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Summary Of Central Summit, December 12 - 13

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On Dec. 12-13, the Central American heads of state convened for a summit meeting in Tegucigalpa, Honduras. Summit participants were Jorge Serrano (Guatemala), Alfredo Cristiani (El Salvador), Violeta Chamorro (Nicaragua), Rafael Angel Calderon (Costa Rica), Guillermo Endara (Panama), Rafael Callejas (Honduras), and Belizean Prime Minister George Price, who attended as an observer. Invited guests included Organization of American States (OAS) Secretary General Joao Baena Soares, Taiwanese Foreign Minister Fu Chien, UNICEF director James Grant, and World Bank and Inter-American Development Bank (IDB) representatives. The Tegucigalpa meeting was the 11th Central American summit since 1986. Principal agenda items were regional economic integration and means to ameliorate the impoverishment affecting two-thirds of the region's population.

Figures released during the meeting by representatives from the UN Children's Fund (UNICEF) indicate that 10 Central American children die every hour, 13 million inhabitants of the region live in extreme poverty, and a similar number lack access to potable water. Dec. 12: Union leaders from the six Central American nations met with the presidents to discuss labor issues. They called for union participation in regional economic integration efforts, and creation of a Central American Social Economic Council. About 100 union members rallied in front of the hotel where the presidents were staying, protesting the Dec. 9 murder of union activist Jesus Guerra. (See CAU 12/13/91 for detailed coverage.) Security forces dispersed the crowd. In an open letter, the Honduran Bishops Conference warned against the dangers of "idolatizing the free market," and urged the presidents to keep social welfare and the common good in mind when formulating policy. The bishops criticized structural adjustment programs and questioned neo-liberal economic development models. The letter said, "We must not fall into the false temptation of choosing between economic efficiency and social justice. We must fight for both." Dec. 13: At the conclusion of the summit, the presidents issued a joint statement. Highlights of the statement are summarized below. * Call for liberalization of basic grains trade (e.g., corn and wheat) among Central American nations. * Pledge to develop joint request that bananas be included in ongoing farm subsidy negotiations under the Uruguay Round of the General Agreement on Tariffs & Trade (GATT). * Commitment to "harmonize instruments of trade, such as rules of origin, anti-dumping legislation and other elements of trade policy to establish necessary compatibility and coordination" for future free trade arrangements. * Support for reactivation of the Organization of Central American States (ODECA). * Request that the European Community (EC) extend preferential trade status to Central American exports similar to an arrangement with Andean nations. * Request that Inter-American Development Bank (IDB) member-nations make concessional loans available to Central American governments public sector investment projects. Next, the presidents signed the Tegucigalpa Protocol, which is to serve as the founding charter for a new Central American integration system, substituting for the outdated ODECA charter. The protocol must be approved by the legislatures of member countries before implementation. The protocol also calls for a new regional security model aimed at facilitating economic integration. The model is grounded on the concept of a "reasonable balance of forces," and calls for strengthening of civilian authorities in relation to the military. It also calls for regional cooperation in eliminating extreme poverty, economic development promotion, environmental conservation, and eradication of violence, corruption, terrorism, and drug and

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arms trafficking. Executive headquarters for the new regional economic integration effort will be located in San Salvador. Major policy decisions are to be made by the heads of state at biannual summits. The presidents will appoint a secretary general for a four-year term, charged with acting as the organization's chief administrator. UNICEF director James Grant said the UN agency plans to contribute US$120 million to the region's social welfare development over the next five years, and another US$280 million in the subsequent five years. (Basic data from Agence France-Presse, 12/12/91, 12/13/91; Notimex, 12/13/91)

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