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AN OVERVIEW OF THE CENTRAL AMERICAN INTEGRATION SYSTEM



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Abstract

The paper examines the formation and development of the Central American Integration System (SICA) and provides some of the strengths and weaknesses of the organization. From the application of secondary methodology, findings show that, the organization has been stable since formation. The paper concludes that, the organization has a lot to learn from other integration systems of the world to strengthen its own within the Central American region. The paper also recommends that, for SICA to achieve its set objectives all hands must be on deck in terms of total commitment by member states. The system should pay adequate attention to the economic aspect of the integration in order to benefit the member nations.

Keywords: Central; America; Integration; System; Regional; Cooperation.

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1. Introduction

The main thrust of this piece is on the formation, objectives, principles, organs, agencies, achievements and challenges of the Central American Integration System. The motive behind this is to ascertain the extent to which the activities of the organization have succeeded or otherwise in fostering regional integration within the Central American society. The study adopts neo- functionalist theory as its framework while the methodology is based on the secondary sources and content analysis is our tool for analyzing the data. The central American Integration System (in Spanish – Sistema de la Integracion Centraoamericana Abbreviated as SICA) is the institutional framework of regional integration in Central America (IDW, 2002). Its formation was borne out of the long desire by the member states to have a formidable regional organization that will cater for the needs and aspirations of its over 50 million population (Meyer, 2014:4). Propelled by this the five initial member countries during the Summit of the Presidents on 13th December, 1991 in Tegucigalpa, Honduras signed the “Tegucigalpa Protocol” which set up the Central American integration System The organization finally became operational in February

1993 and it is charged with the responsibility, among other things, of transforming the Central America into a region of “peace, freedom democracy and development” (IDW, 2002).

2. Theoretical Framework

The study adopts Neo-functionalism as its framework of analysis. Neo-functionalism is an amalgam of David Mitrany’s functionalist theory and Jean Monet, the first president of the European Coal and Steel Community (ECSC) pragmatic approach to management (Sheriff and Nwokedi, 2016). It is an international integration theory that seeks to reach a political community beyond just a nation state. Schmitter (2012:2) describes it as “a theory of regional integration that places major emphasis on the role of non-state actors...in providing the dynamics for further integration”.

Neo-functionalism was developed by Ernst Haas through his 1958 work entitled “The Uniting of Europe: Political, Social and Economic Forces 1950-1957”(Cini, 2004:81). Haas’ principal aims were to provide an explanation to the post World War II integration process in Europe as well as regional integration and development in the areas of economic cooperation in Latin America (Cini, 2004:83). Its adherents are always of the view that integration that commences in the economic sector will spread to other sectors by creating a strong interdependence and wealth. The concept of “Spill Over”, a process that describes how regional integration evolved is one key feature of neo-functionalism. Accordingly,

In order to fulfill and satisfy one goal of integration it is necessary to take actions in another area, which then set other action in motion. Within political spill over, it meant that when one sector integrated, the interest groups usually lobbying on national level then switch to the new integrated supranational agency, which then encourages other national groups to pressure their national access points to integrate as well (Kleinschmit, 2013:5).

Neo-functionalism is versatile and can be deployed in addressing issues relating to “technical cooperation, economic underdevelopment, disease, instability etc” (Sheriff and Nwokedi, 2016:10). This makes it an ideal theory for analyzing the Central American integration which is multifaceted; covering economic, political, social, cultural and ecological areas (GSCAIC, 2013).

This theory has however been faulted by scholars. Among such criticisms is “the over recognition of the Spill Over process”. According to Kleinschmit (2013:5), neo functionalism assumes that integration will develop from one sector to another, but the evolving of integration from low politics to high politics, which is of great national interest is highly unrealistic. Also it “insistence that supranational institutionalism is attainable in spite of nationalism” has been faulted (Dauda, 2013:114)

3. Results and Discussion

The foundation of what gave rise to the formation of SICA could be traced back to 1824 when Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua formed the Central American

Federation (O’Keefe 2001). Although the Federation later collapsed in 1938 due to internal clashes, the dreams of uniting the Central American society continued unabated as some Central America granted automatic citizens to other nationals from Central American states (O’Keefe, 200). In October 14, 1951 the Foreign Secretaries of the Central American states met in the city of San-Salvador and signed a document known as “The Charter of San Salvador” which gave rise to Organization of Central American States (ODECA) with its first secretary as Dr. J. Gillermo Tranino of El Salvador.

ODECA played significant role in the process of integrating the Central America, achieving success in the unification of traffic signal standards, educational programs, custom procedures, cultural policies, a regime for Central American integration industries and a Central American free trade and economic integration treaty (General Secretariat of the Central American Integration System(GSCAIC, 2013).

In the 60s, these countries also signed the second ODECA Charter which though short lived like earlier attempts, the quest for a more and better process of integration did not cease in them and by December 13, 1991 during the XI Summit meeting of the Central American Presidents held in Tegucigalpa, Honduras the “Tegucigalpa protocol” establishing the Central American Integration System was signed and SICA became the “New judicial-political framework for all levels and areas of central American integration” covering economic, political, social, cultural and ecological areas, allowing for a comprehensive development approach for the region central American(GSCAIC,2013). Currently, SICA is among the intergovernmental organizations that have been granted permanent observer status by the United Nations. Also its membership has risen from five to seven in 2004 following the admission of the Dominican Republic (GSCAIS, 2014:2).

4. Objectives of SICA

According to Article III of the SICA Charter the fundamental objectives of the Central American Integration System is to bring about the integration of the Central America as a region of peace, freedom and democracy and development. To this end, the following objectives are hereby reaffirmed:

- 1) To consolidate democracy and strengthen its institutions on the basis of the existence of Government elected by universal and free suffrage with secret ballot, and of unrestricted respect for human rights;
- 2) To defend a new regional security model based on a reasonable balance of forces, the strengthening of civilian government, the elimination of extreme poverty, the promotion of sustained development, protection of the environment, and the eradication of violence, corruption, terrorism and trafficking in drugs and arms;
- 3) To promote a comprehensive system of freedom that will ensure the full and harmonious development of the individual and of society as a whole;
- 4) To achieve a regional system of well-being and economic and social justice for the peoples of the Central America;
- 5) To achieve an economic union and strengthen the financial system of Central America;
- 6) To strengthen the region as an economic bloc to provide for its successful participation in the international economy;

- 7) To reaffirm and consolidate Central America's self-determination in terms of its external relations by means of a unified strategy to strengthen and broaden participation by the region as a whole in the international sphere;
- 8) To promote in a harmonious and balanced manner, the sustained economic, social, cultural and political development of the member states and of the region as a whole;
- 9) To carry out concerted action to protect the environment through respect for and harmony with nature, while ensuring balanced development and the rational exploitation of the natural resources of the areas with a view to establishing a new ecological order in the region;
- 10) To establish a Central American Integration System on the basis of an institution and legal order and mutual respect between member states

5. Principles of SICA

In order to successfully achieve the aforementioned laudable objectives SICA has certain principles in which its operations are based. These principles as outlined by the Office of the United Nations High Commission for Human Rights (OHCHR, 2016) are as follows:

The promotion of respect for and protection of human rights shall constitute the fundamental basis of the Central American Integration System; peace, democracy, development and freedom constitute a harmonious and indivisible whole which shall guide the acts of the member-states of the Central American Integration System; Central American identity as an active manifestation of regional interest and of the will to participate in consolidating the Integration of the region; Central American solidarity as an expression of its profound interdependence, origins and common destiny; the phased, specific and progressive nature of the process of economic integration, based on harmonious and balanced regional development, with special treatment for relatively less developed member states, and on equity and reciprocity, and the Central American exception clause; the comprehensive nature of the regional integration process and the democratic participation therein of every social sector; good faith on the part of the member states in the discharge of their obligations; respect for the principle and norms of the Charter of the United Nations and the organization of American States (OAS) and the declarations issued at the Meeting of presidents of Central American Integration System since May 1986.

6. Membership of SICA

The member countries of the Central American Integration System include: the Republic of Costa Rica (1991), Republic of El Salvador (1991), republic of Guatemala (1991), Republic of Honduras (1991) republic of Nicaragua (1991), republic of Panama (1991) Belize (2000) and Dominican Republic (2004). Mexico, Chile Brazil Argentina, Peru the US, Ecuador , Uruguay and Colombia are part of SICA as regional observers while Spain, France South Korea, the UK, the EU, the Holy See, new Zealand Morocco, turkey and Qatar are SICA's extra regional observers. (General Secretariat of the Central American Integration System- (GSCAIS, 2014:2)

7. Organs of SICA

Papageorgiou (2011:14-16), O’Keefe (2001) and IDW (2002) have identified the main organs of the central American Integration System to include: The Meeting of the Presidents, Meeting Vice Presidents, The Council of Ministers, The Executive Committee, The General Secretariat, The Court of Justice, The Parliament and other agencies

The Meeting of Presidents: This is the supreme organ of SICA and it consists of the constitutional presidents of member states. Its meeting is held every six months in ordinary time and their decisions arrived through consensus. The functions of the Meeting of Presidents include the consideration of admission of new members and ensuring the realization of SICA objectives (O’Keefe, 2001)

Besides the organ is

to define and direct Central American policy by establishing guidelines for the integration of the region as well as the provisions necessary to ensure the coordination and harmonization of the activities of the bodies and institutions of the region, and the verification, monitoring and following up of its mandates and decisions; to harmonize the foreign policies of its states; to strengthen regional identity as part of its ongoing process of consolidating a united central America, to approve ...amendments to the protocol...; to ensure fulfillment of the obligations contained in the protocol and in the other agreements, conventions and protocols which constitute the legal order of the Central American integration System (IDW, 2002).

Council Of Ministers: This composed of the relevant ministers holding the relevant portfolio. They help to provide the necessary follow up to ensure the effective implementation of the decision adopted by the meeting of presidents in the sector in which it is competent. The organ is chaired by competent minister from the member state for the period of 6 months (Papageorgiou, 2011:16).

The Executive Committee: The third most important institution in SICA is the Executive Committee. It is made of one representative from each member states chosen by the country’s President (O’Keefe, 2001). According to the above source, the committee meets once in a week and oversees the day-to-day implementation of the decisions of the first and second organs, regulations and agreements emanating from the technical secretariat (O’Keefe, 2001)

General Secretariat: According to Papageorgiou (2011:17), the secretariat is headed by the General Secretary who is an appointee of the meeting of the Presidents for the period of four years. As a chief “administrative and legal officers” of the System his functions include-representation, execution of policy, preparation of regulations and other legal text, monitoring of implementation of the provision of the protocol. He also possesses the budgetary power. The secretariat is also the coordinating entity of SICA and as such it helps in promoting participation of civil society, in communication and information for sustainable development as well as international cooperation (IDW, 2002).

The Central American parliament (Parlamento Centraamericano or Parlacen) this body doubles as permanent regional forum for the political representation of the Central American Integration and a direct elected parliamentary body responsible for popular participation in its regional integration process (IWD, 2002). It is composed of 20 representatives elected directly from each member countries, former presidents and vice presidents from of Guatemala, El Salvador, Honduras, Nicaragua and Panama and 22 representative appointees from the Dominican Republic (IDW, 2002). The organs functions are exposition, analysis and recommendation (Papageorgiou, 2011:i6).

The Central American Court of Justice (CCJ) This is a court “which may be called the first real international court ever to be established” (Palmer and Perkins, 2007:260). Its mission is to promote peace in the region and the unity of the member states. It is empowered to hear cases between member states; between a member state and a non-member states accepting the court jurisdiction; between state and a resident of a member state; concerning the integration process between SICA organ and member states and could also offer consultation to the supreme courts of the region on national or legal persons International Democracy Watch IDW, 2002). According to Palmer and Perkins (2007:260), the Court has “functioned with some success in eight cases”

Central American Common Market (CACM) CACM is a product of the multilateral treaty on free trade and Central American Integration signed by representatives of the five member countries including Costa Rica, Guatemala, El Salvador, Honduras and Nicaragua in June 1958 (Palmer and Perkins 2007:565). This treaty equally recommended the establishment of a Central American Economic Council and a Central American Bank for Economic Integration which became operational on the 8th day of May 1961 at Tegucigalpa, Honduras. And by 1964 member states had secured necessary agreement to create the Central American Monetary Union which was to complete custom union and a common external tariff (Palmer and Perkins 2007:566). CACM established an enclave of preferential trading which has assisted members to achieve some levels of economic integration (Adeniran, 2004:295). Adeniran belived that:

Ten years after its founding, trade between CACM members had raised more than ten - fold, internal trade was freed, imports doubled and a common tariff was established for 98 percent of the trade with non-member states (Adeniran, 2004:295).

The Central American Statistical Commission (CENTROESTAD): CENTROESTAD is a brain child of the Council of Ministers for Foreign Affairs of the Central American Integrated System. It was formed on December 8, 2008 in San Pedro Sula, Honduras as a conscious move towards speeding up the process of integration through an up-to-date reliable and timely regional statistical information (CENTROESTAD 2011: 3). Some of its core mandates are as follows: To facilitate the development of a regional statistical system; to generate up to date regional statistical information on a timely basis and standardize methodologies and definitions in order to allow for the comparability and aggregation of data within the region. In line with these mandates the agency has championed series of coordinated actions with the institutional framework of SICA for developing harmonious workshops on fundamental statistical variables, which can be addressed instantly (CENTROESTAD, 2011:7).

Central America Regional Security Initiative (CARSI): This is one initiative of SICA that is charged with the task of responding to regional threats by supplementing the strategies and programs implemented by countries of Central American in collaboration with others states (US Department of States, 2012:1). CARSI works with civil society organizations, international financial institutions, the private sector and experts to guarantee the safety of the citizens of Central America.

8. Achievements of SICA

From inception till date SICA has recorded some levels of achievements in its operations. Papageorgiou (2011:40) lists some of these achievements to include:

- 1) Consolidation of international commerce of goods and services
- 2) Capacity to represent the region of Central America as a negotiating bloc on the most important international political forums as well as better capacity to negotiate extra-regional free trade agreement
- 3) Achievement of free movement by its peoples through the CA-Agreement between Guatemala, El Salvador, Honduras and Nicaragua which allows the reduction of Customs and migration controls facilitating transit for citizens,
- 4) Coordination among member states to address the issues of security and establishment of a regional perspective, complementing at the same time national level policies
- 5) Institutionalization of SICA's consultative Committee which groups business, labor, academic sectors and civil society groups organized at regional level. This committee offers advice to General Secretariat and services as a mutual exchange platform among different sectors
- 6) Through the Central American educational and cultural coordination (CECC) important achievements have been recorded in the harmonization of the educational system which strengthens the productive capacity of member states as well as allows the citizens enjoy fully the benefit of integration.
- 7) SICA has been able to establish in Spain what is called the Central American Tourism Agency(CATA), an initiative that allows the promotion of central america and Dominican Republic as an attractive tourist destination. Today multi-destination tourists troop to the region because of its effectiveness.
- 8) It has also achieved common external tariff and almost complete customs union with substantial advances in the area of free movement of persons, capitals and services.

Environmental Issues: In terms of environmental protection and management some results have been accomplished as witnessed in the coordination and regionalization of project led by the Central American Commission on Environment and Development (CCAD). For instance, Initiative such as the control of lobster fishing has contributed to the protection of Central American biological corridor.

The Health Sector: Within the Health sector SICA has recorded some notable achievements. The organization succeeded in introducing a mutual recognition procedure where medical products manufactured in one member state receives a marketing authorization in another member country of SICA (Reuters2014:4). Others include the Good Manufacturing Practices

(GMP) adopted through the resolution 33-9 2014 as internationally recognized standard in all SICA member states (Reuters, 2014:4).

Fighting Small Arms and Light Weapons (SALW): The Governments of Central American in 2007 launched the Central American Program on Small Arms Control (CASAC) to promote sustainable development by reducing the incidence and the potential of armed violence through the use of a common regional frame to strengthen the SALW control in the region (United Nations 2014). So far CASAC has held several workshops and established national Commissions on Small Arms Light Weapons with its member states. Also in line with its “no weapons, thanks” campaign, supported the destructions of 12,996 and 1,759 weapons in Nicaragua and Costa Rica respectively, and has contributed to building a culture of peace through reducing risk factors, strengthening human rights enforcement etc, using its education and preventive components (United Nations 2014)

9. Challenges of SICA

Despite the huge advances in some areas as highlighted above, the Central American Integration System has continued to present some strong economic, social and political disparities among its member countries. Some of these challenges are discussed below:

Institutional weakness: For any integration to really work a strong and viable institution is necessary but this seems to be missing among the Central American states. As explains by Parageorgiou, (201:21):

Their political system is still quite weak. Political intermediation is haphazard: political parties are discredited and civil society plays marginal role. Even formal democratic institutions face major challenges. The constitutional dispute and military coup that brought down President Zelaya of Honduras in 2009 is an example of such institutional conflict. Between 2002 and 2005 Nicaragua remained locked on an institutional power struggle between Balanos and the Sandinista-dominated League Assembly which Guatemala faces continuous institutional crises between the president and the Congress.

Border disputes: this is another challenge militating against the complete integration of the System. For instance Honduras and El Salvador have suffered such dispute over the Conejo Island (Wader, 2014)

Insecurity: The issue of insecurity in the region is also a thing of concern. Meyer (2014:6) writes that

The insecurity in Central America has deteriorated in recent years as gangs, drugs, trafficking and other criminal gangs have expanded their activities in the region, contributing to escalating the level of crimes and violence that have alarmed the citizens and threaten to overwhelm governments

The World Bank report (2011: ii) first confirms that as it states:

Crime and violence are now a key development issue for Central American countries. In three nations- El Salvador, Guatemala and Honduras- crime rates are among the top five

in Latin America....To put the magnitude of the problem in context, the entire population of Central America is approximately the same as that of Spain, but while registered 336 murders (i.e. fewer than one per day) in 2006, Central America recorded 14,257 murders (i.e. almost 40 per day in same year).

Lack of Commitment: Total Commitment on the side of the member states towards the activities of the system is said to be lacking. This according to Parageorgiou, (2011:40) is seen in the way the decisions of the System are becoming difficult to implement. This poor commitment manifested in the case between Nicaragua and Honduras as none of them has for once taken the resolution of SICA court of justice on the case serious. For instance when Honduras ratified a treaty with Colombia which recognized the latter's sovereignty over the territory long claimed by Nicaragua, Nicaragua revoked the existing duty-free access to its market for Honduras export and also took the case to SICA Court in 1999(O'keefe, 2001). The Court resolved that Honduras should suspend the ratification. In 2000, Honduras on the other hand filed a petition to that same Court "claiming that Nicaragua's implementation of a 35% duty on Honduras goods was in violation of the SICA obligation". Court went on to issue a preliminary order calling on Nicaragua to suspend the new law pending when "a definitive ruling could be issued". But as reveals by O'keefe, (2001), neither of these countries heeds the court directives.

10. Conclusion

The chapter discussed Central American Integration System with particular focus on its formation, objectives, organs, membership, achievements and challenges. It found that some levels of achievements have been attained, specifically in fostering integration through its various activities. This however, does not negate the presence of some teething challenges as the issues of insecurity, crimes and criminality, border disputes and lack of total commitment by member-states among others, are still prevalent in SICA. These challenges must be surmounted for SICA to meet its set goals. To this end, concerted efforts from all the member countries are necessarily crucial.

11. Recommendations

For SICA to achieve its set objectives all hands must be on desk in terms of total commitment by member states. The system should pay adequate attention to the economic aspect of the integration in order to benefit the member nations.

Integration is a process that takes some times to achieve; Central America needs leaders with long Vision to support this. Member states of SICA should learn from other functional regional organization(s) in order to build a better SICA.

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