and Arab states. The existence of the neighbouring European Community, the largest trade bloc in the world, was likely to create at minimum structural positional affects. The third geo-political grouping comprised the developing economies whose states were likely to look for EC markets, investment and aid.

The fourth geo-political region was that of the Socialist bloc which could not be immune to the reverberations of the creation of the EC. The Rome Treaty committed the EEC to the promotion of free enterprise and free trade - the antithesis of the principles on which the Socialist countries had built their economies. It would be a worthless teleological thesis to argue in hindsight that the attraction of EC prosperity would act as a catalyst to the changes which did take place in Eastern Europe in 1989. It would be fair comment however to note that an expanding and prosperous EEC would be bound to evoke some sort of political reaction - whether defensive as was the case with Soviet attitudes to the EC until the mid-eighties - or as a pole of attraction - which appeared to be the case for some of the pre-1989 dissidents who later became leaders in their own countries (Havel and Walechsa for instance).

As the Community developed and expanded, its representatives increasingly viewed the Community as a role model for other groups of states. Community policy-makers espoused the value of bigger domestic markets in order to encourage economic expansion. Politically, Community representatives pointed to the success of the Community as providing a forum and institution which its advocates claimed had helped in the post-war period to prevent the resumption of armed conflicts between the ex-colonial European powers. They argued that regional integration had

advanced such as to make inconceivable war between the member states. These factors help to explain why the Community actively encouraged the formation and/or consolidation of other regional associations.³⁴ These included ASEAN, the Andean Pact, the Arab Maghreb Union (AMU), and the wider grouping which brought together the 69 ACP countries via their participation in the Lomé structures.³⁵

Other nations responded to the European Community as an international actor to the extent that 141 states had established diplomatic relations with the Community, independently of their diplomatic links with the member states, as at October 1990.³⁶ Conversely the EC was independently represented in 93 third countries and 4 international organisations as at June 1991.³⁷

For many Third World nations their Brussels representation was as important as their Washington DC, London or Tokyo diplomatic representation. This was partly because for poor, economically less developed nations, the 'low' politics of aid, trade and development were inseparable from the 'high' politics of security, defence and foreign policy.³⁸ Arguably it was also because the Community was increasingly viewed as an important political actor on the world stage.

The external (and internal) perception of the EC as to a greater or lesser extent, an important actor in international relations, was not a new phenomena. In 1973, Ralf Dahrendorf, the Commissioner responsible for trade and external affairs, in a disquisition on the EC's role in the world, unselfconsciously entitled 'The Foreign Policy of the EEC', referred to the desire of countries in Latin America, South East Asia and Africa to maintain some form of relationship with the Community.³⁹ In his opinion, the EC was already a significant international actor, partly because it was perceived as such by the First, Third and Socialist worlds. Dahrendorf testified,

perhaps rather disingenuously, to what he considered to be the

'extraordinary image which the European Community continues to have throughout the world. This is true for the Commonwealth countries, whatever their natural advantage or stage of development. It is true for our partners in world trade, the major industrialised nations. And it is true for those countries in the world which have different economic, social and political systems from ours.'⁴⁰

From the end of the Cold war in 1989 the Community adopted an increasingly more obtrusive role in world affairs and in July 1989 the G7 allocated to the Community the role of aid coordination role towards Eastern Europe. In this respect the Commission was expected to make political judgments as to which governments would receive assistance. Jacques Delors, the President of the Commission told the European Parliament on 23 January 1991 that 'It was logical that this aid should go first to the countries which had progressed furthest along the rocky road to democracy - namely Poland and Hungary - before being extended to the other countries of Central and Eastern Europe.'⁴¹

The Community was also given the task by the European Council of coordinating Community aid and cooperation agreements with the Soviet Union. The political nature of the Community's involvement was again apparent. Delors stated that 'the Community cannot possibly ignore internal political developments in the Soviet Union, and its ability to push through reform without civil strife, when deciding on the extent of its commitment'.⁴²

Thus from its inception the EEC's external policies had at minimum, economic

foreign policy ramifications - and if one accepts the liberal, interdependence, interpretation of international relations - significant political ramifications in certain issue areas.⁴³ At minimum the EC's external activities had a structural impact in international relations, which in some circumstances led to pressures for a foreign policy decision making response.

Besides this sometimes indirect political impact of the Community in international relations the Community also operated as a self-defined and self-conscious political international actor, vis-a-vis the mechanisms of European Political Cooperation (EPC). This was the other, more visible arm of Community foreign policy.

European Political Cooperation

(i) Historical development

In 1952, the six member states of the ECSC asked the High Authority of the ECSC to draw up a draft Treaty for a European Political Community, which would parallel the proposed EDC.⁴⁴ Although the EDC collapsed and with it any serious pressures or support for European federalism, the idea that Community economic decision making should be complemented by some form of common foreign policy making machinery was never abandoned. The question that remained was as to how that objective should be achieved. Would the foreign policy making component be that of a loosely coordinated intergovernmental machinery such as that envisaged by De Gaulle, a Europe des Patries, which the ill-fated Fouchet plans of 1961 and

1962 were designed to accomplish?⁴⁵ Or would the political community necessary to achieve foreign policy coherence contain mechanisms whereby the EC would undertake at least a coordinating role and which would therefore encourage the development of the Community as a supranational entity?

These two questions and their underlying philosophies - of intergovernmentalism or supranationality have delineated the terms of the debate on European Community foreign policy throughout the history of the EC. The development of the EC's explicitly political foreign policy making mechanism - European Political Cooperation (EPC) - is traced below therefore in the context of these theoretically divergent, although arguably in practice increasingly convergent, approaches to EC foreign policy.

The reason for the failure of the Fouchet Plans was not that the Plans themselves were not susceptible to compromise and therefore could not have been accepted by all the member states. The main problem was the deeper rifts between the member states over more fundamental concerns. These differences related to the question of the powers of the Commission, in other words the supranationality issue, and to the question of enlargement which was essentially the issue of British membership. On both these issues France, led by Charles De Gaulle, was at variance with the small states in the Community, particularly Belgium and Holland. De Gaulle wanted to promote a strong 'Europe' of the Six but a Europe which would not be directed from Brussels, that is a non-supranational Europe. De Gaulle was not willing to countenance British membership of an expanded EC because of what he saw as Britain's overriding loyalties and links to the United States.⁴⁶ Belgium and Holland however were concerned that without either Britain in the Community or an

extension of the Commission's powers qua the Community - the Europe that De Gaulle envisaged would be implemented in the form of a hegemonic Franco-German directoire which would preside over the new European construction.⁴⁷

Belgium and the Netherlands sought assurances that the new Europe, as envisaged by De Gaulle, would not seek to disassociate itself from NATO. French defence policy from as early as 1956 had included a commitment to the development and maintenance of an independent nuclear deterrent. De Gaulle's personal antipathy towards NATO had been well known even prior to his return to power in June 1958. From 1958 De Gaulle took successive steps, culminating in the formal withdrawal from the military command structure in 1966, to diminish French participation in the North Atlantic organisation.⁴⁸

The inability to agree on the Fouchet Plans for a political community was symptomatic of the inability to agree on these fundamental concerns. Neither were these questions resolved in the 1960s. Instead the Community became further and openly preoccupied with the previously unresolved domestic disputes which had been at base the reasons for the collapse of the Fouchet Plans. These issues, which throughout the 1960s were the subject of acrimonious discussion, related to the questions of British membership and the powers of the Commission.⁴⁹

The latter issue was more or less resolved under the terms of the 'Luxembourg Compromise' of 1966 which resulted in a strengthening of the role of the member states in decision making at the expense of the Commission. British applications for membership were vetoed by De Gaulle in 1963 and 1967.

The completion of the customs union and the establishment of the Common External Tariff (CET) in 1968 indicated that the first phase of the 'ever closer union'

envisioned in the Rome Treaty had come to a successful conclusion. The issue for decision makers in the member states and in Brussels was how to build on the achievements of the first phase in order to further develop the Community. The questions of widening (enlargement) and deepening (adding further responsibilities on to the Community framework) of the Community were again on the agenda.

The Hague Summit of December 1969, called at the initiative of the new French President, Georges Pompidou (De Gaulle had resigned in April 1969) marked an important new stage in Community cooperation. Three major proposals were agreed. The first was enlargement (to include Britain, Ireland, Denmark and Norway). The second was an agreement to move towards economic and monetary union. The third was the launch of a new effort to promote foreign policy cooperation and to move towards a common foreign policy. Because the Hague Summit unblocked the previous decade's logjam of unresolved issues it is commonly considered as signifying the 'relaunch' of the European venture.

Although the idea of a common foreign policy had not been forgotten during the 1960s none of the various ideas proposed had resulted in any concrete initiatives until the Hague Summit.⁵⁰ At the Hague, not only did the Heads of State and Government (HSG) rhetorically look forward to 'a United Europe capable of assuming its responsibilities in the world of tomorrow and of making a contribution commensurate with its traditions and its missions' but in more practical terms, they also instructed the Foreign Ministers to produce a report outlining how political unification could be advanced.⁵¹

The report on EPC commissioned by the HSG was the first of a number of reports which established and institutionalised the mechanisms and philosophy of

EPC.

(ii) Institutional framework

The Davignon report - also known as the Luxembourg report - was agreed by the Foreign ministers in October 1970. The report set out the basic objectives of contemporary EPC. These were to try to harmonise points of view between member states, to work for a 'concertation' of attitudes, and when it was possible or desirable to initiate common action. The only assumed obligation on the member states was to consult on all important questions relating to foreign policy.

The Commission was to be associated with EPC should areas of EPC relate to the competencies of the Community. The President of EPC was required to report every six months to the Political Committee of the European Parliament on an 'informal' basis. The Presidency was also required to submit a report once a year to the European Parliament.

The Foreign Ministers were to meet at least once every six months. The Chair and President would be the Foreign Minister of whichever country was President of the Council of Ministers and as with the Presidency of the Council, the incumbent would change every six months. EPC was to be serviced by political directors (senior civil servants) from each of the member states' foreign ministries who were to meet at least four times a year in the 'Political Committee'. The political directors were made responsible for convening working parties to study specific foreign policy issues as required.⁵²

Although the machinery established was separated from Community decision

making mechanisms, the Luxembourg report made clear the location of EPC within the Community context. It stated that 'the ministers underline the correlation which exists between the structure of the European Community and participation in the above activities [EPC] which will allow for progress in the domain of political unification'.⁵³

The subsequent Copenhagen report of November 1973 followed the pattern of the Luxembourg report. It produced a mix of supranational rhetoric combined with cautious, evolutionary (as opposed to revolutionary) proposals for further consolidation of EPC. The 1973 report formalised the pragmatic developments which had occurred in the practice of EPC since 1970.

Foreign Ministers were to meet four times a year. The Political Committee was to meet as and when necessary. Authorisation for the Political Committee to set up working groups was confirmed. The designated national foreign ministry officials which had been given a liaison role with EPC were institutionalised as the 'Group of Correspondents'. The report also called for the setting up of a confidential telex exchange system (COREU) between the foreign ministries of the member states.⁵⁴

The Copenhagen Report marked the institutional consolidation and clarification of the role of the Presidency of EPC. The 1970 Luxembourg report had stated that the role of the Presidency was to include the convening and organising of meetings, the secretarial role, the responsibility for communication with the European Parliament, and a responsibility for contacts with candidate countries. The Copenhagen report emphasised the central role of the Presidency and devoted a separate section to the duties and role of what Philippe De Schoutheete, quoting Helen Wallace and Geoffrey Edwards, called the 'elusive and complex responsibility'

of the Presidency.⁵⁵

The Copenhagen report was mainly concerned with institutional matters but it was important because, unlike the Luxembourg report, which could have been just one of many proposals to try to make EC foreign policy a reality, the Copenhagen report confirmed that this new venture was actually operable. The Foreign Ministers stated their satisfaction with the results achieved from the 'pragmatic' and 'flexible' mechanisms of EPC.

The modest aims of EPC were reiterated in the first part of the 1973 report. The concerns were

'to secure by inquiry and regular consultations a better mutual comprehension about important international political problems;

to intensify solidarity between the governments by working for a harmonisation of points of view, a concertation of attitudes and, if it is possible and desirable, common actions.'⁵⁶

The 'pragmatic' mechanisms of EPC remained fundamentally unchanged, although some minor institutional amendments were agreed in the 1981 'London report'. The confidential 'Gymnich-type' meetings (named for the town where ministers had met for closed discussions) were formalised. The Presidency's role in terms of contacts with third countries was clarified as was the procedure for political cooperation in third countries. The Presidency was allocated support from civil servants from the member states of preceding and succeeding Presidencies. A crisis procedure was formalised whereby the Political Committee or a Ministerial

meeting could be convened within forty-eight hours at the request of three member states.

The report described the increasingly close contacts between EPC and the European Parliament, including the fact that these contacts had been extended to include formal meetings between the Foreign ministers and the leaders of the political groups within the Parliament. The report recognised the essential role of the Commission as a partner in EPC. It stated that 'the Ten attach importance to the Commission of the European Communities being fully associated with political cooperation, at all levels.'⁵⁷

The report reiterated the cautious and limited commitments of EPC which had been enunciated in the previous Luxembourg and Copenhagen reports.⁵⁸

'In particular they [the Foreign ministers] underline the importance of consultation among the Ten, which lies at the heart of European political cooperation. They emphasise their commitment to consult partners before adopting final positions or launching national initiatives on all important questions of foreign policy which are of concern to the Ten as a whole. They undertake that in these consultations each Member State will take full account of the position of other partners and will give due weight to the desirability of achieving a common position.....

At the same time they emphasize that not merely a common attitude but joint action, which has always been an objective of European political cooperation, should be increasingly within the capacity of the Ten.'⁵⁹

The next major change in the mechanisms EPC was in its institutionalisation in the Single European Act (SEA), which came into force in 1987. The SEA was implemented after a decade and a half of EPC operations. Before commenting on the SEA therefore both the practice of EPC in the late 1970s and 1980s and the development of the underlying philosophy of EPC are discussed below.

(iii) Philosophical framework

In 1973, the same year as the Copenhagen report was agreed, the Foreign Ministers produced another document which outlined the philosophy of EC interrelations with the rest of the world. The December 1973 'Document of the European Identity' was a statement of intent in terms of the Community's self-definition and projection of its role in the world. Although aspirational in tone (some have argued that the document contained mainly vacuous rhetoric) this document was important for three reasons. Firstly, it set out how the EC perceived its present and future position in international relations. Secondly, it set out the basis for future EC relations with the rest of the world on a systematic basis. Thirdly, as there were no fundamental changes in either rationale or philosophy, the Document provides a useful guide to the Community perspective and approach to international relations from 1973.⁶⁰

De Schoutheete argued that the document responded to two issues. One was that the member states wanted to make the point that they were not a 'heterogeneous or accidental grouping' because their unity rested on an agreed idea of societal fundamentals. The second theme was that European unification did not merely serve

the interests of EC member states but had international benefits. The member states claimed that they had a unique contribution to bring to the management of international affairs.⁶¹

This contribution was based upon what was described in the Document as the 'fundamental elements of the European identity'.⁶² These fundamentals included principles of representative democracy, the rule of law, social justice, economic progress and respect for human rights. The Document articulated a generalised commitment to a European civilization composed of a variety of cultures but upholding common values, principles and concepts of life. The Document also referred to a European awareness of possessing 'specific common interests'.⁶³ These 'specific interests' were not in fact specified but presumably related to the 'fundamentals' previously delineated.

The 'European construction' as the Community was termed in the Document, would be open to other European countries 'which share the same ideals and objectives'.⁶⁴

The Document outlined the strategic considerations which underlay the member states' decision to try to develop the Community as a more or less cohesive international actor. The Document noted that individual European countries had historically functioned as Great Powers. But in contemporary international relations European nations could only regain their former influence if they could combine and learn to 'speak with one voice'.⁶⁵

The Document was notable for its attempts to spell out the Community's relationship with the United States - an ally which had supported the establishment of the EC - but which was increasingly troubled by the EC's assertions of

independence in international affairs. The United States had proclaimed 1973 'the Year of Europe' although Henry Kissinger had offended the West Europeans by trying to insist that Europe limit its role to regional issues, leaving the United States to deal with the West's global responsibilities. In October 1973, the Community and the US also disagreed over the question of the October Arab-Israeli war, with the EC calling for a solution which would take into account Palestinian rights.

In fact, the December 1973 'Document on the European Identity' was essentially an attempt to define and clarify the Community's role vis-a-vis the United States in the context of the Western alliance (West-West relations). The publication of the Document in 1973 at the early stages of EPC activity provided a framework for EC/US political relations (even given the caveat that each member state had additional, sometimes very strong bilateral relations with the US).

The Foreign Ministers, via the 'Document on the European Identity' acknowledged their appreciation of the protection given to Europe by the continued stationing of US troops and nuclear arms in Western Europe. They mentioned the 'close links' between the US and the member states of the EC, based on shared 'values and aspirations founded on a common heritage.'⁶⁶ At the same time the Document contains a subtle warning that the EC did not intend to subordinate itself to the United States in the sphere of international relations. The EC intended 'to maintain a constructive dialogue with the United States and to develop cooperation with them on a basis of equality and in a spirit of friendship.'⁶⁷

Although the EC manifested an intent to operate in the international system as an independent actor in practice, any EC moves towards independence of action would be difficult to achieve in respect to its major ally. The US after all, provided

the defence and security component of the Western Alliance within which the EC functioned as an international actor. Unless the EC was both willing and able to develop its own security and defence capabilities, either on a more autonomous basis within NATO, or at the extreme independently of NATO, it would be difficult for the EC to take on the independent international role which it envisaged for itself within the 1973 Document.

In the short term US/EC frictions of the 1970s were resolved by the 'Gymnich Agreement' of April 1974, whereby the EC agreed to consult with the EC on foreign policy issues.⁶⁸ In the longer term EC/US political and economic divergences remained until the fall of the Socialist governments in Eastern Europe in 1989 and 1990. International instability in this period galvanised the EC and the US into new, more cooperative and institutionalised political relationships.⁶⁹ (See the thesis Conclusion)

(iv) Substantive issues

The 'Document on the European Identity' had not conceived of a limited regional role for the European Community in international relations and emphasised the EC's view of itself as a global actor with global interests. The text contained a list of the various parts of the globe with which the EC intended to develop relationships. It included a reaffirmation of links with the Council of Europe countries and a commitment to cooperation with African and Mediterranean nations and the Middle East. It declared the EC's intention to cooperate with the other industrialised countries, including the US, Japan and Canada. The Nine (member states) declared

their intention to continue to support détente with the USSR and Eastern Europe and to continue to develop links with China and other Asian countries.⁷⁰ The Document committed the Nine to develop relations with Latin America and to work with other Third World nations in the 'struggle against underdevelopment'. The Nine also stated their intention to pursue a global role, not only in terms of relations with third countries, but also within the context of international organisations, in particular the United Nations.⁷¹

In practice however, EPC did not live up to these global aspirations and EPC activities internationally remained limited.⁷² EPC activities were cautious and substantive involvement occurred in just a few areas of the world. Even the official documentation did not attempt to claim that EPC ever developed as a fully fledged foreign policy but instead lists the areas of the world in which EPC had some involvement. According to the documentation EPC could be credited with developing relationships with the Socialist countries of Eastern Europe (prior to 1989) and played a major role in the Conference on Security and Cooperation in Europe (CSCE). EPC took positions on regional conflicts in the Middle East, South Africa, Central America and Afghanistan. The official documentation also referred to the attention given by EPC to Asian issues (Cambodia, Sri Lanka and the Philippines); Africa (the Horn of Africa, the Front-line states, Sudan); Cyprus and South America, particularly Chile.⁷³

This same documentation referred to three issues as being important elements in EPC. These were human rights, the fight against terrorism and support for nuclear non-proliferation measures.⁷⁴ On a more mundane level, the official record emphasised the cooperation that the Member states were able to achieve via EPC

in international fora and in third countries.⁷⁵

Not every EPC activity carried the same weight although most EPC actions took the form of démarches or statements of opinion. Some however involved active diplomacy and sometimes the implementation of either positive or negative economic sanctions. EPC activity in respect to the Falklands/Malvinas war was an example of the latter, more active approach. (See Chapter 3)

In terms of scope and scale any comparison of EPC as foreign policy to that of the member state's foreign policy would indicate that the former is limited indeed. However if external relations activity and EPC were both taken into account, the record of the EC as a foreign policy actor would be somewhat more substantial. Roy Ginsberg measured the EC's foreign policy activity through a collation of what he termed as 'joint actions' and found that 480 of these 'joint actions' took place between 1958 and 1985.⁷⁶ A foreign policy action was a 'specific, conscious, goal-oriented undertakings.. such as the EC Afghan Peace Plan'.⁷⁷ These many actions compared with what he considered were few actual foreign 'policies'. He differentiated a 'joint action' from a 'foreign policy' in that he conceived the latter as 'a composition of mutually related joint actions that set forth a unified position intended to serve predetermined objectives - for example, the EC Middle East Policy'.⁷⁸

Ginsberg's analysis however admits a conflation or subsumption, in practice if not in theory, of external relations and EPC competencies, into a broader categorisation which he terms 'foreign policy activity'. This conflation or subsumption is considered below.

'External relations' and EPC: points of convergence

'External relations' and EPC were initially separated in both institutional practice and analytical theorising. However there have been a series of de facto developments and some conscious attempts to fuse external relations and EPC, or to at least bring the two into a closer relationship.

Member state involvement in EC external relations activities, that is the international responsibilities bequeathed to the Community under the terms of the Rome Treaty, took place via the 'Article 113 Committee'. This committee was comprised of representatives from the member states. The committee had the right to 'assist' the EEC in its external trade negotiations. The Commission normally reported to the Article 113 Committee the results of any trade consultations in which the Committee had not been represented. The Article 113 Committee acted as a conduit for the transmission of opinion and information both to the Community from the member states and from the Community to the member states.⁷⁹

The Article 113 Committee acted as a specific means of interrelation for the Community and the Member states in respect to external relations. It thus provided one mechanism for linking the policies and actions of the member states acting in EPC (and the member states' bilateral foreign policies) with the Community's external relations.

A more general liaison role between the Community and the member states was played by the Committee of Permanent Representatives (COREPER). COREPER was composed of representatives from member state governments whose job it was to represent their government's views on Community business. COREPER in practice

acted to try to provide consensual solutions, acceptable to the Community and all member states, in respect of Community policy. COREPER met formally at least twice a week and its members and their ancillary officials were engaged in regular interreaction (formally and informally) in Brussels. This resulted in what Juliet Lodge has identified as 'engrenage - the intermingling and enmeshing of civil servants at all levels and across the ever-widening range of EC decisionmaking.'⁸⁰ Thus COREPER provided an additional institutional linkage between Community and member state policymaking.

In terms of the intergovernmental arm of EC foreign policy, that is EPC, the Community via the Commission has been involved since the beginning, despite the reluctance of some member states, particularly France, to include the Commission. The Luxembourg and Copenhagen reports both recognised that the Commission had at least a limited role to play in EPC. As noted above however, it was the London report which marked the Commission's acceptance into EPC as a necessary component of EPC. Since 1983 when the Commission was accepted as a participant within the Troika (combining current, preceding and succeeding Presidencies of EPC), the Commission was represented at every level of EPC diplomacy.⁸¹ The Commission was only absent from EPC diplomacy when the Presidency acted alone.⁸²

The Commission also provided an element of continuity to EPC. As Simon Nuttall commented, unlike the Presidency of EPC, which changed every six months, the Commission was the only permanent representative in EPC (at least for the duration of the Presidency of the Commission) within the Troika and the full Conference of Foreign Ministers.⁸³ This factor was of some importance in terms

of international perception of EPC as the Troika and the full Conference of foreign ministers acting in EPC comprised the public and visible negotiating body in dialogues with other regions and countries.

The pragmatic and gradualist inclusion of the Community in the institutions of EPC was matched by a pragmatic and gradualist merging of Community and EPC activity in certain areas of foreign policy. The most noticeable merging of Community external relations/ EPC activity was in the region to region diplomacy increasingly practised by the Community (as previously noted) and in the use of Community instruments in the implementation of EPC.

Region to region diplomacy, combining both economic (Community) and political (EPC) goals and means, had its origins in the 1963 Yaoundé agreement which linked 18 former colonies of the six member states of the EC (18 African countries and Madagascar) to the Community via an association treaty.⁸⁴ The 1975 Lomé treaty replaced Yaoundé to provide the basis for what was by the signing of Lomé IV in 1989 the biggest of the EC's region to region links. During the 1970s and 1980s region to region diplomacy grew in importance as in addition to the EC/ ACP institutionalised linkage, diplomatic and economic institutionalised relations were created with 13 other regional groups.⁸⁵ These included groupings of Third World nations such as ASEAN, other first world industrialised nations in EFTA, and Eastern European and Socialist countries organised within the Council for Mutual Economic Assistance (COMECON).

EC economic and political relations with regional groupings, although based on differing legal bases (the Rome Treaty and the SEA for the economic aspects - and EPC agreements and declarations and also Part III of the SEA for the political

aspects) displayed a tendency to merge in what Catherine Flæsch-Mougin identified as a globalisation or integration of the political and the economic.⁸⁶ This did not necessarily mean that member states relinquished sovereignty over foreign policy towards those regions like the ASEAN countries or Central America where an intensified 'globalisation' of EC policy did occur. It may be a more appropriate interpretation to view the Community involvement as the member states utilising the Community as an instrument for foreign policy formation and implementation, in areas where, for whatever reason, the member states have chosen to permit a collective foreign policy to override strictly national or bilateral concerns.

The member states acting through the Community increased their global reach when they acted collectively, as long as they were able to 'speak with one voice'. Twelve states united in a collective institution did not just have the added advantage of greater diplomatic weight than one state acting alone in international relations. They also theoretically had access to the power capacities of 12 states as opposed to one, and to the power resources of the Community itself.

One feature of globalisation was the use of Community instruments (power resources) to implement EPC decisions. These economic instruments included aid, trade and cooperation agreements as well as economic sanctions. The use of Community economic instruments to complement diplomatic negotiations was particularly in evidence in relationship to Eastern Europe after the fall of the Berlin wall in November 1989. The Commission was given the job of coordinating aid to Eastern Europe on behalf of the 'Group of 24' industrialised countries and used Community resources and channels to implement the strategy. It also used the promise of association agreements which would incorporate further economic support

as instruments to achieve political and economic foreign policy goals. These goals were made explicit by the EC and included respect for the rule of law and human rights, the creation of multi-party systems in Eastern Europe, the holding of free elections and economic liberalisation prior to introducing market economies.⁸⁷

One other factor which both demonstrated and helped to explain the convergence between the Community's external relations and EPC was the evolving role of the European Parliament in foreign policy. The Parliament was created as a consultative body to provide some form of democratic input into Community procedures and policies. However since 1979 and the first direct elections the Parliament broadened its remit to include foreign policy and since 1987 it has gained some decision-making powers within the Community. The Parliament sent and received numerous political delegations from governments, liberation movements and other prominent international actors such as the Pope. In this way its evolving role contributed to a further blurring of the boundaries between Community issues and those such as foreign policy which were considered as the prerogative of national governments and national parliaments.

The management of convergence - from the European Council to the Single European Act

Pragmatic developments which indicated that some form of convergence had occurred between external relations and EPC included 'mixed agreements' with third states which involved both the Community and member states as signatories and the 'bicephalous' presidency (of the Council and the Commission) which increasingly

represented the Community abroad. These pragmatic mechanisms reflected some institutionalisation of the convergence of Community and EPC activities within Community structures. Such institutionalisation partly came about because of the perceived need to achieve consistency between EPC and external relations activities.

The first institutional effort to achieve a degree of harmonisation between EPC and external relations took place with the establishment of the European Council in 1974. The European Council initially met at least three times a year (since the SEA it must meet at least twice a year) and was designed to bring together Heads of State and Government (HSG) to provide a coordinating body for Community/member state activities on Community issues, EPC and other non-Treaty matters. European Council functions, according to Simon Bulmer and Wolfgang Wessels included Community problem solving, defining guidelines for further integration, general policy orientation, coordination and monitoring, informal exchange of views as well as the issuing of foreign policy démarches.⁸⁸ Given that the European Council, which met only infrequently, carried out this multiplicity of functions, the task of achieving consistency between EPC and external relations did not emerge as a priority, although the very existence of the European Council served to provide at least for basic coordination on some issues.

The Soviet invasion of Afghanistan in December 1979 and the Community's fragmented response to it, gave some fresh impetus to the member states led by West Germany and Italy, to try to find some way of providing an effectively coordinated foreign policy response to future foreign policy crises. The initial result was the Genscher-Colombo initiative which was formally launched in November 1981

and was designed in part to harmonise Treaty and non-Treaty aspects of the EC.⁸⁹

The major points of the Genscher-Colombo initiative were presented in a draft 'European Act' which included among its aims the enabling of member states 'to act in concert in world affairs so that Europe will be increasingly able to assume the international role incumbent upon it by virtue of its economic and political importance'.(Clause 2ii)⁹⁰ An additional, more controversial aim was the clause relating to 'the coordination of security policy'.(Clause 2iii)⁹¹

The outcome of the Genscher-Colombo initiative was the 'Solemn Declaration on European Union', adopted by the Stuttgart European Council on 19 June 1983. In effect, the Declaration marked a continuation of the cautious and pragmatic approach to foreign policy cooperation which had been further codified in the 1981 London report. Radical suggestions for security and defence cooperation were rejected but the Declaration did contain a commitment by the member states to coordinate positions 'on the political and economic aspects of security'.⁹²

The 1983 'Solemn Declaration' did not mark the end of pressure for a new treaty and by no means all of the calls for a new Treaty were due to perceived gaps in foreign policy and security structures and policies. In the early and mid-eighties there were a diverse set of EC related issues which appeared to warrant resolution. These issues included whether or how to advance economic and monetary union, the reform of EC institutions - in particular the Parliament, and calls for effective regional and social policies. Nevertheless a common theme of debates and declarations was the issue of how to improve foreign policy and security coordination. The theme revolved around the question of whether or not or to what extent the EC/12 could achieve a common foreign policy.⁹³

In February 1984 the European Parliament adopted a report approving a 'Draft treaty establishing the European Union'. Included in its provisions were clauses which specifically allowed for EPC to be integrated within the EC framework. In 1984 the European Council appointed an ad hoc committee (the Dooge Committee) to consider ways of improving EC (including EPC) processes. The Committee issued its final report in March 1985. The Dooge report suggested, among other things, that EPC should be strengthened by the creation of a secretariat and that EPC rules should be codified. The Milan European Council of June 1985, despite the opposition of Britain, Denmark and Greece, responded to this plethora of activity vis-a-vis a possible new treaty by calling for an Intergovernmental Conference, to meet later the same year, in order to report to the December 1985 European Council meeting. One of the issues that the Intergovernmental Conference was mandated to consider was how to strengthen political cooperation.⁹⁴

All ten member states and Spain and Portugal, the candidate members, participated in the Intergovernmental Conference which met in September, October, November and early December of 1985. The result was the Single European Act (SEA) which was signed in February 1986 by all member states and which came into force in 1987. The Act included provisions which tended towards modest improvements in both efficiency and democratisation of the Community institutions - both objectives which were considered desirable by a wide coalition of opinion. The Act also institutionalised both the European Council and the developments in EPC which had hitherto only been sanctioned by the various political cooperation reports. It gave a legal basis to EPC, bringing EPC into a Treaty-based Community framework.

The Act contained three types of reference to foreign policy. The first was the ideological, or the philosophical basis of EC foreign policy. The second was the political recognition that both the Community's external relations activities and EPC were interrelated. The third reference was to institutional changes necessary to improve coordination and effectiveness of the EC/12's role in the world.⁹⁵

On the philosophical front the EC reiterated phraseology which had emerged most strongly in the 1973 'Declaration on the European Identity' and which had become an integral part of EC declarations on foreign policy. The Preamble of the SEA contained a reference to the aspiration of 'speaking ever increasingly with one voice'. It also mentioned the 'fundamentals' iterated in the 1973 document; including commitments to 'principles of democracy and compliance with the law and with human rights'. The concluding Declaration to Title III (the section on EPC) confirmed an 'openness to other European nations which share the same ideals and objectives'.

The SEA acknowledged the political reality of the interrelationship of the Community's external relations and EPC. The attitude embodied in the SEA was that efforts should be made to ensure consistency and improve coordination between the two aspects of Community foreign policy. This was a major change from the attitude of some member states in the 1970s who had sometimes gone to ridiculous extremes to try to ensure that a constitutional separation was maintained between the two.⁹⁶ Title 1 spelt out that 'The European Communities and European political cooperation shall have as their objective to contribute together to making concrete progress towards European unity'. The Commission was to be 'fully associated' with EPC. In addition, the SEA endowed the Presidency (of EPC) and the Commission with the specific responsibility to ensure consistency between EC and EPC policies.

The Act stated that EC external policies and EPC 'must be consistent'.(Title III, Article 30, clause 5).

The SEA also contained a commitment to 'coordinate... positions more closely on the political and economic aspects of security'.(Title III, Article 30, clause 6a). This was a reaffirmation of the commitment adopted in the 1983 Solemn Declaration. It hinted at the benefits to be gained from closer cooperation in the fields of security and defence but shied away from any commitment which would have meant challenging the EC/12's dependent security relationship on the United States within NATO.

The SEA contained one major institutional change which tended to reinforce the location of EPC within the Community framework. An EPC secretariat which had been suggested by the Dooge Committee was established in the Council of Ministers building in Brussels. Its first appointed head (for a term of two and a half years) was Signor Giovanni Jannuzzi, Deputy Political Director in the Italian Foreign Ministry.⁹⁷

A Community foreign policy?

The term 'foreign policy' has so far been used to describe the EC's purposive policies beyond its borders. The argument has been that although EPC was limited in its areas of concern, were we to consider the EC as a foreign policy actor taking into account the practice of both external relations activity and EPC, its record would appear more substantial.

However even if the above was conceded it would still be necessary to offer a

theoretical and practical critique of EC foreign policy on two interrelated grounds.

Firstly it is still not apparent that the EC can claim to possess a foreign policy in the sense that the word is normally used; that is in terms of its association with the nation state. Nor is it necessarily proven that the term 'foreign policy' is apposite in terms of a description and guide to an understanding of the totality of the EC/12's activities.

A previous section of this chapter included a parenthetical reference to the major difference between EC foreign policy and that of the nation state which is that the nation state possesses a centralised military instrument controlled by a centralised government. This is an important issue as the classic Political Realist interpretations of international relations almost would by definition disallow the EC from being considered as a foreign policy actor, because of its lack of a military instrument and the lack of centralised authority in a state-like authority.⁹⁸

However there are other permissible interpretations, arising from different paradigms, of EC foreign policy. As has been noted earlier, the liberal, interdependence approach, allows a consideration of the EC as a foreign policy actor in certain issue areas, utilising economic and diplomatic instruments, in a world characterised by complex interdependence, where there is no hierarchy of problems and consequently security is not always the paramount concern of foreign policy.

This latter understanding of foreign policy permits a refutation of the criticism that the EC cannot be considered to possess a foreign policy because of the limited or partial scope of its external activities. According to interdependence theories the EC could possess a foreign policy, using the instruments at its disposal, and could operate in the international arena on some issues.⁹⁹

This last explanation allows the consideration of the EC/12 as a valid foreign policy actor in respect of economic, political and diplomatic issues. There is a problem with this approach however in any attempts to explain security related aspects of the EC's activities.

The EC has engaged in security related foreign policy activity irrespective of the fact that it has no direct control of the military instrument. The EC has given diplomatic support to the use of the member states' military forces in the pursuit of an EC foreign policy. This was in 1981/82 when the ten member states endorsed the participation of France, Britain, Italy and the Netherlands in the multilateral peace-keeping force in the Sinai. Perhaps the fact that this type of activity has only occurred infrequently only serves to demonstrate the difficulties inherent to the EC/12's attempts to strengthen their foreign policy positions on security issues by incorporating the decentralised military instruments available to them.¹⁰⁰

It could be argued that many states in the international system do not possess effective enough military instruments in order for them to make to make interventions in international security matters such that they could significantly influence outcomes. In this sense the EC/12's foreign policy attributes can only be said to differ from the foreign policy of the nation state in the mode of operation - in that military operations are decentralised. Only in the sphere of economic and diplomatic operations is the mode of operation similar to that of the nation state in that the instruments of economic statecraft and diplomacy are available to the EC/12.

Similarly it could be argued that in the post-second world war period most nations of the world (including the West European nations) have been subordinated,

in security terms, to the superpowers; either the Soviet Union prior to 1989 or the United States. In this sense whether or not the EC had direct access to a military instrument by which it could directly pursue its own interests is irrelevant.

Given the above perspective there is no reason not to consider the EC as a foreign policy actor with many similar attributes to that of the nation state as a foreign policy actor. After all control and possession of armed forces is not a necessary attribute of the state as foreign policy actor. Costa Rica for instance has not had an army since 1948 yet it has undoubtedly engaged in foreign policy activity.

Another perhaps more important aspect of a nation state's foreign policy making capacities is the existence of a centralised administration and sovereign government which can direct the multitude of societal interests into a policy in order to serve the 'national' interest. The EC does not have a similar centralised bureaucracy and sovereign government but nevertheless this has not prevented 'pooling' of the member states sovereignty on certain domestic and international issues. Trade is the best example of this. In this sense the EC can only operate as a foreign policy actor when the sovereign states abrogate sovereignty to the Community on particular issues. Again providing the theoretical perspective permits an idea of 'shared sovereignty' there is no reason to deny the EC foreign policy 'actorliness' simply because the Community is not sovereign in every issue. In practice member states have been very flexible in allowing certain areas of international policy such as the GATT negotiations to be led by the Community.

The main problem for EC foreign policy has not however been a theoretical issue. What has caused the most difficulties for the EC and what remained as the unresolved contradiction at the heart of EC/12 foreign policy was the relationship

with the United States. The EC/12 was not content to remain as 'just another state' in the international system. Inherent to its commitment to 'speak with one voice' was the objective of regaining the influence within the international system that the European nations individually possessed in the nineteenth century. In practice that influence could only be demonstrated at the expense of others; both enemies and allies. As already noted, EC/12 independence of action would be most difficult to implement in respect of the United States because of the practical political reality that the EC/12 continued, throughout the post-war period to rely on the United States for security leadership within the Western Alliance.

Not that the EC/12's relationship with the United States needed necessarily be an obstacle to the development of an EC/12 international identity - perhaps as a civilian power.¹⁰¹ François Duchêne, the first protagonist of this concept as a way to both describe and explain the EC's international role firmly linked the development of the EC's capacity to operate as an influential (civilian) power to the EC's continued security relationship with the United States. Duchêne also rejected European neutralism in military and security matters as clearly as he rejected the idea of a European nationalism which might encourage the development of a 'European super-power'. The Community could become a civilian power because of its reliance on the United States' defence umbrella.

'In the circumstances, joint action with others, notably the United States, in security and economics, is profitable for Western Europe and any divergence from it can involve heavy losses in wealth, safety and, paradoxically, freedom to choose one's own priorities.'¹⁰²

But European leaders have not always held such a sanguine view about the security dominance of the US in West-West relations and the implicit, occasionally explicit US attitude to the EC that seemed to place the Community and the member states in a secondary political role. Even if the EC/12 had wished to further develop an independent security and defence policy, their current security status (with the partial exception of France) was as dependent allies on the US within NATO (even though Ireland is not a member of NATO there are persuasive arguments that the Republic benefits from NATO's western hegemonic leadership). They could not adopt responsibility for security and defence, even to the extent of creating a stronger 'European pillar' within NATO), without renegotiating the NATO structure - an objective which was not seriously pursued by any of the member states, until after the 1989 changes in Eastern Europe and the 1991 Gulf War forced a wholesale reconsideration of Western security arrangements on to the agenda. Instead the EC/12 tried to look both ways at once.

The wording of the Single European Act was an attempt to reflect the prevailing, contradictory, political reality. The EC/12 emphasised their independence and political autonomy; included within the SEA was the stated intention to work more closely together 'on the political and economic aspects of security'. This potential declaration of EC/12 independence was mitigated by the admission that the EC would continue to operate within the post-war institutions of Western security - that is a security context defined and dominated by the United States. The SEA stated that 'Nothing in this Title [Title III of the SEA] shall impede closer cooperation in the field of security.... within the framework of the Western European Union or the Atlantic Alliance' (SEA, Title III, Article 30, clause 6c).

The Single European Act did not however mark the end of the contradictory relationship between the development of EC/12 foreign policy and EC/US relations. In November 1988 Mr. Pangalos, the Greek President-in-Office of EPC, expressed concern about the limitations of EC/12 foreign policy.

'From time to time, situations have arisen in which the superpowers, the Soviet Union and the United States, might have solve their international problems on European territory without asking our opinion, and exclusively with their own means of defence. I think that such a situation, that of being the victim of circumstances, the object of developments as opposed to the subject in control of them, is something which a Europe in the process of uniting and gradually acquiring an autonomous political will should avoid at all costs.'¹⁰³

To a great extent EC/12 foreign policy defined itself in relationship to US foreign policy. It shared the same strategic agenda - of anti-Communism and support for the liberal, free-market, international trading system - but at the same time it was reflective of different interests and historical experiences. These different experiences were channeled into a specifically 'European' way of dealing with international conflict, which was different from the US approach to international conflict. This different position arose not only because the EC 'made a virtue out of necessity' because of its lack of a centralised military instrument. The West Europeans considered that a more useful approach to the strategic problem of containing Communism, than that of the purely military option, was to offer diplomatic and economic sanctions (positive and negative). For the EC/12, the

successful experience within Europe of preventing a Communist takeover in Portugal after the 1974 revolution and the pragmatic dealings with Eastern Europe which they considered helped instigate the 'peaceful revolutions' of 1989, were evidence that the 'European' approach worked.

The objectives of a 'European' actor in international politics, as spelt out in numerous preambles to the various reports and statements on the European Community's position in the world, did not therefore represent empty rhetoric. The rhetoric, in the references to 'democracy, respect for the rule of law and human rights', represented a view which can be contrasted with a US approach which was to more openly tolerate a lack of democracy, an absence of the rule of law, and human rights abuses, in the interests of achieving the strategic objective of anti-Communism.

A crucial determinant therefore for understanding EC/12 foreign policy was the nature of the systemic relationship between the EC and the US. This became particularly important in the 1980s when the EC appeared to be adopting a stance which hinted at the possibilities of an increasing independence of action vis-a-vis the United States. From the late 1970s onwards the EC's relationship with the US was riven with disputes on trade and foreign policy issues. The Community which based its prosperity on trade was reluctant to go along with economic embargoes declared by the Reagan administration whose policies it disagreed with in a number of different areas and issues including the Soviet invasion of Afghanistan, martial law in Poland, the construction of the Siberian gas pipeline, the Middle East and Central America.¹⁰⁴

One of the clearest ways in which these differing approaches could be seen was

in respect of EC/12 and US policy towards revolutions. Neither the US or the EC/12 supported revolutionary change in the world. Yet they opted for different mechanisms to try to control and contain revolutions. These different tactics arose from different interpretations of the causes of revolutions. The US viewed revolutions as being the product of Communist (Soviet) instigation and the EC/12 generally considered that revolutions had at their roots socio-economic causes. The US favoured the use of the military instrument (Vietnam, Nicaragua, El Salvador, Grenada) or diplomatic and economic boycotts (China, the Soviet Union) while the EC/12 (inclusive of a sometimes reluctant Britain) pursued an approach which depended on the selective use of economic instruments (positive and negative) and diplomatic activism.

This study utilises a theoretical framework which allows strategic interests of EC (and US) foreign policy, that is their commitment to anti-Communism, as a key variable for understanding EC foreign policy. It seeks to understand EC foreign policy, not in an Idealist fashion, as a 'superpower in the making',¹⁰⁵ but through a careful, empirically based study, of the often contradictory, historically developed, economic and political interests of those domestic and international actors which had some affect on EC policy. The study will seek to focus on conscious and where possible, articulated choices made by decision makers, and their respective perceptions.

Conclusion

This chapter has examined two theoretical 'problems' in the study of European

Community foreign policy; the dichotomy between 'external relations' and EPC, and the nature of EC foreign policy.

With an examination of the historical, philosophical and institutional development of EC foreign policy, the two divergent strands of EC foreign policy making, that of external relations and EPC, have been shown to converge. The study of EC policy towards Latin and Central America in the following chapters is utilised in part to assess whether the conventional analytical distinction remains of explanatory utility.

However the second 'problem' posed is probably of greater theoretical interest, even though the answer proposed may be less definitive. There are a number of theoretical and practical difficulties in terms of any consideration of the totality of EC external activities (external relations and EPC) as an EC foreign policy. Nevertheless it is necessary to reach at least some tentative conclusions about the nature of EC foreign policy in order to provide some form of theoretical context for the discussion in subsequent chapters of the substantive issue of this study; an explanation of the nature of EC foreign policy in and towards Central America. One conclusion, in respect of the question asked at the beginning of the chapter as to whether or not the EC could be considered as a valid foreign policy actor must be that 'it all depends'.

Firstly, it depends on the comparison chosen. Should the EC's foreign policy capacities be compared to a weak subordinated nation-state or to the EC's pretensions which are to attain independent European influence in the system? If the comparison is to the former the EC is (arguably) as much a 'fully-fledged' international political actor as say India or Iceland. It is not a superpower however

and so far has shown few signs of being able or willing to operate within the system other than as a junior partner in the West-West alliance. In this sense it is not a 'fully-fledged' international actor.¹⁰⁶

Secondly and more importantly, it depends on the paradigm adopted to guide analysis - a Political Realist would answer the question in the negative, an interdependence theorist in the affirmative. The Realist almost by definition rules out consideration of international organisations as important political actors akin to the state. The Pluralists might choose to use the example of the EC as an obviously significant international actor, as evidence of the multiplicity of actors thesis which forms part of the theoretical construct of the interdependence approach.

The structuralist approach has less to say in respect of the problem as stated, that is in the affinities or not of EC foreign policy to nation-state type foreign policy (given that the structuralist adopts class as the significant unit of analysis, not the state). The structuralist argument would accept that in the modern inter-state system the legitimised use of force is a necessary component of a state-type actor. However the structuralist analysis, mainly drawn from the Marxist influences on the discipline, does not regard inter-state relations as the primary focus of analysis. Inter-state relations are given due importance but are regarded conceptually as secondary factors compared to the focus on socio-economic forces as the more significant level of analysis. A structuralist approach to the problem might be

a) that the EC and the US possessed different types of organisational bias - most notably in that the EC does not possess direct control of the military instrument and was not headed up by a sovereign government

- b) that nevertheless the EC was a powerful political actor by virtue of its own economic strength, its decentralised military apparatus and its links via NATO to the US security umbrella
- c) that the US and the EC shared common strategic interests based on an anti-Communist perspective
- d) that the US and the EC may have had differences of approach arising from different local historical interests and experiences and on occasion these interests could be conflictual
- e) that the question as to whether or not the EC can be viewed as a bona fide foreign policy actor (vis a vis the nation-state) was of little importance while strong enough common interests remained (as in 'c' above) and the US continues to provide a security umbrella the EC.

This question of the EC's foreign policy 'actorliness' could however be an interesting theoretical question for theorists working in all three paradigms. The Political Realists for instance might wish to refute the idea that the EC possesses international actor 'credentials'. The interdependence theorists have an open interest in international organisation. And an interesting question for the structuralists is how the EC reacts to revolutions or to potential changes in the international balance of social forces and to what extent and why EC policy is different from US policy.

This study utilises insights from both Political Realist and the Liberal, Pluralist paradigms but will also offer comments from within the structuralist perspective to try to explain how the very diverse interests of the European actors coalesced to allow for a more or less cohesive policy towards Central America in the 1980s. The thesis will seek to show, inter alia, how that policy developed in contradistinction

to US policy towards Central America.

The following chapters offer a consideration of the differing approaches of the EC and the US towards the same strategic objective - anti-Communism - in the context of an investigation of EC policy towards Central America in the 1980s. Given the assumption that the contradictions and problems of EC/US relations were a major, if not the major obstacle to the development of a more self-confident and coherent EC foreign policy is warranted, the question that is posed in this study is evidently a puzzle worthy of investigation. Why did the EC choose to intervene in Central America - an area which had historically (at least since the Spanish-American war of 1898) been accepted by the Western powers as part of the United States sphere of interest and which the US regarded as of primary security interest?

Notes to Chapter 2

1. The term 'structural' is used in this context to denote relationships arising out of the EC's position in the international system. In this sense the term does not have the normative connotations of the term 'structural' as used to describe an alternative approach to Political Realism and Pluralism as theoretical frameworks (paradigms) for the study of International Relations. For the latter concept see Michael Banks, 'The Inter-Paradigm Debate', in M. Light and A.J.R. Groom (eds), International Relations: A Handbook of Current Theory, (London: Pinter, 1985), pp. 7-26.
2. It would be difficult to seriously oppose this interpretation. The literature on EC foreign policy (external relations and EPC) more or less reflects and is to some extent a part of the bulk of EC literature which tends to disagree about the extent of integration, as opposed to doubting its existence. Opinion ranges from that held by the intergovernmentalists who argue that the EC is merely a group of independent states bound together by a convergence of interest to the supranationalists who argue that the EC should (sometimes they argue it is doing so) progress towards full federation; See two of the most important text books in the field, Juliet Lodge (ed), The European Community and the Challenge of the Future, (London: Pinter, 1989) and Helen Wallace, William Wallace, Carole Webb (eds), Policy Making in the European Community, second edition, (Chichester: John Wiley and Sons, 1989).
3. There is a discernible tendency within the literature concerning European Political Cooperation to examine the external activities of the European Community in comparison to what they ought or could be. An implicit or explicit foreign policy model is established and the EC's activities are measured against this model. EPC is viewed as a more or less transitional stage in the move towards the final adoption of a foreign policy based on an EC as an integrated state-type actor. David Allen and Michael Smith make a similar point when they argue, *inter alia*, that 'it is the ideal type of a state-based foreign policy which lies behind much contemporary analysis of Western Europe's international status.' See David Allen and Michael Smith, 'Western Europe's Presence in the Contemporary International Arena', in Review of International Studies, Vol. 16 No. 1, January 1990. Christopher Hill provides an exceptional treatment of EPC in what he terms a 'more realistic approach'. See Christopher Hill, 'Against power Politics: Commentary on 'Reflections on the Future of western Europe', by Johan K. De Vree', in J.K. De Vree, P. Coffey and R.H. Lauwaars (eds), Towards a European Foreign Policy, (Dordrecht: Martinus Nijhoff, 1987), pp. 19-31.
4. Brian White, 'Analysing Foreign Policy: Problems and Approaches', in Michael Clarke and Brian White (eds), Understanding Foreign Policy: The Foreign Policy Systems Approach, (Aldershot: Edward Elgar, 1989), p. 1.

5. Charles McClelland points out that 'the question how and why do national actors perform as they do in international relations is the basis of foreign policy decision-making analysis'; see McClelland, Theory and the International System, (Toronto: Collier-Macmillan, 1969), p. 107, italics in original.

6. See Note 1.

7. For the purposes of this study 'domestic' can be taken to include reference to all activities which take place within the geographical confines of the EC unless specifically stated otherwise.

8. For a discussion of penetrative, reactive and emulative linkage where linkage is defined as 'any recurrent sequence of behavior that originates in one system and is reacted to another', see James N. Rosenau, 'Toward the Study of National-International Linkages', in James N. Rosenau, The Scientific Study of Foreign Policy, (New York: The Free Press, 1971), pp. 305-338, (quote on p. 318).

9. The ASEAN countries are Indonesia, the Philippines, Thailand, Singapore and Brunei - as at April 1989. The GCC included Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates and Oman when it was set up in 1981. Basic CACM membership includes El Salvador, Nicaragua, Guatemala, Costa Rica and Honduras, although the latter country had withdrawn from membership in the mid-eighties. Panama has been a de facto associate member of the CACM at some periods. For information on CACM membership see Victor Bulmer-Thomas, 'Can Regional Import Substitution and Export-Led Growth be Combined?', in George Irvin and Stuart Holland (eds), Central America The Future of Economic Integration, (Boulder: Westview, 1989), pp. 80-82.

10. Fred A. Sondermann, 'The Linkage between Foreign Policy and International Politics', in James N. Rosenau (ed), International Politics and Foreign Policy, (New York: The Free Press, 1964), p. 11.

11. Juliet Lodge, 'European Political Cooperation: towards the 1990s', in Juliet Lodge (ed), The European Community and the Challenge of the Future, (London: Pinter, 1989), p. 223.

12. Chris Stevens and Carole Webb, 'The Political Economy of Sugar: A Window on the CAP', in Helen Wallace, William Wallace, Carole Webb (eds), Policy Making in the European Community, second edition, (Chichester: John Wiley and Sons, 1989), pp. 321-347.

13. Philippe de Schoutheete, La Coopération Politique Européenne, (Bruxelles: Labor, 1980), pp. 131-146.

14. William Park, Defending the West: A History of NATO, (Brighton: Wheatsheaf, 1986), p. 4.

15. See US Secretary of State George C. Marshall's address at the commencement exercises of Harvard University on June 5, 1947, reprinted in Charles L. Mee, Jr.,

The Marshall Plan, (London: Simon and Schuster, 1984), Appendix II, pp. 271-273.

16. Amitai Etzioni, Political Unification, (New York: Holt, Rinehart and Winston Inc., 1965), p. 240.

17. *Ibid.*, p. 240.

18. For a description of ECSC institutional features see David Armstrong, The Rise of the International Organisation, (London: Macmillan, 1984), pp. 79-80.

19. Etzioni, Political Unification, p. 267. For more background on the EDC proposals see Armstrong, The Rise of the International Organisation, pp. 80-81. See also William Wallace, 'European Political Co-operation: a new form of diplomacy', in Irish Studies in International Affairs, Vol. 1 No. 4, 1984, pp. 5-6.

20. Etzioni, Political Unification, pp. 266-267.

21. Etzioni, Political Unification, p. 269. William Wallace argues that Jean Monnet, widely acknowledged as the intellectual progenitor of the EEC, accepted that political unification of Europe could only be obtained by an 'indirect' process 'via economic co-operation'. Wallace, 'European Political Co-operation: a new form of diplomacy', in Irish Studies in International Affairs, Vol. 1 No. 4, p. 6.

22. Chris Farrands, 'External Relations: Textile Politics and the Multi-Fibre Arrangement', in Helen Wallace, William Wallace and Carole Webb (eds), Policy Making in the European Community second edition, (Chichester: John Wiley and Sons, 1989), p. 296.

23. I am not here commenting on the argument as to whether or not a strong EC, protected by necessary trade barriers, can act as a motor for world economic growth, so actually benefitting the global economy as a whole. I merely make the point that at least in the short term trade barriers were established with the direct objective of limiting trading opportunities for EC trading partners and were in this sense adversarial.

24. For a description of some of the incidences of friction between the US and the EC, partly caused by economic rivalry, see Roy. H. Ginsberg, 'US-EC relations', in Juliet Lodge (ed), The European Community and the Challenge of the Future, (London: Pinter, 1989), pp. 256-278.

25. Commission, Lomé IV 1990-2000, (Brussels: European Commission, 1990). For a critique of EC/ACP relations see Adrian Hewitt, 'ACP and the developing world', in Juliet Lodge, The European Community and the Challenge of the Future, (London: Pinter, 1989), pp. 285-300.

26. Commission, The European Community in the World, European File, 16/88, p. 3.

27. The G7 countries are the United States, Britain, France, Italy, Germany, Japan and Canada (at September 1992). The preponderance of EC member states, the

Commission and the US gave the US/EC a commanding role in the management of the international political economy, and increasingly the international political/economic system. For a survey of the wide range of issues discussed at G7 meetings see Peter Norman, 'A table piled high with problems', Financial Times, July 12 1991, p. 16.

28. Christopher Hill and William Wallace, 'Diplomatic Trends in the European Community', in International Affairs, Vol. 55 No. 1, January 1979, p. 49.

29. ECJ Judgement 1/76, cited in J. Schwarze, 'Towards a European Foreign Policy - Legal Aspects', in J.K. De Vree et al, Towards a European Foreign Policy, (Dordrecht: Nijhoff, 1987), p. 74, cited in Juliet Lodge, 'European Political Cooperation: towards the 1990s', in Lodge (ed), The European Community and the Challenge of the Future, p. 227.

30. Hill and Wallace, 'Diplomatic Trends in the European Community', in International Affairs, Vol. 55 No. 1, p. 48. On the EC's negotiating role in GATT and its 'relative' autonomy see Benedict Meynell, 'Annual Surveys: External Relations of the European Community', in Yearbook of European Law 1981, (Oxford: OUP, 1982), pp. 380-388.

31. In EC Bulletin, Commission's programme for 1990, Supplement 1/90, (Luxembourg: OOPEC, 1990), p. 4, the Commission subdivides its account of the 'growing role of the Community in the world' into 7 different geo-political areas: US and Japan; Central and Eastern Europe; EFTA; non-member countries of the Mediterranean; ACP countries; Asia and Latin America; developing countries in general. There is a rough fit here with my own categorisation.

32. One of the objectives of the Community in the Uruguay Round of GATT was to encourage the NICs to open up their markets to the Community. See EC Bulletin, Commission's programme for 1990, p. 36.

33. EFTA members are Switzerland, Austria, Sweden, Norway, Iceland and Finland.

34. See Simon Nuttall, 'The Commission: protagonists of inter-regional cooperation', in Geoffrey Edwards and Elfriede Regelsberger (eds), Europe's Global Links, (London: Pinter, 1990), pp. 143-160; see also 'Regional Cooperation Relations between the EEC and the Developing Countries', Insert no. 4, April 1989, in Europa Development, No. 4, (Brussels: Agence Europe/ European Commission, April 1989).

35. The Andean Pact countries include Peru, Bolivia, Colombia, Ecuador and Venezuela - as at April 1989. The AMU was formed in 1989 and as at June 1991 included Algeria, Libya, Mauritania, Morocco and Tunisia. The ACP group consisted of 69 states as at March 1990.

36. See Direction Générale des Relations Extérieures, Corps Diplomatique, (Luxembourg: OOPEC, October 1990).

37. Personal communication to the author, enclosing photocopied information, from Hugh Richardson, DG1, 13 June 1991.

38. Other commentators on the EC's role in the world have made similar points regarding the fact that for Third World states the question of economics rarely remains in the domain of 'low' politics. See Panayiotis Ifestos, European Political Cooperation: Towards a Framework of Supranational Diplomacy?, (Aldershot: Avebury, 1987), p. 136.

39. Ralf Dahrendorf, 'The Foreign Policy of the EEC', in The World Today, Vol. 29 No. 2, February 1973, pp. 47-57.

40. *Ibid.*, p. 48.

41. Address by President Jacques Delors at the presentation of the European Commission's 1991 Programme to the European Parliament, Strasbourg, 23 January, 1991, from the Commission of the European Communities, London, Doc. No. T/8/91, 23 January 1991, p. 2.

42. *Ibid.*, p. 5.

43. For a discussion of the concept of 'issue areas' see Robert O. Keohane and Joseph S. Nye, Power and Interdependence, Second edition, (London: Scott, Foresman and Company, 1989), pp. 64-65.

44. De Schoutheete, La Coopération Politique Européenne, pp. 18-19.

45. For an exposition of the Fouchet Plans and the reasons for their eventual rejection see De Schoutheete, La Coopération Politique Européenne, pp. 20-26.

46. Armstrong, The Rise of the International Organisation, pp. 86-87.

47. De Schoutheete, La Coopération Politique Européenne, pp. 23-26.

48. *Ibid.*, pp. 23-26.

49. See David Armstrong, 'The European Community in the 1960s', in Armstrong, The Rise of the International Organisation, pp. 84-93.

50. For a list of the different proposals vis à vis a common Community foreign policy which emerged during the 1960s see Ifestos, European Political Cooperation, p. 148.

51. See 'The Hague Communiqué', in EC Bulletin No. 1, 1970, pp. 11-18.

52. See 'The Luxembourg report', reprinted (in French) in De Schoutheete, La Coopération Politique Européenne, pp. 179-187. Also in EC Bulletin, No. 11, 1970, pp. 9-14; for a useful summary see Ifestos, European Political Cooperation, pp. 152-153.

53. 'The Luxembourg Report' in De Schoutheete, La Coopération Politique Européenne, p. 186, my translation from French.

54. 'The Copenhagen Report', reprinted (in French) in De Schoutheete, La Coopération Politique Européenne, pp. 188-198.

55. Helen Wallace and Geoffrey Edwards, 'European Community: The evolving role of the Presidency of the Council', in International Affairs, Vol. LII no. 4, 1976, quoted by Philippe de Schoutheete, 'The Presidency and the Management of Political Cooperation', in Alfred Pijpers, Elfriede Rehelsberger and Wolfgang Wessels (eds) in collaboration with Geoffrey Edwards, European Political Cooperation in the 1980s, (Dordrecht: Martinus Nijhoff, 1988), p. 71.

56. 'The Copenhagen Report', in De Schoutheete, La Coopération Politique Européenne, p. 188, my translation from French.

57. 'EPC - The London Report', reprinted in Ifestos, European Political Cooperation, p. 604.

58. *Ibid.*, pp. 601-604.

59. *Ibid.*, pp. 601-602.

60. 'The Document on the European Identity', is reprinted (in French) in Philippe De Schoutheete, La Coopération Politique Européenne, pp. 199-207.

61. De Schoutheete, La Coopération Politique Européenne, p. 32.

62. 'Document on the European Identity', in De Schoutheete, La Coopération Politique Européenne, p. 200.

63. *Ibid.*, p. 201.

64. *Ibid.*, p. 201.

65. *Ibid.*, p. 202.

66. *Ibid.*, p. 204.

67. *Ibid.*, p. 204, my italics.

68. Beate Kohler, 'Euro-American relations and European Political Cooperation', in David Allen, Reinhart Rummel, Wolfgang Wessels (eds), European Political Cooperation, (London: Butterworth Scientific, 1982), pp. 83-93.

69. See 'Relations with the United States and Japan', in EC Bulletin, Commission's Programme for 1990, p. 34.

70. It should be remembered that the PRC only received international recognition in the early 1970s. The PRC took China's seat in the UN Security Council in 1971.

A rapprochement between the US and Communist China had only take place in February 1972 - some 20 months prior to the issue of the EC's 'Document on the European Identity'. See Michael Yahuda, Chapter 8, 'The International Recognition of China as a Great Power 1969-1972', in China's Role in World Affairs, ((London: Croom Helm, 1978), pp. 212-234.

71. 'Document on the European Identity', in De Schoutheete, La Coopération Politique Européenne, pp. 203-206.

72. For an assessment of EPC in the international system see Alfred Pijpers, Elfriede Regelsberger and Wolfgang Wessels, 'The Impact of EPC on the international system', in 'A Common Foreign Policy for Western Europe', in Alfred Pijpers, Elfriede Regelsberger and Wolfgang Wessels (eds) in collaboration with Geoffrey Edwards, European Political Cooperation in the 1980s, (Dordrecht: Martinus Nijhoff, 1988), pp. 265-267.

73. OOPEC, European Political Cooperation, (Luxembourg: OOPEC, 1988), pp. 9-12.

74. Ibid., pp. 12-13.

75. Ibid., pp. 8-9.

76. Ginsberg, Foreign Policy Actions of the European Community, p. 3.

77. Ibid., p. 2.

78. Ibid.

79. Meynell, 'Annual Surveys, External relations of the European Community', pp. 349-350.

80. Juliet Lodge, 'EC Policymaking: institutional considerations', in Juliet Lodge, The European Community and the Challenge of the Future, (London: Pinter, 1989), p. 40.

81. Simon Nuttall, 'Annual Surveys European Political Co-operation', in Yearbook of European Law 1985, (Oxford: OUP, 1986), p. 326.

82. Simon Nuttall, 'Where the European Commission comes in', in Alfred Pijpers, Elfriede Regelsberger and Wolfgang Wessels (eds) in collaboration with Geoffrey Edwards, in European Political Cooperation in the 1980s, (Dordrecht: Martinus Nijhoff, 1988), pp. 104-117.

83. Ibid., p. 110.

84. Otto Schmuck, 'The Lomé Convention: a model for partnership', in Geoffrey Edwards and Elfriede Regelsberger, Europe's Global Links, (London: Pinter, 1990), pp. 46-56.

85. Nuttall, 'The Commission: protagonists of inter-regional cooperation', Appendix entitled 'The EC/Twelve's dialogues with other groups of states - an overview', in Edwards and Regelsberger (eds), Europe's Global Links, pp. 158-160.

86. See Catherine Flaesch-Mougin, 'Competing Frameworks: the dialogue and its legal bases', in Geoffrey Edwards and Elfriede Regelsberger, Europe's Global Links, (London: Pinter, 1990), section entitled 'The tendency towards a globalisation of the dialogues', pp. 32-34.

87. 'The Week in Europe', Commission, London, Doc. No. WE/5/90, 8 February 1990, p. 1.

88. Simon Bulmer and Wolfgang Wessels, The European Council, (London: Macmillan Press, 1987).

89. Pauline Neville-Jones, 'The Genscher-Colombo proposals on European Union, in Common Market Law Review, Vol. 20, 1983, pp. 657-699.

90. 'Draft European Act', reprinted in Pauline Neville-Jones, 'The Genscher-Colombo Proposals on European Union', in Common Market Law Review, Vol. 20, 1983, pp. 685-690; for clause 2ii see p. 686.

91. *Ibid.*, p. 686.

92. 'Solemn Declaration on European Union', reprinted in Pauline Neville-Jones, 'The Genscher-Colombo proposals on European Union', in Common Market Law Review, Vol. 20, 1983, p. 697.

93. I purloin this phrase, 'the EC/12', to describe the hybrid structure into which, I would argue, the 'EC construction' had evolved, at least from the early/ mid eighties - from Elfriede Regelsberger; See Elfriede Regelsberger, 'The dialogue of the EC/Twelve with other regional groups: a new European identity in the international system?', in Geoffrey Edwards and Elfriede Regelsberger (eds), Europe's Global Links, (London: Pinter, 1990), pp. 3-26.

94. Ifestos, European Political Cooperation, pp. 328-343.

95. 'Single European Act', in Treaties Establishing the European Communities, abridged edition, (Luxembourg: OOPEC, 1987), pp. 523-602.

96. In November 1973 the foreign ministers met in Copenhagen in the morning as the Council of the Community. In order to preserve the distinction between Community business and EPC which was insisted upon by the French, the foreign ministers then flew to Brussels for an afternoon seminar - of the same people - but this time as the 'Conference of Ministers' meeting in EPC.

97. For detail on the secretariat and its functions see Simon Nuttall, 'Annual Surveys European Political Co-operation, Yearbook of European Law 1986, pp. 313-314.

98. For the classic exposition of Political Realism see Hans Morgenthau, Politics Among Nations, third edition, (New York: Knopf, 1960).

99. One issue that is sometimes raised in order to expose the fragility of EC foreign policy is the fact that 'sensitive' issues, particularly relating to bilateral areas of contention between the member states are omitted from discussion in EPC. There is no doubt that issues such as the Anglo-Irish dispute over northern Ireland touch on domestic concerns about 'sovereignty' and that member states are anxious to preserve their freedom of decision-making in bilateral disputes. However there is nothing intrinsically incompatible with the notion of an EC foreign policy vis-a-vis the rest of the world and at the same time independence for member states in what can be termed 'domestic disputes' within the context of the EC as a whole. William Wallace for instance predicates his 'federal analogy' for an understanding of the EC on the basis that individual states do manage to maintain independence of action within certain spheres. He utilises and quotes K. C. Wheare's definition of federal government as 'an association of states, which has been formed for certain common purposes, but in which the member states retain a large measure of their original independence'; see William Wallace, 'Europe as a Confederation: the Community and the Nation-State', in Journal of Common Market Studies, Vol. XXI, Nos. 1 & 2, September/December 1982, p. 60, quoting K.C. Wheare, Federal Government, fourth edition, (London: Oxford University Press/ RIIA, 1960), p. 1, Wallace's italics.

100. Reinhardt Rummel, 'Speaking with one voice - and beyond', in Pijpers, Regelsberger and Wessels (eds) in collaboration with Geoffrey Edwards, European Political Cooperation in the 1980s, (Dordrecht: Martinus Nijhoff, 1988), p. 128.

101. Duchêne argued that 'the European Community will only make the most of its opportunities if it remains true to its inner characteristics. These are primarily: civilian ends and means, and a built-in sense of collective action, which in turn express, however imperfectly, social values of equality, justice and tolerance': see François Duchêne, 'The European Community and the Uncertainties of Interdependence', in Max Kohnstamm and Wolfgang Hager (eds), A Nation Writ Large? Foreign-Policy Problems before the European Community, (London: Macmillan, 1973), p. 20.

102. Ibid., p. 14.

103. Mr. Theodoros Pangalos, quotes from Document 88/420, in European Political Cooperation Documentation Bulletin, Vol 4. No. 2, (Luxembourg: OOPEC, 1989), p. 257.

104. For a useful summary of EC/US conflicts see Roy H. Ginsberg, Foreign Policy Actions of the European Community, pp. 129-149.

105. J. Galtung, The European Community: A Superpower in the Making, (London: Allen and Unwin, 1973).

106. Reinhardt Rummel argues (in 1988) that 'a fully-fledged West European foreign policy remains unrealistic but the quiver of EPC is no longer totally without arrows'; see Rummel, 'Speaking with one voice - and beyond', in Pijpers, Regelsberger and Wessels (eds) in collaboration with Edwards, European Political Cooperation in the 1980s, p. 125.

The 1957 Treaty of Rome which inaugurated a European Economic Community of six states contained provisions within the Treaty which were to permit the European Community of 12 states to emerge as a global actor in the 1980s. Included in the Treaty were specific provisions relating to the EC's relationship with the member states' ex-colonies; provisions which were to allow for the formalisation of these relationships within the four Lomé Treaties. As the EC grew so did the numbers of ex-colonies which were eligible for membership. The geographical scope of the Lomé Treaties extended until by 1989, with the signing of the fourth Lomé Convention, the 69 member countries included all those Third World countries eligible for membership from Africa, the Caribbean and the Pacific (the ACP countries). By 1989 therefore only Latin American and Asian (LAA) developing countries were excluded from the Lomé arrangements.

This does not mean to say that the LAA countries did not develop relationships of their own with the EC; ASEAN/ EC cooperation is an example of a particularly durable and relatively successful EC/ non-ACP developing country cooperation arrangement. The first EC/ASEAN ministerial meeting was held in 1978; followed in 1980 by the signing of a Cooperation agreement, a Joint Statement on Political Issues, and a Joint Statement on economic and technical cooperation.¹ Despite some tensions including particularly ASEAN resentment against perceived EC protectionism, the relationship continues to expand; one significant deepening of the relationship occurred in 1988 when the EC inaugurated its 'EC International Investment Partners' (EC-IIP) project which offered all those developing countries

which had signed cooperation agreements with the EC (including ASEAN) access to a financially backed scheme which would have the effect of encouraging private EC-based financial investment in those countries. Indonesia and Malaysia have already benefited; the former with assistance for the furniture industry, and the latter with support for a toxic waste treatment plant.²

In this chapter however the focus will be on EC policy towards Latin America; its history, the major issues involved, the pressures leading to cooperation, the constraints militating against cooperation, and the outcome of those factors in the EC/Latin American relationship of the 1980s. An evaluation will be proposed as to the success of the EC/Latin America relationship in terms of whether or not the objectives of both partners were achieved.

EC policies towards Latin America can be considered as arising from two kinds of relationship; the economic and political. The distinction is used here for the sake of analytical clarity and is of course not meant to imply that in reality these two relationships adopt discrete and distinct trajectories.

The chapter will respond to two issues. The first is the question of the development of EC foreign policy. How did EC relations with Latin America affect the general operation and development of EC foreign policy? It should be noted that this chapter seeks to analyse the EC as a unit by focusing on one of the EC's two important sets of sub-units. The first important set of sub-units is that which is composed of the member states. The second important set of sub-units is that which is comprised of the institutions of the EC. It is this latter set of sub-units which forms the focus of analysis in this chapter. An assessment will be made as to what extent, if at all, EC policy towards Latin America has reflected a common approach

from the three most important institutions of the EC (Council, Parliament and Commission). (Chapter 6 considers, *inter alia*, the degree of harmonisation of member-state foreign policy on Central America vis-a-vis the European Community's policies). The primary focus of this chapter therefore is on an assessment of how successfully the institutions have coordinated policy towards Latin America. The question that is asked therefore is to what extent has the EC acted as an institutionally cohesive foreign policy actor in Latin America? A preliminary assessment is also made of the impact of the EC's foreign policy practice in Latin America on the development of institutional cohesion of EC foreign policy in general. (Fuller observations are set out in the conclusion to this thesis).

The second issue to which this chapter will seek to respond is the question of what relationship, if any, the history and development of EC/Latin American relations had to the intensive EC activity in Central America in the 1980s? What impact did the broader region to region relationship (EC/Latin America) have on the development of the region to sub-region (EC/Central America) partnership which prospered in the 1980s?

Definitional problems and their consequences

Any analysis of the changing nature of EC/Latin America relations needs to begin with a clarification of what is meant by the terms European Community and Latin America. Both were perceived as different geographical, institutional, and political entities by different observers at different times.

It has already been noted that in 1957 the EC comprised six member states.

In 1973 Britain, Ireland and Denmark were added to the Community's membership; followed in 1981 by Greece; and in 1986 by Spain and Portugal. In institutional terms the ECSC, the EEC and Euratom began as separate Communities - merging in the mid-1960s to form the European Community. For the purposes of this thesis the use of the term EC will indicate a reference to all three Communities but, given the centrality of the European Economic Community, the thesis will adopt as its historical base the foundation of the second two Communities by the Treaty of Rome in 1957. Unless otherwise stated the EC will refer only to the Community as an institution - not to the more cohesive member-state/ Community grouping which, as has previously been argued, began to emerge in the late 1970s/ early 1980s. Any reference to the latter entity will be signified by the adoption of the term the 'EC/12'.

In summary the term 'European Community' describes the agglomeration of the institutions of the three Communities. The term 'EC/12' describes the former entity and the member states. This definition is not unproblematic. The putative Latin American partners demonstrated a persistent tendency to conflate the institution of the European Community with its limited powers and resources, with the second notion of a more comprehensive entity, the EC/12. In this notion of 'Europe' EC representatives, whether they be Council, Commission or Parliamentarians, were often perceived as being able to speak and take action on behalf of both the EC and the member states. This is not to say that Latin American leaderships in practice were not aware of the differences between EC and member state powers and responsibilities. However there was a surprisingly prevalent assumption, even among Latin American élites, that the EC institutions had attained

influence over the direction and setting of member state policies to the extent that the EC could be viewed as a unitary, independent (sometimes of member-states) and relatively homogeneous actor in international relations.³ One common example of these illusions or misperceptions emerged in discussions held at a conference organised by the Council of Europe and the Madrid based Institute for European-Latin American Relations (IRELA) in June 1986.

'In response to the repeated calls made by various Latin American participants for a massive programme of economic cooperation between the two regions, Commissioner Cheysson stated that Europe was not in a position to make concrete offers in this field, and that it would not be realistic for him to propose such a programme.'⁴

Conversely the term Latin America was used to describe differing geographical, and to a lesser extent, differing institutional entities; depending on the perspective of the observer. The terms 'Latin America' was for Latin Americans (and some Europeans) almost a mythological construct which encapsulated an aspiration for unity most famously articulated by Simón Bolívar.⁵ In July 1991, somewhat outside the time-span reviewed in this thesis, but nevertheless making the point that throughout the period Latin American integration only ever achieved the level of aspiration, occurred the first Ibero-American Summit at Guadalajara, Mexico. Heads of State and government from 21 Latin American states (including Cuba), Spain and Portugal met to discuss, among other things, how to attain both unity and integration.⁶

There were no Latin American regional institutions which could lay claim to represent the interests of all Latin American nations although the Latin American Economic System (SELA), which was established in 1975, had in 1989 the most comprehensive geographical scope with 26 Latin American and Caribbean members.⁷ The declared aims of SELA included the objective of presenting a common front to third countries. In practice SELA operated as a coordinating body and mechanism for consultation rather than as an effective negotiating body with third states.

The regular European Parliament (EP) calls throughout the 1980s for an EC/ SELA cooperation agreement were misconceived in that SELA was not an equivalent body to the EC.⁸ SELA was not primarily intended as an integrationary institution nor had it developed as an integrationary body for Latin America in a similar manner to the development of the EC in Western Europe.⁹ Not that the EP could perhaps be entirely blamed for its illusions about SELA's potential as an EC partner. The Inter-Parliamentary Union meetings between Latin American and European parliamentarians also called for such an agreement.¹⁰

For the EC, as for other international actors, the term 'Latin America' was relational and changed in respect to the EC's changing relationships with other international and Latin American regional actors. Latin America could sometimes include every independent state south of the United States in the Americas, including the Caribbean islands. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) was more or less based on this vision of Latin America except that it also incorporated the USA, five European members and three associate members (Montserrat, Dutch Antilles and the Virgin Islands).¹¹

The term 'Latin America' was most often used by the EC however to denote all those independent nations south of the United States which were not members of the Lomé convention. This latter definition described a changing, rather than a fixed territorial entity. In 1989, the Dominican Republic and Haiti joined the Lomé Convention, thus excluding them from, in EC terms, being considered as part of 'Latin America'. Two other groups of territories were excluded from the EC's version of 'Latin America'. The first was the group of non-independent nations like Bermuda, Puerto Rico, the Virgin Islands. The second was the group of overseas French départements (French Guyana, Martinique and Guadalupe). The latter group is part of France and therefore part of the European Community, although physically based in the Americas. The terminology also responded to more direct political considerations. Cuba did not appear on the EC's list of Latin American developing countries until after the establishment of EC/ Cuban diplomatic relations in 1988.¹²

In 1986 therefore the EC delineated a Latin America which included 19 independent states; Mexico, Honduras, El Salvador, Guatemala, Costa Rica, Nicaragua, Panama, Colombia, Venezuela, Ecuador, Peru, Bolivia, Chile, Brazil, Uruguay, Argentina, Paraguay, Dominican Republic, Haiti.¹³ By 1990 there were 18. The Dominican Republic and Haiti were now in Lomé and Cuba was now included.¹⁴

In this thesis European Community relations with Latin America are considered in terms of EC relations with all non-Lomé independent states south of the United States and exceptions to this rule are made clear. In this chapter therefore Latin America as already delineated will be considered as the regional unit

of analysis. Additional sub-regional levels-of-analysis will be introduced. The two most important are that of Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua) and South America (Latin America as defined minus the five Central American republics but inclusive of Mexico). This thesis identifies a sub-regional level-of-analysis (Central America) as the major focus of analysis.

A major reason for the methodology proposed is that in practice both the United States and as we shall see later, the EC, developed differentiated policies towards South America (including Mexico) and the Central American region. US strategic concerns precipitated a series of direct interventions in Central America from the late nineteenth century onwards.¹⁵ Intervention on this scale did not occur elsewhere in Latin America. (See Chapter 4 for further discussion.)

There are theoretical, methodological and practical points which should be made in respect of the above definitional issues. The first theoretical point is that the concepts of European Community and Latin America, particularly the latter, were much based on political assumptions as they are on geographical 'facts'. They were also based, particularly the former concept, of European Community, sometimes identified as simply Europe, on perceptions which could be highly normative in their formation. These concepts were fluid. They could describe different entities; geographically, politically, and institutionally, at different times. This fluidity can give rise to certain methodological problems; affecting comparative studies and judgments made in respect of both space and time. For instance data on EC trade relationships of 1972 (a Community of 6) needs some careful consideration (and manipulation) before it can be easily compared with EC trade relations of 1989 (a Community of 12). Any indicators of economic relations with Latin America also

need to be carefully evaluated in order to ensure that the Latin America being compared in say 1972 is the same Latin America of say 1989. The fluidity in conceptualisation is not solely a problem for theoreticians. The practical consequence of this definitional slipperiness was that fertile ground was available for potential misunderstanding between the two partners in the relationship.

Pre-history

The historical context of EC/Latin American relations is that of European colonialism which began less than a decade after Columbus first sighted America on October 12 1492, at Guanahani, today called the Bahamas.¹⁶ Spain and Portugal dominated continental Latin America until independence in the 1820s while Britain and France vied for control of the lucrative sugar-producing slave plantation colonies of the Caribbean. Iberian colonialism was replaced by British capitalist dominance over mainland Latin America in the nineteenth century, as Pax Britannica was extended globally, to ensure the continuance of a system of free trade dominated economically by the City of London and British technological and industrial hegemony, and militarily by British naval power. France influenced the continent culturally in that the Latin American intelligentsia of the nineteenth century spoke French and deferred to French cultural norms.¹⁷ However it was British business which dominated Latin American modernisation programmes and which helped to establish patterns of insertion of Latin America into the world economy which are still prevalent in the late twentieth century. Latin America became an importer of manufactured goods, exporter of raw materials and both

importer and exporter of capital.¹⁸

Towards the end of the nineteenth century the US marked its successful entry into world politics, at least as a leading Pacific power, with expansion into the Phillipines and Cuba. The United States no longer needed to rely on the British navy to enforce the 1823 Monroe Doctrine which had declared Latin America 'off-limits' for European colonialism,¹⁹ but which had permitted British capitalism to survive and prosper. Britain had been challenged by other European powers but was eventually replaced as the dominant extra-Latin American power by the emergent imperialist United States. From the late nineteenth century British political influence in Latin America was gradually displaced although its economic links remained substantial.²⁰ The first half of the twentieth century witnessed a growing acceptance by European powers, with the partial exception of Germany and Italy, that Latin America was part of an US 'sphere-of-interest'. European business and investors maintained a significant economic presence in Latin America, but left political leadership to the US.²¹

The immediate pre-history to EC-Latin American relations therefore is of a Europe which more or less accepted US political and security dominance in respect of Latin America - although historically grounded economic links between Europe and Latin America were to survive throughout. The apotheosis of US superordination in respect to Latin America and Western Europe occurred at the same time - at the end of the Second World war.²² Latin Americans joined with the United States in a regional body designed to deal with political, social, and economic matters. The Organisation of American States (OAS), which provided the institutional structure to enforce the collective security commitments agreed by the 1947 Rio Treaty, was

created in March 1948. West Europeans were pushed into cooperation via the US supported Organisation of European Economic Cooperation (OEEC) which was created in April 1948. The West Europeans accepted US security leadership with the creation of NATO in 1949. At the same time as the US was asserting itself as the global hegemon, it was also consolidating its position within a Western hemispheric inter-state system which could without much exaggeration be characterised as a unipolar.

US dominance over both the US-West European relationship and the US-Latin American relationship combined with the need for Europe to concentrate on its own economic and political reconstruction defined the more immediate context of EC-Latin American relations. In the decade following the war superpower bipolarity and Cold War events in Europe (Czechoslovakia [1948], Berlin [1948/49], Hungary [1956]) and Asia (the 'loss' of China [1949], the Korean war [1950-53]) continued to place Latin America low on the list of West European geo-political priorities.

Given the these historical factors, Latin America was not high on the agenda for the newly created European Economic Community in 1957. In terms of EEC external relations priorities, the only explicit commitment to the poorer countries of the world was, as we have seen, towards member states' former colonies.

The historical overview indicates however that modern Latin American politics and economics were shaped by European political, economic and cultural influences and their interreaction with domestic political forces - which either supported or opposed European penetration of the continent. The point here is not to argue whether or not insertion into the world capitalist economy was beneficial or not for Latin America²³ but simply to point out that this historical context

provided contemporary EC/ Latin American relations with both constraints and possibilities. The obvious constraint was the asymmetrical economic relationship. An example of possibilities for improving relations provided in part by the historical context was in respect to Spanish and Portuguese accession to the EC. Accession was widely perceived within the EC²⁴ as allowing the Community to strengthen its links with Latin America,²⁵ primarily because of historical, language and cultural links but also because of the relatively higher trading and economic links between Spain and Latin America compared to other EC countries.²⁶

The EC relationship with Latin America: the philosophical framework

EC policies towards Latin America were developed within a philosophical framework which emphasised certain broad principles; respect for human rights, pluralist democracy, the rule of law, peace and social justice. These principles were made explicit by the Commission. After it iterated the economic foundations of the EC's interest in Latin America, a 1985 Commission document stated that,

'The European Community's policy towards Latin America is also based on ideological grounds. The Community, itself founded on principles of law, democracy and integration, is duty-bound to support the process of democratization in Latin America by its choice of action, political contacts and official policy. Furthermore, and thanks to the efforts and perseverance of the European Parliament, the European Community firmly upholds respect for human rights in those countries where these are endangered. The European Community supports all efforts at

economic integration taking place in Latin America with a view to regional stabilization, both economic and political.²⁷

The EC argued in the 1980s that EC/ Latin American relations were based on 'a community of values'.²⁸ These political values were spelt out in the Commission Communication to the Council of December 1986, which both consolidated and provided a further base for EC policy initiatives towards Latin America.

'We are beginning once again to realize that Europe and Latin America have certain values and interests in common and that these justify a substantial strengthening of links between the two worlds. We have the same conception of society and human rights, similar visions of the political and economic world order and, in particular, the same interest in promoting the emergence of strong regional entities.'²⁹

EC policy towards the two major sub-regional units of South America and Central America was based on the same underlying philosophy. In practice however the salient issues, policy priorities and methods of operation of the EC were differentiated in respect of the two sub-regional entities. In Central America the EC developed a fairly cohesive, well-coordinated, systematic policy but in South America EC efforts were more piecemeal and, arguably, less effective.

The following paragraphs identify the major economic and political issues for EC policy towards Latin America, focusing where appropriate on South America as the main unit of analysis. EC policy towards the Central American sub-regional unit

is discussed in Chapters 4 and 5. EC policy and actions are charted in order to identify how the Community has played a direct role in areas like trade and aid, and how it has exercised influence in a more indirect manner, in areas such as debt and investment. The pressures on the EC to deepen its involvement in Latin America are described as well as the factors constraining the EC.

Economic issues

The Community's main concerns in respect of South America were economic and mainly in the area of trade. Latin American countries did not become eligible for EC aid until 1976. But the increased aid which became available in 1979 in the main went to Central America, as opposed to South America. Debt did not become a major issue in EC relations with South America until 1982 after the Mexican debt crisis. Investment from EC countries remained relatively high in South America - but investment policies, as with debt, fell primarily with member-state, as opposed to EC, competencies. Economic and political regional integration plans were supported by the Community, although again it is Central America, as opposed to South American schemes which received the most attention from the Community.

In any assessment of EC/Latin America relations it is important to recognise that the scale of economic relations for which the community has direct responsibility, that is trade and its own aid programmes, was relatively insignificant as far as the West European side of the partnership was concerned. EC trade with Latin America (imports from and exports to) fell from 11% of overall extra-EC trade in 1958 to 9.5% in 1963 to 5.5% in 1981 (based on the ten 1981 EC

members).³⁰ Figures based on an EC of 12 members showed a fall in EC trade with Latin America from 8.2% in 1965, to 6% in 1983, to 4.9% in 1987.³¹ The economic relationship was much more valuable to Latin America. Again in trade terms, by the mid 1970s, the EC received some 25% of Latin America's exports and was the provider of 23% of Latin America's imports.³²

(i) Trade

The Treaty of Rome, subsequent secondary legislation and various judgments of the European Court of Justice (ECJ) tended to widen the EC's international powers and responsibilities but in practice, the EC's major competence remained in the area of international trade. Exclusive EC competence over the management of member states' external trade was established in Article 113 of the Treaty of Rome and the completion of the Common External Tariff (CET) in 1968 enabled the Commission to assume the role of international trade negotiator in place of the separate member states. Within the GATT the EC had acted on behalf of the member states since the Kennedy Round of multilateral trade negotiations (1964-1967).³³ The perception of the EC as a global actor was enhanced through the success of these negotiations although the cause of that success was much more to do with the restructuring of the multilateral GATT negotiating rounds than as a result of the Community's economic statecraft. That restructuring permitted the Kennedy Round to achieve tariff cuts on average of around 36 per cent to 39 per cent by the industrial countries and some reductions in non-tariff barriers to trade (NTBs).³⁴

The Community had a wide range of trading responsibilities.

'The Community has a common customs tariff, the necessary corollary of an internal customs union, and has responsibility for external trade policy. Acting on proposals from the European Commission, it has the competence to negotiate international trading rules; to draw up customs procedures, franchises and import quotas; to ensure, within the framework of international regulations, protection against unfair foreign competition, and so on. The Community negotiates international agreements on export credits and its Member States are gradually harmonizing their policies in that area. Trade agreements with third countries are negotiated by the European Commission.'³⁵

The point here is that the EC had structural positional and structural contingent (see chapter 2) effects on Latin America. Latin America was forced to develop a response to the position of the EC as the largest trading bloc in the world. For example in 1986, the EC benefited from a 19% share of world trade, as compared to 17% for the US and 10% for Japan.³⁶ Latin America was also affected, arguably adversely, by the unintended affects of EC trade policy, particularly in respect to agriculture.

EC trade patterns with Latin America from 1957 through 1989 indicate that (i) EC trade with Latin America was relatively insignificant and steadily decreased in importance as far as the EC was concerned, and this was demonstrated by the fact that although EC trade with Latin America steadily increased in volume terms³⁷, in terms of percentage of EC global trade, EC trade with Latin America,

as with the rest of the Third World,³⁸ steadily diminished; (ii) EC trade with Latin America was unevenly distributed in that EC trade was mainly with six South American countries - and in 1984 over one quarter of EC trade was with just one South American country, Brazil³⁹; (iii) the EC-Latin American trade relationship remained asymmetrical in terms of both its value to the respective partners (see above), its structure - the EC exported manufactured goods to Latin America and imported raw materials, agricultural products and foodstuffs, and semi-processed products⁴⁰, and in terms of the two partners changing relative share of world trade - between 1982 and 1988 the EC's share of world trade increased from 35.7% to 39.3% while Latin America's share of global trade decreased from 5.2% to 4.1%⁴¹; (iv) the European Community ran a consistent trade deficit with Latin America (1958-1987)⁴² and (v) growth in EC trade with Latin America took place at a slower rate than Latin American trade with both Japan and the United States.⁴³

The overall trend was therefore been one of deterioration in significance of Latin America for EC traders. This was despite efforts made by various sectors and governments within Latin America and despite increasing political interest within the Community and numerous reports by the European Parliament and Commission which called for EC efforts to increase trade links with Latin America.⁴⁴ Why were the results of these efforts so disappointing? What were the major obstacles to improved commerce between the two regions?

One response was to argue that if Latin America's significance as a trading partner for the EC has declined, this matched the general decrease in significance for the EC of developing country trading partners. It also matched a general

decrease in the share of world trade for the developing countries.⁴⁵ This reply is unsatisfactory. It is fair to argue that EC trade with developing countries decreased in overall terms but this decrease was uneven. Compared with Asia for instance, Latin America fared badly in terms of trade with the EC. Between 1982 and 1986 Community exports increased to Asia and Community imports from Asia nearly doubled in terms of the percentage of Community trade.⁴⁶ Latin America also fared relatively worse than the developing world as a whole in terms of EC market shares. Between 1965 and 1986 Latin America saw its share of total EC trade with developing countries decline. In 1965 Latin American imports accounted for 23.3% of the EC/12's imports from developing countries. By 1986 this figure had fallen to 18.7%. In terms of export trade, in 1965 Latin America received 19.7% of all EC exports to the developing world. By 1986 this market share had declined steeply, to 13.5%. By contrast Latin America's market share in United States trade with developing countries started from a higher base. In addition imports from Latin America grew as a percentage share of US developing country trade (from 28.4% in 1975 to 39.4% in 1985) and remained relatively stable as a percentage of US exports to developing countries (from 36.8% in 1975 to 36.9% in 1985).⁴⁷

Another reason often cited for the deterioration in EC trade with Latin America, so much so that Latin America 'is tending to become a marginal market'⁴⁸ for the EC, was the worsening international indebtedness of Latin America.⁴⁹ The argument presented was that as Latin America was forced to implement export-led growth strategies based partially on domestic austerity measures this had the affect of cutting back on effective demand for EC imports. This argument was further reinforced by the fact that although Latin America

increased its exports between 1980 and 1989 (although volume increases of 57% only brought a value increase of 24%), the increase in foreign earnings did not serve as a basis to increase demand for imports as these earnings went to pay off debt interest and capital.⁵⁰ The debt problem probably therefore contributed to the fall in EC trade with Latin America yet this global factor was by no means the only obstacle to increased EC trade with Latin America given that Latin American exports to the EC might have been expected to benefit from the export-led strategy. A relevant point to make in this context is that Latin American indebtedness to the United States banking sector was marginally higher than to the EC/12 banking system,⁵¹ yet the fall in Latin American exports to the United States between for example 1980 and 1985 was less than the fall in exports to the EC (38% as compared to 25%). This occurred despite the rise in value of the dollar against the ECU in the same period - a change in comparative currency value which ought to have made EC exports more competitive in respect of US exports.⁵² What therefore was distinctive about EC trading patterns which contributed to this steady drop in EC trade with Latin America?

One difference between EC trade and US trade with Latin America is Latin American exports to the EC were comprised mainly of foodstuffs and raw materials (including an increase in petroleum exports from 4% in 1977 to 23% in 1985). By 1989 primary products accounted for 80% of Latin America's exports to the EC.⁵³ This compared to Latin American trade with the US whereby over 30% of exports (as at 1985) were industrial products.⁵⁴ By 1989 Latin America's exports to the US included capital goods worth 21% of export trade and consumer goods worth 18% of total Latin America/ US export trade.⁵⁵

There were a number of problems arising from the structure of trade between the EC and Latin America. Essentially these difficulties arose because of EC protectionism which was directed against Latin American agricultural and manufactured trade.

In terms of agriculture Latin American trade was sensitive globally to changes in commodity prices and to EC policies. The EC's Common Agricultural Policy (CAP) was a major problem for Latin America as were EC policies which favoured the EC's Lomé partners which were commodity producers often in direct competition with Latin American exporters. EC/Latin American trade was affected by EC policies on manufactured products, the most important of which for Latin America was the Generalised System of Preferences (GSP).

It has already been noted that there was a steady increase in the value of trade between the EC and Latin America - although this was accompanied by a drop in the percentage of EC trade taken by Latin America.⁵⁶ This also occurred despite the massive increases in export volumes generated by Latin America in the 1980s.⁵⁷ It has also been noted that the debt problem helped to account for the low demand for EC exports. It is perhaps a more complex exercise to account for the low demand (or supply) of Latin American exports to the EC.

One of the reasons sometimes given is that there was a secular drop in world commodity prices which meant that Latin American exports were inherently non-competitive on world markets.⁵⁸ World Bank figures indicate that there is some truth in this analysis for the period 1980 to 1987 but that from 1965 to 1980 and in 1988 and 1989 global terms of trade were favourable to Latin America's trade. Similarly the export prices for low and middle income economies of primary products

(the EC's main imports from Latin America) declined only in the period 1980 to 1987 and showed a steady increase in the period 1965 to 1980 and in 1987 and 1988 (the latest figures available). Breaking this figure down into its component parts, the price for foodstuffs (50% of EC imports from Latin America in 1989) declined from 1980 to 1987 but again had increased between 1965 and 1980 and showed an increase in 1988. Fuel prices (15% of EC imports from Latin America in 1989) were slightly more erratic in that they showed a steady increase between 1965 and 1980, a decrease between 1980 and 1987 an increase in 1987 and a decrease in 1988. Non-food primary, metals and minerals (ore and metal comprised 15% of EC imports from Latin America in 1989) followed the overall primary goods pattern in showing a decreasing price between 1980 and 1987 but an increase between 1965 and 1980 and further increases in 1987 and 1988.⁵⁹

In the period 1980-1987 Latin America also suffered from a decline in price paid for its manufactured exports. However this decline was much less steep than that for its primary products, which would help to explain why Latin America-United States trade remained relatively more buoyant than Latin American/EC trade.⁶⁰

Secular falls in commodity prices could not therefore fully explain the decline in the EC/Latin American trading relationship. Other factors relating to the EC's own policies were also relevant. The first and perhaps the most contentious for Latin America was the Common Agricultural Policy.

The Community's CAP was essentially a price support mechanism for the EC's farmers. One of its intended affects was to discriminate against overseas suppliers of agricultural goods in favour of EC producers. This was the basis of 'Community preference'. One of the most important unintended affects of the CAP

was to artificially suppress world agricultural prices as the EC subsidised its farmers' surplus food which was sold on world markets. The first objective may have been legitimate, even if it was harmful to potential Latin American exports - particularly in terms of agricultural products which since the accession of Spain and Portugal could be provided by the Canary Islands, or Spain and Portugal themselves.⁶¹ The second affect was also legal, if not considered legitimate by many (including many EC policymakers), at least according to GATT's world trade rules, because agricultural trade was excluded from GATT's remit. The Uruguay Round, which had as one of its at least implicit objectives that of controlling EC agricultural protectionism was not able to (as at August 1992) find any resolution to the issue. One British-based professor of agricultural economics argued that,

'the pressure of international opinion on the CAP is likely to grow. In part this is because as the world's largest food importer and second largest food exporter, the EC plays a leading role in the world market. Moreover, the CAP has sought to solve many internal problems by treating the world market as residual. It has dumped its exports, frustrated lower-priced imports and even, in 1974 when world prices of sugar rose, subsidized imports. Other countries do not believe that a fair trading system can co-exist with the CAP in its present form.'⁶²

The impact of the CAP on countries like Argentina and Uruguay which were highly dependent on agricultural exports was particularly adverse. Latin America's agricultural exports were forced to compete with highly subsidised EC agricultural produce in the same markets, sometimes even in their own domestic markets. In

1986 for example the EC exported 200,000 tonnes of beef to Brazil which because of subsidies was able to undercut beef prices from producers from Argentina, Uruguay and from Brazil itself. According to the Australian Bureau of Agricultural Economics the affect of the CAP was to lower world prices for sheepmeat and beef (17% in 1984), wheat (9% - 13% in 1983), other cereals (16% in 1983) and sugar (5% to 11% in 1982).⁶³ CAP tariffs and quotas also militated against entry to the EC market of Latin American cocoa, coffee and bananas. All these products were key exports for the major Latin American countries who were encouraged to increase their exports by the IMF yet in practice were disadvantaged by the EC, whose member states are also IMF members, in terms of Latin America's ability to gain increased value from its agricultural exports. Perhaps the only mitigating affect of the CAP was that some products, such as soya beans from Argentina, Paraguay and Brazil, were attracted to the EC market.⁶⁴

During the 1970s and towards the beginning of the 1980s the Commission argued in defence of the CAP that overproduction of beef was stimulated by soya exports (some from Latin America) which resulted in the EC having to dispose of surplus beef on the world market.⁶⁵ But at the end of the 1980s both the Commission and the Parliament displayed more sensitivity in respect of the negative impact of CAP policies for Latin America even if they did not developed a cohesive Community response. In October 1987, at a colloquium on Latin America organised by the Socialist Group of the European Parliament, Claude Cheysson, Commissioner for Development, responded to the Argentinean Ambassador's criticism of the CAP by arguing that - 'I think that he is not wrong. I do not say that because of his illustrious name but because of his argument which, in this matter, is exactly

right! ⁶⁶

Cheysson had already argued publicly, at the part session in Strasbourg, in January 1987, that a major problem for EC/Latin American relations arose because of a Community CAP which could and should not be defended.

'No, where we should be making our act of public repentance.. is in taking stock of the impact of the Common Agricultural Policy on certain Latin American countries.

We can only acknowledge that, albeit for reasons that are understandable in themselves, we are conducting ourselves on the external markets of the Third World in a manner that I shall not hesitate to describe as scandalous and revolting, and all because of our war with the Americans to maintain our exports. This is serious for the countries of Latin America that have been traditional exporters and that have, consequently, through our fault, lost the opportunity to export, which is to say the opportunity, if not to grow, then at least to survive, in certain sectors.

If we are to advance beyond the present phase in the Common Agricultural Policy and give our rural world some chance of development, some assurance of development other than through agricultural production, that will be for reasons internal to our society, but also because this violation of the rules of the market economy that we claim to adhere to, this destructiveness vented on the only options open to certain Third-World countries, cannot for long be tolerated by the democracies of Europe as the action of a Community that claims to be in the service of development.⁶⁷

European Parliamentarian, Christian Democrat Marlène Lenz in her January 1989 review of economic obstacles to democratic development in Latin America argued, inter alia, that the Community's GSP should be altered in order that assistance could be given to Latin American agricultural exporters who had suffered adverse affects from the CAP.⁶⁸ By 1990 the Commission recognised that the CAP would need to be reformed and that this would help the EC/Latin America trade relationship but warned that Latin America (and Asia) would also have to make concessions. The Commission's 1990 Guidelines for Cooperation with the Developing Countries in Latin America and Asia committed the Community to a reform of the CAP which combined with the institution of the Single Market, the Commission considered would allow for easier access to the EC for developing country markets. The report stated that,

'Integration of the developing countries within the multilateral trade system is one of the main objectives in the Uruguay Round: progress achieved in liberalizing trade with the more advanced developing countries must be matched by a reduction in the tariff and the non-tariff barriers affecting their exports to the markets of the industrialized countries, particularly those corresponding to their comparative natural advantage.'⁶⁹

Latin Americans also expressed concern about the detrimental affects for Latin American exports of the Community's preferential trading agreements with the ACP countries which were institutionalised in the four Lomé agreements.⁷⁰ The point was well made when it is considered that the raison d'être of the Lomé

trade agreements was to provide preferential treatment to ACP exporters over and against exporters of the same commodities. The ACP countries consistently campaigned, not always successfully, to maintain preferential access. The EC's banana market for instance was relatively successfully infiltrated by Latin American exporters. In 1981, prior to the entry of Spain and Portugal Latin America accounted for 62% of the EC's banana imports.⁷¹ However, the Lomé IV Convention (1989) specifically agreed tariffs which would act to prevent Latin American exports having as easy access to EC markets as ACP countries. South American coffee for example faced a 5% surcharge over and above ACP coffee.⁷² To take the example that the Commission used in its publicity material - 'jams, fruit jellies and some marmalades can enter the EEC duty-free from any ACP state, while they enter with an 8% duty from say, Brazil or India, and with a 30% duty from the United States of America or Canada'.⁷³

But it was also true that Latin America had to a certain extent eroded the relative preferences which were supposed to accrue because of developing country membership of the ACP grouping. The STABEX system, which was established in 1975 to provide some stability in agricultural export earnings for ACP countries⁷⁴ was extended in 1986 to include all 'least developed countries', including the poorest countries in Latin America and Asia.⁷⁵ Only Haiti (counted as a Latin American country prior to its entry into the ACP group in 1989) was poor enough to qualify in Latin America. It received 5.13 million ECUs under this scheme between 1976 and 1986 (compared to 14.86 million ECUs in the same period received by four Asian countries; Bangladesh, Nepal, Laos and North Yemen; and 1,487 million ECUs for 51 ACP countries between 1975 and 1986).⁷⁶

By the early 1990s there was little sign that the Community was facing up to this particular contradiction in its trade policy towards Latin America. It had at one and the same time committed itself to the opening of its markets to Latin America and to was pledged to protect ACP countries from cheaper Latin American agricultural exports.⁷⁷

Latin America also complained about the Community's policy regarding trade in manufactured goods which they argued was protectionist in fact if not in theory. A specific target of Latin American textile exporters criticism, because of its perceived bias towards the interests of the developed countries' textile producers⁷⁸, was the Multi-Fibre Agreement (MFA)⁷⁹ which was set up under GATT auspices in 1973.

Latin America had some access to the GSP which was established by the EC in 1971 in order to encourage developing country exports in both manufactured goods and agricultural products. However although the GSP scheme theoretically allowed duty free entry into the EC for all industrial products, including textiles, footwear and steel products, in practice the EC applied quotas and tariff ceilings, which provided barriers to Latin American exports to the EC. Although all the Latin American countries made some use of the GSP, Brazil remained the most significant participant in the scheme. In 1983 and 1984 nearly half of the Latin American GSP trade was accounted for by Brazil alone. In the mid-eighties Venezuela was the next largest beneficiary but this was accounted for almost entirely by oil industry exports. Argentina, Colombia and Mexico were the next largest recipients of GSP support - although the value of the GSP scheme was not great. To illustrate the Brazilian dominance over the GSP trade the 1984 figures show that Latin American

trade benefitted by a total of 3,038.507 million ECUs. Of this total, Brazilian trade worth 1,252.338 million ECUs benefitted; Venezuelan trade benefitted by some 781.660 million ECUs; Mexico by 225.107 million ECUs, Argentina by 180.559 million ECUs, Chile by 156.385 million ECUs and Colombia by 138.169 million ECUs. Peruvian trade received the next highest value of GSP benefits at 75.485 million ECUS. Nicaragua's trade received the least amount of support from the GSP system - at 0.277 million ECUs.⁸⁰

Although the Community's general argument was that the GSP could be more efficiently utilised and this of itself would assist in the expansion of Latin American trade with the EC⁸¹, it admitted that there were problems, particularly for Brazil, Mexico and Argentina, in respect of the quantitative restrictions that it placed on textile and steel exports from Latin America. In respect to textiles the Commission pointed out in 1986 that it had agreed that for a period of five years, from 1987-1991, quantitative restrictions would 'only' be applied to three countries and their numbers would be reduced. Brazil would face 9 such restrictions instead of 14. Argentina would face 3 types of restrictions (instead of 4) and Peru 2 instead of 4. In the case of steel the Commission was less sanguine about future EC-Latin American trade. It argued that 'the situation in the Community's steel sector is such, however, that it is obliged to maintain provisionally the external aspect of its steel policy.'⁸²

The EC accused Latin America of erecting its own barriers to trade between the two sub-continents. One European Parliament report commented that 'tariff (and non-tariff) barriers to imports.. are among the highest in the world.' The same document pointed to the fact that Latin America mainly exported raw materials, the

world demand for which has slowed.⁸³ These Community criticisms however, at least from the time when Claude Cheysson became Commissioner responsible for development, became secondary to an analysis which highlighted the debt burden as the major problem inhibiting EC exports.⁸⁴ These factors however cannot explain why EC Latin America trade fell to a poor third in comparison to US/Latin America trade and Japan/ Latin America trade.

In its defence the Community argued that half of Latin America's exports to the EEC entered duty-free and of the rest, some 45% were covered by the GSP. The argument, at least in relation to Community tariffs, was that there was little room for further Community tariff cuts, given the prevailing structure of trade.⁸⁵

But the Community also responded to criticism. It slowly reduced some duties and in the late 1980s agreed to cut the number of quantitative limits on some products. At the same time the Community arranged a series of seminars for Latin American businessmen in Latin America to try to encourage an improved takeup of the GSP. At the end of the 1980s the Community tried to phase out national (EC member state quotas) in order to replace them with 'Community quotas' for 'sensitive products'. The Commission argued that 'in practice this will extend the opportunities for access at a zero or preferential rate of duty'.⁸⁶

The EC's strategy for the encouragement of manufactured and agricultural trade with Latin America evolved from an ad hoc approach in the 1960s and 1970s, relying mainly on exhortation to utilise the GSP more efficiently, to a slightly more sophisticated strategy in the mid-1980s. The strategy incorporated three complementary approaches. The first was to encourage a better use of an improved GSP. The second was the stated commitment to work towards an open free-trading

system - in the late 1980s this aim was focussed on efforts to ensure a successful conclusion to the Uruguay Round. The third was the EC's 'economic cooperation policy' with Latin America. Together it was argued, 'the impetus provided by the Uruguay Round and an economic cooperation policy could be used to help diversify the structure of Latin America's exports.'⁸⁷

The objective of achieving a more coordinated economic cooperation policy was outlined in the Commission's Guidelines for Cooperation with the Developing Countries in Latin America and Asia, of June 1990.⁸⁸ The intention was to facilitate direct access by 'economic operators and their intermediaries (chambers of commerce, trade associations, etc.)' to Community instruments of cooperation. These instruments would include 'technical assistance, organizing meetings, fact-finding mission, training, financing for studies, etc.' Economic cooperation in the 1990s emerged from the Community's earlier efforts to assist commerce between the two regions through schemes like the export promotion programme which were initiated in 1974. Among other things export promotion support financed a food marketing seminar in Panama, a food seminar for the Andean countries in Peru, and visits by Latin American exporters to trade fairs in Western Europe.⁸⁹

The Guidelines for the 1990s suggested that economic cooperation should take place in energy, industry, science and technology and business development. Economic cooperation with Latin America (and Asia) was designed to meet the interests of both Latin America and the Community. Trade promotion schemes for instance, would be supported in order to assist both Latin American firms exports to the EC and EC exports to and investment in Latin America. The EC's resources would also be used to help create a favourable macro-economic environment for

Community trade, in line with the Community's commitment, to the support and extension of an open international system based on capitalist, free trade principles.

'In terms of the economic environment, action can be taken to support institutions, in the broadest sense, by planning resources, identifying what regulations are necessary and laying down rules or standards. The object of the exercise - to be achieved by means of dialogue and training schemes aimed at the decision-makers in those countries - is to bring about a favourable climate for further investment, technological transfer or contacts between firms based in the Community and those in the developing countries.'⁹⁰

(ii) Aid

In 1976 OPEC was the world's largest supplier of Official Development Assistance (ODA), that is financial assistance in the form of grants or concessional (soft) loans, followed by the EC and its member states (the EC/12), and then the USA. By 1986, the EC/12 together accounted for the biggest share of the world's ODA; the next biggest supplier was the USA. By 1986 the EC/12's ODA as a percentage of GNP had risen to 0.51%. This compared to a decreasing percentage - down to 0.23% - for the USA and an increasing percentage of GNP for Japan, up to 0.29%.⁹¹

In South America (not including Central America and the Caribbean) EC/12 ODA represented 53.3% of total ODA received in 1986. The next largest donors were the USA at 20.3% of regional ODA, and Japan at 15.6%. The EC/12 were the largest

donors for most of the individual countries of South America including Brazil, Colombia, Peru, Uruguay and Venezuela. The EC/12 was the second largest (the US being in first place) ODA donor for Bolivia and Ecuador.⁹²

In fact, these overall figures (from EC official documentation) mask a picture which was of disparities in member state policy and practice towards ODA.⁹³ Both the EC and its member states were aid donors but there was no obligation to coordinate ODA policies. Officials from member states participated in an EC committee to decide which EC aid programmes should be supported but there were only sporadic attempts at aid policy coordination between the EC and the member states.⁹⁴ Aid policies were also relatively uncoordinated within the Community as policy and instruments for EC overseas aid had developed in a sometimes haphazard manner.

EC development assistance was provided for in the Treaty of Rome but was initially confined to the ACP and the Mediterranean countries, whose aid and trade relations with the EC were placed on a contractual basis through their associated status with the EC. The European Development Fund (EDF) which was set up in 1958, existed mainly to channel aid to the ACP countries under the Lomé agreements. The EDF, financed directly from member state contributions, combined with the EC's own Development budget were the main sources of EC ODA. In 1974, the Commission recommended to the Council that ODA be extended to non-associated countries, essentially Latin America and Asia. In 1976 the first allocation was made for financial and technical aid with non-associated countries and in 1981 the Council formalised the policy by adopting a regulation. Since 1976 as interest in the EC in development cooperation with Latin America and Asia increased, a

number of Community financial instruments were instituted. The Community's aid policies were directly related to its commercial policies, so much so that a part of the 'aid' budget was assigned to trade promotion and part, perhaps more understandably, to STABEX, the export earnings stability fund for the poorest countries.

Total EC aid to Latin America for the period 1976 to 1986 amounted to 1,151.68 million ECUs (compared to a total of 3,257.39 million ECUs for the non-associated Asian countries). The Community divided its aid monies into three separate provisions; development aid, economic cooperation and humanitarian aid. Between 1976 Latin America received 1,040.23 million ECUs in development aid; 58.86 million ECUs in economic cooperation; and 52.59 million ECUs in humanitarian aid.⁹⁵ Development aid was further broken down into financial and technical cooperation, which included support for regional integration projects (565.10 million ECUs); ordinary (as opposed to emergency) food aid (373.82 million ECUs; STABEX (5.13 million ECUs; and co-financing with non-governmental organisations (96.18 million ECUs).⁹⁶ Economic cooperation - 'the only suitable and justifiable form of cooperation for the relatively more advanced developing countries which have already reached the threshold of industrialization'⁹⁷ - was divided into seven different instruments. Between 1976 and 1988 trade promotion received the largest amount of funding of the economic cooperation schemes for Latin America, at 16.90 million ECUs; the next largest amount was for energy cooperation, at 15.04 million ECUs; then scientific and technical cooperation at 11.85 million ECUs; training at 8.75 million ECUs; industrial promotion and investments at 4.89 million ECUs; ecology at 1.08 million ECUs; and support for regional integration at 0.35 million

ECUs.⁹⁸ Humanitarian aid was also sub-divided; into emergency aid; emergency food aid; aid for refugees and displaced persons; aid for reconstruction and disaster prevention; and aid to combat drug abuse.⁹⁹

This rather small amount of aid (an average of approximately 100 million ECUs a year for all of Latin America) was mobilised via some 18 different Community instruments.¹⁰⁰ The complexity of the Community aid process may be one reason why disbursements of aid remained low compared to commitments. In the first ten years of EC aid to Latin America (1976-1986) disbursements reached only half of commitments. Even accounting for long lead-in times this was a disappointing result, especially as the 1988 figures indicated a continuing inability to transfer resources committed by the Community. In 1988 8.1 million ECUs was disbursed compared to 264 million ECUs committed.¹⁰¹

Both the low volume of funds available and the poor record on disbursement caused concern to the European Parliament. In a 1987 debate on, among other things, whether to increase the percentage of aid for Latin America within the non-associated countries aid budget so that Latin America's share would be the same as Asia's instead of the previously accepted 25%:75% allocation, Mrs Garcia Arias, a Spanish Socialist commented that

'According to the Commission's data we are dealing with 175 million ECU in appropriations for payment and with this amount it is not worth the trouble of discussing whether 75% is to be assigned to one continent and 25% to the other. The real problem is the paltry sums available to us and the difficulties of the Commission's officers in administering and managing these funds properly.'¹⁰²

In the same debate Mrs. Simons, a German Socialist, commented that 'The provision of resources as a whole is so low that one cannot speak of a policy for Latin America or Asia at all.'¹⁰³

Perhaps the saving grace of the Community's programme was that all development aid came in the form of grants thus contributing in a small way to the alleviation of Latin America's debt burden. There were also examples of individual countries or sectors which benefitted from EC aid. For instance in 1986 Bolivia received over 20 million ECUs from the EC. This sum amounting to 42% of total EC/12 aid to Bolivia in that year.¹⁰⁴ Community aid concentrated on rural development projects, regional integration and aid to the poorest sectors in the poorest countries. The Community also accepted that non-governmental organisations (ngos) were sometimes able to make better use of limited funds and to this end gradually increased its budget for co-financing of ngo schemes in Latin America.¹⁰⁵ In 1988 the sum allocated was 26 million ECUs.¹⁰⁶

In June 1990 the Commission responded to criticism with new Guidelines for Cooperation with the Developing Countries in Latin America and Asia. Cooperation policy was to be restructured to fall into two different areas. Development aid would be geared towards the poorest countries and population groups and economic cooperation towards those countries and regions with 'high growth potential, to the mutual benefit of those countries and the Community'.¹⁰⁷ In both cases environmental issues were to be given some priority. Development aid was to be granted in six areas; rural development, the environment, the human dimension of development, the structural dimension of development, regional cooperation and reconstruction aid. Economic cooperation was to involve three broad categories of

supportable schemes; 'know-how' sharing in economics, science and energy, the economic environment, and business schemes. Together these new policy priorities would reflect 'a balanced package of instruments for cooperation'. The Commission also called for an increase in finance and for a planned 'multi-annual' financial strategy for Latin America (and Asia).¹⁰⁸

At the same time as streamlining its policies the Commission also proposed to streamline its implementation procedures. Payments were to be made more quickly and the various cooperation instruments integrated to offer a more efficient service. The Commission recommended that EC aid be more closely coordinated with member state aid provision, for both economic and political reasons. The economic reason was to secure increased efficiency in the use of available resources. The political reason was to 'reinforce the European presence in the developing countries concerned'.¹⁰⁹

(iii) Regional integration

The EC was not allocated the function of support for regional integration in other parts of the world by treaty or even by secondary legislation, yet support for regional integration became an important part of its economic and political policies (see Chapter 2). One Commission document claimed that apart from rural development, regional cooperation was the only purpose for which Community funds could be used by Latin America (and Asia).¹¹⁰ This claim must have rested on a wide definition of 'rural development' as it clearly ignored at minimum humanitarian aid and disaster relief. Nevertheless the hyperbole of the statement gives some

indication of the importance that the Community attached to regional integration programmes.

In Latin America the EC encouraged and supported regional and sub-regional cooperation for two interrelated reasons. The first was because of Community philosophy which regarded regional integration as a useful basis for economic development strategies.¹¹¹ The second and arguably the secondary reason, was because the EC wanted to find a multilateral partner to help in the development and negotiation of a comprehensive EC strategy towards Latin America. The EC gave support to sub-regional economic integration bodies which included the Latin American Integration Association (ALADI), the Andean Pact, the Central American Common Market (CACM), the Caribbean Community (CARICOM) and the integration, cooperation and development treaty between Argentina, Brazil and Uruguay. It also entered into discussions at different periods of time with the Latin American Economic System, the countries of the Cartagena Agreement, the Contadora Group, the Contadora Support group, the Group of 8 (Rio Group), the Latin American Parliament and the two diplomatic cooperation structures, the Group of Latin American ambassadors (GRULA) and the Group of Central American ambassadors (GRUCA).¹¹² The EC's efforts to establish a multilateral negotiating partner will be reviewed in a later discussion of political factors in the EC/ Latin America relationship.

The initial Commission report of 1974 which recommended that aid should be allocated to the non-associated countries gave priority to schemes which would encourage regional cooperation and integration.¹¹³ Since 1974 the EC supported the efforts to promote Central American regional integration (see Chapters 4 and

5) and CARICOM - this last organisation being composed essentially of Lomé members and outside the purview of this study. The EC gave economic support to 11 Latin American regional institutions between 1976 and 1985, under the technical and financial assistance programme (the largest category of development aid). Between 1976 and 1985 support channelled through regional institutions totalled 35% of funding for 'normal' development projects.¹¹⁴ This financial support was disproportionately directed to Central American regional institutions. Between 1976 and 1985 Latin America at regional level received 8.93 million ECUs, South American regional institutions received 34.625 million ECUs and Central American regional institutions received 51.29 million ECUs.¹¹⁵ Latin American regional institutions to benefit included the Latin American Free Trade Association (the predecessor organisation of ALADI) and the Institute for Latin American Integration.¹¹⁶

The Andean Pact benefitted as the only South American regional organisation to receive assistance from the EC. (Regional cooperation finance combined with individual Andean Pact country support totalled 350 million ECUs between 1976 and 1986).¹¹⁷ EC supported Andean Pact programmes concentrated on two areas; food strategy and industrial development. The Community supported a regional telecommunications development project and a regional fisheries project. The Community implemented trade benefits regarding rules of cumulative origin for the Andean Pact (and the CACM) and donated financial and technical assistance for projects designed to encourage harmonisation of industrial standards and quality control.¹¹⁸

The economic results of efforts to encourage regional integration were

disappointing. The conclusion expressed in a 1990 Commission document was that 'the regional integration so much talked of in the last 30 years..... has never progressed beyond an extremely limited degree of institutional cooperation. There is as yet very little economic integration.'¹¹⁹ However by 1990 the EC remained convinced that regional economic integration projects in Latin America (and Asia) should remain a high priority for Community support. Four areas were targeted for future support. The first was regional support for the environment. The second was the development of intra-regional trade. The third was support for regional institutions and the fourth was support for regional communications projects.¹²⁰

(iv) Investment and debt

The European Community had no direct responsibility for the promotion or supervision of direct or indirect investment in Latin America or elsewhere. That responsibility belongs to member state governments, business, commercial banks and multilateral financial institutions like the International Bank for Reconstruction and Development (World Bank), the European Investment Bank (EIB), the IMF and the Inter-American Development Bank (IDB). Only EC member states were represented on the boards of the international financial institutions; neither did the EC have observer status or participate in meetings as at say the UN or the G7.

Latin America was not unimportant as an area of investment for the EC/12 as a whole. EC member state direct and indirect investment and aid provided substantial sources of capital for Latin America, particularly in South, as opposed to Central America. The 1986 Commission Communication to the Council noted that

the EC/12 owned 20% of foreign direct investment (fdi) in Latin America (compared to just 50% held by the US). The Document also pointed out that in 1984 and 1985, the EC/12 was the source of the largest new fdi in South America. EC/12 fdi amounted to some \$1,200 million compared to \$250 from Japan and a net disinvestment from the US of \$170 million.¹²¹

The debt issue however proved to be of more concern to the EC than issues relating to direct investment.¹²² Latin America was a significant recipient of loans from European banks. At December 1986 Latin America owed eight European countries a total of \$11,459 billion; of these only Switzerland, which was owed \$1,198 billion was a non-EC member state. By comparison the US was owed \$12,079 billion and Japan \$4,300 billion. Of the EC member states three - Britain, Germany and France - were owed \$4,110 billion, \$2,160 billion and \$1,863 billion respectively.¹²³ And the debt issue, at least from the perspective of the EC/12 was essentially a south American issue. Over half of European loans were in Brazil and Mexico, with Argentina and Venezuela accounting in volume terms for most of the rest.¹²⁴

Given Latin America's difficulties and in the case of some countries their inability, to repay both interest and principal - marked most dramatically by the Mexican crisis of 1982 - all creditor countries, including the Europeans, were forced to participate in some form of rescheduling, if only out of self-interest. One European banker stated that

'Outright repudiation of all or even most of the debt by even one or two of the largest debtors could leave several of the largest banks in the US and some in

Europe in a dangerously weak situation. This could also provoke a liquidity crisis if depositors were to lose confidence. Either of these eventualities could cause serious disruption to the financial system which, if the monetary authorities did not intervene, could produce a depression on the scale of the 1930s.¹²⁵

The EC did not present a particularly cohesive response to the serious problems raised for both Europe and Latin America in respect of investment issues - particularly in relationship to debt. The EC was limited by its lack of competencies but also because in the case of Latin American debt its response was institutionally fragmented. The Commission engaged in unsuccessful attempts at debt diplomacy (see below). The Parliament passed a series of declarations calling for an EC debt strategy. The Councils issued some cautious statements and the Monetary Committee which 'adopted a much more orthodox stance on the problem than the EC Commission or the European Parliament'¹²⁶ produced its own initiative.

In 1984 Chairman of the Commission Gaston Thorn failed in his attempt to persuade the Council of Ministers to extend the remit of European Investment Bank lending to Latin America. In the same year the Commissioner for External Relations Karl Haferkamp argued that the responsibility for policy and action vis-a-vis debt lay not with the Community but with the individual member states. The new Commission led by Jacques Delors at least initially backed the more activist policy led by the Commissioner for Development Claude Cheysson. In 1985 Cheysson met with representatives of the leading Latin American debtor countries organised in the 'Cartagena Group'¹²⁷ in an attempt to forge a common position on the debt.¹²⁸

'The Commission and the Group of Cartagena agreed that democratic regimes and regional cooperation had to be strengthened: that a global approach to solving international economic problems was necessary; that financial and trade problems were interconnected and; that the role of the World Bank would be strengthened.'¹²⁹

However Commission activism was deterred by the reiteration by the Finance Ministers of their superordinate role in respect of debt. The Council supported the 1986 Monetary Committee proposals which essentially maintained a cautious 'case by case' approach although the proposals did accept that the industrialised nations should adopt a common approach. The major departure from previous policy was the proposal to give special assistance to the poorest countries internationally; a proposal which would include Africa but exclude most of Latin America. By 1986 the Commission was only able to report disappointing results in its quest to find a Community role in respect of the debt.

'It [the Community] has not yet, however, found the way to bring its considerable economic weight fully to bear in the coordination of macro-economic policies, particularly monetary policies, between the industrialized countries. It is only very indirectly that it helps to step up the flow of public funds to the indebted countries of Latin America which are suffering from a net transfer of resources to other countries.'¹³⁰

By 1989 the Commission appeared to have abandoned any attempt to carve

out a Community role on debt. It noted the support of 'the governments of the Community Member States' for the various initiatives on debt relief and the support of the Finance Council for the 1989 'Brady Plan' proposed by the US Treasury Secretary. It commented on the European Council's concern that the debt repayment burden on middle income developing countries, a categorisation which includes most of the Latin American debtor states, would cause a threat to the democratic development of those countries.¹³¹ But the Community accepted that its own role was peripheral; and more or less confined to industrial cooperation and the exchange of scientific and technological expertise.¹³²

The Parliament expressed its concern about the negative aspects for democracy should the debt problem spiral out of control but had even less success than the Commission in exerting influence. An interesting aspect of Parliamentary resolutions however was the demonstrable consensus across the political spectrum that a comprehensive settlement ought to be achieved.¹³³

Political and institutional issues

Political issues, such as the lack of democracy, abuse of human rights, and abrogation of the law, which characterised the rule of the military dictatorships in South America, prior to the 'return to democracy' in 1984 and which included some of the largest economies, did not provide the primary obstacles to efforts made by the Community to deepen EC economic and political relations with Latin America.¹³⁴ Political issues such as human rights, the rule of law and liberal democracy were articulated as concerns of the Community but the EC's political

concern with Latin America as a whole was only minimally directed at South America. The two exceptions in terms of EC activity were in respect of Chile since the military coup in 1973 and for a brief period in 1982 the Falklands/Malvinas war and its immediate aftermath. The three major institutions of the EC (the Council, the Commission and the Parliament) in the main took a more or less indifferent attitude to South America - in comparison both to their interest in Central America and with other regions of the world - with the partial exception of the European Parliament which after direct elections in 1979 became an active participant in Community diplomacy towards the region.

This section is mainly concerned with political issues but it also consider the attempts at institutionalisation of relationships between the two regions. This is because the institutionalisation process had political implications in that the effect of any institutionalisation of economic relations was at least partly to tie Latin America into an international political economic sub-system (EC-Latin America) where the EC was not only the leading and dominant partner economically, but by inference at least, the dominant political force.

(i) The Council of Ministers

The Council displayed only sporadic interest in Latin America until the 1980s. Soon after the signing of the Treaty of Rome the EC member states had issued a 'memorandum of intention' addressed to Latin America which had promised to establish and maintain close relations with the region.¹³⁵ However it was not until December 1970 that the Council issued a Declaration, its first on Latin

America, which was essentially concerned with trade matters, and which formalised cooperation procedures including the establishment of an EEC/Latin America Joint Committee.¹³⁶ Although it is difficult to quantify the Council's political activity in respect to Latin America prior to 1985 when the first systematic records began to be kept of EPC, one commentator, Esperanza Durán noted that up until the early 1980s the EC's 'mild interest.. focused mainly on political change in the region, not least because of the Cuban revolution.'¹³⁷ She also commented that EC policy demonstrated some independence - both in relation to the member states and its principal ally, the United States.

'the EC as a collectivity has adopted less ambiguous positions on such issues as Central America, Chile, the Andean Pact and SELA than its often vacillating member countries, with the possible exception of Germany. It is also interesting to note that its approach to Latin America as a whole has tended to tilt more openly against US policy than has been possible for its individual members, which are anxious not to damage their bilateral relations with the US.'¹³⁸

Durán pointed to the 'remarkable degree of cohesion' achieved by the EC on two issues; the Falklands and Central America.¹³⁹ The latter issue is the subject of detailed consideration in the next two chapters but the former deserves some mention even though that 'remarkable cohesion' only lasted for a few weeks in 1982 (2 April -24 May). As Geoffrey Edwards noted, one of the most interesting aspects of the joint action by the Ten member states acting within the Council of Ministers, was the fact that Community and Member State competencies were conflated as the

EC/10 'as a collectivity' sought to find ways to support Britain against Argentina. As Edwards pointed out, 'in a series of meetings and decisions which crossed and recrossed the boundaries between EPC and EC matters, many residual sensitivities as to the institutional proprieties were swept aside - for the time being at least.'¹⁴⁰ Edwards concluded by noting that 'Latin America as a whole has always tended to be a lacuna in the Community's external policy' and even if 'the Community felt obliged to do something, it did not have to play a central role'.¹⁴¹ But he also warned against the dangers of underestimating the ramifications of EC activity on the Falklands, which at least gave some indications of the possibility of a cohesive and common EC foreign policy for the future.

The EC's political activity in respect of the Falklands proved to be a momentary excrescence of political concern with events pertaining to Latin America and did not reoccur in the 1980s in respect to either South America as a whole and with the exception of Chile, in respect to any individual South American country.

A European Policy Institute survey of all public documents relating to EPC between January 1985 and June 1989 showed that in terms of EPC active political contacts (as expressed through representation, démarches, conference attendance), the Council had 7 such contacts with Chile, 4 with Panama, and 1 each with Argentina, Bolivia, Colombia, Mexico and Venezuela. This compared to 2 each for Costa Rica, El Salvador and Nicaragua, 1 each for Guatemala and Honduras, 63 for the Central American states as a whole, and 47 for the Contadora Group countries.¹⁴² The priority given to Central America and minuscule interest of the Council in South America is emphasised by the fact that these references were not mutually exclusive. References to the Contadora states were entirely due to their

involvement with the Central American peace process of the 1980s. The active contacts recorded with all the South American states except Chile referred to political contacts made by the Council with these states in terms of their connection with the conflict in Central America.

The same survey also recorded all references within EPC documentation to both particular countries and to regions. These references were also heavily skewed towards Central America. Between January 1985 and June 1989 Latin America was referred to 55 times in EPC public documentation; South America 5 times, the Falklands/Malvinas 3 times and Central America 140 times. References to individual countries in the same period confirmed this pattern. In South America the numbers of references in descending order were Chile (70), Cuba (23), Argentina and Peru (14 each), Brazil (11), Panama (10), Paraguay (9), Colombia (7), Mexico (6), Bolivia (4), Ecuador, Surinam and Venezuela (3 each). This compared to EPC references to individual countries in Central America as follows; Nicaragua (53), El Salvador (24), Guatemala (21), Costa Rica (11) and Honduras (10).¹⁴³

The record of Council political involvement in South America in the latter half of the eighties was particularly poor when contrasted to the claims made in relation to the accession of Spain and Portugal to the EC.¹⁴⁴ The Act of Accession contained an annexed Joint Declaration on relations with the countries of Latin America which although only specifying support for the expansion of economic relations between the two regions, did hint at possible closer political relations.¹⁴⁵ By January 1989 the EC was still referring to the Ibero-Latin America affinity and hoping that the appointment of the Spanish Conservative, Mr. Matutes as Commissioner responsible for the region would serve to act as a spur to

improved relations.¹⁴⁶ However economic relations between the two sub-continents continued to decline and there was little evidence, by 1990 at least, of a growth in interest by the EC in South America. The increased political activity which did occur was almost entirely in respect of Central America.

In June 1987 the Council adopted a revised strategy towards Latin America and promised to intensify political relations with the region.¹⁴⁷ However apart from the sporadic démarches made to the Pinochet government in Chile about its human rights record the only other demonstrable sign of an increased interest of the Council in the region in the late 1980s was the political dialogue which was established with the Rio Group of South American countries (Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay and Venezuela) as a by-product of the EC's activities in Central America (see Chapter 5). The EC and the Rio Group met at ministerial level in September 1987, March and September 1988, and April 1989. This almost informal series of meetings was institutionalised at a meeting held in Rome in December 1990. The Council and Commission of the EC agreed to meet annually with the expanded Rio group of eleven countries (the former eight minus Panama plus Bolivia, Chile, Ecuador and Paraguay) to discuss political and economic issues of mutual interest.¹⁴⁸ But as an official publication of the EC points out, 'It is a dialogue, not negotiations, and it cannot directly produce concrete results.'¹⁴⁹

(ii) The European Parliament

The pre-1979 non-elected European Assembly displayed some interest in Latin

America. In 1971 for instance it called for 'rapid and effective action by the Communities' to work for closer cooperation with Latin America.¹⁵⁰ Post 1979 the elected Parliament, the least powerful of the major European institutions, demonstrated the greatest involvement in respect of EC/Latin American political relations. This involvement was more or less restricted to the arena of 'declaratory diplomacy' and took place in six different ways. The first was through a series of reports, questions and resolutions presented at the Parliamentary, Committee and 'Intergroup' sessions.¹⁵¹ The second was via the Joint European Parliament/Latin American Parliaments which were instituted in 1974.¹⁵² The third was via the 'Interparliamentary Delegation for Latin America'.¹⁵³ The fourth was via the various visits by individual European Parliamentarians to the region.¹⁵⁴ The fifth was via the activity of the political groups and political parties which engaged in 'party to party' diplomacy in Latin America. The sixth was the active encouragement (and finance) which the European Parliament gave for political visits to Europe by Latin American politicians and officials.

A survey of EP questions and resolutions showed that between 1963 and 1988 a total of 629 written questions were asked about Latin America. There were 369 on South America, 260 on Central America and 191 on the Caribbean. Although 164 of the questions on South America related to economic issues and 66 concerned development aid, 85 referred directly to political issues and 84 to human rights. Over the same period 213 EP resolutions were concerned with Latin America; of these 128 dealt with South America. Fewer resolutions on economic issues (including development aid) were proposed than on political issues (including human rights) - the former totalled 98 and the latter 140.¹⁵⁵ Major political themes included

support for democratisation; the reiteration of the deep rooted links between economic development and social and political stability; the condemnation of human rights violations; the support of regional and sub-regional cooperation; support for non-intervention; support for social justice and agrarian reform; calls for an end to state repression and all forms of terrorism including state terrorism; support for the work of the international party federations¹⁵⁶ and their contribution to the stabilisation of democracy as well as support for other transnational organisations; and the promotion of an active role for the EC in partnership with Latin America and the USA.¹⁵⁷

A judgement as to whether the European Parliament was influential or not, or to what degree, in terms of its impact on the course of political events in South America in the 1980s is difficult - not least because of the difficulty of separating out the impact of the EP from the impact of both the other EC institutions and the political activity at the level of the member states. One way of assessing the influence is to examine the substantial interventions of the EP in terms of the reports which were considered by the various committees and the plenary sessions. In the 1980s major reports to the EP came from Mr. van Aerssen (1983, 1985, 1987), Mrs. Lenz (1985, 1989) and Mr. McGowan (1985).

The major areas of political concern of EP reports, debates and resolutions were in respect of democratisation processes in South America. The EP also regularly expressed support for named individuals whose human and civil rights had been abused by various governments. To the extent that the EP was able to act as a platform for international public opinion such declaratory democracy was a contributory factor in terms of mobilising support for political objectives like 'the

return to democracy'. It would be ridiculous to argue that the EP's declaratory diplomacy brought about the democratic changes which occurred in South America in the 1980s but it would be equally facile to dismiss the EP's contribution as worthless. The problem is that repeated EP rhetorical interventions in the debate about Latin American development gave rise to expectations by Latin Americans who expected political declarations to be backed up by economic support. By and large this economic support did not materialise to any great extent.

(iii) The Commission

The Commission encouraged closer relations between the two regions in three ways. These were the establishment of permanent representation in Latin America, its own activist diplomacy, particularly by Commissioner Claude Cheysson during his second term of office (DG8, January 1985-December 1988) and the consolidation and support of region to region forums for dialogue.

The EC was permanently represented in Latin America from 1965 when the Higher Authority of the European Coal and Steel Community established a 'liaison office' in Santiago de Chile.¹⁵⁸ This office became the Latin American Delegation of the Commission of the European Communities in 1967 although it was downgraded to the status of sub-office in 1978 and the main Delegation transferred to Caracas, Venezuela. By 1989 there were additional permanent Commission Delegations (offices) in Mexico, Brazil, Uruguay and Costa Rica and plans to set up a further two in Peru and Ecuador. The Delegations had the status of diplomatic missions and also acted as information centres for the EC. By 1989 the Caracas and

Santiago offices also operated as EC Documentation Centres for Latin America.¹⁵⁹ These offices took a pro-active stance as far as spreading information about Europe was concerned. As well as participating in straightforward trade related activities such as attendance at the region's trade fairs, they distributed radio programmes about Europe to Latin American radio stations, organised seminars and visits to Brussels by Latin American politicians, civil servants, journalists and students and helped support 31 reference centres on the EC in Latin American universities.¹⁶⁰

The first formal agreements linking the EC with a part of Latin America were the cooperation agreements with Argentina (which came into force in 1963) and Brazil (which came into operation in 1965) on the peaceful use of nuclear energy.¹⁶¹ The Commission's interest in the region declined over the next decade and only revived in the early 1970s with the signing of three nonpreferential trade agreements with individual Latin American countries; Argentina (1971), Uruguay (1973), Brazil (1973) - and a nonpreferential agreement on economic and commercial cooperation with Mexico (1975).¹⁶²

In August 1971 Commissioner Borschette visited Chile, Argentina and Uruguay.¹⁶³ He was followed in September/October by the Commissioner responsible for external relations, Ralf Dahrendorf. Commissioner Dahrendorf met three Heads of State of military dictatorships (Brazil, Argentina and Peru) and one elected president, Salvador Allende of Chile. Talks did not include any references to democracy or human rights but focused on Europea and Latin American dismay in respect of US President Nixon's unilateral decision, taken the previous August, to opt out of the Bretton Woods system.¹⁶⁴ In 1975 the new Commissioner

responsible for external relations, Sir Christopher Soames visited Guatemala, Venezuela, Peru and Brazil.¹⁶⁵ In 1979 Commissioner Guido Bruner visited Venezuela and Ecuador to discuss the possibilities of cooperation in the energy sector.¹⁶⁶

Mr. Wilhelm Haferkamp, also Commissioner for external relations visited the region in 1979 in order to participate in the Joint EEC/Brazil Committee (Brasilia, October 1979) and the Joint EEC/Mexico Committee (November 1979) - both Committees having been set up under the agreements signed previously.¹⁶⁷ This resurgence in interest in Latin America waned again until the Falklands/Malvinas war put the region back on the EC's political, as well as economic agenda. Commissioner Narjes, in a reply to a debate of the European Parliament in October 1983 argued that

'This is a particularly good time to consider longer-term relations and their development, especially between the Community and the Latin American sub-continent, now that the special political problems of Latin America, and the South Atlantic crisis of last year, have led to a greater political awareness and mutual understanding of the content, scale and prospects of Latin American-European relations.'¹⁶⁸

Narjes argued that 'a new phase' in relations could be beginning which could 'strengthen the existing links and open up new possibilities.'¹⁶⁹

The zenith of Commission activism however came when ex-French Foreign Minister Claude Cheysson started his second term as Commissioner responsible for

Development in January 1985. Cheysson had a long standing interest in Latin America. After attending the 1981 Cancun Summit as French foreign minister, Cheysson had also visited Central America. In that year he had also signed, on behalf of France, the controversial Franco-Mexican Declaration on El Salvador (see Chapter 6). As French Foreign Minister, he had also attended the 1984 San José Summit, which brought together all the EC and Central American foreign ministers, the foreign ministers of Spain and Portugal (then EC candidates), the European Commission and the Central American Common Market (see Chapters 4 and 5).

Cheysson's activism however had its most tangible results (see Chapters 4 and 5) in respect of the Central American region with the establishment and consolidation of the San José process. Cheysson attempted a dialogue with the Cartagena Group over the debt issue but, as has been mentioned, this was blocked by the EC's Monetary committee. Cheysson however continued to encourage the Latin American nations to cooperate to negotiate both on debt and on issues like trade. He saw advantages to a common front of Latin America and the EC against the United States. In 1987 he spoke with approval of a 1985 document put to the EC by the Contadora Group entitled 'the End of the Monroe Doctrine'.¹⁷⁰ In 1985 Cheysson commented on the 'incomprehension - some would go so far as to say arrogance' of the US in its relations with Latin America.¹⁷¹

Cheysson never abandoned his commitment to attempting to find some way that the Community could have some input into the resolution of what he saw as a key problems for Latin America. These were the debt crisis, the related question of how to achieve economic growth and the threats to the new-found democracies if these economic problems were not resolved.¹⁷² Cheysson personally presided over

the sixth EEC/Mexico Joint Committee and the second EEC/Uruguay Joint Committee - both held in Brussels in November 1985. One outcome of Cheysson's interest in the region was the memorandum of agreement signed in October 1988 by Cheysson and Enrique Iglesias, President of the Inter-American Development Bank which was designed to encourage private European investment in Latin America. Another concrete result of Cheysson's activity was the financial instrument set up also in 1988 designed to promote EC/Latin American (and Asian) joint ventures in the private business sector. Officially known as the EC International Investment Partners this instrument was sometimes referred to as the 'Cheysson facility'.¹⁷³

By 1989, despite the much heralded arrival of the Spanish Commissioner Matutes who it was hoped (by optimists in Latin America and the EC) would work to strengthen links between the two regions the Commission seemed to be reverting to a policy of 'benign neglect' towards the region. A December 1989 Commission review of relations argued that it was primarily 'up to the Latin American countries themselves to make the adjustments' which would help achieve the objectives of economic development and the consolidation of democracy.¹⁷⁴ These policies perhaps reflected Mr. Matutes affinities to his political party (Conservative) rather than his nation.

The institutionalised dialogue between the Commission and Latin America was fragmentary. The EEC dialogue with GRULA was established in 1970. Having achieved little in the 1970s the dialogue was suspended in 1979 due to the admission of Cuba into GRULA at a time when Cuba was not recognised by the Community. (Cuba became a member of SELA in 1979 thus allowing it of right representation in

GRULA.) The dialogue did not restart until May 1981, to be again suspended in 1982, this time by Latin America after the Falklands/Malvinas crisis. The GRULA/Commission dialogue restarted, at least informally, in February 1985.¹⁷⁵ By the late 1980s however what political dialogue that did occur tended to take place through the more or less annual meetings of the San José process which brought together not only the Central American and Contadora foreign ministers, as has already been noted, but in addition towards the end of the 1980s the foreign ministers of the Contadora Support Group (Argentina, Brazil, Peru and Uruguay). From 1987 this ministerial dialogue - with the Commission playing a secondary role - was institutionalised in the EC/Rio Group dialogue.

The Commission itself was active in the Joint Committees and sub-committees which were set up under the terms of the agreements signed both with individual Latin American nations and the agreements signed with the two sub-regional groupings - the Andean Pact and the Central American nations. The Commission represented the EC on the Joint Committees which were an integral part of the 3 framework agreements with Brazil, Mexico and Uruguay.¹⁷⁶ In all these relationships, with the noticeable exception of the EC/Central America Agreement the Commission kept to, more or less, its Treaty of Rome based sphere of competence. There was little sign therefore of any potential materialisation of an institutionally integrated Community policy, towards Latin America or more specifically towards South America, except in the case of the Falklands/Malvinas crisis.

(iv) EC political relations with Latin America

Arguably, political issues only ever became crucial factors in EC relations with Latin America when they appeared to threaten the fundamental values and interests on which those relations were based. One important event was the Nicaraguan revolution of 1979 - the impact of which was obviously greater on EC/ Central American relations - but which also had an impact on EC/ South American relations particularly in respect to the close relationship which developed between the EC and the Contadora countries (Colombia, Mexico, Panama, Venezuela). Another was the Falklands/Malvinas war in which every Latin American state except Chile opposed Britain and supported Argentina and every EC member state, at least for a short period, supported Britain, as, after some wavering had the United States. The danger in the first seemed to be a radical threat to the shared values which formed the philosophical base of the EC's policy towards Latin America in that revolutionary upheaval might spread to other Latin American countries. The danger in the second was the possibility that Latin American nations might close off markets and sources of raw materials, and turn elsewhere for trading and maybe political support, perhaps to Japan or less likely, but not impossibly, to the Soviet Union. The EC's major response even in terms of this South American issue however was to push forward with its Central American initiative (see Chapter 4).

The 1987 Community strategy as articulated in the Council's declaration on Latin America stressed that the EC and Latin America shared 'common values and interests' and 'a common aspiration towards a conception of society based on respect for human rights and leading to a similar view of the political as well as the

economic world order.¹⁷⁷

By 1990, the region's revolutionary movements (except in Peru) were more or less (at least temporarily) defeated, the military dictatorships, once so useful but increasingly an embarrassment to the Western political order, virtually redundant and therefore there were no viable political challenges to the political order espoused by EC philosophy and political practice. The absence of such challenges might indicate that Latin America may remain a low priority for the EC.

EC relations with Latin America: overview

The history of EC involvement in Latin America cannot be divided very easily into different phases given that the EC's activity and interest in Latin America remained low throughout the post-war period. However broadly speaking three stages in EC involvement can be discerned. The first was from 1957 to 1979; the second from 1979 to 1982; and the third from 1982 to 1990.

The first phase could be characterised as a period of 'EC apathy'. Economic links were maintained but despite the efforts of the Latin Americans, were not prioritised for improvement by the EC. Political relations were almost non-existent.

The next few years, between 1979 and 1982, marked a transitional phase in EC relations with Latin America and there were some indications that the European Community was prepared to adopt a pro-active policy towards Latin America. This was the period of increasing 'EC awareness' in respect of Latin America.

1982 was a key year in terms of another change in the EC's approach to Latin America. This was the year of the Mexican debt crisis when both European banks as

well as US banks were made to face up to the negative implications for the world's banking and financial systems of the Latin American debt crisis. It was the year of the Malvinas/ Falklands war - in the aftermath of which the EC was forced to recognise the potential damage to EC-Latin American economic and political relations. All these factors contributed to a consolidation of a distinct EC policy to Latin America. The idea seemed to be to protect markets and to provide a more coordinated EC approach towards the region. This was the period of 'EC activism'.

Yet the above summary still leaves too many puzzles unsolved. Why did the EC become more active around 1979? What precipitated the continuing interest of the EC in the region after 1982 - despite the fact that by the end of 1982 the Falklands factor had proved to be only a temporary problem in EC-Latin American relations. Neither did the Mexican debt crisis of 1982 prove to have longlasting affects in terms of changed banking, government or multilateral institutional policy towards Latin America.

Given the EC's political and economic focus in terms of Latin America in the 1980s was disproportionately focused on the sub-region of Central America it is perhaps within this region that the answers to the puzzle may be found.

The most salient political and economic factor in Central America from the late 1970s onwards was that of the national revolutionary movements. An explanation of the renewed interest in Latin America in 1979 should perhaps therefore take into account the impact on domestic Latin American politics and international relations of the successful revolutions of 1979. The Sandinistas had achieved state power in 1979 but they were not the only significant revolutionary movement in the region. It was not a coincidence that the end of EC apathy towards

Latin America occurred with the rise and success of revolutionary movements in Nicaragua and Grenada (the latter a Lomé member but geographically and post-1979 politically close to Latin American revolutionary movements) and the appearance as key political actors of the Salvadorean and Guatemalan liberation organisations. The reason that the EC was not an important factor in Latin American politics after the Cuban revolution of 1959 (although as we have seen it had shown some interest in this revolution) was that in 1959 it was not capable of performing a role as an international actor and at that period it had been a subordinate partner to the US in the Western Alliance. By 1979 the EC was institutionally more or less developed and it had growing different interests and foreign policy objectives to those of the United States.

The EC was as concerned as the United States to suppress revolutions and the next chapter will consider the EC's policies towards the revolutionary changes which were taking place in Central America in the 1980s. By 1982 after the failure of the Salvadorean revolutionary movement's 'final offensive' it became very clear that the United States was not going to allow 'another Nicaragua' in El Salvador even at the cost of horrific violence. It has already been noted that 1982-1990 saw a rise in EC activism in Latin America - particularly with regard to the Contadora nations - and this interest was focused around the Central American conflicts. Given the renewed US interest in its 'back-yard' why should the EC have become active in this area? What was the issue which encouraged the EC to pursue an activist role in the 1980s?

Without prejudging the evidence which will be presented in the following chapters there appear to be two salient issues. The first was the EC's wish, shared

with the US, to prevent the spread of revolution and to make a European contribution to the process. The second was its increasing concern about United States belligerence which could internationalise the Central American conflicts. Thus EC foreign policy both reinforced US goals and at the same time challenged US hegemony in the region.

Conclusion

This chapter has attempted to deal with three questions. Has the EC acted as a cohesive international actor in its relations with Latin America? Did EC foreign policy practice contribute to the development of an institutionally cohesive EC foreign policy? And what relationship did the EC's Latin American policy have to the EC's decision to become actively involved in Central America in the 1980s?

In answer to the first question it has been shown that the institutions of the EC has more or less shared a broad philosophical approach to the region. Latin America and in particular South America has had a low salience for the EC and apart from the Falklands/ Malvinas crisis the institutions of the Community operated in a sometimes ad hoc and uncoordinated manner. In terms of the contribution to the general development of a cohesive EC foreign policy and practice, relations with Latin America had their major institutional impact again as a result of the Falklands/Malvinas experience when the institutions worked closely together, albeit for a short period, to produce an integrated policy and agreed action.

In terms of a response to the last question it has also been shown that factors relating to EC relations with the region as a whole (Latin America) and the larger

sub-region (South America) cannot account for the rise in EC interest in the smaller sub-region (Central America) in the 1980s. Instead it appears that what increased EC interest there was in Latin America in the 1980s can be accounted for by factors relating to EC-Central American relations. It is therefore to these relations that we turn our attention to in the next chapter.

Notes to Chapter 3

1. Manfred Mols, 'Cooperation with ASEAN: A success story', in Geoffrey Edwards and Elfriede Regelsberger (eds), Europe's Global Links, (London: Pinter, 1990), pp. 66-83.
2. 'EC International Investment partners: a modern tool for development', Insert No. 17, in Europa, No. 17, Agence/Europe and the European Commission, October 1990.
3. Some of the prevailing Latin American illusions about the EC are discussed in IRELA, Europe and Latin America in the 1990s: Towards a New Relationship?, Dossier No. 20, (Madrid: IRELA, December 1989), p. 23.
4. IRELA, Democracy and Democratization: A Dialogue Between Europe and Latin America, Conference Report No. 3/1986, (Madrid: IRELA, 1986), p. 9 (emphasis in original).
5. For a brief outline of Bolívar's career see Thomas E. Skidmore and Peter H. Smith, Modern Latin America, (Oxford: Oxford University Press, 1984), pp. 32-36.
6. Françoise Le Pennec-Escarpit, 'A historic summit meeting', in Barricada Internacional, Vol. XI, No. 340, (Managua: August 1991), pp. 41-42.
7. European Communities Economic and Social Committee, Appendices to the Report of the Section for External Relations, Trade and Development Policy on EC economic and trade cooperation with Latin America, CES 1228/89 fin Appendix ym, (Brussels: Economic and Social Committee, 26 January 1990), pp. 50-51.
8. See Official Journal of the European Communities (OJEC), No. C 307, Resolution on economic and trade relations between the European Community and Latin America, (OJEC, 14.11.83), pp. 38-42. This was a somewhat contradictory resolution. At the same time as calling for an EC/SELA framework agreement in order to make 'a joint effort to draw the two regions together' (Article 2) it called for Latin American states to 'set up an ad hoc political body with the necessary powers to act as a partner for cooperation with the European Community' (Article 7). In January 1984, Mr. Pieter Dankert, the Socialist President of the European Parliament, told the Nicaraguan Council of State that the EP was pressing for a global relationship with SELA; see speech by Mr. P. Dankert to the Council of State, Managua, 10 January 1984, mimeo, p. 6. Mr. van Aerssen, a Christian Democrat, in the introduction to his 1987 report on 'economic relations between the EEC and Latin America' referred to the pursuit of an EC/SELA agreement as being the first of four consistent EP objectives; see Debates of the European Parliament, No. 2-347, 21.1.87, p. 53.

9. For some of the reasons for SELA's inability to act as a regional integrationary institution see the discussion in IRELA, The Role of Regional Parliaments in Latin American Integration Processes, Conference Report No. 6/89, (Madrid: IRELA, 1989), pp. 2-3; see also the brief discussion in Massimo Panebianco, Inter-Regional Co-operation in the North-South Dialogue: Latin America and the European Community, EUI Working paper No. 88/349, (Florence: European University Institute, June 1988), p. 9.

10. OJEC, No C 46, 'Summary of the requests made at the Seventh and Sixth European Community-Latin America Interparliamentary Conferences', in the appendix to the Resolution on economic relations between the European Community and Latin America, 23.2.87, p. 110.

11. Economic and Social Committee, Appendices, p. 51.

12. Commission, Press Release, IP (88) 580, (Brussels: Commission, 29 September 1988).

13. Communication from the Commission to the Council, The European Community and Latin America, COM(86) 720 final, (Brussels: Commission, 2 December 1986), p. 26.

14. Commission, Guidelines for Cooperation with the Developing Countries in Latin America and Asia, COM(90) 176 final, (Brussels: Commission, 11 June 1990), p. 30.

15. See Pearce, Under the Eagle.

16. Eric Williams, From Columbus to Castro: The History of the Caribbean 1492-1969, (London: André Deutsch, 1983), p. 18.

17. Skidmore and Smith, Modern Latin America, pp. 323-326.

18. André Gunder Frank argues that although nineteenth century Latin America imported British capital in the form of loans and investments; its net outflow in terms of interest, repayment of capital, profits, was at the expense of Latin America and in favour of the imperial metropoles. He quotes Britain's overall surplus from net inflows in the period 1870-1913 as evidence; see André Gunder Frank, Capitalism and Underdevelopment in Latin America, (London: Monthly Review Press, 1969), p. 294.

19. F.H. Hinsley, Power and the Pursuit of Peace, (Cambridge: Cambridge University Press, 1988), p. 254.

20. Skidmore and Smith, Modern Latin America, pp. 326-330.

21. *Ibid.*, pp. 330-334.

22. James Petras remarks that the US role in Latin America prior to 1945 prefigured its interventionist role in Asia and Africa after 1945. Petras comments on the creation of 'semi-colonies' in Latin America in the early twentieth century and the

use of military intervention to sustain those 'semi-colonies'; see James Petras, 'Patterns of Intervention: The United States and Latin America', in James Petras, Politics and Social Structure in Latin America, (London: Monthly Review Press, 1971), pp. 303-306.

23. See Bill Warren, Imperialism: Pioneer of Capitalism, (London: Verso, 1985) for a Marxist-derived analysis, which argues that imperialism is a progressive force for the Third World.

24. The Latin Americans were cautious about the purported benefits of Spanish and Portuguese accession to the EC. SELA argued that when the Iberian countries joined the EC, Latin America would find it more difficult to sell its agricultural products in Spain and Portugal because of markets protected by the Common Agricultural Policy (CAP) or because preferential treatment would be given to developing countries which were members of the Lomé Convention; see 'Latin America - the European connection', in Latin American special reports, December 1986, p. 9.

25. See comments by Mr. van Aerssen (Christian Democrat group) and Mr. McGowan (Socialist group) in the June 1985 European Parliament debate on Central and Latin America; in Debates of the European Parliament, No. 2-327, 13.6.85, p. 208; see also Commission, Europe Information External Relations, The European Community and Latin America, No. 82/85 (Brussels: Commission, November 1985), pp. 1-2.

26. See 'Latin America - the European connection', in Latin American special reports, December 1986, p. 9, for an account of Spain's trading relationship with Latin America - its size being 'almost three times the average for Western Europe as a whole'.

27. Commission, Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 1.

28. Commission, Europe Information External Relations, The European Community's Relations with Latin America, 2/89, December 1989, p. 2.

29. Communication from the Commission to the Council, The European Community and Latin America, pp. 2-3.

30. European Parliament, Working Document, Report drawn up on behalf of the Committee on External Economic Relations, on economic and trade relations between the European Community and Latin America, Doc 1-580/83, Rapporteur: Mr. J. van Aerssen, 15 July 1983, p. 12 and p. 30.

31. Opinion of the Economic and Social Committee on EC Economic and Trade Cooperation with Latin America, Brussels, 31 January 1990, reprinted in European Parliament Doc EN\CM\84106, PE 139.426, 15 March 1990, p. 17.

32. Glenn Mower Jr., The European Community and Latin America, (Westport: Greenwood Press, 1982), p. 39.

33. Sir Leslie Fielding, Europe as a Global Partner, UACES Occasional Papers 7, (London: University Association for Contemporary European Studies, 1991), p. 32.

34. A.I. MacBean and P.N. Snowden, International Institutions in Trade and Finance, (London: Unwin Hyman, 1990), Chapter 4, 'The General Agreement on Tariffs and Trade', pp. 63-92.

35. Commission, The European Community in the World, in European File 16/88, October 1988, pp. 3-5.

36. *Ibid.*, p. 3.

37. In 1958 Latin America imports from the EC totalled 2,637 million ECUs and EC exports to Latin America totalled 2,180 million ECUs. Latin American imports reached 23,833 million ECUs in 1984; exports from the EC reached 12,902 million ECUs in 1984; see Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 11.

38. Blanca Muñiz, 'EEC-Latin America: a relationship to be defined', in Journal of Common Market Studies, Vol. XIX No. 1, September 1980, p. 61.

39. Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 12.

40. ESC, Appendices, CES 1228/89 fin Appendix ym, p. 4; for a detailed analysis of the structure of EC/Latin America trade - by country and sector - see ESC, Appendices, pp. 18-21.

41. IRELA, Europe and Latin America in the 1990s: Towards a New Relationship?, p. 5.

42. For the 1958-1984 trade deficit figures see Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 11; for year by year deficit figures from 1977 through 1987 see ESC, Appendices, CES 1228/89 fin Appendix ym, p. 8. It should be noted that EC claims regarding the existence of this persistent trade deficit with Latin America have been challenged. ECLA, for instance, argued that 'the trade balance with the Community, which was positive up to 1970, has turned into a deficit'; for quote and comment see Mower, The European Community and Latin America, p. 42; another source argues 'In the first half-decade leading up to the debt crisis, the balance-of-trade between the EEC and Latin America was favourable to the former. Between 1977 and 1981 Latin America accumulated a deficit of US\$3bn with the community'; in Latin American special reports, Latin America - the European connection, p. 2.

43. 'Another study of EC-Latin American trade, carried out by Mr. Constantine TSOUTSOPLIDES at Eurostat shows the development of EC-Latin American trade in relation to US-Latin American trade and Japan-Latin American trade. This shows that during the period 1979-1987, a value index of imports from 20 Latin American countries shows growth from 100 to 144 for the EC, but growth from 100 to 213 for

the US and 100 to 164 for Japan.' In ESC, Appendices, CES 1228/89/ fin Appendix ym, p. 3 (emphasis in original).

44. See European Parliament Working Documents 1983-1984, Report drawn up on behalf of the Committee on External Economic Relations on economic and trade relations between the European Community and Latin America, Document 1-580/83, PE 78.713/fin, Rapporteur: Mr. J van Aerssen, 15 July 1983; Final Act of the VII European Community/Latin American Interparliamentary Conference, PE 99.224, 20 June 1985; OJEC, Resolution on the report (Doc. A2-194/86) by Mr. Van Aerssen entitled Resolution on economic relations between the European Community and Latin America, No C 46, 23 January 1987, pp. 102-110; Communication from the Commission to the Council, The European Community and Latin America.

45. Mower argues that over the period 1958 to 1978, 'developing countries in general saw their share of EC imports decrease from 25 percent to 14 percent; and these countries, including Latin America, suffered a decline in the world market roughly equivalent to their drop-off in exports to the EC. Latin America, for example, saw its share of total world exports fall from 10.4 percent to 3.9 percent, a phenomenon that, like its experience with the Community, could be traced principally to changes in broader trade patterns'; in Mower, The European Community and Latin America, p. 43.

46. In 1982 Asia received 8.1% of EC exports and was a supplier of 7.7% of Community imports; the 1986 figures jumped to 11.0% and 13.0% respectively. Asia's share of world trade increased in the same period from 8.1% to 8.8%. See Commission, Guidelines for Cooperation with the Developing Countries in Latin America and Asia, COM (90) 176 final, Brussels, 11 June 1990, pp. 31-32.

47. IRELA, Economic Relations between the European Community and Latin America: A statistical profile, WP10/87, (Madrid: IRELA, 1987), pp. 5-6.

48. Communication from the Commission to the Council, The European Community and Latin America, p. 7.

49. Ibid., p. 7.

50. IRELA, Latin America's Foreign Debt: Proposals and Prospects, Dossier No. 26, (Madrid: IRELA, June 1990), p. 4.

51. Gunnar Wiegand, Western Europe and the Latin American Debt Crisis, Working paper No. 12, (Madrid: IRELA, 1988), p. 19.

52. Communication from the Commission to the Council, The European Community and Latin America, p. 7.

53. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 7.

54. Communication from the Commission to the Council, The European Community and Latin America, p. 7.

55. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 8.

56. Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 12.

57. Ibid.

58. 'The structure of Latin American trade is therefore such that it is vulnerable to external factors such as fluctuations in commodity prices...', in Commission, Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 7.

59. a) The World Bank, World Development Report 1991: The Challenge of Development, (Oxford: Oxford University Press, 1991), Table A.10, 'Change in export prices and terms of trade', p. 189.

b) Figures in brackets on EC import percentages from Commission, Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 7.

60. The World Bank, 'Table A.10 Change in export prices and terms of trade', in World Development Report 1991: The Challenge of Development, p. 189.

61. Latin American Special Reports, Latin America - the European connection, p. 2 and p. 9.

62. John S. Marsh, 'The Common Agricultural Policy', in Juliet Lodge (ed), The European Community and the Challenge of the Future, (London: Pinter, 1989), p. 161.

63. Figures quoted in 'European Community - Latin American Relations, "A Socialist Perspective"', in Socialist Group European Parliament, Note for the attention of the Socialist Members of the Political Affairs Committee and the Delegations for Relations with the Countries in Central and Latin America, PE/GS/ 72/88, (Brussels: European Parliament, 14 March 1988), p. 53.

64. IRELA, America for the Americans?: The Enterprise for the Americas Initiative and European-Latin American Relations, Dossier No. 31, (Madrid: IRELA, April 1991), p. 19.

65. European Parliament Working Documents 1983-1984. Report by Mr. J. van Aerssen, Document 1-580/83, PE 78.713/fin, p. 14.

66. Claude Cheysson, exposée, in Note for the attention of the Socialist Members of the Political Affairs Committee and the Delegations with the Countries in Central and Latin America, PE/GS/72/88, 14 March 1988, p. 22, author's translation

from French.

67. Claude Cheysson, Debates of the European Parliament, No. 2-347, 22.1.87, p. 194.

68. European Report, Brussels, 11.1.89, p. 3.

69. Commission, Guidelines for Cooperation with the Developing Countries in Latin America and Asia, p. 2.

70. Latin American special reports, Latin America - the European connection, p. 91.

71. European Parliament Working Documents 1983-1984, Report on Economic and Trade relations between the European Community and Latin America, Document 1-580/83, PE 78.713/fin, Rapporteur: Mr. J. van Aerssen, 15 July 1983, p. 14.

72. Commission/Agence Europe. Europa Development, No. 2, December 1988, p. 2 and see Insert entitled LOME POLICY.

73. Commission, The Europe-South Dialogue in Practice, (Luxembourg: OOPEC, 1988), p. 73.

74. *Ibid.*, p. 9.

75. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 121.

76. Commission, Ten Year Report: 13 Years of Development Cooperation with the Developing Countries of Latin America and Asia, SEC (89) 713 final, (Brussels: Commission, 10 May 1989), pp. 13-14; for ACP figures see Development Europe Information, STABEX, DE 59, (Brussels: Commission, May 1988), p. 4.

77. The various official summaries of EC/Latin American trade relations do not consider this issue as problematic; see Europe Information External Relations, The European Community's Relations with Latin America, 2/89. One somewhat ambiguous statement on EC aid policy recognises 'the need to ensure that LAA cooperation remains consistent with the Community's policies of cooperation with the developing countries in the Mediterranean, the ACP countries and the countries of Central and Eastern Europe', in Commission, Guidelines for Cooperation with the developing Countries in Latin America and Asia, p. 1.

78. European Parliament Working Document, Report on Economic and Trade relations between the European Community and Latin America, Document 1-580/83, PE 78.713/fin, Rapporteur: Mr. J. van Aerssen, 15 July 1983, p. 15.

79. Farrands, 'External Relations: Textile Politics and the Multi-Fibre Agreement', in Wallace, Wallace and Webb, Policy Making in the European Community, pp. 295-319.

80. 'Annex 2, Latin American imports 1984/ 1983 and comparison with GSP trade', in Communication from the Commission to the Council, The European Community and Latin America, p. 27.

81. See for example Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 4; and Article 7 in OJEC, Resolution on relations between the European Community and Latin America - development aspects, Doc. A 2-44/85, No C 175, 15.7.1985, p 249.

82. a) Quote and information in the previous paragraph from Communication from the Commission to the Council, The European Community and Latin America, pp. 16-17.
b) See also Michael Hodges, 'Industrial Policy: Hard Times or Great Expectations?', in Helen Wallace, William Wallace and Carole Webb, Policy Making in the European Community, Second edition, (Chichester: John Wiley and Sons, 1989), pp. 265-293.

83. European Parliament Working Documents 1983-1984, Report on Economic and Trade relations between the European Community and Latin America, Document 1-580/83, PE 78.713/fin, Rapporteur: Mr. J. van Aerssen, 15 July 1983, p. 16.

84. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 7.

85. Cheysson, Exposé, Note for the attention of the Socialist Members, p. 22.

86. Quote and information in this paragraph from Europe Information External Relations, The European Community's Relations with Latin America, 2/89, pp. 8-9.

87. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 8.

88. Commission, Guidelines, June 1990, pp. 17-23.

89. Mower, The European Community and Latin America, p. 44.

90. Commission, Guidelines, June 1990, p. 21.

91. Europe Information Development, Official Development Assistance from the European Community and its Member States, DE 57, (Brussels: Commission, May 1988), p. 5.

92. Europe Information Development, Official Development Assistance, p. 9.

93. See 'Breakdown of Member States' assistance into bilateral aid, multilateral aid and contributions to the EEC (1986)', in Europe Information Development, Official Development Assistance, p. 15.

94. The 1990 Commission review of cooperation with Latin America and Asia, in the section on scientific and technical cooperation, called for improved coordination between the EC and member states, 'so as to avoid duplication of labour and to ensure that existing resources are used efficiently', in Commission, Guidelines, p. 42.

95. 'Table 3.1. Total Community Aid to Latin America and Asia in 1976-1986', in Commission, Ten Year Report: 13 Years of Development Cooperation, p. 10.

96. 'Table 4.2 Development Aid to the Developing Countries of Latin America, Asia and Africa in 1976-86', in Commission, Ten Year Report: 13 Years of Development Cooperation, p. 13.

97. Commission, Ten Year Report: 13 Years of Development Cooperation, p. 23.

98. 'Table 5.2 Economic Cooperation with the Developing Countries of Latin America and Asia for 1976-1988, by Instrument', in Commission, Ten-Year Report: 13 Years of Development Cooperation, p. 25.

99. Commission. Ten-Year Report: 13 Years of Development Cooperation, p. 9.

100. 'Annex I. Community Cooperation with Latin America and Asia, 1976-88', in Commission, Ten-Year Report: 13 Years of Development Cooperation, p. 75.

101. Commission, Ten-Year Report: 13 Years of Development Cooperation, p. 62.

102. Debates of the European Parliament, No. 2-350, 13.3.87, p. 255.

103. Ibid., p. 255.

104. Europe Information Development, Official Development Assistance, p. 19.

105. The Commission funded a number of different ngos. For example in 1984 in Nicaragua the Commission supported projects run by Freres des Hommes (France), Oxfam Belgium, Oxfam England, NOVIB (Holland) and TROCAIRE (Ireland). In 1985/86 32 projects involving cofinancing with some 20 NGOs were agreed for Nicaragua alone. See internal European Parliament document, 85/04/089, 24 May 1985 and briefing note for Socialist MEPs, undated.

106. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 12.

107. Commission, Guidelines, p. 1.

108. Ibid., p. 1.

109. Ibid., p. 28.

110. Commission, The Europe-South Dialogue in Practice, p. 101.

111. 'It is the Commission's view that increased cooperation and regional integration, whether in Latin America or Asia, will greatly help to strengthen the international competitiveness of the LAA developing countries by providing larger markets, setting up joint production systems, harmonizing regulation, rationalizing research and training etc. and exchanging experience and know-how', in Commission, Guidelines, p. 19.

112. For detail on a range of Latin American integration or cooperation bodies, including those cited, see ESC, Appendices, CES 1228/89 fin Appendix ym, 26 January 1990, pp. 45-61.

113. Mower, The European Community and Latin America, p. 53.

114. Commission, Ten-Year Report: 13 Years of Development Cooperation, p. 47; see also Commission, Ninth Report from the Commission to the Council and the European Parliament on the implementation of financial and technical assistance to Latin American and Asian (LAA) developing countries and other non-associated developing countries (NADCs), COM (86) 626 final, 24.11.1986, pp. 19-20.

115. 'Table 3: Commitments by region under the 1976-1984 programmes and the 1985 programme', in Commission, Ninth Report.... on the implementation of financial and technical assistance, p. 21.

116. Mower, The European Community and Latin America, p. 54.

117. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 16; for an over view of the EC's activity in the Andean Pact countries see Commission, The Europe-South Dialogue in Practice, pp. 103-104.

118. Communication from the Commission to the Council, The European Community and Latin America, p. 15.

119. Commission, Guidelines, p. 19.

120. Ibid., p. 16.

121. Communication from the Commission to the Council, The European Community and Latin America, p. 10.

122. For detail on direct investment emanating from EC member states see Mower, The European Community and Latin America, pp. 48-53; Rhys Jenkins, 'European Transnational Corporations in Latin America', in Jenny Pearce (ed), The European Challenge, Europe's New Role in Latin America, (London: LAB, 1982), pp. 130-146; Esperanza Durán, European Interests in Latin America, (London: RIIA/ Routledge & Kegan, 1985), pp. 51-62.

123. Wiegand, Western Europe and the Latin American Debt Crisis, p. 74.

124. Ibid., p. 19.

125. Hervé de Carmoy, Debt and Growth in Latin America: A European Banker's Proposal, (Madrid: IRELA, 1987), p. 30.

126. (i) Wiegand, Western Europe and the Latin American Debt Crisis, p. 50.

(ii) The Monetary Committee 'is composed of high officials of the Central Banks and of the Finance Ministries of the member states and has to be consulted by the Council and the Commission on every important decision in international monetary affairs.' In *Ibid.*

127. In June 1984 Chancellors and Economics Ministers from Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Dominican republic, Uruguay and Venezuela met in Cartagena in order to define a common position on the debt. The ministers issued a statement entitled the 'Cartagena Consensus' which among other things 'expressed ...readiness to meet with industrialized country governments for a joint review of the multiple economic, social and political aspects and consequences of Latin America's external debt.' For the full statement see 'Appendix 1 (unauthorised translation) Cartagena Consensus', in ICFTU.ORIT, New Approaches to the Economic Crisis in Latin America and the Caribbean, (Cuernavaca: ICFTU.ORIT, undated @ 1984), pp. 29-32.

128. Wiegand, Western Europe and the Latin American Debt Crisis, pp. 47-56.

129. *Ibid.*, p. 49.

130. Communication from the Commission to the Council, The European Community and Latin America, p. 12.

131. External Relations Europe Information, The European Community's Relations with Latin America, 2/89, pp. 4-5.

132. *Ibid.*, p. 18.

133. Wiegand, Western Europe and the Latin American Debt Crisis, p. 55; for an example of a resolution supported by the Socialists and the Christian Democrats (the two major political groups) and others see OJEC, Resolution on economic relations between the European Community and Latin America, No C 46, 23.2.87, pp. 102-110.

134. See Jose Cayuela, 'The "Return to Democracy" in Latin America: Fiction or Reality?', in Latin American Bureau (LAB), Britain and Latin America: an Annual Review of British-Latin American Relations, (London: LAB, 1979),

'by the end of 1978, only four countries, Costa Rica, Columbia, Mexico and Venezuela were more or less close to a definition of democracy, as it is practised in nations usually associated with the term, such as the United States, Great Britain and France.' (p. 9)

According to an influential article published in 1979, which pointed to progressively increasing efforts by the EC to expand economic links with Latin America, the major political obstacle, as far as the EC was concerned, was that because of the 'great diversity of political and economic positions' within Latin America 'the Community could not deal with the sub-continent as a unit'. No

mention is made by the author of the lack of democracy, human rights abuses, etc., in Latin America; the implication being that these were not presumably seen at the time as obstacles to the expansion of EC/ Latin American relations. See Muñiz, 'EEC-Latin America: a relationship to be defined', in JCMS, Vol. XIX, No. 1, p. 58.

This is contrary to Community claims in the 1980s, which were that one of the reasons that had caused a distancing in Latin American/ West European relations had been 'the fate of democracy under the military regimes' of Latin America. See Communication from the Commission to the Council, The European Community and Latin America, p. 2.

While it may have been true that broad sectors of West European public opinion opposed the military dictatorships, it is another step to imply that either the EC or West European governments scaled back their economic relations with Latin America because of these factors. See Christopher Roper, 'Political relations between Britain and Latin America', in LAB, Britain and Latin America: an Annual Review of British-Latin American Relations, 1979, (London: LAB, 1979), pp. 50-56.

135. Durán, European Interests in Latin America, p. 11.

136. See Muñiz, 'EEC-Latin America: a relationship to be defined', in JCMS, Vol. XIX No. 1, pp. 55-64. Muñiz refers to the 'European Council' as the body which issued the declaration. However the European Council was not established until 1974. The first of the joint conferences took place on 18 June 1971. The EEC was represented by the Permanent Representatives of the member states (COREPER) and the Commission. Latin America was represented by Heads of mission to the EC or 'ad hoc representatives.' For a report see EC Bulletin, Vol. 4 No. 8, Brussels, 1971, pp. 25-27.

137. Durán, European Interests in Latin America, p. 77.

138. Ibid., p. 78.

139. Ibid., p. 78.

140. Geoffrey Edwards, 'Europe and the Falkland Islands Crisis 1982', in Journal of Common Market Studies, Vol. XXII No. 4, June 1984, p. 301.

141. Ibid., p. 313.

142. European Policy Institute at the European University (Florence) and Institut für Europäische Politik (Bonn) (eds), European Political Cooperation Documentation Bulletin 1989, Vol. 5 No. 1, (Luxembourg: OOPEC, 1991), pp.199-201; see also previous volumes of the Bulletin for detail on the contacts cited. The relative weight of these 'contacts' differed but probably not very much. All these actions represented some form of diplomatic expression of involvement. The quantitative survey cited is merely meant to give some indication of the sheer volume of EC contact with Central America as opposed to the lesser volume of diplomatic contact with the larger south American region.

143. EPC Documentation Bulletin 1989, Vol. 5 No. 1, pp. 201-209.

144. As far back as at least 1983 there were some hopes expressed that Spanish and Portuguese Accession might help to consolidate links between the two regions; see the Report on Economic and Trade relations between the European Community and Latin America, Document 1-580/83, PE 78.713/fin, Rapporteur: Mr. J. van Aerssen, 15 July 1983, p. 24.

145. 'Joint declaration of intent on the development and intensification of relations with the countries of Latin America', in Documents concerning the accessions to the European Communities, (Luxembourg: OPEC, 1988), p. 675.

146. Telex Development, 'The World and the EEC', (Brussels: Commission, 16 February, 1989), p. 13.

147. For a summary of the revised strategy see Commission, Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 1.

148. EPC Press Release, Rome Declaration on Relations between the European Community and the Rio Group, EC R76A, Brussels, 20 December 1990, pp. 9, unnumbered.

149. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 19.

150. EC Bulletin, Vol. 4 No. 6, Brussels, 1971, p. 99.

151. 'Intergroups' were cross party single issue forums. There were 22 in 1991 including 2 on Latin American issues; the Central America intergroup and the Chile intergroup; from an extract from a report on EP/ Latin America relations, in a personal communication from Richard Corbett, European Parliament (original in Spanish, my translation).

152. Delegations from the Latin American Parliament and the European Parliament met in Bogota (1974), Luxembourg (1975), Mexico City (1977), Rome (1979), Bogota (1981), Brussels (1983), Brasilia (1985), Lisbon (1987) and San José (1989).

153. In 1982 European Parliament relations with Latin America were institutionalised and an 'Interparliamentary Delegation' established; its function was to consolidate relationships with the Latin American region. There were 36 members and the Delegation was divided into four groups which are responsible for relations with Mexico, the member countries of Central America, the member countries of the Andean Pact and Brazil. In 1984 the Delegation name was changed to 'Interparliamentary Delegation for Latin America (Latin American Parliament/ Andean Parliament) and divided into two 18 member groups. The first was responsible for relations with the countries of Central America and the Contadora Group. The second group was responsible for relations with the other countries of South America. By 1987 the two groups membership had grown to 25 each. Information from an extract from a report on EP/ Latin America relations, in a personal communication from Richard Corbett, European Parliament (original in

Spanish, my translation).

154. These have been numerous and MEPs have visited the region in private as well as public capacities. See for instance the President of the EP, Lord Plumb's visit to Argentina in February 1989.

155. IRELA Conference Report, The Role of Regional Parliaments in Latin American Integration Processes, p. 17; the study was carried out by Waldemar Hummer of the University of Innsbruck.

156. One commentary on EC/Latin American relations noted that 'Europe has been working for years with major transnational sectors such as political and private foundations, churches, trade unions, co-operatives, universities and political parties.' in IRELA, Europe and Latin America in the 1990s: Towards a New Relationship?, p. 28.

157. From my own survey of parliamentary resolutions on Latin America 1982-1987, Brussels, 1988.

158. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 6.

159. Ibid., p. 6.

160. Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 35.

161. Europe Information External Relations, Latin America and the European Community, 21/79, September 1979, p. 5; see also Europe Information External Relations, The European Community and Latin America, No. 82/85, p. 23.

162. Mower, The European Community and Latin America, p. 38; see also Report on economic and trade relations between the European Community and Latin America, Document 1-580/83, PE 78.713/fin, Rapporteur: Mr. J. van Aerssen, p. 43.

163. EC Bulletin, Vol. 4 No. 9/10, Brussels, 1971, p. 142.

164. EC Bulletin, Vol. 4 No. 12, 1971, pp. 90-92.

165. EC Bulletin 9-1975, p. 64.

166. Mower, The European Community and Latin America, p. 57.

167. Commission, 13th General Report of the Activities of the European Community, (Brussels: Commission, February, 1980), pp. 269-270; see also Mower, The European Community and Latin America, p. 58.

168. Debates of the European Parliament, No. 1-304, 11 October 1983, p. 83.

169. Ibid., p. 84.

170. Exposé de Monsieur Claude Cheysson, pp. 14-25.

171. Debates of the European Parliament, No. 2-327, 13 June 1985, p. 211.

172. See Cheysson's speech to the European Parliament, in Debates of the European Parliament, No. 2-340, 10 June 1986, p. 64, where he traces the links between these issues.

173. IRELA, Europe and Latin America in the 1990s: Towards a New Relationship?, p. 29.

174. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 18.

175. European Parliament Working Document on European integration policy and relations between Latin America and the European Community; the Contadora process and the follow-up to the Ministerial Conference in San José (Costa Rica), PE 97.099/def., Rapporteur: Mrs. Jeanette Oppenheimer, (Brussels: European Parliament, 9 May 1985), p. 14.

176. For detail on these bilateral and multilateral agreements see Europe Information External Relations, The European Community and Latin America, No. 82/85, pp. 21-24.

177. Commission, Guidelines, p. 7.

The European Community's interest in Central America has relatively recent origins. The first significant EC contact with the five republics was in 1975 when Sir Christopher Soames, then vice-president of the Commission with responsibility for external relations, visited the headquarters of the Central American Common Market (CACM) in Guatemala City. The Commissioner met the ministers for the economy of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, as well as the Secretary General of the CACM.¹ Relations with Central America however remained nascent until the end of the 1970s; whereafter they developed into an important foreign policy priority for the Community throughout the 1980s.

This chapter examines the development of EC interest in Central America and presents an exposition of the various policy objectives of both the Community as a whole and its constituent parts. It traces the growth of EC activity towards Central America from the inception of EC/Central American relations in 1975 through to the consolidation of a coherent policy framework in 1984.

Definitions

The previous chapter pointed out that the EC's conception of Latin America as a geographically constituted entity has been in a state of flux since the 1950s. Similarly, although the shifts in the EC's thinking about what constituted Central America were never as marked as the changes in EC perception of what constituted Latin America, the EC's conception of the former entity changed according to the

evolution of historical and political circumstances. In 1981, when Central America began to increasingly impinge itself on the Community's agenda, at least three different geographic interpretations of what constituted Central America could be found within EC official documentation.

The term Central America could refer to the five Central American republics who considered themselves as a relatively homogeneous entity with a discernible Central American identity, that is Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Apart from being historically a closely knit community (although riven by conflict) these five nations had also formed a Central American Common Market (CACM) in 1960. In Latin America these five republics are considered as the constituent elements of Central America and this understanding soon began to permeate the EC's conception of what constituted Central America. By 1986 EC official documentation was referring to these five states as Central America.²

Prior to 1986, a second EC understanding of what constituted Central America included the five republics plus Panama. Panama probably has the closest links of all neighbouring states with the five republics. Panama joined the Central American Common Market in 1980 and remained closely associated with the five republics via its support role in the process of negotiations which sought to bring peace to the region in the 1980s. By 1986 the EC was following Latin American practice and made some differentiation between Central America (the five republics) and what it termed the Central American isthmus (the five republics plus Panama).³

In 1981 the EC's idea of Central America could also refer to the above mentioned six nations plus the Dominican Republic and Haiti.⁴ As at 1981 the

Dominican Republic and Haiti were the only two independent Caribbean states, apart from Cuba, which were not associated with the Community via the Lome Conventions. They appeared to be considered as Central American for the EC's administrative convenience. Policy towards all 'non-associated' nations in the Caribbean and Central American region could thus be developed on a 'regional' basis. The terminology had again been refined by 1986 so that these two states were referred to collectively as Hispaniola and no longer considered as part of Central America.⁵ By 1989 both the Dominican Republic and Haiti had been admitted as members into the Lomé Convention and so as far as the EC was concerned were now members of another, far broader regional grouping, that of the African, Caribbean and Pacific (ACP) group.

The EC's vision of the Central American region never included Belize which is physically part of the Central American isthmus. This is because immediately after independence in 1981 Belize joined the Lomé Convention group and was therefore considered by EC policy makers as part of the ACP region.

Cuba, as has been pointed out in the previous chapter, was never considered by the EC to be part of Latin America, let alone Central America and/or the Caribbean, until 1988, when it was politically recognised by the Community.

For the purposes of this study the term Central America will be used as a description of the five republics; Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Any other usage will be made clear in the text.

Pre-History

European involvement with Central America began in 1502 when the Genovese adventurer, Christopher Columbus, landed on Guanaja, one of the Bay Islands in the Gulf of Honduras. Columbus sailed down the Caribbean coast of Central America to Panama where he was attacked by native inhabitants and driven from the isthmus. Initial Spanish colonial policy used the isthmus as a source of slave labour for the mines in Hispaniola (today the Dominican Republic and Haiti). Colonisation began in earnest in the mid 1520s. The Spanish retained a dominant influence in Western Central America up until the 1820s when independence brought into being the 'United Provinces of Central America'. The 'United Provinces' was a federal union which lasted from 1823 to 1838 before it split into the five republics which form contemporary Central America.⁶

The Spanish bequeathed the language and religion (Catholicism) of colonial Spain as well as a transformed demography. The estimated population of Central America in 1500 was around seven million. By 1778 the population had plummeted to around 800,000 after the native inhabitants were decimated by colonial brutality and disease.⁷ The dominant racial group of contemporary Central America is mestizo or of mixed race while in Costa Rica, where the native communities were almost completely wiped out, the dominant racial group is European. The Native Indian communities are minority communities in contemporary Central America - even in Guatemala where substantial numbers do survive.

Other European influence impinged on Central America's eastern coast by way of the sixteenth century French corsairs and Dutch and English buccaneers.

These 'pirates' made their living mainly from the plunder of Spanish shipping. Britain's Sir Francis Drake is probably the best known along with Henry Morgan, later Governor of Jamaica. Of the non-Spanish European influence, the English was the most durable and significant. In 1633 the English sent an official expedition to the eastern coast of Central America, which they called Mosquitia, and in which they established a quasi-colony. The geographical area which thus came under the British sphere of influence covered the south east of contemporary Honduras and all of contemporary Nicaragua's Atlantic coast region. Mosquitia was never an important place of settlement for the English but it did serve to provide a convenient platform from which the English could challenge Spanish dominance of the isthmus. Although many of the English settlers or 'Shoremen' as they were called, left Mosquitia to settle in Belize in 1787 (four years after the English had agreed to evacuate Mosquitia in Article Six of the Treaty of Paris) some stayed. British commercial interests became interested in the possibilities for a potentially lucrative trans isthmus canal in the 1830s and Britain reestablished a British protectorate over Mosquitia in 1840, only formally relinquishing control in 1860. The British however maintained a presence on the Atlantic Coast until 1905 when they left their base in Greytown, now known as San Juan del Norte, a port town at the mouth of the San Juan River in southern Nicaragua.⁸

The English supported the import of protestantism to the region via German Moravian missionaries who arrived in the nineteenth century. They also supported the import of Black (sometimes slave) labour from the Caribbean islands. English colonialism therefore had a substantial impact in respect of today's eastern coast. The majority religion is Protestantism of one form or another. The majority language

on parts of the Atlantic Coast is English. There are important communities of Black, English speaking peoples on the Eastern coast of Central America from Honduras in the north through to Costa Rica in the south.

On a fairly trivial level the impact of English colonialism can be seen in terms of the predominance of familiar surnames like Hodgson, Campbell, Gordon and Wilson. On a more important level the English consolidated and encouraged a hostility towards all things 'Spanish' - particularly in the area of intensive settlement on the part of the coast which today forms part of Nicaragua. This was to have important consequences after the Nicaraguan revolution when the ethnic divide between east (non-spanish) and west (spanish), which was exacerbated anyway by initial governmental policy mistakes, was manipulated by domestic and external counterrevolutionary elements in an effort to discredit the revolutionary government.⁹

After independence up until the end of the nineteenth century the British also were involved in the internal affairs of the Spanish speaking Central American federation and later remained a powerful political force within the independent republics until the end of the century. Indeed, Frederick Chatfield, the British Consul to Central America designed the financial reforms which were to split the federation and forced the federation's President Morazan to adopt them. Chatfield was particularly active in Nicaragua. In 1842 and 1844 he enforced a British naval blockade against Nicaragua and as a result of the 1844 blockade one British national was awarded control of the Nicaraguan tobacco monopoly for two years and another, who had suffered some damage to property in an anti-British demonstration, was granted credits on Nicaraguan import duties.¹⁰ The last British military

interventions in Central America were in 1894 and 1895, the former in Bluefields and the last a naval blockade of the west coast Nicaraguan port of Corinto.¹¹

The impact of British interference which included support for the Conservatives, one of the two major political forces in Central America, was a nationalist response led by the Liberals. The Liberals looked to the United States to enforce the 1823 Monroe Doctrine which had pledged to prevent European powers interfering politically in the American hemisphere (see Chapter 1). Thus the United States was at least initially invited into Central America by progressive and modernising forces to help rid the isthmus of British influence.¹²

However as British power waned internationally towards the end of the nineteenth century, a new European power began to make its influence felt in Central America. German businessmen became established in coffee production and became influential in Central American trade. From 1913 through until the start of the Second World War Central America's trade with Germany was second only to their trade with the United States. Arguably, it was only in the relatively recent past, that is since 1945, that the United States was able to assume a more or less (at least up until the 1980s) undisputed economic dominance in terms of trade and investment relations with Central America.¹³ Economically in the immediate post war period Central America became dependent on 'virtually one source of foreign investment', the United States.¹⁴

Politically, the European states had no real locus within Central America from when the British withdrew in the early twentieth century. As one distinguished historian has stated, after World War 1, 'European power was hardly in sight' in the Central American isthmus.¹⁵ US dominance in the region was backed up by

military force. In the twentieth century the United States invaded, occupied and sent troops to different parts of Central America and the Caribbean at least 21 times.¹⁶ Walter LaFeber, a US historian has pointed out that

'In this respect, US foreign policy has sharply distinguished Central America and the Caribbean nations from the countries in South America. In the latter region, US political threats have been rarer. Direct, overt military intervention has been virtually nonexistent. Central American nations, however, have received special attention.'¹⁷

In the early post war period Central America was subordinated to a United States foreign policy which from 1947 prioritised the fight against what it saw as international Soviet and Communist expansionism. This was to be a universal crusade which would include the eradication of Communist influence domestically and also within the US' immediate sphere of influence, that is in Latin and Central America.¹⁸ 'Communism' was broadly defined as including all political movements which expressed radical, independent or reforming programmes. In Central America the United States put Kennan's policy into action in 1954 when they financed and supported a military invasion of Guatemala which toppled the elected, reformist president Jacobo Arbenz Guzman.¹⁹ The west Europeans supported the US action with Britain and France opposing a Guatemalan request for discussion of the invasion to take place at the UN General Assembly.²⁰

In the late 1940s and throughout the 1950s Central America was considered by the European powers as very much part of the US 'back-yard'. Any historical

European political and economic presence had been almost obliterated. And if Latin America was low on the agenda for the newly created institutions of the EC (see Chapter 3), Central America was even lower.

EC interest in Central America through the first two decades of that organisation's existence was minimal. Although the trade-oriented Europeans did not adopt the trade embargo against Cuba only France demonstrated much political independence of US policy in that period. Only France agreed to sell arms to Castro's Cuba and only France voted against the United States in the UN Security Council after the US invasion of the Dominican Republic in 1965.²¹

An important point is that West European responses to Central America even in these early days tended to be defined in terms of US policy towards the region. West Europeans responses also tended to be elicited in terms of political as opposed to economic issues. Central America was and is of little, if any economic interest for West Europe. When the EC did become intensively involved in Central America in the 1980s these two themes were evident in EC policy. EC intervention was primarily for political reasons and it was a response to US policy in the region.

Prior to 1975 however there was no EC interest or activity in the five republics of Central America.

The beginnings of a policy; 1975-1981

In the six years 1975-1981 the various institutions of the Community responded to the growing economic and political problems of Central America on a rather ad hoc and uncoordinated manner. One of those institutions, the Council,

displayed no interest in the region at all. It was only after being urged to do so by the Commission in particular, but also the Parliament, that the Council finally began to consider the region as part of its foreign policy responsibilities (in 1982).

(i) The Council

The Council did not demonstrate any interest in Central America in this period. However 1975-1981 saw the beginnings of policy and activity towards Central America by both the Commission and the Parliament.

(ii) The Commission

In 1975 Sir Christopher Soames became the first member of the Commission to pay an official visit to Central America. Between 1975 and 1981 two more Commissioners visited the region; Mr. Wilhelm Haferkamp who was responsible for external relations and Mr. Claude Cheysson who was responsible for Development. The EC's priority right from the beginning was to strengthen links with the regional integration institutions particularly the Central American Common Market (CACM) as well as to develop bilateral links.

Some impetus was given to the establishment of closer EC/Central American relations in 1978 when the Central American Ministers of the Economy proposed that the CACM should consider the possibilities of a cooperation agreement with the EC, on the lines of that operating between the EC and ASEAN.²² The Commission responded by agreeing, in April 1979, to formally meet with the Secretariat for the

Economic Integration of Central America (SIECA) and of the individual Central American countries and Panama.²³ As a result by November 1981, the Group of Central American Ambassadors in Brussels, (GRUCA) which included the Panamanian representative, met with the Commission representatives twice, in 1979 and 1980. The EC also worked with SIECA within the Tokyo Round of GATT negotiations.²⁴

Between 1975 and 1981 the EC was the object of visits from Central American politicians anxious to secure economic assistance and political support in respect of the often bloody political strife in the region. President Rodrigo Carazo from Costa Rica, Dr. Sergio Ramirez from the Nicaraguan government, the president of the Central American Bank for Economic Integration, and various ministers from Honduras, Nicaragua and Costa Rica visited Brussels in this period.

As has been indicated in the previous chapter, the EC's main direct competencies towards Latin America were in the areas of trade and aid. Its indirect competence (that is non-Treaty based) lay in the field of regional integration. The economic area in which it had least influence, at least in Latin America, was in respect of investment and debt.

In trade terms Central America was of little importance to the European Community. In 1970 EEC/12 imports from Central America were worth just \$257 million. This amounted to 5.2% of its imports from Latin America. By 1980 EEC/12 imports had increased in cash terms to \$1317 million but the share in relation to the total of Latin American imports increased only marginally to 5.8%.²⁵ These figures should also be seen in the context of a declining Latin American share in EC imports from 11% in 1958 to 5% in 1978.²⁶ (see Chapter 3 for detail). In 1980 the major Central American exports to the EC were coffee and bananas. The EC

received 16.7% of its imported coffee from Central America and Panama and 39.3% of its banana imports.²⁷ Central America's exports to the EC were therefore neither strategically important for the EC or of such a nature as to make the EC dependent on Central America as a source of supply for a particular commodity.

Conversely in 1970 the Central American countries received a mere \$197 million worth of EC exports, just 5.0% of total EEC/12 exports to Latin America. By 1980 although the volume in cash term of EEC exports to Central America had increased to \$598 million this total only amounted to a 3.1% share in total EEC/12 exports to Latin America.²⁸ In 1979 Central America only accounted for 0.5% of the total trade of the EC/10.²⁹

By contrast the EC was an important trading partner for Central America. In 1979 the countries of the Central American isthmus (the five Central American republics plus Panama) sent 24.0% of their exports to the EC/9. This compared with the 34.9% of exports which were destined for the US market.³⁰ In 1979 bananas and coffee amounted to 40.5% of Central American exports and the EC imported just under half of Central America's banana exports and just under a third of coffee exports.³¹

The Community did not 'possess contractual trade relations on a bilateral basis as such' with the nations of Central America.³² However some bilateral trading agreements were signed in this period between individual Central American countries and the EC. On 1 January 1978 an agreement on textiles came into force with Guatemala within the context of the Multi-Fibre Agreement (see Chapter 3). Export quota agreements for handicrafts which included silk and cotton fabric woven on handlooms were opened with Honduras in 1977 and El Salvador in 1978.³³

Initial EC support to Central America came in the form of efforts to promote trade expansion as well as in the form of humanitarian aid which included emergency food and disaster aid. Support for regional integration and financial and technical assistance comprised the other major components of the EC's Central American cooperation programme.³⁴

Trade support included the promotion of the Generalised System of Preferences (GSP) scheme which since 1971 could be utilised by Central America. The GSP was also used to support regional integration in that a system utilising cumulative rules of origin was introduced for the five member countries of the CACM. In 1978 the Commission organised an information meeting in Guatemala to try to ensure that the rather complicated GSP scheme could be better utilised by CACM business.³⁵ Export promotion schemes were also offered and in 1979 the programme for the Central America isthmus included a conference on marketing techniques to be held in Tegucigalpa and a food marketing seminar at Panama City.³⁶

EC aid was made available for regional integration which was perceived as a way of promoting 'stability' in the region. SIECA was given technical support in the areas of 'customs nomenclature, customs laboratories, and customs value (in particular, the training of staff)'.³⁷

Central America also became eligible for financial and technical aid which from 1976 could be granted to non-associated countries (see Chapter 3). Financial and technical aid was targeted by the EC to the poorest countries and the poorest groups within those countries. The rural poor were a particular priority as were regional projects. Disaster relief and reconstruction could also be financed from the

financial and technical aid budget. Only Bolivia benefitted out of all of Latin America from this new EC instrument in 1976 but by 1977 the figures in respect of financial and technical assistance to Latin America were already beginning to display a pattern in respect to Central America which would remain fairly consistent for the next decade and a half. By 1977 40% of the 9 million ECUs set aside for financial and technical assistance for Latin America was allocated to Central America (this particular budget included Panama, Dominican Republic and Haiti). In 1978 the equivalent percentage was 33.8% but by 1979 the figures showed an upward trend with Central America receiving 58% of the total allocated to Latin America. In 1980 Central America received an even higher 67.4% of the Latin America total. The sums involved were small. The EC's total budget for all the non-associated countries was 110 million European Units of Account (EUA) in 1979 - 20% of this was allocated for Latin America.³⁸ In 1979 Central America received 13.4 million ECUs compared to 9.70 million ECUs allocated to the rest of Latin America. The 1980 figures were 20.1 million ECUs for Central America and 9.70 million ECUs for the remaining countries of the sub-continent.³⁹ Nevertheless even given the low volumes of aid the relative weighting of financial and technical assistance was an indication of the priority given by the EC to the troubled sub-region within the context of its Latin America policy.

In 1977, 1978, 1979 and 1980 the Bank for Central American Integration (BCIE) benefitted from this budget in terms of technical assistance. Three other regional organisations benefitted in the period 1977-1980. These were the Institute of Nutrition of Central America (INCAP), the Pan American Health Organisation (PAHO) Central America and the Tropical Agriculture Research and Training Centre

(CATIE). Again the sums involved were not large with CABEI receiving the largest amount of support at 3.23 million ECUs over the four year period.⁴⁰

The three individual countries which benefitted most from EC financial and technical assistance in the period 1977-1980 were Haiti (10.6 million ECUs), Honduras (13.4 million ECUs) and Nicaragua (5.3 million ECUs).⁴¹ Of the Central American republics Honduras received support for water supplies and sanitation and Nicaragua received support for economic and social rehabilitation.

Nicaragua was in need of reconstruction funding given that it had just come through a two year civil war which had left some 50,000 dead and its economic infrastructure devastated (see chapter 1). The EC chose to prioritise support for the new revolutionary government to the extent that it agreed to provide by way of a supplementary budget some \$9 million in 1979 for Nicaraguan reconstruction.⁴² This sum amounted to just under half the EC's previously agreed 1979 total for Latin America as a whole.

Although economic aid was needed in Nicaragua for its own sake the Community allocated aid because of 'both economic and political considerations'. In 1979/80 Honduras received by far the largest amount of the Central American countries at 11 million ECUs - with Nicaragua receiving the second largest sum at 5.3 million ECUs. Together Nicaragua and Honduras received half of the total EC aid - some 33.5 ECUs - which was destined for Central America (including Panama, Haiti and the Dominican Republic) in 1979/80.⁴³ In addition, in 1980, 50% of all direct food aid for Central America went to Nicaragua and Honduras. One Honduran development project which EC food aid counterpart funding paid for was that of silo construction for grain storage.⁴⁴

Nicaragua was not the only country to receive disaster relief in respect of the after affects of revolution. In 1981, the people (not the government) of El Salvador also received support, via non-governmental organisations, in the aftermath of the 1980 so-called 'final offensive' by the Salvadorean liberation movement (FMLN).⁴⁵ The importance that the EC gave to Central America in terms of its policy priorities within Latin America is clear from the fact that in 1980 over half (51.4%) of the EC's total 1980 budget for Latin America went to the sub-region. Over half of the Central America budget went to Nicaragua and Honduras. In other words by 1980 around twenty-five per cent of the EC's total budget for Latin America went to two countries which could boast only 1.91% of the total population of Latin America.⁴⁶

In Central America EC aid was obviously targeted to reach the poorest countries. (In 1980 Haiti's GNP per capita was \$270; Honduras \$560 per capita; El Salvador \$660 per capita; Nicaragua \$740; Guatemala \$1080; Dominican Republic \$1160; and Panama \$1730.)⁴⁷ Yet arguably as early as 1979 the EC was also demonstrating the beginnings of its future policy towards the region which would attempt to target what aid it did allocate to Central America to areas of 'political instability', this phrase often being little more than a euphemism for describing those areas where revolutions had or might occur. However initial EC attitudes were not hostile to either the incipient revolution in El Salvador or the actual revolution in Nicaragua. The FSLN's first major social project, the literacy campaign, was largely funded through counterpart funding from the controlled sale of EC food aid in Nicaragua.⁴⁸ The governments of El Salvador in the late 1970s and early 1980s were not supported by the EC nor were the military governments of Guatemala. EC aid which reached those two countries prior to 1980 was either humanitarian food

aid or aid to non governmental organisations apart from the tiny amount of aid went to both countries for export promotion.⁴⁹ Between March 1981 and March 1982 some 7.5 million ECUs was distributed to the Salvadorean people via non-governmental organisations like the Red Cross and the UN High Commission for Refugees. Salvadorean refugees based in Nicaragua and Honduras received some 2.5 million ECUs in the same period via the same channels.⁵⁰

The linking of aid to the poorest countries often with the most inequitable distribution of land as a means of assisting in the achievement of political stability was clearly spelt out by Commissioner Narjes when he responded to the debate in the European Parliament in November 1982 on the Commission's recommendations for Special Action in favour of the Economic and Social Development of Central America. He stated that 'economic and social factors are at the root of the political instability in this region and this was also the point of departure of the Commission's recommendations.'⁵¹

The underdevelopment which characterises Central America along with its distance from Europe and history of political violence made the region unattractive to EC investors. In 1980 private EEC investment in CACM countries amounted to just \$3.78 million compared to \$4.23 in Panama alone (and compared to private EEC investment of \$720 million in all developing countries).⁵² By far the largest source of foreign investment in Central America was the United States. In 1977 US direct investment in the five Central American republics amounted to \$677 million (compared to \$2442 million in Panama) and by 1980 it had increased to \$1009 million (compared to \$4223 million in Panama).⁵³ It was not part of the Commission's early priorities to try to encourage EC based investment in the region.⁵⁴ Although

some Community representatives spoke occasionally of potential opportunities for EC investors should the region become economically developed and stable this never appeared as a primary reason for EC involvement in the region.⁵⁵

By 1981 the germs of a Commission policy could be seen even within the rather ad hoc arrangements which had developed between 1975 and 1981. In 1979 the official EC policy document on Latin America treated policy towards Central America as a subsidiary issue and as an entirely economic question.⁵⁶ By 1981 the EC had found Central America important enough to issue an entire document spelling out the EC's relationship with the region. EC priorities were to encourage trade and regional integration. Development aid was to be allocated in such a way as to back up these priorities. The Community was also gradually evolving a policy to the region based on political as well as humanitarian considerations.⁵⁷ The Community argued, in line with its overall philosophy (see Chapter 2) that 'while fully respecting the sovereignty of all the countries in the area, the Community's regional aid and development cooperation will continue to take account of political and human rights factors in the region.'⁵⁸

The Commission's concern over political developments in respect of 'the unstable situation in Central America' resulted in the forwarding to the Council on 4 December 1981 of a communication recommending increased Community aid to Central America.⁵⁹

(iii) The Parliament

The first directly elected European Parliamentarians took their seats in

Strasbourg in 1979. However prior to 1979 the Parliament had expressed concern about developments in Central America particularly in relationship to human rights abuses by the Somoza dictatorship in Nicaragua.⁶⁰ During the first year of the Nicaraguan revolution (also the first year of the directly elected Parliament) the Parliament's attitude was of cautious support for the new government. In a resolution passed in April 1980 Parliament welcomed the 'restoration of democratic freedoms' and highlighted the economic difficulties which the country faced. The resolution called for fast and effective aid programmes for Nicaragua. The European Parliament also signalled its entry into the realm of high politics in respect of Central America when it stated that the EP 'hopes that the Member States of the Community will continue their policy of strict neutrality towards Nicaragua and will invite their partners to take the same attitude and to encourage its observance by Nicaragua's neighbours as well.'⁶¹

The Parliament also took an activist stance in respect to El Salvador and Guatemala. In April 1980 the Parliament condemned the murder of Salvadorean Archbishop Anibal Romero. In September 1981 the Parliament expressed its concern, by way of a resolution jointly sponsored by both Socialist and Christian Democratic groups (the two largest political groups) about the violent state-organised repression in El Salvador.⁶² In February 1980 and in September 1981 the Parliament condemned human rights violations in Guatemala.⁶³ The 1981 resolutions were the result of a joint Socialist/ Christian Democrat parliamentary delegation which had visited the region in June 1981.⁶⁴

El Salvador however was the early focus of EP attentions and in October 1981 the Political Affairs Committee instructed Christian Democrat Mrs. Marlene Lenz

to start to prepare a report on El Salvador.⁶⁵

The EP had already signalled its intention to focus on Central America as a discrete entity when in 1980 the External Relations Committee of the Parliament 'came to the conclusion that Central America was a separate problem [from that of Latin America]'.⁶⁶ As early as 1980 therefore the EP began to formulate a specific policy to Central America; one which included support for democracy, human rights, economic aid and non-intervention in the region. And even before both the election and ascendancy of Ronald Reagan to the Presidency the EP was expressing anxiety about possible US intervention in that the EC's member states were being invited to warn their 'partners', including implicitly the most important of those partners, the United States, to refrain from intervention in revolutionary Nicaragua.

Towards Convergence; 1982

In 1982 all the institutions of the Community expressed their concern about the conflict in Central America. There were initially divergent views on what should be the appropriate approach but by the close of 1982 a discernible Community approach appeared to be emerging. Increased Community aid, agreed in 1982, came about because of a Commission initiative, although it was agreed within the framework of political cooperation - an arena in which theoretically the Commission did not have powers of initiative (see Chapter 2).

(i) The Council

The first ever statement by the Council on Central America appeared on 29 March 1982. The European Council expressed its concern at 'the continued growth of tension in the region'. It expressed support for peace initiatives and noted that the regional conflicts stemmed from social and economic inequalities. The Council instructed the foreign ministers to draw up proposals, based on Commission guidelines, for the implementation of increased and coordinated aid to the region.⁶⁷

The Council did not agree the Commission's proposals, made in June 1982, because it was divided as to whether Nicaragua should be included. Germany under the new Christian Democratic government and the British Conservative government were against including Nicaragua in any regional package. This was of course the approach taken by the Reagan administration which did not permit Nicaragua to benefit from its Caribbean Basin initiative. As the Commission pointed out although Nicaragua fulfilled the conditions which had already been agreed by the Council - a new criterion seemed to be about to be introduced by 'some Member States' - that of whether or not Nicaragua could implement land reform 'democratically'. Neither the Commission nor the Parliament concentrated their challenge on the member states' assertions, at least publicly, although there is plenty of evidence that the Sandinista agrarian reform was probably the most substantial in that nation's history - probably the most substantial in Central American history.⁶⁸ Instead the Council was challenged on procedural grounds and on the basis that a programme of aid which incorporated the Sandinista government would help maintain Nicaragua within a Western sphere of influence and could encourage the Sandinistas to 'democratise'.

In late October a compromise decision was reached when the terms of the

aid package were slightly amended. A Commission official explained that

'the Foreign Ministers in Council on October 27th were more "nuancé" on the Nicaragua question. The Commission (W. Haferkamp) insisted that, in order to preserve the regional approach of the special action envisaged, Nicaragua should not be excluded. France has very strongly defended the same view and Germany advanced the idea to start the action for Honduras, the Domenican (sic) Republic and Costa Rica, without however excluding Nicaragua. The UK finally agreed to try a compromise.. This would be to find a solution which would permit Nicaragua to benefit *de facto* of the envisaged aid, but under a different and more general geographic presentation.'⁶⁹

By mid November the Council had agreed that an extra sum of 58 million ECUs should be made available to all non-associated countries (Latin America, Asia and parts of Africa).⁷⁰ The Council finally agreed a regional package in November but the sum allocated to Central America was only 30 million ECU.⁷¹

Although the member states had disagreed over tactics the Council had continued, throughout 1982, to express its concern at the escalating violence in the region. The Council's August statement declared a welcome for 'any initiative that could put an end to the violence' and called for 'respect for human rights and the restoration of peace in the region'.⁷²

(ii) The Commission

The Commission's major efforts throughout 1982 were involved in trying to persuade the Council to adopt a position towards Central America which would allow Nicaragua to benefit from the supplementary development aid it proposed for the region. The European Council statement issued in March had agreed that the crisis in Central America required a response from the international community which would include an increase in aid. Increased aid was seen as important because the causes of the conflict in Central America were deemed as mainly due to 'serious economic problems and social inequalities'.⁷³ It was stressed by the Commission that that the proposal to increase aid to Central America was primarily in response to political and strategic imperatives. It argued that 'increased Community aid to Central America.. is justified by the assessment made by the Member States and the Commission, in the political cooperation framework, of the current situation in the region and its possible repercussions at regional and world level.'⁷⁴

Where the Council disagreed with the Commission was on the allocation of a supplementary aid package. The member states agreed that supplementary aid should be forthcoming but disagreed as to whether Nicaragua should be permitted to benefit or not.

The Commission insisted that Nicaragua should benefit from any aid package. Indeed when the European Parliament debated and finally agreed a resolution calling on the Community to cut off aid to Nicaragua on the grounds of alleged lack of civil liberties and abuses of human rights the Commission categorically refused to do so.⁷⁵ Commissioner Pisani stated that 'the Commission will not suspend aid' and further went on to argue that the Community should actively favour Nicaragua. 'I would point out to the House that the situation is difficult and that Nicaragua, after

all it has been through, needs our support.'⁷⁶

The Commission's intention was that the Community initiative in favour of 'Special Action' for Central America should be 'substantial enough to produce tangible results, not only from the political point of view, but also in terms of economic efficiency'.⁷⁷ The Commission was anxious to convey a political and visible message to Central America that it was prepared to assist the region.

'Given the US and Canadian plans for large-scale financial assistance as from this year, and of course the oil agreements with Venezuela and Mexico, the proportion of aid from the Community will be reduced, however, if it remains at the present level, and will thus fail to convey the desired degree of European solidarity in the international Central American rescue operation.'⁷⁸

The Commission proposed to the Council that 65 million ECUs worth of supplementary financial and technical assistance be allocated to Central America (the six countries of the isthmus, Haiti and the Dominican Republic) in 1982. The plan was to commit the resources in 1982 and make most of the payments in the first part of 1983. Because the Commission identified structural economic and social inequality within the agricultural sectors in Central America as a prime cause of social and political unrest the additional funds were to be allocated in support of agrarian reform programmes.⁷⁹

All the Central American countries (as outlined above) were to be eligible for Community aid but the granting of financial and technical assistance for specific programmes was to be made 'on the principles and criteria governing the

Community's development cooperation policy and the likelihood of effective implementation.⁸⁰ Commission officials visited the region and judged that four countries met the criteria - one of which was Nicaragua. The other three were Costa Rica, Honduras and the Dominican Republic. It was the Commission's insistence that Nicaragua should be a beneficiary country of the special aid plan and the Council's reluctance to agree that held up a decision on the initiative until November 1982. The Commission argued that it would rather withdraw the whole programme than agree to eliminate Nicaragua from eligibility. There were two reasons for Commission intransigence. The first was that the Commission argued that their criteria for allocation of aid had not been challenged and it was proposed to allocate aid according to those criteria. They also argued that it would be politically 'dangerous' to exclude Nicaragua from the EC's aid initiative. Such an act 'would undoubtedly be unjust to Nicaragua, but very tactless vis-a-vis the countries of Central And Latin America'.⁸¹

The Council refused to agree to the Commission's attempt to include the 65 million ECU in the supplementary and amending budget for 1982 and so the Commission was forced to reprocess the request as a resource transfer in October 1982.⁸² The Council eventually supported the Commission's request but sharply cut the sums involved so that in the end less than half the sum that the Commission had originally recommended was agreed.

However total Community aid to Central America in 1982 showed a sharp increase in relationship to previous years. In 1982 Central America received 110 million ECUs (including the supplementary allocation). This compared to a 1981 aid allocation of just under 40 million ECUs and a 1980 total of just over 45 million

ECUs. The 1982 aid totals also compared favourably in terms of share of total Latin American aid (South and Central America). The rest of Latin America received just 28.65 million ECUs.⁸³

(iii) The Parliament

The Parliament adopted two major reports on Central America late in 1982. The first was the Report drawn up on behalf of the Committee on External Economic Relations on economic relations between the European Community and Central America,⁸⁴ commonly called the 1982 Wieczorek-Zeul Report after the author and year of the publication. It was agreed in October 1982. The second had a more long-winded title. It was called the Report drawn up on behalf of the Committee on Development and Cooperation on the communication from the Commission of the European Communities to the Council concerning special action in favour of the economic and social development of Central America (COM(82)257 final) and the proposal from the Commission of the European Communities to the Council (Doc. 1-559/82 - COM (82) 481 final) for a decision completing the general guidelines for 1982 concerning financial and technical aid to non-associated developing countries.⁸⁵ This report became known as the Michel Report after its author who unfortunately died before the report was finally agreed in November 1982.

The reports and the resolutions which accompanied them provided a framework for European Parliament policy towards the region for the rest of the 1980s. They also marked the start of a consensus across party lines on Central

American policy. That consensus did not mean that the various parties were unanimous in their views about all issues and there were moments and periods of dissension on the application of the policy throughout the 1980s. The disagreements were illustrated early on in 1982 in respect of the differing approaches taken by the two biggest political groups to El Salvador and Nicaragua.

In March 1982 the European Parliament passed a resolution (by 84 votes to 59) which stated among other things that 'the forthcoming ballot in El Salvador, to be held on 28 March 1982, cannot be regarded as free elections'.⁸⁶ The resolution was sponsored by the Socialist group and was opposed by the Christian Democrats; the latter were accused by the Socialist group of giving at least implicit support to one of the main candidates in the Salvadorean election, Napoleon Duarte, who campaigned on a Christian Democrat ticket.⁸⁷ The Parliament was also divided with respect to its position vis a vis the United States. The resolution considered that a solution to the conflict in El Salvador could only come about 'political dialogue between the government and opposition' but also that 'the policy pursued by the United States will not bring about such a solution'.⁸⁸ However, the Socialist sponsor of the resolution, Mrs. Van den Heuvel, was careful to stress that criticism of US government policy did not imply wholesale criticism of the US.

'It is perhaps a good thing that I should have the opportunity to state once again quite clearly and categorically that the Socialist Group has no interest whatsoever in bringing the American people into disrepute. All we are doing is passing objective judgment on the policy pursued by the Reagan administration, and we feel we have a right to subject that policy to critical appraisal precisely because

we respect the American people and their tradition of democracy... We hope that the resolution.. will play a part in a development which is in keeping with the democratic tradition of the American people.⁸⁹

The second major issue of contention between the two biggest political groups was in respect of the revolutionary government in Nicaragua. In June 1982 the Christian Democrat sponsored resolution referred to above was passed (albeit based on a narrow majority in a poor turnout), which among other things, called for aid for Nicaragua to be stopped 'until respect for human and civil rights and democratic freedoms is guaranteed in that country'.⁹⁰

The resolution was clearly anti-Nicaragua but at the same time the Christian Democrats were anxious to dispel any suggestions that they were offering support for the United States policy of military intervention in Nicaragua. The June resolution unequivocally stated that 'no foreign military intervention [in Nicaragua and Central America] in any form whatsoever is permissible'.⁹¹ In important ways the Christian Democrat position converged with that of the Socialist Group. The Christian Democrats proposed an anti-revolutionary position but did not support the use of the military instrument by the United States in terms of the 'containment' of the Nicaraguan revolution. The Socialist Group wanted an end to the violence and repression in El Salvador and while not considering the Reagan administration's policy to be a useful way of dealing with the political conflicts neither did it support an anti-US policy per se. Both major political groups were starting to express an uneasiness with US policy in terms of the instruments utilised and the tactics chosen to deal with the political conflict in Central America.

By contrast the two major reports on Central America were supported by both Christian Democrats and Socialists. Socialist MEP Heidi Wieczorek-Zeul introduced the first of these and Christian Democrat Victor Michel the second.

Wieczorek-Zeul's report, although emanating from the Committee for External Relations, dealt mainly with the development aspects of relations between the European Community and Central America (including in this report Panama, Haiti, the Dominican Republic and Cuba). Mrs. Wieczorek-Zeul pointed out that this was because 'we cannot offer so much in the way of trade policy benefits and, in any case, the fact is that the trade element is less important in relations between two so very different regions.'⁹² The resolution accompanying the report called for increased long term aid for Central American development programmes based on an approach which would encourage progress towards self-sufficiency in food production 'and more effective rural development'. The resolution recommended that the 65 million ECU recommended by the Commission be agreed by the Council and called for the establishment of an 'economic cooperation agreement as a further visible sign of the EEC's commitment to Central America'. The resolution also proposed that the EC give support to specific projects which would help to encourage the process of regional integration for instance the development of a joint communications infrastructural network between Costa Rica, Nicaragua and Honduras.⁹³

The objectives of the report were a little more ambitious than the carefully worded resolution might suggest. Wieczorek-Zeul delineated these as fourfold. 'Firstly, we want to give Latin America a political signal following the conflict over the Malvinas'.⁹⁴ The first objective therefore had nothing to do with Central

America - the ostensible subject of the report. The Parliament was here seeking to build bridges in the wake of the Falklands/Malvinas conflict when the EC had lined up behind Britain and Latin America (apart from Chile) behind Argentina (see Chapter 3). The second objective was

'to give the countries of Central America another, a European option. We have no intention of presenting them with a social model to be followed - as the USA has been doing for decades past and is still doing today.. As far as we Europeans are concerned, stability means stable and socially just conditions, a form of stability which will not be achieved by arms.'⁹⁵

Here Wieczorek-Zeul was seeking to do two things. The first was to differentiate the Community from the United States in terms of its approach to the Central American conflict. The United States had persistently viewed the regional conflict as flowing primarily from Soviet and Cuban Communist interference in the region and therefore as a conflict with international ramifications (see Chapter 1). The Parliament on the other hand considered the Central American conflict as a regional problem born primarily from local conditions which included poverty and a highly inequitable distribution of wealth. In short the US viewed Central America via an East-west prism; the European Parliament from a North-South perspective. The second implicit intention of this objective was to indicate to the Central Americans that the alternative to the US need not be the Soviet Union. The Europeans could offer a less traumatic path to capitalist development than that practised by the US military and Department of State. If the first objective was

meant to be a 'political signal' to Latin America the second included another 'signal' - this time to the United States as much as to Central America.

The third objective was 'to give a clear signal to the Council of Ministers.. that we want to see the Commission's programme of regional aid implemented fully and as quickly as possible.'⁹⁶ Here the intention was not simply to support the Commission's bid for supplementary aid for the region. Wieczorek-Zeul intended that the Parliament support the principle of regional and non-exclusive aid to the region. In particular the Parliament was being asked to make it clear that Nicaragua should be included among the list of beneficiary countries.

The fourth objective was to persuade the Community to adopt 'a long-term orientation' to Central America within the framework of an economic cooperation agreement. The proposal was that the Community adopt a regional agreement backed up by bilateral agreements. The idea was to provide support 'to those stable democratic countries which already exist in the region' at the same time as encouraging regional integration. Wieczorek-Zeul also recommended that EC/ Central American cooperation should be strengthened by the pursuit of a tri-partite partnership which should include 'larger neighbouring countries like Mexico and Venezuela'.⁹⁷

The parliamentary debate reflected these concerns. Members of all political persuasions were anxious to support the report as a way of mending relations with Latin America. Sir Fred Catherwood, a British Conservative representative, whose government had recently been at war in Latin America argued on behalf of the European Democratic Group (the official political group of which the British Conservatives were part) that the Central American countries 'really need help to

get things moving again; they are right down on the bottom, and they need to be helped up again'. He added that the work on the External Relations Committee's reports on South and Central America

'was, of course, overtaken by an attack on a part of the Community territory in the South Atlantic, and we, particularly in this group, hope that this report comes at a time when a signal of friendship from the Community will get a friendly response from Latin America. For our group, this is a particularly important reason for supporting this report.'⁹⁸

Sir Fred Catherwood's intervention also included an ambiguous reference to the United States. He argued that if Central America had always been the 'backyard' of the US it had 'not always [been] a happy one' and hoped that the Parliament's proposals would therefore have 'a positive and helpful effect on... other countries, including the United States'.⁹⁹ US policy towards the region was a major issue in the debate even though the US was not specifically mentioned in the resolution under discussion. Mr. Seeler of the Socialist Group noted that the USA had historically supported anti-democratic regimes like the Somozas and the Batistas.¹⁰⁰ Mr. van Aerssen representing the Christian Democrats rejected Mr. Seeler's overt criticisms of the US but did go on to liken the Latin American's predicament vis-a-vis the US to that of Europe. They 'are probably somewhat sceptical - as we Europeans would be too - about sheltering too obviously under the umbrella of a major power which may be tempted in certain cases to dictate to those countries what kind of attitude they should adopt'.¹⁰¹ Mr. van Aerssen

agreed with the Socialist group however in respect of the intention to provide a 'European option'. The Latin American countries 'are looking for a new partner, and that partner is the European community.' Like Sir Fred Catherwood and the Communist spokesperson in the debate Mr. Pajetta, he argued that the EC should work towards a new policy for the region in partnership with the United States, not separately from them. Mr. Irmer speaking for the Liberal and Democratic Group summarised what had coalesced into the European Parliament's views in respect to US policy in Central America.

'Our friendly links with the USA notwithstanding, we should have no qualms about which of the measures taken by the USA over recent years do not meet with our approval and in what respects we believe that, as a fair and altruistic partner, the USA should be working on a different policy. In this respect, the European Community has a special role to play - one which no one else can assume and for which we must accept full responsibility.'¹⁰²

At the same time as indicating that it did not seek to support US policy of propping up brutal dictatorships the major political groups despite their claims to neutrality and objectivity warned that EC support was not politically unconditional. Mr. van Aerssen for the Christian Democrats opined that

'We have only two criteria to set, which are that the countries in question must be seen to be making progress towards a pluralistic structure in which every citizen is allowed to say what he thinks and has the chance, via the democratic

process, to put his ideas into practice; and the countries must be prepared to create a climate of security.'¹⁰³

It was a Socialist Group member who made clear against which countries this injunction was directed. Mrs. Van den Heuvel pointed out that because of the human rights abuses and lack of democratic legitimacy of their governments the Commission was not supporting direct aid to El Salvador and Guatemala . On the other hand Mrs. Van den Heuvel considered that 'all of the democracies in that region fall far short of the standards we apply in our own countries'. In particular, while being sympathetic to the government of Nicaragua, Mrs. Van den Heuvel argued that 'we are bound to regard the steps taken so far [by the Nicaraguan government] towards democracy as hesitant in the extreme.'¹⁰⁴

Support for the third and fourth of Mrs. Wieczorek-Zeul's objectives again came from all sides of the House. The predominant view was that Nicaragua should be included in a regional aid package and that the Community should move towards an economic cooperation agreement with Central America. In expressing his support for the Commission and the Wieczorek-Zeul report one British Conservative member was moved to declare that if the Council did not support the extra 65 million ECUs, destined for Nicaragua among others, this could be explained in only one way. 'The only reason for refusing that package can be the political motive of following President Reagan.'¹⁰⁵

The November Michel report offered a continuation and consolidation of the approach agreed by Parliament in October. The Commission should be supported and Community instruments should be utilised 'to help defuse an increasingly polarised

situation in Central America'. The rapporteur, Christian Democrat Victor Michel also supported the regional and non-exclusionary strategy already agreed. Mr. Michel pointed out in the report that Nicaragua had not received any US aid since March 1981 and in May 1982 had entered into an agreement with the Soviet Union such that it would receive technical assistance and credits in the following five years.¹⁰⁶ The implicit message was that the Community could have a role to play in preventing Nicaragua from adopting pro-Soviet hardline Communist policies. The resolution stated, *inter alia*, that the Council should agree the Commission's package 'as any additional delay would threaten its effectiveness and psychological impact in Central America and would call into question the Community's credibility in this part of the world'.¹⁰⁷

The resolution also commended the Commission for two innovations which were to form an integral part of Community policy towards Central America. One of the opening recitals of the Michel resolution stated that the Parliament, in the framing of its policy, had taken into account 'the desire expressed by the Commission to seek a political dialogue with the governments of countries receiving Community aid covering more than just negotiations on projects to be financed'.¹⁰⁸ The resolution also welcomed the Commission's intention to coordinate the various Community financial instruments which were being utilised in the region.¹⁰⁹

Other notable EP activity in 1982 included visits to the region by the President of the European Parliament, the Dutch Socialist Pieter Dankert, in August and German Christian Democrat, Mrs. Marlene Lenz in October/November.¹¹⁰ Throughout 1982 Mrs. Lenz continued to draw up her report which she had been

requested by the Political Affairs committee to prepare.¹¹¹

Consolidation: 1983-1984

In 1982 the European Council had taken 'a decision to intervene' in Central America.¹¹² However there were still some differences of approach between the institutions, between the member states and between the major political groups. In 1983 and 1984 those differences became somewhat attenuated so as to allow for the emergence of a coherent 'European Community' policy towards Central America. The consolidation of a European Community approach to Central America was noted by Mr. Pieter Dankert, the President of the European Parliament, when he addressed the Nicaraguan Council of State in Managua in January 1984. In a discussion which commented on the Community view in respect to Central America he argued that 'the broad similarity of views of the Community institutions now - a rare phenomenon - makes me believe that we can contribute positively to the challenges which confront Central America.'¹¹³

(i) The Council

During this period the Council played a much more visible and active role than before. Hans-Dietrich Genscher, the West German Foreign minister, began 1983 as the President-in-Office of the Community and devoted one of his first pronouncements to the conflict in Central America. He commented that

'The Ten [member states] view developments in Central America with concern. The political tensions in this region carry with them the risk of grave escalation with unforeseeable consequences. The countries of the European Community accordingly welcome initiatives from states of the region, which may lead to a reduction of tension.'¹¹⁴

These remarks were made just two days after four neighbouring nations of Central America - Colombia, Mexico, Mexico and Venezuela - had met on the Panamanian island of Contadora to discuss ways of resolving the conflict by pacific means and through a mutually agreed peace treaty. What may have precipitated the Council to state its concern at this time was not simply its desire to welcome the regional initiative which was itself the product of a string of previous peace initiatives by Venezuela, Mexico and Nicaragua the previous year (see Chapter 1). A November 8 1982 Newsweek cover story, 'America's Secret War - Target Nicaragua' had revealed that the United States was providing military and financial support for the contras fighting the Nicaraguan government. What was also made official and what was worrying to the west Europeans that the US was for the first time officially supporting a group of mercenaries whose aim was to overthrow an internationally recognised government. The fear was that the crisis would escalate from that of a bloody but regional affair into a conflict with international ramifications with the potential to become a global East-West crisis involving both superpowers.

The European Council affirmed its anxiety in respect of the spiralling international crisis in a statement issued in June 1983 - the Stuttgart Declaration.

'The Heads of State and Government confirmed their close interest in developments in Central America. They are deeply concerned at the economic and social conditions in many parts of the region, at the tensions which these create and at the widespread misery and bloodshed.

They are convinced that the problems of Central America cannot be solved by military means, but only by a political solution springing from the region itself and respecting the principles of non-interference and inviolability of frontiers. They, therefore, fully support the current initiative of the Contadora group. They underlined the need for the establishment of democratic conditions and for the strict observance of human rights throughout the region.'¹¹⁵

Alois Mertes, a West German Christian Democrat and former Minister of State in the FRG's Foreign Office, termed the Stuttgart declaration 'the first binding expression' of European Community policy towards Central America.¹¹⁶ The statement spelt out the objectives of European Community policy towards Central America and the diplomatic language only partly obscured important policy themes of which there were at least six.

The first was a distancing of the EC from the US in terms of the analysis of the causes of the conflict and in terms of the policies chosen to deal with that conflict. The EC insisted on a political analysis which emphasised the political and economic roots of the crisis. The US stressed the cause of the conflict as springing from external subversion transmitted by what they termed the Managua-Havana-

Moscow axis. The EC also rejected the military option which was preferred by the US and supported a negotiated settlement.

The second theme was the implicit affirmation by the EC that Nicaraguans had the right to choose or reject their own government in the EC's insistence on a basic principle of non-interference. This clearly marked the EC position as different from that of the US which had maintained its rights to intervene in the name of 'self-defence' and later in the guise of 'defending democracy'.¹¹⁷

Thirdly, the references to the principles of non-interference and inviolability of frontiers was a reminder of the basis of EC foreign policy philosophy which founded itself on these basic principles of international law (see Chapter 2). This was more a reflection of the European historical experience and condition than any implicit criticism of the US. Post war disagreements in Europe over the question of borders were not resolved until the signing of the Helsinki Accords in 1975 (to break out again violently in the early 1990s). However the fact that this formed such an important part of the EC's approach shows the degree of sensitivity of the EC to these issues and arguably a not altogether cynical appreciation by the EC of the value of international law as a means of solving disputes.

The fourth clear theme which emerged from this statement was the EC's support of a regional as distinct from a great power solution to the conflict. This was different from the US approach which saw the solution to the region's problems within a global East/West framework.

The fifth underlying theme concerned a basic strategic agreement with the United States. By stressing the EC's support for 'the establishment of democratic conditions and for the strict observance of human rights' the Council was introducing

a policy theme which the United States could support. The US had long claimed that in Nicaragua there was both an absence of democracy and abuse of human rights. The Council may have had in mind the death squads in El Salvador or the genocidal state apparatus in Guatemala but it was likely that it was here issuing an implicit warning to the Sandinista government that it ought to 'moderate' its revolutionary fervour in order to secure EC support.

A sixth message which could be read from the Stuttgart declaration was the demonstration of an EC consensus vis-a-vis the Central American conflict. The EC manifested an ability to devise a specific EC policy which emphasised regional and political solutions, stressed the socio-economic factors as causes, and opposed the use of military instruments and interventions. This EC consensus was broad enough to capture the support of all the political currents in the Community bar the Fascists. All parties could support the establishment of democracy and respect for human rights despite the fact that each party might have different views as to which should be the regional actor whose behaviour needed to be reformed.

The Stuttgart Declaration therefore articulated a by now common approach by the institutions, major political parties and the member states. The genesis of the statement was in the analysis articulated in the 1982 Wieczorek-Zeul/Michel reports and the Commission's recommendation for a special initiative on Central America. However the policy had developed to the extent that the Council's approach was much more concerned with articulating a position in contradistinction to that of the US. The six underlying themes that could be found in the statement formed the basis of a consolidated EC policy to the region for the rest of the decade. This rather uneasy consensus gave strength to the policy in that it provided unity in respect to

the United States and the region. It was however an inherently contradictory consensus given that policy objectives seemed to include at one and the same time containment (or moderation) of revolution and support for non-interference in the internal affairs of the region - including in the internal affairs of revolutionary Nicaragua.

The Council became an active partner with the Contadora Group in the search for peace and did not limit its support for the peace process to that of passive 'declaratory diplomacy'. From 1983 it engaged in an interventionary diplomacy towards the region - and attempted to back up its activism with the economic instruments available to it. In late September 1983 the Presidential troika (see Chapter 2) comprising the Foreign Ministers of Greece, West Germany and France (respectively the presidency, former presidency and succeeding presidency of the Council), met the Foreign Ministers of the Contadora countries en marge of the United Nations to discuss the recently promulgated 'Document of Objectives' (the Contadora peace plan).¹¹⁸ In November 1983 the Council considered ways of consolidating relationships between the Community and Central America including the possibility of an economic cooperation agreement.

The major part of the Council's activity in 1984 was taken up with the preparation for the September meeting of the foreign ministers of the EC/10 and the candidate member states, Spain and Portugal with the foreign ministers of the Central American and Contadora countries, together with a representative from the Commission and the Central American Common Market. In June 1984 President Monge of Costa Rica, while on a tour of eleven European countries, had proposed that the European Community member states participate in this meeting, to take

place in San José, Costa Rica. The Costa Rican initiative was backed by the other Central American states, although with some initial misgivings by Nicaragua.¹¹⁹

The Salvadorean President, Napoleon Duarte, while visiting Brussels in July 1984, expressed his commitment to the September meeting as a positive development and emphasised 'the importance of the European presence in Central America'.¹²⁰

The Costa Rican foreign minister's formal letter of invitation to the Commission stated that Costa Rica perceived the meeting as 'a bringing together of both regions, which will be of an eminently political character, which will lay the basis for future cooperation'.¹²¹ The President of the Council, Claude Cheysson, took the invitation to a June Council meeting and in his reply to President Monge, Cheysson noted that

'All my colleagues have demonstrated interest in the idea of a meeting, to which they give particular importance and which will permit the organisation of political and economic dialogue between the European Community and Central America, and will bring closer, in all spheres, relations between the two groups of states.'¹²²

The formal acceptance of President Monge's invitation came from the July Council meeting after West German Foreign Minister Genscher had shown public and enthusiastic support for the idea.¹²³ Genscher had proposed that EC/Central American relations be set on a formal footing - on the model of the EC/ASEAN agreements - and had also taken up President Monge's idea of inviting the two EC candidate members, Spain and Portugal, to the September meeting.¹²⁴

The San José meeting was unprecedented in three important and related ways. Firstly it was the first time that the Council had met outside Community territory. This fact itself underlined the priority of Central America for Community foreign policy. Secondly, the United States was not invited to San José even though this was a part of the world which the northern 'colossus' saw as its exclusive 'backyard'. Given that the Community was advocating a different line than that of its Alliance partner, the West Europeans seemed to be prepared to risk US ire on this issue. Thirdly, the meeting brought together some of Western Europe and Central America's senior statesmen including Giulio Andreotti (Italy), Sir Geoffrey Howe (Britain), Leo Tindemans (Belgium), Hans-Dietrich Genscher (West Germany) Claude Cheysson (France), Edgard Pisani (European Commission), Edgardo Paz Barnica (Honduras) and Miguel D'Escoto (Nicaragua), in Central America.¹²⁵

It was the US however which inadvertently both helped draw international attention to the conference of foreign ministers and bring about a successful conclusion to the proceedings. George Shultz, the US Secretary of State, sent a letter to each of the EC foreign ministers urging them not to allow 'increased economic aid or any political support for the Sandinistas'.¹²⁶ At the time, Claude Cheysson was moved to remark that 'What business does Reagan have in any of this? As far as I know, he is neither a member of the EEC nor of the Contadora group nor of the Central American nations'.¹²⁷ Christian Democrat, Leo Tindemans, who was not sympathetic to the Sandinista government, responded by declaring that 'We are not there [Central America] to give lessons or morals to the Central American countries, but to help them'.¹²⁸ All the member states, including pro-US Britain, rejected Shultz's attempts to direct the formulation of Community policy. Claude

Cheysson later commented that 'once more, it was the Americans who created unanimity in the Community. Having received a perfectly insulting letter from George Shultz, all the foreign ministers felt themselves obliged to go to San José in Costa Rica and to conclude something.'¹²⁹

The San José conference produced a 'Joint Communiqué' which included political and economic commitments on behalf of the EC. Politically, the Communiqué committed the participants to regular future meetings at 'ministerial or senior-official' level in order to support 'an end to the violence and promote social justice, economic development and respect for human rights and democratic liberties'.¹³⁰ The Communiqué stressed the importance that all participants gave to continued negotiations between the Central American countries themselves to try to find a solution to the crisis. In an implicit rejection of US policy (the US was never openly mentioned in the Communiqué) the participants declared that they were 'united in the view that the problems of that region [Central America] cannot be solved by armed force, but only by political solutions springing from the region itself. In this conviction they affirmed their support for the pacification measures which are being developed in the Contadora process'.¹³¹

Economically, the Community recognised that the international economic situation and the problem of debt servicing was particularly difficult for the Central American states because of the declining prices for Central America's main exports. The Community pledged to 'do everything possible.. towards the development of the region' but avoided committing itself a specific amount of finance.¹³² The Community stressed that it would give priority to support for regional and social projects. The EC also agreed to enter into immediate discussions with the Central

Americans in order to negotiate a framework economic cooperation agreement between the two regions. The EC's support for such an agreement was not simply (if at all) because of the possible economic benefits. In line with a Community philosophy which genuinely saw regional integration through a neo-functionalism prism (see Chapter 2) the idea was also to encourage such integration which might lead to 'spill-over' effects in terms of political cooperation.¹³³ The Communiqué contained a paragraph which stated that 'an effective manner of contributing to the reduction of political tension in Central America would be to support the action intended to preserve the degree of economic interdependence existing between the countries of the region.'¹³⁴

The Community had also not forgotten its own political objectives in terms of providing a visible 'signal' to Latin America that Europe wanted to play a constructive role in the region's politics.

'Both sides considered that the conclusion of an agreement of this type would confirm the political will of both regions to extend and develop their relations and that it would also help to reinforce relations between the Community and Latin America as a whole.'¹³⁵

President Monge considered the San José meeting of 'worldwide historical importance'.¹³⁶ Even if the Council did not subscribe to such hyperbole the Community remained convinced of the value of the exercise. The European Council meeting in Dublin issued a statement to this effect at the December summit. The statement also reiterated the Community's support for the Contadora peace

initiative.¹³⁷ One of the European participants to the San José conference (although not a Community member state) demonstrated that support in a practical manner in October when Spain hosted the Contadora group in Madrid which met to finalise the proposed Act for Peace and Cooperation in Central America.¹³⁸

(ii) The Commission

The Commission's role through 1983 and 1984 was essentially that of a support function to the diplomacy of the Council although the Commission continued to give a high priority to the region. In April 1983 Commissioner Pisani informed the Parliament that he considered the situation in Central America 'one of the major problems facing the world today'.¹³⁹

The Commission investigated the possibilities of an economic cooperation framework agreement after the idea had been floated by West German foreign minister Genscher at the beginning of 1984 and which was later supported by the Central American ambassadors to Brussels in May. The Commission argued in a proposal issued in February, that such a cooperation agreement would be meaningless without substantially increased financial aid to back it up.¹⁴⁰ They argued that aid to the region should be doubled - from 40 million ECU annually to 80 million. They also argued that aid should maintain a regional character. This latter argument meant that the Commission was in effect reiterating its view that Nicaragua should not be excluded from Community support.¹⁴¹

The Commission did not see its role however as being confined to providing merely economic support for a Community foreign policy implemented by the

Council. Commissioner Giolitti's contribution to the parliamentary debate on Central America in April 1984 emphasised the political aspects of Commission policy. He reiterated that in the Commission's view the causes of the conflict were socio-economic but expressed concern that the regional conflict had escalated into an East/West issue. Mr. Giolotti reiterated Commission support for the Contadora proposals and for the 'democratisation' taking place in the region. Perhaps the clearest indication of the Commission's intention to play a political role was Mr. Giolotti's reminder to 'the Community authorities' (ie. the Council) of 'their political responsibility' in that he hoped that they would 'adopt a really substantial programme of cooperation with Central America'.¹⁴²

In February 1984 the newly appointed head of the Commission's Central American delegation (the Commission's representation abroad), Mr. Luigi Boselli, announced that the Community would continue to support the Contadora group's peace initiative and the search for a negotiated settlement to the Central American conflict. Mr. Boselli actively promoted the Community in Central America. In July 1984 an exhibition on European integration was held in Guatemala City and Mr. Raúl Sierra Franco, the representative of the Central American integration institution - the Secretariat for Central American Economic Integration (SIECA) - publicly thanked Mr. Boselli for his work in Central America.¹⁴³ Mr. Boselli also played an active part in the preparations for the San José meeting. Mr. Boselli acted as liaison between Brussels and the Costa Rican officials one of whom was María Sabriela Echeverria, the official responsible for Europe and at least initially for organising the San José conference. He commented in a telex to Brussels that 'she seems a little lost and counts on my help'.¹⁴⁴ Mr. Boselli also worked closely with

the Italian Ambassador to Costa Rica, Mr. Nicosia, accompanying him to some of the preparatory meetings in San José.

The San José Communiqué did not include a figure for increased EC financial assistance to Central America but Mr. Pisani, who signed the final statement on behalf of the Commission, announced that aid would be increased to 60 million ECUs in 1985. Mr. Pisani said that the Community could help Central America increase its trade to the EC. The Commissioner supported the consolidation and reinvigoration of the Central American Common Market which he argued would provide the conditions for real industrial development.¹⁴⁵ He also signed an agreement with the Costa Rican foreign minister on the establishment of a Community sub-office in San José - with responsibility for Central America.¹⁴⁶ Mr. Pisani confirmed the political logic behind the Community's attempts to support Central American economic and regional integration.

'For there can be no doubt that it is only if this Central American solidarity asserts and organizes itself that the danger of external intervention feared by all can really be removed. It is by progressively building up a system of mutual security and support that Central America will be able to render impossible, and above all pointless, any external intervention.'¹⁴⁷

Commissioner Pisani was also careful to stress, diplomatically, that regional integration should include all the Central American countries. The Commissioner argued that 'the strategic interest of the area does not in itself justify preventing it from being itself or contesting the right of each of its members to enjoy, while

respecting the others, its own vision of its destiny and its own national options.¹⁴⁸ This was in effect, a message for those Council members who had previously tried to exclude Nicaragua from EC aid and for those Central American countries who might be susceptible to US pressure.

The Commission remained active in respect to Central America throughout the remainder of 1984. In December Commission officials met with their Central American counterparts in Guatemala City to negotiate the basis for the economic cooperation framework agreement. Both sides expected to complete negotiations in the following year.¹⁴⁹

While these high-profile political negotiations were taking place the actual level of Community aid fell - in comparison to its high point in 1982. In 1983 Central America received a total of 41 million ECUs of Community aid.¹⁵⁰ This included 19.36 million ECUs of food aid and 14.16 million ECUs of financial and technical assistance.¹⁵¹ In 1984 Community aid to Central America (the five republics plus the Dominican Republic, Haiti and Mexico) increased a little, to a total of 52.38 million ECUS (the Mexican share was just 0.88 million ECUs). This figure included 26 million ECUs of financial and technical assistance, 21.30 million ECUs of food aid, 2.81 million ECUs of aid via non-governmental organisations, 1.04 million ECUs for export promotion, 0.80 million ECUs of emergency aid, 0.33 million ECUs of aid to displaced persons and 0.10 million ECUs for training.¹⁵²

(iii) The Parliament

In 1983 the Political Affairs Committee decided to extend the remit of Mrs.

Lenz's El Salvador report to include the whole of Central America. As a result and according to normal parliamentary procedure most of the resolutions which were put forward in 1983 and early 1984 were referred to the Political Affairs Committee for consideration by Mrs. Lenz in her report. By 1984 the parliamentary focus had clearly shifted from a concern with El Salvador and Nicaragua to an emphasis on Nicaragua. It is true that Parliament passed two resolutions on El Salvador in 1983 compared to one on Nicaragua and one on Grenada but because of the Lenz report most resolutions on Central America were referred to the committee. Between January 1983 and April 1984 a total of seven resolutions on Nicaragua were proposed in Parliament and referred to the Political Affairs Committee, one on Guatemala and three on Central America in general.¹⁵³ One further resolution was passed in Parliament on Nicaragua in early 1984 - on the elections scheduled for November 1984.¹⁵⁴

In January 1984 Nicaragua and Costa Rica were visited by a delegation from the European Parliament which included President Dankert and the Rapporteur, Mrs. Lenz. President Dankert's address to the Nicaraguan Council of State in Managua became the subject of an attempted censure by the Christian Democratic group on the delegation's return to Brussels. The Christian Democrats, including the Rapporteur for Central America, condemned Mr. Dankert for not having paid sufficient attention to alleged human rights abuses in Nicaragua, for having suggested that the US displayed a similar attitude to Latin America as that of the Soviet Union to Eastern Europe and for having suggested that the European Community adopted 'an intermediate position between the United States and the Soviet Union'.¹⁵⁵

In fact Pieter Dankert was closer to presenting the by now more or less coherent and consistent Community policy to Central America than his political opponents admitted or perhaps realised. Dankert was certainly warmer in tone towards Nicaragua and more overtly critical of United States policy towards Latin America than the Christian Democratic group might have liked but the speech was also careful not to issue either a blanket condemnation of the United States or a generalised message of support for the revolutionary government. The President acknowledged Western Europe's dependence on the United States for security in his speech and also expressed concerns about 'certain aspects of life in Nicaragua'. Dankert also called attention, as the Commission had frequently done, to the international ramifications of the Central America conflict. He reiterated the Council's call for respect for the principles of territorial integrity and self-determination, remarking that an adherence to these principles would of itself 'limit superpower involvement'.¹⁵⁶

Christian Democrat Mrs. Lenz eventually did present her report in April and again in May. Adoption of the report would have meant that Parliament would have moved away from the Community consensus on the region. The report contained within it very strong criticisms of Nicaragua and recommended that the government in El Salvador should be given more Community support. The report was sympathetic to the United States to the point where it declared that the 1983 US intervention in Grenada 'seemed acceptable.. because Cuba had almost occupied the island'. Mrs Lenz also criticised the Commission for a 'one-sided' approach to Central America.¹⁵⁷ The Lenz report was criticised by parliamentarians for its bias towards El Salvador, for its lack of attention to the socio-economic roots of the

conflict and for its implicit ascription of the causes of the conflict to the global East-West conflict.¹⁵⁸ Mrs. Lenz's report was not agreed by the Parliament as the other political groups in both April and May organised themselves so as to leave the Strasbourg Assembly without a quorum when the vote was called. The Lenz report was not re-presented to the Parliament - partly because the Parliament was dissolved that Summer for elections. In effect the Parliament affirmed the policy which Pieter Dankert had outlined in Managua in January. The Community would continue to offer its 'European option' which would oppose the military oriented policy proposed by the United States and would also encourage a move away from 'Communism' towards 'democracy' by revolutionary Nicaragua. At the same time the other non-revolutionary states in the region would be encouraged to curb human rights abuses.

The new Parliament however still maintained an interest in Central America. The 'enlarged Bureau' (the management group of the Parliament in which all the political groups are represented) sent a message of support to the September San José conference¹⁵⁹ and in November the Committee on External Economic Relations delegated to Mrs. Wieczorek-Zeul - the architect of Parliamentary policy on Central America - the task of drawing up yet another report on relations with Central America.¹⁶⁰ November also saw a visit to Nicaragua by an official parliamentary delegation in order to observe the elections. Christian Democrat Mr. Pol Marck, the rapporteur, issued a report which rather grudgingly stated that 'the government made an effort to ensure the success of the elections from the formal point of view'. In the same vein he added that 'Nicaragua is not a totalitarian state today'. At the same time the report acknowledged that US government policy 'does

not leave the parties involved a sufficient margin for manoeuvre'. He argued that if the US was to firmly state its support for self-determination this 'would deprive the extremist elements in the Sandinista leadership of the alibi of the threat of aggression and might give the more moderate Sandinista elements a chance to open a constructive dialogue with the opposition parties.'¹⁶¹ Thus the

'role of the European Community at inter-regional level in Central America is of prime importance. The statement made at S. José de Costa Rica by the Foreign Ministers of the European Community, Spain, Portugal and the countries of Central America constitutes the basis for a strengthening of inter-regional cooperation.'¹⁶²

Notes to Chapter 4

1. EC Bulletin, 9-1975, p. 64.
2. Communication from the Commission to the Council, The European Community and Latin America, Annex 1, p. 26.
3. Ibid.
4. Europe Information External Relations, The European Community and Central America, 53/81, (Brussels: Commission, November 1981), p. 1.
5. Communication from the Commission to the Council, The European Community and Latin America, Annex 1, p. 26.
6. See Woodward, Jr., Central America: a Nation Divided.
7. Ibid., p. 362.
8. See Smith, Nicaragua: Self-Determination and Survival, Chapter 2, 'The First Nicaraguans' and Chapter 9, 'Re-Defining the National Identity'.
9. See Centro de Investigaciones y Documentacion de la Costa Atlantica (CIDCA), Trabil Nani: Antecedentes historicos y situacion actual en la Costa Atlantica de Nicaragua, (Managua: CIDCA, undated probably 1984). See also Hazel Smith, Race and Class in Revolutionary Nicaragua: Autonomy and the Atlantic Coast, in IDS Bulletin, Vol. 19 No. 3, July 1988, pp. 66-72.
10. See Smith, Nicaragua, Chapter 3, 'The Anglo-US Struggle for Nicaragua' for an account of British intervention in Central America in the nineteenth century.
11. Woodward, Central America, p. 187.
12. See Hazel Smith, Nicaragua, Chapter 3.
13. See table entitled 'Percentages of Central American Commerce with great Britain, Germany, and the United States', for a comparison between the years 1913 and 1938, in Woodward, Central America, p. 184. Woodward also notes that prior to 1914 US investment in the region was probably less than \$30 million compared to British investment of some \$188 million. In 1930 US investments were worth \$227,239,000 compared to British investments of \$131,769,000. See Woodward, Central America, pp. 185-186.
14. Pearce, Under the Eagle, p. 26.
15. LaFeber, Inevitable Revolutions, p. 79.

16. For details of US military activities in Central America and the Caribbean between 1898 and 1962 see Pearce, Under the Eagle, pp. 6-7.

17. LaFeber, Inevitable Revolutions, p. 18.

18. In 1950 George Kennan informed US ambassadors to Latin America that 'If Europe turned anti-U.S... Latin America would be all we would have to fall back on' and that if necessary the fight against Communism by dictatorial governments in Latin America should be supported. He said that 'The final answer might be an unpleasant one, but... we should not hesitate before police repression by the local government. This is not shameful since the Communists are essentially traitors.. It is better to have a strong regime in power than a liberal government if it is indulgent and relaxed and penetrated by Communists.' Both quotes are from LaFeber, Inevitable Revolutions, p. 107.

19. A 1958 US State department noted that although Guatemalan reforms were not 'proof of communism' this did not mean that there was 'no communist inspiration behind them.' Quote from LaFeber, Inevitable Revolutions, p. 113.

20. Hertogs, 'Western European Responses to Revolutionary developments in the Caribbean Basin Region', in Irvin and Gorostiaga (eds), Towards an Alternative for Central America and the Caribbean, p. 69.

21. Ibid., p. 70. As Hertogs notes however the shipment of arms from France to Cuba blew up in Havana harbour 'presumably with CIA complicity'.

22. Europe Information External Relations, The European Community and Central America, 53/81, p. 4.

23. Europe Information External Relations, Latin America and the European Community, 21/79, September 1979, p. 9.

24. Europe Information External Relations, The European Community and Central America, 53/81, p. 4.

25. Figures calculated from 'Table 8: Imports of EEC 12 from Latin America 20, 1970-1986', in IRELA, Economic Relations between the European Community and Latin America: a statistical profile, p. 9. As the title of the table suggests, figures are calculated using the post 1986 composition of the EC that is the twelve member states.

26. Europe Information External Relations, Latin America and the European Community, 21/79, p. 3.

27. Europe Information External Relations, The European Community and Central America, 53/81, p. 2.

28. Figures calculated from 'Table 9: Exports of EEC 12 to Latin America 20, 1970-1986', in IRELA, Economic Relations between the European Community and Latin

America: a statistical profile, p. 10.

29. Europe Information External Relations, The European Community and Central America, 53/81, p. 3.

30. Ibid., p. 2.

31. Ibid., p. 2.

32. Ibid., p. 1.

33. Europe Information External Relations, Latin America and the European Community, 21/79, p. 5.

34. For a summary of the types of EC aid to Central America between 1975-1981 see Europe Information External Relations, The European Community and Central America, 53/81, pp. 3-4.

35. The Community organised a number of these meetings throughout Latin America and also published a Spanish edition of the 'Practical Guide' to the GSP. See Europe Information External Relations, Latin America and the European Community, 21/79, p. 6.

36. Europe Information External Relations, Latin America and the European Community, 21/79, p. 7.

37. Ibid., p. 7.

38. Ibid., p. 8.

39. 'Annex 4, Financial and Technical Aid to the Non-Associated DC's', in European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on Development and Cooperation on the communication from the Commission of the European Communities to the Council concerning special action in favour of the social development of Central America, Document 1-784/82, PE 80.850/fin., Rapporteur: Mr. V. Michel, 3 November 1982, p. 25.

40. Ibid., p. 25.

41. Ibid., p. 25.

42. Europe Information External Relations, Latin America and the European Community, 21/79, p. 8.

43. In 1979/80 one ECU was worth \$1.34.

44. Europe Information External Relations, The European Community and Central America, 53/81, p. 5.

45. The 'final offensive' marked the beginning not the end of an 11 year civil war in El Salvador. For a relatively objective account of its immediate origins see Best, US Policy and Regional Security in Central America, pp. 22-30.

46. The actual figures for 1980 were Latin America (20 countries), 329 million, of which Central America 20 million. See Europe Information External Relations, The European Community and Central America, 53/81, p. 2 and European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on External relations on economic relations between the European Community and Central America, Document 1-645/82, PE 78.590/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 4 October 1982. The population figures for Nicaragua and Honduras were 2.6 million and 3.7 million respectively. They are taken from the above mentioned European Parliament report, pp. 51 and 49 respectively.

47. European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on External relations on economic relations between the European Community and Central America, Document 1-645/82, PE 78.590/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 4 October 1982.

48. For a description of the literacy campaign see Black, Triumph of the People, pp. 311-316.

49. 'Annex 3. Community Aid to Central America 1979 and 1980' and 'Annex 4, Financial and Technical Aid to the Non-Associated DC's', in European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on Development and Cooperation on the communication from the Commission of the European Communities to the Council concerning special action in favour of the social development of Central America, Document 1-784/82, PE 80.850/fin., Rapporteur: Mr. V. Michel, 3 November 1982, pp. 24-25.

50. Mr. Haferkamp, Debates of the European Parliament, No 1-282, 11.3.82, p. 176.

51. Commissioner Narjes, Debates of the European Parliament, No 1-291, 18.11.82, p. 251.

52. European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on External relations on economic relations between the European Community and Central America, Document 1-645/82, PE 78.590/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 4 October 1982, p. 31.

53. Figures calculated from table entitled 'U.S. Direct Investment in Central America by Country 1977 & 1980', in Barry, Wood, Preusch, Dollars and Dictators: a guide to Central America, p. 40. See ibid. for a list of US corporations with operating subsidiaries in Central America, p. 39.

54. See Chapter 3 for the Commission's efforts to provide some support for investors in Latin America in the late 1980s. Investment issues were not part of the direct competencies of the Commission.

55. There is little (if any) evidence to substantiate the claim by Mrs. Wieczorek-Zeul, the West German Social Democrat MEP that 'there is a great interest in direct investment from the countries of the European Community in the region'. See European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on External Relations on economic relations between the European Community and Central America, Document 1-645/82, PE 78.590/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 4 October 1982, p. 12.

56. Europe Information External Relations, Latin America and the European Community, 21/79.

57. Europe Information External Relations, The European Community and Central America, 53/81. The introduction to this policy statement points out that 'At the political level, the European Community is following developments in the region with great attention.' (p. 1).

58. Europe Information External Relations, The European Community and Central America, 53/81, p. 6.

59. Commission, Special Action in Favour of the Economic and Social development of Central America, COM (82) 257 final, 21 June 1982, p. 1.

60. European Parliament internal document, Notas para el Presidente de la Delegacion para America Central y Grupo de Contadora, Sr. Suarez, undated but prepared for a conference held on 14/15 May 1987 in Paris, p. 4.

61. OJEC, Resolution on the political situation in Nicaragua, No C 117, 12.5.80, p. 45.

62. See reference by Mr. Vergeer, Debates of the European Parliament, No 1-282, 11.3.82, p. 172.

63. For a list of EP resolutions agreed between 1979 and 1983 (inclusive) on Central America see European Parliament Working Documents 1984-1985, Report drawn up on behalf of the Political Affairs Committee on the situation in Central America, Document 1-56/84/A, PE 89.121/fin./A, Rapporteur: Mrs. Marlene Lenz, 2 April 1984, p. 5.

64. See references in Vergeer, Debates of the European Parliament, No 1-282, p. 172 and Mrs. Van den Heuvel, Debates of the European Parliament, No 1-282, 11.3.82, p. 175.

65. European Parliament Working Documents 1984-1985, Report drawn up on behalf of the Political Affairs Committee on the situation in Central America, Document 1-56/84/A, PE 89.121/fin./A, Rapporteur: Mrs. Marlene Lenz, 2 April 1984, p. 18.

66. Sir Fred Catherwood, Debates of the European Parliament, No 1-289, 13.10.82, p. 140.

67. European Parliament Working Documents 1982-1983, Report.. on economic relations between the European Community and Central America, Document 1-645/82, PE 78.590/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, pp. 11-12.

68. Nicaraguan agrarian reform could only be deemed undemocratic through a linguistic sleight of hand - that is if redistributing land from mainly expatriate large landowners to landless and small peasant farmers can be termed 'undemocratic'. On the agrarian reforms see Smith, Nicaragua: Self-Determination and Survival and for a more technical analysis Eduardo Baumeister, 'The Structure of Nicaraguan Agriculture and the Sandinista Agrarian Reform', in Richard Harris and Carlos M. Vilas (eds), Nicaragua: A Revolution Under Siege, (London: Zed, 1985), pp. 10-35.

69. Commission official to Saul Landau, Brussels, 3 November 1982 (Transnational Institute files, Amsterdam).

70. Commissioner Narjes, Debates of the European Parliament, No 1-291, 18.11.82, p. 251.

71. Europe Information External Relations, The European Community and Latin America, 68/83, p. 2.

72. Keesings Contemporary Archives 1982: 31644, quoted in Spanish in Francisco Villagrán Kramer, Encauzamiento y Posible Solución del Conflicto Centroamericano: El Papel de Europa y de Las Superpotencias, p. 9, my translation.

73. Commission, Special Action in Favour of the Economic and Social development of Central America, COM (82) 257 final, 21 June 1982, p. 1.

74. Ibid., p. 1.

75. See OJEC, No C 182, Resolution on the situation in Nicaragua, 19.7.82, pp. 59-60.

76. Mr. Pisani, Debates of the European Parliament, No 1-286, 17.6.82, p. 215.

77. Commission, Special Action in favour of.. Central America, COM (82) 257 final, p. 2.

78. Ibid., p. 7.

79. See Commission, Special Action in Favour of the Economic and Social Development of Central America, p. 4. Specifically Community funding under this initiative was intended to be offered in three main areas:

- ' (i) strengthening training facilities and extension services for the peasant farmers, and possibly the national technical services concerned;
- (ii) improving agricultural credit, inputs and basic rural infrastructure;
- (iii) intensifying food production.' (Ibid., p. 5)

80. Commission, Special Action in favour of.. Central America, p. 5 (my italics). See above for the criteria used in the allocation of financial and technical assistance.

81. Commissioner Pisani, Debates of the European Parliament, No 1-289, 13.10.82, p. 148, italics in original.

82. Mr. Seeler, Debates of the European Parliament, No 1-289, 13.10.82, p. 138.

83. Europe Information External Relations, The European Community and Latin America, 68/83, p. 13.

84. European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on External Economic Relations on economic relations between the European Community and Central America, Document 1-645/82, PE 78.590/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 4 October 1982.

85. European Parliament Working Documents 1982-1983, Report drawn up on behalf of the Committee on Development and Cooperation on the communication from the Commission of the European Communities to the Council concerning special action in favour of the economic and social development of Central America (COM(82)257 final) and the proposal from the Commission of the European Communities to the Council (Doc. 1-559/82 - COM (82) 481 final) for a decision completing the general guidelines for 1982 concerning financial and technical aid to non-associated developing countries, Document 1-784/82, PE 80.850/fin., Rapporteur: Mr. V. Michel, 3 November 1982.

86. OJEC, No C 87, Resolution on the situation in El Salvador, 5.4.82, p. 79.

87. See remarks by Mrs. Castellina, Debates of the European Parliament, No 1-282, 11.3.82, p. 174.

88. OJEC No C 87, Resolution on the situation in El Salvador, 5.4.82, p. 79.

89. Mrs. Van den Heuvel, Debates of the European Parliament, No 1-282, 10.3.82, p. 171.

90. The voting figures on the resolution were; in favour 24, against 21 and abstentions 2. See OJEC, No C 182, 19.7.82, p. 59. For quote see Resolution on the situation in Nicaragua, in *ibid.*, p. 60.

91. OJEC, Resolution on the situation in Nicaragua, No C 182, 19.7.82, p. 59.

92. Debates of the European Parliament, No 1-289, 13.10.82, p. 136.

93. OJEC, No C 292, Resolution on economic relations between the European Community and Central America, 8.11.82, pp. 87-89.

94. Mrs. Wieczorek-Zeul, Debates of the European Parliament, No 1-289, 13.10.82, p. 135.

95. *Ibid.*, p. 135.

96. *Ibid.*, p. 135.

97. Mrs. Wieczorek-Zeul, Debates of the European Parliament, No 1-289, 13.10.82, pp. 135-136. By 1982 Mexico and Venezuela were already playing an important role in Central America in that they had been supplying oil on preferential credit terms to the countries of the isthmus and Jamaica and Barbados since August 1980 under the terms of the 'San José' agreement. For detail see European Parliament Working Documents 1982-1983, Report on the communication from the Commission.. to the Council concerning special action in favour of the economic and social development of Central America, Document 1-784/82, PE 80.850/fin., Rapporteur: Mr. V. Michel, p. 19. Venezuela stopped supplying Nicaragua in September 1982 and Mexico did the same in late 1984. See Richard Stahler-Sholk, 'Foreign Debt and Economic Stabilization Policies in Revolutionary Nicaragua', in Rose J. Spalding (ed), The Political Economy of Revolutionary Nicaragua, (London: Allen & Unwin, 1987), p. 163.

98. Sir Fred Catherwood, Debates of the European Parliament, No 1-289, 13.10.82, p. 140.

99. *Ibid.*, p. 140.

100. Mr. Seeler, Debates of the European Parliament, No 1-289, 13.10.89, p. 137.

101. Mr. van Aerssen, Debates of the European Parliament, No 1-289, 13.10.82, p. 138.

102. Mr. Irmer, Debates of the European Parliament, No 1-289, 13.10.82, p. 142.

103. Mr. van Aerssen, Debates of the European Parliament, No 1-289, 13.10.89, p. 139.

104. Mrs. Van den Heuvel, Debates of the European Parliament, No 1-289, 13.10.82, p. 144.

105. Mr. Enright, Debates of the European Parliament, No 1-289, 14.10.82, p. 269.

106. European Parliament Working Documents 1982-1983, Report.. on the communication from the Commission of the European Communities to the Council concerning special action in favour of.. Central America, Document 1-784/82, PE 80.850/fin, Rapporteur: Mr. V. Michel, p. 18.

107. OJEC, No C 334, Resolution on the communication from the Commission of the European Communities to the Council concerning special action in favour of the economic and social development of Central America and closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a decision completing the general guidelines for 1982 concerning financial and technical aid to non-associated developing countries, 20.12.82, p. 128.

108. *Ibid.*, p. 128.

109. *Ibid.*, p. 129.

110. The President's visit was confined to an airport stop in Costa Rica after an official visit to Venezuela and the meeting of the Latin American Parliament in Bogota. However he did meet with the Costa Rican Foreign Minister and the President of the Legislative Assembly at the airport. See Note to: Mr. Dick Toornstra, President's Office, Recent developments in relations between the European Community and Costa Rica, Luxembourg, 14 June 1984, from the European Parliament files.

111. European Parliament Working Documents 1984-1985, Report drawn up on behalf of the Political Affairs Committee on the situation in Central America, Document 1-56/84/A, PE 89.121/fin./A, Rapporteur: Mrs. Marlene Lenz, 2 April 1984, p. 18.

112. Commissioner Pisani, Debates of the European Parliament, No 1-289, 13.10.82, p. 147.

113. Mr. Pieter Dankert, Speech to the Council of State of Nicaragua 10 January 1984, photocopy, Luxembourg, European Parliament files, undated, p. 6.

114. Quoted by Mrs. Lenz in European Parliament Working Documents 1984-1985, Report.. on the situation in Central America, Document 1-56/84/A, p. 45.

115. Quoted in Mertes, 'Europe's role in Central America: a West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American issue, p. 122.

116. Mertes, 'Europe's role in Central America: a West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American issue, p. 112.

117. See Smith, 'Agenda Setting: the Intellectual Corollary of the Reagan Doctrine', in Latin American Research Review, Vol 26 no. 1, 1991.

118. Robert McDonagh, The Contadora Group, (Brussels: Directorate General for Research and Information, 19 October 1984), 84/10/053 - II, pp. 3-4.

119. The authoritative Nicaraguan journal, Envio, which was sympathetic to the Sandinista government reported that 'Nicaraguan expectations [of the San José meeting] were not very good, since it was feared that any economic accord would be conditioned by political demands tending to isolate Nicaragua.' See Envio, Vol 4 Issue 40, Managua, October 1984, p. 4a.

120. 'El Salvador: Le President Duarte rencontre la Commission Européenne et le Gouvernement Belge', in Europe, Agence Internationale d'Information pour la Presse, No. 3896 Nouvelle Série, Saturday 21 July 1984. Original in French, my translation.

121. Copy of the Telex from M. Carlos José Gutierrez, Foreign Minister of Costa Rica to Gaston Thorn, President of the Commission, 6.7.1984, European Parliament

files. Original in Spanish, my translation.

122. Claude Cheysson to President Monge, letter quoted in COREU telex from Paris to Dublin, 3.7.84, copy in European Parliament files, Original in French, my translation.

123. A Dutch commentator, Jan van der Putten, writing from San José in September 1984, argued that Costa Rica and West Germany attempted to exclude the Contadora countries, and that they did not succeed because of pressure from other EC countries. I can find no evidence of this. The Costa Rican Foreign Minister's July invitation to Gaston Thorn (see Note 127) made a clear reference to the participation of the Contadora countries as did the Cheysson letter to President Monge (see Note 128). For reference see Working Document 2 - "A Case Study", European Policies and Central America, DT/nt/697, PE/GS/224/87, (Brussels: Socialist Group of the European Parliament, 14 July 1987), p. 17.

124. 'CEE/Amerique Centrale: Vers une participation communautaire a la conférence ministerielle de San José', in Europe Agence Internationale d'Information pour la Presse, No. 3889 Nouvelle série, Brussels, Thursday 12 April 1984.

125. For a complete list of participants see EC Bulletin 9-1984, pp. 13-14.

126. See Christopher Thomas, 'Sorry, Central America, all lifelines engaged', in The Times, 1.10.84.

127. Quoted in Envio, Vol 4 Issue 40, October 1984, p. 5a.

128. Europe, Agence Internationale d'Information pour la Presse, No 3939 Nouvelle série, Monday/Tuesday 2 October 1984. Original in French, my translation.

129. Claude Cheysson, Exposé, p. 24. Original in French, my translation.

130. EC Bulletin 9-1984, p. 13.

131. Ibid., p. 14.

132. Ibid., p. 15.

133. Peter Barry, the Irish Foreign Minister and President-in-Office of the Council, also seemed to suggest that such cooperation could enable the Central American countries to be less dependent - perhaps in respect to their northern neighbour, the United States?.

'On the basis of our own experience, we are convinced that economic integration between developing countries too can make an essential contribution to their development and enable them more easily to gain greater economic and hence political independence'.

See Mr. Peter Barry, Address to the San José Conference, in EC Bulletin 9-1984,

p. 17.

134. EC Bulletin 9-1984, p. 15.

135. Ibid., p. 16.

136. President Luis Monge, Address to the San José conference, in EC Bulletin 9-1984, p. 19.

137. Working Document 2 - "A Case Study", European Policies and Central America, DT/nt/697, PE/GS/224/87, (Brussels: socialist Group of the European Parliament, 14 July 1987), p. 18.

138. McDonagh, The Contadora Group, p. 9.

139. Commissioner Pisani, Debates of the European Parliament, No 1-297, 14.4.83, p. 226.

140. European Parliament Working Documents 1985-86, Report on behalf of the committee on External Economic Relations on the proposed cooperation agreement between the European Community and Central America, Document A2-42/85, PE 96.396/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 28 May 1985, p. 11.

141. 'CEE/Amerique Centrale: M. Genscher entend relancer la semaine prochaine le projet d'un accord sur des bases regionales', in Europe, Agence International d'Information pour la Presse, No 3895 Nouvelle Série, Friday 20 July 1984.

142. Commissioner Giolitti, Debates of the European Parliament, No 1-313, 12.4.84, pp. 249-250.

143. See European Parliament Document numbered PE 94.892/Ann., p. 2 (title unknown - as the rest of the document is unobtainable).

144. Telex from L. Boselli in Caracas to Commission, Brussels, 10 July 1984.

145. 'CEE/Amerique Latine: La réunion ministerielle de San José confirme la disposition a negocier un accord-cadre de coopération régionale', in Europe, Agence International d'Information pour la Presse, No 3939 Nouvelle Série, Monday/Tuesday 2 October 1984.

146. EC Bulletin 9-1984, p. 13.

147. Ibid., p. 18.

148. Ibid., p. 18.

149. See European Parliament Document numbered PE 94.892/Ann., p. 3 (title unknown - as the rest of the document is unobtainable).

150. European Parliament Working Documents 1985-86, Report on behalf of the committee on External Economic Relations on the proposed cooperation agreement between the European Community and Central America, Document A2-42/85, PE 96.396/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 28 May 1985, p. 29. Another parliamentary report itemises the amount of aid allocated to Central America as 38.35 million ECUs. This latter report only includes the five Central American republics and associated regional institutions. See European Parliament Political Affairs Committee, Draft report on the situation in Central America, PE 96.988/8/rév/Ann.II, Rapporteur: Mr. Ernest Glinne, 20 November 1986, p. 78.

151. 1983 food aid figure from Commission, Aide alimentaire CE/Amérique Centrale, Brussels, 4 November 1986, Annexe GH/rc. Financial and technical aid figure calculated from Commission, Ninth Report from the Commission to the Council and the European Parliament on the implementation of financial and technical assistance to Latin America and Asian (LAA) developing countries and other non-associated developing countries (NADCs), COM(86) 626 final, (Luxembourg: OOPEC, 24.11.86), 'Table 4: Allocation of commitments by recipients', pp. 22-23. Central America would also have received a small amount in 1983 for support for non-governmental organisations although the information as to the total is not available. It is unlikely that figure would have been more than the 1984 figure however which was 2.81 million ECUs. See 'EC aid to Latin America 1984' in Europe Information External Relations, The European Community and Latin America, No 82/85, p. 9. The region also received emergency aid - again the information as to the amount is unavailable.

152. 'EC aid to Latin America 1984' in Europe Information External Relations, The European Community and Latin America, No 82/85, p. 9.

153. Information collated from European Parliament Working Documents 1984-1985, Report drawn up on behalf of the Political Affairs Committee on the situation in Central America, Document 1-56/84/A, PE 89.121/fin./A, Rapporteur: Mrs. Marlene Lenz, 2 April 1984, pp. 3a-7.

154. OJEC, Resolution on the situation in Nicaragua, No C 104, 16.4.84, p. 155.

155. European Parliament Working Documents, Motion for a resolution.. on the speech delivered by the President of the European Parliament to the Council of state of Nicaragua on 10 January 1984 in Managua, Document 1-1464/83, PE 89.241, February 1984.

156. Mr. Pieter Dankert, Speech to the Council of State of Nicaragua 10 January 1984, photocopied version, Luxembourg, European Parliament files, undated.

157. European Parliament Working Documents 1984-1985, Report drawn up on behalf of the Political Affairs Committee on the situation in Central America, Document 1-56/84/A, PE 89.121/fin./A, Rapporteur: Mrs. Marlene Lenz, 2 April 1984, p. 8.

158. See Debates of the European Parliament, No 1-313, pp. 161-163 and pp. 249-250.

159. Telex from Pierre Pflimlin to the Commission Office in Caracas, 29.9.1984, Luxembourg, files of the European Parliament.

160. European Parliament Working Documents 1985-86, Report on behalf of the committee on External Economic Relations on the proposed cooperation agreement between the European Community and Central America, Document A2-42/85, PE 96.396/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 28 May 1985, p. 3.

161. Visit to Nicaragua by the Official Delegation of the European Parliament to Observe the Presidential and Parliamentary Elections held on 4 November 1984, Report to the enlarged Bureau of the European Parliament, Rapporteur: Mr. Pol Marck, undated, Luxembourg, files of the European Parliament, pp. 1-5.

162. Ibid., p. 5.

The previous chapter traced the development of EC policy through to its consolidation and institutionalisation in 1984. This chapter charts the implementation of EC policy towards Central America through to the waning of EC interest in late 1989 and early 1990. This chapter therefore considers the implementation of EC policy and the changes in policy through the latter half of the 1980s via the process of implementation.

The chapter also contains a preliminary assessment as to whether (or not) and to what extent EC policy towards Central America achieved its own stated objectives. Some preliminary consideration is also given to the relationship of the changing practice of EC policy to the institutional evolution of EC foreign policy. Both these latter points are discussed more extensively in the conclusion to the thesis. The conclusion of this thesis will offer an overall evaluation of the significance of the EC's intervention in Central America in the 1980s.

The Council

The Council's main activities through the rest of the 1980s involved the normal declaratory diplomacy of European Political Cooperation (EPC) statements and also a continued activist policy mainly, though not entirely through conference diplomacy by way of what became known as the San José process. The priority given by the Council to Central America was stressed by Mr. Andreotti, the President-in-Office of the Council, in January 1985, when he stated that the Council intended to

develop and consolidate the policy that had been agreed in September 1984 at San José.¹

The Foreign Ministers meeting in the context of EPC put out numerous statements on Central America during the second half of the 1980s. Most reiterated the Community's support for the Contadora peace initiative. For example in the first half of 1986, under the aegis of the Dutch presidency, the now 12 Council members issued five statements supporting the Contadora group and the peace process.² From 1987 EPC statement also iterated support for the peace initiative of President Arias of Costa Rica which was adopted by all five Central American states in August of that year. The Council continued to stress its commitment to a negotiated peace settlement and to 'strengthening democracy'.³ The United States was not mentioned by name but repeated appeals were made to 'all countries with links to and interests in the region' to play a constructive role.⁴ Although the majority of EPC statements were concerned with the general prospects for peace and democracy in Central America at least two concerned themselves with human rights abuses; one referred to Honduras (February 1988) and the other to El Salvador (November 1989).

The Council also continued to play an active diplomatic role in its attempts to help defuse what was referred to by all participants and observers as the 'crisis' in Central America. For instance in April 1986 the Dutch President-in-Office Mr. Van den Broek, attended a meeting of the Contadora group outside Community territory, in Panama, as an observer.⁵ Minister Van den Broek let it be known that the EC countries might be interested in participating in a proposed border commission to monitor the frontier between Nicaragua and Costa Rica. Also in April, the President-in-Office visited US Secretary of State George Shultz 'to help

improve the probability that the agreement reached in Panama would be signed and to exert positive pressure.⁶

The major and most visible part of Council diplomacy however took place around the 'San José' conferences which were held annually (with the exception of 1986) along the lines of the 1984 meeting such as to establish an institutionalisation of the political and economic dialogue between the two regions. San José II took place in Luxembourg in November 1985, San José III in Guatemala City in February 1987, San José IV in Hamburg in February/March 1988, San José V in San Pedro Sula, Honduras in February 1989 and San José VI in Dublin in April 1990.⁷

The Contadora Group nations remained part of the tripartite arrangement which had been established at San José and in 1988 were joined informally at the Hamburg meeting (San José IV) by the Contadora support group (the 'Lima' group comprised of Argentina, Brazil, Peru and Uruguay) which had been created in August 1985 to aid the peace process. In December 1986 these two groups started to work together formally within the 'Rio' group (Group of 8). The San José meetings continued to be attended and supported by all of the member states including Britain - the closest member state to the United States. United States pressure however did contribute to a downgrading of diplomatic representation by some of the member states (including Britain) at the conferences from 1987 onwards and also was instrumental in the vetoing of the attendance of the Lima group at the February 1987 conference.⁸

Nevertheless US pressure could not prevent the gradual institutionalisation of inter-regional political and economic cooperation between the Community, Central America and Latin America which came about because of the joint concern

in respect to political developments in Central America and which took place in the latter part of the 1980s. For instance in September 1987 the EC and the Rio Group began a process of political dialogue in New York en marge of the UN General Assembly.⁹ In 1988 one session of the two day San José conference was devoted to a meeting of the European Community with the Contadora Group and the Support group without the participation of the Central American states. Panama was also excluded from this session in order to show disapproval of the military government of General Noriega and the perceived threats to democracy in Panama – although it had been permitted to attend the Central American sessions. This session was unminuted although it did include a wide ranging set of discussions of concern to Latin America (the Group of 8 represented over 90 percent of the population of Latin America) and the European Community.¹⁰ This wider process of political dialogue continued and itself became institutionalised in 1990 (see chapter 3).

At Luxembourg in 1985 the participants to the San José process made a decision to upgrade the annual meetings to ministerial level and agreed the institutionalisation of the political dialogue between the European Community member states, the Commission, the Central American states and the Contadora nations.¹¹ The Luxembourg Summit also saw the initialing of a cooperation agreement between the Community and the members of the Central American Common Market (the five republics) and Panama. This economic cooperation framework agreement was ratified in 1986 and came into force on 1 March 1987.¹² The practice of issuing two separate communiqés on political and economic issues began at the 1985 meeting. A more important innovation was the continued presence of the Commission as a full participant in the political dialogue as was demonstrated

by the inclusion of the Commission as a signatory to both the political and the economic communiq  s from 1985 onwards. (In 1984 the Commission had been a signatory to a joint political and economic communique.)

(i) The political dialogue

The 1985 political declaration contained a series of reiterations of general principles agreed by all three regional participants represented by the Community, the Central American nations and the Contadora group. These included a rejection of external interference (again the United States was never mentioned by name), support for international law and the principles of self-determination and non-intervention, support for democracy and social justice.¹³ If the Communiq  s suggested any overt strategy to deal with the conflict in the region it was in their support for the Contadora peace process and a regionally based, negotiated solution to the conflict. An underlying strategy was simply to ensure that the Central American states kept talking to each other and negotiating with each other. This latter objective was contrary to United States strategy which had been to exclude Nicaragua from regional discussions and to attempt to isolate Nicaragua diplomatically and internationally (see Chapter 1).

The 1987, 1988, 1989 and 1990 political communiq  s repeated the general principles outlined in previous declarations but in addition articulated a discernible shift in emphasis and focus in at least three important ways. The first shift in emphasis came with the increasing weight given to 'democracy, political pluralism' and 'true ideological pluralism' as necessary pre-requisites for peace in the region.

This was allied to the second shift from reliance on a solution to the conflict brokered by the Contadora nations to a solution directly emanating from the region in the form of the Esquipulas Peace plan agreed by all the Central American Presidents in August 1987. The third shift in focus was away from the more general statements of 1984 and 1985 towards explicit comment on specific developments in the region.

The first two shifts in emphasis were related. In the process of seeking Community support for his initiative, President Arias had made clear that the fundamental difference between his proposal and that of the Contadora Group was the latter prioritised security issues while his plan stressed the necessity for 'democracy' in the region.¹⁴ The reference to the establishment of 'democracy' in the region came to be perceived by all actors involved (including Nicaragua) as a reference to the desirability of political reform in Nicaragua. One independent source commented in 1986 that the Contadora proposal for the establishment of 'genuinely pluralist democracies' was 'widely taken to refer to the political organisation of Nicaragua'.¹⁵ In 1986 President Arias explicitly stated that in his view Nicaragua did not possess 'a democratic régime as we conceive it'.¹⁶ At the third San José meeting in 1987 Costa Rica, El Salvador, Guatemala and Honduras lobbied to have Community aid redirected away from Nicaragua 'in favour of the democracies'. In its report from the 1987 meeting, the independent London-based Latin America Weekly Report wrote that 'several diplomats have told us that the many allusions to democracy in public statements in Guatemala City are to be taken, inter alia, as a coded reference to the redistribution of European aid away from Nicaragua'.¹⁷

From the mid and late 1980s Community references to the establishment of democracy in the region could also be increasingly interpreted as applying mainly to the process of political reform in Nicaragua. This was illustrated in the negotiations on the 1987 Communiqué where at the Community's request, a paragraph was inserted into the Communiqué which referred to the Central American Parliament being elected by 'common rules'. According to Community sources this 'precision refers to the desirability of elections in Nicaragua under the same rules as in neighbouring countries'.¹⁸ In 1989 another authoritative source informed its readership that the San José V conference would be utilised politically by the Council to 'confirm and further define their support for the implementation of the Esquipulas agreements and the peace and democratisation process in general (notably the announcement of elections in Nicaragua).'¹⁹ By contrast Community parlance increasingly referred to El Salvador and Guatemala, in which there were the most extreme human rights abuses in the 1980s, as the 'young democracies'.²⁰

The change of focus in the peace plans promoted by President Arias therefore coincided with a shift of emphasis by the Community. The Esquipulas Accords however did not support the settlement of the conflict by military force - the preferred US option. In fact although the Accords were designed partly to exert pressure on Nicaragua to undertake political reform and in this sense had the support of the US government, in another real sense the Esquipulas Accords very quickly developed as a mechanism of exerting pressure on the US to change its approach to the region. President Arias told President Reagan that 'I recognise that it is not possible for the Sandinistas to become democratic as long as there is a war in their territory. It is not possible for them to become pluralistic when they have to fight

a war with the contras.²¹ Arias' sentiments again coincided with those of the Community which since the early 1980s had expressed its disagreements with US policy which had at its centre the arming and financing of the contra mercenaries.

The Political Communiqués of 1988, 1989 and 1990 expressed support and encouragement in respect of specific developments in the evolution of an integrated, negotiated and regional solution to the conflict in Central America. These included the Esquipulas plan, the cooperation plan launched by the Group of 8, dialogue with armed opposition movements, the Central American Presidents' Summit meetings, the formation of verification committees, the proposal for a Central American Parliament, the economic reactivation plan and the EC's decision to provide economic support for the repatriation of refugees and displaced persons. In 1989 the Communiqué expressed support for 'an effective cease-fire' and appealed 'to all Salvadorean sectors to participate in the forthcoming elections'. The Communiqué also offered specific support to the plan for demobilisation of the contras which had been drawn up by the Central American presidents. A new subject was introduced into the 1989 statement (and mentioned again in 1990) in that the Central American nations' intention to cooperate in the fight against drugs was commended by the conference participants. The 1990 statement welcomed the setting up of the Central American Environment and Development Committee.

The 1990 Political Communiqué was somewhat different from the others in that although it contained many of the general sentiments that had been expressed in previous statements its perspective was that of a review of policy objectives achieved.

'The participants.. welcomed the positive evolution of the regional peace process in Central America. They agreed that there has been progress compared to the serious prospects which characterised the area at the end of the 70ies and the beginning of the 80ies. This period was characterised by lack of democracy in some countries of the region, external intervention, border incidents, a high level of violence, a massive flux of refugees and other negative factors.'²²

The Communiqué also expressed support for continued dialogue between the government of El Salvador and the opposition, the FMLN, with a view to reincorporating the Salvadorean guerrilla fighters 'into the peaceful life of the country, in a climate of safety and respect for their human rights and fundamental freedoms.'²³ The 1990 declaration contained the clearest admonition to the US yet - although still did not mention that country by name. The ministers made a 'firm' request to all countries 'with links to and interests in the region' to help in the peace process in particular by transferring funds agreed for the contras to a fund which could be used to assist in their reintegration into Nicaraguan society.

The references in the Communiqué to 'progress' having been made in terms of the positive evolution' of the peace process could be seen as puzzling if consideration is given to the fact that civil war continued in El Salvador and human rights abuses remained a violent fact of Guatemalan life. The Salvadorean civil war continued until a UN brokered deal brought a peace deal in 1991. The violence in Guatemala continued to such levels that in 1991, a three person delegation led by Henry Saby, the moderate Socialist Chairman of the European Parliament Committee on Development and Cooperation, reported on its return from that

country that 'Guatemala today is not a state under the rule of law, but the victim of covert state terrorism in which the Army wields total and unconditional power, the civilian authorities are trapped in a power vacuum, and there is no credible, independent judiciary.'²⁴

The perspective of the Communiqué can best be understood however by reference to the elections which took place in Central America prior to the Dublin meeting. The statement mentioned the importance of the elections in Honduras, El Salvador and Costa Rica but stressed that the Nicaraguan elections were 'a historic event' which should serve to 'promote the reinforcement and consolidation of democratic institutionality and of the rule of law in Nicaragua.' The February 1990 Nicaraguan elections had of course, resulted in the defeat of the Sandinistas and the victory of the pro-Western candidate, Violeta Chamorro. If the Sandinistas defeat could be equated to the installation of pluralist democracy in Nicaragua then the progress could be seen to have been made.

(ii) The economic dialogue

The economic cooperation 'dialogue' took place with the participation of the Contadora countries. Panama was a signatory to the 1985 cooperation agreement but Venezuela, Mexico and Colombia contributed to the discussions as potential and actual aid donors to Central America. At the 1990 Dublin summit these latter three countries provided an 'inventory' and 'assessment' of their own contribution to Central American development. The 1990 economic communiqué contained a paragraph committing the Community to coordinate its cooperation efforts vis-vis

Central America with Colombia, Venezuela and Mexico.

A separate Economic Communiqué was issued from all the San José meetings from 1985. It was made clear in the economic communiqés that the purpose of Community economic cooperation with Central America was to contribute to political stability. In 1985 for instance the participants 'emphasized their determination to help stabilize the Central American region, more particularly by implementing measures to improve that region's socio-economic conditions, the backwardness of which was the basic cause of social instability.'²⁵

The 1988 Hamburg economic communiqué committed the Community to supporting 'specific and supplementary actions' to back up the Esquipulas peace plan and offered cautious approval of the 'Immediate Plan of Action' which had been drawn up by the five Central American states in order to start the process of economic reactivation. In 1989 the Community signalled its intention to participate in the United Nations backed 'Special Economic Co-operation Plan for Central America' (PEC) in coordination with other states and international organisations. In the 1990 economic declaration reaffirmed Community participation in UN coordinated economic reactivation for the region.

The economic communiqés marked developments in economic cooperation between the two regions and also demonstrated the lack of progress in some areas. From 1985 through to and including 1990 the declarations continued to express concern at the problems facing Central America because of the five republics' debt and the unstable and declining prices of commodities, their major export and source of hard currency. The Community response was both general and specific. At the level of generalities the Community reiterated the positive role of the GATT in

terms of the potential expansion of world trade and commended the structural adjustment programmes of the IMF and the World Bank. The Communiqués called on the Central American nations to engage in export diversification and to take more advantage of the Community's GSP. The message was that the Community's own development model - of a regional, economically integrated institution based on a philosophy of international free trade - was appropriate for Central America.

The Community

'provided support for the Central American countries' commitment to the progressive liberalization of regional trade, considered an important factor for the restructuring, reactivation and strengthening of economic integration in the region, the restoring of the convertibility of the Central American countries' currencies and the fuller integration of the region into international trade.'²⁶

In terms of specifics the Community offered assistance in terms of financial support for regional economic institutions for instance in the development of a regional payments institution. It also offered support for small and medium sized businesses. The aim was to help provide conditions which would encourage domestic and foreign private investment. The Community complemented its support for the reactivation of business with a declared intention to assist with emergency and food aid and also to finance the voluntary repatriation of refugees. The 1990 Communiqué noted that Community support for refugees and displaced persons was taking place within a coordinated international framework institutionalised in the May 1989 International Conference on Refugees in Central America.

The economic communiq s however betrayed signs of tension between the two economically disparate regions. In 1989, the Central Americans seemed to express their disappointment with the EC when, after acknowledging increased Community financial and technical assistance, also noted that 'the overall needs of the isthmus were so great that they required even greater efforts by the international community over and above the contributions it currently received.'²⁷ In 1990 the Community insisted that the Single Market would lead to the expansion of world trade and 'would stimulate the world economy' which would have a favourable affect on trade with Central America. The Central Americans on the other hand expressed their 'concern' at the possible affects on the region of the Single Market particularly in respect of the possible deleterious affects on Central America's banana exports to the EC.

By 1990 the Community was still emphasising the connection between economic factors and political stability but seemed to be less convinced of the necessity for increased Community intervention. The Central American countries were strongly encouraged to participate in 'economic adjustment' plans 'approved by the international community'. Both the Community and Central American nations stated that 'it was essential to create a climate of confidence which would attract European investment to the region'. However (and this was agreed by both the Community and Central American ministers) the Communiqu  also stated that it was 'the countries of the region [which] had the primary responsibility for creating a favourable environment to attract foreign investment.'²⁸

The Commission

The Commission continued to see its role as that of providing both political and economic support for the Central American peace process. More importantly it openly viewed the political and economic instruments it had available to it as to be utilised for political goals. In other words the Commission conceived itself as a political actor in terms of the Central American policy. This view was not simply the view of Claude Cheysson, the activist Commissioner responsible for development issues, but was regularly enunciated in various Commission statements. In October 1985 for example Commissioner De Clerq announced that

'The Commission reiterates its hope that through negotiation Central America can reach a settlement ensuring peace and stability within the framework of democratic pluralism and respect for human rights. The Commission also reiterates its intention to contribute to the efforts made by the Community to achieve these ends by supporting the peace process launched in 1982 with the initiative of the Contadora group and by strengthening collaboration both in the political field and in the field of economic cooperation.'²⁹

That same year Commissioner Clinton Davis had publicly announced the Commission's 'grave concern' in respect of the US trade embargo of Nicaragua. He told the European Parliament that

'In the Commission's view, such measures will make it even more difficult to

restore badly-needed stability to the whole Central American region. It [the embargo] is to be particularly regretted since they could seriously jeopardize the steps towards peace being taken in the context of the Contadora process.³⁰

(i) The political role

But it was Commissioner Cheysson who led the Commission's initiatives vis-a-vis Central America. In June 1985 Commissioner Cheysson announced the Commission's support for the Community efforts 'to halt violence and instability and promote justice, economic development and respect for both human rights and democratic liberties in this part of the world [Central America].'³¹ The Commissioner responsible for development did not however see the Commission's role as simply that of support for a Council policy. For instance in January 1986 in Guatemala Commissioner Cheysson 'made a number of declarations' in support of the Caraballeda Declaration (see Chapter 1).³²

The Commission's Central America policy developed such as to encompass three related strategic objectives which were articulated within a speech by Commissioner in the European Parliament debate of May 1986. The first objective was to assist in the economic development of the region in order to help ameliorate the conditions which were considered by the Community to be the major cause of the regional conflict. The second was to ensure that regional cooperation between all five Central American nations took place by encouraging the five governments to work together. The third was to discourage US military intervention and an escalation of the crisis into a full blown East-West confrontation.³³

Community economic cooperation was to be used to encourage moderation on the part of all the Central American nations. Cheysson argued that the Community supported

'social justice, respect for human rights, democratic freedom and national reconciliation.. with a framework of pluralist, participatory systems. In this way we, through our relations with them, are helping to encourage and maybe even push them to go in for this type of development.'³⁴

Commission political support for the peace process was designed to demonstrate to the United States that the Community could not support US policy towards the region. Cheysson particularly commended the Contadora Group's expressions of independence. In May 1986 for instance Cheysson told the Parliament that the Contadora Group 'were showing that each of these countries [of Central America and the Contadora group] feels entitled to pose its problems and to pose those that bind it to its neighbours, over and above any East-West considerations.'³⁵

The overtly political nature of Commission policy was apparent in one Commission communication from the Caracas office to Brussels in July 1986. This six page note focussed entirely on the stalled Contadora peace process and the prospects for the establishment of a Central American Parliament.³⁶ This latter idea had been promoted by the Guatemalan President Cerezo since 1986 was enthusiastically supported by the Commission along with the other major Community institutions.³⁷ In a letter written in November 1987 to the Guatemalan President

Cheysson described the idea as a 'fine political initiative'.³⁸

By 1987 however, the Commission, like the Council, was displaying a change in emphasis. In 1985 Commissioner Clinton Davis had suffered sustained barracking from the right in the European Parliament, partly because of his presentation of the Commission's position which was of steadfast support for Nicaragua.³⁹ By contrast in 1987 Cheysson was warning of the possible 'slide into totalitarianism' by unnamed countries in Central America. Astute listeners would have realised that the reference to totalitarianism was a reference to Nicaragua which throughout the 1980s was accused by the United States of having such a form of government. Even without the use of semiotic interpretation it was not difficult to identify which country Cheysson was referring to as in the same statement he argued that US military pressure on 'these countries' was not the way to prevent totalitarianism.⁴⁰ Cheysson was perhaps uncharacteristically coy. The United States was exerting military pressure on only one of the Central American Countries - Nicaragua.⁴¹ Cheysson's view of Nicaragua slipping towards totalitarianism should be contrasted with his view of Guatemala as having 'returned to democracy' by 1987.⁴²

Cheysson remained convinced that it was the Community's encouragement which had helped to ease conflictual relations between the Central American states and that it was the Community's insistence on a regional, non-exclusive approach which had helped lay the basis for the Esquipulas peace process.⁴³ One internal Commission communication commenting on the 1987 San José meeting noted that

'Coming at a time of renewed and increased tensions in the region the holding

of the meeting was in itself of particular significance in that Europe was seen as instrumental in bringing together around the same table - for the first time in eight months (since 6 June 1986 when the Contadora and support group countries presented the third draft of the Peace Act) the Foreign Ministers of the five Central America Countries.⁴⁴

The Commission's official view was that 'since 1984 the European Community has played the role of a catalyst in Central American affairs by giving the region's five countries.. the chance to renew dialogue.' The Commission also stressed the difference between its approach and that of the USA in that 'the EEC Commission was quick to underscore the fact that its approach brings all sides together, contrary to those of "certain other countries" that "divide in order to conquer".'⁴⁵ There is also no doubt that Cheysson conceived of the Community's Central American intervention as a model for future Community politics elsewhere in the world. In a statement prior to the 1988 San José meeting Cheysson argued his by now well-known view that it was the Community which 'had since 1984 largely contributed to the dialogue between the five countries of Central America'. He added that 'this policy of the Community which consists in making countries talk to each other within the framework of regional groups could be an important factor for stability in the international scene in the years to come.'⁴⁶

The high-profile political role of the Commission did however diminish with the advent of Commissioner Matutes in 1989. Commissioner Matutes continued to participate in the San José process but limited the Commission to a supportive economic role.⁴⁷ Central America continued to decrease in political importance

for the Commission such that by 1992 a keynote speech by Commissioner Matutes on the subject of Latin America contained barely a reference to the sub-region.⁴⁸ The reason for the de-emphasis of political issues was partly because of the different priority accorded to the region by the two Commissioners. More importantly the change of Commissioner coincided with a change in international conditions including a change of US President, making it appear possible that the Central America crisis could be resolved without US military intervention (see thesis conclusion).

(ii) The economic role

It was the Commission's responsibility to implement the economic provisions of the framework agreement which was agreed in 1985. The Commission regularly met with officials from the Central American nations and integration institutions in the annual Joint Committees which were set up specifically to implement the provisions of the agreement, during visits to Central America by Commission representatives and in conferences with the Group of Central American Ambassadors (GRUCA) based in Brussels. The economic issues were centred on the direct areas of Community competence that is aid and trade.

The Community had been of the opinion in 1985 that aid should be doubled to the Central American countries.⁴⁹ In cash terms this would have meant an increase from 40 million ECU to 80 million ECU per year.⁵⁰ However the Council's negotiating brief to the Commission of July 1985 had not permitted the Commission to make such a commitment within the 1985 framework agreement.⁵¹

Instead an additional protocol attached to the agreement committed the Community to 'substantially' increasing aid to the region although no sum was specified.⁵² Although the Commission 'regretted' that the Council had not made a formal commitment to doubling of aid Cheysson's response was to work for the doubling of aid through the use of contingency reserves within the Community's budget. In May 1986 Cheysson announced to the Parliament that

'Bearing in mind the creation of a 5% reserve in Chapter 930 [the budget line for financial and technical cooperation], we believe that we can commit ourselves, before this House, to an actual doubling of aid, in spite of the fact that there has been no formal agreement, in the coming years.'⁵³

Community aid to Central America did rise to 77 million ECU in 1985 but fell back to just over 40 million ECU in 1986.⁵⁴ In 1987 total aid reached 82 million ECUs.⁵⁵ In 1988 and 1989 total EC aid amounted to around 100 million ECUs each year.⁵⁶ The Community's commitment to a continuing economic support to Central America at the end of the 1980s was demonstrated in November 1989 when the Commission agreed initial finance of 43.5 million ECUs for a scheme designed to resuscitate intra-regional trade - the total cost of which was 150 million ECU.⁵⁷

Community aid was allocated according to six different priorities. The Commission identified these as

'(i) integrated rural development;

- (ii) support for small and medium-sized enterprises;
- (iii) support for cooperatives
- (iv) health (reduction of infant mortality rate, etc.)
- (v) human resources (qualifications, training of teachers and instructors, reform of administrative machinery, etc.);
- (vi) generally speaking, any means of encouraging the regional integration of tiny national markets (countries of 2 to 8 million inhabitants) for which integration and economic development are even more closely linked than elsewhere.⁵⁸

Community aid projects reflected these varied priorities but by 1988 the emphasis had shifted away from social projects in favour of a policy geared towards 'infrastructures, boosting trade and developing markets' - although the commitment to regional schemes remained.⁵⁹

The bulk of Community aid came in the form of financial and technical cooperation and food aid. Community financial and technical aid was sometimes matched by co-finance from the member states. The Italian government for instance co-financed the project aimed to support the reactivation of small and medium sized business and to reinforce the central role of the Bank for Central American Integration (BCIE). The Community contribution to this scheme was 20 million ECUs.⁶⁰ The Italian government also co-financed with the Community a UNICEF administered scheme designed to support the health of infants and mothers throughout Central America. This cost the Community about 10 million ECUs.⁶¹ The Community co-funded one regional project with France which was designed to

help the region move towards self-sufficiency in food production. The Community also of course was the sole funder for a number of regional projects. One such regional project which was agreed in 1987 at a cost of some 2.9 million ECUs was the programme designed to eradicate rabies in the region.⁶²

The Commission was anxious to stress that the Community as both Community and member states (the EC/12) was a substantial donor of aid to Central America whose record compared favourably with the United States. In January 1987, in response to criticism from the European Parliament that Community aid was negligible compared to US aid, Claude Cheysson insisted that 'Community aid and aid from its Member States is equivalent to 90% of American aid.'⁶³

It seems unlikely however that the amount of aid donated by the EC/12 ever amounted to 90 per cent of US aid either in any particular year or in terms of total aid between 1976-1990. In total the US spent over \$7 billion in Central America in official aid between 1980 and 1989. Some three-quarters of this was classified as economic aid. At a generous estimate the EC and member states total aid in the same period would not have risen above \$1 billion dollars. Although it is difficult to make any meaningful comparisons mainly because the exact figures are difficult to establish it is likely that these official figures for US aid underestimate the amount of US aid which flowed to Central America via private and semi-legal operations designed to support pro-US regimes.⁶⁴ These official aid figures also did not include the substantial assistance from private sources which was donated for Nicaraguan development programmes.

However even if the Community somewhat overestimated the proportion of Community aid as compared to US aid the valid point was that a fair assessment of

the Community contribution to development in Central America, at least as compared to the US, could only be made if the combined economic input of both member states and the Community were taken into account.

Another criticism from some quarters, as has already been noted, is that Nicaragua received a disproportionate share of Community aid. In fact over the period 1976-1988 (the period for which figures are available) Nicaragua did receive the highest amount of bilateral Community aid out of the five republics. Nicaragua received a total of just under 172 million ECUs; Honduras 100 million ECUs; Guatemala 51 million ECUs; El Salvador just under 42 million ECUs; and Costa Rica 34.5 million ECUs.⁶⁵

If these figures are broken down by category however it becomes apparent that Community aid was directed via its criteria of allocation to the poorest at least as much as via political criteria. Honduras received the highest amount of financial and technical aid at 58 million ECUs for the period compared to Nicaragua which received the second highest amount at 38.5 million ECUs.⁶⁶ Nicaragua's total was boosted by the very high levels of food aid it received from the Community in response to both its poverty and to a series of natural disasters which it experienced during the 1980s (drought, flooding, hurricanes). In the period 1976-1988 Nicaragua was the fourth largest recipient of Community food aid to Asia and Latin America. It received food aid valued at just under 70 million ECUs. Only India, Bangladesh and Sri Lanka received more.⁶⁷ Nicaragua also received 52.4 million ECUs for work carried out by non-governmental organisations (ngos). This was the largest amount received for work with ngos in the region. It was also a larger sum than the combined amount for food aid and ngo projects received by every other Central

American republic. The next largest recipient of food aid and aid for ngos, Honduras, received a total of 35.6 million ECUs for these activities over the same period.⁶⁸

Nevertheless the fact that Nicaragua received any aid at all from the European Community was significant. The Community's major ally had not only stopped all aid to Nicaragua since 1981, exercised its veto against Nicaragua in multilateral lending institutions since 1985, thus imposing a de facto financial embargo, and had imposed a trade embargo since 1985, but had actively lobbied in the Community to try to persuade the Community and its member states to exclude Nicaragua from Community aid programmes.

In trade terms Central America was 'of no importance at all' to the European Community, according to a senior commission official responsible for Central American policy.⁶⁹ This judgement was not an exaggeration. EC trade with the rest of the world grew from one and a half billion dollars in 1980 to just under three billion dollars in 1990.⁷⁰ Its trade with Central America (the five republics) between 1981 and 1987 averaged around 1500 million ECUs per year.⁷¹

The Central Americans made some proposals to improve trade with the Community via the framework agreement but the Community did not support any far reaching changes in trade relations. The Central Americans asked to be linked to the EC via a preferential trading agreement in the same way that the ACP states were linked via the Lomé Convention.⁷² The Community rejected this request and although promising to consider how the GSP scheme could be extended to benefit Central America, by 1991 had not agreed any concessions for Central America.⁷³ Requests made by the Central Americans were for a support mechanism for commodity prices (STABEX - see Chapter 3), access to European Investment Bank

loans, a mechanism to assist with foreign debt and hard currency resources to support a regional payments scheme. Apart from the last, all these requests were denied.⁷⁴

In economic terms, although the Community was undoubtedly successful in terms of an increase in Community aid to the region it could perhaps be criticised for not increasing aid enough, particularly given its political interest in the region. In trade terms the Community's involvement in Central America was also disappointing - at least for the Central Americans - given that no major improvements in trade volumes took place and no major structural changes, which might have helped in enhancing the prospects of increased trade and economic development, were agreed.

The Parliament

The Parliament's role in the second half of the 1980s changed from that of initiator - a role which it had taken on with some success in the first half of the decade - to that of support for and monitoring of the other institutions of the Community. Cross-party support from the major political groups continued for the broad thrust of Community policy although there were disagreements as to which of the Central American countries should be considered as least 'worthy' of Community support. For the Christian Democrats and the parties of the Right it was Nicaragua, and for the Socialists and the parties of the Left it was, generally speaking El Salvador and Guatemala. However, none of the political groups with the possible exception of the Fascists supported US military intervention or the 1985 US

economic embargo on Nicaragua. For that matter none of the groups supported Soviet involvement in the region although when this issue was discussed it tended to be only the far right that perceived Soviet influence in the region as a serious problem.

As with the Council and the Commission however a change of emphasis took place in parliamentary statements with a move towards a more overt pressure on the Sandinista government to 'democratize'.⁷⁵ The concern with Nicaraguan 'democratization' as a feature of Parliamentary policy objectives was demonstrated in a resolution of the European Parliament agreed in October 1989 which resolved to allocate European Parliament (not Commission) monies for 'aid to support the process of democratization, particularly in Central America, starting with the Nicaraguan elections'.⁷⁶

The first two parliamentary reports on Central America were both the work of Mrs. Wieczorek-Zeul and in many ways reiterated the views of the Parliament as had been articulated in her own previous reports.⁷⁷ Both reports, in 1985 and 1986, were supported by the major political groups and their adoption by Parliament served to reinforce the broad consensus which had developed on Central American policy in the mid-eighties. Both reports were on the subject of the framework agreement with Central America although both Mrs. Wieczorek-Zeul and her parliamentary colleagues placed the debate around these reports in a fairly wide context. Mrs. Wieczorek-Zeul made clear that she considered the aims of the framework agreement should be far wider than simply economic development which she seemed to argue was of subsidiary importance compared to the political goals of the Community. She argued that

'the aim of the agreement is the use of economic and political cooperation and development aid to reduce confrontation in the region, assist the development of peaceful solutions to the region's problems and to curtail external military and economic interference - i.e. by the United States. A further goal is the use of the European Community's limited resources to alleviate the economic and political dependency of the region.'⁷⁸

The Parliament expressed two main areas of difference with the Council in respect of the cooperation agreement. The first was in terms of the amount of aid. The parliament would have preferred that the Council commit the Community to a specific figure; that is to the doubling of aid rather than to the vaguely worded 'substantial' increase which was on offer to Central America.⁷⁹

The second area of disagreement related to the Parliament's concern to extend its own powers in respect of both this agreement and others. The Commission had recommended that the political dialogue agreed at San José in 1984 should be institutionalised within the context of the Community's economic framework agreement. This would have allowed the Parliament some formal oversight powers in respect of the political aspects of the agreement with Central America. Instead the Council agreed to formalise the political dialogue at ministerial level outside the framework agreement thus denying the Parliament an institutional input into the political aspects of the cooperation agreement. The Parliament could only suggest that there be regular meetings of the EP and the proposed Central American Parliament 'to ensure that there is parliamentary supervision of the implementation of all parts of the agreements.'⁸⁰

The third parliamentary report on Central America in this period was initiated by the Belgian Socialist Ernest Glinne as the rapporteur for the Political Affairs Committee. The report contained a somewhat idiosyncratic review of the prevailing political situation and while not recommending any major change in policy was important for its efforts to move the Community into more active support for Costa Rica, 'the only real democracy' in the region.⁸¹

The resolutions passed by Parliament in respect to Central American issues from 1985 through to 1989 were focussed on support for the peace process or on Nicaragua specifically. Parliament also expressed concern in the period at human rights abuses in Guatemala and at various events in El Salvador and less frequently Honduras. However parliamentary debates reflected the focus on Nicaragua within the context of a regional conflict which had as an essential component the direct involvement of one of the superpowers, the United States.⁸²

The tenor of the debates was to continue to support a 'European option' which included support for non-exclusionary regional economic and political efforts, a condemnation of all outside interference in the internal affairs of the countries of the region, and support for human rights and pluralist democracy. In practical terms this meant that Costa Rica was supported by all parties as an 'exemplary' democracy while it was also agreed by all parties that every other country was lacking in terms of their application of democratic norms, policies and structures.⁸³ A parliamentary delegation led by Socialist Alf Lomas reported after a visit to Central America in November 1987 that 'for various reasons only a sort of limited or imperfect democracy applied in the region'.⁸⁴

Where the major parties tended to disagree was in terms of the attitude to

Nicaragua and to a lesser extent the attitude to the United States. Even on these issues however the parties were more or less agreed on certain fundamentals. Both Socialists and Christian Democrats (the two major parties) and most of the other parties (except the Fascists) took a position from the mid-1980s that Nicaragua was not a democratic state and had moved away from the 'original goals' of the Sandinista revolution.⁸⁵ Both sides also agreed that the United States should not militarily intervene in Central America. Where they disagreed was in terms of the causes of the alleged lack of democracy in Nicaragua. The Socialists and the parties of the Left tended to express the view that the Sandinistas had been forced into restricting democratic rights because of the US funded war against their territory and people.⁸⁶ The Christian Democrats and the parties of the right tended to take the view that the Sandinistas were inherently Communist and 'totalitarian' and were using the war as an excuse to display their true colours.⁸⁷

In respect of the United States the disagreement tended to be as to whether the United States was fundamentally misconceived in terms of its foreign policies or whether it had just got it wrong on this occasion.⁸⁸ The parties of the right argued that United States foreign policy, although inappropriate, was an understandable reaction to Sandinista provocation.⁸⁹ Another response from the right was simply to remain silent on the issue of US intervention in the region in debate. Probably the most extreme example of this approach was in the 1986 debate over two resolutions on Nicaragua. One was a Socialist sponsored resolution which set out to note the International Court of Justice decision which had condemned the United States for illegally intervening in Nicaragua. The other was a Christian Democratic sponsored resolution which put forward a condemnation of the Sandinista

government for placing restrictions on the media. During the joint debate on both resolutions the Christian Democrats did not comment once on the judgement of the International Court. Mrs. Lenz, the spokesperson for the Christian Democrats on Central America simply ignored the Socialist resolution.⁹⁰ Both resolutions were passed.⁹¹

There were some parliamentary representatives which did take issue with this approach although they by no means represented the majority. Mr. Staes of the Rainbow Group (comprising Greens and various non-Socialist parties of the Left) perhaps summed up the character of parliamentary debates in his criticism.

'It is namely totally beside the point to cavil about whether some action taken in a particular country is democratically acceptable while in a neighbouring country tens of thousands are tortured and murdered every year without anybody paying any particular attention.'⁹²

Apart from the reports, resolutions and debates, the Parliament also played a role in the Community's policy towards Central America in its ability to engage in parliamentary visits to the region (which were numerous on both an official and non-official basis) and in its ability to offer a platform to visiting Heads of State to expound their policies and to try to persuade the Community that these were the right policies. In the latter half of the 1980s the first visiting Head of State to address the plenary session at Strasbourg, in May 1985, who was concerned with the conflict, was President Reagan. He was given a rough welcome by the Socialists and MEPs of the Left, many of whom put up banners protesting the US' Nicaragua policy

before walking out of the chamber.

Two years later, in May 1987, President Arias of Costa Rica visited the Parliament in Brussels, as part of his European tour to encourage support for his peace plan. President Arias also sought to persuade the President of the European Parliament, Lord Plumb, that it would be unwise to permit President Ortega of Nicaragua, for whom an invitation had been mooted in the Parliament, to address the plenary at Strasbourg unless he (President Arias) was also asked along to give 'a balanced assessment of developments in the region'. He argued that an address by President Ortega 'could compromise' the upcoming discussion between the Central American Presidents on the plan for peace. Lord Plumb is not recorded as having responded favourably to this suggestion. 'In response, Lord Plumb took careful note, and explained the procedure under which the Enlarged Bureau invited visiting Heads of State.'⁹³ President Ortega in fact addressed the plenary in 1988.

President Arias was honoured by the European Parliament when Lord Plumb presented the Costa Rican president with the Parliament's Gold Medal in recognition of his role in the peace process. The presentation took place at the ninth Inter-Parliamentary conference of the European Parliament and Latin American parliamentarians, held in San José in February 1989.

Throughout the period the European Parliament also maintained a keen interest in the San José process, even though it had been excluded by the Council from any formal involvement. In 1988 the Parliament sent a delegation to San José IV, held in Hamburg. The delegation leader, Fernando Suarez Gonzalez, reported back to the President of the EP that parliamentary attendance

'was.. very important from the institutional point of view. The presence of the European Parliament at the opening of such an important diplomatic negotiation has shown to the public the increasing importance of the role played by the European Parliament in the policy-making of our Community.'⁹⁴

Meeting objectives

The major objectives of the European Community's policy towards Central America can be adduced from the Wieczorek-Zeul and Michel reports of 1982, the Council's Strasbourg Declaration of 1983, and the Wieczorek-Zeul reports of 1985 and 1986.

The genesis of Community objectives were clearly delineated by Mrs. Wieczorek-Zeul in the debates on her 1982 report. In 1982 Mrs. Wieczorek-Zeul stated that the objectives of her report were to give Latin America a 'political signal' that Western Europe wished to build bridges after the Malvinas conflict; to offer the countries of Central America a 'European option' in respect of a development model; and to persuade the Community to adopt a long term orientation to Central America in cooperation with 'larger neighbouring countries like Mexico and Venezuela'. Mrs. Wieczorek-Zeul and the Parliament also intended to persuade the Council to support the principle of non-exclusionary, regional aid to Central America. By 1983 the Council had adopted these objectives as its own, as had the Commission.

In 1985 Mrs. Wieczorek-Zeul set out a further set of objectives which were adopted by the Parliament and which were representative of Community objectives

for the latter half of the decade. These objectives included the use of political and economic aid to reduce conflict in Central America; the intention to help find peaceful solutions to the conflict; and to prevent United States intervention in the region.

The Community had some successes. It succeeded in building bridges with Latin America as a whole - so much so that as a direct result of the San José process it entered into what at the end of the decade became an institutionalised 'dialogue' with Latin America via the Rome agreement with the Group of 8. The Community offered valuable diplomatic support to the Central American nations in their quest for the 'diversification of dependence' vis a vis the United States and to a lesser extent the Soviet Union. The Community did adopt a long term orientation towards Central America in conjunction with the larger Latin American neighbours via the Contadora process. The Community also adopted the principle of support for non-exclusionary, regional economic and political programmes which arguably made a significant contribution to the bringing together of the five Central American governments. The Community, arguably, contributed to the international diplomatic pressure on the United States not to launch a full scale invasion of Nicaragua.

However the balance sheet also shows that Central America did not experience economic growth in this period and at the end of the decade was seeing some diminution in human rights abuses but nevertheless all countries of the region still experienced violence and conflict.

Whether the Community met its objectives as a result of its own policies is somewhat of a matter for speculation but some attention is paid to this issue in the conclusion of this thesis.

Institutional aspects

Two institutional points should be noted at this juncture. The first is that to all intents and purposes the Commission and the Parliament, not the Council, were the initiators of the Central American policy. The second point is that the Parliament achieved a significant de facto input into the making and implementing of the policy through its continued and cross-party supported efforts to push the Council into action in this area. These institutional issues and their ramifications are also further discussed in the conclusion of this thesis.

Explaining the policy

This chapter has reviewed the development and intensification of US intervention in Central America in the 1980s. The previous chapter had argued that the 1982 Falklands/Malvinas war and the Mexican debt crisis of the same year had aroused some EC interest in Latin America but that these issues did not of themselves cause the EC to instigate extensive cooperation with Latin or Central America. The EC's activity in Central America in the 1980s did not therefore have its roots in a more generalised Latin America policy. Indeed this chapter has sought to demonstrate, among other things, that the opposite occurred. As a consequence of the Central America policy, the EC strengthened its relations with Latin America as a whole. Given that the EC's policy towards Central America was not a consequence of a more generalised interest in Latin America it is necessary to

search for other factors which can help explain the policy.

It is particularly necessary to try to understand and explain how and why a Community consensus emerged on this issue across party and member state. In order to examine how and why that convergence took place the next chapter will delve into another 'level-of-analysis' and consider the interests and policies towards Central America of four important and diverse member states; Britain, France, Germany and Spain. In reviewing the approach of these states to the Central American crisis the next chapter will present an analysis of how their policies converged to permit a more or less united European Council approach to Central America emerge in the mid and late 1980s.

Notes to Chapter 5

1. European Parliament Delegation for Relations with Latin America, Working Document on "European integration policy and relations between Latin America and the European Community: the Contadora process and the follow-up to the Ministerial Conference in San José (Costa Rica)", PE 97.099/def., Rapporteur: Mrs. Jeanette Oppenheim, 9 May 1985, p. 17.
2. European Parliament Political Affairs Committee, Draft report on the situation in Central America, Rapporteur: Mr. Ernest Glinne, 20 November 1986, PE 96.988/8/rév/Ann.II, p. 57.
3. See EPC Press Release, Statement by the Twelve concerning the meeting of Central American Presidents on 15 January 1988, 14 January 1988. For similar sentiments see EPC Press Releases dated 26 January 1988, 29 November 1988, 14 December 1989.
4. See for example EPC Press Release, Declaration by the Twelve on the Cease-Fire Agreement of Sapoa, Nicaragua, of March 23, 1988, Bonn, 28.3.1988. Similar sentiments were expressed in an EPC press release from a Brussels meeting on 23 November 1987 and from a Brussels EPC meeting held on 14 December 1989.
5. European Parliament Political Affairs Committee, Draft report on the situation in Central America, Rapporteur: Mr. Ernest Glinne, p. 57.
6. Working Document 2 - "A Case Study", European Policies and Central America, DT/nt/697, PE/GS/224/87, (Brussels: socialist Group of the European Parliament, 14 July 1987), p. 20.
7. The San José process continued after 1990 with San José VII which was held in Managua in March 1991. However this meeting falls outside the time frame of this thesis and so is not discussed here.
8. Latin American Weekly Report, 19 February 1987.
9. For a description of the evolution of the EC/Rio Group political dialogue see European Communities Economic and Social Committee, Appendices, CES 1228/89 fin Appendix ym, Brussels, 26 January 1990, p. 56.
10. Note Bio (88) 72 (suite 1 et fin) aux bureaux nationaux, Fin de la Conférence Ministerielle CE-Amérique Centrale et Réunion CE/Amérique Latine a Hambourg, Brussels, 2 March 1988, European Parliament files.
11. See The Community and Central America, EC Bulletin 11-1985, pp. 21-26.

12. For full text see OJEC, No L 172, Council Regulation (EEC) No 2009/86 of 24 June 1986 concerning the conclusion of the Cooperation Agreement between the European Economic Community, of the one part, and the countries parties to the General treaty on Central American Economic Integration (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and Panama, of the other part, 30.6.86, pp. 1-11. For information on the date of entry into force of the Cooperation Agreement see OJEC, No L 58, 28.2.87, p. 103.

13. For 1985 Political Communiqué see EC Bulletin 11-1985, pp. 23-25. For 1987 Political Communiqué see EC Bulletin 2-1987, pp. 19-21.

14. European Parliament, Private Office of the President, Note for the record, Brussels, 21 May 1987, Luxembourg, files of the European Parliament.

15. Latin America Special Report, SR-86-02, July 1986.

16. President Arias quoted in Latin American Weekly Report, WR-86-21, 30 May 1986.

17. Latin American Weekly Report, 19 February 1987.

18. H. Paemen, Note Bio (87) 36 aux Bureaux Nationaux, Third EC/Central America Contadora Ministerial Meeting Guatemala 9-10 February 1987, p. 2.

19. Europe, Agence Internationale Information pour la Presse, No 4963 (n.s.), 25 February 1989, my italics.

20. See Memo No. 25/88, 4ème Conférence Ministerielle CE-Amérique Centrale, Brussels, 25 February 1988, European Parliament files, p. 4, for a reference to the use of the term 'young democracies' to differentiate El Salvador and Guatemala from the other countries of Central America. Original in French, my translation. For a masterly analysis of the Central American conflict which pinpoints the peculiarly backward nature of the oligarchies of Guatemala and El Salvador see the respected Guatemalan analyst Edelberto Torres-Rivas, Repression and Resistance, Chapter 3, 'Who Took the Lid Off Pandora's Box?', pp. 45-71.

21. President Arias, quoted by Laurence Whitehead, 'The Costa Rican Initiative in Central America', in Government and Opposition, Vol. 22 no. 4, 1987, p. 459.

22. European Political Cooperation Press Release, Joint Political Declaration of the Dublin Ministerial Conference on Political Dialogue and Economic Cooperation between the European Community and its Member states, the Countries of Central America and Panama, and Colombia, Mexico and Venezuela as Cooperating Countries held on 9 and 10 April 1990, P. 29/90, 10.04.1990, my italics.

23. Ibid.

24. European Parliament Committee on Development and Cooperation, Report on the Mission to Guatemala 4-12 April 1991, Doc EN\CM\111998, PE 152.096/Ann., 21

June 1991, p. 10.

25. EC Bulletin 11-1985, p. 25.

26. EC Bulletin 4-1990, p. 100.

27. Joint Economic Communiqué from the European Community and the Countries party to the General Treaty on Central American Economic Integration and Panama resulting from the Ministerial Conference on Political Dialogue and Economic Cooperation between the European Community and its Member States, the Central American States and the States of the Contadora Group held in San Pedro Sula on 27 and 28 February 1989, SN 1108/89+, p. 3, Mimeo from the European Parliament files.

28. For the 1990 Joint Economic Communiqué see EC Bulletin 4-1990, pp. 99-106.

29. Commissioner De Clercq, Debates of the European Parliament, No 2-331, 24.10.85, p. 190.

30. Commissioner Clinton Davis, Debates of the European Parliament, No 2-326, 9.5.85, p. 217.

31. Commissioner Cheysson, Debates of the European Parliament, No 2-327, 13.6.85, p. 209.

32. Commissioner Cheysson, Debates of the European Parliament, No 2-335, 20.2.86, p. 217.

33. Commissioner Cheysson, Debates of the European Parliament, No 2-339, 15.5.86, pp. 208-211.

34. *Ibid.*, p. 210.

35. *Ibid.*, p. 210.

36. Commission of the European Community Delegation for Latin America, Note to the attention of Mr. L. Giunti Head Division I-H-2, No 467/EF/mb, Caracas, 18 July 1986.

37. For background and description of the proposed Central American parliament see Vice-President of the Republic of Guatemala, Profile of the Central American Parliament, D.T./VPG/016-86, Guatemala, 6 July 1986, reprinted as European Parliament Document PE 107.401/Ann. and distributed to the Delegation for relations with the Countries of South America, 21.7.1986. As at 1991 the Parliament had not been established mainly because Costa Rica had not ratified the necessary legislation.

38. Claude Cheysson to the President of Guatemala, 10 November 1987, European Parliament files.

39. See Debates of the European Parliament, No 2-326, 9.5.85, pp. 217-219.

40. Commissioner Cheysson, Debates of the European Parliament, No 2-347, 22.1.87, p. 216.

41. In February 1987 the Latin America Weekly Report suggested that Cheysson was considering scaling down aid to Nicaragua in favour of the 'democracies'. Although there was a debate about aid shares I can find no evidence that either Cheysson or the Commission were proponents of a redistribution of Nicaraguan aid to other countries in Central America. See Latin American Weekly Report, 19 February 1987.

42. Claude Cheysson to the President of Guatemala, 10 November 1987, European Parliament files.

43. Cheysson informed the Council of Ministers meeting on 22 February 1988 that 'the EEC's regional approach to the Central American problem appears to have produced positive results.' See European Report, No 1384, 27 February 1988, p. 2.

44. Note Bio (87) 36 aux Bureaux Nationaux, Third EC/Central America Contadora Ministerial Meeting, Brussels, 11 February 1987.

45. European Report, No 1384, 27 February 1988, p. 2.

46. Memo No. 25/88, 4ème Conférence Ministerielle CE-Amérique Centrale, Brussels, 25 February 1988, original in French, my translation.

47. See the short report in Agence Europe, 17.2.89; and the report on the 1990 San José conference in EC Bulletin 4-1990, pp. 59-61. Out of 11 paragraphs in the latter report only two mentioned political issues.

48. Commissioner Abel Matutes, The European Community and Latin America, speech at Canning House, London, 9 March 1992, Commission of the European Communities, London, 1992.

49. See Ernest Glinne's reference to a report in Le Soir of 19 May 1985 in Debates of the European Parliament, No 2-327, 13.6.85, p. 213.

50. The specific figures were mentioned by Mrs. Wieczorek-Zeul in a debate in the European Parliament. See Debates of the European Parliament, No 2-327, 13.6.85, p. 206.

51. Commissioner De Clercq, Debates of the European Parliament, No 2-331, 24.10.85, p. 190.

52. OJEC, No L 172, 30.6.86, p. 10.

53. Commissioner Cheysson, Debates of the European Parliament, No 2-339, 15.5.86, p. 209, my italics.

54. *Ibid.*, p. 209.

55. Memo No. 25/88, 4ème Conférence ministerielle CE-Amérique Centrale, 25 February 1988, p. 4, from the European Parliament files.

56. The 1989 Joint Economic Communiqué mentions that EC aid had 'for the first time exceeded the figure of 1000 million ECU'. See Joint Economic Communiqué, SN 1108/89+, mimeo from the files of the European Parliament, p. 3. Exact figure unobtainable. The 1990 Communiqué notes that 'overall Community aid.. had remained at about ECU 100 million for 1989'. See EC Bulletin 4-1990, p. 101.

57. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 17. This document refers to the project as that of encouraging inter-regional trade (my italics) and mentions that the proposal had been agreed at the San Pedro Sula conference (San José V). The emphasis in the San Pedro Sula declaration was on the improvement of intra-regional trade and therefore the use of the word inter is incorrect.

58. Europe Information External Relations, The European Community's Relations with Latin America, 2/89, p. 17.

59. Telex Development Latin America/ Caribbean, 4 February 1988, p. 1.

60. Memo No. 25/88, 4ème Conférence Ministerielle CE-Amérique Centrale, p. 4.

61. The total cost of the scheme was 31 million dollars shared more or less equally between Italy and the Community. See Memo No. 25/88, 4ème Conférence Ministerielle CE-Amérique Centrale, p. 5.

62. See *ibid.*, p. 5.

63. Commissioner Cheysson, Debates of the European Parliament, No 2-347, 22.1.87, p. 216.

64. For a good summary and analysis of US aid see Colin Danby, Aiding Central America, (Washington DC: PACCA, 1989).

65. Figures calculated from 'Annex II. Cooperation with Latin America and Asia by Category, and indication of the type of aid received from the EEC', in Commission, Ten Year Report: 13 Years of Development Cooperation, p. 77.

66. *Ibid.*, 10 May 1989, p. 77.

67. *Ibid.*, 10 May 1989, p. 16.

68. *Ibid.*, p. 77.

69. Mr. Beinhardt, European Commission, Brussels, author's interview, 27 January 1988.

70. 'Annex II: Statistical data', in IRELA, America for the Americans?: The Enterprise for the Americas Initiative and European-Latin American Relations, p. 38.

71. Telex Development Latin America/Caribbean, 4 February 1988, p. 2. These ECUs ranged in value against the dollar in this period between a low of \$0.75 in 1985 and a high of \$1.12 in 1981.

72. Telex Development Latin America/Caribbean, 25 February 1988.

73. European Parliament, Directorate General for Information and Public Relations, Briefing, Brussels, 2 December 1991, p. 6.

74. See Telex Development Latin America/Caribbean, 25 February 1988; and Europe Agence Internationale Information pour la Presse, No 4963 (n.s.), 25 February 1989.

75. I have deliberately used the US spelling here because the concept of democratization was developed as part of a US foreign policy strategy to this and other regions of the world and therefore the connotations of the concept are better understood if the US reference is made plain.

76. Resolution on the Tela Summit, 13.10.89, mimeo from PE 135.325 (title of the document unknown), p. 10.

77. European Parliament Working Documents, Report drawn up on behalf of the Committee on External Relations on the proposed cooperation agreement between the European Community and Central America, Document A2-42/85, PE 96.396/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 28 May 1985; European Parliament Working Documents, Report drawn up on behalf of the Committee on External Relations on the proposal from the Commission of the European Communities to the Council (Doc. C 2-133/85 - 9853/1/85) for a regulation concerning the conclusion of the Cooperation Agreement between the European Economic Community, of the one part, and the countries parties to the General Treaty on Central American Economic Integration (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua) and Panama, of the other part, Document A 2-27/86, PE 103.504/fin., Rapporteur: Mrs. H. Wieczorek-Zeul, 17 April 1986.

78. Wieczorek-Zeul, Debates of the European Parliament, No 327, 13.6.85, p. 206.

79. OJEC, Resolution on the proposed cooperation agreement between the European Community and Central America, No C 175, 15.7.85, paragraph 4, p. 244.

80. Ibid., paragraph 3, p. 244.

81. European Parliament Political Affairs Committee, Draft Report on the situation in Central America, PE 96.988/B/rev, Rapporteur: Mr. Ernest Glinne, 20 November 1986, p. 19.

82. For lists of resolutions see the opening preamble to Resolution on the situation in Central America, in European Parliament Delegation for Relations with the Countries of Central America and the Contadora Group Notice to Members, PE 121.316, 14 March 1988; and Resolution on the Tela Summit, 13.10.89, mimeo from PE 135.325 (title of the document unknown), p. 9.

83. Mr. Robles Piquer of the European Democrats described Costa Rica's democracy as 'exemplary'; see Debates of the European Parliament, No 2-341, 10.7.86, p. 261.

84. Ad Hoc delegation for a study and information Mission to Central America and Cuba, PE 111.712/BUR, Luxembourg, 16 January 1987, p. 3. Costa Rica was excluded from this generalised judgement because as Mr. Tuckman said in the debate on the report 'it is already democratic'. See Debates of the European Parliament, No 2-347, 22.1.87, p. 215.

85. For a Socialist presentation of this view see Mr. Hänsch, Debates of the European Parliament, No 2-331, 24.10.85, p. 192.

86. See Mr. Newens, Debates of the European Parliament, No 2-331, 24.10.85, p. 188; Mr. Lomas, Debates of the European Parliament, No 2-335, 20.2.86, p. 215; Mr. Lomas, Debates of the European Parliament, No 2-347, 22.1.87, p. 214.

87. For the Group of the European Right see Mr. Pordes, Debates of the European Parliament, No 2-331, 24.10.85, p. 191: For the European Democrats (the group which included the British Conservatives) see Mr. Tuckman, Debates of the European Parliament, No 2-331, 24.10.85, p. 193.

88. For the former view see Mr. Kuijpers (Rainbow group), Debates of the European Parliament, No 2-331, 24.10.85, p. 189: see also Mr Wurtz (Communist group), Debates of the European Parliament, No 2-339, 15.5.86, pp. 212-3.

89. See speech by Mr. Marck, Debates of the European Parliament, No 2-326, 9.5.85, p. 217; see also Mrs Lenz, Debates of the European Parliament, No 2-341, 10.7.86, p. 260.

90. See Debates of the European Parliament, No 2-341, 10.7.86, pp. 258-264.

91. For the resolutions see OJEC, Resolution on Central America and the judgement handed down by the International Court of Justice in The Hague on 27 June 1986, No C 227, 8.9.86, pp. 120-121; and Resolution on the situation in Nicaragua, No C 227, 8.9.86, pp. 121-122.

92. Mr. Staes, Debates of the European Parliament, No 2-331, 24.10.85, p. 187.

93. All quotes re the meeting with Lord Plumb from Emrys Jones Parry, Note for the record: Call by the President of Costa Rica, 20 May 1987, Brussels, 21 May 1987, files of the European Parliament.

94. Fernando Suarez Gonzalez to Lord Plumb, Luxembourg, 9.3.88, European Parliament files.

The policy of the institutions and member states of the European Community towards Central America coalesced in the mid-1980s around a number of issues which included a particular attitude to the Nicaraguan revolution and a sometimes ambivalent but nonetheless critical view of US policy in the region (see Chapter 5).

In this chapter an evaluation of four of the most important and politically diverse member states policies towards the region is presented. One objective is to try to decipher what interests those member states had in common which contributed to a convergence of attitude to the region in the Council of the Communities and which resulted in unanimous and continuous support for the San José process (see Chapter 5).

It is the individual states which are represented in the Council and their national policies which are negotiated before consensus (or not) can emerge. Because of the importance of bilateral national policies, a critique is offered of the Central American policies of the states and governments of Britain, the Federal Republic of Germany, France and Spain. These four states have not been identified as a focus for further analysis because they are the most powerful states in the Community or because they demonstrated a greater level of involvement with Central America than other member states. If the former was the case Italy would be included, at least on economic grounds, and Spain excluded. If the latter criteria were adopted the Netherlands would have to be included given its consistently high levels of bilateral aid to Central America in the 1980s.¹ These four states are key because of their weight within the Community and because of their political diversity. What

were the factors that Conservatives, Christian Democrats and Socialists had in common vis-a-vis a Central American policy? Where did they agree and where did they differ? These states are taken as both representative of significant political currents in the Community and possessing the political weight, with the possible exception of Spain, to exert decision-making power in international politics both in and out of the Community mechanisms.

Foreign policy making, even in democracies, is not noted for its susceptibility to domestic pressures. However the Central American crisis of the 1980s evoked a god deal of public interest internationally. Because of this, the chapter also considers the sub-national and transnational actors which influenced and/or exerted pressure on the four governments and their impact on government policies.

The chapter focusses on the time period from 1979 to 1985. The dates are chosen because it was around 1979 that the European Community began to intensify its involvement in Central America and by 1985 the Community had achieved a consensus on policy towards Central America. Spain of course did not enter the Community until 1986 and therefore had little direct impact on the Council's growing unanimity of view (in EC terminology communauté de vue). However the Spanish Socialist government of Felipe Gonzalez appears to have had an indirect influence on West European policy formation and formulations in respect of Central America, particularly via its leader's role within the Socialist International. This is one reason for offering an evaluation of the Spanish contribution. The second equally important reason is that the impact of Spain on the Community's Central (and Latin) American policy is often exaggerated.²

The chapter considers the four states' interests and policies in the region but

particularly focuses on the two issues with which the European Community was most concerned; the Nicaraguan revolution and EC/US relations. Because this chapter is dealing with member state policies it also considers both these issues in the context that particular state's relationship with both the Nicaraguan revolution and US administrations. The argument is not that interests determine policies but that interests provide, to paraphrase Kenneth Waltz, a 'shoving and shaping' mechanism, as far as state policies are concerned. National interests of course, can sometimes be contradictory. This can most clearly be seen in British political interest vis a vis the Falklands which was of maintaining suzerainty and Great Power status - which was at variance with the economic interest of protecting and expanding markets in Latin America, including Argentina.

The aim of this chapter is twofold. The first is to help explain the convergence in Council policy in the 1980s. It considers what divergences and commonalities there were between the member states in terms of their bilateral policies towards Central America.

The second aim of the chapter is try to counter any methodological bias towards overestimating the role of the European Community in the region by changing the level of analysis of the central problem addressed in this thesis, that is 'why did the EC intervene in Central America in the 1980s?'.³ This latter point is important because although the Central American policy was an important Community initiative in the 1980s it does not necessarily follow that Central America was an equally important issue for the member states. If the region was not a priority issue for member states as well as the Community this would of course not only tend towards the weakening of Community policy but also a loss of

Community credibility with its Central American partners. The chapter therefore also considers the relative priority of Central America as a foreign policy issue for each of the member states discussed.

Although the chapter is concerned with foreign policy towards one region of the world it does attempt to review the foreign policies of four major states in the international system. The presentation therefore is somewhat schematic and the conclusions tentative and suggestive rather than definitive.⁴ Nevertheless the evidence presented is sufficient to offer useful comparative analysis in respect of the issues raised.

Britain and Central America

Britain's major direct interest in Central America was Belize - a British colony until independence was achieved in 1981. No vestigial interest in the five republics remained outstanding from the its nineteenth century colonial role in Central America (see Chapter 4).

Britain's indirect interests in Central America related to that region's position as a sub-system within two larger regional entities. Britain had an indirect interest in Central America because of Britain's locus as an ex-colonial power in Central America and the Caribbean. Britain also had an indirect interest in Central America as part of a Latin American entity with which British governments were concerned to encourage trade and safeguard investments but with which relations became strained because of the Falklands/Malvinas war of 1982. Straddling both of these regions - both conceptually and physically - was the British interest in

maintaining the security of the Panama canal.⁵

British policy only reluctantly and almost clandestinely responded to the crisis of the 1980s - fearing to alienate the United States yet unwilling to support the extremes of the Reagan administration's policies towards the region. Britain's participation in the European Community's intervention in Central America achieved among other things, a position for Britain whereby 'cover' could be offered for adopting a policy which was different from that of the United States in tactics if not in fundamentals.⁶ The policy towards the Nicaraguan revolution differed with the US - although not as much as that of France and Spain - in two ways. The first was in terms of the assessment of the utility of the military instrument as an appropriate foreign policy means. The second was in terms of the evaluation of the purported 'threat to the West' from Soviet/Cuban/Nicaraguan expansionism.

(i) General regional interests and policies

Britain had been in dispute with Guatemala over Belize since the 1820s when Guatemala achieved independence. An agreement was signed in 1859 between Britain and Guatemala which allowed for British sovereignty on the proviso that the British would build a road from Guatemala City through Belize to the Caribbean Coast. The road was never built and Guatemala has subsequently claimed Belize as its own. This unresolved dispute contributed to the decision - supported by Belizean governments after independence - to maintain a small British garrison in Belize.⁷

Although the British government and after 1981 the Belizean government were careful not to become involved in the Central American conflict one important

byproduct of the Belize/Britain/Guatemala dispute was the British relationship with Guatemala. Relations were at best antagonistic and from 1981 formally non-existent after Guatemala severed diplomatic links with Britain. (These were not fully restored until December 1986). One of the consequences of British consideration of Guatemala as a 'potential enemy' was that it was unlikely to be able to support the US strategy for the region which partly involved mobilising four of the five Central American republics (including Guatemala) in an alliance against Sandinista Nicaragua. In fact in 1983 Britain protested to the United States when it sent a shipment of helicopter parts to Guatemala.⁸

In 1966 Guyana had achieved independence thus obviating the need for Britain to remain involved with the Venezuela/Guyana border dispute and reducing the likelihood of British military and/or political participation in a conflict zone proximate to the Central American republics.⁹ Britain's major interest in the Central America and the Caribbean region however was as a major ex-colonial power with residual links to the region because of the remaining dependencies like the Caymans and Montserrat and because of ties such as Caribbean immigration (to Britain) and trade, investment and aid relationships.¹⁰ In spite of these ties post-war British governments more or less accepted that it was the United States and not Britain which was the predominant power in the Caribbean region. The British role would be to provide political support to prevent any of the Caribbean countries following the Soviet or Cuban model of development. A 1981 Foreign Office memorandum stated that

'The main British defence and security interests are in Europe in line with the

increasing concentration over the years of our efforts in the NATO area.. Geography dictates that the United States should have become closely interested in the Caribbean, and there is a broad Western interest in the region. In practical terms this means that free institutions and developing economies should be encouraged and supported and that the area should remain, as far as possible, free from Soviet and Cuban intervention. The Caribbean is not an indispensable source of strategic raw materials for Britain.¹¹

Although Britain, unlike the United States maintained diplomatic relations with Castro's Cuba, in many respects Caribbean policy in the early 1980s was shaped by the Reagan administration's Cold war concerns. This non-independent foreign policy placed Britain in a difficult position in October 1983 when the United States invaded Grenada, a member of the British Commonwealth, without agreement from the British government and in spite of the 'considerable doubts' expressed by Mrs. Thatcher to President Reagan about the advisability of such a course of action.

There remains doubt as to whether the British government was consulted at any level before the actual invasion. One source indicates that Mrs Thatcher was telephoned by President Reagan the night before the invasion.¹² If Mrs. Thatcher was consulted she did not pass the message on to the minister responsible for Grenada, Ray Whitney. At a meeting in the Foreign Office on 25 October 1983 with a group of Labour MPs and one Labour Councillor to discuss a possible US invasion of Grenada and Nicaragua the junior minister responsible for the region Mr. Ray Whitney did not know until half way through the meeting, after being called aside by civil servants, that Grenada had just been invaded. Combined with the fact that

Sir Geoffrey Howe, the Foreign Minister, had announced only the day before in the House of Commons that he had 'no reason to think that American military intervention is likely' it would seem to indicate that the Thatcher government had no advance warning of US invasion plans.¹³

The British government did not engage in direct public criticism of the US although Mrs. Thatcher, President Reagan's closest ally, demonstrated her disapproval on 31 October 1983 when she remarked that freedom 'does not mean that you are entitled to go into every country.. which is under communist oppression'. Neither did the Royal Navy, which had a frigate stationed off Grenada, join in the invasion.¹⁴

One year before the Grenada invasion the House of Commons Foreign Affairs Committee had issued a report which had recommended that Britain upgrade its diplomatic and political involvement with Central America and the Caribbean. The report had also recommended that Britain work closely within the EC and side by side with Mexico, Venezuela and Canada to try to achieve some amelioration of the socio-economic conditions which in the opinion of the Committee were the root cause of conflict in the region.¹⁵ Although the report's recommendations were more or less ignored by the British government at the time of publication there are some indications that the report's conclusions combined with the embarrassment over the Grenada affair forced some limited differentiation in British policy from that of the US towards the region. A 1984 government statement argued that 'an increased American involvement in the Caribbean.. need not inhibit Britain maintaining a distinctive policy towards the area'.¹⁶

The Reagan administration resented the British lack of enthusiasm for the

Grenada invasion. US policy-makers considered that British support should have been forthcoming if only as a quid pro quo for US support in the Falklands/Malvinas dispute the previous year.

Because of the 1982 Falklands war, Britain had managed to alienate every Latin American country, with the exception of Chile. Britain had also found itself reliant on the United States for diplomatic support and at least initially uncertain whether that support might be forthcoming. The United States on the other hand, had been reluctant to enter the diplomatic fray, given that it wanted to maintain friendly relations with Latin America, particularly because of the high priority given to the US' Central American policy. The US was also concerned that Latin American hostility to what was widely perceived as British colonial interference in the South Atlantic might result in more pro-Soviet Latin American stances - particularly if the US joined Britain in a 'Western alliance' against Latin America.¹⁷ Thus US policy-makers judged that given the support given by the US to Britain in difficult circumstances in 1982 - a reciprocal support was due to the US over Grenada in 1983.¹⁸

One indirect result of the Falklands war and Nicaraguan diplomacy was that the Argentinean military advisers to the US financed contras were withdrawn from Central America and the US was propelled into a much more direct involvement in the anti-Sandinista war.¹⁹

A potential concern for Britain in respect of the 1982 war was the impact on economic relations with Latin America as a whole. Britain's policy towards Latin America had since 1945 been based on economic considerations; viewing Latin America as a source of important raw materials and a market (sometimes viewed

as a potential market) for exports and investment. A 1982 post-Falklands government report confirmed these priorities.²⁰ In fact the war simply acted as another factor which contributed to the already diminishing trade between Britain and Latin America. The value of British exports to Latin America fell from \$110,358 million in 1980 to \$92,012 million in 1983. Not surprisingly the value of British exports to Argentina showed the sharpest reduction; from \$403 million in 1980, to \$65 million in 1982, to \$7 million in 1983. During this period Latin America never took more than 2 per cent of British exports. The value of British imports from Latin America also dropped steadily from a 1980 total of \$115,971 million to \$99,712 million in 1982, increasing slightly in 1983 to a value of \$100,309 million. However even by 1983 Latin America did not account for two per cent of Britain's imports. British imports of Argentine goods fell from \$271 million in 1980 to \$0.3 million in 1983.²¹

British trading interest in Latin America was limited therefore. While the potential of Latin American markets was acknowledged as was the possibility that Latin American oil may become a sought after commodity after British oil runs out there were no immediate or important commercial interests in the late 1970s/early 1980s which Britain, unlike the Federal Republic of Germany for instance (see below), had to take into consideration in devising a policy towards the sub-region of Central America.

Compared to commercial interests, British investment interests in Latin America - both in terms of direct investment and loans - were more important. However the level of British direct investment was low compared to what it had been in for example in 1930 when some 35 per cent of all British overseas direct

investment was in Latin America. By 1974 the percentage share had fallen to 4.5 percent, before showing a moderate increase to 7 per cent in the period 1978-1981.²² The most important British economic interest in the region as a whole however was in relation to the financial flows from British banks to Latin American governments. Both the Midlands and Lloyds, two of the 'Big Four' British clearing banks were owed substantial amounts by Brazil, Argentina and Mexico; so much so that a default by all three countries would have probably resulted in disaster for either of these banks but particularly the Midland which in October 1983 was owed \$3.6 billion by these three debtors - amounting to \$1.1 billion more than its capital assets.²³ Mrs. Thatcher's government was well aware of the need to support Latin American debt rescheduling because of the ramifications for the British (and international) banking system, particularly since the 1982 Mexican debt crisis when that country seemed on the point of default. The British government however responded in an ad hoc manner. In terms of policy towards Argentina after the 1982 war the British government supported rescheduling of some of that country's debts but opposed the involvement of British banks in that rescheduling.²⁴

The point here is that 1982 and 1983 were crucial years for British perceptions of Latin America. Britain was involved in a war in which it achieved military success but which in its aftermath risked damaging British economic interests. The war also indicated that the US government could not be relied on to act automatically in support of Britain, particularly if it felt its own interests were at risk. The Grenada incident also contributed to the understanding that while the US and Britain might agree on strategic priorities, the policies chosen to implement those strategic priorities might be different. It also publicly showed that Mrs.

Thatcher's government, despite the Thatcher/Reagan 'special relationship' was conceived of, by the US, as the 'junior partner'.

There is no doubt that Latin American, including Central American policy, continued to be a low priority for the British government. However, inter alia, these distinct British interests and the differentiation with US interests allowed for some difference of approach from that of the US to Latin America, and the conflict in Central America, by the British government.

(ii) Policy towards the Central American conflict 1979-1985

British strategic, political and economic interests in the five republics were few.

From 1979, with the advent of the Conservative government the approach, like that of the Reagan administration elected in 1980 was anti-Communist. Unlike the White House it seemed to accept that social injustice was the root cause of political instability which contributed to creating the conditions for Soviet and Cuban intervention. (Ironically, by 1983 Cuba provided the largest single market for British exports out of the five Central American markets, the Dominican Republic, Haiti and itself and was Britain's second largest source of imports - after Costa Rica.)²⁵

In 1981 official government policy to Central America was summed up as follows.

'The aim of British policy is as far as possible to offer assistance to friendly

governments of the region to help in their development in a just and equitable fashion. We have an important interest in ensuring the unimpeded operation of the Panama canal and have made a sustained effort to bring Belize to independence in circumstances which will guarantee that country a secure future. The area has long been characterised by violence, instability and conflict, unequal distribution of wealth, great privilege coexisting with great deprivation and poverty. The alleviation of these conditions is an urgent priority for the governments of the region, in which they are entitled to expect assistance from the international community. We share the widespread concern about the inherent instability of the region, and the opportunities which it creates for Cuban and by extension Soviet, intervention. We consider that our interests are served by encouraging an awareness of the long term dangers of Communist subversion.²⁶

British trade with the five republics was minimal. In 1983 total British exports to Central America amounted to 37.8 million pounds. In that same year Britain's imports from Central America totalled just 50.1 million pounds.²⁷ British aid was conditioned by both development and political priorities. Between 1980 and 1985, Honduras, as the poorest country in the region, received the highest amount of British bilateral aid at \$26.1 million. Costa Rica, certainly not the next poorest, received the second largest amount of aid, valued at \$3.8 million during the same period. El Salvador (\$1.1 million) Nicaragua (\$0.8 million) received much smaller amounts of development aid. Guatemala received almost nothing - just \$0.1 million.²⁸

Although Nicaragua as the second poorest country in Central America and as

the country judged by British aid agencies to make best use of aid monies (two of the government's aid criteria) it was not allocated similar sums of aid to that of Honduras. (In fact the Labour government of 1974 to 1979 gave at least double the aid to the dictator Somoza's government in Nicaragua compared to that given by the Conservative government to the Sandinista government after 1979.)²⁹ The British government's view was that

'The administration of aid had to take account of the political environment as well as economic considerations... there could be no question of further development assistance from the UK whilst Nicaragua appeared to be headed on a path towards a one party Marxist state.'³⁰

However the important point here is the contrast between the British and the US approach on aid to Nicaragua. After 1980 US no further aid was allocated for Nicaragua. British bilateral aid to Nicaragua did continue throughout the period of the Conservative government; thus indicating at least a degree of independence from US tutelage. This independence should not however be overstated. In economic terms, the British government, while denying the practice officially, appears to have supported the US in multilateral economic institutions like the Inter-American Bank for development and the World Bank in its policy of blocking loans to Nicaragua.³¹

In political terms the British government also demonstrated a limited although arguably a significant independence from the US government. Britain's official approach to the Central American conflict was that 'we believe that any solution to the conflicts in Central America must be political, not military'.³² This

was not the same approach as that of the US but was the view adopted by the European Community the following year in Stuttgart (see Chapter 4). This was also the view of the Contadora group which the British government supported from its inception in 1983 (see Chapter 1). In 1986 Foreign Secretary Sir Geoffrey Howe told the House of Commons that 'The United States Government are well aware of our views' after he had informed the House that the British government did 'not believe that the problems of Central America can be solved by armed force'.³³

This divergence of views combined with the British foreign policy priority of maintaining as good relations as possible with the US led to a somewhat ambiguous British policy towards Central America. On the one hand Britain was the only European state to accept the invitation from the US to send observers to the 1982 Salvadorean elections; these were the elections that the European Parliament had judged as insupportable (see Chapter 4).³⁴ The British government also followed the US lead by refusing to send observers to the 1984 elections in Nicaragua - despite the fact that every other European government and the European Parliament decided to recognise the validity of the Nicaraguan democratic process and sent observers.³⁵ In addition, on the rare occasions that Mrs. Thatcher commented on the Central American crisis she staunchly reiterated the US point of view. taking US assumptions as her base the then Prime Minister stated in 1985 that 'Britain's attitude to Nicaragua will depend on the extent to which (the) country is prepared to reduce the level of armaments, to put an end to its interference in the affairs of its neighbours, and to establish genuine pluralist democracy'.³⁶

On the other hand in practice, as in the Council of the European Communities, the British position was a little more 'nuanced' than Mrs. Thatcher's

statements might suggest. Contrary to the common opinion of the British Left, the British government and its representatives, expressed views within the arena of public diplomacy which were not automatically supportive of the US on this issue.³⁷ The Nicaragua solidarity campaign for instance noted that various votes took place within the UN Security Council and the General Assembly and that 'Britain has almost always either abstained or voted with the United States'.³⁸ The interesting point, given British overall foreign policy priorities, and given US pressure on its allies to support its line on Central America (see Chapter 1) is that Britain abstained so many times, to the extent that on at least one occasion the US was completely isolated in a Security Council vote and had to use its own veto.³⁹ Britain also supported UN resolutions in 1985 (and outside the time frame of this study – in 1986) condemning human rights abuses in El Salvador – the latter a close ally of the US.⁴⁰

There were some allegations during the Irangate investigation that Mrs. Thatcher and/or senior government officials had given covert support to the US funded military operation against Nicaragua but these were never proved.⁴¹ But an important difference with US policy was that the British government did not participate in and did not support the use of military means to bring an end to the conflict.

Various sub-national groups attempted to persuade the British government to change policy either to closer links with the US or to a more complete disassociation with US policy. Winston Churchill MP supported the former tendency visiting President Reagan in April 1985 to campaign for increased support for the contras.⁴² The solidarity campaigns, the Labour and Liberal parties, various

churches, many Labour-controlled local authorities and the major aid agencies campaigned for a more independent policy.⁴³ Although the Foreign and Commonwealth Office at times received more letters on Central America than any other foreign policy issue there is no evidence that the solidarity lobby had a major impact on government policy.⁴⁴ However that is not to say that these efforts were insignificant. The existence of such a lobby may have been a factor in maintaining the rather distanced government position from that of US policy.⁴⁵

British government wariness in respect of US policy appears to have come about because of its concern that international law should be respected and in particular that it was not appropriate for the United States to be funding mercenaries who were dedicated to the violent overthrow of an internationally recognised sovereign state. The British government did not consider that the revolutionary movements in Central America were a major threat to US security interests. It was also concerned about the wider international implications of the US attitude to the conflict. One British scholar noted that

'The British fear has been that the US administration's overt sponsorship of the Contras could not only lose the United States the high moral ground in relation to the Soviet Union, but also establish a precedent having dangerous repercussions on international stability elsewhere'.⁴⁶

Central America was of low policy salience for Britain. Within that context British policy had differentiated itself from that of the US before the formulation of a Community policy to the region. The 1982 effort by Britain within the Council

to exclude Nicaragua from Community aid (see Chapter 4) may have been partly a product of an international obligation that the British government felt it owed to the US in respect for US support during the Falklands/ Malvinas war. By contrast the 1983 Grenada incident may have helped push Britain back to what it may have considered as a more balanced policy; of anti-revolution but by the use of more moderate means than those employed by the United States.⁴⁷ The EC's San José process provided a low risk means of pursuing a policy towards Central America which was slightly at variance with that of the United States. However it should be emphasised that Central America was of less than marginal importance for Britain. If the EC had not instituted its multilateral approach it is unlikely that British policy makers would have considered such a policy necessary. This was a different position than that taken by the Federal Republic of Germany.

The Federal Republic of Germany and Central America

The Federal Republic of Germany had no important economic or strategic interests in the region but developed and maintained a political interest in Latin America and in Central America throughout this period. This interest was maintained despite the change in government in 1982 when the Social Democrats (SPD) led by Chancellor Schmidt were replaced by a Christian Democrat (CDU) government led by Chancellor Kohl. Continuity in FRG foreign policy was maintained partly because of the presence of Hans-Dietrich Genscher, of the Free Democratic party (FDP), as Foreign Minister in both SPD and CDU governments.

One major difference between Germany and France, Britain and Spain in

terms of the relationship with the wider Caribbean and Central America region, was that Germany had not been a colonial power. Although this meant that Germany did not suffer from post-colonial conflicts and could therefore act as a 'neutral' power this same factor also meant that Germany's ties with the region were correspondingly weaker. In terms of the relationship with Latin America as a whole links were predominately economic although in terms of relative political priority one commentator has argued that compared to Britain and France 'Germany is the one that attaches most political importance to Latin America'.⁴⁸

The defining characteristic of FRG involvement was the dominance of non-governmental organisations in German activities in Central America. This was partly because of the FRG's 'special' position in world politics which in this period still made West German governments ultra sensitive to international fear of a possible resurgent and powerful Germany.⁴⁹ Non-governmental activity also became important because the Latin American region as a whole was a low priority for FRG foreign policy-makers and thus the non-governmental organisations, particularly the powerful and prosperous political foundations, filled the political vacuum to become influential foreign policy actors in Latin and Central America.

The German 'special' position in world politics was also reflected in its preference for multilateral initiatives. Participation in collective Community foreign actions was particularly important for Bonn governments because of the 'alibi and legitimisation functions' provided by Community foreign policy. Participation in an EC foreign policy network helped to shift blame for unpopular decisions to an amorphous entity in Brussels and at the same time provided evidence that the FRG was a 'legitimate' democratic nation.⁵⁰

Despite the continued recognition by German governments that Central America was part of the US 'sphere-of-interest', political élites and their leaders became increasingly concerned that the Western Alliance might be threatened by precipitate US military action in Nicaragua and attempted to promote peace initiatives to try to forestall any such action.⁵¹ FRG policy towards the Central American conflict was of active support for multilateral peace initiatives such as Contadora and the EC's own San José process. German Christian Democratic opinion was generally hostile to the Sandinista government but did not support the use of military means to resolve the conflict.⁵²

(i) General regional interests and policies

The Federal Republic's strongest institutional link to the wider Caribbean and Central America region was indirect, via its membership of the European Community and the Community's treaty-based relationship with the African, Caribbean and Pacific Group of Nations (the ACP). Since 1984 Germany's formal links with Central America also were implemented via the EC by way of the San José process which was instigated by Foreign Minister Genscher (see Chapter 4). The Federal Republic's own direct political interests with the Caribbean and Central America - at least up until the intensification of the Central American conflict in the early 1980s were negligible. Bilateral links were mainly channelled via aid relationships and from 1982 the Kohl government gave priority to the Dominican Republic, Jamaica, Haiti, Costa Rica, El Salvador and Honduras.⁵³

The FRG's approach to Latin America up until 1969 and the advent of the

Brandt government was that the region should be considered as the 'exclusive domain' of the United States.⁵⁴ There were no radical changes in the strategic direction of policy towards Latin America after 1970 although the tenor of the FRG's diplomacy became more confident and assertive - expressing some independence of the US. By 1979 when Chancellor Helmut Schmidt visited Latin America both left and right wing political forces appeared supportive of a more high profile West German involvement in Latin America.⁵⁵

The reason for the renewed interest in Latin America was partly for economic reasons although Latin America itself provided more of a potential market for West German trade and investment than an important actual market. Latin America provided only a small market for the FRG's exports - just over 3 per cent of the FRG's exports went to Latin America in 1979. Similarly only a small percentage of the Federal Republic's imports came from Latin America - about 3.5 per cent in 1979. Latin America's share of the FRG's world trade remained low and in fact diminished between 1973 and 1979.⁵⁶ Latin America was more important for West Germany in terms of foreign direct investment (fdi) although that importance steadily declined. In 1955, 26.6 per cent of all West German fdi went to Latin America. By 1974 the proportion fell to 12.9 per cent, staying at about that level for the next six years.⁵⁷ Neither was the Federal Republic as involved in Latin America in terms of private bank loans as was Britain and France. In 1983 West German banks were owed some seven and a half billion dollars by Latin America - compared to just over 27 billion dollars to British banks and nearly 17 billion dollars to French banks.⁵⁸ Latin America has also fared badly in terms of the FRG's allocation of development aid worldwide; receiving 'the smallest share of German

bilateral assistance'.⁵⁹ The principles of West German aid priorities which were based on alleviating poverty were maintained by both the SPD and CDU governments although the Kohl government in practice has adopted more political criteria for the allocation of aid.⁶⁰ This shift could be most closely seen in the FRG's response to the Central America conflict (see below).

The change in direction of West German policy cannot therefore be explained in a purely economicistic manner. The West German offensive (such as it was) in Latin America of the late 70s/early 1980s seems to be better explained as a function of a number of factors including the Federal Republic's increased economic power worldwide, the pre-existing German cultural connections in Latin America and the fact that Latin America had less direct colonial links with other European nations leaving the diplomatic field relatively free for West German initiatives.⁶¹ West German motivations for increasing involvement were complemented by the receptivity of Latin American élites because of their desire for German capital and trade and their political desire to obtain some diversification of dependence away from the United States but within the Western camp. The Brazilian government in particular attempted to build a working relationship with the FRG which could help counter US dominance.⁶² The most controversial aspect of this policy was the decision by the FRG in 1975, despite opposition from the US, to sign a \$5 million agreement with Brazil to provide civilian nuclear technology to the latter country.⁶³

What also changed in the 1970s and 1980s was the increased activity and visibility of West German non-governmental actors in Latin America. These included Chambers of Commerce, trade unions, churches, human rights and solidarity groups.

The most important however were the political parties and the Stiftungs (foundations) attached to the major parties. The four state funded Stiftungs are the Friedrich Ebert Foundation attached to the SPD, the Konrad Adenauer Foundation attached to the CDU, the Friedrich Naumann Foundation attached to the FDP and the Hans Seidel Foundation attached to the Christian Social Union (CSU) - the CSU being the Bavarian affiliate of the CDU.⁶⁴ In Latin America the most active of these non-governmental actors were the Social Democrats and the Friedrich Ebert Foundation and the Christian Democrats and the Konrad Adenauer Foundation.⁶⁵ Their mission in the late 1970s included support for 'self-help organizations, adult education, personnel recruitment, training, and production in the mass media as well as the promotion of regional research capabilities' within a framework of promoting the 'survival of democratic forces'.⁶⁶

These political groups worked closely with their Latin American counterparts and via their respective transnational party internationals - the Christian Democratic World Union (CDWU) and the Socialist International (SI). After Willy Brandt the ex-West German Chancellor was elected President of the Socialist International in 1976 he made a deliberate effort to recruit Latin American Socialist parties and to encourage some of the more radical Latin American political parties to cooperate with the SI as observers (for example the FSLN attended SI meetings from 1978). Between 1975 the Latin American membership grew from 3 to 14 and in 1977 the SI formed the Regional Committee on Latin America and the Caribbean.⁶⁷ The CDWU is the umbrella organisation for the European Christian Democratic Union and its sister organisation the Caracas based Christian Democratic Organisation of America (ODUCA). Christian Democracy was a potent

force in Latin America from the late 1940s, with the first Christian Democratic President of a Latin American country being Eduardo Frei of Chile (1964-1970). In 1982 ODUCA comprised 19 political parties or movements.⁶⁸

The participation of West German political parties in these transnational organisations enhanced the prestige of the political parties concerned but according to an influential West German review of relations with Latin America in 1984 led 'to a disproportionate concentration of the German activities vis-a-vis Latin America at the subgovernmental level' which contributed to a 'lack of coordination between governmental and subgovernmental activities'.⁶⁹ According to the same report this was most marked in respect to the Central American conflict of the early 1980s.⁷⁰

(ii) Policy towards the Central American conflict 1979-1985

The Federal Republic, like Britain, had no significant strategic, economic or political interests in the five republics. During this period the change of government in 1982 might have been expected to bring about a sharp change in policy towards Central America but overall strategy remained fairly consistent. The West German approach to the conflict was complicated by the dominance and powerful influence of the two main non-governmental actors - the CDU and the SPD. Nevertheless these two political protagonists had much in common and less division than might be expected between them in terms of their Central American policy.⁷¹ The common ground between the two major political parties formed a base for the Foreign Minister's initiative which evolved in 1984 into the EC's San José process.

In outlining the objectives of the policy Christian Democrat Alois Mertes drew attention to the analysis - shared by both major parties - of the reasons for the conflict. He argued that the FRG's policy 'is aimed at combatting the deeper causes of the conflicts in Central America. These lie - and I repeat a truism - in economic backwardness, social injustice, and political tyranny. These factors have given rise to instability and have opened the region to the influence of revolutionaries.'⁷²

In 1984 Foreign Minister Genscher elaborated on the policy which would encourage the resolution of the conflict by peaceful means and would involve the Federal Republic in the preferred multilateral approach.

'Exactly because it is a matter of securing and maintaining - by peaceful means - economic stabilization, social justice, national sovereignty, and social pluralism in a geostrategically important region ridden by crises and conflicts, our friends in Central America need the partnership of the European Community. If we refuse this partnership, or if we are too fainthearted or even only too indecisive in our political and economic involvement, we will be abandoning the peoples of this region to growing destabilization and the burden of severe social problems. We are faced with the danger that Central America will become the arena of a heightened East-West conflict.'⁷³

Both Mertes and Genscher followed these comments with references to the United States sharing the German analysis. However as has been noted (see Chapter 1) the dominant view within the Reagan administration was that the conflict was primarily the responsibility of aggressive Soviet/Communist expansion. The other

major difference between the FRG and the US (as between Britain and the US) was the emphasis given by both the German government and the major political forces to resolving the conflict by peaceful means.

The FRG was the most important of the EC countries as a trading partner for Central America and along with the Netherlands, the most important source of bilateral development assistance from the EC member states.⁷⁴ In 1980 the FRG disbursed ODA worth \$36.1 million to Central America - compared to Britain's \$21.2 million and France's \$1.9 million. In 1982 the equivalent figure for the FRG was \$32.2 million compared to \$3.0 million from Britain and \$11.3 from France. The 1985 West German ODA contribution to Central America totalled \$30.9 million, compared to \$1.7 million from Britain and \$11.5 million from France.⁷⁵

Shifts in the distribution of West German development aid during the period reflected the different priorities within Central America of the Social Democrat and Christian Democrat governments. The Kohl government chose not to fully disburse the DM160 million promised by the Schmidt government to Nicaragua although aid was never completely cut off to that country.⁷⁶ Christian Democrat West Germany allocated less aid to Nicaragua between 1982 and 1984 (\$19.9 million) than Socialist France (\$25.7 million) although compared to Conservative Britain (\$0.2 million) its programme of ODA was munificent.⁷⁷ The major difference between Christian Democratic West Germany's aid policies and those of its EC partners France and Britain however was in its approach to El Salvador and Honduras. In the years 1982 to 1984 inclusive the Federal Republic donated \$7 million dollars to Christian Democrat President Duarte's government in El Salvador. This compared to \$0.1 million from France and \$0.3 million from Britain. Although a civilian Head

of State was not elected in Guatemala until 1985 - Christian Democrat Vinicio Cerezo - the Federal Republic also aided Guatemala between 1982 and 1984 by way of \$14.7 million in ODA. This compared to a total of ODA from France to Guatemala in the same period of \$1.0 million and nothing from Britain.⁷⁸

The Social Democratic government had favoured the Sandinista government within Nicaragua while the Christian Democrats, not surprisingly, leaned towards their homologues in Guatemala and El Salvador. The political foundations carried out work throughout Central America. All four foundations operated in Nicaragua and Honduras and all except the Hans Seidel Foundation were active. In Costa Rica all four Foundations were active. In 1984 only the Naumann Foundation was active in Guatemala and only the Adenauer Foundation operated in El Salvador.⁷⁹ However there was no exact correspondence between West German government and political party policy and party loyalties. Both Social Democratic and Christian Democratic governments supported Social Democratic governments in Costa Rica. In addition, the Social Democratic party, although out of government in 1982, became increasingly critical of the Sandinistas after that date.⁸⁰ The SPD defined their relationship with the FSLN as one of 'critical solidarity'.⁸¹

As with Britain however, the important point is that the FRG took a different approach to the conflict than its NATO partner, the United States. Tensions between the Schmidt government and the US were particularly apparent on this issue.⁸² But both the SPD and CDU governments continued to aid the Sandinista governments despite direct US appeals not to do so. The Kohl government accepted the US government's argument that revolutionary Nicaragua was supporting the destabilisation of El Salvador by aiding the revolutionaries in that country.⁸³ Like

the Thatcher government in Britain however it chose to maintain some links with the Nicaraguan government while expressing public disapproval for Sandinista policies. Both SPD and CDU governments also sought a peaceful resolution to the conflict. Christian Democrat Minister of State at the Foreign Office, Alois Mertes, in a discussion which was generally supportive of the United States argued that the 'credibility of the leading Western power will remain intact if, while still preserving all necessary options, the United States subordinates military power to the primacy of politics in Central America - that is, if it continues to give top priority to the search for durable political solutions.'⁸⁴

The Christian Democratic view of US policy to Central America was that it has sometimes been misguided. Ottfried Hennig, the CDU's Minister of State for Inter-German Affairs commented in an article published in 1987 that 'in the course of the past 100 years, the United States has committed many mistakes vis-à-vis Latin America. The traditional U.S. policy of demonstrating economic and military strength has often antagonized its smaller and weaker neighbours; another kind of policy would have been more appropriate.'⁸⁵

The most important reasons for West German differences with US policy to the Central American conflict included the perceived threats both to the Western Alliance and to the FRG's policy of Ostpolitik to its Eastern neighbours.⁸⁶ These concerns about US policy to Central America were in addition to Federal Republic reservations about the Reagan administration's aggressive approach in respect of other foreign policy issues such as Afghanistan issue and to the imposition of martial law in Poland. For some the US appeared to be damaging its (and the West's) credibility by engaging in military actions which appeared to be bordering on

illegality and perceived by wide sectors of global opinion as unjust.⁸⁷ In response to these factors the German leadership saw its role as devising a policy which could prevent the United States from becoming more directly involved in the Central American conflict which in their opinion would lead to 'incalculable' consequences for the Atlantic Alliance.⁸⁸

Bonn governments with their own experience of living with nearby Communist states did not share the US interpretation that revolutionary movements in Central America formed a major security problem for the US. They considered that the US was overreacting to what was essentially a localised conflict.⁸⁹ In addition the governments of the FRG recognised the need for social change in that region and could accept a 'formula of long-term stability, while accepting instability in the short run'.⁹⁰

Central America was of itself a low foreign policy priority for the FRG.⁹¹ The significance of the Central American conflict for the FRG was because of the questions raised in respect of US handling of the crisis. Neither Social or Christian Democrats agreed with the US analysis of the primary reasons for the Central America crisis as being due to external Communist subversion. Both considered that socio-economic problems were the primary cause of conflict.⁹² Both parties also disagreed with the US military based approach to the region. The main cause and consequence of West German involvement in the region therefore was the increasing questioning of the capabilities the US as the leader of the Western Alliance.⁹³ The EC's San José process was in some senses a foreign policy instrument which could be utilised to moderate US policy and in so doing safeguard the integrity of the Western Alliance.

France and Central America

The primary interests of France in the region were strategic and political and related to the security and stability of its three overseas départements; Guadalupe, Martinique and French Guyana.⁹⁴ A secondary interest was the maintenance and support for French language and culture. In order to pursue this objective France maintained links with the French and French Creole speaking islands of the Caribbean including Saint Lucia, Dominica and particularly Haiti and provided development aid for these small states.⁹⁵

France under De Gaulle, in line with its independent and sometimes overtly anti-US foreign policy, had briefly attempted to court Latin America but without much tangible success. Successive administrations displayed little interest in Latin America but retained the Gaullist heritage in respect of attempting to maintain a foreign policy independent of the USA.⁹⁶ In terms of relations with the South the links with Africa remained top priority for all French administrations.⁹⁷

President Valéry Giscard D'Estaing, leader of the Democratic Union of France (UDF) and elected in 1974, improved relations with the US but in 1981 he was replaced as President by the Socialist François Mitterand. Policy towards Central America changed from that of a pro-US position to an overtly critical stance in respect of US policy - but only briefly. By 1983 the French Socialist President was advocating a critical line in respect of his revolutionary colleagues in Central America. From 1983 French foreign policy also displayed a markedly Atlanticist posture.

The Socialist government's Central America policy was distinctive in that it actively promoted a 'third-worldist' orientation to the problems facing Central America. The Socialist Party (PS) rejected the view that the conflict was caused by Communist subversion but considered that the crisis was because of instability caused by socio-economic inequalities and poverty. The Mitterand approach to the South was that 'to strengthen world peace the Third World must be taken out of the East-West conflict so that they be given a chance to develop rather than remaining pawns in the great power conflict.'⁹⁸

The Mitterand government's intervention in the early 1980s in the Central American conflicts in open support of the revolutionary movements in El Salvador was not well received internationally, even in Latin America and Europe. Its subsequent more cautious policy replaced these bilateral French initiatives to support for and participation in multilateral approaches. Consequently the Mitterand government supported the Contadora peace process and was a leading proponent of the EC's San José process. M. Cheysson, the French Foreign Minister from 1981 to 1984 was appointed European Commissioner responsible for Central America and development issues in 1985. Commissioner Cheysson took an active interest in Central American issues and was a major influence in the development and implementation of the EC's policy towards the region (see Chapters 4 and 5). However this influence should not be overstated. The Community's analysis of the causes of the conflict and the convergence around an agreed Community policy took place during Commissioner Cheysson's interregnum in office.

(i) General regional interests and policies

As an ex-colonial power France had historic and profound links with the Caribbean region and the mainland area of Central and South America. Three of its ex-colonies - Guadaloupe, Martinique and french Guyana - had become 'overseas départements' of France in 1946 and as such were considered by successive French governments as an integral part of France. The bulk of French aid to territories in the region went to these three départements with the result, among other things, that inhabitants of these territories had a higher standard of living than the citizens of Central America and the independent Caribbean states. France considered its policies as representative of a 'responsible' attitude by an ex-colonial power. However its reasons for maintaining strong links these former colonies were as much strategic and parochial as altruistic and enlightened. Martinique and Guadaloupe provided convenient bases for nuclear weapons shipments to the nuclear testing facilities in the Pacific. French Guyana was the location of Centre Spatial Guyanais (CSG), the rocket launching facility for French and European space satellites. One author has called the CSG 'the most important strategic asset of France overseas'.⁹⁹ In this sense French security interests in this region were far from trivial.

Like the United States, France wished to discourage the extension of Soviet influence in this area. Post war French governments had also flirted with the idea of offering a Western (ie. French) alternative to both superpowers. De Gaulle had made a well-received tour of Latin America in 1964 capitalising on both French and Latin American anti-US opinion. De Gaulle's tour had brought little concrete

benefits for France or Latin America except for perhaps the opening of markets for French arms sales to the region.¹⁰⁰ However successive French governments including that of Giscard D'Estaing maintained a policy towards Latin America that at least hinted that France offered an 'alternative' as an ally and model of development to that of the superpowers. To this end although Giscard D'Estaing favoured relations with 'moderate' Latin American governments, he fostered diplomatic contacts with governments in Latin America and the Caribbean of varying ideologies. The French Socialist government differed little from previous French governments in its strategic approach and continued to conceive of France as offering a 'Third way'. The difference between Mitterand and Giscard was that the former supported Leftist political parties although the Mitterand government did not completely sever its ties with the dictatorships of the region including Chile.¹⁰¹

The French Socialist government differed with the United States over the appropriate means to achieve the same ends, that is to prevent the countries of the region becoming too close to the Soviet Union. The French preferred to offer support to those movements for change in the South in order to prevent them looking to the Soviet Union for succour. Mitterand argued that

'Communism is born out of misery and, if the West does not show more understanding, the people will take their weapons and address themselves to others, that is to say the Soviet Union. Thus we will end by pushing into the opponent's camp people who are not the natural adversaries of the West, but who will become that by the logic of the situation which we impose on them.'¹⁰²

One of the results of this policy was the 1982 promise made by Mitterand (which in the end was not honoured) to support the Socialist government in Grenada led by Maurice Bishop should that island be the subject of 'external aggression'.¹⁰³ The Mitterand government consolidated its links with Cuba and criticised President Reagan's exclusion of Grenada and Cuba from the 1982 Caribbean Basin Initiative.¹⁰⁴ Mitterand however did not pursue unilateral initiatives at the expense of his European allies. President Mitterand did not hesitate to actively support the Thatcher government when it sought the EC member states' solidarity over the Falklands/Malvinas dispute in 1982.¹⁰⁵

It would also be a mistake to overstate the differences between the Mitterand and Reagan administrations on defence and security issues. There was certainly sharp disagreement over these respective governments approach to the Central American conflicts (see below). In other respects Franco-US cooperation on security issues was better than it had been at any time since the second world war. In Africa, the most important region for France in terms of the South, Franco-US relations in respect of defence policy 'were the closest in 25 years'.¹⁰⁶ The Mitterand government, particularly after 1983, adopted a high profile Atlanticist position, supportive of West European participation in the Western Alliance and conscious of the 'vital' role played by the United States within that Alliance.¹⁰⁷ In January 1983 President Mitterand publicly emphasised France's commitment to the Atlantic Alliance in a speech to the Bundestag in Bonn.¹⁰⁸

If the strategic and political interests were important for France its economic interests in Latin America and the Caribbean were insignificant. By 1981 Latin

America received only 2.8 per cent of French imports and just 2.6 of French exports went to Latin America.¹⁰⁹ Brazil was the major market for French exports in 1982 but the relative unimportance of even this market could be demonstrated by the fact that in the period 1980 to 1983 the combined market of Martinique and Guadaloupe received more French exports than Brazil.¹¹⁰ Latin America was however an increasingly important export market for France in one sector. France became the major West European arms supplier to Latin America throughout the 1970s and early 1980s and saw the value of its arms sales continue to rise in this period. Between 1978 and 1982 French arms sales to Latin America were worth \$1900 million compared to arms exports worth \$750 million from Britain and \$400 million from the FRG.¹¹¹

The history of French investment disasters in Latin America particularly in the abortive attempt by a French company to build a Panama Canal may have contributed to the lack of interest in Latin America by French investors in the post war period.¹¹² Between 1979 and 1981 France provided some 6 per cent of Latin America's fdi - compared to 7 per cent from Britain and another 7 per cent from the FRG.¹¹³ Guy Hermet, former Director of France's prestigious research institution, the FNSP, called France a 'second rank industrial and commercial partner' in respect of Latin America.¹¹⁴ In terms of indirect investments via bank loans as has been noted above French banks were only second to British banks in terms of their exposure. The French response to the 1982 debt crisis was to join with other Western leaders to try to find a multilateral solution to the problem.¹¹⁵ Given France's low profile in the region as a whole - even under the early years of the Mitterand government - it might have been somewhat of a

surprise for France's allies that county would adopt an opposite posture with respect to the Central American conflict.

(ii) Policy towards the Central American conflict 1979-1985

As with Britain and the Federal Republic, France had no major direct interests in any of the five Central American republics.

Giscard's approach towards the region had been critical of the revolutionary movements and had accepted the US analysis of the conflict being the product of Soviet expansionism. While in opposition the PS had strongly criticised Giscard for his pro-US line and for his support of Salvadorean President Duarte.¹¹⁶ The Socialist Party formed close links with the National Revolutionary Movement (MNR) led by Guillermo Ungo - a component of the revolutionary opposition to the Salvadorean government and also a member of the Socialist International since 1978.¹¹⁷ The Giscard government had somewhat mixed relations with the revolutionary Nicaraguan government which came to power in July 1979. It delayed establishing diplomatic relations until December 1989 although it did contribute emergency food aid in the immediate post-insurrectionary period. The Giscard government signed an agreement with the Nicaraguan government in November 1980 for financial credit worth 50 million francs.¹¹⁸

In 1981 after the election of the Socialist government the heritage of Gaullist anti-US sentiment and the PS' 'Third-Worldist' orientation converged in the expression of a Central American policy which directly challenged - or so it seemed to the US - US security interests in this region. Interviewed in Le Monde in July

1981, Mitterand commented that

'I have serious reservations, not to say more, about United States policy in Central America.. What is happening there is not Communist subversion but resistance to misery and indignity. When [these people] cry for help, I would like Castro not to be the only one to hear them.'¹¹⁹

The shift in policy from Giscard to Mitterand was reflected in the redirection of bilateral aid within Central America. In 1980 El Salvador had received \$0.5 million dollars from France. In 1982 it received nothing and in the entire period 1980 to 1985 it received just \$0.9 million. By contrast Sandinista Nicaragua also received \$0.5 million in 1980 but in 1982 French bilateral aid reached \$8.5 million to Nicaragua. In the period 1980 to 1985 Nicaragua received a total of \$34.6 million of bilateral French aid. This sum was more than three times the amount allocated to Honduras (\$10.1 million), the next largest recipient out of the five republics of French aid during the same period. By comparison between 1980 and 1985 Costa Rica received \$4.0 million and Guatemala received \$2.0 million from France.¹²⁰

The new Socialist government made a number of dramatic gestures in support of the revolutionary movements in the region in 1981. Regis Debray, a French academic associated with Che Guevara and Castro was appointed as special adviser to the President on Latin America. The widow of the murdered ex-President of Chile, Salvador Allende was given prominence at Mitterand's Presidential inauguration.¹²¹ In August 1981 France and Mexico issued a joint declaration which among other things recognised the revolutionary opposition in El Salvador as

a 'representative political force'. This declaration was signed jointly by Claude Cheysson the then French Foreign Minister and Jorge Castaneda the Minister for Foreign Affairs for Mexico.¹²² France, like the European Parliament, did not recognise the 1982 Salvadorean elections as 'free and fair', instead continuing to argue that the revolutionary movement was 'supported by the population'.¹²³

The most controversial decision of the new administration was the secret deal, signed on December 21 1981 and made public in January 1982, to sell Sandinista Nicaragua \$15.8 million worth of arms supplies. Foreign Minister Cheysson stated that he had agreed the sale 'with reticence'.¹²⁴ These supplies included helicopters, patrol boats, transport trucks, rocket launchers and rocket rounds.¹²⁵ Even though the French government argued that the sale had been to encourage the Nicaraguans to look to the West for support not to the Soviet Union and that anyway the amount involved was tiny (France was for instance in the process of completing a \$1 billion arms deal with Iraq) the US reacted vigorously. Secretary of State Alexander Haig informed Cheysson that the deal was 'a stab in the back' for the US and would encourage the Sandinistas to continue to export revolution to El Salvador. In the end the matter was only resolved at a private Franco-US Presidential summit in March 1982 when the French agreed to indefinitely 'delay' delivery of the arms shipments already agreed for Nicaragua and not to contemplate any further military support for the Sandinistas.¹²⁶

Neither of these two initiatives won the French Socialist government much credibility internationally although arguably the PS managed to consolidate its backing from the Left at home (this was the period when French Communists were in the government). Nine Latin American states including Venezuela, Colombia and

Argentina signed a statement in September 1981 criticising the Franco-Mexican declaration for interfering in the internal affairs of El Salvador.¹²⁷ Only the Netherlands in Europe supported the French.¹²⁸ France's allies were also worried about the Nicaraguan arms deal. Apart from the US, Spain and even Mexico, France's erstwhile partner on Central American issues, expressed concern.¹²⁹

French Central American policy changed in 1982 because of these two diplomatic failures and because events in Central America forced a reevaluation. By late 1981 it had become obvious that the Salvadorean revolutionaries' 'final offensive' - designed to convince incoming President Reagan that there was 'an irreversible situation in El Salvador' - had failed. The Salvadorean revolutionaries were still fighting but the Salvadorean government, backed by Reagan, was engaging in a campaign of brutal counterrevolution.¹³⁰ The French government also began to perceive the Nicaraguan government as having moved too far to the Left and therefore abandoning commitments made to the establishment of pluralist democracy and non-alignment.¹³¹ In 1984 Regis Debray commented that in this new style relationship with the Sandinistas 'it is up to us to make them aware of the zones of influence that exist: to import Lenin into the back-yard of the United States is dangerous for the people of Nicaragua themselves'.¹³²

By late 1982 therefore the French government was expressing more cautious views on Central America. From late 1982 French policy to Central America was mobilised via multilateral initiatives. The 1984 expressions of condemnation for the US mining of Nicaragua's ports were in this context exceptional as opposed to representative of French Central American policy. Although the French government made a highly publicised offer to clear the mines from Nicaragua's ports this offer

was made through the Contadora group and in fact the minesweepers never materialised.¹³³ When the French refused to take part in the economic boycott of Nicaragua announced in 1985 it did so in the company of all its West European partners within the EC.¹³⁴ Claude Cheysson continued to disagree with US analysis of the Central America problem and to disagree with the US chosen means for handling the problem but by February 1983 the French Foreign Minister's public statements demonstrated a reluctant acceptance of the reality of US dominance and sensitivities towards the region. In a speech to the National Assembly Cheysson stated that

'The government cannot follow the honourable member of Parliament when he recommends that more pressure be exerted on the Reagan administration to make it change its policy in Central America. France can, of course, deplore the fact that the trends it promotes are not taking place as rapidly as it hopes. But rather than exert pressure, it would prefer to continue its diplomatic action with respect to Washington, which it hopes to convince.'¹³⁵

France's main reason for becoming involved with Central America in 1981 was to try to offer support for revolutionary movements to prevent them from turning to Communism.¹³⁶ French Socialist policy drew on a Gaullist, anti-US heritage and a history of French Socialist party involvement with the revolutionary movements while they had been in opposition. The French Socialists were also new to government in the post-war period and their inexperience may have contributed to the initial diplomatic debacles on Central American issues.

France was able to make a rapid change in at least the tone of foreign policy because the Central American region was of little real interest for French foreign policy makers. France was not willing to jeopardise Atlantic relations by continuing to publicly challenge the US in a region which US policymakers considered as vital for their security. Nevertheless French governments did not agree with the US interpretation of the reasons for conflict in Central America and continued to support Nicaragua by way of development assistance in order to try to dissuade the Sandinistas from adopting pro-Soviet orientation. The European Community's San José process provided a useful vehicle whereby France could continue to apply diplomatic persuasion to the US to change its policy and at the same time become less vulnerable to US retaliation for opposing its perceived vital security interests.

Spain and Central America

Spain's links with Central and Latin America and the Caribbean were based on common language and culture and on an economic interest which was greater for Spain than for the other states reviewed in this chapter. Strategic interests were limited up until the Gonzalez government of 1982. Those that existed after 1982 were indirect in that they pertained to Spain's position as a member of the Atlantic Alliance (formalised when Spain joined NATO in 1982). Spain's political interest in the region ranged from the 'rhetoric' of Franco to the more instrumental policies of the transitional governments whereby Spain attempted to gain international influence as a 'middle power' and Latin America as the former colonial territory was seen as a 'natural' object of this influence. The Gonzalez government adopted a low

profile in its dealings with Latin America and focussed its political interest and activities on Central America.¹³⁷

Spain's particular potential locus of influence with Latin America in the 1980s was as an example of a society which had undergone a peaceful transition from dictatorship to democracy.¹³⁸ In the late 1970s and early 1980s, the Spanish Socialist Workers' Party (PSOE) led by Felipe Gonzalez, had developed links with many of the Latin American parties and movements struggling against dictators of their own. The PSOE's membership of the Socialist International facilitated contacts with those Latin American parties which were represented as members or observers in the SI. However, unlike the French Socialists, once in government in 1982 the PSOE adopted a restrained approach to Latin American revolutionary movements. Socialist Spain's foreign policy was dominated by its twin foreign policy priorities which were to stay in NATO and therefore to maintain reasonable relations with the US and at the same time to ensure a smooth entry by Spain into the European Community.¹³⁹

The Central American conflict drew a response from the Spanish Socialist in government because the domestic and international ramifications of the conflict threatened the aforementioned foreign policy priorities.¹⁴⁰ Socialist Spain therefore adopted a policy towards Central America which stressed support for the Contadora initiative and which attempted to dissuade the US government from military intervention in Nicaragua. The Gonzalez government adopted a critical attitude towards the Nicaraguan revolution because of its concerns that the revolution was not fulfilling its commitments in respect of introducing pluralist democracy at home and non-alignment in that country's foreign policy.¹⁴¹ The

PSOE government gave strong support to the Contadora peace initiative from its inception in 1983. It was also a participating member of the EC's San José process from the founding meeting in 1984 despite the fact that Spain only formally acceded to the EC in 1986.

(i) General regional interests and policies

Spanish cultural influence in Latin America stemmed from its history as the region's first major colonising power. Obviously this colonial link also had negative consequences. When the Spanish empire disintegrated in the 1820s the newly liberated states of Latin America rejected the former metropole and turned towards industrialised states like Britain and the United States as potential allies. The Dominican Republic was almost the last of the vestiges of Spanish Empire to become independent in 1865 although it took a war with the US for the last remaining colonies, Puerto Rico and Cuba, to be lost to Spain, and gained by the US. However a cultural rapprochement took place between Spain and Latin America in the early part of the twentieth century after what the US calls the Spanish American war of 1898 and the Spanish call the Cuban war. This historical event has had a profound impact on the attitude of Spain to the Central America problem of the 1980s. According to the PSOE's first Foreign Minister Fernando Morán, the feeling was that 'Cubans and Spaniards were defeated together' by the US which was consolidating its hegemony in the Western hemisphere.¹⁴²

From the 1930s Spain's own internal conflicts and the post-war isolation of the Franco regime lessened Spain's ability to play an important part in international

relations, even in terms of Latin America. Franco's attempted to decrease the regime's isolation by encouraging better links with Latin America and the visible results of this policy were the high numbers of Latin American students studying in Spain and the increased economic linkages.¹⁴³ The Franco regime promoted the concept of hispanidad which was meant to imply a common heritage between Spain and Latin America. The most durable legacy of this now politically redundant idea (because of its association with Franco) was the recognition given to Castro's Cuba and the economic and diplomatic links which were established and maintained with Cuba despite opposition from the US.¹⁴⁴

The first of the two transitional Union of the Democratic Centre (UDC) governments which took Spain from dictatorship to parliamentary democracy and which was led by Adolfo Suárez (1976-1981) instigated an activist policy towards Latin America which was viewed by some in Latin America as 'excessively meddlesome'.¹⁴⁵ Suárez' policy may have been seen as meddlesome because it would have uncomfortable implications for Latin America's dictators. For it was Suárez' government, not the later socialist government which started the process whereby parties and movements struggling against dictatorship in Latin and Central America to look to democratising Spain as a model for their own development.¹⁴⁶ Calvo Sotelo's short-lived government (1981-1982) was less vocal in respect of Latin America. The Gonzalez government by contrast, although it advanced a comprehensive Latin American policy, in practice subordinated Latin American policy to other more important foreign policy goals. The policy objectives included the promotion of democracy, human rights, economic development for Latin America, the institutionalisation of an Ibero-American community and the

celebration of the Columbian quincentenary.¹⁴⁷ Spanish activity in support of these objectives was however limited and achievements limited.

Spain's attitude to Latin America prior to the Gonzalez government's reorientation of foreign policy towards the West (Europe and the US) was to a certain extent reflective of the neutralist position which it had adopted vis a vis the rest of Europe throughout the twentieth century. This position was demonstrated in respect of the Spanish position on the Falklands/Malvinas war of 1982. Spain did not adopt the same line as Britain and the other member states over the question of the Falklands/Malvinas war of 1982. Instead Spain supported the rights of Argentina to these islands.¹⁴⁸ One of the reasons that Spain was not constrained to follow the European line was because it had not yet joined the EC and was under no obligation to support EPC or Community decisions. Another reason for Spain's support for Argentina and its opposition to Britain was because it perceived certain analogies between the status of the Falklands/Malvinas and the status of Gibraltar.

Another aspect of the Spanish relationship with Latin America since 1976 is the activist role of King Juan Carlos who by 1990 had visited every Latin American country except Chile, Cuba, Nicaragua and Paraguay.¹⁴⁹ King Juan Carlos criticised Latin American dictators in their own countries and in recognition of his activism was awarded UNESCO's 'Simon Bolivar' prize in 1983. The King's role as an emissary for Spain and for democracy was supported by both Right and Left wing governments.¹⁵⁰ This cross-party support for the King's activist external role in Latin America is indicative of the national political consensus that existed on Latin American policy and which continued to operate with the PSOE in government.

In economic terms Latin America was an important market for Spain.

Throughout the 1970s the percentage of Spanish By 1982 ten per cent of Spain's exports went to Latin America and eleven per cent of Spain's imports came from the sub-continent.¹⁵¹ Cuba was an increasingly important trading partner for Spain. In 1970 Cuba took 11.7 per cent of Spain's Latin American exports. By 1986 Cuba received 14.9 per cent of all Spanish exports to Latin America. Part of this increase reflected diminishing overall trade volumes between Spain and Latin America but the increase was significant in at the same time as Spanish exports to Cuba were increasing the level of imports from Cuba was diminishing. In other words Cuba became a more important trading partner for Spain than Spain was for Cuba.¹⁵²

By the mid 1980s some 85 per cent of Spain's overseas investment was in Latin America. Spanish investment was mainly situated in five countries, the most important by far being Puerto Rico.¹⁵³ By 1985 Spanish investment in banking and manufacturing amounted to around two and a half billion pesetas in Puerto Rico compared to around half a billion pesetas in Argentina, a quarter of a billion pesetas in Mexico and an eighth of a billion each in Brazil and Venezuela.¹⁵⁴ Spain's commercial banks were relatively highly exposed to Latin American debtors but adopted policies - backed by successive governments - to minimise risk to the banking system. Spanish governments demonstrated a 'guarded comprehension' of Latin America's difficulties in respect of paying the debts but they did not support debt repudiation.¹⁵⁵

Spain's economic links with Latin America might have been expected to push Spain into a pivotal role in terms of the development of a West European strategy towards Latin America. Spain had developed relations with governments of both the right and left in Latin America and could possibly have acted as interlocutor for

Latin America. Spain in fact during the early 1980s made claims that it would be able to act as a 'bridge' to Latin America once it entered the European Community.¹⁵⁶ It also insisted on an additional protocol to the Spanish treaty of Accession to the European Community in respect of Latin America (see Chapter 3). In practice however the Gonzalez government in particular allowed policy towards the sub-continent to become a residual matter for Spain compared to the grand foreign policy strategy of incorporating Spain firmly within 'Europeanist' and 'Atlanticist' economic and defence institutions.¹⁵⁷ It should be no surprise therefore that Spain's policy towards the Central America conflict in the 1980s was also subordinated to its broader foreign policy goals.

(ii) Policy towards the Central American conflict 1979-1985

Spain had no direct strategic interests and minimal direct political interest in the five republics. There was only one conjunctural bilateral problem in this period as Spain broke off diplomatic relations with Guatemala in 1980 because of the destruction of the Spanish Embassy in Guatemala City by the Guatemalan military which had pursued dissident peasants and students who had occupied the building.¹⁵⁸ Relations were however restored in 1984 when the Guatemalan government admitted responsibility.¹⁵⁹

Spain also had limited economic interests in Central America. It was not until 1986 that Spain figured as a source of foreign investment for any of the republics. In that year Costa Rica received just under three million pesetas but this only amounted to 0.01 of Costa Rica's total foreign investment for that year.¹⁶⁰ Spain

was also a minor arms supplier to Nicaragua.¹⁶¹

Spain's UDC government had adopted a relatively progressive policy in respect of Central America. However there were great expectations from within the Spanish polity (not just from the Left) and from Central America (particularly the revolutionary governments of Nicaragua and Cuba) that the Gonzalez government would adopt and uphold a policy towards the Central American conflict which would encourage other West European governments to oppose US policy in the region and give more active support to the liberation struggles of Central America. In practice because of the high priority given by Gonzalez to other foreign policy goals and as a response to US pressure, the PSOE in government

'attempted to steer a middle course between acceptance that the United States has legitimate security interests in the Caribbean and Central America and arguing that the roots of the Central American conflict lie in indigenous social, economic and political factors rather than the East-West conflict.'¹⁶²

One of the reasons that there had been an expectation of a high profile governmental involvement by the PSOE in Central America was because of Felipe Gonzalez' prominent role within the Socialist International. In 1980 the SI had established a 'Committee for the Defence of the Nicaraguan Revolution' which was chaired by Gonzalez - the European members of which included Willy Brandt, Olof Palme, François Mitterand and Bruno Kreisky.¹⁶³ The SI had offered public support to the FSLN since 1978 going so far as to set up a fund to support the Nicaraguan revolutionaries.¹⁶⁴ However the SI's Committee to defend the

Nicaraguan revolution had barely time to constitute itself before the SI split on policy towards the revolution.¹⁶⁵ From 1981 one group within the SI led by Portuguese leader Mario Soares, the Venezuelan leader of Acción Democrática Carlos Andrés Pérez and the Costa Rican Partido de Liberación Nacional (PLN) led by Daniel Oduber expressed concern that the FSLN was neither pluralist nor non-aligned (see section on the FRG above). By 1982 even those in the SI that had been supportive of the Sandinistas began to express a more qualified support for the Nicaraguan revolution.¹⁶⁶ When the PSOE became the government in Spain in 1982 there was therefore little pressure on Gonzalez from the SI to take anything other than the cautious line which he in fact displayed towards the Central America conflicts. The PSOE's policy towards Central America after 1982 was consistent with the SI's new approach which was of a general defence of the principles of international law.

'Peace in Central America, an objective of Socialist International policy, along with the defence of sovereignty, the right to self-determination and respect for the principle of non-intervention, is vital to the entire continent'.¹⁶⁷

There is some evidence to suggest that Spain's decision not to send high level observers to the 1984 Nicaraguan elections was influenced by Gonzalez' acceptance of the more hard-line anti-Sandinista position adopted by the Carlos Andrés Pérez faction in the SI.¹⁶⁸ In turn Gonzalez' caution in respect of the Sandinistas was refracted back into what became official SI policy. The President of the SI, Willy Brandt, continued to oppose the 'policy of destabilisation, economic blockade and

military attacks which are steps towards a war of intervention' but by the mid-1980s was also stating that 'democratic pluralism, non-alignment and a mixed economy, the declared objectives of the Sandinista revolution, and a firm demand of the Socialist International, have not yet been fully realised.'¹⁶⁹

It was only in the early 1980s that Spain became an international aid donor rather than an aid recipient. In 1983 Spain's international aid budget totalled just \$208 million with Equatorial Guinea the largest recipient.¹⁷⁰ This meant that Spain was not able to offer substantial financial inducements (or threaten aid cutoffs) to support its policies in Central America. This did not prevent the PSOE government from attempting to provide some economic backing to their public support for the Contadora peace process. In 1984 the 'Plan for Integrated Cooperation' with Central America was instituted with an initial budget of \$1.4 million (rising to about \$6 million by 1987). Costa Rica received the largest amount of support although Nicaragua and Honduras were also beneficiaries. Costa Rica's position as the major recipient reflected the PSOE's commitment to supporting democracy in the region.¹⁷¹

Socialist Spain resisted invitations from all sides, including Nicaragua, Costa Rica and the United States, to become involved in the Central American conflict as a mediator. Gonzalez rejected this role for Spain by arguing 'between whom could we mediate? Between Nicaragua and El Salvador? Between the Salvadorean government and the guerrillas? It is too complicated. Between those countries and the United States? Between Castro and everyone else?'¹⁷²

Instead the PSOE government preferred to actively support multilateral initiatives such as the Contadora process and the EC's San José process. The

Contadora Group met in Madrid (see Chapter 4) and was awarded Spain's prestigious Prince of Asturias Prize in 1984.¹⁷³ The EC's efforts were supported not just because of its intrinsic merit but because Spain conceived of this initiative as providing the foundation for a more substantial EC relationship with Latin America.¹⁷⁴ The EC's activity was also welcomed because it provided the economic means to support foreign policy objectives which Spain shared but which because of its relatively economically underdeveloped status the country could not effectively implement.

Spain did not support the Reagan administration's attempts to isolate and delegitimise the Sandinista government. This was because the PSOE regarded this policy as counterproductive both in terms of its affects on the Nicaraguan revolution and in terms of its potential affects on the Western Alliance. Spain viewed the United States policy towards Nicaragua as immoral and unethical and no better than the Soviet Union's approach to Afghanistan.¹⁷⁵ Miguel Angel Martinez, President of the Foreign Affairs Committee of the Spanish Parliament stated on this issue that

'We belong to the West because we believe that the values which support our way of life and our political systems are superior to all others. And we do not think that, in mining ports, financing counterrevolutionary armies and supporting regimes which tolerate the existence of Death Squads, one defends the West. By doing that one only saps its foundations.'¹⁷⁶

More important for Spain were the implications for Spain and the Atlantic Alliance. The view from Spain was that Reagan's policies could encourage a

radicalisation of the Nicaraguan revolution which in turn might lead to a direct US intervention in Nicaragua. This would be 'a course that would have devastating implications for bilateral Spanish-American relations and for the Atlantic Alliance'.¹⁷⁷ The major anxiety was that the latent anti-US mood within the Spanish public would erupt, thus threatening continued Spanish membership in NATO.¹⁷⁸

Central America was not a high priority foreign policy issue for any of the post-Franco Spanish governments. While many expected that the government of Felipe Gonzalez would adopt a high profile policy towards the region this did not occur. Central America remained a problem for the PSOE government because of the implications for Spain's most important foreign policy goals. Spain was particularly concerned to prevent a US invasion of Nicaragua and looked to the EC's San José process to provide support for the Contadora (and later the Esquipulas) peace negotiations in both diplomatic and economic terms.

Conclusion

These four member states, with the possible exception of Britain, had no important strategic or economic interests in Central America such as to provide the impetus for an involvement in the region. The Federal Republic of Germany and Spain had indirect but important political interests at stake in respect of Central America in that both were fearful that precipitate US action in Central America might cause domestic discontent and therefore threaten the cohesion of the US led Western Alliance.

The four member states, including Britain, also took a different attitude to the revolutionary movements of the region than their ally the United States. None of these four states were pro-Communist or pro-Soviet but considered that the revolutionary movements could be contained by a judicious mix of positive and negative diplomatic and economic sanctions. All four of these states and all the major political parties disagreed with the United States in terms of the political analysis as to the roots of the conflict and all disagreed with the Reagan administration's preference for the military instrument. None accepted the Reagan policy which was to isolate and delegitimise the Sandinistas in government.

These states and their respective political parties differed however in terms of the vehemence with which they held these views and in terms of the emphasis that they placed on other factors as additional causes of the conflict. For instance, Britain, the closest of the states to the US, may have been more likely to accept the US position but for the fact, inter alia, that British foreign policy makers could not go along with a foreign policy position which would have meant supporting Guatemala as part of a Central American alliance against Nicaragua.

By the mid-eighties the member states had enough in common to form the nucleus of what became the Community's distinctive approach to Central America. However for none of the states was Central America a priority area and as has been demonstrated in the previous chapter it took an activist Commission and Parliament to mobilise the Community and articulate the policy.

Further explanations

This chapter has indicated that the member states had their own reasons as to why a Community policy towards Central America should be developed and supported. If the Community's policy towards Central America can only be explained by considering as part of the equation the interests and policies of the member states it cannot only be explained only by a consideration of these factors.

The conclusion to this thesis considers the disparate factors involved in an attempt to offer a satisfactory explanation of EC policy towards Central America in the 1980s.

Notes to Chapter 6

1. In 1982 and 1983 the Netherlands donated US\$29.4 and \$24.3 million dollars respectively to Central America. Only the FRG's total in terms of bilateral aid to Central America was higher. In 1984 Netherlands bilateral aid to Central America (at \$31.5 million) was the highest of all EC member states. See IRELA, Central America Today: The Current Situation, Dossier No. 7, (Madrid: IRELA, 1986), p. 6.
2. An extreme example of this can be found in an Irish Times report by Geraldine Mitchell, 'Spain's role as special advocate', April 9, 1990. In it she states baldly (and boldly) that the San José meetings initiated in 1984 'were Spain's idea'. They were of course Foreign Minister Genscher and President Monge's idea. And anyhow as Spain did not become a member of the EC until 1986 it was not in a position to take foreign policy initiatives on behalf of the EC.
3. See J. David Singer, 'The Level-of-Analysis Problem in International Relations', in James N. Rosenau (ed), International Politics and Foreign Policy, revised edition, (New York: The Free Press, 1969).
4. One problem is that there is little material in English on member state foreign policy towards Central America in the 1980s. Documentation is available on British policy towards Central America. Documentary sources have been much more difficult to locate for the other three states. Another problem is the language facility of this author. The data utilised is therefore almost entirely from English and French sources given that this author is not multilingual.
5. Mention of the importance of the Panama canal for British foreign policy is made in the 'Memorandum submitted by the Foreign and Commonwealth Office' in the 'Minutes of evidence taken before the Foreign Affairs Committee', 23 November 1981, p. 6, in the House of Commons, Fifth Report from the Foreign Affairs Committee, Session 1981-82, Caribbean and Central America, (London: HMSO, 1982).
6. This is a classic use of EPC by member states; see Christopher Hill, 'National interests - the insuperable obstacles?', in Christopher Hill (ed), National Foreign Policies and European Cooperation, (London: RIIA/ George Allen & Unwin, 1983), p. 199.
7. See Ferguson et al., 'Under attack: Central America and the Caribbean', in Ferguson and Pearce (eds), The Thatcher Years: Britain and Latin America, pp. 46-47.
8. George Philip, 'British Involvement in Latin America', in William Perry and Peter Wehner (eds), The Latin American Policies of U.S. Allies, (New York: Praeger, 1985), p. 33.
9. See Durán, European Interests in Latin America, p. 85.

10. In 1982 there was one 'associated state' in the Caribbean - Saint Kitts-Nevis; and five Dependent Territories - Anguilla, the British Virgin Islands, the Caymans, Montserrat and the Turks and Caicos. See 'Memorandum submitted by the Foreign and Commonwealth Office' in the 'Minutes of evidence taken before the Foreign Affairs Committee', 23 November 1981, p. 2, in the House of Commons, Fifth Report from the Foreign Affairs Committee, Session 1981-82, Caribbean and Central America.

11. See *Ibid.*, my italics.

12. See David Thomas, 'The United States factor in British relations with Latin America', in Victor Bulmer-Thomas, Britain and Latin America: a changing relationship, (Cambridge: CUP/RIIA, 1989), p. 78.

13. I was in attendance at the meeting of 25 October, 1983. Sir Geoffrey Howe is quoted in Anthony Payne, 'Britain and the Caribbean', in Paul Sutton (ed), Europe and the Caribbean, (London: Macmillan, 1991), p. 21.

14. Quotes and information in this paragraph from Payne, 'Britain and the Caribbean', in Sutton (ed), Europe and the Caribbean, pp. 21-23.

15. See House of Commons, Fifth Report from the Foreign Affairs Committee, Session 1981-82, Caribbean and Central America, p. ix and p. xiii.

16. Quoted in Payne, 'Britain and the Caribbean', in Sutton (ed), Europe and the Caribbean, p. 23.

17. For an explanation of the Non-Aligned Movement's view which was fairly representative of the Latin American view and which did not condone Argentina's military action in the Malvinas/Falklands but nevertheless supported Argentina's claims to the Malvinas/Falklands see A.W. Singham and Shirley Hune, Non-alignment in an Age of Alignments, (London: Zed, 1986), pp. 240-243.

18. Thomas, 'The United States factor in British relations with Latin America', in Bulmer-Thomas, Britain and Latin America, pp. 76-78.

19. The Argentine government which invaded the Falklands/Malvinas was a military government with a history of human rights abuses against its internal left and centrist opposition. Yet the Nicaraguan revolutionary government lent its immediate support to Argentina in the outbreak of the Falklands/Malvinas war and joined the rest of Latin America, bar Chile, in a public opposition to Britain's 'imperialism'. This public support for Argentina and the distancing of the US from Argentina contributed to the withdrawal of Argentine 'advisers' to the contras in Central America. For more details of Nicaraguan activist diplomacy see Chapter 1 and Chapter 11 entitled 'A Flexible Strategy of Alliances', in Smith, Nicaragua: Self-Determination and Survival.

20. For the evolution of post-war British policy towards Latin America see Robert Graham, 'British Policy towards Latin America', in Victor Bulmer-Thomas, Britain

and Latin America: a changing relationship, (Cambridge: CUP/RIIA, 1989), pp. 52-67.

21. Philip, 'British Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, pp. 33-37.

22. Durán, European Interests in Latin America, p. 53.

23. Philip, 'British Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, pp. 37-40.

24. Durán, European Interests in Latin America, p. 70.

25. Dianna Melrose, The Threat of a Good Example?, (Oxford: Oxfam, 1985), p. 53.

26. 'Memorandum submitted by the Foreign and Commonwealth Office' in the 'Minutes of evidence taken before the Foreign Affairs Committee', 23 November 1981, p. 6, in the House of Commons, Fifth Report from the Foreign Affairs Committee, Session 1981-82, Caribbean and Central America.

27. Melrose, The Threat of a Good Example?, (Oxford, Oxfam, 1985), p. 53.

28. IRELA, Economic Relations between the European Community and Latin America: a Statistical Profile, p. 48.

29. Figures in pounds for 1974-1977 inclusive are taken from Michael Derek Wilkinson, The Influence of the Solidarity Lobby on British Government Policy towards Latin America: 1973-1990, unpublished MA thesis, University of Hull, October 1990, p. 110. These are compared to the figures given in the previous paragraph.

30. Under Secretary State Vereker to Dr. P.A. Blandon, Nicaraguan Director of External Cooperation, February 1985, from a note of the meeting in the Nicaragua Solidarity campaign Archives, quoted in Wilkinson, The Influence of the Solidarity Lobby on British Government Policy towards Latin America: 1973-1990, unpublished MA thesis, University of Hull, October 1990, p. 109.

31. For the official British position see FCO, Mexico and Central American Department, Nicaragua: The British Government's Position, mimeo, 4 January 1988. For an alternate view see Nicaragua Solidarity Campaign, The British Connection, (London: NSC, undated probably 1987). For support for the latter position see Hugh O'Shaughnessy, 'Secret FO block on Nicaragua aid', in The Observer, 12 May 1985.

32. Mr. Humphrey Atkins, Lord Privy Seal, in a House of Commons debate on 2 March 1982, quoted in Richard Ware, Prospects for Peace in Central America, Background paper No. 216, House of Commons Library, mimeo, 24 June 1988, p. 11.

33. Sir Geoffrey Howe, quoted in Ware, Prospects for Peace in Central America, Background paper No. 216, p. 13.

34. Ferguson et al., 'Under attack: Central America and the Caribbean', in Ferguson and Pearce (eds), The Thatcher Years: Britain and Latin America, p. 30.

35. Ibid., p. 38.

36. Margaret Thatcher, quoted in NSC, The British Connection. It is not the purpose of this thesis to enter into an investigation of the nature of the Nicaraguan revolution. Mrs. Thatcher's remark is illustrative here because it shows support for US policy not because it is either 'right' or 'wrong'. However it should be noted that an all party delegation of the British Parliamentary Human Rights Group which visited Nicaragua in December 1982 and which consisted of Lord Chitnis (Independent), Stanley Clinton Davis MP and Mark Wolfson MP (Conservative) could find no 'convincing evidence' to substantiate US claims that the Nicaraguan government was transporting arms or in any other way materially assisting the revolutionary opposition in El Salvador. See Lord Chitnis, Stanley Clinton Davis MP, Mark Wolfson MP, Good Neighbours? Nicaragua, Central America and the United States: a report of a British Parliamentary Delegation in December 1982, (London: CIIR, April 1983), p. 9. on the question of democracy a Conservative MP who visited Nicaragua as an unofficial observer to the 1984 Nicaraguan elections in 1984 stated that 'The elections were properly carried out'. He is quoted in Ferguson et al., 'Under attack: Central America and the Caribbean', in Ferguson and Pearce (eds), The Thatcher Years: Britain and Latin America, p. 38. On the broader questions relating to democracy in Central America see Smith, 'Agenda Setting: The Intellectual Corollary of the Reagan Doctrine', in Latin American Research Review, Vol. 26 No. 1, 1991, pp. 251-265.

37. In a March 1982 House of Commons debate on Central America, Denis Healey, the then shadow Foreign Secretary, accused Britain of being 'President Reagan's poodle'. See Ware, Prospects for Peace in Central America, p. 12. Judith Hart, the former shadow Minister for Overseas Aid and development has noted the contradictions within British policy; see Judith Hart, 'A 'special relationship', in James Ferguson and Jenny Pearce (eds), The Thatcher Years: Britain and Latin America, (London: LAB, 1988), pp. 10-17.

38. NSC, The British Connection. The NSC view that British abstention in UN votes is a sign of support for US policies is shared by Ferguson et al., in 'Under attack: Central America and the Caribbean', in Ferguson and Pearce (eds), The Thatcher Years: Britain and Latin America, who also state that 'Britain has also lobbied at the UN in favour of US positions against Nicaragua.' (p. 39). This may be correct but no evidence is presented to substantiate the claim and would be surprising given that the British government's own diplomatic reaction has been to abstain and not to support US positions.

39. This occurred in July 1986 - slightly outside the time frame of this section. The vote was an effort by Nicaragua to obtain support for the International Court of Justice ruling which had condemned US interference in Nicaragua as illegal. In the vote, 11 of the 15 members voted with Nicaragua. Britain, France and Thailand abstained. The US had to use its vote to veto the resolution.

40. Thomas, 'The United States factor in British relations with Latin America', in Bulmer-Thomas, Britain and Latin America, p. 80.

41. For the allegations see NSC, The British Connection and for an outline of the major incidents in which the British government was alleged by some to be involved see Ferguson et al., 'Blowpipe Diplomacy', in 'Under attack: Central America and the Caribbean', in Ferguson and Pearce (eds), The Thatcher Years: Britain and Latin America, pp. 42-43. David Thomas' view, as a former government official responsible for Central America whose leaked criticism of US policy towards Central America received national coverage and probably contributed to his early retirement, was that 'there is no evidence that the British government has ever sanctioned the supply of British military equipment to the Contras, either directly or indirectly, and it would be very surprising if it had'. See Thomas, 'The United States factor in British relations with Latin America', in Victor Bulmer-Thomas, Britain and Latin America, p. 80.

42. NSC, The British Connection.

43. See Nicaragua Today, the bulletin of the Nicaragua Solidarity campaign, London, 1980-1990, for information on the various activities and participants in lobbying on Nicaragua and Central America. For information on local authority involvement see Hazel Smith et al., Local Authorities and Nicaragua, (London: London Borough of Lambeth, 1986), unpublished document. For the aid agencies view see Melrose, Nicaragua: the Threat of a Good Example?.

44. On the issue of FCO correspondence see Hugh O'Shaughnessy, 'Preface', in James Ferguson and Jenny Pearce, The Thatcher Years, (London: LAB, 1988), p. 8.

45. For a similar assessment of the impact of the solidarity lobby see Wilkinson, The Influence of the Solidarity Lobby on British Government Policy towards Latin America: 1973-1990.

46. Thomas, 'The United States factor in British relations with Latin America', in Bulmer-Thomas, Britain and Latin America, p. 80.

47. I use the word 'anti-revolution' advisedly and would contrast this concept with that of 'counter-revolution' - the latter concept/idea possessing more activist connotations. For a discussion of the concept see the Conclusion to the thesis.

48. Durán, European Interests in Latin America, p. 88.

49. The German Association for Research into Latin America (ADLAF) prefaces its study of relations between the FRG and Latin America by commenting on the constraints on the FRG's foreign policy due to this 'special' position. See Dieter W. Benecke, Michael Domitra, Wolf Grabendorff, Manfred Mols, The Relations between the Federal Republic of Germany and Latin America: Present Situation and recommendations, (Bonn: ADLAF/Friedrich Ebert Stiftung, 1984).

50. See Reinhardt Rummel and Wolfgang Wessels, 'Federal Republic of Germany: new responsibilities, old constraints', in Christopher Hill (ed), National Foreign Policies and European Political Cooperation, (London: RIIA/George Allen and Unwin, 1983), pp. 40-41.

51. On the recognition by the FRG of US pre-eminence in Central America see Manfred Mols, 'West German Involvement in Latin America' in William Perry and Peter Wehner (eds), The Latin American Policies of U.S. Allies, (New York: Praeger, 1985), p. 22. On the concerns vis-a-vis the Western Alliance see the pro-US position of Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, pp. 106-136.

52. See Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, pp. 106-136.

53. Durán, European Interests in Latin America, p. 44.

54. Mols, 'West German Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 7.

55. See Tilman Evers, 'European Social Democracy in Latin America: The case of West Germany', in Jenny Pearce (ed), The European Challenge: Europe's New Role in Latin America, (London: LAB, 1982), p. 87.

56. See 'Table 3, Commercial trade between the German Federal Republic and Latin America (1973-1979)' in Evers, 'European Social Democracy in Latin America: The case of West Germany', in Pearce (ed), The European Challenge: Europe's New Role in Latin America, p. 125.

57. 'Table 7: West German Direct Investment in Latin America By Year', in Evers, 'European Social Democracy in Latin America: The case of West Germany', in Pearce (ed), The European Challenge: Europe's New Role in Latin America, p. 128.

58. Durán, European Interests in Latin America, p. 66.

59. Ibid., p. 44.

60. Ibid., pp. 43-46.

61. For figures relating to the increase in relative and absolute importance of the FRG as an international economic actor see Evers, 'European Social Democracy in Latin America: The case of West Germany', in Pearce (ed), The European Challenge: Europe's New Role in Latin America, p. 124. For a useful overview of the FRG's economic growth in the post-war era see Michael Kreile, 'West Germany: The Dynamics of Expansion', in Peter J. Katzenstein (ed), Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States, (London: University of Wisconsin Press, 1978), pp. 191-224. Cultural connections are described in Mols,

'West German Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, pp. 16-19.

62. Walder de Góes, 'Brazil Turns to Western Europe: Changing Perspectives', in Wolf Grabendorff and Riordan Roett (eds), Latin America, Western Europe and the U.S.: Reevaluating the Atlantic Triangle, (New York: Praeger, 1985), p. 111.

63. See Evers, 'European Social Democracy in Latin America: The case of West Germany', in Pearce (ed), The European Challenge: Europe's New Role in Latin America, p. 87. Durán gives a value for the project of \$5 billion. This must be a misprint. See Durán, European Interests in Latin America. p. 28.

64. Durán, European Interests in Latin America. p. 89.

65. Wolf Grabendorff, 'The Central American Crisis: Is There a Role for Western Europe?', in Joseph Cirincione (ed), Central America and the Western Alliance, (New York: Holmes & Meier, 1985), p. 133.

66. Mols, German Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 16. It is difficult to obtain information about either of these organisations so as to make a judgement as to their influence. One commentator has noted that the Ebert Foundation's activities are 'shrouded in secrecy' although he provides some data including an estimated budget for the Ebert Foundation's activities in Latin America per annum at around \$8 million. See Eusabio Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, Spring 1984, pp. 61-62. Information on the Konrad Adenauer's activities in Latin America is even more difficult to obtain. Laurence R. Birns, the Director of the Washington based Council on Hemispheric Affairs in a press release dated February 19 1987 stated that

'I think that a thorough inquiry into the activities of the Adenauer Foundation's operations in Latin America dating back to the 1960s would produce an interesting scenario of an instrument that went out of control and considered itself justified in having a private foreign policy that resulted in its intervention in the internal affairs of other countries'.

67. Eusabio Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, Spring 1984, pp. 63-64.

68. Ricardo Arias Calderón, 'The Christian Democrats in Latin America: The Fight for Democracy', in Caribbean Review, Vol. XI No. 2, Spring 1982.

69. Benecke et al., The Relations between the Federal Republic of Germany and Latin America, p. 10.

70. Ibid., p. 10.

71. For an overview of 'Western Europe as Christian Democratic actor' and 'Western Europe as Social Democratic actor' see Wolf Grabendorff, "Latin America and

Western Europe: Towards a New International Subsystem?', in Jenny Pearce (ed), The European Challenge: Europe's New Role in Latin America, (London: LAB, 1982), pp. 52-54.

72. Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 122.

73. Hans-Dietrich Genscher quoted in Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 108.

74. For trade volumes between Central America and the FRG for the first half of 1984 see Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 118.

75. IRELA, Economic relations between the European Community and Latin America, p. 39.

76. Barraclough et al., Aid that Counts: The Western Contribution to Development and Survival in Nicaragua, p. 82.

77. IRELA, Central America Today: The Current Situation, Annex 2, p. 5. Longer term comparative figures for Nicaragua are given in 'Table 14: disbursements of Official Development Assistance from Western Europe and Canada to Nicaragua 1981-1986', in Barraclough et al., Aid that Counts, p. 94. The figures for 1985 were the FRG at \$4.7 million, France at \$7.0 million and Britain at \$0.2 million.

78. IRELA, Central America Today: The Current Situation, Annex 2, pp. 2-3.

79. Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 132.

80. This critical approach was embodied in the increasingly more qualified support for the FSLN from the SI from 1982 onwards. See Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, p. 72; Durán, European Interests in Latin America, p. 91.

81. Wolfgang Weege, International Secretariat, SPD, Bonn, letter to the author, April 26, 1988.

82. Mols, 'German Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, pp. 20-21.

83. Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 120.

84. Ibid., pp. 128-129.

85. Hennig, 'Western Europe and Central America', in Valenta and Durán (eds), Conflict in Nicaragua: A Multidimensional Perspective, p. 243. Alois Mertes, writing in his capacity of Minister of State at the Foreign Office of the FRG, also commented on the 'past errors' of the US which had helped to form Latin Americans' convictions and prejudices'. See Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 124.

86. On the tensions between the FRG and the US in respect of Ostpolitik see William Wallace, 'Foreign Policy: the Management of Distinctive Interests', in Roger Morgan and Caroline Bray, Partners and Rivals in Western Europe: Britain, France and Germany, (Aldershot: Gower, 1986), p. 212.

87. See Mertes, 'Europe's Role in Central America: A West German Christian Democratic View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, pp. 128-129

88. Ibid., p. 130.

89. See Wolf Grabendorff, 'The Central American Crisis: Is There a Role for Western Europe', in Millennium, Vol. 13 No. 2, Summer 1984, p. 207.

90. Mols, 'German Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 21.

91. Ibid., p. 22.

92. See Hennig, 'Western Europe and Central America', in Valenta and Esperanza (eds), Conflict in Nicaragua: A Multidimensional Perspective, p. 239; and Grabendorff, 'The Central American Crisis: Is There a Role for Western Europe', in Millennium, Vol. 13 No. 2, p. 207.

93. Manfred Mols, a respected West German scholar argued that 'leading German political institutions and groups did not.. approve official U.S. deliberations in pursuit of stabilizing Central America. High-ranking German politicians even warned that the West might get trapped into a new Vietnam situation or into an ambiguous parallel to Afghanistan. Generally speaking, the Reagan administration, with its seeming attempts to revitalize old containment philosophies, does not inspire German feelings of trust with regard to the Central American crisis.' See Mols, 'German Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 21.

94. See Rebour and Trehard, 'Signification Stratégique de l'Espace Caraïbe', Part 2, in Défense Nationale, July 1985, p. 94.

95. Helen Hintjens, 'France in the Caribbean', in Paul Sutton (ed), Europe and the Caribbean, (London: Macmillan, 1991), pp. 61-62.

96. On French foreign policy and its relationship to West German, British and US interests see Wallace, 'Foreign Policy: the Management of Distinctive Interests', in Morgan and Bray (eds), Partners and Rivals in Western Europe: Britain, France and Germany, pp. 205-224.

97. Georges Fauriol and Eva Loser, 'French Involvement in Latin America', in William Perry and Peter Wehner (eds), The Latin American Policies of U.S. Allies, (New York: Praeger, 1985), p. 57.

98. Alain Rouquié interviewed by Barry B. Levine and translated by Lourdes A. Chediak, 'The French Connection: Two Views of Their Latin American Policy', in Caribbean Review, Vol. XI No. 2, Spring 1982, p. 47.

99. For quote and the information on Guadalupe, Martinique and French Guyana see Hintjens, 'France in the Caribbean', in Sutton (ed), Europe and the Caribbean, p. 64.

100. Fauriol and Loser, 'French Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 57.

101. Durán, European Interests in Latin America, p. 83.

102. François Mitterrand quoted in Stührenberg and Venturini, Amérique centrale: la cinquième frontière?, p. 293, my translation from French.

103. Hintjens, 'France in the Caribbean', in Sutton (ed), Europe and the Caribbean, p. 63.

104. Ibid.

105. France persuaded Togo to vote to condemn Argentina at the UN Security Council. See Edwards, 'Europe and the Falklands Islands Crisis 1982', in JCMS, Vol. XXII No. 4, p. 301.

106. Matthews, 'The Limits of Friendship: Nicaragua and the West', in NACLA, Vol. XIX No. 3, p. 30.

107. Stuart Croft, The Impact of Strategic Defences on European-American Relations in the 1990s, Adelphi Papers 238, (London: IISS, 1989), p. 22.

108. Durán. European Interests in Latin America, p. 84.

109. Ibid., p. 19.

110. Ibid., p. 27.

111. Figures from 'Table 2.3 Value of arms transfers, cumulative aggregates 1975-9, 1976-80 and 1978-82, by major supplier and recipient country', in Durán, European Interests in Latin America, p. 30.

112. For a brief review of failed French investment projects in Latin America see Werner Baer, 'Latin America and Western Europe: Economic Relations through World War II', in Wolf Grabendorff and Riordan Roett (eds), Latin America, Western Europe and the U.S., (New York: Praeger, 1985), pp. 44-45.

113. Durán, European Interests in Latin America, p. 54.

114. Guy Hermet, 'Amérique Latine: l'heure des retrouvailles', in François Joyaux and Patrick Wajsman (eds), Pour une nouvelle politique étrangère, (Paris: Hachette, 1986), pp. 433-434.

115. Durán, European Interests in Latin America, pp. 71-72.

116. Michel Tatu, 'Europe, the United States and Central America: A Nest of Misunderstandings', in Joseph Cirincione (ed), Central America and the Western Alliance, (New York: Holmes & Meier, 1985), p. 119.

117. Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, p. 65.

118. See Carvajal-Urrestia, 'L'Europe occidentale: témoin et complice', in Duflo and Ruellan (eds), Le Volcan Nicaraguayen, pp. 131-132.

119. François Mitterand quoted in Le Monde, July 2 1981, in Tatu, 'Europe, the United States and Central America: A Nest of Misunderstandings', in Cirincione (ed), Central America and the Western Alliance, p. 119, square brackets in the original.

120. IRELA, Economic Relations between the European Community and Latin America, p. 45.

121. Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, p. 58.

122. For the text of the 'Franco-Mexican Declaration' see Robert S. Leiken and Barry Rubin (eds), The Central American Crisis Reader, (New York: Summit, 1987), pp. 628-629.

123. Claude Cheysson quoted in Tatu, 'Europe, the United States and Central America: A Nest of Misunderstandings', in Cirincione (ed), Central America and the Western Alliance, p. 119.

124. Ibid., p. 120.

125. Matthews, 'The Limits of Friendship: Nicaragua and the West', in NACLA, Vol. XIX No. 3, p. 29.

126. Ibid., pp. 29-30.

127. 'Caracas Declaration', in Robert S. Leiken and Barry Rubin (eds), The Central American Crisis Reader, (New York: Summit, 1987), pp. 629-630.

128. Tatu, 'Europe, the United States and Central America: A Nest of Misunderstandings', in Cirincione (ed), Central America and the Western Alliance, p. 119.

129. Matthews, 'The Limits of Friendship', in NACLA, Vol. XIX No. 3, p. 30.

130. See LaFeber, Inevitable Revolutions, pp. 255-256 and pp. 284-289.

131. Fauriol and Loser, 'French Involvement in Latin America' in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 59.

132. Regis Debray quoted in Stührenberg and Venturini, Amérique centrale: la cinquième frontière?, p. 296, my translation from French.

133. On the offer to the Contadora Group see Tatu, 'Europe, the United States and Central America: A Nest of Misunderstandings', in Cirincione (ed), Central America and the Western Alliance, p. 120. The issue of non-materialisation of French minesweepers was discussed by this author with Cdte. Lumberto Campbell, the FSLN Party Secretary for South Zelaya, and responsible for clearing the mines in El Bluff, in Bluefields and El Bluff, August/ September 1984.

134. Stührenberg and Venturini, Amérique centrale: la cinquième frontière?, p. 297.

135. Claude Cheysson quoted in Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, p. 74.

136. For an exposition and a critique of this policy see Alain Rouquié and François Bourriau respectively - interviewed by Barry B. Levine and translated by Lourdes A. Chediak, 'The French Connection: Two Views of Their Latin American Policy', in Caribbean Review, Vol. XI No. 2, Spring 1982, pp. 46-60.

137. Antonio Sanchez-Gijon, 'Spanish Involvement in Latin America', in William Perry and Peter Wehner (eds), The Latin American Policies of U.S. Allies, (New York: Praeger, 1985), p. 67.

138. Fernando Morán, 'Europe's Role in Central America: A Spanish Socialist View', in Andrew J. Pierre (ed), Third World Instability: Central America as a European-American Issue, (New York: Council on Foreign Relations, 1985), p. 36.

139. Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 67.

140. Morán, 'Europe's Role in Central America: A Spanish Socialist View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 42.

141. See Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, p. 76; and Jean Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, Autumn 1987, p. 610.

142. Morán, 'Europe's Role in Central America: A Spanish Socialist View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 41.

143. Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, pp. 65-66.

144. Jean Grugel, 'Spain and the Spanish-speaking Caribbean', in Paul Sutton (ed), Europe and the Caribbean, (London: Macmillan, 1991), pp. 129-130.

145. Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 76.

146. See Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, p. 603.

147. Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, pp. 70-71.

148. The UDC foreign minister José Pedro Perez-Llorca raised teh issue at Spain's first meeting as a member of NATO. See Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, Note 2, p. 78. The PSOE foreign minster referred disparagingly to the idea that international conflict in Latin America can be settled by force as the 'Malvinas illusion'. See Morán, 'Europe's Role in Central America: A Spanish Socialist View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 30.

149. Mitchell, 'Spain's role as special advocate', in Irish Times, April 9 1990.

150. See Morán, 'Europe's Role in Central America: A Spanish Socialist View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, pp. 37-38.

151. Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 69. These percentages remained consistent throughout the 1970s. In 1970/71 8.9 per cent of Spanish exports went to Latin America compared to 9.4 per cent in 1981. In 1970/71 Spain received 11.0 per cent of its imports from Latin America compared to 11.5 per cent in 1981. See Eric N. Baklanoff, 'Spain's Emergence as a Middle Industrial Power: The Basis and Structure of Spanish-Latin American Economic Relations', in Howard J. Wiarda (ed), The Iberian-Latin American Connection: Implications for U.S. Foreign Policy, (Boulder: Westview, 1986), p. 149.

152. Grugel, 'Spain and the Spanish-speaking Caribbean', in Sutton (ed), Europe and the Caribbean, p. 143.

153. William Perry and Peter Wehner, 'Implications and Conclusions', in William Perry and Peter Wehner (eds), The Latin American Policies of U.S. Allies, (New York: Praeger, 1985), p. 169.

154. Grugel, 'Spain and the Spanish-speaking Caribbean', in Sutton (ed), Europe and the Caribbean, p. 135.

155. Wiegand, Western Europe and the Latin American Debt Crisis, pp. 32-35 and pp. 63-66.

156. The concept of Spain acting as a 'bridge' between Latin America and Europe had by 1990 suffered the same fate as the earlier Francoist concept of hispanidad. The term was seen as somewhat patronising to Latin America particularly as in practice Spain's European and Atlantic profile had manifestly not yielded returns for Latin America. See Mitchell, 'Spain's role as special advocate', in Irish Times, 9 April 1990.

157. Morán has pointed out that 'for some time before Franco's death, when Spain's entry into the EEC seemed impossible, the idea of renouncing European integration and substituting for it a stronger economic connection with Latin America was considered.' See Morán, 'Europe's Role in Central America: A Spanish Socialist View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 43.

158. JoAnn Fagot Aviel, 'The Role of Spain in the Pacification Process of Central America', in Joaquín Roy, The Reconstruction of Central America: The Role of the European Community, (Miami: Iberian Studies Institute/European Community Research Institute, 1992), p. 290.

159. Ibid., p. 292.

160. Grugel, 'Spain and the Spanish-speaking Caribbean', in Sutton (ed), Europe and the Caribbean, p. 135.

161. Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 68.

162. Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, Autumn 1987, p. 607.

163. Hertogs, 'Western European Responses to Revolutionary Developments in the Caribbean Region', in Irvin and Gorostiaga (eds), Towards an Alternative for Central America and the Caribbean, p. 79; and Karl-Ludolf Hübener, 'The Socialist International and Latin America: Problems and Possibilities', in Caribbean Review, Vol. XI No. 2, Spring 1982, p. 41.

164. Hertogs, 'Western European Responses to Revolutionary Developments in the Caribbean Region', in Irvin and Gorostiaga (eds), Towards an Alternative for Central America and the Caribbean, p. 79.

165. Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, p. 70.

166. The issue here is not whether any side was right or wrong simply that this split and later reorientation within the SI towards the revolutionary movements of Central America lessened the likelihood that the Gonzalez government might take a high profile position on the conflicts.

167. 'Declaration on Latin America and the Caribbean', 2-3 April 1986, in Socialist Affairs, 2/86, p. 21.

168. Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, p. 609.

169. 'Declaration on Latin America and the Caribbean', 2-3 April 1986, in Socialist Affairs, 2/86, p. 21.

170. Sanchez-Gijon, 'Spanish Involvement in Latin America', in Perry and Wehner (eds), The Latin American Policies of U.S. Allies, p. 70. In 1987 Equatorial Guinea received \$9.7 million. See Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, p. 611.

171. Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, pp. 610-611.

172. Quote from Gonzalez in Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, p. 612. In 1983 Thomas Enders, the US Assistant Secretary of State also suggested that Gonzalez assist in Salvadorean peace negotiations. See Mujal-Leon, 'European Socialism and the Crisis in Central America', in Orbis, Vol. 28 No. 1, p. 57.

173. Grugel, 'Spain's socialist government and Central American dilemmas', in International Affairs, Vol. 63 No. 4, p. 612.

174. See McRan, 'Europe's Role in Central America: A Spanish Socialist View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, p. 43.

175. Eusabio Mujal-Leon, 'Spain and Latin America: The Quest for Partnership', in Howard J. Wiarda (ed), The Iberian-Latin American Connection: Implications for U.S. Foreign Policy, (Boulder: Westview, 1986), p. 398.

176. Miguel Angel Martinez quoted in Stührenberg and Venturini, Amérique centrale: la cinquième frontière?, p. 299.

177. Mujal-Leon, 'Spain and Latin America: The Quest for Partnership', in Wiarda (ed), The Iberian-Latin American Connection: Implications for U.S. Foreign Policy, pp. 398-399.

178. This view was strongly enunciated by the then Spanish Foreign Minister Fernando Morán in Morán, 'Europe's Role in Central America: A Spanish Socialist View', in Pierre (ed), Third World Instability: Central America as a European-American Issue, pp. 6-44.

Conclusion

The previous chapters have reviewed the background to EC policy towards Central America in the 1980s and have highlighted both causes and mechanisms of EC policy towards this particular area of the world. This conclusion draws together the various strands of the presentation and the argument in order to chart the course of and summarise the reasons for EC intervention in Central America. This conclusion also assesses how effective the EC was in meeting its objectives. It considers the significance of the policy in practical and theoretical terms.

In practical terms the discussion relates to the importance of EC activity in Central America in the context of its impact on outcomes in international relations and to the impact of the Central America policy on the process of EC foreign policymaking in general. In theoretical terms the discussion relates to how this study might contribute to a more profound understanding of the nature of EC foreign policy and its method of operation.

The first argument presented is that the Community had a significant if difficult to measure impact on events in Central America. The second is that Community foreign policymaking became more cohesive because of the experience of developing and implementing the Central America policy but that the impact was uneven and more significant in some areas than others.

EC foreign policy

European Community foreign policy developed as an admixture of 'external

relations' responsibilities (derived from the Treaties) and European Political Cooperation (originating in agreements made by the member states) to the extent that this hybrid approach to foreign policy making became institutionalised in the Single European Act of 1987.

Ostensibly, much of the controversy relating to the nature of any future 'European union' has been in respect of foreign policy and defence and security matters with member states like Britain, Denmark and France reluctant to concede decision-making powers to a non-national authority like the Commission in these areas of 'high politics'. In practice however, even the most anti-federalist of the member states has permitted and sometimes encouraged the development of a common EC foreign policy in respect of some international problems. Britain for instance has been a strong exponent of the development of EPC and was the beneficiary of the 'blurring' of Community/member state decision making in the Falklands/Malvinas war in 1982.

In a sense therefore the polemics as to whether or not member states have been asked to 'surrender' sovereignty (continued in the debate over the ratification of the 1991 Maastricht Treaties) to the Community reflect a non-debate. The question of EC foreign policy is not a matter of the renunciation of sovereignty of the individual states. Since 1954 and the failure of the European Defence Community there has never been any question of member states being asked to renounce decisionmaking capacities in respect of control over their respective militaries except perhaps in limited circumstances and through agreement (as with the NATO Treaty). Given its unique trajectory (pragmatic and cautious developments marked by incremental procedural change) it also seems unlikely that an EC foreign policy

will emerge as exactly analogous to that of the nation state in terms of being fully comprehensive or more centralised. In other words EC foreign policy is likely neither to encompass every international relationship that could be entered into by the member states and the Community nor to be controlled by the Commission at the expense of the Council.

Nevertheless, in terms of understanding the nature of the foreign policy decisionmaking capacities of the EC there is a wide spectrum of intermediate possibilities between that of autonomous state decentralised decisionmaking and a completely centralised Community decisionmaking. To the extent that this case study can provide the basis for generalisations it may help to elucidate some of those possibilities. It may also provide the basis for a judgement as to whether the EC is (as is often implied is the ideal) becoming more like a state-type international actor. Conversely this study might provide a base to help assess if one can talk about a linear 'progressivist' development of EC foreign policy making at all - at least in the sense that the EC is 'developing' so as to become the aforementioned state-type actor.

EC foreign policy and Central America

The EC's involvement in Central America was of comparatively recent origins. The Community's interest in this region appeared surprising for a number of reasons not the least being its lack of interest in Latin America as a whole since 1957 (see Chapter 3). This study has characterised the period 1957 to 1979 as one of EC 'apathy' towards the region. The EC's displayed some awakening interest in

Latin America after 1979 with visits to the region by EC commissioners. EC 'awareness' of Latin America as a foreign policy issue was partly due to the international salience of the Central American revolutions and revolutionary movements after the Sandinista victory in 1979 and partly as a response to the scale of the humanitarian problems in post-revolutionary Nicaragua and the notorious and widespread human rights abuses in the rest of Central America, particularly in El Salvador.

It took the Mexican debt crisis and the Falklands/Malvinas war of 1982 to transform EC 'awareness' (1979-1982) of Latin America into at least incipient 'activism'. Initially EC activism vis a vis Latin America was propelled by the fear of losing Latin American markets, sources of supply and political influence (to the Soviet Union) given Latin American hostility to Western European countries because of their stance on the Falklands/Malvinas dispute. But Community activism was sustained - not by events in South America - but by the revolutions in Central America and more importantly the international ramifications of those revolutions.

The EC's Central America policy developed as a series of ad hoc measures between 1975 and 1981. But by 1982 the institutions of the Community, the member states and the major political parties were demonstrating a convergence of interest and policy so as to make possible a consensus which allowed for the emergence of an institutionalised, cohesive EC policy towards Central America in the mid-eighties. A substantial Community intervention in Central America took place from 1983 through to 1990. There were a multiplicity of major and minor objectives of the policy. This was not surprising given that there were a number of different actors involved in the formulation of Community policy towards Central America. However

the various actors (the institutions, member states and political parties) appeared to share two main objectives - to a greater or lesser extent.

The first of the major objectives was to try to contain the Nicaraguan revolution through a form of 'constructive engagement'. The EC offered positive inducements in terms of economic support for the Sandinista government and diplomatic support for the peace process. It became an active partner in the Contadora and Esquipulas peace process - the second of which included amongst its aims the 'democratization' of Nicaragua. The Community was anxious to prevent Nicaragua from becoming too reliant on the Soviet Union and in this sense conceived of the Central American problem as a potential cause of East/West conflict.

The Community's fear of Central America as a flashpoint for a major superpower conflict underlay the gradual formulation of the second more important goal of the EC's intervention which was to prevent the United States from direct military intervention in Nicaragua. The EC considered that such an action would not only promote a regional problem to the level of an international conflict which would involve both superpowers, but that it would also do serious damage to the Atlantic Alliance. US policy towards Central America, especially Nicaragua, was viewed as mistaken and dangerous with potentially harmful repercussions in respect of the stability of the Alliance. In this sense it was international factors which over-determined EC policy towards Central America in the 1980s.

Some indication of the applicability of this observation can be gained through an analysis of why EC interest in Central America diminished from 1990 onwards. The November 1989 collapse of the Berlin wall marked the end of the Cold war and the victory of the US over the USSR in that war. In this sense any regional conflict

could no longer be a source of East-West conflict given there was no longer an international system characterised by an East-West struggle for predominance. From 1990 therefore Central America reverted to the status of a minor regional conflict, unhampered by any significant international ramifications.

Another consequence of the changing international or systemic conditions was that both the EC and the US redirected their policy priorities towards Asia and Eastern Europe. The rapid and unpredictable changes in these two areas brought an element of uncertainty to the international system such that the EC and the US were precipitated into more collaborative working arrangements than had previously been the norm.¹ This redirection of EC priorities may well reinforce a re-consolidation of the US as the unquestioned dominant power in Central America.

The changing international conditions also caused the revolutionary movements of Latin and Central America to reconsider their strategy. With the demise of the Soviet Union and the Socialist regimes in East Europe there was little chance of future material support for liberation movements however just their cause might be. Many of these revolutionary movements, with the major exception of Sendero Luminoso in Peru, judged that negotiations had become a viable option for at least the partial achievement of ends which had hitherto only seemed attainable by military means.² This shift in thinking coincided with the 1990 electoral defeat of the Sandinistas which also provided another reason for the diminution in EC interest in Central America. This was not because the EC had ever had as a major policy objective the overturning of the Sandinista government (although some of the member states and political parties would not have been averse to that outcome) but was mainly because the Sandinista electoral defeat was another factor likely to

encourage the United States to take a less belligerent attitude to Central America. The 1990 victory of the more pro-US Nicaraguan president Violeta Chamorro meant that a major US foreign policy objective, to replace the 'present structure' of the Nicaraguan government, had been achieved.

Only one Socialist state was left in 1990 in Latin and Central America. This was Castro's Cuba which economically was struggling to survive after its aid and trade relations with the Soviet Union were disrupted. Thus revolutions and the frictions between the EC and the US which had arisen about the best way to deal with these revolutions, were no longer an important policy issue for the EC in Latin America.

The two major objectives of EC policy were therefore achieved. Nicaragua did not become a Soviet client state in the sense that it did not evolve into a 'second Cuba' in the region. The US did not invade Nicaragua and thus the regional conflict did not escalate into a full scale international crisis. No western European government had been put in the position of having to cope with angry public opinion because of a US invasion of Nicaragua and in this sense the serious questioning of US leadership of the Alliance, which had taken place in the early and mid 1980s, had abated.

The important question is to what extent the EC's policies and activities vis-a-vis Central America contributed to the desired outcomes being achieved. Did EC policy matter?

The answer to this question is inevitably speculative given that the Central American crisis was a complicated regional issue with international ramifications which throughout the 1980s ensured the involvement in major or minor roles of the

superpowers, the major western industrialised nations, the eastern European countries (in terms of economic support for Nicaragua), the Latin American nations and other third world countries. The crisis also involved as important actors subnational and transnational groups - not just within Western Europe - but also and probably crucially (although this factor is not within the scope of this study), such groups within the United States. A complete assessment as to what extent EC policy made a difference would have to consider the relative weight and interreaction of all these actors and this task remains to be done. Of particular interest would be some scholarly investigation of the impact of the various agents of US public opinion (of the right and left) which, from the evidence available, would seem to have had some impact in terms of moderating the Reagan and Bush administrations' foreign policy towards the region.³

Nevertheless there is some counterfactual evidence which suggests that the EC had some influence in respect of achieving its desired outcomes in Central America. During the Reagan and Bush administrations actual invasions of small countries were preceded by systematic diplomatic campaigns to delegitimise and isolate their leaderships (Bishop in Grenada and Noriega in Panama). The 1986 bombing of Libya was also preceded by a campaign to depict Libya as an 'outlaw' state. A similar campaign was launched against Iraq's Saddam Hussein subsequent to the Kuwaiti invasion and prior to the US led Gulf war. With the exception of Grenada these campaigns succeeded to the extent that international public opinion for the most part supported US action against these countries.

The European Community did not accept this US strategy in respect of Nicaragua although the US had actively tried to persuade them to do so. Not only

did the EC refuse to go along with US policy but it actively campaigned to implement an alternative policy which both accepted the legitimacy of the Sandinista government and attempted to persuade the US government of what the EC considered to be a mistaken policy. To the extent that US policy had relied on international legitimisation as a necessary component of any strategy which involved military intervention in another country, the EC's policy constituted a problem for US policymakers. This conclusion is borne out by the fact that the US government developed a strategy and expended resources to try to persuade the west Europeans to change their policy (see Chapter 1). This does not mean to say that EC policy prevented a direct US military intervention in Nicaragua of itself. However the argument is that the impact of EC policy was not negligible in terms of a contribution to the meeting of European Community objectives.

EC policy was however only one part of the equation. The EC's desired outcomes were achieved because of a combination of factors internal and external to itself and Central America.

The first objective - of 'containing' or 'moderating' the Nicaraguan revolution - was achieved in that the Sandinistas did not adopt a one-party, non-pluralist political and economic system. At the same time however EC hopes were disappointed in that neither were the Sandinistas persuaded to adopt a purely, western representative model of democracy. The 1990 electoral defeat of the Sandinistas - in a sense the ultima ratio of containment policies - was certainly not achieved because of EC activity but because the Nicaraguan electorate thought that the more pro-US Chamorro had a better chance of both ending the war and (with US help) reviving the economy.

The second objective - of the prevention of direct military intervention in Central America - was achieved because of a number of factors. These included Nicaraguan military preparedness, Latin and Central American diplomacy, the international campaign against US policy and US domestic opposition to their own government's policy towards Central America. An important factor was the changed post-Cold war context of international relations.

EC policy formed a part of the international opposition to US policy. The EC's contribution was significant in that it provided diplomatic support to Latin and Central American diplomacy and also a 'legitimate' opposition to US policy.

Another way in which EC policy 'mattered' was that its insistence on a regional solution to the conflict which included Sandinista Nicaragua had the effect of giving significant international legitimacy to the revolutionary government. US attempts to diplomatically isolate the Sandinistas failed largely because their major allies in Europe actively campaigned against this aspect of US policy. The Contadora Group and Central American presidents were thus given highly influential backing from the Europeans in the pursuit of their plans for a negotiated, non-exclusive (ie. inclusive of Nicaragua) plan for peace.

Central America and EC foreign policy making

If EC policy had a significant if difficult to measure impact on the Central American crisis what impact did the Central American crisis have on the practice of EC foreign policy making?

It has already been noted that in one case of EC foreign policymaking in

respect to Latin America, that is in the EC reaction to the Falklands/Malvinas dispute, 'external relations' and EPC responsibilities were merged so as to enable the EC to offer a fairly cohesive (at least over the short term) policy. However there were few longlasting effects on EC foreign policymaking of this brief period of foreign policy engrenage. Perhaps the major residue was a lingering intimation that the institutions and the member states could if necessary act together should interests and motivations coincide. Of course the fact that the EC could act cohesively and coherently was not a remarkable state of affairs in itself. The EC had developed a pragmatic way of working in respect of various foreign policy issues ranging from the CSCE to GATT and had learned to 'manage' the convergence of the two areas of foreign policy competence (see Chapter 2). What was interesting in respect of the Falklands crisis however was that the EC response a) involved a serious international crisis, b) was concerned with an area of 'high politics' and c) risked placing the EC in an oppositional position to its closest ally, the United States.

The EC's involvement with Central America in the 1980s also displayed the aforementioned characteristics. Central America was a major international problem which by the mid-eighties was commonly understood as a 'crisis'. The 'high politics' of security (for the United States and the Central American states) were at issue and military force was the chosen instrument of aggression and defence of the major participants. Lastly, the Community chose an approach to the problem which brought both the Community and member states into conflict with its most trusted ally.

In terms of the immediate affect on EC foreign policymaking, the involvement in Central America had the practical affect of further blurring the lines

of competence between external relations and EPC; between the responsibilities of the Commission and the responsibilities of the Council. Prior to the SEA when both the member states and the Commission were charged with achieving 'consistency' between the two areas of competence, the EC was in fact operating a relatively cohesive foreign policy in a major international crisis without much domestic controversy. Contrary to theory, the Commission, supported by the Parliament, acted as initiator in this particular foreign policy of the Community. (This is not to say that the Commission could have sustained a different policy from that of the Council in respect of Central America.) Another notable development in terms of the impact of the Central America policy on Community foreign policymaking was the institutionalisation of Commission involvement along with the member states via the political and economic dialogue which took place on a regular basis with the Central American states and the Central American Common Market. Here the Commission was overtly involved as a political as well as an economic partner in relations with third countries.

What this study indicates therefore is that sovereignty, in the sense of centralised decisionmaking powers, can relatively easily be divided between the member states and the Community provided there is no major divergence of interest or policy between the member states or provided that a convergence of interest between them can be achieved. In either case the Commission is in a relatively powerful position as the institution most capable of facilitating convergence among member states. This observation is pertinent because the Commission does not suffer the two disadvantages incurred by the Presidency whose official responsibility it is to negotiate consensus where possible. These two disadvantages are the short term

nature of the Presidency and the 'pull' factor of national interest. All these factors tend towards a role for the Commission as at least potentially more of an initiator of action and indeed as an international actor itself in order to carry out action agreed via the Community mechanisms. In a sense the Maastricht Treaty has ratified this development in Community foreign policymaking in that the 1991 Treaty on Political Union specifically allows for common actions to be pursued by majority vote in the Council once a common foreign policy has been agreed.⁴ Given that since the SEA the Commission has of right been part of the foreign policymaking process in EPC, the move to common action by majority vote will probably have the affect, inter alia, of strengthening the Commission's role within foreign policymaking.

In a negative sense the study confirms the continuing 'democratic deficit' in Community foreign policy making. The European Parliament was a vociferous participant in 'lobbying' terms in respect of the Central America policy but never achieved an institutionalisation of its status in respect of foreign policymaking.

This case study also indicates some of the limits to an effective EC foreign policy. The Central American policy can be perhaps judged as relatively successful in meeting objectives but this was only because after 1982 all the major participants (Community institutions, member states and major political parties) shared common objectives which were underpinned by a convergence of interest. In this particular case the Commission was able to mobilise the various actors, which together comprise the conglomerate whole which is the Community, along the lines of the Community's view of itself (philosophy) as an international actor. It is difficult to foresee a future situation where such unanimity could be achieved. The Community's

lack of effectiveness in the 1992 Yugoslavia crisis is illustrative in that the various member states have not been able to reconcile their different interests and objectives and because of the degree of divergence neither the Commission nor the Council has not been able to pull together a policy around which the various constituent units of the Community could converge.

The experience of the Central America policy in institutional terms was to bring to prominence the role of the Commission and at the same time emphasise the peripheral nature of Parliamentary involvement in Community foreign policy.

In terms of the capability of the Community as a composite international actor the experience of the Central America policy was to highlight the possibilities and at the same time give evidence to the limitations of the EC. Provided the various actors involved within the EC conglomerate were at least passively united, the Commission could mobilise the resources of the Community in trade, aid and diplomatic terms, in order to pursue a particular foreign policy. But even with this level of convergence around agreed objectives it was not possible for the EC to coordinate activities of the member states and the Community. An example was aid policy. Here the Community managed to agree a formula whereby Community aid followed the directions of the EC's foreign policy. It was never however able to achieve the coordination of Community and member state aid to Central America. This was also true of the diplomatic instruments of EC policy. Although both the Council and the Commission were able to 'speak with one voice' on Central America, that voice once translated into national dialects was able to either add or detract in terms of emphasis to various aspects of the policy. One example is the British condemnation of the Sandinistas as Marxist aggressors - which can be

compared to the (Socialist) Greek government's depiction of Sandinista Nicaragua as a 'model' society.

A major problem elucidated by this study is that should only one of the major actors (Britain for most of 1982) wish to block a particular common action the Community foreign policymaking process comes to a halt. This problem will not be overcome by the Maastricht Treaty as member states retain the power to amend their decision to allow common actions to be governed by majority voting (Article C3).

The implementation of the Community's Central America policy indicated that at least in certain circumstances the Community could put into practice its own foreign policy philosophy. This had two major aspects. The first was the explicit commitment to principles which included the rule of law, respect for human rights, a commitment to pluralist democracy on the western model and an increasing emphasis on the political and economic virtues of regional integration. The second aspect of the EC's foreign policy philosophy was a quest for autonomy vis-a-vis its major ally, the United States.

In the short term, EC foreign policy philosophy was probably vindicated by the successful implementation of the Central American policy which allowed the Community to portray itself as an international actor possessing a distinct international mission. In this way EC foreign policymaking was given a more substantial foundation. However it is too early to make assumptions about any possible longlasting affects on EC policy. The international context changed so dramatically in 1990 so as to make (arguably) an EC/US partnership more necessary than it ever had been. There have been few occasions since 1990 when the EC has

considered it useful to take a contrary view to the United States on major international issues (agricultural trade being the major exception). But what the Central America policy may indicate is that the EC now has relatively more capability to act as a discrete and if necessary oppositional actor vis-a-vis the United States. The EC, given different international circumstances, may therefore be expected to take a more independent line in certain foreign policy issue areas than it was prepared to do prior to the 1980s.

This study does not provide evidence to indicate that EC foreign policymaking is moving in a progressivist fashion towards some outcome whereby the EC will assume the capabilities and capacities of a nation state. This is not mainly due to the fact that the EC does not possess the direct use of the military instrument. Many small states do not possess an effective military instrument but maintain some form of foreign policy. The EC's 'international actorliness' will not develop in an way analogous fashion to that of the nation state because there is no centralised administrative authority (government) which can make authoritative decisions on the allocation of resources within and without Community territory. The reliance of Community foreign policymaking on negotiation and bargaining within the polity in order to make a decision and on repeated negotiations every time a decision needs to be altered in a major way, limits the EC's foreign policy capabilities and consequentially its effectiveness. This study does indicate however that EC foreign policymaking and implementation cannot be dismissed as irrelevant and in certain cases, as in Central America, it has played a significant role in international relations. This is why further understanding or theorising about the nature of EC foreign policy may be useful.

Theoretical implications of this study

This concluding section utilises the three standard ways of approaching international relations theory in order to elicit some observations about EC foreign policy in the light of the above study.⁵

The substance of this study at once confirms and denies some central Political Realist presumptions of the state. The state is conceived here as the most significant actor in international relations partly because of its centralised control over foreign policy instruments in particular the use of military force.⁶ The references to such disparate states as the United States and Nicaragua confirm that what they had in common was their appreciation of the value of the military instrument in the pursuit of foreign policy. Yet Political Realism, at least in its archetypal form, has difficulties in understanding the complexities of an international system where international organisations like the EC can play an important foreign policy role and where subnational or domestic constituencies can have a substantial influence on the foreign policy making process and therefore on foreign policy outcomes. Political Realism almost by definition excludes an understanding of foreign policy making which considers domestic factors as salient and understands the idea of sovereignty as 'indivisible'. In these respects the second of the common approaches to international relations, that of pluralism, may have more to offer in respect of this particular study.

Much of the literature which seeks to analyse and theorise about EC foreign policy can loosely be classified as falling within the pluralist paradigm. It is

concerned with processes and outcomes of integration and with understanding how decisions are made within the foreign policy making process particularly within the field of European Political Cooperation.⁷ Within the framework of this approach, the points of interest raised by this study are firstly the external relations/ EPC analytical dichotomy and secondly the nature of EC foreign policy.

This study indicates that the pervasive analytical distinction between external relations and EPC is not of great utility. In fact an analysis which sought to maintain the distinction would have great difficulty in fully comprehending the Central America policy particularly given the Commission's visibly political role. The argument here is that this distinction has probably little general utility in any case given the now increasingly bicephalous Community - evident even in the sensitive areas of foreign policy making.

This study also permits certain tentative generalisations to be made about the nature of Community foreign policy. Firstly the Community does possess a foreign policy which is more than just a mechanism for coordinating policies on an ad hoc basis. The gradual development of the Community's ability to make and implement foreign policy was recognised in the Maastricht Treaty with the recognition that a Common Foreign and Security Policy (CFSP) exists which is something more than EPC and that this CFSP should be consolidated and extended.

Secondly, the CFSP will not be limited because of its lack of comprehensiveness. It is perfectly feasible that the subsidiarity principle should apply to foreign policy making as much as other aspects of Community decision making. In other words if the member states consider that a policy is most appropriately carried out at member state level this is likely to continue. Conversely

should the member states consider that a policy is more appropriately carried out by the institutions of the Community (for instance policy towards CSCE, GATT, ASEAN) a CFSP could be substantial and effective.

Thirdly the EC has shown that it in certain circumstances it has an ability to act autonomously of its allies within the international system. The EC has not acted autonomously of its component member states but it has shown an ability to develop a policy which is somewhat at variance from that of the member states. For instance both Mitterand's France (from the Left) and Britain (from the Right) developed policies towards Central America which were at least initially at variance with the Community's 'even-handed' approach. By the mid-1980s both France and Britain had more or less adopted the Community's more centrist policies on Central America thus indicating a degree of Community independence (and effective diplomacy) which contributed to the molding of member state foreign policy.

This study indicates that to operate effectively it was necessary for the interests and policies of the Community institutions, member states and major political parties to converge around an agreed set of objectives. For Community cohesion to take place around a common foreign policy this study indicates that the aforementioned convergence needed to be mobilised and institutionalised by activist Community institutions - in this case initially the Commission and the Parliament and later the Council. In this sense Community foreign policy cohesion arises out of institutionalised convergence of interest and policy. It might be possible to conclude, again drawing on this case study, that, all other things being equal, the effectiveness of the future CFSP, with effectiveness defined as the ability to attain objectives, will be a function of the extent of its cohesion. In other words, the CFSP

is likely to be more effective the more the interests and policies of the institutions of the Community, the member states and the political parties converge, the more the institutions can actively work to mobilise a Community interest and policy, and the more that Community interest and policy can be institutionalised. An important caveat to the above conclusion is that some of the participants carry more weight than others - in particular the member states and the Commission. However the Parliament and the political parties are seeing an increase in their powers and have not refrained from using them (for instance the 1988 blocking of the Israeli trade protocols).

There are both positive and negative implications arising from the above conclusions. The positive aspect is that the definition above allows for a scale of likely effectiveness to be envisaged. Simply because all the member states for instance did not agree on a policy (for instance Britain and Greece in respect of the former Yugoslavia) that would not mean to say that some degree of effective CFSP could not be devised and implemented. Conversely however, the negative aspect of the above conclusion is that any one of the major participants (institutions, member states, major political parties) could in most circumstances block a policy desired by the other participants (Greece in respect to the recognition of Macedonia). Thus any effectiveness quotient of a future CFSP, particularly with an enlarged Community, is likely to remain low, except perhaps in times of major international crisis whereby all the participants consider their interests equally threatened (perhaps in a major war in the middle east). In a crisis whereby the interests are too divergent (eg. the 1992 Yugoslav war) it is unlikely therefore that the EC could be an effective actor.

There are however two types of foreign policy situation in which the above, rather stark, scenario could be mitigated. In these cases effectiveness could be increased in spite of lack of unanimity. The first instance is in times of non-crisis. The major participants might be more inclined and have more time to bargain over interests in order to try to increase cohesion and maximise effectiveness. Of course this will depend again on the scale and scope of divergence and the nature of issues at stake. For instance the Community has probably achieved an adequate compromise on banana policy which will satisfy the diverse interests of the Community participants, if not the banana producing countries. This was partly because for the Community participants at least, EC banana trade was a 'non-crisis' issue.

The second type of foreign policy situation is that of multilateral diplomacy. The Central America case study indicates that EC participants were willing to negotiate interests between themselves in respect of coming to an agreement with a multilateral partner because divergent interests and objectives could be accommodated within an overall package. For instance the EC set as one of its aims the establishment of 'democracy' in Central America. Both Socialist and Christian Democrats were able to agree to this objective as both had in mind different 'target' states'. The Socialists were at least initially keener to see the establishment of democracy in the rightwing, authoritarian regimes of the region in particular in Guatemala and El Salvador. The Christian Democrats were for their part anxious to promote the establishment of western style democracy in Nicaragua. Implicit trade-offs could be made. For instance in return for Socialist recognition of President Duarte as a legitimate leader the Christian Democrats could accept the legitimacy

of President Ortega.

The approach to the study of International Relations commonly termed 'pluralism' is useful insomuch as it has no difficulty accepting international institutions as valid international actors and it understands the importance of the relationship of decisionmaking processes to foreign policy outcomes. What pluralism is therefore useful for is what Robert Cox has called 'problem-solving' theory.⁸

The alternative offered by Cox, of 'critical theory' - an approach which without much difficulty can be seen as having its intellectual origins in the 'structuralist' paradigm - may add something further to the examination of EC foreign policy. Cox's critical theory can be used to understand what has been characterised in this study as the anti-revolutionary nature of EC foreign policy. Here the EC's policies of containing the Central American revolutions by peaceful means and the use of non-military positive and negative sanctions can be counterposed to the US policy of counterrevolution which actively, through the use of military force and economic embargoes, aimed to overthrow a revolutionary government. The concept of 'anti-revolution' is of a policy aimed to maintain international hegemony by the EC, not necessarily on its own behalf, but on behalf of an international (though not necessarily homogeneous) ruling class. Thus the EC would have an interest in maintaining the integrity of the institutions of international hegemony, for instance NATO and the G7. These ideas might help to explain why the overriding concern of the EC within its Central America policy was to 'moderate' the actions of the US and, as argued above, to maintain the stability and credibility of the western alliance.

Cox's concept of hegemony is drawn from the Gramscian notion of dominance

and/or leadership enforced by consent as much as by coercion.⁹ In this sense the anti-revolutionary method used by the EC can be seen as a more efficacious hegemonising mechanism than the US' crude use of force. Thus the second and as is argued here the most important objective of EC Central American policy - of restraining the US - can be further brought into focus. Here the EC was perhaps encouraging the US leadership to employ methods which would be more beneficial for the western alliance as a whole, in order for the alliance, not individual countries, to maintain hegemony in the international system.

One rather cynical interpretation of the EC/US relationship in respect of the Central America crisis is that there was somehow an undeclared division of labour between the two. The US employed military threats and the EC offered diplomatic and economic inducements.¹⁰ This explanation makes light of the evidence that West European elites of all political persuasions were seriously concerned about US policy towards the region during the Reagan administration (see Chapter 6). It is also reminiscent of a vulgar Marxist argument which would credit the actions of EC and US leaders as crudely derivative of their position as somehow more or less automatically representative of a presumably homogeneous ruling class. A more sophisticated structuralist interpretation however could well allow for a shared strategic interest (ie. anti-Communism) but also allow for differences between the two sides of the Atlantic Alliance as well as for differences within those two sides.

The argument here is that 'Pluralism' and 'Structuralism' as approaches to the study of international relations are the most fruitful theoretical prisms through which to view the EC's Central America policy. The last - structuralism - may have more to offer partly because its has been so rarely used in the explanation of

Community foreign policy.

It is hoped that a 'critical' approach to understanding Community foreign policy has been presented in this study. Further studies of Community foreign policy may benefit from the utilisation of the under-exploited resources available within the structuralist approach and perhaps in particular from 'critical theory'.

Notes to Conclusion

1. In February 1990 the president of the European Council, Charles Haughey and US president, George Bush agreed an institutionalisation of EC/US contacts. This was the first time in the sometimes troubled history of EC/US relations that such an agreement had been reached. See Commission of the European Communities, 'The Week in Europe', WE/8/90, (London: Commission, 1 March 1990).
2. Jenny Pearce, 'Liberal Democracy or Socialist Democracy? - Dilemmas for the Left in Central America', unpublished paper given in Brussels at a seminar on Change in Latin America - Solidarity in Europe, 9-10 May, 1991.
3. Brief mention is made of the US public's opposition to their country's involvement in the Central American conflict in Richard J. Barnet, The Rockets' Red Glare: When America Goes to War - The Presidents and the People, (New York: Simon and Schuster, 1990).
4. See Article C in 'Provisions on a Common Foreign and Security Policy', in Conference of the representatives of the governments of the member states, Draft Treaty on European Union, CONF-UP 1862/91, Brussels, 13 December 1991, p. 106. See also 'Common Foreign and Security Policy', in Commission of the European Communities, Background Report: Briefing Note.. on the intergovernmental conferences, ISEC/B33/91, London, 19 December 1991, p. 7.
5. Banks, 'The Inter-Paradigm Debate', in Light and Groom (eds), International Relations: A Handbook of Current Theory, pp. 7-26.
6. See Morgenthau, Politics Among Nations.
7. See for example de Schoutheete, La Coopération Politique Européenne; J.K. De Vree, P. Coffey and R.H. Lauwaars (eds), Towards a European Foreign Policy, (Dordrecht: Martinus Nijhoff, 1987); Ifestos, European Political Cooperation: Towards a Framework of Supranational Diplomacy?; and Pijpers, Regelsberger and Wessels (eds) in collaboration with Edwards, European Political Cooperation in the 1980s, (Dordrecht: Martinus Nijhoff, 1988).
8. Robert W. Cox, 'Social Forces, States, and World Orders', in Millennium, Vol. 10 No. 2, 1981, pp. 126-55, reprinted with postscript in Robert Keohane (ed), Neorealism and its Critics, (New York: Columbia University Press, 1986).
9. Robert W. Cox, 'Gramsci, Hegemony and International Relations: An Essay in Method', in Millennium, Vol. 12 No. 2, 1983, pp. 162-175.
10. For one version of this argument see Whitehead, 'The Identity of the New Europe and the San José process', in Roy, The Reconstruction of Central America, p. 147.

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