

University College London

School of Slavonic and East European Studies



Univerzita Karlova v Praze - Charles University in Prague

Faculty of Social Sciences



International Masters in Economy, State & Society – Economics and Business



Andrés Morales Interiano

UCL Student Number: 14082525

**The Czech Republic's Participation in the Association Agreement between the
European Union and Central America and its Policy Implications**

Master's Thesis

Supervisors: Dr Filipa Figueira (UCL) and Dr Pavel Vacek (Charles University)

20 May 2016

Prague, Czech Republic

Word count: 24,991

Declaration of Authorship:

1. The author hereby declares that he compiled this thesis independently, using only the listed resources and literature.
2. The author hereby declares that all the sources and literature have been properly cited.
3. The author hereby declares that the thesis has not been used to obtain a different or the same degree.

20 May 2016

Prague, Czech Republic

[Andrés Morales Interiano]

Bibliographic note:

MORALES INTERIANO, Andrés. *The Czech Republic's Participation in the Association Agreement between the European Union and Central America and its Policy Implications*. 97 p. Master's Thesis. University College London, SSEES & Charles University in Prague, Faculty of Social Sciences. Supervisors: Filipa Figueira, (PhD) and Pavel Vacek (PhD).

Abstract:

Preferential Trade Agreements have become evermore popular in the worldwide market economy and have raised much interest in academics and policy-makers alike. This paper studies the participation that the Czech Republic had in the Association Agreement between the European Union and Central America during the pre-negotiation and negotiation rounds, and the effects that it brought to the Czech Republic's trade policies and trade flow with the mentioned region. It focuses on a qualitative approach of the Political Economy of Regionalism and liberal perspective to explain how the Czech Republic participated in this agreement previous to its signature in 2012 and views some of the consequences it has caused after its provisional application. It finds that the Czech Republic had to abide by the legislation and procedures of the European Union and its Common Commercial Policy. Additionally, although the Czech Republic did not give it great significance in this specific case, being a small and fairly new Member State in the European Union did not impede it to impose and meet its interests in the Agreement. The research also notices that even though there are limited results after signing the Association Agreement, there have already been changes in the trade aspect, including a decrease in trade barriers and an increase in trade flows between the Czech Republic and Central America. The thesis concludes giving further policy implications and recommendations for the Czech Republic to draw closer to the Central American countries.

Keywords: International Trade, Political Economy of Regionalism, Preferential Trade Agreements, Negotiation, and Trade Policies

Abstrakt:

Preferenční obchodní dohody se staly v celosvětovém tržním hospodářství už napořád populární a vyvolaly velký zájem jak akademiků, tak i politických činitelů. Tato práce zkoumá účast České republiky na průběhu přípravného jednání a následujících jednacích kol v rámci Asociační Dohody mezi Evropskou unií a Střední Amerikou, a dopady, které to přineslo obchodní politice a obchodním tokům České republiky se zmíněnou oblastí. Zaměřuje se na kvalitativní přístup politické ekonomie regionalismu a liberální pohled, tak aby podala vysvětlení, jak se Česká republika podílela na této dohodě před jejím podepsáním v roce 2012 a podává přehled některých důsledků, které nastaly po jejím dočasném uplatňování. Práce zjišťuje, že se Česká republika musela řídit právními předpisy a postupy Evropské unie a její společnou obchodní politikou. Navíc, přestože Česká republika nehrála v tomto konkrétním případě významnou roli, to, že je malou a poměrně novou členskou zemí Evropské unie, jí nebránilo zahrnout své zájmy do Dohody a naplnit je. Výzkum si také všímá, že i když podepsání Asociační Dohody přineslo jen málo výsledků, již se projevíly změny z obchodního hlediska, včetně zvýšení obchodních toků mezi Českou republikou a Střední Amerikou a snížení obchodních bariér. Tato práce v závěru předkládá další důsledky pro politiku a doporučení pro Českou republiku pro sblížení se se zeměmi Střední Ameriky.

Klíčová slova: Mezinárodní obchod, Politická ekonomie regionalismu, Preferenční obchodní dohody, Jednání, Obchodní politiky

Range of thesis:

97 pages, 24,991 words

Author's email: and3mi@gmail.com; andres.interiano.14@ucl.ac.uk

Supervisors' emails: pavel.vacek@fsv.cuni.cz; filipa.figueira@ucl.ac.uk

Acknowledgements:

Personal acknowledgements are given in this opportunity to those who were helping during this whole process of the IMESS programme and its thesis. Many thanks to the supervisors assigned to this work, PhD. Pavel Vacek from Charles University and Dr Filipa Figueira from UCL for their support and insights in improving the thesis. Likewise, special thanks are given to Ing. Kristyna Chvátalová and the Department of the Americas in the MITCR for all the information and experiences shared as well as the opportunity of working with them. Thank you, those who were willing to revise the thesis before its due date: Ma. Gabriela, Conrad and especially Dada for her constant encouragement and assistance during this time. Finally, thanks for the unconditional love and care from Gustavo and Estela during this period of studies and always; these are fruits of your faith.

Table of Contents:

Introduction	7
1. Theoretical Framework	8
a. Conceptualising International Political Economy, Economic Policies, and Political Economy of Regionalism	9
b. Conceptualising International Economics	13
c. Introduction to Trade Agreements	18
2. The Importance of the Association Agreement between the EU and CA	22
a. Hypothesising the Negotiations of the AA	23
b. Hypothesising the Czech Republic's Participation in the AA	27
c. Hypothesising the Policy Implications for the Czech Republic	31
3. Evidence, Methodology and Evaluation	35
a. Explanation of the Negotiation Process	37
b. Explanation of the Participation Procedure of each Part in the AA	43
c. Explanation of the Internal Process in the Czech Republic	48
4. Empirical Application	52
a. What have been the Changes in Policies for the Czech Republic	53
b. What have been the Trade Outcomes for the Czech Republic	56
5. Conclusions and Recommendations	60
References	63
Appendices	88

Introduction:

The development of Trade Agreements has considerably changed and adjusted the framework in which modern international trade is advancing (Whalley, 1998). Additionally, the study of this phenomenon is increasingly becoming a focus for academics and policy-makers, as it is a multi-disciplinary topic including different theories, methodologies, and applications. Furthermore, the rise of international organisations, such as the World Trade Organisation (WTO), supra-national unions, transnational corporations, and other non-governmental organisations (NGOs) have become important actors in the global community (Daniels, et al., 2002). In this context, it is essential to see how individual states act and participate, what their role is in the negotiations of these agreements, and how they are able to reach or encounter their interests (Cronin, et al., 2003).

The European Union (EU) has established with Central America (CA) its first region-to-region Association Agreement (AA), a significant accomplishment for both sides and an initial model for other regions to follow (EEAS, 2016a). Although the EU-CA AA was negotiated and signed between two regions, the individual member states of these areas had vital functions to undertake during its negotiation rounds as well as during the time leading up to them. These rounds took approximately three years until the signature of its agreement in Tegucigalpa, Honduras in June 2012 (European Commission, 2012b). Both parts worked with representatives of their individual member states to create a common agreement. One of the key aspects of this AA is the pronounced emphasis given to the Trade Pillar and the complex procedure it went through in order to be signed (EEAS, 2016b). The AA included two other pillars, Political Dialogue and Cooperation, however, these have not yet been implemented as they are not yet ratified by all Member States (MS) of the EU (European Union, 2016); likewise, the attention given to the Trade Pillar has been much greater than the others (Act Alliance, 2010).

This paper aims to study the participation of smaller and fairly new MS in the EU in the negotiation process of the EU-CA AA, using the Czech Republic as a case study. Few authors have looked into the individual 'pre-negotiation' process of individual member states. Correspondingly, published literature regarding the Czech Republic's system in this case and how it carries out its negotiations is also scarce. Therefore, this paper can inform readers about the trade agreement negotiations, their policy implications, and the participation of individual states. Specifically, the questions to be answered are: What was the Czech Republic's participation as an individual MS of the EU in the EU-CA AA negotiations; how did

it present and meet its interests? Together with this question, it would then be necessary to answer: What have been the policy implications for the Czech Republic and the trade flow outcomes from signing this agreement?

The article first creates a theoretical framework including the conceptualisations of International Political Economy (IPE), economic policies and Political Economy of Regionalism (PER), international economics and free trade, and an introduction to trade agreements and regulations. This is done in order to better understand the processes gone through by both regions involved, and by the Czech Republic independently. Furthermore, Section 2 focuses on the importance of this specific AA between the EU and CA hypothesising its negotiations, the Czech Republic's participation in these, as well as the policy implications it has brought and might bring in the future. Section 3 concentrates on the evidences found along with the methodology and evaluation of these. A detailed explanation of the negotiations process is also provided, together with the concrete example of the Czech Republic. As for the empirical application in Section 4, an outline of the policy implications is identified including the effects in trade flow that the signing of the EU-CA AA has brought for the Czech Republic. Ultimately, the paper offers conclusions and recommendations based on the analysis made throughout the document and the previous research it implied.

1. Theoretical Framework

Political Economy is usually seen as the area of study that combines Politics and Economics and sees the interrelationship between these two sciences. Initially, Adam Smith (1772) used the term closer to what is nowadays called the science of economics, meaning the managing of a nation's resources in order to generate wealth. Eventually, Marx (1848) would explain it as how the ownership of the means of production influenced historical processes in the exploitation of the working classes. Political Economy can also imply, as explained by Malthus (1827, p. 2), that it 'approaches more nearly to the sciences of morals and politics' than to pure mathematics, even though it involves elements such as: utility, value, labour, land, and capital. Cohen (2014, p. 3) states that it is 'the label given to the study of economic aspects of public policy'. Furthermore, Gilpin (1987, p. 8) mentions that there is a 'parallel existence and mutual interaction of "state" and "market" in the modern world', which in turn creates political economy; using the definition of Weber (1978) for 'ideal types', the 'state' is implied in the political side while the 'market' in the economic part. Söderbaum and Grant refer political economy to 'the close links between the economy, on one hand, and political institutions and governance on the other' (2014, p. 14).

a. Conceptualising International Political Economy, Economic Policies, and Political Economy of Regionalism

Gilpin (1987) summarises the different ways scholars have seen 'political economy'. He clarifies that many have used the term for the employment of a specific economic theory (such as game, collective action, and Marxist theories) to explain social behaviour. On the other hand, it can also be seen as a methodological approach involving public choice and institutionalism to explain social behaviour (Weingast and Wittman, 2008). According to Weingast and Wittman, it is 'the methodology of economics applied to the analysis of political behaviour and institutions' (2008, p. 3). Marangos also explains that 'political economy stresses that making economic sense and understanding economic relationships are not feasible without explicit awareness of power, institutions and values' (2013, p. 140). Hare (2013) explains the role of institutions in a market economy as serving 'three key functions, namely: protection of property rights; facilitation of transactions; and supporting economically/socially efficient collective action' (p. 36).

Political economy can also be referred to a set of questions (Tooze, 1984) that arises from the interaction of economic and political activities. Additionally, Gilpin proposes that these set of questions 'be examined by means of an eclectic mixture of analytic methods and theoretical perspectives' (1987, p. 9). More precisely, the questions involved are about how the state affects the production and distribution of wealth, and how political decisions influence the allocation of economic activities and the distribution of costs and benefits of them. Moreover, the questions can also be about how the market can influence and affect political decisions (Weber, 1978). For Heilbroner (1985), the market tries to locate economic activities in the most productive and profitable ways, while the state tends to capture and control the processes of economic growth and capital accumulation. In this, there are three key discourses that Gamble mentions: 'a practical discourse about policy, concerning the best means of regulating and promoting the creation of wealth, and maximising revenue for the public household; a normative discourse about the ideal form which the relationship between the state and the economy should take; and a scientific discourse about the way in which a political economy conceived as a social system actually operates' (1995, p. 518). It can then be summarised that 'within the mainstream political economy can mean an attempt to integrate politics and economics along the line of institutional economics *or* it can mean the application of neoclassical economics assumptions and methods into the study of politics' (O'Brien and Williams, 2010, p. 12).

Cohen (2014) explicates the history of classical political economy and its progression to IPE (or global political economy). It mostly evolved from the eighteenth and nineteenth centuries with authors such as Adam Smith and John Stuart Mill who understood political economy as a broad and inclusive perspective linked to moral philosophy. All these previous analyses however had a very national view. Eventually, the studies of political economy became a topic in International Relations and International Economics. This is best illustrated by Strange (1970) who challenged scholars to find a 'middle ground' between economic and political analyses of international affairs; especially with the rise of liberal and neoliberal theories in International Relations which included trade barriers and sanctions in countries' foreign affairs (Dunne et al., 2013).

As IPE gained more popularity amongst scholars, it was evident that it included different topics relating to international economics, until emerging as a subject of studies, mainly in Western universities in the mid 1970's (O'Brien and Williams). Moreover, international trade and the formulation of bilateral agreements became increasingly popular between governments, especially after the establishment of the General Agreement on Tariffs and Trade (GATT) and the General Agreement on Trade in Services (GATS) (Egan and Pelkmans, 2015). These actions by the government are determined by their policies. This globalised economy comprises sovereign nations choosing their own economic policies, and a country's decisions can affect other countries as well, even as they strive to be coordinated (Krugman and Obstfeld (2009). Economic policies are all the actions a government takes concerning its economy, including their trade within national borders as well as with other countries directed for the public good (Orduna, 1992). The signature of preferential agreements with other countries is also included in a country's foreign economic policy (Baccini and Urpelainen, 2012). It can be understood then that IPE includes different methods and actors in order for a country to accomplish their interests in a globalised economy (Frieden and Lake, 1991).

Rugman and Verbeke (1998) deposit a great importance to multinational enterprises (MNEs) in IPE, saying that 'the focus is upon the interaction between MNEs and nation-states, with emphasis upon the ability of MNEs to transcend the traditional authority of the nation-states' (p. 118). O'Brien and Williams (2010) categorise three main perspectives in IPE: the economic nationalist (a more state-centric approach), the liberal (includes free trade, interdependence and a variety of actors), and the critical (a Marxist view which incorporates class interests and struggles). Considering the nature of the EU-CA AA and the cooperative view it has been given by its actors, this paper will continue its study under the liberal perspective, as it encloses the terms, visions, and interpretations that best fit its analysis. The

main reasons to choose this perspective is the emphasis given on interdependence, the variety of actors and the intentions to liberalise trade through cooperative acts resulting in mutual benefits.

One of the theories in IPE has to do with countries acting in their regions. 'Regionalisation' is defined by Dunne et al. as the 'trend towards increasing and intensifying interaction between actors within a given geographical region' (2013, p. 357). Lis and Rzepka also define it as 'a long-term process of integrating the economies of certain countries and the region by intensifying and deepening their economic relations (as well as social, cultural and political), which leads to the formation of highly interdependent, regional systems' (2014, p. 191). For example, the study of Trade Agreements is included in a more general theory in IPE called Political Economy of Regionalism (PER) (Baldwin and Low, 2008). "Regionalism" refers to the common objectives, values and identities that lead to region-formation and regional cooperation within a given geographical area [...] in order to shape and regulate collective actions'; these regions are 'macro-regions', existing between the state and global levels (Söderbaum and Grant, 2014, p. 7). As the EU signed a region-to-region agreement with CA, the AA can be grasped through the PER viewpoint. PER studies the processes and actions countries take in order to integrate to a more global economy (Baldwin, 2006; Fawcett and Hurrell, 1995).

Nye (1968) defined a region as a number of states joined by a geographical association and a degree of mutual interdependence, a concept that is becoming ever more important for scholars and policy-makers. 'Regions are now everywhere across the globe and are increasingly fundamental to the functioning of all aspects of world affairs from trade to conflict management, and can even be said to now constitute world order' (Fawn, 2009, p. 5). Söderbaum and Grant (2014) distinguish between the 'old' and 'new' regionalisms, where the 'old' was shaped by the Cold War and state-led during the 1950's through the 1970's; the 'new' regionalism is now in a multipolar world order, with greater interdependence and a much more comprehensive, multipurpose, and extensive reach. The actors are not only national governments but there are a number of non-state actors creating regional arrangements, networks and governance mechanisms (Värynen, 2003). Shaw and Söderbaum (2003) explain that Regionalism is linked to globalisation and must be understood both as single regions (inside-out view) and in a global perspective (outside-in). Returning to the liberal perspective of IPE, the international community is seen as pluralist atomistic, with a variety of rational actors cooperating to reach their optimal interests (although the outcomes are not always so). There is a positive-sum in their 'games' with a positive view of the market and international institutions (O'Brien and Williams, 2010).

An important aspect of PER is the integration processes that the countries go through within their regions or with other countries. Although there are different types of regions explained by Keating and Loughlin (1997) (physical-geographic, cultural, economic, administrative, political, and security regions); Söderbaum and Grant (2014) outline the classical stage of regional economic integration as going from a regional trade area, to a customs union, then to a common market, an economic and monetary union, and finally having a complete economic integration. Balassa (1962) explains that a regional trade area reduces or eliminates tariffs and quotas amongst the members whilst keeping each country's own policies towards non-members. A customs union additionally imposes a common external tariff. The common market also eliminates other obstacles to the free movement of labour, capital, services and persons. The economic and monetary union stage involves a common currency and the harmonisation of monetary, fiscal and social policies. Lastly, a complete economic integration supposes to have a central supra-national authority with a common parliament controlling economic and political policies (Breslin, et al., 2002). Both the EU and CA had to go through some of these stages previous to the signature of the AA (Umaña, 2011). The focus of the EU-CA AA was trade-related, nevertheless, it also grasped other dimensions of regionalism, such as: security, social, and environmental regionalisms (Söderbaum and Grant 2014). This is also supported by Lis and Rzepka as they state that 'the activities aimed at regionalism are dictated to a large extent by the needs of co-operation not only economic but also political and social etc.' (2014, p. 191).

Modern studies of PER are mainly concerned 'with the shift of authority from national to regional levels, the distributional impact of regional groupings and the relationship between regionalism and globalisation [...] and the role of non-state actors' (O'Brien and Wallace, 2010, p. 46). Many authors have brought to attention the contradicting relationships between globalisation and regionalism. Some might point out that regionalism and globalisation support themselves and that regionalism is a stage of globalisation. The other view is that regionalism and integration is a response to the negative effects of globalisation in order for countries to better adapt to the international community processes (Lis and Rzepka, 2014; Kobrin, 2001; Sbragia, 2010; Shaw and Söderbaum, 2003). Specifically, some smaller countries even strive to unite with others in this adaptation (Goyal and Staal, 1999).

Ethier (1999) explains five principles to describe the 'new' regionalism. He first mentions that 'one or more small countries link up with a large country or entity' (Ibid.). Second, these small countries have to 'undertake significant economic reforms prior to, or simultaneously with, the regional integration' (Ibid.). Thirdly, liberalisation is moderate. Furthermore, the agreements are asymmetric, and lastly, the countries do not only focus on

reducing tariffs, 'they also harmonise or adjust diverse assortments of other economic policies' (Ibid.).

In this sense, PER and regionalisation have become a common practice in the world, especially during the 1980's and 1990's. Some examples of these are the North American Free Trade Agreement (NAFTA), MERCOSUR in South America, the Association of South-East Asian Nations (ASEAN) the Asia-Pacific Economic Cooperation (APEC), the South African Development Community (SADC) and most prominently the EU (Breslin et al., 2002; Mansfield and Milner, 1999). Although the world is constantly changing and new ideas and practices are being developed continuously, the trend seems to validate that in international trade, 'regionalism rules' (Ethier, 1998).

b. Conceptualising International Economics

One of the main reasons countries go through regionalisation is to improve their trade relations with others. This section is intended to briefly present the term of International Economics and Trade so as to better comprehend the purposes of why the EU and CA decided to create and sign an AA. In order to do that, it is necessary to explain some basic and general concepts of liberal trade theory and its international division.

International economics includes trade in goods and services; factor movements, including migration; capital movements and technology transfer; and international monetary arrangements, including exchange rates and exchange reserves. 'It also studies government policies affecting trade, factor movements, and monetary arrangements, international negotiations, regional institutions [...] and international institutions' (Black, 2002, p. 246).

Trade theory, in general tries to 'explain the overall pattern of production, consumption, and trade in the world economy' (Markusen, 2001, p. 69). Trade itself (principally foreign or international trade) is 'buying and selling abroad' (Black, 2002, p. 469) or 'the exchange of one commodity for another' (O'Brien and Williams, 2010, p. 147). A country's trade balance is 'the excess of the value of its exports of goods over its imports' (Ibid.). Countries then look to have benefits in this exchange, which in turn, can give a country 'gains from trade' (Krugman and Obstfeld, 2009, p. 4; Black). Van Marrewijk et al. mention that the 'classical driving forces behind international trade flows are technological differences between nations' while a neoclassical approach attributes it to factor endowment (2012, p. 52). For many, trade 'enhances efficiency by allocating resources to increase the amount produced for a given level of effort' (Kling, 2008).

The theory of International trade can date as back as the mercantilists' view of zero-sum in trade (O'Brien and Williams, 2010). Adam Smith provided an answer to this by primarily advocating for free trade and giving economic reasons for its implementation (Van Marrewijk et al., 2012). He introduced the concept of 'opportunity costs' and 'absolute advantage' which leads to an individual specialising in the production of goods and services where he/she can produce more with the same amount of resources as another (Smith, 1776). Opportunity costs are 'the amount of other goods and services which could have been obtained instead of any good' whilst producing or buying (Black, 2002, p. 332). Furthermore, this principle is applied to international trade policy demonstrating that there may be goods and services imported at lower costs than being produced internally, at the same time, this increases consumption opportunities (Van Marrewijk et al., 2012).

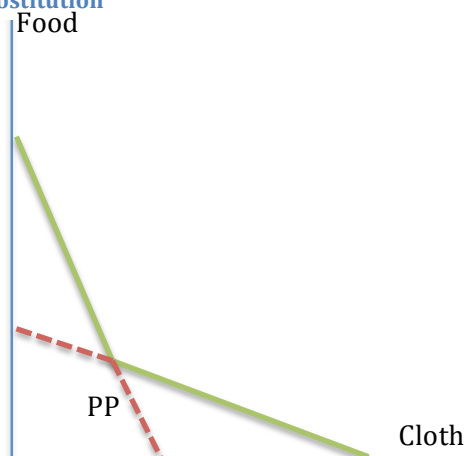
Moreover, Smith's contributions led to David Ricardo's elaboration of the concept of 'comparative advantage' in the 19th century, which relates lower opportunity costs from one country to another (Kling, 2008). In his example, he argued that Portugal could specialise in producing wine exchanging it for cloth from England; the reason behind it is that if these countries only focus on one of the products, they would both benefit producing the one which requires the least costs for each and import the other (Van Marrewijk et al., 2012). Even though one of the countries can have absolute advantage for both products (Portugal could produce the same amount of wine or cloth as England but with fewer resources), both countries would get gains from trade and a division of labour instead of pursuing autarky, or national self-sufficiency in production (Eicher et al., 2009; Black, 2002, p. 35). This made trade no longer a zero-sum game but a positive-sum one (O'Brien and Williams, 2010). Eicher et al. summarise the concept by concluding that 'we specialise in those activities in which we have a relative advantage, depending on others to supply us with other goods and services. Because of this specialisation, real income increases' (2009, p. 19).

The previous theories were mainly based on the cost of production, having labour as the only factor of production; however, in the 20th century, Heckscher and Ohlin added another explanation on the determination of the pattern of specialisation and trade with the 'factor-proportions theory' (H-O model) (Kling, 2008). This theory included other factors (or resources) of production such as land, capital, and other mineral resources counting with their abundance and intensity (Krugman and Obstfeld, 2009). The idea of the theory is that a country with a high ratio of labour to capital, for example, will tend to produce and export goods that are labour-intensive, whilst importing goods of which for their production, need factors with which the country is not much endowed (Kling, 2008). Factor endowment refers to the quantity and quality of the resources available in a country for the productions of

goods and services (Black, 2002). At the same time, if a country's endowment of its abundant factor increases, it will tend to produce and export more that specialised product and import the less-competing one, this was explained by the Rybczynski theorem (Eicher et al., 2009).

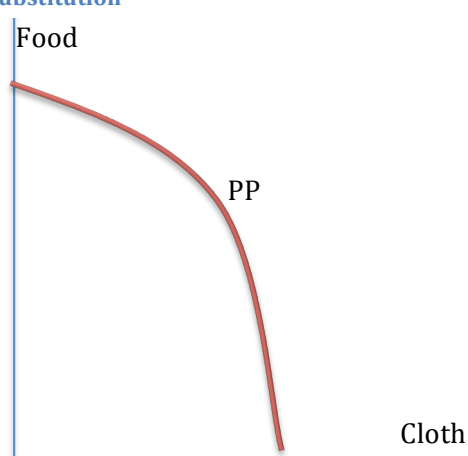
The simplest example, filled with previous assumptions, used to explain this model of general equilibrium is with two countries (A and B), two goods (cloth and food), and two factor inputs (labour and land), this is the 2 X 2 X 2 case (Eicher et al., 2009). Assuming country A is endowed with more labour than country B (or has a comparative advantage), it will tend to produce and export cloth whilst country B, with the same technology, is endowed with more land and therefore will export food (Krugman and Obstfeld, 2009). This also leads to the 'production possibility frontier' (PPF) of a country and their 'increasing returns'. The PPF shows 'the maximum output of one good or service possible with the available resources, given the output of other goods' (Black, 2002, p. 371).

Figure 1.
The Production Possibility Frontier without Factor Substitution



Source: 2. Own elaboration following Krugman and Obstfeld, 2009, p. 56

Figure 2.
The Production Possibility Frontier with Factor Substitution



Source: 12. Own elaboration following Krugman and Obstfeld, 2009, p. 57

In the figures above are two examples of PPF, one without factor substitution and the other with it. In Figure 1, there would be two resource constraints (shown by the two sloped full-lines) and the economy could not be able to use more than the available supply of the factor; the PPF is represented by the dotted line as it is the opportunity cost of cloth in terms of food and it is not constant. On the other hand, the PPF with factor substitution (a more common model seen in Figure 2) shows how the opportunity cost of cloth in terms of food rises as the economy's production shifts toward cloth and away from food (Krugman and Obstfeld, 2009). Here, the PPF is curved downward, demonstrating that a country cannot go beyond its factor endowments and leads to an emphasis in the production of one good. The curve shows the maximum amount of either good that can be produced whilst producing the

other in an efficient use of the factors available (Black, 2002). This, in turn, leads to 'increasing returns', which refers to the increased efficiency in the production the more a specific good is produced (Kling, 2008). According to the Stolper-Samuelson theorem, trade, in the long run, raises the real return of the abundant/intensive factor and reduces the real return of the scarce factor (Eicher et al., 2009).

Therefore, when a country becomes more alike to the rest of the world, it will tend to trade less (Eicher et al., 2009). The differences between countries and regions can then lead to trade and specialisation as they are searching for higher increasing returns. The fact that the EU and CA are so different from each other in their factor endowments and costs of production of certain goods could then explain why they initially engaged in any trade relation. According to these theories, international trade would be more beneficial for smaller countries (Krugman and Obstfeld, 2009). Kling (2008) explains that 'the benefits of comparative advantage are proportional to the difference between the relative prices in world markets and the relative prices that would prevail in home markets without trade'. The greater the difference, the more benefit there will be, and for smaller countries, the differences of relative prices are usually higher (Van Marrewijk et al. 2012). In this sense, there would be more gains from trade for the countries of CA than to those of the EU as their economies are much smaller (The World Bank, 2013).

Although the principles seen previously can still apply to much of modern international trade, the fact is that much has changed and the reality is much more complex. World War II was a great turning point for international relations and trade in general. Trade theory kept evolving and explaining the reality of things and the movements of international actors were also trying to accommodate to the different theories. Krugman summarises this period by saying that 'much of the growth of trade was the result of liberalisation agreements among advanced countries, so that trade between similar countries came to dominate overall flows. And much of this trade between similar countries was also trade in similar goods – intra-industry trade – driven mainly by specialisation due to increasing returns' (2011, p. 43). At this moment, the H-O model was challenged for being too simplistic by the Leontief paradox and furthermore, different trade theories arose such as Vernon's International Product Life Cycle, the New Trade Theory, Porter's Diamond Theory with Competitive Advantages of Nations, the Gravity Model, the Ricardian Theory of International Trade (or modern development), and Free Trade Theories (Bannock and Baxter, 2010; Cohen, 2008; and Screpanti, Ernesto and Zamagni, 2005).

Nowadays, there appears to be a return to the comparative advantage stage before World War II, with a key role played by increasing returns when influencing trade-policy

makers. In developing countries, trade liberalisation led to further North-South economic relations; however, developing countries are not only exporting primary products, they are also exporting labour-intensive manufactures. 'This trade was able to grow so much in part because reductions in transport cost made it possible to fragment production into labour-intensive and skill-intensive stages' (Krugman, 2011, p. 44).

Because the EU-CA AA has made a strong emphasis on Free Trade, it is important to further discuss more about this aspect in International Trade Theory. Much of the global economy is governed by liberal principles; money flows in and out of countries without much difficulty and all types of economic activities are being liberalised (O'Brien and Williams, 2010). Black defines liberalisation as 'a programme of changes in the direction of moving towards a free-market economy. This normally includes the reduction on both internal and international transactions' (2002, p. 268). However, even in this liberal perspective, there is much difference in thought, as it ranges from views such as Ohmae's of the state fading away in a borderless world to views like Keohane's and Nye's in which the state still has much importance but is embroiled with interdependent and international organisations (O'Brien and Williams, 2010). Nevertheless, it is agreed that a government's policies with regards to trade have to be aimed at allowing individuals and organisations take part of international trade with the least amount of interference possible, for example, reducing tariffs and quotas and other trade barriers on most goods (Black, 2002).

O'Brien and Williams explain that free-trade theory focuses on the benefits and gains a country can have from trade whilst eliminating or reducing protectionist policies in two different aspects: 'the static benefits deriving from specialization according to comparative advantage and those deriving from and contributing to the process of economic growth and development over time' (2010, p. 152). Even though there are many arguments against free trade, liberals defend that even developing countries will be better off under free-trade regimes because they can take advantage of the positive effects it brings to their economies and the satisfying of the population's demands (Blinder, 2008). Benefits are not only in economic and capital growth in this sense, but they can also help a country's competitiveness and productivity, improve their technology and innovation, increase their employment and education, and cause other spillover effects (Kling, 2008).

Further literature on 'spillover effects' can be found from Blalock and Gelter (2008) explaining how technology transfer increases local productivity and lower input prices through trade and investment. Likewise, Keller (1998), analyses the Research and Development effect from randomly matched trade partners, arguing that these are more effective than bilateral trade patterns; with Acharya (2008), they also study how trade

liberalisation leads to greater productivity. Pavcnik (2002) sees the example in Chile and finds evidence showing that trade liberalisation improved the productivity of domestic firms in industries that were most affected by liberalisation policies; Fernandes (2007) has similar positive results in trade liberalisation in emerging markets. Finally, Grossman and Helpman (1990) expose the knowledge spillover effects of trade liberalisation in the long run helping in an economy's growth.

Having conceptualised International Trade and Free Trade it will then be clearer to see why the EU and CA decided to engage in an AA with a 'trade' chapter. Both regions made many commitments to fit liberal requirements and adjust to the free-trade theory before and after its formalisation. Even though the international economy is mainly ran by liberal ideas and deregulation, there are still certain parameters countries must abide to in order to formalise their economic relations (Michalopoulos, 2000). 'Free trade is a highly desirable objective, but only if one's trading partners also play fairly under the rules they have accepted' (Goode, 2004, p. 144). The next section serves as an introduction on Trade Agreements and their functions in a liberalised trade environment.

c. Introduction to Trade Agreements

In simple terms, a trade agreement derives from trade talks, or negotiations and discussions on the arrangements and changes of international trade between governments and international actors (Black, 2002). They are usually formed when governments realise that reducing tariffs on a reciprocal basis will increase the volume of trade without deteriorating their trade terms (Baldwin, 2012). As detailed previously, the meaning of Free Trade has varied in the past years and for some, 'free trade' can mean a complete elimination of tariffs, while for others it can only be a tariff under 20% (Goode, 2004). A tariff is 'a customs duty on merchandise imports', and/or exports, and can be levied as a percentage value (*ad valorem*) or as a specific tariff (Black, 2002, p. 337). Regardless of the definition, it has to be agreed by the parts involved in a contract under which they give each other preferential market access. These contracts are known as 'free-trade agreements' and Goode (2004) briefly explains what they may contain:

'In practice, free-trade agreements tend to allow for all sorts of exceptions, many of them temporary, to cover sensitive products. In some cases, free trade is no more than a longer-term aim, or the agreement represents a form of managed trade liberalisation. Observers have noted that many recent free-trade agreements have run to several hundred pages, whereas a true free-trade agreement would require only a few lines' (p. 146).

This is true in the case for the EU-CA AA, as it is a document with over 360 articles and 21 annexes (SICE, 2016a). Although international trade has been going on for centuries, the establishment of trade agreements as are known today has its beginnings with the creation of the GATT 1947 and its entry into force on the 1st of January 1948, after the fall of the Bretton Woods system (Goode, 2004). The contracting parties of the GATT made an effort to set up a multilateral trade system by eliminating trade controls and reducing protections of their domestic industries and receiving the same treatment from the other member parties (principle of reciprocity) (Graff et al., 2014). The 23 nations that signed the GATT had the goal to 'establish a rule-based world trading system and to facilitate mutually advantageous trade liberalisation' (Baldwin, 2016, p. 95). The constitutional principle of the GATT was that the world trade system should be 'rules-based' and not 'results-based', therefore it focused on procedures and guidelines and not on volume of trade or shares. It consisted of other five specific principles: non-discrimination, transparency, reciprocity, flexibility of 'safety valves', and consensus decision-making (Baldwin, 2016). The GATT was formally institutionalised with the creation of a Secretariat with its headquarters in Geneva (Graff et al., 2014).

Out of the three basic approaches to trade reform (unilateral, bilateral and multilateral), the GATT was the most important example of a multilateral trade agreement (Irwin, 2008). It came alongside with the International Monetary Fund, the World Bank and the Marshall Plan after a failed attempt of creating the International Trade Organisation and when the Allied planners after WWII concluded that a regionally divided economic system could be dangerous (O'Brien and Williams, 2010). Although the creation of the GATT itself includes regulation, the idea behind this event was to liberalise trade and reduce regulations and trade barriers, reducing discriminatory treatment and emphasising on reciprocal and mutually advantageous agreements (GATT, 1986). 'Regulation is generally understood to mean the setting of rules for other and their enforcement by governments and government-appointed regulators who aim to modify the outcome of voluntary transactions in markets' (Marshall and Robinson, 2006, p. 326). These regulations can lead to trade barriers from tariff or non-tariff measures, such as quantitative restrictions, import licensing, voluntary restraint arrangements, and variable levies (Black, 2002). In this sense, the GATT was very successful:

'Since the GATT began in 1947, average tariffs set by industrial countries have fallen from about 40 percent to about 5 percent today. These tariff reductions helped promote the tremendous expansion of world trade after WW II and the concomitant rise in real per capita incomes among developed and developing nations alike. The annual gain from removal of tariff and non-tariff barriers to trade as a result of the Uruguay Round Agreement

(negotiated under the auspices of the GATT between 1986 and 1993) has been put at about \$96 billion, or 0.4 percent of world GDP' (Irwin, 2008).

The GATT eventually led to the creation of the WTO on the 1st of January 1995 after the Uruguay Round negotiations. The negotiators were mainly concerned on how new trade agreements would come into force and if they would be binding on all GATT parties; they wanted to avoid 'side agreements' (Matsushita et al., 2006). A series of agreements were attached to the WTO Agreement (the Marrakesh Agreement Establishing the World Trade Organisation) and made binding to all parties; it also now 'provides the trade regime with a permanent institution, opens up new areas of economic activity (e.g., services) to liberalisation, and provides a strong dispute settlement mechanism' (O'Brien and Williams, 2010, p. 136). There are currently over 160 country-members in the WTO, which is described as 'an organisation for liberalising trade, a forum for governments to negotiate trade agreements, a place for them to settle trade disputes, and it operates a system of trade rules' (WTO, 2016). There are three main agreements of which the WTO watches over: GATT, GATS, and Trade-Related Aspects of Intellectual Property Rights (TRIPS). Signing a trade agreement in this framework, and therefore being part of the WTO, provides the countries involved a 'most-favoured-nation' (MFN) treatment to the other parties, meaning all parties receive that same treatment in tariffs, eliminating discriminations (Goode, 2004).

Although the MFN principle applies to all countries, the Article XXIV of GATT (1986) allows Preferential Trade Agreements (PTA's) in the form of Free-Trade Areas (FTA's) and Customs Unions (CU). Both of these PTA's require a substantial liberalisation of trade (by the elimination of tariffs on trade) between the parties but the CU also implies a common external commercial policy (Matsushita et al., 2006). The CU was mainly established to accommodate the formation of the European Economic Community (EEC), which then eventually evolved to a more integrated EU (Irwin, 2008). These processes of integration were mentioned before as a part of regionalism.

Examples of FTA's nowadays are plenty, mainly appearing after 1993: NAFTA, Central American Free Trade Agreement and the Dominican Republic (CAFTA-DR), European Free-Trade Area (EFTA), Common Market of the South (MERCOSUR), South Asian Free Trade Area (SAFTA), and others (O'Brien and Williams, 2010). This can show that the world, even though it already counts with a global multilateral agreement with the WTO, also opts for bilateral or regional PTA's (Eicher et al., 2009). For example, the USA has over a dozen free-trade agreements signed in order to promote greater trade between them and other countries; this can be seen as a response to hasten global trade liberalisation when the multilateral agreements are not functioning properly or are running too slowly. Countries not included in

PTA's are then now trying to become evermore involved and participate more to have special trade treatments with as many partners as possible (Irwin, 2008).

In the case of CA, as a region, they have engaged in the Central American Integration System (SICA in Spanish) with an economic/commercial subsection led by the Central American Common Market (CACM) and the Subsystem of Economic Integration of the Central American Integration System (SIECA); other PTA's haven been established with the Caribbean Community (CARICOM), with the USA in the CAFTA-DR, with Chile, Mexico, and more recently with the EU, whilst also having trade talks with Canada (SICA, 2016a). The individual countries also have bilateral PTA's with different countries, for example Costa Rica has a FTA with China whilst Honduras and El Salvador have one with Taiwan (Ibid.) On the other hand, the EU, with its Common Commercial Policy (CCP), has their own multilateral agreement and also with CARICOM, and individual countries such as Mexico and South Korea and more recently signing one with Singapore (European Commission, 2016). Whether bilateral or regional PTA's support or go against the establishments and purposes of the WTO is an on-going debate and can bring cases of further studies (Bhagwati, 2008; Eicher at al., 2009; Gibb and Michalak, 1996; Irwin, 2008; Daunton et al., 2012; Graff et al., 2014; Kono, 2007; and Matsushita et al., 2006).

Additionally, changes in international trade and their agreements can be foreseen with the negotiations of the Doha Round amongst the members of the WTO as they intend to foster even lower trade barriers and revise and reform current trade rules (Cronin, 2003). However, the Doha Round has proven very difficult and with an uncertain future, it brings concerns for rigid proponents of free trade, but without really undoing previous progress from other trade negotiations (Graff et al., 2014); nevertheless, 'world trade is already very close to free trade' (p. 324). One of most recent advances in trade agreements has been precisely a region-to-region implementation between the EU and CA as it not only promotes trade but is also in line with both regions' goals to encourage regional integration with these types of association agreements, which in turn not only focus on economic relations but on other social aspects like political dialogue and cooperation (European Parliament, 2012b). This is seen as a great advancement in trade agreements as it brings a holistic view, although far from perfect, to commercial relations between regions.

After understanding how modern trade agreements came into place and their contribution in regulating international trade, it is then necessary to look into the specific agreement in this case. The next section concentrates on the importance that the EU-CA AA has for the international community, for both regions, and specifically for the Czech Republic.

2. The Importance of the Association Agreement between the EU and CA

The majority of the literature found of the EU-CA AA was mainly published before and during the negotiations. Most of the official documents, coming from or supported by government sources of both parties, argued in the defence of the AA, as it would bring benefits to both parts, mainly in economic and regional integration terms (Umaña, 2011; Céspedes, 2009; and European Parliament, 2012b). On the other hand, papers published by the civil society and other NGOs warned about some of the negative effects it could bring to gender issues, labour organisations, the environment and sustainable development, minority groups and other potentially affected topics (ActAlliance.eu, 2010; ALOP, APRODEV, CIFCA, GRUPO SUR, ODHACO, 2011; and Bidaurratzaga and Zabalo 2012).

Even though the studies varied, no one denied that this was an important contract being negotiated, as explained by the European Union External Action Service (EEAS) (2016a), it was the first time for both regions to deal with another region in such a far-reaching agreement and be able to successfully conclude the negotiations; it would also be the legal framework to all aspects of the EU-CA relations. This agreement included three major pillars in which both regions already had previous relations and work on: Political Dialogue, Cooperation, and Trade. This AA therefore not only directly affects both regions involved but can also serve as an instrument for other regions in their regional integration processes and trade negotiations. There are several considerations in these terms that arise and are interesting for both academics and policy-makers alike to further explore (Umaña, 2011).

The negotiations were done under the framework of integration processes in political, cooperation, cultural, economic, and commercial aspects. Indeed, one of the conditions set by the EU to proceed with the negotiations was that CA worked as a bloc because the countries in CA were used to work and negotiate individually (as was done by them in previous trade agreements); this alone contributed to CA's integration system (Molina, 2016). In the case of the EU, it was different since they rely on a CCP and a Common Foreign and Security Policy (CFSP) for their foreign affairs and international trade policies, therefore the individual member countries did not have to coordinate in the same ways as the countries in CA (Van Vooren and Wessel, 2014).

Considering the previous, the present chapter serves as a section to hypothesise the negotiations of the EU-CA AA and participations of its actors, focusing on the Czech Republic.

It also conjectures some of the implications the signing of this AA brought to the country. It is important to see what led to these negotiations and the implementation of it and who were the main actors involved in them. The case of the Czech Republic, although similar to the other individual MS of the EU, causes special interest because it was a fairly new (and small) country in the EU working together with bigger, more experienced states. Even though the Czech Republic has to accommodate to the EU policies, it still presented individual interests in the negotiations and therefore also went through an internal process to meet them.

a. Hypothesising the Negotiations of the AA

Previous to the beginning of the negotiation rounds of the EU-CA AA, late June 2007, in Brussels, both parts had already signed a Framework Cooperation Agreement in 1993 and a new Political Dialogue and Cooperation Agreement (PDCA), signed on the 15th of December 2003 in Rome (SICE, 2016a). These were also supported by the “Dialogue of San José” which was a forum of political discussion starting in 1984 (CC-SICA, 2008). Both parts then already had experience in negotiations with each other. The difference this time was that international trade policy would also be included as a bloc for CA and not just individual PTA’s as was the case in the Generalised Scheme of Preferences (GSP and GSP+) of the EU (European Commission, 2015c). Therefore the negotiations of the EU-CA AA would bring changes for both regions.

A negotiation can be defined as the means in which ‘each party declares what he desires, and attempts to obtain as much of it as possible by making concessions to the other side, or by displaying his purposes’ (Scruton, 2007, p. 470). Iklé (1967) gave a similar definition calling it a ‘process’ in which proposals are given in search of a common interest where conflicting interests are present. Likewise, Zartman (1978) calls it a dynamic process to reach a decision comprising various actors. Additionally, Walton and McKersie (1956) include ‘interdependence’ as a cause and result of negotiations. Finally Fisher et al. (2011) intensify the importance of the results of a negotiation by saying it should build to a solid and long lasting relationship accommodating conflicting interests and the conjugation of compatible interests; it should not be seen as a competition but an exercise to solve problems. These definitions conclude that a negotiation process needs to have a motive, actors and their interests, a procedure (or type of negotiation), a space, and a result. Having conceptualised this, a brief explanation of the actors is offered with their expressed interests, and how the negotiation rounds were a method to reach a final agreement.

The EU is an international, economic and political organisation comprising of 28 MS, which evolved from the European Coal and Steel Community and the European Economic Community (Nugent, 2010). Several institutions now compose the EU: the European Commission (EC), the Council of the EU, the European Council, the European Parliament (EP), the European Court of Justice, the European Central Bank, and the Court of Auditors, along with other agencies (Wallace and Wallace, 2000). Under the CCP and the Common Customs Tariff (CCT), the EU enables and obliges the MS to act in common in the setting of tariffs and the negotiation of customs and trade agreements with non-member countries (Nugent, 2010). As an important actor in international trade, this policy has a great incidence in the global community as it tends to a progressive abolition of restrictions on international trade (Van Vooren and Wessel, 2014). Therefore, the main interest of the EU is to drop barriers of trade, in line with their liberalisation processes; however, with the AA, further political interests were present (EEAS, 2010).

The commercial interest of the EU in CA is not very high, as their trade relations are small compared to the share they with other countries (only 0.4% of the EU's trade was with CA at the beginning of the negotiations) (CC-SICA, 2008). Argueta (2008) poses the question, and answer, to this, 'why does Europe want to negotiate an economic agreement with a region with whom has a minimum economic exchange and whose main products may create conflict with inner economic policies? The answer to this lies in politics' (p. 4). Therefore, the main interest of the EU was related to the integration processes of CA trying to echo their own 'europeanisation' (Abrahamson, 2009). It is important to mention that the EU has always been a part of or supported the democratisation and integration processes of CA and they could be able to help even more with the AA (Molina, 2016). Along with this, the EU promotes inter-regionalism and region-to-region negotiations by forcing CA to act together (Abrahamson, 2009).

The negotiations of the AA also came after CA had signed the CAFTA-DR, the EU could then be seeing that it was necessary to 'catch up' and become a greater influence for CA and have a bigger role to play in its policies (Umaña, 2011). In order to do this, and feeling the external pressure of the competition that the CAFTA-DR brought, it was essential that the EU innovated their agreement with CA and not make it only trade related, but expand and include other more general topics to be seen as an alternative and not as a substitute of the US (Abrahamson, 2009). 'Free-Trade' was, and is, still an interest for the EU in relation to CA trade, however, considering the volume of trade they had, it could not be the main objective, and instead, it was a type of rehearsal for future and bigger region-to-region agreements. For

example, the EU was at the same time negotiation with the ANDEAN Community another agreement meanwhile being in trade talks with MERCOSUR (EP, 2012b).

Additionally, NGO's and other groups were more sceptical about the EU's intentions in negotiating the EU-CA AA. For example, the International Gender and Trade Network (2008) argues that the EU looks to benefit from the access to transport infrastructure and connections to trade with both North and South America and 'gain unlimited access to the region's natural resources, water, biodiversity (exclusive rights to use Central America's natural wealth), state owned businesses and to consolidate their control over public services which are currently being provided in many cases by European companies' (p.5). Moreover, ActAlliance (2010) claimed that the interests of the EU were mainly on trade, putting aside important social topics such as human rights. Further proof of this belief is that the EU proposed to start their negotiations with the basis of the WTO framework and not under the GSP's, something many considered a recoil from the advancements both regions had in their previous agreements (CC-SICA, 2008). Even though the Political Dialogue and Cooperation were included, few believed that it was in the intentions of the EU to give the AA a more 'human-like face' than a conventional Free-Trade agreement (Molina, 2016).

CA was the other actor in the negotiations and is composed of 6 different developing countries (although Belize can also be seen as part of CA, it is not included in the AA): Cost Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama (who started out as an observer and then became fully integrated) (EEAS, 2016b). Their integration process formally began in 1991 with the 'Tegucigalpa Protocol to the ODECA (Organisation of Central American States)' and the subsequent creation of the SICA (SICA, 2016a). However, following the theories of the 'old regionalism', since 1958, they had already started moving towards an economic integration signing the Central American Free Trade and Economic Integration Multilateral Treaty (Caballeros, 2008). With the creation of the CACM and its CU, and the incorporation of Panama to the SIECA in 2012, CA was able to sign the AA with the EU (SICA, 2016a).

This shows that CA is also very interested in liberalising trade, not only amongst their own nations but with other countries as well. Likewise, they present great interest in attracting Foreign Direct Investment (FDI). However, there are big differences between the two regions, focusing on the way they act and negotiate in trade agreements. Whilst the EU's population is over 500 million, CA's is about 10% of that; nevertheless, the EU was able to present a uniformed proposal since the beginning of the negotiations; yet CA had different positions on economic and social policies (CC-SICA, 2008). The interests of CA varied not only within the region but also within their own countries (Echandi and Miranda, 2009). Molina

(2016) explained that each country had to first define their individual position in their national ministries and then discuss them with the representatives of the other countries in order to come up with a uniform position. For example, Costa Rica had to resolve its political and cooperation interests in the Ministry of Foreign Affairs and the Ministry of Economy and its section of Foreign Trade resolved the trade aspect to communicate this to its representative in the SICA and to their spokesperson (School of International Relations – UNA, 2008).

Therefore, there were various interests present before the negotiations, some countries would focus more on the Cooperation pillar (for example Nicaragua) whilst others on the Political Dialogue (Guatemala) and others on the Trade Pillar (Costa Rica) depending on their individual interests (Molina, 2016). It is no doubt, however, that for CA, the commercial interests were far more important than they were for the EU, because the EU was the 3rd largest market for the region, accounting for approximately 9% of its exports before the signature of the AA (The World Bank, 2013). Consequently, the expansion and diversification of CA exports to the EU was one of the main interests, whilst keep receiving cooperation and increasing the attraction of FDI in the region. According to the EC (2016c), the main exports of the EU to CA are machinery and mechanical appliance, electrical appliance, pharmaceuticals, motor vehicle and articles of steels; and the EU imports from CA: electronic assemblies of data processing machines, coffee, bananas, and pineapples. Likewise, CA is one of the regions that most receives cooperation funds from the EU (European Commission and European External Action Service, 2014). It is also important to mention that regional integration and further deepening of their CU was also a goal for CA, however this also varied amongst the countries (Umaña, 2011).

After seeing general characteristics and interests of each region, it can be concluded that the EU, presenting a solid uniform proposal was the stronger negotiator, whilst CA, being a disparate smaller region, had to adjust and adapt to the EU policies. Although there were some conflicting interests, the common interests prevailed as there were previous agreements and the concepts of regionalisation and trade liberalisation were present in both parts. The negotiation rounds would then occur as ‘integrative’ negotiations where there would be an effort on both sides to understand and cooperate with each other, trying to make the negotiations as fluent as possible meeting common objectives (Maubert, 1993). In a later section, the negotiation rounds and its content are explained, after hypothesising the Czech Republic’s participation and implications in the EU-CA AA.

b. Hypothesising the Czech Republic's Participation in the AA

In order to understand and hypothesise the Czech Republic's participation in the EU-CA AA, it is important to see how their political economy has been shaping since the fall of the communist regime in 1989 and its split from the Slovak Republic in 1993, and how they adapted into the WTO and finally to the EU's CCP (Mansfeldová, 2005). Likewise, to see the specific interests that the Czech Republic might have had in its relations with CA, it is necessary to give a brief overview of the history they have had with this region.

Although there were many class struggles and views as to the direction Czechoslovakia would take in their democratisation process, the transition mainly went from a socialist command economy to that of a market economy (Pickles and Smith, 1998). By 1996, the OECD (1997), of which the Czech Republic had recently become a member of, had already mentioned that their liberalisation process was virtually finished:

'The fundamental steps in the transformation of Czech economy, including the necessary institutional changes, have been realised in recent years and currently these measures are being enhanced. The initial stage of transformation included almost full liberalisation of prices [...] and subsequent deregulation measures are implemented [...] accompanied by the liberalisation of foreign trade [...] and later on wages were liberalised and the currency was made convertible [...] The tax system was restructured and made compatible with that in Western Europe and the social security system was reformed. Various forms of privatisation [...] made a quick progress. At present the private sector accounts for some three fourths of GDP. The Czech Republic [...] became one of the major target countries for foreign investments to economies in transformation in Central and Eastern Europe' (p.3).

The Czech Republic took a neo-liberal approach to their transition decade by a team of economists trying to separate economics from politics and legislation, which in the second half of the 1990's led to 'privatisation with the lights out' (Mansfeldová, 2005). At this same time, the Czech Republic joined the IMF and when the WTO was created, the Czech Republic also joined it because they were already a part of the GATT since 1993 (WTO, 1996a). Due to the many problems that resulted from such a hasty liberalisation, much cooperation was needed and carried out between the Central National Bank, the EU and the European Central Bank for adjustments in economic policies, eventually leading to the accession of the Czech Republic into the EU (Mansfeldová, 2005).

It is evident then that the Czech Republic would also adopt a liberal trade system in their trade policies. According to the Trade Policy Report by the Government of the Czech

Republic to the WTO (2001a), they had continued the liberalisation processes in trade policy looking to participate more fully in an open international market economy and also, 'with the on-going process of convergence to the European Union institutional changes have been increasingly driven by the need to harmonise Czech laws with the *acquis communautaire*' (p. 2).

Before joining the EU, the Czech Republic already had several PTA's: Central Europe Free Trade Agreement (including Hungary, Poland, and the Slovak Republic and subsequently Bulgaria, Croatia, and Romania), with Israel, Turkey, Estonia, Latvia, Lithuania, with the EFTA and with the EU itself, including a CU with Slovakia (WTO, 2001a). In the same document, they declare that these regional trade agreements have been 'effective and complementary instruments to the multilateral trading system' (p. 9). Free-Trade agreements were not a new practice for the Czech Republic when they finally joined the EU in 2004 and they were manifestly eager to continue them. Additionally, the creation of CzechTrade in 1997 is a further manifestation of their openness to trade (CzechTrade, 2010).

The Ministry of Industry and Trade of the Czech Republic (MITCR) (2006a) issued their 'Strategy to promote the commercial-economic interests of the Czech Republic in the EU' where they basically stated it aligns to the CCP of the EU and use their mechanisms in order to assert its interests and established Czech businesses to strengthen their external competitiveness. This was also supported by another similar statement in 2008 and various reports and conceptualisations of the Foreign Policy of the Czech Republic by the MFACR, for example, they mentioned that 'through its involvement in the EU's CCP, the Czech Republic will seek to strengthen the multilateral trade system and the WTO, [...] The Czech Republic will also support free trade agreements between the EU and third countries and will seek to ensure that they are beneficial for our country' (2015).

The CCP is the 'mother of all EU external relations policies' and is established starting from the Article 206 of the Treaty on the Functioning of the EU (also mentioning the CU), or previously on Article 131 of the Treaty on EU along with the Treat of Amsterdam (Van Vooren and Wessel, 2014, p. 276). It was included since the treaty of Rome 'professing the liberalisation of trade on a world scale as one of its goals' based on a common external tariff uniformly applied to all the MS of the EU (Kuijper et al., 2013, p. 373). The CCP has suffered few changes since its creation; it has mainly adapted to the way international trade has been evolving including newer topics such as services. 'The expansion of the scope of the CCP to trade in services, commercial aspects of intellectual property and, most importantly, foreign direct investment indicates that a common policy in the fields of goods, services, establishment and capital with regard to third countries is necessary in order to serve the

goals of internal integration and to increase the competitiveness of Europe in the world' (Dimopoulos, 2010, p. 153).

When a new country joins the EU, it inherits its legislation with regards to CCP and all its binding treaties, as so did the Czech Republic (MITCR, 2003; and Van Vooren and Wessel, 2014). A few years after the Czech Republic joined the EU, it began its formal negotiations for the AA. Even though it is a small country and was fairly new in the EU, it was still forced to play a part in the defining of this policy and its AA. Part of that is shown in the support they gave to the AA whilst being in the six-month Presidency of the Council of the EU (Euro2009.cz, 2009; and MFACR, 2009). Additionally, with regards to economic and trade-related topics, the Czech Republic usually meets with other 'like-minded' countries, such as the United Kingdom, for further liberalisation of trade (in contrast to France, for example) (Chvátalová, 2016a).

Although not much literature was found on how smaller countries participate in these type of contexts, there were a few that stood out and can also help enlighten on the intentions of the Czech Republic and the way it participated in this case, trying to meet its interests. Katzenstein (1985) argues that in order for a small country to be successful in the 'World Markets' they have to stay economically competitive and keep their political institutions. He explains the concept of 'democratic corporatism' to adjust to the market mixing ideologies, finding centralised politics and lobbying with different interest groups; this is done using the example of Denmark, Norway, the Netherlands, Belgium, Sweden, Switzerland, and Austria. Similarly, Dick and Merrett (2007) comment on the Australian experience and its rapid liberalisation after the 1980's. However, the case presented in this book is with a country isolated from the rest of the world and not participating in the EU. Nevertheless, it is enriching as it provides insight on how private firms were able to cope with the globalised economic structure.

Looking into a EU perspective, Moberg (1998) studies how the voting system in the EU works and is balanced between small and big countries. He shows that countries with smaller populations cannot really outvote those with bigger representations; conclusively, the Czech Republic would not be able to depend solely on the voting process if it would like to bring changes. Leuffen et. al. (2014) also see decision-making examples in the EU and how a MS can achieve salience. They conclude that having a mixture of heterogeneous interest groups and membership length can help in meeting a country's interests in the decision-making process. It also supports that national interests determine the general interests. Their study might not foresee a positive role by the Czech Republic in the decision-making process,

as it is a new country; however, with a strong national position, it can still be able to influence.

With a more general view, Whalley (1998) answers as to why countries seek regional agreements. Some countries, which could be the case for the Czech Republic, seek them to belong to strategic alliances, and form part of security arrangements. Smaller countries also search for PTAs for more security by being part of a larger market. Moreover, 'some countries have tried to use regional (and multilateral) agreements to help lock in domestic policy reform and make it more difficult to subsequently reverse', and others as a strategy to influence future PTAs (p.63). This could very well be the case of the Czech Republic as it might be using this AA as a rehearsal for upcoming agreements. Another article by Kowalczyk (2006) explains that smaller countries tend to join PTAs with larger countries in order to increase the welfare effects in their country, even though it might harm the latter. In this sense, a liberalisation strategy could help further development in the Czech Republic.

Therefore, one of the interests of the Czech Republic in having an AA with CA could have been an expansion of trade and further elimination of trade barriers, following a liberal view on the topic. However, looking into the history of trade that the Czech Republic has previously had with the region, it is difficult to conclude that. Opatrný (2011) outlines the history of the relations that Czechoslovakia had with Latin America as a whole. Few times is CA mentioned in these relations unless they have been diplomatic or political, for example, with the Sandinista Revolution in Nicaragua (mainly due to the anti-American/Soviet ties); Czechoslovakia was seen as an intermediate between the CA countries and the Soviets, trade was usually limited to weaponry and glass from Czechoslovakia and coffee from the region (Ibid.). It was not until the second half of the 1990's that their relations grew stronger, both political and economic and trade-related, although their relations have always been 'friendly' (MFACR, 2000).

Indeed, the trade between the Czech Republic and CA, as well as their cooperation and political relations did increase as they approached the signing of the EU-CA AA, however they still represented a small percentage in both regions (MFACR, 2010b). It is then implied that the specific interest in the area was not that great for the Czech Republic, nevertheless, it was still in line with a liberal trade conception.

After having briefly seen how the Czech Republic integrated into the EU and the CCP and the 'friendly' relationships they had with CA, it is compulsory to ask the question as to why would the Czech Republic agree to negotiate the EU-CA AA and what were their interests. It is evident that after entering the CCP, they had no choice (although willingly) but

to follow the lineaments of the EU (MFACR, 2015). In a conversation with Chvátalová (2016a), a representative of the Department of the Americas in the MITCR, she explained that the Czech Republic always prepares their defensive and offensive interests during the negotiations (in the case of trade-related topics, the MITCR does this internally whilst the MFACR does it for political issues). However, in the case of the EU-CA AA, with regards to the Trade Pillar, basic general interests were established, as they did not foresee major problems in the negotiations. For example, it was in the Czech republic's interest that the AA contained appropriate provisions for the protection of intellectual property rights, especially in industrial goods (Chvátalová, 2016b).

The Czech Republic's authorities and policy-makers would then take the participation in the EU-CA AA lightly, even though they were forced into it. Even though CA is not seen as an important trade partner for the Czech Republic, it is significant for them to align themselves to the ideals of the EU, and in terms of the CCP, continue supporting trade agreements with other countries (MFACR, 2015). Therefore, the Czech Republic's participation would mainly focus in the relations within the EU and its member countries themselves and the political aspects of the AA more than the trade-related topics. Furthermore, the Czech Republic could see this as a trial of their political capacities and negotiation aptitudes inside the EU and amongst bigger countries. Additionally, it can be a case in which the Czech Republic could prove its orientation to global free trade.

c. Hypothesising the Policy Implications for the Czech Republic

After hypothesising why the Czech Republic participated in the EU-CA AA, it would then be clearer to understand the implications that the signing of this AA would bring to the country and its policies. First, it is necessary to see some of the changes that came in joining the WTO and the EU. Additionally, studying some of the content in the EU-CA AA and its three pillars, possible effects are offered in regards to the interests presented by the Czech Republic in the context of the negotiations.

The Czech Republic joined the GATT in 1993 and was one of the founding members of the WTO (Czechoslovakia was a founding member of the GATT) (WTO, 1996a). As the Czech Republic joined the WTO, it had to comply with its directives and therefore, arguably lost sovereignty over its own trade policies. A World Bank report (1996) states the conditions in which a country joins and must comply to:

'Each member undertakes commitments to cap (band) tariffs on imports and enjoys corresponding rights for its exports to member countries. No member may normally

increase tariffs above bound levels without at least providing compensation. The WTO constrains various trade procedures to acceptable standards. For a country assuming obligations negotiated under WTO auspices, the requirement to maintain access to its market or pay compensation provides an effective constraint on internal pressures for increased trade protection' (p. 135).

During their transition period, there were two alternatives in the Czech Republic as to the way foreign trade liberalisation had to be done (there was no doubt that liberalisation itself was the goal). One way was by liberalising internal prices and the other, a more gradual two-step approach, was first, to have a parallel existence of a regulated foreign exchange market with a free market, and then, achieve complete convertibility of the Czech Crown gradually expanding to the free market (Mansfeldová, 2005). Although there was debate as to the method, the Czech Republic was able to liberalise its trade policy and join the WTO to further access international markets and earn more political feasibility abiding by the WTO rules (World Bank, 1996).

The Czech Republic had entered in the GSP system since 1972; however, entering the WTO gave them greater connections for improved market opportunities (WTO, 1996a). The Czech Republic had maintained an open liberal market approach during the Uruguay Round and had committed to follow them with 'the implementation of market access commitments, including wide-range tariff reductions of MFN tariffs' (WTO, 1996a, p. 12). These tariffs were on industrial products, pharmaceutical chemical goods, and agricultural products, and other measures were taken to allow imports under improved conditions as well as fully applying the agreed terms on services, maintaining ordinary customs duties protecting domestic producers (WTO, 1996b).

They had 'undertaken a substantial review of the national legislation to ensure its conformity with obligations resulting from the Agreements annexed to the WTO Agreement. A number of regulations and administrative procedures was modified, in particular in the areas of market access and subsidies. A decision to promulgate a new legislation on anti-dumping, countervailing and safeguards was taken and respective legislative process has been started. It is expected to be completed in 1996' (WTO, 1996a, p. 13). Furthermore, in a similar report in 2001 (WTO, 2001a), it is stated that the changes needed to fully comply with the WTO lineaments had been made, including enabling the Government to resort to measures of trade remedy in case of threat or injury to their domestic industries.

Although the accession of Czech Republic to the EU, on the 1st of May, 2004, was a long procedure and seemingly difficult (application was submitted in 1996), with regards to Trade Policy, the Czech Republic did not have to change much. They had already gone through their

processes of liberalisation; likewise, they had an Association Agreement, which included a Trade Chapter between the two (WTO, 2001b). This AA was also a very comprehensive one, 'in addition to the provisions aiming at the establishment of a free trade zone in accordance with Article XXIV of GATT 1994, the Europe Agreement also includes provisions concerning payments, capital movements, liberalisation in services, competition, approximation of laws as well as the co-operation in the areas of the economy, cultural, finance and other' (WTO, 2001a, p. 8). Therefore, joining the EU for the Czech Republic would not mean a significant change in their trade liberalisation, as they would just have to adopt the CCP (MITCR, 2003).

The effects were a deepening in their policies regarding foreign trade and an adoption of further agreements. By the time the Czech Republic officially entered the EU, the EU had signed agreements with Norway, Iceland, Switzerland, the Faroe Islands, Macedonia, the Palestinian Authority, Syria, Tunisia, Morocco, Israel, Jordan, Lebanon, Mexico, South Africa, Chile, Andorra, San Marino, and Turkey (EC, 2016a). Some of these, the Czech Republic already had PTA's with (WTO, 2001a). In consequence, joining the region expanded the Czech Republic's market, even though it would be accommodating the country to a common regional policy. Joining supranational institutions such as the EU could affect the control functions and internal rules of a country have to match the international standards (Mansfeldová, 2005). There can be a 'reduction of the degree of policy control by individuals within member states; to intrusion of the EU into functions that were previously performed by the nation states; and to an overall lack of democratic accountability and transparency' (Weale, 1997, p.667).

So far, it has been implied in this section that the changes in trade policy did not come after the creation of the WTO or the joining of the EU for the Czech Republic; instead, these policy changes (or its progressive evolution) came in order to meet these standards and be a part of these international organisations. Therefore, the IPE that the Czech Republic adopted was not necessarily a command from these organisations but a method for the Czech Republic to be a part of them. It is important to mention however, that its trade policies are a consequence of the international movements towards greater liberalisation and the Czech Republic's will of being integrated in these processes (MFACR, 2015). With the case of the EU-CA AA, the Czech Republic also had to focus their view on a sector they had not given much attention to before (MITCR, 2009).

Although each MS deposits some functions on the EU, they each have to individually and internally ratify the agreements signed in the CCP scheme in order for them to apply in their countries (MITCR, 2003). Therefore, the effects and implications of a PTA such as the EU-CA AA do not fully come until after its ratification (Milutinovic, 2011). However, before

the signature, the Czech Republic had to prepare their policy and interests in order to know how to proceed in the negotiations (Chvátalová, 2016a).

In this sense, although there were already previous relations with CA, the Czech Republic had to study the potential effects in order to know which interests they formulated (MITCR, 2009). These interests kept in line to the liberalisation of foreign trade they had been creating; additionally it was the priority pillar for the Czech republic in the EU-CA AA. According to Chvátalová (2016b), amongst the offensive interests in trade, there were included their intentions to increase exports in cars and automobiles, textiles and leather processing machines, profiles of iron and steel, tantalum and articles thereof (capacitors), machinery and equipment for the food industry and plastics and rubber, plastic products (pipes, hoses), glass and glass products. Additionally, as defensive interests, the Czech Republic mentioned sugar figures. Moreover, the Czech Republic had an interest in negotiating the lowest customs charges for the importation of tantalum capacitors and tropical fruit, citrus, coffee, seafood and their products. The Czech Republic agreed with the prerequisite set by the EU to the CA on having a CU for the region along with the CA agreement of services investments and a development of legal mechanisms that would assure an effective economic legislation. In order to follow a transparency policy in these issues, the Czech Republic had to consult with some key actors in the civil society (See Appendix 1) (Chvátalová, 2016a). The Czech Republic saw opportunities for their exporters in machinery, agriculture, textile machinery, construction machinery, machinery for food production, hand tools, energy projects (investment) especially the smaller hydroelectric plants, ecologic projects, and for the development of transport infrastructure (Chvátalová, 2016b).

During the negotiations, being participate of the EU, the Czech Republic had to watch that these interests were being met. Even though the overall goal of trade liberalisation was being followed, different techniques and strategies could have been applied to meet these objectives. In regards to Political Dialogue and Cooperation pillars of the AA, the interests were generic, as there already existed a previous agreement between the two regions precisely about these topics (EU-CA, 2003). For the Czech Republic's interests, in the case of the Cooperation pillar, the articles to be included had to mention justice, freedom and security, sustainable development, social issues, administration and customs, taxes, regional integration, education, culture and audio-visual cooperation (Chvátalová, 2016b). In the case of the Political Dialogue pillar, the Czech Republic searched for the areas of common interest to be met in regional integration, poverty reduction and social cohesion. Likewise, it was of their concern to include sustainable development, regional security and stability, conflict prevention and resolution, human rights, democracy, good governance, and migration. Other

interests also included the fight against corruption, against terrorism, against drug trafficking and small arms and light weapons and weapons of mass destruction (WMD), and against serious crimes related to the international community. The Czech Republic also considered that the political dialogue between the regions should include cooperation in foreign policy and security issues including the civil society and the creation of institutions to support these policies (Ibid.).

In consequence, the forecasted changes in policy were not many after the signature of the EU-CA AA, but instead, they happened during the processes leading up to it. Likewise, as a small and new country in the EU, if needed, the Czech Republic would join with other 'like-minded' countries in order to generate and meet its interests. However, since CA is not an area of great interest for the Czech Republic, its individual action would be limited during the lobbying and negotiation processes. For the EU, there is a slight increase projected in trade flows (EP, 2102b). Although there was no specific study found on how that would translate to the Czech Republic, considering previous reports and the history of their trade relations, the trade flow between the Czech Republic and CA would not change much, unless there were a specific campaign to promote it (MITCR, 2012). In other aspects however, there would be a deepening in the cooperation relations, especially with countries like Nicaragua and El Salvador and further political talks and collaboration with the region (MFACR, 2013). This might include additional participation in forums and discussions of openings or re-establishment of mutual embassies.

3. Methodology, Evidence and Evaluation

With regards to the methodology of this paper, it is important to mention that it has mainly been a qualitative research as it encloses and mixes different disciplines, research methods, and techniques to understand the 'human experience' behind the EU CA-AA and the participation of the Czech Republic (Nelson et al., 1992, p. 4). Additionally, Denzin et al. (2011) define it as a 'set of complex interpretive practices' usually used in social sciences, including Politics and Economics and Political Economy. With regards to this, Larner (2004) and Morse (2011) talk about the 'evidence' that can be produced in qualitative research; they mention that it can never be entirely neutral, and in Political Economy the question is about who defines the evidence and the methods used to produce it. Therefore, qualitative research can be applied whilst trying to understand decision-making processes, analysing the actors,

interests, procedures, and results. Similarly, qualitative methods, such as case studies, can be mixed with quantitative methods (Cook and Payne, 2002).

In consequence, much of the theoretical framework and the historical aspects of this paper were based on a wide-ranged of literature review. Accordingly, there was much emphasis stressed in the theoretical aspect of the paper. Scientific articles were used to study specific themes and cases (such as in how small countries participate in forums with other bigger countries an article by Moberg (1998), for example) whilst dictionaries and textbooks were used to define broader terms (for example, in the definitions of IPE and Trade and other similar concepts, Black (2002), Gilpin (1987), Weingast and Wittman (2008) and Krugman and Obstfeld (2000) were extensively consulted).

Additionally, it was necessary to find information on how the EU works and how the Czech Republic participates in this organisation. Furthermore, the specifics of the trade negotiations and the application of PTA's were also thoroughly studied. These were found both on the Internet (mainly through official pages of the EU) and printed material. Moreover, with regards to the formation of interests and policies in the Czech Republic, and particularly with the EU-CA AA, much of it was collected in the MITCR after a four-month internship, conversations with a representative of the Department of the Americas (Ing. Chvátalová), and presentations of their internal processes given by representatives of the MITCR and MFACR. Finally, to come up with the hypotheses, it was also necessary to look into other similar cases and the perception of NGOs and other parts of the civil society with regards to the AA and other PTA's.

Ample information was also collected about the view of CA regarding the EU-CA AA through extensive research on the Internet and printed literature in the universities in Costa Rica. Again, most of this information came from official government sources. Likewise, a revealing interview with Mr Carlos Molina of the Observatory of the EU-CA AA was done in Costa Rica in order to receive a more 'Central American perspective' of the topic.

In the quantitative aspect, there was not much weight given to it as it was used as a provision to support the empirical approach of the paper. As the focus of the paper is in IPE and PER, the quantitative data collected from official sources of the Government of the Czech Republic, the EU, and the SIECA, was used to illustrate the trade flows between the Czech Republic and CA before and after the provisional implementation of the EU-CA AA. The data collected differs greatly in each source; however, they were all necessary to create an integral understanding of the trade flows between then Czech Republic and CA.

Subsequently, the evidence found is presented by a description of the negotiation processes undergone in the EU-CA AA. Furthermore, an explanation of the participation of each side in the AA is provided, giving emphasis on the internal processes of the Czech Republic. Each subsection includes a short analysis and evaluation based on the theoretical framework and hypotheses previously mentioned.

a. Explanation of the Negotiation Process

The first official announcement by both regions regarding the establishment and negotiations of the EU-CA AA was pronounced in Vienna, May 2006, under the framework of the IV EU-Latina American Summit and after the meetings with the representatives of the governments of CA (Council of the EU, 2006). In the same summit they had agreed to reaffirm the San José Dialogue and the PDCA signed on December 2003 in Rome (Ibid.). Previous talks about concreting this AA with a strong emphasis in trade had been given in the EU-Latin American Summit in Guadalajara 2004 and in the EU-Central American Ministerial Meeting in Luxembourg in 2005 (SICE, 2016b). Likewise, both sides expressed the commitment to establish a FTA along with the AA (Ministry of Foreign Trade of Costa Rica, 2012).

Even though the EU already had the GSP applied to all the countries of CA, the AA would expand, deepen, and accelerate the PTA and make it reciprocal; this scheme would terminate in 2015, as the EU changes it every 10 years (Cordero and Mata, 2009; and Llobet, 2005). Nonetheless, for the purposes of this paper and the focus given to the case of the EU-CA AA, the following subsection is centred on the negotiation rounds leading to the signing of the AA, the actors and their interests, and the final actions for its ratification. For its visual simplification, the Rounds have been organised in Table 1 in order to explain their dates and content (ALOP and CID, 2010; Cordero and Mata, 2009; EEAS, 2016b; Ministry of Foreign Trade of Costa Rica, 2012; School of International Relations – UNA, 2008; and SICE, 2016b).

Round of negotiation, Location and Date	Topics discussed and agreements reached	Location and Dates of trade-technical meetings
I Round,	Definition of the conceptual framework in politics, cooperation and trade	

<p>San José, 22-26 October, 2007</p>	<p>and the interests, expectations, and objectives of each part, the methodology, and the locations of future rounds.</p> <p>It was agreed to use the PDCA as a base text for future negotiations and the region-to-region concept should exist throughout the negotiations to help CA's integration.</p> <p>Chief negotiators: The EC was in charge of the EU teams, with the participations of the Commissioners for External Relations and European Neighbourhood Policy and for Trade.</p> <p>For CA, the spokesman would rotate every 6 months, and would be from the country that held the presidency of the SICA at the moment.</p> <p>Panama participated as an observer until the end of the negotiations.</p> <p>Cooperation: It was agreed that this pillar should be integrated with the other two following the PDCA. The EU declared its interest in focusing on: Democracy, Human Rights, and Good Governance; Justice, Freedom, and Security; Social Cohesion and Development.</p> <p>Political Dialogue: The EU presented 3 clauses of obligatory inclusion in the AA: non-proliferation of WMD, combating terrorism, and international crime including the International Criminal Court (ICC).</p> <p>CA talked about migration and the need of having financial facilities to comply with the AA.</p> <p>Trade: The EU proposed to initiate negotiations under the basis of the WTO and not under the MFN or GSP schemes. Also, the CU in CA was essential to continue negotiations. CA informed they were willing to create and ratify the CU.</p> <p>Talks about liberalisation of trade in goods and services were initiated with the intention of covering more than what was already stipulated by the WTO. Talks extended to government procurement, trade facilitation, and competition rules.</p> <p>CA made clear that in reciprocity, there are big asymmetries between both regions and that it should be taken into account in the negotiations.</p> <p>Several negotiation tables or sub-committees were organised by specific matters: Market Access; Rules of Origin and Customs Procedures, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) Measures, Instruments of Trade Defence, Trade and Competition, Services and Suppliers, Intellectual Property, Government Procurement, Trade and Sustainable Development, and Dispute Settlements and</p>	
--	--	--

	Institutional Provisions.	
II Round, Brussels, 25-29 February, 2008	<p>Further text-based negotiations were engaged. By then, CA (excluding Panama) had signed the CU Framework Agreement. Meetings with the civil society were held in the Costa Rican Embassy in Brussels to inform of the progress of the negotiations transmitting it to organised rooms in San José.</p> <p>Cooperation: Further talks on how to expand cooperation continued. It was agreed that the talks should be guided by 8 general themes: Democracy, human rights and good governance; Justice, freedom and security; Development and social cohesion; Environment and sustainable management of natural resources; Economic development; Regional integration; Culture; and Information society and science and technology.</p> <p>Political Dialogue: Further exchange of views and objectives. Both expressed the importance of dialoguing with the civil society. There were 8 central themes discussed: migration, social security, sustainable development, financing for development and establishing a common economic and financial fund (CA), fighting terrorism, non-impunity of crimes against humanity, and the non-proliferation of WMD (EU).</p> <p>Trade: Twelve sub-groups formed (split of Rules of Origin and Customs Procedures). The EU-Chile AA was used as a guide for the trade aspect. Both regions had the intention of keeping a region-to-region perspective for reciprocal benefits of their economic operators.</p> <p>Two important presentations were made regarding the TBT and SPS measures. The first included documents on the European standardisation and its institutional framework, their market surveillance, the free movement of goods and a regulatory approach in the internal market. With regards to SPS measures, documents on the status of the CU of CA, the legislation of pharmaceuticals, food, veterinary and microbiological criteria, and EU legislation on food additives, chemicals and others.</p>	
III Round, San Salvador, 14-18 April, 2008	<p>CA expressed the goal of finishing negotiations by mid-2009. Televised and internet transmissions to the civil society were also made public.</p> <p>Cooperation: Both parts finished the revision of the first three titles: Democracy, Human Rights and Good Governance; Justice, Freedom and Security; and Social Development and Social Cohesion. The first consensus came in the areas of licit drugs, gender, youth, and vulnerable groups. Corruption was also another important topic of which they agreed</p>	

	<p>to tackle with cooperation.</p> <p>Political Dialogue: The following areas were included: promotion and protection of Human Rights and rule of law, reduction of poverty, social cohesion and the fight against social insecurity. The objectives of this pillar were defined as the establishment of preferential political dialogue between both regions, strengthening of multilateralism and regional integration, and cooperation in foreign and security policy.</p> <p>CA defined its priorities as development financing, migration, environment, social security, and the common economic-financial fund.</p> <p>The EU reiterated their interests in the fight against the proliferation of WMD, against terrorism, and crimes against humanity.</p> <p>Trade: The first concrete trade offers were discussed. Progress was made mainly in Market Access, TBT, SPS, Customs, Trade and Competition, Services and Suppliers, Intellectual Property, and Dispute Settlements.</p>	
<p>IV Round, Brussels, 14-18 July, 2008</p>	<p>Cooperation: Both sides agreed to enlarge the scope of cooperation.</p> <p>Political Dialogue: There was a further convergence of views from both parts on issues like social security, international justice, and sustainable development.</p> <p>Trade: The CU of CA was raised again as one of the main issues along with non-tariff barriers and SPS issues. Both parts reiterated the commitment to support regional integration.</p>	
<p>V Round, City of Guatemala, 6-10 October, 2008</p>	<p>Cooperation: The discussions on Democracy, Human Rights, Good Governance, Justice, Freedom, and Security were finalised. Likewise, a consensus was reached in defining medium and small enterprises. Both parts noticed a great convergence in interests and positions.</p> <p>Political Dialogue: The EU expressed the necessity of an Association Council to regulate the application of the AA with sub-committees for each pillar and mechanisms to guarantee the communication between the parliaments and the civil societies of each region.</p> <p>Most titles had already been agreed on. Further discussions were to revolve around migration, the non-proliferation of WMD, the environment, and disarmament, of which there were was a petition by CA to include in the AA.</p> <p>A seminary on Migration was organised in order to clarify the concepts and interests of both regions.</p> <p>Trade: The EU agreed to consolidate the GSP and include shrimp and</p>	<p>Brussels, 8-12 December, 2008</p>

	<p>ethanol in the discussions. The groups advanced much in the discussion and agreements about Market Access, SPS measures, Government Procurement, Services (including E-Commerce and movement of capital), Trade Defence, and Sustainable Development.</p> <p>It was agreed that more technical issues on trade would be discussed in separate meetings.</p>	
<p>VI Round, Brussels, 26-30 January, 2009</p>	<p>The EU declared that the ratification of the Rome Statute of the ICC was a desire and not a condition from the EU in order to sign the EU-CA AA; El Salvador, Guatemala, and Nicaragua were not willing to ratify such Statute. Additionally, open dialogues were maintained with part of civil society organisations.</p> <p>Cooperation: The regions progressed in the discussions on social cohesion, gender equality, environment, fight against terrorism, cultural and audio-visual cooperation, and scientific and technological cooperation.</p> <p>The EU also organised presentations on their Regional Policy (Structural Funds) in the hopes of motivating CA in their efforts to reduce inequalities.</p> <p>Political Dialogue: Both parties agreed on a long-standing issue relating to international conventions on human rights, good governance, core labour standards, and the environment. There was also more convergence in the views on migration.</p> <p>Trade: The EU offered a preliminary proposal with regards to banana and sugar.</p> <p>CA presented a consensual proposal of 90% on tariff headings, reiterating its desire to fulfil the commitments related to regional integration.</p> <p>More technical meetings were agreed in order to achieve the balance desired on the remaining trade issues.</p>	<p>Brussels, 2-6 March, 2009</p>
<p>VII Round, Tegucigalpa (suspended) and resumed in Brussels, 30 March – 1</p>	<p>This round was suspended due to the political crisis and later the <i>coup d'état</i> in Honduras. The decision to resume the negotiations in July 2009 was taken in Brussels by the chief negotiators of each part on the 24th of April; however, it was not possible until the following year. Towards the end of this round, Nicaragua decided to retire from the negotiations due to the little support given to its initiative of the Common Economic-Financial Fund, nevertheless, they returned to continue with the negotiations.</p> <p>Both parts interchanged much information before the official round</p>	<p>Brussels, 11-15 May, 2009</p> <p>Brussels, 23-27 June, 2009</p>

<p>April, 2009 and then 22-26 February, 2010</p>	<p>resumed in order to arrive prepared and speed up the process. Likewise, they kept communicating with the civil society.</p> <p>Cooperation: Both parts reached agreement on the fight against terrorism, and on indigenous peoples, and the energy and transportation sector.</p> <p>CA also included discussions that would allow new cooperation topics to be included even after the signing of the AA. Likewise, it was agreed to establish a Cooperation Sub-Committee to watch the compliance of the AA by both parts.</p> <p>Political Dialogue: Almost all themes had been finalised, although there were some discussions left on the ICC and Migration.</p> <p>Trade: The sections on Dispute Settlement and Competition were completed. There were also major advancements in Government Procurement, SPS measures, Market Access, Intellectual Property, including geographical indications, and TBT.</p> <p>The remaining technical issues would also be seen in separate meetings.</p> <p>Both parts expressed their mutual interest in finishing the negotiations by May 2010. Panama also communicated its interest in forming an active part of the AA.</p>	<p>Brussels, 22-26 March, 2010</p>
<p>VIII Round, Brussels, 19-28 April, 2010</p>	<p>In the technical meetings, six chapters were finished including SPS measures and TBT. Additionally, there was consensus reached in the definition of who are the parts of the AA and the normative part of the AA was completed.</p> <p>Cooperation and Political Dialogue: The groups negotiating these pillars decided to pause, as the rest of the subjects to discuss are transversal and include the Trade Pillar.</p> <p>Trade: The EU solicited the entire inclusion of the industrial sector in the tariff reduction programme; CA agreed to complete this in 15 years.</p> <p>CA achieved to safeguard the rule of origin for the coffee sector. Likewise, there was an improvement in the GSP and progress in the defining of anti-dumping compensatory measures.</p> <p>Sensible subjects such as banana, textiles, dairies, and other agricultural products were still pending, for example, the exportation from CA of sugar, meat, and rice.</p>	<p>Brussels, 19-27 April, 2010</p> <p>City of Guatemala 6-7 May, 2010</p>
<p>IX Final Round, Madrid,</p>	<p>The negotiation rounds were completed with satisfactory responses from both negotiating teams. This last round mainly focused in Trade aspects after having technical meetings and regional meetings by CA in order to</p>	

12-18 May, 2010 – EU-LAC Summit	<p>agree on an agenda to take when finishing the other aspects in the previous round. Additionally, Panama formally joined the AA.</p> <p>Trade: The Parties tackled the remaining areas: bananas, dairies, textiles, sugar, and meats. Likewise, they agreed to establish a normative on geographical indication and free trade zones.</p> <p>The legal revisions and official translations were made after this point, assuring each part complied with their internal procedures for the initialisation on March 2011 and the signing on the 29th of June, 2012.</p>	
--	---	--

Source: 3 Individual elaboration after the information from ALOP and CID, 2010; Cordero and Mata, 2009; EEAS, 2016b; Ministry of Foreign Trade of Costa Rica, 2012; School of International Relations – UNA, 2008; and SICE, 2016b.

With the previous description of the negotiation rounds, it is evident that it required much time and effort from the parts to prepare for and execute the negotiations; however, it might have been a greater effort for the CA part. For CA, other PTA's signed, with the exception of the CAFTA-DR, did not include so many rounds; with Chile, it was finished in 5 rounds, with the Dominican Republic it did not take more than a year, with the USA it also took 9 rounds, with Mexico 7, and with Panama 8 (SICE, 2016b). On the other hand, the EU usually lasts many years with several rounds of negotiation, for example, they are planning their 14th round with the USA and the 17th with Japan, they took 9 rounds with Canada and MERCOSUR, 10 with Chile, 9 with Peru and Colombia, and 9 with Mexico (EC, 2016b).

If compared proportionally, and considering that the amount of rounds could determine the importance an area gives to the AA, the EU-CA AA was a more important issue for CA than it was for the EU. In one of the previous hypothesis, it was stated that indeed, the EU-CA AA meant more for CA in terms of trade but also for their regional integration process. After seeing the rounds of negotiation, it can then lead to us to see the way each part operated on each side to prepare and work for this AA. The fact that the EU had already previously worked as a region following a CCP, whilst CA had never worked in the same way, made it a different experience for each part.

b. Explanation of the Participation Procedure of each Part in the AA

At the time of the beginning of the negotiation rounds, the EU was comprised of 27 countries (Croatia was not yet a part of it). In the decision-making process for regional policies and laws, including trade, three main institutions intervene: the EP directly elected

by the citizens of the EU, the Council of the EU representing the MS, and the EC in the defence of the interests of the public. In principle, the EC proposes new norms while the EP and the Council adopt them; the legal procedure they follow include consultation, an assent or directive, and codecision (ordinary legislative procedure renamed by the Lisbon Treaty) (Lizano and Echandi, 2009).

In the CCP, the EU holds rules and laws that bind them all equally and share the same view in foreign trade relations. In this sense, the EC represents the EU in the international scenario, having all the MS speak in one voice; the EC has also the responsibility of negotiating international agreements (Van Vooren and Wessel, 2014). Beginning the negotiations of the EU-CA AA, José Manuel Barroso from Portugal was the President of the Commission (2004-2014) (Lizano and Echandi, 2009). The Council of the EU gives the authorisation for the signature of an agreement covering areas of trade and cooperation. Likewise, the EP can approve the agreement to be included in the EU legislation after its signature in the preparation of the ratification by each MS; especially with this AA, this had to be done because it is a 'mixed agreement' including more than one pillar (EC, 2013a).

The civil society is also allowed to participate in certain cases. First, consultations, or a 'scoping exercise' is conducted in order to measure the impact and interests of parties involved (EC, 2013a). The biggest groups consulted in relation to PTAs are the trade unions, the European Round Table of Industrialists, and the Union of Industrial and Employer's Confederations of Europe (UNICE, now known as Confederation of European Business, or BUSINESSEUROPE). The only publication found of this latter group about the EU-CA AA was one published two days before its signature, in which it supports its application and foresees many benefits for the business in Europe (BUSINESSEUROPE and EUROCHAMBERS, 2012). The EP can decide when to include these sectors or not (Lizano and Echandi, 2009).

With regards to the negotiation process, the EU must first elaborate a draft of the mandate of the negotiation, or 'negotiating directive', in charge of the EC. This is where the general positions of each MS is outlined, along with the vision of the private sector and the civil society, and the resolutions or informs by the EP, or the national parliaments of each MS (EC, 2013a); this draft is adopted by the General Affairs Council (GAC) and can be amended by recommendation of the Committee of Permanent Representatives (COREPER) and approved by qualified majority vote of the Council of the EU (APRODEV, 2008). In the case of the EU-CA AA, it was done in 2006 and published in 2007 (EC, 2013a); the EP did not present problems to continue with it (EP, 2007). Once the mandate is established, it would be difficult for the EC to change them during the negotiations. The EC has to focus on two fronts, one with the MS of the EU by convincing the MS to maintain consensus, and the other in the

negotiation tables with the other parties, presenting a unified vision and objective (Lizano and Echandi, 2009). In December 2006, the 27 MS of the EU agreed on the terms of negotiation and the mandate was approved without debates on the 23rd of April 2007, completing the last step for the formal commencements of the negotiations (EC, 2013a).

During the negotiation process, two main actors in the EC converge, the Commissioners for External Relations and European Neighbourhood Policy (mainly focused on the Political Dialogue and Cooperation Pillars), and for Trade. The Directorate-General for Trade leads the negotiations as Chief Negotiator (EC, 2013a). The European Commissioner for trade when the EU-CA AA negotiations began was Peter Mandelson from the UK and ended with Karel de Gucht from Belgium in 2010 (EC, 2016a). The Article 133 Committee also meets with the EC to make proposals and advise about the trade agreements. In the formal negotiation rounds, only the EC has the voice, although MS representative can be present during the process (Lizano and Echandi, 2009). The EC is also responsible for carrying all the relevant information to the MS, which in return, can give proposals to the EC. The EC also has to be in constant communication with the Council and the EP, informing the progress of every negotiation round (EC, 2013a). One of the reports the EC has to communicate is the Sustainability Impact Assessment (APRODEV, 2008). In this specific case, it was published in 2009 with positive outlooks in both short and long run effects forecasting benefits for both areas in economic terms and deeper regional integration (ECORYS, 2009). The EP can also be consulting with the EC about the progress of the negotiations; for example, a question about gender and inequality was raised by MEP Eluned Morgan (UK) with a response by Ferrero-Waldner on behalf of the Commission (EP, 2008).

After the negotiators reach a technical finalisation of the agreement, both the EP and the Council are informed immediately in order to send finalised texts to the MS and the EP and begin its legal scrubbing; the EU-CA AA was initialled in Brussels in March 2011 (EC, 2013a). When the Council approves the results of a negotiation, the GAC formalises the negotiation and if legislative changes need to be made, the EP has to approve them including the additional dispositions of the WTO framework, as well as notifying it to them (Lizano and Echandi, 2009). In the EU-CA AA, the final document was signed in June 2012, with the participation of the EU Trade Commissioner, Karel de Gucht and the European External Action Service Managing Director for the Americas, Christian Leffler (EC, 2012b); the EP approved it in December 2012 after first supporting it in the respective Committee for International Trade (EP, 2012a).

The EU-CA AA has not entirely come into action, as it is still awaiting the ratification by several European countries (EU, 2016). However, the Trade Pillar has already been

provisionally applied since the end of 2013 (EC, 2016c); the EC continues the monitoring of its application (EC, 2013a). It is evident then, that in the case of the EU-CA AA, the most important clauses to start applying were from the Trade Chapter. Likewise, the EU as a whole acted as a unified part, with few setbacks in the whole process. This can show that although the functioning of the EU can be quite complicated within its institutions, in the case studied, it did not present many complications.

On the side of CA, the process was different because they do not have a supranational organisation like the EU, even though they do hold the SICA and SIECA. Nevertheless, one of the conditions by the EU to work with CA was that they would negotiate as a unit, and not as separate countries as they did in the CAFTA-DR with the USA (Lizano and Echandi, 2009). Although this was a condition, the CA countries began the internal negotiations with their own structure and agenda, which in turn had to fit a regional one; for this, three basic principles were established: to present a joint position in the negotiation table, to communicate it orderly and efficiently, and to present points adapted to the reality of CA (Ocampo, 2007). The Vice-chancellors and vice-ministers in charge of the CA Integration met in February 2007 to agree on an organisation of their negotiation process for the EU-CA AA (Ocampo and Lizano, 2009).

CA had to organise itself in three different levels of coordination, the first would be the national level, in which each country would try to come to an agreement with the different sectors of production and its civil society; this would in turn, lead to a unified regional position, and lastly, to a final negotiation position for the interregional level (Molina, 2016).

The national level was in command of each country's corresponding ministries in charge of foreign affairs and of trade and other ministries or parts of the government and society that would be affected by the topics discussed in the agreement (Rubio, 2005). Each ministry had the responsibility of communicating with the country's civil society in order to know their positions as well; furthermore, they had to coordinate with different organisations (including NGOs) that would have interests in the AA (Ocampo and Lizano, 2009).

The regional position would come when the individual countries negotiate amongst each other in order to come to a consensus (Molina, 2016). The structure of negotiation was composed of an Intersectoral Council of Ministers in which chancellors (foreign ministers) and ministers of foreign trade of each country would meet. This Council was then separated in two, one with the ministers of economy or foreign trade and the other with the ministers of

foreign affairs, each with their own regional teams (Ocampo, 2007). The meetings of this Council would be held in the country in which the Presidency of the SICA was (Ocampo and Lizano, 2009).

Conclusively, a spokesperson would present the final position to the EU; he would have no real authority to negotiate, only to express and coordinate what was already agreed in the previous regional level; this would show an intergovernmental relationship, and not regional (Molina, 2016). The country that held the 6-month presidency of the SICA would designate the spokesman; and would have to refer back to the previous negotiating teams if any changes had to be made (Ibid.).

The CA teams prepared for every round of negotiation as previously described. It was a much more complex procedure for them as they had to be constantly consulting about the interests of each country, and inside each country as well. Therefore, it was more difficult to reach a unified position. There were various conflicting interests presented throughout the negotiations, for example, Costa Rica would focus more on trade liberalisation whilst Nicaragua would focus more on the financial and cooperation sections (Molina, 2016). Within the countries, sectors would emphasise in different items: meats, dairies, services, sugar, in consequence, CA saw the EU's position much more stable and monolithic throughout the negotiations (Ibid.).

After the signature of the EU-CA AA, each country in CA had to ratify the agreement in their legislative bodies. In the cases of Honduras, Panama, and Nicaragua, the process was finished by August 2013; Costa Rica and El Salvador finished in October 2013; finally, the Trade Pillar could be provisionally applied to the whole region when Guatemala finished the process in December 2013 (EC, 2016c). With regards to the civil society, many agree there was little information shared and that there was not a real consultation process, unless it was with big interested or affected sectors (Molina, 2016).

Seeing the participation procedures of both parts, the assumption is that the EU was able to show a much more unified position than the CA. The EU has had more experience in negotiating as a bloc than CA and has an organised structure for these agreements, therefore their procedure was less chaotic than CA's, even though the EU was composed of 27 and CA only of 5 initially and included Panama at the end. It was the first time CA negotiated an AA as a bloc (Ocampo and Lizano, 2009). Additionally, the interest of the EU was not so much commercial, but regional and political, a type of experiment for future agreements with other bigger areas. The intention was to become a greater actor in the CA scene; the EU saw the

commercial sector as an instrument for further regional development whilst for CA, trade was the ultimate goal (Molina, 2016).

As the purpose of the paper is to enlighten the readers on the EU-CA AA and the Czech Republic's participation in it, the next subsections show how this country worked in the framework of the CCP and presented its interests to EU.

c. Explanation of the Internal Process in the Czech Republic

Before the EC can formally begin the negotiations of any trade agreement, it must first have each MS's approval in order to elaborate an agenda and produce a mandate including each MS's interests (APRODEV, 2008). Consequently, the Czech Republic had to present its interests before the elaboration of the mandate to be included in it and after the official announcement by the EU in Vienna 2006, even though there had been unofficial talks about the AA before this point (Council of the EU, 2006). The EC has the responsibility to be constantly informing the MS of the progress of the negotiations, including the results and decisions made and pending items (Chvátalová, 2016b).

At this moment, the EC presents the issues that are going to be discussed after meeting with the representatives of CA. This way, the Czech Republic knew in which matters they would agree on or not. To do so, the Czech Republic followed the internal process to elaborate and present its interests approved by its parliament before taking the matter to the EC again; the general position created by the Czech Republic (and every MS) is the positional framework of the negotiations (Chvátalová, 2016a).

The interests at the interior of the Czech Republic are negotiated between the MITCR and MFACR and the Czech delegation in Brussels. The MITCR is mainly concerned about trade and commercial aspects, especially those referring to FTAs. Within the MITCR, there are RKS-SS (Ministerial Coordination Group – Sector Group of International Trade) meetings where the positions of the Czech Republic are discussed and agreed on with regards to certain issues in trade (Glopolis, 2010). This is done in a teleconference with the delegations in Geneva and Brussels. The representatives of other ministries can also be present, for example, MFACR, Ministry of Agriculture, Ministry of Regional Development, and of the Department of the Presidency, and others. The result of these meetings is elaborated through a specific format called 'Instructions'; these instructions contain the position of the Czech Republic about a certain topic or policy and useful information for the members of the delegation present (Chvátalová, 2016b). Furthermore, the government can also consult the civil society about

the possibility of a PTA with a country or region through a questionnaire, mainly to grouped enterprises and sectorial associations; this was done with this particular AA (See Appendix 1. Questionnaire by the MITCR about Trade Agreements).

Once the Czech Parliament approves the interests elaborated by the Ministries, these are taken to the Trade Policy Committee (TPC), which meets once a month with the EC, the Council of the EU, and the MS to advise and assist the Commission in negotiating and concluding trade agreements with governments or international organisations (General Secretariat of the Council, 2015). TPCs can also be held with the vice-ministers of MS. The Czech Republic, represented by its competent ministers and after the approval of the MITCR and MFACR and the delegation in Brussels, also had to prepare an agenda to be presented to the Foreign Affairs Council of the EU (FAC) where political decisions are made; these meetings are generally twice a year to discuss broader subjects like international trade or every month depending on the subjects and agenda (General Secretariat of the Council, 2014). If changes have to be made in the Czech Republic's interests during the on going negotiations, they do not have to be approved by the parliament anymore (Chvátalová, 2016b).

Even though the EC is in charge of the formal negotiations with the other parties, there are other technical meetings held where decisions are not made but are discussed in the interior of the ministry with the Czech delegation in Brussels. These are mainly to discuss specific technical aspects and exchange information that may affect the country individually; these were not a habit during the EU-CA AA negotiations. Additionally, it is not known in how many meetings, or RKS-SS, the EU-CA AA was mentioned; however these meetings (both technical and weekly/internal) are always happening, hence, the EU-CA AA had to be mentioned many times before and during the negotiations (Chvátalová, 2016a).

Set in a hierarchical order, these technical meetings are at the bottom, as they are usually informal and involve no decision-making, as they are to see more specific details of FTAs. Above these meetings is the TPC with the members of the Permanent Representation in Brussels. TPCs can be in the format of Deputy Members (meaning that the EC is present along with representations of the MS and the Presidency of the Council) or of Full Members (which also includes the vice-ministers of trade MS). Over them are the vice-ministers and the ministers, which in turn lead to the FAC, where the policy-making is actually done. In this field, details are not seen, only broad and main topics (Chvátalová 2016b).

A simplified version of the process can be found in an article by the MITCR (2015c); see also Appendix 2 for the Map of Trade Policy as a Member of the EU for the Czech Republic

(Euroskop.cz, 2016). Glopolis (2010) outlined a table with the work necessary in the coordination to create the Czech position for the TPC:

Mondays: Meetings are held with COREPER I and II and TPC after determining the subjects the MITCR have to follow. Individual points are coordinated into a draft of the instruction; the meetings include competent government departments.

Tuesdays: The FAC has their regular meetings on Tuesdays and again the instructions and mandates are discussed. The Czech representatives coordinate with COREPER; the topics that were not discussed are submitted back to the national government.

Wednesdays: The COREPER meetings take place on Wednesdays (and sometimes Thursdays) when those in charge of Trade Policy in the MITCR send proposals of instructions to all the members of the RKS-SS and TPC.

Thursdays: The instructions are presented in the morning at the RKS-SS meetings and can be approved or amended. In the afternoon, the final instruction is sent if it was finished on time, if not, on Friday, following the 'silent procedure' to the members of the RK-SS and those in the Permanent Representation in Brussels and Geneva. There is a 16-hour window for comments, if there are none, the final draft is sent to the Permanent Representation. The meetings on Thursday can include representatives of the MFACR and other relevant ministries (depending how much it affects them), representatives of the Department of the Presidency, and of the Department of Services and of Intellectual Property Rights of the MITCR; all depending if what is discussed pertains to their areas.

Fridays: After receiving the final instructions, the Deputy Members of the TPC then can send the instruction to all pertaining parts of the government involved.

Along with the MFACR, the MITCR followed the previous process to generate the interests for the EU-CA AA. The MFACR focused on the Political Dialogue and Cooperation Pillars whilst the MITCR on the Trade Pillar; these ministries in turn communicated their positions to the Czech Representation in Brussels to then negotiate with the EC, which finally, would lead the formal negotiations with CA (Chvátalová, 2016a). The expressed interests were already mentioned in a previous subsection. When taken to the EU level, the Czech Republic did not make any big alliances with other groups in this case as it would in other more important cases regarding Trade policy. The Czech Republic usually joins with other like-minded countries on trade liberalisation, for example Denmark and the UK. There is no

evidence that the Czech Republic joined with these countries or the V4 for the EU-CA AA (Chvátalová, 2016b).

With regards to the contact with the civil society and the sharing of the information in the case of the EU-CA AA, little evidence was found; at least, there were no public consults made, apparently there was no one expressly against the EU-CA AA in the Czech Republic. A questionnaire was shared with certain private sectors with regards to this AA and several others in February 2007 (Appendix 1); this is following a general process of 'probing' before the official negotiations begin. Furthermore, the MITCR does not openly publish much information during the negotiations process, although it is always willing to share some information with the public; for example they made a communication about the negotiations inviting the public to learn more about it (MITCR, 2007a). The MITCR can consult with industry chambers or official associations, however, if other groups such as trade unions or other NGOs would like to have information, they would have to contact the MITCR (Chvátalová, 2016b).

Overall, the EU-CA AA did not present many obstacles for the Czech Republic (and the EU in general), as it might not have been of great importance. The major problem encountered was on the side of CA with the political crisis in Honduras in 2009. For the Czech Republic, nothing extraordinary happened during the negotiations of the EU-CA AA; likewise, once the initial positional framework for the negotiations was established, no changes were made, as there were no complications with this AA (Chvátalová, 2016b).

Within the three main institutions in the EU, the Czech Republic participates in all three and was active in them during the negotiations of the EU-CA AA. In the EC, Vladimír Špidla (2004-2010) and Štefan Füle (2010-2014) were the Employment, Social Affairs and Equal Opportunities and Enlargement and European Neighbourhood Policy Commissioners under the Presidency of Barroso (EC, 2016a). In the Council of the EU, it was also mentioned that during the Czech Presidency, they supported the progress of the EU-CA AA negotiations and even held meetings in Prague concerning the San José dialogues between the Troika of the EU and CA, in which the EU-CA AA was also discussed (Euro2009.cz, 2009; and MFACR, 2009). Finally, in the EU Parliament, the Czech Republic had 24/785 members between 2004-2009 and 22/736 from 2009-2014 who participated supportively in the EU-CA AA process (EP, 2016).

The final step for the Czech Republic to take in the EU-CA AA was to ratify it in its own Parliament after it was approved in the EP; this is because the AA deals with topics that affect a countries sovereignty, especially in the Political Dialogue Pillar. The Senate of the

Parliament of the Czech Republic (2013) voted to adopt the EU-CA AA with no votes against on the 20th of March 2013 and the full ratification by the Czech Republic published to the EU on the 23rd of August 2013 (EU, 2016).

Although the participation process of the Czech Republic in the EU-CA AA was mainly limited to the legislation of the EU, it went through the procedures without many obstacles or objections. This could be interpreted in two different ways: one, saying that it was not of great interest for the Czech Republic, therefore it went through the process without paying much attention to it. The counter-argument being that there was nothing in the EU-CA AA that would greatly interfere against the interests of the Czech Republic, therefore the policy and decision makers willingly completed the processes without troubles.

At the moment, the EU-CA AA is in its provisional application, meaning that for the Trade Pillar, measures are already being taken into account; this is in accordance to the EU's CCP. The whole agreement will come into force until all the countries of the EU ratify it in their national legislations, substituting the PDCA, which came into force on May 2014. This is a way of settling 'common grounds' and allowing provisional trade policies to be applied (Chvátalová, 2016a). The next section focuses on the policies and effects that the EU-CA AA has brought to the Czech Republic.

4. Empirical Application in Trade Policy

The previous sections were focused on the process that led to the signature and approval of the EU-CA AA. Now that the Trade Pillar is being applied provisionally, it is possible to see some of the effects that the AA has brought to the Czech Republic. Nevertheless, considering that the Trade Pillar has only been applied for approximately two years, there cannot be many results already to display. First, the paper exposes some of the policy changes that came into effect. Subsequently, some data is presented with regards to the trade flows that have happened between the Czech Republic and the region of CA.

As mentioned in the beginning of this work, much of the literature found on the EU-CA AA had to do with projections on how it would affect both regions. Much of it was forecasting positive effects, both in trade and in the other aspects of the AA. For example, the EC (2011b and 2012b) published some of the highlights of the AA after concluding its negotiations and previous to its signature stating the following:

'The EU will liberalise 91% of tariff lines for Central American exports immediately after the entry into force of the Agreement. CA will do so for 48% of lines and will complete

the liberalisation schedule within the 10-year period. Only a small amount of products (1%) will be liberalised after 15 years. Central America will liberalise 69% of its existing trade for industrial and fishery products upon entry into force of the Agreement. Complete liberalisation will come about at the end of the tariff phase-out period and generally within ten years. Once the Trade Pillar of the Agreement is in force, EU exporters will save €87 million annually in customs duties' (2012b, section 3.1).

The EP (2012b) also projected some of the effects the Trade Chapter would have on the regions saying that for 'the EU, economic welfare gains and employment effects from the trade chapter of the Agreement are because of the relative small size of the Central American market expected to be negligible' (p. 1); however they will still benefit from lower tariffs, especially for manufactured goods. On the other hand, CA will have greater gains expanding the access of bananas, sugar cane, and shrimps (with regards to bananas, the region already had previous disputes with the EU, therefore a special regulation was made for this item, see MITCR, 2006b; and MITCR, 2007b). 'Above all, the Agreement will provide legally secure access to the EU market' (EP, 2012b, p.1).

Even though some of the forecasts on the effects of the AA were optimistic, in the two years since its provisional application, the effects in trade flows have not been so positive (see Appendices 3 and 4). The EC (2016d) published the trade in goods flow between the two areas since 2005 showing that there have been no significant changes; actually, since the signature of the AA, trade flows have generally decreased (See also EC, 2015a). The results show that there was a steady increase in trade flow leading up to the signature, reaching its highest peak in 2012, the years following, trade decreased every year unto about the same point as it was when finishing the negotiations; additionally, 2015 is the first year that the EU has a positive balance since 2007. However, the next subsections focus on the effects that have come to the Czech Republic due to the signature of the EU-CA AA.

a. What have been the Changes in Policies for the Czech Republic

With regards to Trade Policy, the Czech Republic had to already accept many of the changes previous to the signature of the EU-CA AA. The moment when they joined the EU was the most crucial, as their foreign commercial policy had to align with the CCP (MITCR, 2003). Nevertheless, this new AA brought some changes, mainly to the whole of the EU, that the Czech Republic had to also adopt. Most of these changes came in regards to tariff barriers (Chvátalová, 2016b).

It is important to mention that all the interests (both offensive and defensive) that the Czech Republic presented during the negotiations were included in the AA (EU, 2013). Therefore, reductions in tariffs for automobiles and car-parts, machinery, steel and iron profiles, tantalum, and glass and crystals are being applied. Likewise, with regards to the defensive interest of sugars, that was also an issue raised, discussed and satisfactorily agreed on (EU, 2013) (See Market Access Database (2016) to see how specific policies apply for each product). The Czech Republic can resolve that it turned out as a beneficiary with the results of the negotiations and the signature of the AA.

With the other two pillars of Political Dialogue and Cooperation, all the interests that the Czech Republic had presented were also included in the articles of the EU-CA AA (EU, 2013). However, since the complete ratification by all MS has not yet happened, the PDCA is still in force. Once the ratification occurs, few changes in these policies will happen, as the previous agreement was used as a base (EU-CA, 1993; Council of the EU, 2015a). Nevertheless, the Czech Republic continues to provide cooperation support to countries in the region, especially for natural disasters that affect the area (MFACR, 2013). It is clear then that the Czech Republic did not lose in the negotiations and managed to keep its interests in line. As mentioned before, PTAs in IPE and PER are to have a positive-sum outcome, with all the parts participating earning benefits; evidently this is an accomplishment during these negotiations (O'Brien and Williams, 2010).

On the most recent report by the EC (2016e) regarding the implementation of the EU-CA AA, it concludes that:

'The utilisation rate of the preferences remains quite low for EU exports to Central America, but is better for EU imports from Central America. [...] The Commission is engaged in actions aimed at increasing the awareness of the economic operators as regards the opportunities presented by the Agreement. The tariff-rate quotas not being exhausted, they still offer opportunities for economic operators to develop trade relations further. As regards bananas, imports from CA remained overall stable and below the established trigger levels, so that it was unnecessary to consider initiating any suspension of preferential customs duties' (EC, 2016e).

Additionally, in the use of tariff rate quotas (TRQs), the EU granted 8 more TRQ to CA that were not included before the EU-CA AA whilst CA granted 5 TRQs to the EU; furthermore, the EU granted CA derogation to the rules of origin under specific quotas for 118 tariff lines. Thus far, neither part has used to its full extent these preferential treatments (EC, 2016e). In the trade of services, there has been an increase, especially with Panama and Costa Rica. This

can be because it is still a recent application, and both parts are not yet fully responsive to the advantages that the AA brings to them.

Besides these policies, it was also necessary to create an Association Council with an Association Committee and 6 sub-committees to watch over the implementation of the EU-CA AA (EC, 2015a). These groups have been working and report to the EC; the Association Council has only met once, in June 2014 (EC, 2016e). There is also now a Board on Trade and Sustainable Development seeing that this aspect of the AA is being fulfilled. In their meetings, they have commented about the implementation of International Labour Organization Conventions and of other multilateral environmental agreements along with a development of a positive agenda for trade and sustainable development (EC, 2016e). Finally, the Czech Republic has also communicated that the GSP+ will not apply anymore to the countries of CA, since the EU-CA AA is replacing it; CA was given a 2-year transition period which is now over (MITCR, 2014a).

Although there are greater advantages to improve the trade relations that the Czech Republic has with the area, the government has made little efforts to promote this AA. Throughout the research, there was only a slight amount of information regarding the Czech Republic's interest in this particular PTA. It is too early to see all the policy implications, however, it is estimated that this will bring closer ties to the region, not only in trade relations (Chvátalová, 2016b).

The EC (2016c) has mentioned that amongst the many benefits that the implementation of the EU-CA AA will bring to individual MS of the EU are:

'Elimination of most import tariffs; improved access to government procurement, services and investment markets; better conditions for trade through new disciplines on non-tariff barriers to market access, competition, and intellectual property rights; a more predictable environment for trade with a mediation mechanism for non-tariff barriers and a bilateral dispute settlement mechanism; strengthening regional integration, for example by setting up a single import duty for the whole region and using a single administrative document for customs; and support for sustainable development, including the consultation of civil society stakeholders' (EC, 2016c).

Again, it is important to mention that all these effects are in line with the trade liberalisation that follows the CCP and, accordingly, the international trade policy that the Czech Republic adheres to.

Consequently, further research and analysis on the part of the Czech Republic aimed towards this area can significantly support the country's industries and trade, especially in

the met interests that it presented during the negotiations. Fortifying the relations with CA can help diversify the Czech Republic's export market, not only in seeking and finding new partners, but also in different products and future investments. Likewise, an expansion in trade can lead to further development and reduction of poverty, higher competitiveness, innovation, better choices and lower prices, and strengthening of other non-commercial ties (EC, 2012c).

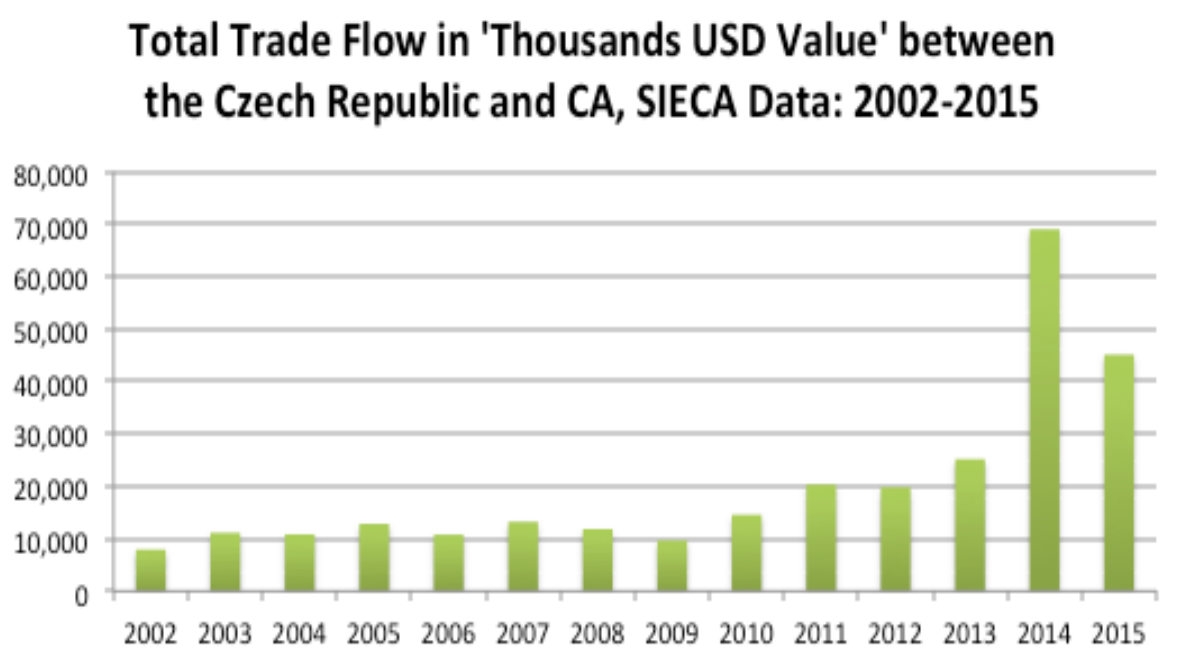
b. What have been the Trade Flow Outcomes for the Czech Republic

Even though the forecasts of trade flow predicted small changes between the two regions, it was still expected that they would be positive. However, the results exposed by the EU show that there has not been an overall increase in trade flows; instead, a decrease has occurred after the signature of the AA (EC, 2016d). With regards to the Czech Republic and CA, the data has also shown that there has not been much increase in trade flows between the two. However, the following results, although different from each other, present a similar trend leading to the application of the Trade Chapter starting at the end of the year 2013.

Three sets of data are shown, as they all differ from each other, even though the overall trend is visible. One set comes from the Statistical System of Central American Trade of the SIECA (Sistema de Estadísticas de Comercio de Centroamérica, 2016), the other from EUROSTAT through the Market Access Database (2016) website, and lastly from the Statistical Office of the Czech Republic (CSO) in its External Trade Database (2016). Using all three datasets provides a more objective view of the trade flow outcomes, even though the numbers may vary greatly. The years used were from the beginning of 2002 until the end of 2015 and displayed in monetary value, as these were the data available for all three sources. The figures below present the total trade flow between CA and the Czech Republic, as in the liberalist approach, all trade is significant to a country, not just its exports. It is important to remind the reader that negotiations of the EU-CA AA began in 2007 and ended in 2010. The signature was in mid 2012 and the provisional application of the Trade Pillar with all 6 countries of CA began on December 2013.

Figure 3 uses the data available from the Sistema de Estadísticas de Comercio de Centroamérica (SEC) (2016). It shows a trend of steady increase leading up to the time of the application of the EU-CA AA. In fact, the numbers make a big jump in 2014 (the first year of the application of the Trade Chapter of the AA). However, the numbers again decrease for 2015. By adding the Imports and Exports the SEC produced, the total trade flow was generated, expressed in thousands of USD. The data also showed that throughout these years, the Czech Republic had a very positive balance in trade with respect to the region; its exports would make up the majority of the value existing in the total. It is important to mention that the only variables here are exports and imports, and seeing the year of the provisional application of the EU-CA AA. In other words, the analysis is not focused on whether there were other factors affecting the trade flow between the Czech Republic and CA, other than seeing it in the context of the AA. See Appendix 5 for the Table showing the values of the Export and Imports and the total trade flow for each CA country.

Figure 3

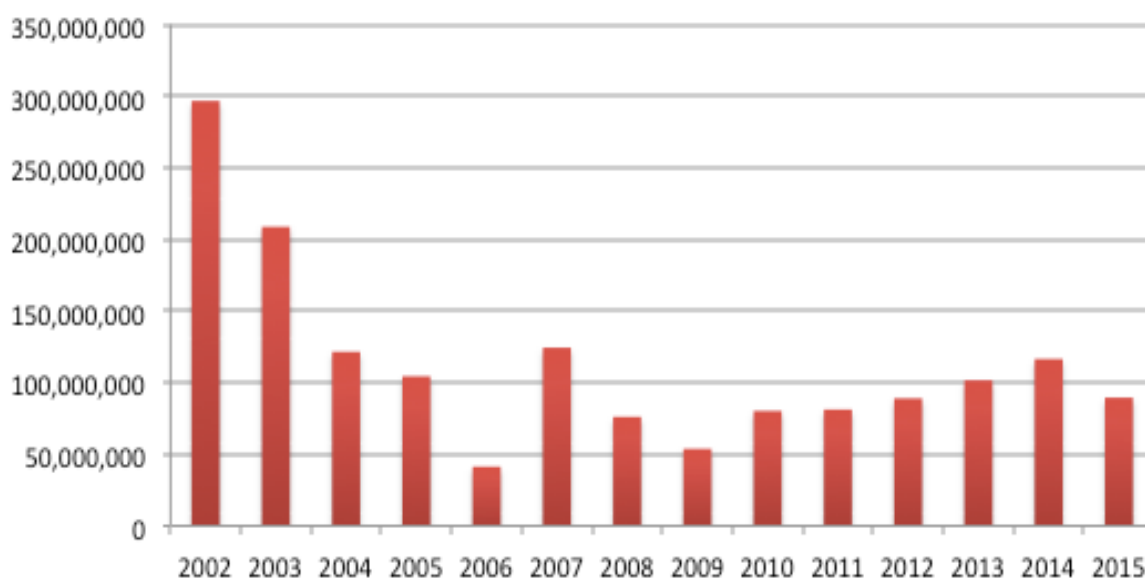


Source: 4 Own elaboration adding the Imports and Exports from each CA country with the data from Sistema de Estadísticas de Comercio de Centroamérica. Values presented in thousands of USD.

Figure 4 presents completely different numbers. The first observation to be made is that trade flow reached its highest in 2002; more recent years were not close to similar figures. Additionally, although there is recuperation after the 2008 crisis, the AA does not seem to be a relevant influence in the trade flow. Although 2014 is the highest reached after 2008, it again decreased in 2015. Still, the amount of trade flow between the two did not reach the same levels as in the early 2000s. Again, this data was created adding imports and exports of the Czech Republic from and to CA available in the Market Access Database (2016) of the EU; the Value is presented in Euros. Compared to Figure 3, the values are also much higher in Figure 4; the EC is aware of the difference in statistics presented by both parts (2015a). Moreover, in the first half of the 2000s, the Czech Republic had a negative balance in trade with CA. 2006 seemed to be a turning point and after that year, it kept a positive balance compared to CA. Appendix 6 also presents a more detailed table including the exports and imports with each country in CA.

Figure 4

Total Trade Flow between 'Euros Value' between the Czech Republic and CA, MADb Data: 2002-2015

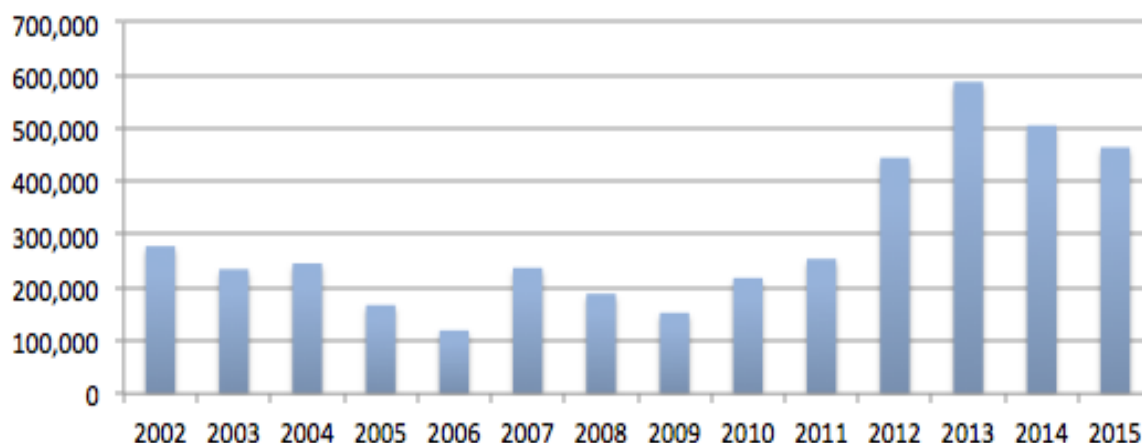


Source: 5 Own elaboration adding the Imports and Exports from each CA country with the data from Market Access Database. Values presented in Euros.

The last of the datasets used is from the Czech Statistical Office (2016); this is presented in the value of thousands of USD visible in Figure 5. It shows a trend similar to that of the SEC's; however, the values are very different. According to this graph, the years leading to the application of the EU-CA AA experienced an increase in the trade flow; nevertheless, similar to the other graphs, it also shows a decline in the last year (after the beginning of its provisional application). Even though there is a decrease shown in the last two years, the level of trade has not gone back as to the time of the beginning of the negotiations; this could mean that the flow could maintain itself at around those relatively high levels. In this dataset, however, the Czech Republic constantly reported a negative trade balance with respect to CA. Once more, the value of the total trade flow was calculated by adding both imports and exports of the Czech Republic from and to CA. Appendix 7 holds the tables including these numbers with each country in CA.

Figure 5

**Total Trade Flow in 'Thousands USD Value' between the Czech Republic and CA, Czech Statistical Office
Data: 2002-2015**



Source: 6 Own elaboration adding the Imports and Exports from each CA country with the data from the Czech Statistical Office. Values presented in thousands of USD.

Even though the three graphs present very different numeric results, there is an overall trend visible, especially after 2008. It shows that the years during the negotiations of the EU-CA AA the trade flow was steadily increasing and then finally declining in 2015. Focusing on the AA, it can be deduced that the 'momentum' of the negotiations led to greater

contact between the two, which, in turn, led to higher trade flow. In all three graphs, it is evident that the application of the Trade Pillar, and consequently the lowering of trade barriers, such as tariffs, resulted in a slight boost of commercial relations. This goes in line with the theories of trade liberalisation, since the elimination of tariffs and other barriers actually helped increase the trade flow.

It is clear, however, that there may be many other factors affecting the trade flow between the Czech Republic and CA. Yet, it cannot be overlooked that the EU-CA AA was the main policy linking the two regions during this time, and this, subsequently, would increase not only the trade talks and other relations between them, but also in their commerce. The gap of knowledge here can also lead to further research on the factors and variables that affected their trade and be able to better quantify these effects. For the Czech Republic and its joint CCP with the EU, it is especially important to increase the trade flow with the most amounts of partners possible. The EU-CA AA has proven to be an effective tool to accomplish this. Nevertheless, seeing the decrease in trade in 2015, the Czech Republic has to maintain efforts to keep promoting commercial ties with CA.

5. Conclusions and Recommendations

Referring back to the initial research questions, the paper has shown how the Czech Republic participated in the EU-CA AA. Along with this, it was important to answer what were their interests, how they presented them during the negotiations, and if these were met or not. Likewise, it was necessary to examine the outcomes of participating in this AA, both in policy and trade flows. In order to find these answers, it was also essential to review concepts of IPE and PER and focus on liberalisation of trade through PTAs.

The paper first showed that even though trade between the EU, including the Czech Republic, and CA has not always been an important element for the EU, the AA presented opportunities in growing not only in trade but in other political and social aspects. Therefore, being the first completed region-to-region AA for both areas, it imposed general interest and stands as an academically rich topic to study. Hypotheses on why the regions would engage in this AA varied from trade to political motivations; however, for the Czech Republic, it participated in the EU-CA AA not so much to increase its trade flows with CA, but mainly for political reasons. It wanted to be a greater actor in the EU. They wanted to align themselves to the EU policies and the CCP; this AA was a good way for them to prove that they are

affiliated and support the liberalisation of trade. The EU-CA AA also encouraged further regional integration within the EU and within CA, and also a bi-regional relationship.

Indeed, the Czech Republic supported the CCP throughout the process of the negotiations and the signature and followed the correct procedure to present its interests. It did so under strict EU legislation and complying with national and internal parameters, having the MITCR as one of the main actors in the whole process. Although for this case it was not necessary for the Czech Republic to make alliances with other like-minded countries, it still effectively acted as a small and new MS in the EU externalizing and protecting its interests. The Czech Republic can now fully understand how to participate in multilateral and regional agreements and broader AAs. They are prepared for future ones, such as TTIP, or with MERCOSUR, etc. They have found who to align with, if necessary, and how to promote their own policies and include their interests in bigger forums. In other words, they have learned the process of negotiation in the EU and can enhance their role in further participations.

The negotiation process also worked for the Czech Republic to explore new opportunities to expand in trade relations with countries that have not been its usual commercial partners and generate other beneficial spillover effects. Similarly, establishing stronger relations, in all aspects, with the countries of CA creates prospective for further development of political and cultural interchange with a developing region strategically located between two oceans in the centre of the Americas. Even though the Czech Republic was nearly invisible to the CA during the negotiations (Molina, 2016), the area still holds much investment potential and political close up in line with the Czech Republic's vision. Therefore, there is much space for developing future ties and specific policies with the region, and also the study of these relations. The effects in trade cannot fully be seen yet as it is still too early, however it is anticipated that they may grow, especially with Costa Rica and Panama. Other effects in cooperation and political dialogue may happen with Nicaragua and El Salvador, possibly the re-establishment and establishment of embassies in the individual countries.

With regards to the evidence found to support the hypotheses and the analysis, it is important to point out that due to the nature of what is being studied, there is not just one view or take into it. Nevertheless, the literature review gave greater insight as to the reasons behind the EU-CA AA in line with a liberal theoretical framework in PER. Likewise, the interviews and the work done in the MITCR were useful to reveal the process the Czech Republic had to go through for this and other AAs. Finally, the data found to show the trade flow outcomes, although very different to each other, provided a general trend in the trade

exchange before and after the application of the Trade Chapter. The differences may have come due to the different methodologies each organism uses in generating the data. As mentioned before, it is too early to make a complete analysis of its effects, however, the projections made with the data show that trade has the capacity to keep increasing, backing liberal trade theories. Additionally, it is important to see if each country had been going through different contexts that may have affected positively or negatively their individual trade balance. Also, other factors such as exchange rate changes, inflation and interest rates, or other individual policies could have affected the results in trade flow and were not taken into account in this analysis. As mentioned before, this leaves space for future research on the subject.

Even though the EU-CA AA already brought many policy changes, especially in tariffs, and some positive outcomes in trade, there is still much more that can be done taking advantage of and using the AA. This is a great opportunity for both regions to work towards better relations. The Czech Republic should promote more the EU-CA AA in order to diversify their trade, not only in seeking new partners but also in new industries and possibly lead to investment. This was part of the work done by the author in the MITCR; it was noticeable that there is still much to cover with regards to the relations with CA. Although some positive effects can already be perceptible, there is much more to exploit of this AA and this paper aimed to encourage policy makers in the Czech Republic to engage in this approaching to CA and overcome the social differences between the regions. 'The establishment of free trade agreements can be a critical and progressive step towards greater economic integration, and continues to become more valuable in an increasingly global world' (Kildee, 2012).

References:

Abrahamson, Peter (2009). 'European Union Influence on Central American Integration: The Case of the Coming Association Agreement'. Pp. 293 – 314 in: Laursen, Finn (ed.) (2009). *The EU in the Global Political Economy* (Vol. 45). P.I.E. Peter Lang, Brussels.

Acemoglu, Daaron (2009). *Political Economy Lecture Notes*. Available at: <http://economics.mit.edu/files/9524/> [Accessed September 2015].

Acharya, Ram C. and Keller, Wolfgang (2008). 'Estimating the Productivity Selection and Technology Spillover Effects of Import'. *NBER Working Paper* No. 14079. Issued in June 2008

ActAlliance.eu, (2010). 'EU – Central America Association Agreement'. *Act Alliance*, formerly APRODEV. Available through: http://www.aprodev.eu/index.php?option=com_content&view=article&id=92&Itemid=43 [Accessed November 2015].

Action Aid, Christian Aid, Oxfam. (2008); 'European Union Free Trade Agreements Manual'. February 2008.

Adriaensen, J.; Gonzalez, Garibay (2013), 'The Illusion of Choice: The European Union and the Trade-Labor Linkage'. *Journal of Contemporary European Research* 9(4): 542–59.

Agnew, John. (2000). 'From The Political Economy of Regions to Regional Political Economy'. *Progress in Human Geography*, 24(1) Pp. 101-110.

ALOP, APRODEV, CIFCA, GRUPO SUR, ODHACO (2011). 'EU Trade Agreements with Central America, Colombia and Peru: Roadblocks for sustainable development'. Conference at the European Parliament, 22 June 2011. Paper elaborated by ALOP, APRODEV, CIFCA, GRUPO SUR, ODHACO with the support of Oxfam. Brussels, July 2011.

ALOP, APRODEV and GRUPO SUR (2010). 'The EU is the Big Cheese. EU Trade Agreements with Latin America'. Mexico, July 2010.

ALOP and CID (2010). 'La negociación del Acuerdo de Asociación entre Centroamérica y la Unión Europea: Balance y Alternativas'. Mexico, April 2010.

Altmann, Josette (2008). 'Integración Centroamericana: El gran desafío que enfrenta el proyecto de asociación estratégica'. Chapter III Pp.77-98 in Osterlof Obregón, Doris. (ed.) (2008). *América Latina y la Unión Europea: Una integración esperanzadora pero esquiva*. San José: FLACSO.

Alvarez Hidalgo, Wendy (2015). 'A dos años del AdA: hay sabor agridulce'. *La Prensa.com – Nicaragua*. Published 6 August, 2015. Available at: <http://www.laprensa.com.ni/2015/08/06/economia/1879096-ea-dos-anos-del-ada-hay-sabor-agridulce> [Accessed November 2015].

APRODEV (2008). 'Inside European Union Trade Policy'. *EU FTA Briefing Manual: Briefing 2*. Published on February 2008 by ActionAid, Christian Aid, and Oxfam. Available at: http://aprodev.eu/files/Trade/EU%20FTA%20Manual%20fta2_inside.pdf [Accessed December 2015].

- Argueta, Beatriz Véliz (2008). 'A Biregional Agreement Between the EU and Central America? Negotiating an Association Agreement'. Paper prepared for the GARNET conference "The European Union in International Affairs" Brussels, 24-26 April 2008 .
- Baccini, Leonardo and Urpelainen, Johannes (2012). 'Strategic Side Payments: Preferential Trading Agreements, Economic Reform, and Foreign Aid'. *The Journal of Politics*, 74, pp. 932-949. doi:10.1017/S0022381612000485.
- Balassa, Bela, (1961). *The Theory of Economic Integration*. London: Allen and Unwin.
- Baldwin, Richard E. (2006). 'Multilateralising Regionalism: Spaghetti Bowls as Building Blocs on the Path to Global Free Trade'. *The World Economy*, 29(11), Pp. 1451-1518.
- Baldwin, Richard E. (2012). 'The Case for a Multilateral Trade Organization'. In Daunton, Martin; Narlikar, Amrita; and Stern, Robert M. (Eds.). (2012). *The Oxford Handbook on the World Trade Organization*. Oxford University Press, Oxford.
- Baldwin, Richard (2016). 'The World Trade Organization and the Future of Multilateralism'. *The Journal of Economic Perspectives*, Vol. 30, No. 1 (Winter 2016), pp. 95-115
- Baldwin, Richard E. & Low, Patrick (Eds.) (2008). *Multilateralizing Regionalism: Challenges for the Global Trading System*. World Trade Organization, Cambridge University Press.
- Baldwin, Richard, & Thornton, Philip (2008a). 'Multilateralising regionalism: the WTO's next challenge'. *VoxEu.org*, 28. Available at: <http://voxeu.org/article/can-we-multilateralise-regionalism> [Accessed 15 January 2016].
- Baldwin, Richard, & Thornton, Philip (2008b). *Multilateralising regionalism: Ideas for a WTO Action Plan on Regionalism*. CEPR, London, February.
- Baldwin, Richard and Wyplosz, Charles (2012). *The Economics of European Integration*. Fourth Edition. Published by McGraw-Hill Education (UK) Limited, New York.
- Bannock, Graham & Baxter, R. E. (2010). *The Palgrave encyclopedia of world economic history since 1750*. Palgrave Macmillan.
- Barbé, Esther (2014). 'Introduction: change in the international system, adversity for the European Union.' *Revista CIDOB d'Afers Internacionals*, n.108, p. 7-21. Barcelona, December 2014.
- Barrot, Luis-Diego; Medina Cas, Stephanie; and Swiston, Andrew (2012). 'Central America, Panama, and the Dominican Republic: Trade Integration and Economic Performance'. *International Monetary Fund Working Paper – Western Hemisphere Department*. WP/12/234.
- Bennet, A. LeRoy (1991). *International Organizations: Principles and Issues*. Fifth Edition. Prentice Hall, Engelwood Cliffs, New Jersey.
- Bhagwati, Jagdish N. (1991). *The World Trading System at Risk*. Princeton University Press, New Jersey.
- Bhagwati, Jagdish. (1994). 'The World Trading System'. *Journal of International Affairs*, Vol. 48, No. 1, Contemporary Issues in World Trade (Summer 1994), pp. 279-285.

- Bhagwati, Jagdish. (2008). *Termites in the Trading System: How preferential agreements undermine free trade*. Oxford University Press.
- Bidaurratzaga, Eduardo and Zabalo, Patxi (2012). 'Potential effects of the Association Agreement with the European Union on Central American Development'. Universidad del País Vasco.
- Bierbauer, Elfriede and De Goede, William (2011). 'EU – Central America Association Agreement – Trade Chapter'. *European Parliament – Directorate-General For External Policies of the Union Policy Department*. Policy Department Brussels.
- Blalock, Garrick, & Gertler, Paul J. (2008). 'Welfare Gains from Foreign Direct Investment through Technology Transfer to Local Suppliers'. *Journal of International Economics*, 74(2), 402-421.
- Black, John (2002). *A Dictionary of Economics* (2nd edition). Oxford University Press Inc., New York.
- Blinder, Alan S. (2008). 'Free Trade'. *The Concise Encyclopedia of Economics*. 2008. *Library of Economics and Liberty*. Available at: <http://www.econlib.org/library/Enc/FreeTrade.html> [Accessed 13 February 2016].
- Boudreaux, Donald J. (2008). 'Comparative Advantage'. *The Concise Encyclopedia of Economics*. 2008. *Library of Economics and Liberty*. Available at: <http://www.econlib.org/library/Enc/ComparativeAdvantage.html> [Accessed 13 February 2016].
- Brenton, Paul; Scott, Henry; and Sinclair, Peter (1997). *International Trade: a European Text*. Oxford University Press, printed in the United States, New York.
- Breslin, S., Higgott, R., & Rosamond, B. (2002). 'Regions in comparative perspective'. In Breslin, S.; Hughes, C. W.; Higgott, R.; and Rosamond, B. (eds) (2002). *New regionalism in the global political economy: Theories and cases*. Routledge.
- Brewer, Thomas L. and Young, Stephen (2001). 'Multilateral Institutions and Policies: Their Implications for Multinational Business Strategy'. Available in Brewer, Thomas L.; Rugman, Alan M. (ed.) (2001). *The Oxford Handbook of International Business*. Oxford University Press In. New York, 2001. Pp. 282-313.
- Brewer, Thomas L.; Rugman, Alan M. (ed.) (2001). *The Oxford Handbook of International Business*. Oxford University Press In. New York, 2001.
- Brodie, Janine (1989). 'The political economy of regionalism'. In: Clement, Wallace and Williams, Glen (1989). *The New Canadian Political Economy*. McGill-Queen's University Press – London. Pp. 138-159.
- Brownsell, Liz (2012). 'Bilateral and Regional Trade Agreements'. *Allen & Overy – Advocates for International Development 2012*.
- Busch, Marc L. and Mansfield, Edward D. (2010). *The Political Economy of Trade Policy*. Georgetown University, Washington DC. Available through: <http://faculty.georgetown.edu/mlb66/Trade%20--%20Determinants%20of%20Policies.pdf> [Accessed 13 March 2016].

BUSINESSEUROPE and EUROCHAMBERS (2012). 'Future trade deals with Colombia/Peru and Central America to boost EU business'. *BUSINESSEUROPE.EU*. Brussels, 27 June 2012. Available at: <https://www.businessseurope.eu/sites/buseur/files/media/imported/2012-00806-E.pdf>

Caballeros, Rómulo (2008). 'Centroamérica: los retos del Acuerdo de Asociación con la Unión Europea'. *Serie: estudios y perspectivas*. Sede subregional de la CEPAL en México 102. Impreso en Naciones Unidas, México D.F.

CBI (2014). 'Export Programme Agro-Food Central America 2012-2017'. *Centre for the Promotion of Imports from developing countries - Netherlands Enterprise Agency commissioned by the Ministry of Foreign Affairs of the Netherlands*. Published 26 June 2014. Available at: <https://www.cbi.eu/success-stories/export-programme-agro-food-central-america-2012-2017/294428/> [Accessed 14 February 2016].

CC-SICA (2007). 'Propuestas para la negociación del Acuerdo de Asociación Europa Centroamérica, desde la sociedad civil – Resultados del II Foro Sociedad Civil Centroamérica Europa: "Perspectivas hacia un Acuerdo de Asociación"'. Comité Consultivo – Sistema de la Integración Centroamericana. Tegucigalpa, March 2007.

CELARE (1996). *América Latina – Unión Europea: En Camino a la Asociación*. Centro Latinoamericano para la Relaciones con Europa, Chile, 1996.

Central America Data (2015). 'Pros and Cons of the Trade Agreement with Europe'. *CentralAmericaData.com – Business Information*. Published 6 August, 2015. Available at: http://www.centralamericadata.com/en/article/home/Pros_and_Cons_of_the_AA_with_Europe [Accessed 14 February 2016].

Céspedes, Oswald and Flores, Juan José (ed.) (2008). *El Acuerdo de Asociación entre Centroamérica y la Unión Europea: Sus Tres Pilares*. San José – Academia de Centroamérica 2008.

Céspedes Vargas, Renzo (2009). 'Acuerdo de Asociación entre Centroamérica y la Unión Europea – Informe sobre el estado de situación'. Friedrich Ebert Stiftung, fesamericacentral.org; Octubre 2009. Available through: <http://library.fes.de/pdf-files/bueros/costarica/07015.pdf> [Accessed 10 February 2016].

CEPAL (2015). 'La Inversión Extranjera Directa en América Latina y el Caribe'. United Nations – Economic Commission for Latin America and the Caribbean. Chile, 2015.

Chvátalová, Kristýna (2016a). 'Interview on EU-CA Association Agreement'. Interviewer: Andrés Morales Interiano in the Ministry of Industry and Trade of the Czech Republic, in Politických Věžeňů on 26 February, 2016.

Chvátalová, Kristýna (2016b). 'Second Interview on further Questions of the EU-CA Association Agreement'. Interviewer: Andrés Morales Interiano in the Ministry of Industry and Trade of the Czech Republic, in Politických Věžeňů on 31 March, 2016.

Clement, Wallace and Williams, Glen (1989). *The New Canadian Political Economy*. McGill-Queen's University Press – London.

Cohen, Benjamin J. (2008). *International Political Economy: An Intellectual History*. Princeton University Press, New Jersey.

Cohen, Benjamin J. (2014). *Advanced Introduction to: International Political Economy*. Edward Elgar Publishing.

Coleman, William D. and Underhill, Geoffrey R. D. (ed.) (1998). *Regionalism and Global Economic Integration: Europe, Asia, and the Americas*. Routledge.

Cook, Thomas D. and Payne, Monique R. (2002). 'Objecting to the Objections to Using Random Assignments in Educational Research'. In Mosteller, Frederick and Boruch, Robert F. (Eds.) (2002). *Evidence Matter: Randomized Trials in Education Research*. Washington DC, Brookings Institution Press. Pp. 150-170.

Cordero, Martha and Mata, Héctor (2009). 'El Acuerdo de la Asociación Económica entre Centroamérica y la Unión Europea: viabilidad, avances y perspectivas'. *Serie: estudios y perspectivas*. Sede subregional de la CEPAL en México 112. Impreso en Naciones Unidas, México D.F.

Council of the European Union (2006). 'II EU – Central American Summit: Vienna, Austria, 13 May 2006'. Press office - General Secretariat of the Council, Brussels, 13 May, 2006.

Council of the European Union (2014). 'EU Strategy on Citizen Security in Central America and the Caribbean'. Press office - General Secretariat of the Council, Brussels, 30 July, 2014.

Council of the European Union (2015a). 'Shaping Our Common Future: Latin American and the Caribbean – European Union Strategic Partnership'. European Union 2015, printed in Italy.

Council of the EU (2015b). 'Council animation decision making (EN)'. *Council of the EU*. Published in YouTube Jan 30, 2015. Retrieved December 2015, from:
<https://www.youtube.com/watch?v=BUMyjuCMzSI> [Accessed 14 January 2016].

Crew, Michael and Parker, David (Eds.) (2006). *International Handbook on Economic Regulation*. Edward Elgar Publishing Limited.

Cronin, Patrick; Dash, Kishore C.; Goddard, C. Roe (ed.) (2003). *International Political Economy: State-Market relations in a Changing Global Order*. Second Edition. Lynne Rienner, 2003. Palgrave Macmillan. Hampshire, UK.

Cronin, Patrick (2003). 'The Doha Round: Prospects for the Rules-Based Trading System'. Available in Cronin, Patrick; Dash, Kishore C.; Goddard, C. Roe (ed.) (2003). *International Political Economy: State-Market relations in a Changing Global Order*. Second Edition. Lynne Rienner, 2003. Palgrave Macmillan. Hampshire, UK. Pp. 369-390

Crook, Clive (1993). 'Third World Economics'. *The Concise Encyclopedia of Economics*. 1993. *Library of Economics and Liberty*. Available at:
<http://www.econlib.org/library/Enc1/ThirdWorldEconomicDevelopment.html> [Accessed 13 February 2016].

Czech Statistical Office (2016). 'External Trade Database'. *Czech Statistical Office*. Available at:
<http://apl.czso.cz/pll/stazo/STAZO.STAZO?jazyk=EN> [Accessed 13 May 2016].

CzechTrade (2010). 'About CzechTrade'. *CzechTrade.com*. Available at: <http://www.czechtradeoffices.com/about-czechtrade/> [Accessed 13 May 2016].

Damro, Chad (2007). 'EU Delegation and Agency in International Trade Negotiations: A Cautionary Comparison'. *Jcms Journal Of Common Market Studies* 45(4): 883–903.

Damro, Chad. (2012). 'Market Power Europe'. *Journal of European Public Policy* 19(5): 682–99.

Daniels, John D.; Radebaugh, Lee H.; & Sullivan, Daniel P. (2002). *Globalization and business*. Prentice Hall.

Daunton, Martin; Narlikar, Amrita; and Stern, Robert M. (Eds.). (2012). *The Oxford Handbook on the World Trade Organization*. Oxford University Press, Oxford.

Delegation of the EU in Nicaragua, Costa Rica, and Panama (2014). 'Comercio en Inversión de la Unión Europea en Centroamérica'. *DG Trade – European Commission – European Union*. Brussels, 2014.

Delreux, T. and Kerremans, B. (2010). 'How Agents Weaken Their Principals' Incentives to Control: The Case of EU Negotiators and EU Member States in Multilateral Negotiations'. *Journal of European Integration* 32(4): 357–74.

Denzin, Norman K. and Lincoln, Yvonna S. (eds.) (2011). *The Sage Handbook of Qualitative Research* 4th edition. Thousand Oaks, CA: Sage

Dick, Howard and Merrett, David (Eds.) (2007). *The Internationalisation Strategies of Small-country Firms: The Australian Experience of Globalisation*. Edward Elgar – New Horizons in International Business.

Diez, Thomas and Wiener, Antje (Eds.) (2009). *European Integration Theory* 2nd edition. Oxford University Press.

Dimopoulos, A. (2010), 'The Effects of the Lisbon Treaty on the Principles and Objectives of the Common Commercial Policy', in: *European Foreign Affairs Review*, Vol. 15, n° 2, pp. 153-170.

Dunne, Tim; Kurki Miljia; Smith, Steve (eds.) (2013). *International Relations Theories: Discipline and Diversity* (Third edition). Oxford: Oxford University Press.

Dür, A. (2007). 'EU Trade Policy as Protection for Exporters: The Agreement with Mexico and Chile'. in: *Journal of Common Market Studies*, Vol. 45, n° 4, pp. 833-855

Dür, A. and Elsig, M (2011). 'Principals, Agents, and the European Union's Foreign Economic Policies'. *Journal of European Public Policy* 18(3): 323–38.

Echandi, Roberto and Miranda, Silvia (2009). 'El Diálogo Político y la Cooperación Económica: Instrumentos claves de la estrategia europea en centroamérica'. In Granados, Jaime; Lizano, Eduardo and Ocampo, Fernando (ed). (2009). *Un Puente para el crecimiento: Oportunidades y desafíos del Acuerdo de Asociación entre Centroamérica y la Unión Europea*. Banco

Interamericano de Desarrollo, Academia de Centroamérica and Konrad- Adenauer-Stiftung, San José 2009.

ECORYS (2009). 'Trade Sustainability Impact Assessment of the Association Agreement to be negotiated between the EU and Central America'. *Client: European Commission , DG-Trade*. In cooperation with Corporate Solutions and Centro de Estudios para el Desarrollo Rural. Published in Rotterdam, 18 September 2009. Available at: http://trade.ec.europa.eu/doclib/docs/2010/april/tradoc_146042.pdf [Accessed 13 May 2016].

Egan, Michelle & Pelkmans, Jacques (2015). 'TTIP's Hard Core: Technical barriers to trade and standards'. In Hamilton, Daniel S. & Pelkmans, Jacques (Eds.) (2015). *Rule-Makers or Rule Takers? Exploring the transatlantic Trade and Investment Partnership*. Rowman & Littlefield International, Ltd., London. Pp. 61-96.

Eicher, Theo S.; Mutti, John H.; and Turnovsky, Michelle H. (2009). *International Economics* 7th edition. Routledge.

Elgstrom, O.; Frennhoff Larsen, M. (2010). 'Free to Trade? Commission Autonomy in the Economic Partnership Negotiations', in: *Journal of European Public Policy*, Vol. 17, n° 2, pp. 205-223

Elsig, M. and Dupont, C. (2012). 'European Union Meets South Korea: Bureaucratic Interests, Exporter Discrimination and the Negotiations of Trade Agreements'. *JCMS: Journal of Common Market Studies* 50(3): 492–507.

Engels, Frederick and Marx, Karl (1848). 'Manifesto of the Communist Party'. *Marx/Engels Selected Works*, Vol. One, Progress Publishers, Moscow, 1969, pp. 98-137. Available online at: <https://www.marxists.org/archive/marx/works/download/pdf/Manifesto.pdf> [Accessed 10 April 2016].

Ethier, Wilfred J. (1998a). 'The International Commercial System'. *Essays in International Finance*. No. 210, September 1998.

Ethier, Wilfred J. (1998b). 'Regionalism in a multilateral world'. *Journal of Political Economy*, 106(6), 1214-1245.

EU-CA (1993). 'Framework Cooperation Agreement between the European Economic Community and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama - Exchange of letters on maritime transport - Unilateral Declarations'. Published by EUR-Lex, Available at: [http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:21999A0312\(01\)](http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:21999A0312(01)) [Accessed 13 January 2016].

EU-CA (2003). 'Political Dialogue And Co-Operation Agreement between the European Community and its Member States, on the one part, and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama'. Brussels, published by the European Commission 2003, available at: <http://eeas.europa.eu/ca/docs/agreement.pdf> [Accessed 13 January 2016].

Euro2009.cz (2009). 'Achievements of the Presidency – Europe without barriers'. *Euro2009 – Czech EU Presidency*. Report Published June 2009. Available at: http://www.eu2009.cz/assets/czech-presidency/programme-and-priorities/achievements/cz-pres_achievements_eng.pdf [Accessed 13 January 2016].

European Commission (2004). 'EU Trade Policy: Main issues for the 133 Committee in 2005'. *European Commission, DG Trade*.

European Commission (2006). 'Global Europe. Competing in the World', *European Commission, DG Trade*.

European Commission (2007). 'EU-Central America FTA - EC negotiating mandate (draft, 2007): Recommendation from the Commission to the Council.' *Bilaterals.org*, 2007. Available at: <http://www.bilaterals.org/?draft-eu-central-america>. [Accessed 13 January 2016].

European Commission (2008). 'The Single Market Review: One year on'. *Commission of the European Communities*. Commission Staff Working Document. Brussels, 16 December, 2008.

European Commission (2011a). 'Policy Making: What did the Lisbon Treaty Change?'. *European Commission – Trade, Factsheet 14 June, 2011*. Available through: <http://trade.ec.europa.eu/doclib/html/147977.htm> [Accessed 10 January 2016].

European Commission (2011b). 'Highlights of the trade pillar of the Association Agreement between Central America and the European Union'. *EC – Press Release Database*. Memo/11/429; Brussels, 20 June 2011. Available at: http://europa.eu/rapid/press-release_MEMO-11-429_en.htm?locale=en [Accessed 13 January 2016].

European Commission (2012a). 'EU- Centroamérica: relaciones comerciales en el marco del Acuerdo de Asociación'. *European Commission – European Union*, Brussels 2012.

European Commission (2012b). 'MEMO – Comprehensive Association Agreement between Central America and the European Union'. *European Commission*. Brussels, 29 June, 2012. Available at: http://europa.eu/rapid/press-release_MEMO-12-505_en.htm?locale=en [Accessed 13 January 2016].

European Commission (2012c). '10 Benefits of trade for developing countries'. *European Commission – Trade*. Published in January 2012. Available at: http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc_148991.pdf [Accessed 1 May 2016].

European Commission (2013a). 'Trade Negotiations step by step'. *European Commission, DG Trade*, September 2013.

European Commission (2013b). 'Transparency in EU Trade Negotiations'. *European Commission Factsheet* June, 2013. Available through: http://trade.ec.europa.eu/doclib/docs/2013/june/tradoc_151381.pdf [Accessed 13 January 2016].

European Commission (2014). 'The European Union Explained: Trade'. *European Commission – Directorate-General for Communication*. Manuscript updated in November 2014. Brussels.

European Commission (2015a). 'Report From The Commission To The European Parliament And The Council: Annual Report on the Implementation of Part IV of the EU-Central America Association Agreement'. *European Commission*. Published in 18 March, 2015 in Luxembourg: Publishing Office of the European Union.

European Commission (2015b). 'The EU's General Scheme of Preferences (GSP'. *European Commission – Directorate-General for Trade*. Published August, 2015. Available at: http://trade.ec.europa.eu/doclib/docs/2015/august/tradoc_153732.pdf [Accessed 13 February 2016].

European Commission (2016a). 'DG Trade Statistical Guide'. *European Union - European Commission – Directorate-General Trade*. Luxembourg: Publications Office of the European Union, 2016

European Commission (2016b). 'Overview of FTA and other Trade Negotiations'. *European Union - European Commission – Directorate-General Trade*. Luxembourg: Publications Office of the European Union, 2016. Available at: http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf [Accessed 13 February 2016].

European Commission (2016c). 'Central America'. *European Commission – Trade – Countries and Regions*. Available at: <http://ec.europa.eu/trade/policy/countries-and-regions/regions/central-america/> [Accessed 13 February 2016].

European Commission (2016d). 'European Union, Trade in Goods with Central America (6)'. *European Commission – Directorate-General for Trade*. Published 14 April, 2016. Available at: http://trade.ec.europa.eu/doclib/docs/2013/november/tradoc_151894.pdf [Accessed 13 May 2016].

European Commission (2016e). 'Report From The Commission To The European Parliament And The Council: Annual Report on the Implementation of Part IV of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other'. *European Commission*. Published in 18 February 2016 in Luxembourg: Publishing Office of the European Union. Available at: <http://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A52016DC0073> [Accessed 13 May 2016].

European Commission and European External Action Service (2014). 'Development Cooperation Instrument (Dci) 2014-2020: Multiannual Indicative Regional Programme For Latin America'. *International Cooperation and Development – European Commission*. Available at: http://eeas.europa.eu/la/docs/mip_alr_vf_07_08_14_en.pdf [Accessed 13 February 2016].

European Economic and Social Committee (2014). 'Informe de la Junta de Comercio y Desarrollo Sostenible al Foro de Diálogo: Acuerdo de Asociación entre Centroamérica y la Unión Europea'. *EESC – a bridge between Europe and organized civil society*. Managua 15 November, 2014. Available at: http://www.eesc.europa.eu/resources/docs/es_informe-de-la-junta-de-comercio-y-desarrollo-sostenible_28-de-mayo-de-2015.pdf [Accessed 13 February 2016].

European Economic and Social Committee (2015). 'Informe de la Segunda Reunión de la Junta de Comercio y Desarrollo Sostenible al Foro de Diálogo: Acuerdo de Asociación entre Centroamérica y la Unión Europea'. *EESC – a bridge between Europe and organized civil society*. Brussels 28 May 2015. Available at: http://www.eesc.europa.eu/resources/docs/es_informe-de-la-junta-de-comercio-y-desarrollo-sostenible_28-de-mayo-de-2015.pdf [Accessed 13 February 2016].

European Economic and Social Committee (2016). 'EU-Central America'. *EEESC – a bridge between Europe and organized civil society*. Available at: <http://www.eesc.europa.eu/?i=portal.en.international-trade-monitoring-eu-central-america> [Accessed 13 February 2016].

European External Action Service (2010). 'MID TERM REVIEW RSP- Central America 2007-2013 and Regional Indicative Programme 2011-2013'. *EEAS – Europa eeas.europa.eu*. Available at: http://eeas.europa.eu/ca/docs/2010_midterm_ca_summary_en.pdf [Accessed 13 February 2016].

European External Action Service (2013). 'Pilar Comercial: Aspectos Fundamentales'. *EEAS – Europa eeas.europa.eu*. Available at: http://eeas.europa.eu/delegations/nicaragua/documents/press_corner/news/20130204_brochure_pilar_comercial_es.pdf [Accessed 13 February 2016].

European Parliament (2007). 'Report: with a proposal for a European Parliament recommendation to the Council on the negotiating mandate for an association agreement between the European Union and its Member States, of the one part, and the countries of Central America, of the other part: (2006/2222(INI))'. *Committee on Foreign Affairs – EU Parliament*. 5 February 2007. Available at: <http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A6-2007-0026&format=XML&language=EN> [Accessed 13 February 2016].

European Parliament (2008). 'WRITTEN QUESTION by Eluned Morgan (PSE) to the Commission'. *Parliamentary Questions – EU Parliament*. 13 October 2008. Available at: <http://www.europarl.europa.eu/sides/getDoc.do?type=WQ&reference=P-2008-5574&format=XML&language=EN> [Accessed 13 May 2016].

European Parliament (2012a). 'EU – Central America Association Agreement'. P7_TA(2012)0478. European Parliament resolution of 11 December 2012 on the draft Council decision on the conclusion of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America, on the other (16395/1/2011 – C7-0182/2012 – 2011/0303(NLE)).

European Parliament (2012b). 'The Trade Chapter of the European Union Association Agreement with Central America'. Directorate-General for External Policies, Policy Department. Authors: Woolcock Steve; Keane, Jody; Stevens, Christopher; Bartels, Lorand. European Union, Belgium, 2012.

European Parliament (2014). 'An Introduction to the Delegation, and Summary of Activities during the 7th parliamentary Term (2009-2014)'. European Parliament – Delegations for Relations with the Countries of Central America. PE 470.375v01-00.

European Parliament (2016). 'European Parliament'. Available at: <http://www.europarl.europa.eu/portal/en> [Accessed 13 January 2016].

European Union (2012). 'Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union'. *Official Journal C 326*, 26/10/2012 P. 0001 – 0390. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12012E/TXT&from=EN> [Accessed 13 February 2016].

European Union (2013). 'Agreement Establishing and Association between the European Union and its Member States, on the one hand, and Central America on the other'. Presented to Parliament by the Secretary of State of Foreign and Commonwealth Affairs by Command of Her Majesty, London, May 2013.

European Union (2016). 'Agreement – Title: Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other'. Consilium Europa – European Council and Council of the European Union. Available at: <http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2012001> [Accessed 13 February 2016].

European Union External Action (2014). 'The EU-Central America Political Dialogue and Cooperation Agreement enters into force'. Press release 140508/02, Brussels, 08 May, 2014.

European Union External Action (2016a). 'The EU's relations with Central America'. EUROPA – EEAS, Brussels. Available through: http://eeas.europa.eu/ca/index_en.htm [Accessed 13 February 2016].

European Union External Action (2016b). 'The EU – Central America negotiations'. EUROPA – EEAS, Brussels. Available through: http://eeas.europa.eu/ca/eu_ca_negotiations_en.htm [Accessed 13 February 2016].

Euroskop.cz (2016). 'Obchodní politika'. *Euroskop.cz – Věcně o Evropě*. Available at: <https://www.euroskop.cz/680/sekce/obchodni-politika/> [Accessed 13 May 2016].

Fawcett, Louise L'Estrange and Hurrell, Andrew (eds.) (1995). *Regionalism in World Politics: Regional Organization and International Order*. Oxford: Oxford University Press.

Fawn, Rick (2009). "'Regions" and their study: wherefrom, what for and whereto?'. *Review of International Studies* 35(S1), 5-35.

Fernandes, Nuno (2007). 'Market Liberalization at the Firm Level: Spillovers from ADRs and Implications for Local Markets'. *IMD International*. August 2007.

Fisher, R., Ury, W. L., & Patton, B. (2011). *Getting To Yes: Negotiating Agreement Without Giving In*. Penguin.

Francois, Joseph; Narayanan Gopalakrishnan, Badri; Norberg, Hanna; Port, Guido; and Walmsley, Terrie (2012). 'Assessing The Economic Impact Of the Trade Pillar Of the Association Agreement Between The European Union And Its Member States And Central America'. Centre for Economic Policy Research, London – European Commission DG Trade, July 2012.

Frieden, Jeffrey A.; Lake, David. A. (1991). *International Political Economy: Perspectives on Global Power and Wealth*. 2nd Edition. New York: Bedford/St. Martin's Press.

Frieden, Jeffrey A. (2004). 'One Europe, One Vote? The Political Economy of European Union Representation in International Organizations', in: *European Union Politics*, Vol. 5, n° 2, pp. 261-276

Fuentes, Juan Alberto and Pellandra, Andres (2011). 'El estado actual de la integración Centroamericana'. *CEPAL - Serie Estudios y perspectivas - México - N° 129*. United Nations – Subregional Office of CEPAL in Mexico, D.F. August, 2011.

FUNDE (2008). 'Acuerdo de Asociación Unión Europea – Centroamérica: Una Mirada desde la sociedad civil'. *Serie: Cuaderno de Trabajos*. Fundación Nacional para el Desarrollo. San Salvador, El Salvador, June 2008.

Gamble, Andrew (1995). 'The New Political Economy'. *Political Studies*, 43 (3), Pp. 516-530.

GATT (1986). *The Text of The General Agreement on Trade and Tariffs*. Geneva, July 1986.

General Secretariat of the Council (2013). 'The European Council in 2012'. Luxembourg: Publications Office of the European Union, 2013. Belgium, European Union, 2013

General Secretariat of the Council (2014). 'Foreign Affairs Council configuration (FAC)'. *European Council, Council of the European Union*. Available at: <http://www.consilium.europa.eu/en/council-eu/configurations/fac/> [Accessed 13 May 2016].

General Secretariat of the Council (2015). 'Trade Policy Committee'. *European Council, Council of the European Union*. Available at: <http://www.consilium.europa.eu/en/council-eu/preparatory-bodies/trade-policy-committee/> [Accessed 13 May 2016].

General Secretariat of the Council (2016). 'Agreement - Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other'. European Council, Council of the European Union.

Gibb, Richard, & Michalak, Wieslaw (1996). 'Regionalism in the world economy'. *Area* Vol. 28, No. 4 (Dec 1996), Pp. 446-458. Published by The Royal Geographical Society (with the Institute of British Geographers).

Gilpin, Robert (1987). *The Political Economy of International Relations*. Princeton: Princeton University Press, 1987.

Global Policy Forum (2016). 'International Trade Agreements'. *Globalpolicy.org*. New York City. Available at: <https://www.globalpolicy.org/economic-expansion/international-trade-agreements-8-22.html> [Accessed 10 May 2016].

Glopolis (2010). 'Praktické Kroky ČR Ke Koherenci Politik Pro Rozvoj: Zemědělský Obchod A Změna Klimatu'. *Glopolis, OPS*. Authors: Lebeda, Petr; Doležal, Jan; and Kloubek, Martin. Published December 2010.

Goldstein, Judith L., Rivers, Douglas, and Tomz, Michael (2007). 'Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade'. *International Organization*, Vol. 61, No. 1 (Winter, 2007), pp. 37-67.

Gomez Arana, Arantza (2015). 'The European Union and the Central American Common Market Sign an Association Agreement: Pragmatism versus Values?'. *European Foreign Policy Review* 20, no. 1 (2015): 43-64.

Goode, Walter (2004). *Dictionary of trade policy terms*. Centre for International Economic Studies/World Trade Organization. Cambridge, UK: Cambridge University Press.

Government of El Salvador (2013). 'Acuerdo de Asociación: Ofreciendo oportunidades para el Desarrollo'. The *Government of El Salvador*. San Salvador.

Government of the Czech Republic (2013). 'Strategie působení ČR v EU: Aktivní politika pro růst a konkurenceschopnou Evropu'. Published by the Government of the Czech Republic on 15 May, 2013. Available at: <http://www.vlada.cz/cz/media-centrum/aktualne/strategie-popisuje-pusobeni-cr-v-eu--106905/> [Accessed 13 January 2016].

Goyal, Sanjeev and Staal, Klaas (2004). 'The Political Economy of Regionalism'. *European Economic Review*, 48(3), 563-593.

Granados, Jaime; Lizano, Eduardo and Ocampo, Fernando (ed). (2009). *Un Puente para el crecimiento: Oportunidades y desafíos del Acuerdo de Asociación entre Centroamérica y la Unión Europea*. Banco Interamericano de Desarrollo, Academia de Centroamérica and Konrad-Adenauer-Stiftung, San José 2009.

Graff, Michael; Kenw, A. G.; and Lougheed, A.L. (2014). *Growth of the International Economy, 1820-2015* 5th Edition. Routledge.

Grossman, Gene M. and Helpman, Elhanan (1990). 'Trade, Knowledge Spillovers, and Growth'. *NBER Working Paper* No. 3485 (Also Reprint No. r1566). Issued in October 1990.

Gstöhl, S. and De Bievre D. (forthcoming). 'The political economy of trade policy-making in the EU'. in: *The Trade Policy of the European Union* Palgrave MacMillan.

Hamilton, Daniel S. & Pelkmans, Jacques (Eds.) (2015). *Rule-Makers or Rule Takers? Exploring the transatlantic Trade and Investment Partnership*. Rowman & Littlefield International, Ltd., London.

Hare, Paul (2013). 'Institutions in Transition'. In Hare, Paul and Turley, Gerard (Eds.) (2013). *Handbook of the Economics and Political Economy of Transition*. Routledge. Pp. 34-45.

Hare, Paul and Turley, Gerard (Eds.) (2013). *Handbook of the Economics and Political Economy of Transition*. Routledge.

Hargreaves Heap, Shaun P. & Varoufakis, Yanis (2004). *Game Theory: A critical text* (2nd edition). Routledge.

Heilbroner, Robert L. (1985). *The Nature and Logic of Capitalism*. New York: W. W. Norton.

Heron, T. (2011). 'Asymmetric Bargaining and Development Trade-Offs in the CARIFORUM-European Union Economic Partnership Agreement', in: *Review of International Political Economy*, Vol. 18, n° 3, pp. 328-357

- Higgott, Richard (1998). 'The International Political Economy of Regionalism: the Asia-Pacific and Europe Compared'. In Coleman, William D. and Underhill, Geoffrey R. D. (ed.) (1998). *Regionalism and Global Economic Integration: Europe, Asia, and the Americas*. Routledge, Pp. 42-67.
- Hix, Simon and Høyland, Bjørn (2001). *The Political System of the European Union* 3rd edition. Palgrave Macmillan.
- Horn, H.; Mavroidis, P., Sapir, A. (2010). 'Beyond the WTO? An Anatomy of EU and US Preferential Trade Agreements', in: *The World Economy*, Vol. 33, n° 11, pp. 1565-1588
- Hugill, Peter. J. (1995). *World trade since 1431: Geography, technology, and capitalism*. John Hopkins University Press.
- Iklé, Free C. (1967). *How Nations Negotiate* (Vol. 630). Praeger.
- International Gender and Trade Network (2008). 'The ABC of the AA UE-CA'. *IGNT Boletines – Latinoamerica*. N. 8, Year II, April-May 2008. Available at: http://www.generoycomercio.org/boletines/cap_Latinoamer/The_ABC.pdf [Accessed November 2015].
- Irwin, Douglas A. (2008). 'International Trade Agreements'. *The Concise Encyclopedia of Economics*. 2008. *Library of Economics and Liberty*. Available at: <http://www.econlib.org/library/Enc/InternationalTradeAgreements.html> [Accessed 13 February 2016].
- Jovanovic, Miroslav N. (Ed.) (2011). *International Handbook on the Economics of Integration*. Edward Elgar Pub.
- Katzenstein, Peter J. (1985). *Small States in World Markets: Industrial Policy in Europe*. Cornell University Press, Ithaca and London.
- Keating, Michael, & Loughlin, John (ed.) (1997). *The political economy of regionalism*. Routledge.
- Keller, Wolfgang (1998). 'Are international R&D spillovers trade-related?: Analyzing spillovers among randomly matched trade partners'. *European Economic Review*. Volume 42, Issue 8, 1 September 1998, Pages 1469–1481.
- Kildee, Dan (2012). 'The U.S. Can't Afford to Include Japan in the TPP'. *Huffpost – the Blog*. Published 40 Nov 2012. Available at: http://www.huffingtonpost.com/dan-kildee/the-us-cant-afford-to-inc_b_1854359.html [Accessed 18 May 2016].
- Kling, Arnold (2008). 'International Trade'. *The Concise Encyclopedia of Economics*. 2008. *Library of Economics and Liberty*. Available at: <http://www.econlib.org/library/Enc/InternationalTrade.html> [Accessed 13 February 2016].
- Kobrin, Stephen J. (2001). 'Sovereignty@Bay: Globalization, Multinational Enterprise, and the International Political System'. Available in Brewer, Thomas L.; Rugman, Alan M. (ed.) (2001). *The Oxford Handbook of International Business*. Oxford University Press In. New York, 2001. Pp. 181-205
- Kono, Daniel Y. (2007). 'When Do Trade Blocs Block Trade?'. *International Studies Quarterly*. Vol. 51, No. 1 (Mar., 2007), pp. 165-181.

- Kotschwar, Barbara; Low, Patrick; Rodriguez Mendoza, Miguel (ed.) (1999). *Trade Rules in the Making: Challenges in regional and Multilateral Negotiations*. Washington Dc.: Brookings Institution Press, 1999.
- Kowalczyk, Carsten (2006). 'Liberalizing Trade between Large and Small: The Welfare from Three Different Strategies'. *Asia-Pacific Journal of Accounting & Economics* 13 (2006) 171–179.
- Kreinin, Mordechai E. (1998). *International Economics: A Policy Approach*. Eighth Edition. Harcourt Brace & Company, Orlando, Florida. Printed in the United States of America.
- Krishna, Pravin (1998). 'Regionalism and Multilateralism: A Political Economy Approach'. *Quarterly Journal of Economics*, Volume 113 No. 1 (Feb. 1998) 227-251.
- Krugman, Paul (2011). 'Increasing Returns in a Comparative Advantage World'. In Stern, Robert M. (Ed.) (2011). *Comparative Advantage, Growth, and the Gains from Trade and Globalization: A Festschrift in Honor of Alan V. Deardoff*. World Scientific. Pp. 43-51.
- Krugman, Paul R.; Obstfeld, Maurice (2009). *International Economics: Theory & Policy*. Eighth Edition. Pearson International, The Addison-Wesley Series.
- Kuijper, P. J., Wouters, J., Hoffmeister, F., De Baere, G., & Ramopoulos, T. (2013). *The law of EU external relations: cases, materials, and commentary on the EU as an international legal actor*. OUP Oxford.
- Lake, D. (2009). 'Open Economy Politics: A Critical Review'. *The Review of International Organizations*, Vol.4, n°3 pp. 219–44.
- Lamy, P. (2004). 'Europe and the Future of Economic Governance'. *Journal of Common Market Studies*, Vol. 42, n° 1, pp. 5-21
- LaPrensa.hn (2015). 'Flujo comercial entre UE y la región es negativo'. *La Prensa – Honduras*. Publish 21 January, 2015. Available at: <http://www.laprensa.hn/economia/787608-410/flujo-comercial-entre-ue-y-la-región-es-negativo> [Accessed November 2015].
- Larner, Glenn (2004). 'Family therapy and the politics of evidence'. *Journal of Family Therapy*, 26(1), 17-39.
- Latin Trade Links (2015). 'Trading with Latin America: Framework and Considerations'. *Latintradelinks.com* Presented on 13 November, 2015 at TXF Trade & Treasury event in Frankfurt. Available at: <http://www.slideshare.net/LorenaJ1/framework-opportunities-for-trade-latam> [Accessed 13 January 2016].
- Laursen, Finn (ed.) (2009). *The EU in the Global Political Economy* (Vol. 45). P.I.E. Peter Lang, Brussels.
- Lawrence, Robert Z. (1999). 'Regionalism, Multilateralism, and Deeper Integration: Changing Paradigms for Developing Countries'. Available in: Kotschwar, Barbara; Low, Patrick; Rodriguez Mendoza, Miguel (ed.) (1999). *Trade Rules in the Making: Challenges in regional and Multilateral Negotiations*. Washington Dc.: Brookings Institution Press, 1999.

- Leuffen, Dirk; Malang, Thomas; and Wörle, Sebastian (2014). 'Structure, Capacity or Power? Explaining Saliency in EU Decision-Making'. *Journal of Common Market Studies*. 2014 Volume 52. Number 3. pp. 616–631.
- Lis, Andrzej and Rzepka, Agnieszka (2014). 'Globalization of Regional Integration'. *Conference of Informatics and Management Sciences, Section: Economy and Business Economics*. March 24–28 2014; pp. 191-194.
- Lizano, Eduardo and Echandi, Roberto (2009). 'El proceso de decisiones de la Unión Europea para la suscripción de un Acuerdo de Asociación con Centroamérica'. In Granados, Jaime; Lizano, Eduardo and Ocampo, Fernando (ed). (2009). *Un Puente para el crecimiento: Oportunidades y desafíos del Acuerdo de Asociación entre Centroamérica y la Unión Europea*. Banco Interamericano de Desarrollo, Academia de Centroamérica and Konrad- Adenauer-Stiftung, San José 2009.
- Llobet, Gabriela (2005). 'Importancia de un Tratado de Libre Comercio entre Europa y América Central'. In Rubio Ríos, Arnaldo (Ed.) (2005). *Estudios Europeos e Integración Regional*. Universidad Nacional de Costa Rica, August, 2005. Pp. 210-222.
- López, Hugo and Morales, José Antonio (2006). 'Centroamérica y la Unión Europea: un busca de un Nuevo modelo de asociación'. Article 3 Pp. 131-162 in Freres, Christian and Sanahuja, José A. (coords.). *América Latina y la Unión Europea: Estrategias para una asociación necesaria*. Icaria Antrazyt, Barcelona.
- Macho-Stadler, Ines; Pérez-Castrillo, David; and Ponsati, Clara (1998). 'Stable Multilateral Trade Agreements'. *Economica*, New Series, Vol. 65, No. 258 (May, 1998), pp. 161-177.
- MacLeod, Gordon & Goodwin, Mark (1999). 'Reconstructing An Urban And Regional Political Economy: On The State, Politics, Scale, And Explanation'. *Political Geography*, Volume 18 (6), August 1999 Pp. 697-730.
- Malthus, Thomas Robert (1827). *Definitions in Political Economy*. London: Murray 1827.
- Maggie, Giovanni and Rodriguez-Clare, Andrés (2007). 'A Political-Economy Theory of Trade Agreements'. *The American Economic Review*, Vol. 97, No. 4 (Sep., 2007), pp. 1374-1406.
- Mansfield, Edward. D., & Milner, Helen. V. (1997). *The political economy of regionalism*. Columbia University Press – New York.
- Mansfield, Edward. D., & Milner, Helen. V. (1999). 'The New Wave of Regionalism'. *International Organization*. Vol. 53, No. 3 (Summer, 1999), pp. 589-627
- Mansfeldová, Zdenka. (2005). *Economic Policy Making and Parliamentary Accountability in the Czech Republic*. United Nations Research Institute for Social Development.
- Marangos, John (2013). 'Theories and Models of Economic Transition'. In Hare, Paul and Turley, Gerard (Eds.) (2013). *Handbook of the Economics and Political Economy of Transition*. Routledge, Pp.138-147.
- Market Access Database (2016). 'Exporting from the EU - what you need to know'. *European Commission – Trade – M.a.db*. Available at: <http://madb.europa.eu/madb/indexPubli.htm> [Accessed 13 May 2016].

Markusen, James R. (2001). 'International Trade Theory and International Business'. Available in Brewer, Thomas L.; Rugman, Alan M. (ed.) (2001). *The Oxford Handbook of International Business*. Oxford University Press In. New York, 2001. Pp. 69-87.

Marshall, Eileen and Robinson, Colin (2006). 'The Regulation of Energy: Issues and Pitfalls'. In Crew, Michael and Parker, David (Eds.) (2006). *International Handbook on Economic Regulation*. Edward Elgar Publishing Limited.

Matsushita, Mitsuo; Mavroidis, Petros C.; and Schoenbaum, Thomas J. (2006). *The World Trade Organization: Law, Practice, and Policy* 2nd Edition. The Oxford International Law Library: Oxford University Press.

Maubert, J. F. (1993). *Negociar: las claves para triunfar*. Barcelona: Marcombo.

McKenzie, Richard B. (1993). 'Industrial Policy'. *The Concise Encyclopedia of Economics*. 1993. Library of Economics and Liberty. Available at: <http://www.econlib.org/library/Enc1/IndustrialPolicy.html> [Accessed 13 February 2016].

Meunier, S., Nicolaidis, K. (2006). 'The European Union as a Conflicted Trade Power'. *Journal of European Public Policy*, Vol. 13, n° 6, pp. 906-925

Michalopoulos, Constantine (2000). 'Trade and Development in the GATT and WTO: The Role of Special and Differential Treatment for Developing Countries'. *The World Bank – Working Draft*. February 28, 2000. Available at: <http://siteresources.worldbank.org/INTARD/825826-1111405593654/20432097/TradeanddevelopmentintheGATTandWTO.pdf> [Accessed 10 January 2016].

Milutinovic, Veljko (2011). 'The Central America-EU Association Agreement: the EU's Trade Liberalization Policy and the WTO'. English language version of a paper previously published in Spanish as: 'El Acuerdo de Asociación entre Centroamérica y la Unión Europea: lecciones e indicadores futuros para la liberación del comercio europeo' in: Joaquín Roy (ed.) (2011). *Después de Santiago: Integración Regional y Relaciones Unión Europea-América Latina*, pp. 89-104

Ministry of Economy of the Government of El Salvador (2016). 'Acuerdo de Asociación Centroamérica – Unión Europea'. *MINEC.gob.sv*. Available at: <http://web.minec.gob.sv/cajadeherramientasue/index.php/el-acuerdo-de-asociacion-ca-ue/antecedentes/107-las-relaciones-comerciales-ca-ue.html> [Accessed 13 February 2016].

Ministry of Foreign Affairs of the Czech Republic (2000). 'Report on the Foreign Policy of the Czech Republic: between July 1998 and December 1999'. Ministry of Foreign Affairs of the Czech Republic, Prague 2000.

Ministry of Foreign Affairs of the Czech Republic (2003). 'Conceptual Basis of the Foreign Policy of the Czech Republic for the 2003 – 2006 Period'. Unofficial Translation approved by the Government of the Czech Republic on March 3, 2003. Ministry of Foreign Affairs of the Czech Republic, Prague 2003.

Ministry of Foreign Affairs of the Czech Republic (2007). 'Report on the Foreign Policy of the Czech Republic 2006'. Ministry of Foreign Affairs of the Czech Republic, Prague 2007.

Ministry of Foreign Affairs of the Czech Republic (2008). 'Report on the Foreign Policy of the Czech Republic 2007'. Ministry of Foreign Affairs of the Czech Republic, Prague 2008.

Ministry of Foreign Affairs of the Czech Republic (2009). 'Report on the Foreign Policy of the Czech Republic 2008'. Ministry of Foreign Affairs of the Czech Republic, Prague 2009.

Ministry of Foreign Affairs of the Czech Republic (2010a). 'Prezident republiky V. Klaus a ministr zahraničí J. Kouhout se zúčastnili summitu EU-LAC'. *Ministry of Foreign Affairs of the Czech Republic*. Published 19 May, 2010. Available at: http://www.mzv.cz/madrid/cz/bilateralni_vztahy/prezident_republiky_v_klaus_a_ministr.html [Accessed 13 January 2016].

Ministry of Foreign Affairs of the Czech Republic (2010b). 'Report on the Foreign Policy of the Czech Republic: January – December 2009'. Ministry of Foreign Affairs of the Czech Republic, Prague 2010.

Ministry of Foreign Affairs of the Czech Republic (2011). 'Zpráva o zahraniční politice České republiky - 2010'. Ministerstvo zahraničních věcí ČR. Prague, July, 2011.

Ministry of Foreign Affairs of the Czech Republic (2012). 'Asociační dohoda mezi EU a Střední Amerikou'. *Ministry of Foreign Affairs of the Czech Republic*. Published 29 June, 2012. Available at: http://www.mzv.cz/jnp/cz/udalosti_a_media/archiv_zprav/rok_2012/x2012_06_29_asociacni_do_hoda_mezi_eu_a_stredni.html [Accessed 13 February 2016].

Ministry of Foreign Affairs of the Czech Republic (2013). '2013 Humanitarian Aid Operational Strategy of the Czech Republic'. *Czech Republic Humanitarian Aid, Development Cooperation and Humanitarian Aid Department*.

Ministry of Foreign Affairs of the Czech Republic (2015). 'Concept of the Czech Republic's Foreign Policy'. *Ministry of Foreign Affairs of the Czech Republic*. Published on 03.08.2015 and available at: http://www.mzv.cz/jnp/en/foreign_relations/policy_planning/concept_of_the_czech_republic_s_foreign.html [Accessed 10 April 2016].

Ministry of Foreign Trade of Costa Rica (2012). 'Acuerdo de Asociación entre Centroamérica y la Unión Europea – Pilar Comercial: Documento Explicativo (2nd edition)'. COMEX, San José, Costa Rica July 2012.

Ministry of Industry and Trade of the Czech Republic (2003). 'Změny V Oblasti Zahraničně Obchodní Politiky V Souvislosti Se Vstupem Do EU'. *Eu Trade Policy Department of the Ministry of Industry and Trade of the Czech Republic*. Presented in November, 2003. Available at: <http://download.mpo.cz/get/26809/29280/316950/priloha001.ppt>

Ministry of Industry and Trade of the Czech Republic (2005). 'Společná Obchodní Politika Evropské Unie - Právní Rámec Obchodování Členských Států Evropské Unie S Třetími (Nečlenskými) Zeměmi'. *Ministry of Industry and Trade of the Czech Republic*. Presented in February, 2005.

Ministry of Industry and Trade of the Czech Republic (2006a). 'Strategie prosazování obchodně ekonomických zájmů ČR v EU – obchod a konkurenceschopnost'. *Ladislava Votavová in the*

Ministry of Industry and Trade of the Czech Republic. Published: 16 January, 2006, Available at: <http://www.mpo.cz/dokument6142.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2006b). 'Případy obchodních sporů, které se týkají Evropské unie (resp. ČR)'. *Department of anti-dumping and trade barriers regulation in the Ministry of Industry and Trade of the Czech Republic*. Published: 5 June, 2006, Available at: <http://www.mpo.cz/dokument10881.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2007a). 'Zlepšování podmínek exportu-dotazník pro tvorbu rámcových pozic k jednáním EU-Indie, Korea, ASEAN, Andský pakt, Střední Amerika, Čína, RF, Ukrajina'. *Multilateral and Common Trade Policy Department in the Ministry of Industry and Trade of the Czech Republic*. Published: 2 February, 2007, Available at: <http://www.mpo.cz/dokument26925.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2007b). 'Přehled obchodních sporů'. *Písaříková Petra in the Ministry of Industry and Trade of the Czech Republic*. Published: 11 September, 2007, Available at: <http://www.mpo.cz/dokument34463.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2009). 'World Experts on Trade Policy – Conference on Trade Liberalisation'. *Multilateral and Common Trade Policy Department in Ministry of Industry and Trade of the Czech Republic*. A report on the Conference on Trade Liberalisation held in Prague, February 2009. Published October 2009.

Ministry of Industry and Trade of the Czech Republic (2012). 'Export Strategy of the Czech Republic 2012 – 2020'. *in the Ministry of Industry and Trade of the Czech Republic*. Published: 26 April, 2012. Available at: <http://www.mpo.cz/dokument104211.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2014a). 'Udělení preferencí GSP+ Guatemale, Panamě a Salvadoru'. *in the Ministry of Industry and Trade of the Czech Republic*. Published: 3 March, 2014. Available at: <http://www.mpo.cz/dokument147534.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2014b). 'Přehled uplatňovaných bilaterálních preferenčních dohod Evropské Unie'. Published in Prague, August 2014.

Ministry of Industry and Trade of the Czech Republic (2015a). 'Report on the Implementation of Export Strategy in the Czech Republic in 2014'. Published in Prague, 26 May, 2015. Available at: <http://www.mpo.cz/dokument158120.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2015b). 'European agenda of the Ministry of Industry and Trade of the Czech Republic'. Published in Prague, 27 July 2015. Available at: <http://www.mpo.cz/dokument160776.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2015c). 'Systém tvorby obchodní politiky EU vůči třetím zemím'. Published in Prague, 31 July 2015. Available at: <http://www.mpo.cz/dokument38699.html> [Accessed 13 January 2016].

Ministry of Industry and Trade of the Czech Republic (2016). 'Činnost Mpo Při Zajištění Plnění Povinností a Legislativních Závazků Vyplyvajících Z Členství Čr V EU'. *MPO – Autor: Odbor Evropské*

a Mezinárodního Práva. Presentation from a Seminar by Mgr. Lukáš Prokeš attended in the MITCR February 2016.

Moberg, Axel (1998). 'The Voting System in the Council of the European Union: The Balance Between Large and Small Countries'. *Scandinavian Political Studies*. Vol. 21 No. 4. 1998.

Molina, Carlos (2016). 'Entrevista sobre el Observatorio del AA entre UE-CA y sus avances'. Interviewer: Andrés Morales Interiano in the Institute of Central American Studies (ICAES), in Coronado, Costa Rica on 25 April, 2016.

Morse, J. M. (2011). 'The Politics of Evidence'. In Denzin, Norman K. and Lincoln, Yvonna S. (eds.) (2011). *The Sage Handbook of Qualitative Research* 4th edition. Thousand Oaks, CA: Sage

Nelson, Cary; Paula A. Treichler; and Lawrence Grossberg (Eds.) (1992). *Cultural studies*. Routledge.

Nugent, Neill (2010). *The Government and Politics of the European Union* 7th Edition. Palgrave Macmillan.

Nye, Joseph S. (1968). *International Regionalism*. Boston: Little, Brown and Company.

Obradovic, Leigh (2012). 'The role of bilateral and regional trade agreements in the modernisation of taxation and revenue policy in developing economies'. *World Customs Journal*, 6(2), 73-92.

O'Brien, Robert; Williams, Marc (2010). *Global Political Economy*. 3rd Edition. Palgrave Macmillan, UK.

Observatorio CA-UE (2015). 'El Acuerdo hoy'. *Observatorio para el Acuerdo de Asociación entre Centro América y la Unión Europea*. Available at: <http://observatorioca-ue.com/negociacioneswerk.html> [Accessed 10 March 2016].

Ocampo, Fernando (2007). 'Organización de Centroamérica para la negociación del Acuerdo de Asociación CA-UE'. In Céspedes, Oswald and Flores, Juan José (ed.) (2008). *El Acuerdo de Asociación entre Centroamérica y la Unión Europea: Sus Tres Pilares*. San José – Academia de Centroamérica 2008.

Ocampo Fernando and Lizano, Eduardo (2009). 'El marco institucional de los países de la region centroamericana a la luz de la negociación de un Acuerdo de Asociación con la Unión Europea.' In Granados, Jaime; Lizano, Eduardo and Ocampo, Fernando (ed). (2009). *Un Puente para el crecimiento: Oportunidades y desafíos del Acuerdo de Asociación entre Centroamérica y la Unión Europea*. Banco Interamericano de Desarrollo, Academia de Centroamérica and Konrad-Adenauer-Stiftung, San José 2009.

OECD (1997). 'Thematic Review of the Transition from Initial Education to Working Life, Czech Republic: Background Report'. *OECD*. Available at: <https://www.oecd.org/czech/1908234.pdf> [Accessed 1 April 2016].

Opatrný, Josef (2011). 'Czechoslovak – Latin American Relations: 1945 – 1989'. *Research rm 07/02/11, 'Československo a Latinská Amerika (1945-1989), with the support of the Ministry of Foreign Affairs of the Czech Republic and Charles University Prague*. Available at: <http://static.cejiss.org/data/uploaded/1392738276470076/Article01.pdf> [Accessed 15 May 2016].

- Orduna Diez, Pilar (1992). 'Economía Política y Política Económica: Una simbiosis metodológica'. Cuadernos de *Estudios Empresariales*, n.0 2, 131-146, Editorial Complutense, Madrid, 1992.
- Osterlof Obregón, Doris. (ed.) (2008). *América Latina y la Unión Europea: Una integración esperanzadora pero esquiva*. San José: FLACSO.
- Ostry, Sylvia (2001). 'The Multilateral Trading System'. Available in Brewer, Thomas L.; Rugman, Alan M. (ed.) (2001). *The Oxford Handbook of International Business*. Oxford University Press In. New York, 2001. Pp. 232-258.
- Pacheco, Amparo (2005). 'Ventajas para Costa Rica en la firma de un Tratado de Libre Comercio con la Unión Europea'. In Rubio Ríos, Arnoldo (Ed.) (2005). *Estudios Europeos e Integración Regional*. Universidad Nacional de Costa Rica, August, 2005. Pp. 202-206.
- Pavcnik, Nina (2002). 'Trade Liberalization, Exit, and Productivity Improvements: Evidence from Chilean Plants'. *The Review of Economic Studies*, 69(1), 245-276.
- Persson, T., & Tabellini, G. E. (2000). *Political economics: explaining economic policy*. MIT press.
- Peterson, John and Shackleton, Michael (2006). *The Institutions of the European Union 2nd edition*. Oxford University Press.
- Pickles, John, & Smith, Adrian (Eds.) (1998). *Theorizing transition: the political economy of post-communist transformations*. Routledge - London.
- Psychogiopoulou, Evangelia (2015). 'Culture in the EU External Economic Relations'. Article 14, Pp. 229 - 245 in Vadi, Valentina and de Witte, Bruno (2015). *Culture and International Economic Law*. Routledge, New York.
- Ravenhill, John (2011). *Global Political Economy*. 3rd Edition. Oxford University Press, Published in the United States, New York.
- Rivera, Luis and Rojas-Romagosa, Hugo (2007). 'Economic Implications of an Association Agreement between the European Union and Central America'. *IIDE – Institute for International and Development Economics*. Discussion paper 200708-01 October 2007.
- Rodrik, Dani (1986) 'Tariffs, Subsidies and Welfare with Endogenous Policy'. *Journal of International Economics*, 21, 285-299.
- Rodrik, Dani (1995) 'The Political Economy of Trade Policy,' in G. Grossman and K. Rogoff (eds.), *Handbook of International Economics*, vol. 3, Amsterdam; North- Holland.
- Roy, Joaquín (ed.) (2011). *Después de Santiago: Integración Regional y Relaciones Unión Europea – América Latina*. Miami: European Union Centre.
- Rubio Ríos, Arnoldo (Ed.) (2005). *Estudios Europeos e Integración Regional*. Universidad Nacional de Costa Rica, August, 2005.
- Rueda-Junquera, Fernando (2009). 'Economic Relations between the European Union and Central America: Building a Bi-Regional Association'. Jean Monnet/Robert Schuman Paper Series, Vol. 9 No. 11, October 2009. Published with the support of the EU Commission.

Rugman, Alan M. and Verbeke, Alain (1998). 'Multinational Enterprises and Public Policy'. *Journal of International Business Studies* 29(1), 1998: 115-136.

Sbragia, A. (2010). 'The EU, the US, and Trade Policy: Competitive Interdependence in the Management of Globalization'. *Journal of European Public Policy*, Vol. 17, n° 3, pp. 368-382

School of International Relations – UNA (2008). *Información y Debate sobre el Acuerdo de Asociación con la Unión Europea – Serie: Diálogos 1*. Escuela de Relaciones Internacionales – Universidad Nacional de Costa Rica

Screpanti, Ernesto & Zamagni, Stefano (2005). *An Outline of the History of Economic Thought*. OUP Oxford.

Scruton, Roger (2007). *The Palgrave Macmillan Dictionary of Political Thought*. Palgrave Macmillan.

Secretaría de Industria y Comercio, República de Honduras (2012). 'Acuerdo de Asociación entre Centroamérica y la Unión Europea: "Documento Explicativo de los Resultados de la Negociación del Pilar Comercial (Parte IV – Comercio)"'. Secretaría de Industria y Comercio, República de Honduras, Tegucigalpa, August 2012.

Senate of the Parliament of the Czech Republic (2013). 'Stenozáznam z 1. dne 6. Schůze'. *Senát – Documents and Legislature*. Available at: <http://www.senat.cz/xqw/xervlet/psssenat/hlasovani?action=steno&O=9&IS=5023&D=20.03.2013#b13811> [Accessed 13 May 2016].

Shaw, Timothy M. and Söderbaum, Fredrik (eds.) (2003). *Theories of New Regionalism*. A Palgrave Reader, Basingstoke: Palgrave.

SICE (2016a). 'Legal Framework of Central American Integration'. *Organization of American States – SICE – Foreign Trade Information System*. Available at: http://www.sice.oas.org/SICA/instmt_e.asp [Accessed 13 January 2016].

SICE (2016b). 'Central America – European Union'. *Organization of American States – SICE – Foreign Trade Information System*. Available at: http://www.sice.oas.org/TPD/CACM_EU/CACM_EU_e.ASP [Accessed 13 January 2016].

SIECA (2012). 'Relaciones comerciales entre Centroamérica y la Unión Europea'. *Secretaría de Integración Económica*. Central America, June, 2012. Available at: <http://www.sieca.int/PortalData/Documentos/BF515F84-F9C1-4AAA-81F4-EFD189A37A0E.pdf> [Accessed 13 January 2016].

SIECA (2015). 'Informe Económico Regional 2015'. *Secretaría de Integración Económica Centroamericana, Dirección de Inteligencia Económica*. Guatemala. September 2015

Sistema de Estadísticas de Comercio de Centroamérica (2016). *SIECA*. Central American Trade Database. Available at: <http://estadisticas.sieca.int> [Accessed 13 May 2016].

Smith, Adam (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations*. New York: Modern Library.

- Söderbaum, Fredrik, & Granit, J. (2014). *The Political Economy of Regionalism: The Relevance for International Waters and the Global Environment Facility: A STAP Issues Paper*. Global Environment Facility, Washington, D.C.
- Spar, Debora L. (2001). 'National Policies and Domestic Politics'. Available in Brewer, Thomas L.; Rugman, Alan M. (ed.) (2001). *The Oxford Handbook of International Business*. Oxford University Press In. New York, 2001. Pp. 206-231
- Staley, Eugene (1939). *World Economy in transition: Technology vs. Politics, Laissez-Faire vs. Planning, Power vs. Welfare*. New York: Council on Foreign Relations.
- Stern, Robert M. (Ed.) (2011). *Comparative Advantage, Growth, and the Gains from Trade and Globalization: A Festschrift in Honor of Alan V. Deardoff*. World Scientific.
- Stewart, Ethelbert (1910). 'Trade Agreements'. *The Annals of the American Academy of Political and Social Science*. Vol. 36, No. 2, The Settlement of Labor Disputes (Sep., 1910), pp. 67-78.
- Stevens, Christopher (2000). 'Trade with developing Countries'. Available in: Wallace, Helen; and Wallace, William (ed.) (2000). *Policy-Making in the European Union*. Fourth Edition. Oxford University Press. Pp. 401-426.
- Strange, Susan (1970). 'International Economics and International Relations: a case of mutual neglect'. *International Affairs*, 46 (2), 304-315.
- Strange, Susan (Ed.). (2010). *Paths to International Political Economy* (Routledge Revivals). Routledge.
- Stubbs, Richard & Underhill, Geoffrey R. D. (2006). *Political Economy and the Changing Global Order* (3rd edition). Oxford University Press, 2006.
- Tooze, Roger (1984). 'Perspectives and Theory: A Consumers' Guide'. In Strange, Susan (Ed.). (2010). *Paths to International Political Economy* (Routledge Revivals). Routledge.
- Trócaire (2008). 'El Acuerdo de Asociación entre Centroamérica y la Unión Europea: ¿Qué es y cuál será su posible impacto en la reducción de la pobreza y el desarrollo sostenible en Centroamérica?' Trócaire.org – Working for a Just World, April 2008. Ireland.
- Umaña Vargas, Jorge (2011). *El Acuerdo de Asociación Unión Europea-Centroamérica: una herramienta para la integración centroamericana*. San José: ISOLMA.
- União Geral dos Trabalhadores (2009). 'Acuerdo de Asociación UE-CA'. UGT – Sindicalismo Cidadão, Ético e Inovador. Available through: <http://www.ugt.org.br/index.php/post/1595-ACUERDO-DE-ASOCIACION-UE-CA> [Accessed November 2015].
- Vadi, Valentina and de Witte, Bruno (2015). *Culture and International Economic Law*. Routledge, New York.
- Valverde, Freddy and Vonderková, Ivana (2007). 'La República Checa y sus relaciones con países de Centroamérica'. *Radio Praha*. Published 28.09.2007. Available at: <http://www.radio.cz/es/rubrica/especiales/la-republica-checa-y-sus-relaciones-con-paises-de-centroamerica> [Accessed December 2015].

- Van Marrewijk, Charles; Ottens, Daniel & Schueller, Schueller (2012). *International Economics* Second Edition. Oxford University Press.
- Van Vooren, Bart and Wessel, Ramses A. (2014). *EU External Relations Law: Text, Cases and Materials*. Cambridge University Press.
- Väyrynen, Raimo (2003). 'Regionalism: Old and New'. *International Studies Review*. Vol. 5, No. 1 (Mar., 2003), pp. 25-51
- Vicarioli, Velia G. (2011). 'Oportunidades y desafíos del Acuerdo de asociación con la Unión Europea'. *Revista de Ciencias Jurídicas* N. 125 (13-30) May-August 2011, San José.
- Wallace, Helen; and Wallace, William (ed.) (2000). *Policy-Making in the European Union*. Fourth Edition. Oxford University Press.
- Wallace, Helen (2000a). 'The Institutional Setting'. Available in: Wallace, Helen; and Wallace, William (ed.) (2000). *Policy-Making in the European Union*. Fourth Edition. Oxford University Press. Pp. 3-38
- Wallace, Helen (2000b). 'The Policy Process' Wallace, Helen; and Wallace, William (ed.) (2000). *Policy-Making in the European Union*. Fourth Edition. Oxford University Press. Pp. 39-64.
- Wallace, Helen (2000c). 'Analysing and Explaining Policies'. Wallace, Helen; and Wallace, William (ed.) (2000). *Policy-Making in the European Union*. Fourth Edition. Oxford University Press. Pp. 65-81.
- Walton, R. E., & McKersie, R. B. (1965). *A Behavioral Theory of Labor Negotiations: An Analysis of a Social Interaction System*. Cornell University Press.
- Weale, Albert (1997). 'Democratic Theory and the Constitutional Politics of the European Union'. *Journal of European Public Policy*, Vol. 4 No. 4, pp. 665-669..
- Weber, Max (1978). *Economy and Society: An Outline of Interpretive Sociology*. 2 vols. Guenther Roth and Claus Wittich, eds. Berkeley: University of California Press.
- Weingast, B. R., & Wittman, D. (2008). *The Oxford Handbook of Political Economy*. Oxford University Press.
- Wessel, R.A. (2011), 'The Legal Framework for the Participation of the European Union in International Institutions', in: *Journal of European Integration*, Vol. 33, n° 6, pp. 621-635
- Whalley, John (1998). 'Why Do Countries Seek Regional Trade Agreements?'. Frankel, Jeffrey A. (ed.) (1998) *The Regionalization of the World Economy*. University Chicago Press. Pp. 63-90.
- Woolcock, Stephen (2000). 'European Trade Policy'. Available in Wallace, Helen; and Wallace, William (ed.) (2000). *Policy-Making in the European Union*. Fourth Edition. Oxford University Press. Pp. 373-399.
- Woolcock, Stephen (2010). *The Treaty of Lisbon and the European Union as an Actor in International Trade*. Brussels: Ecipe.

- The World Bank (2013). 'Central America, Expanding Trade Horizons In Order to Diversify'. *The World Bank Group*. Published February 7, 2013. Available at: <http://www.worldbank.org/en/news/feature/2013/02/07/diversificacion-en-centroamerica> [Accessed 13 January 2016].
- The World Bank (1996). 'World Development Report: From Plan to Market'. *IBRD – The World Bank*. Oxford University Press.
- The World Trade Organisation (1996a). 'Trade Policy Review: The Czech Republic - Report by the Government'. *WTO* – 12 January 1996.
- The World Trade Organisation (1996b). 'Trade Policy Review: The Czech Republic - Report by the Secretariat'. *WTO* – 7 February 1996.
- The World Trade Organisation (2001a). 'Trade Policy Review: The Czech Republic - Report by the Government'. *WTO* – 19 September 2001.
- The World Trade Organisation (2001b). 'Trade Policy Review: The Czech Republic - Report by the Secretariat'. *WTO* – 19 September 2001.
- WTO (2014). 'Report to the TPRB from the Director-General on Trade-Related Developments'. *WTO – Trade Policy Review Body*. (Mid-November 2013 to mid-May 2014). 27 June, 2014.
- WTO (2016). 'What is the World Trade Organization?'. *wto.org*. Available at: https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact1_e.htm [Accessed 13 April 2016].
- Young, A.R., Peterson, J. (2006), 'The EU and the New Trade Politics', in: *Journal of European Public Policy*, Vol. 13, n° 6, pp. 795-814.
- Zartman, I. William (1978). *The Negotiation Process: Theories and Applications*. Beverly Hills, CA: Sage Publications.

Appendices

APPENDIX 1. Questionnaire by the MITCR about Trade Agreements

Jednání o dvoustranných obchodních dohodách mezi EU
A **INDÍÍ, KOREJSKOU REPUBLIKOU, ASEANEM, ANDSKÝM SPOLEČENSTVÍM,**

zeměmi Střední Ameriky

a Čínou, Ruskem a Ukrajinou

dotazník pro formulování rámcových pozic

Vypracované odpovědi na níže uvedené otázky podle jednotlivých teritoriálních relací zašlete prosím do **28. února 2007** na e-mailovou adresu dvodotaznik@mpo.cz

1. Které **Vaše výrobky/skupiny výrobků** (nebo výrobky/skupiny výrobků produkovaných firmami Vaší asociace) **mají z hlediska vývozu výrazný potenciál pro růst exportu?**

2. Představují současnou překážku pro zvyšování Vašeho exportu

⇒ **výše celních sazeb?**

- v případě, že ano, jaké je současné celní zatížení a jaké úrovně by bylo potřeba dosáhnout?

⇒ **jiné než celní bariéry**, např.

- opatření na ochranu obchodu (např. anti-dumpingové clo)
- technické normy a standardy
- sanitární a fyto-sanitární opatření
- pravidla o původu zboží
- nesprávná aplikace celních procedur (např. nesprávné stanovení celní hodnoty, nejednotná aplikace celních předpisů, administrativní náročnost celního řízení apod.)
- diskriminační praktiky v přístupu k vládním zakázkám (např. upřednostňování tuzemských subjektů před zahraničními, diskriminace ve srovnání s ostatními členy EU apod.)

- u každé z výše existujících překážek popište, jaké konkrétní opatření by mělo být odstraněno.

⇒ **legislativní normy** v daných teritoriích, např.

- vymahatelnost pohledávek
- úpadkové právo
- právní předpisy pro podnikání
- odlišné daňové zatížení resp. cenové znevýhodňování zahraničních firem

Které?

3. Které Vámi nabízené služby mají z hlediska vývozu výrazný potenciál pro růst exportu?

◦ Které překážky zvýšení objemu vývozu služeb brání?

◦ Které je nutno odstranit?

4. Má Vaše firma zájem v zemi investovat?

◦ V případě, že ano, existují překážky, jejichž odstranění by Vaše rozhodování usnadnilo?

5. Existují výrobky či skupiny výrobků, u nichž další otevírání trhu EU identifikujete jako negativní problém?

6. Existují výrobky či skupiny výrobků, jejichž liberalizace v přístupu na trh EU by měla být urychlena, resp. realizována v první fázi vzájemného snižování překážek?

7. Existují nějaká opatření v uvedených zemích, jejichž zrušení podmiňuje snížení ochrany na trhu EU (např. zrušení vývozních cel na vývoz šrotu jako podmínka pro další liberalizaci dovozu ocelářskými výrobky)?

8. Jaká je podle Vašich zkušeností úroveň ochrany duševního vlastnictví v jednotlivých zemích?

9. Byly dovozy/vývozy Vaší firmy předmětem opatření na ochranu obchodu (antidumpingové clo, protisubvenční clo nebo ochranné opatření) z/do uvedených teritorií?

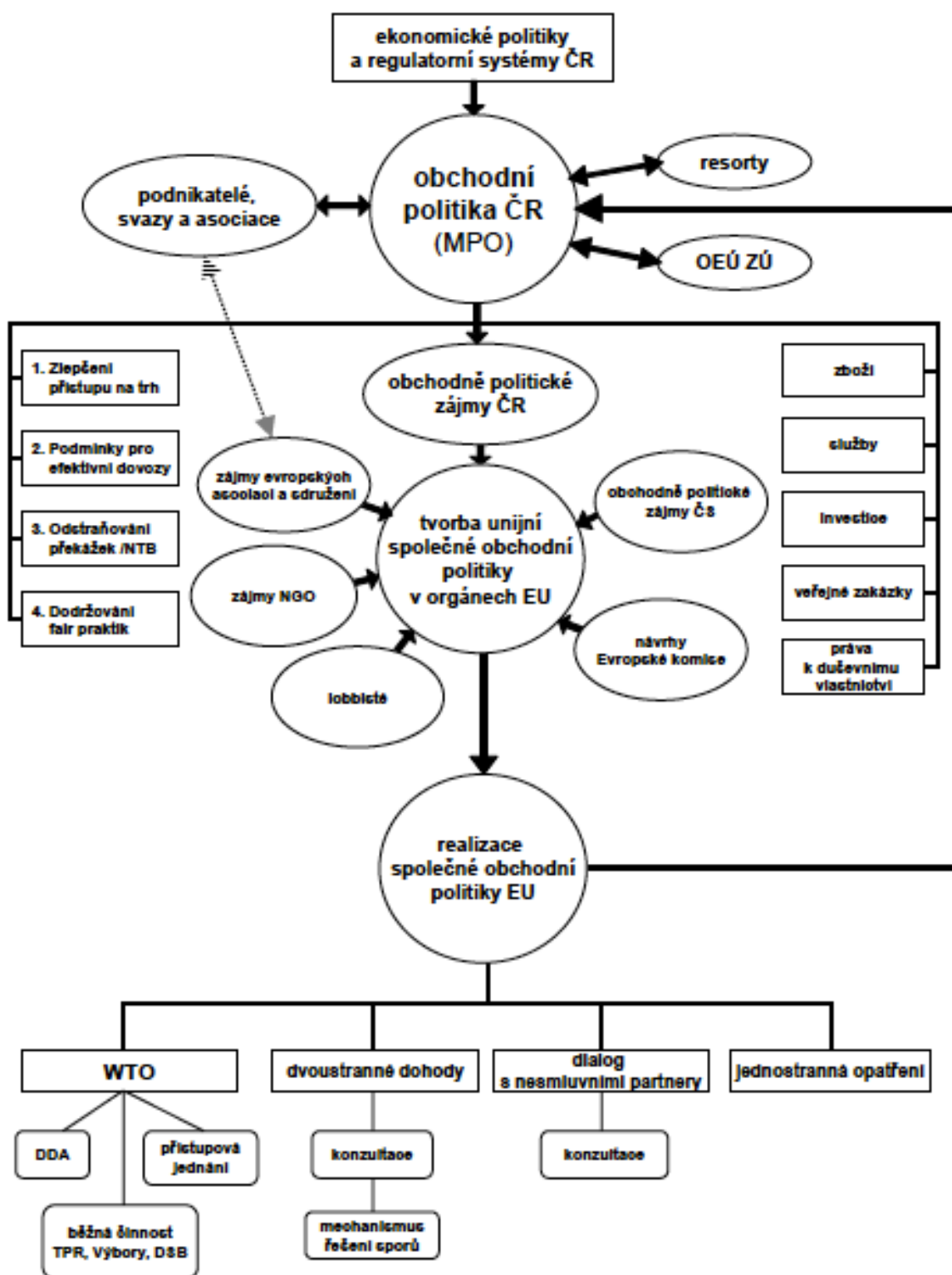
- V případě, že ano, lze kvantifikovat dopady těchto opatření?

- Jaký je Váš názor na užívání antidumpingových opatření jako ochranného nástroje obchodu k prosazování fair-trade?

10. Které další prvky by měly být prosazovány v rámci fair-trade?

Vámi vyplněný dotazník zašlete prosím do **28. února 2007** na e-mailovou adresu
dvodotaznik@mpo.cz

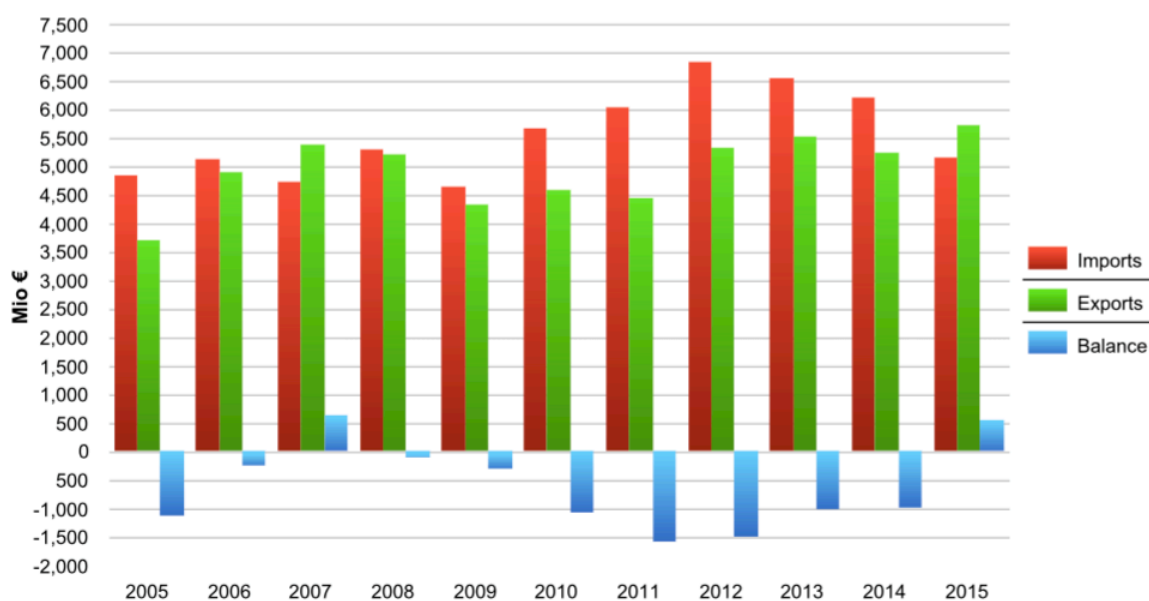
Mapa obchodní politiky ČR jako člena Evropské unie



APPENDIX 3. Chart presented by the European Commission in EU, Trade with CA (6) (2016d)

Total goods: EU Trade flows and balance, annual data 2005 - 2015

Source Eurostat Comext - Statistical regime 4



APPENDIX 4. Table presented by the European Commission EU, Trade with CA (6) (2016d)

Total goods: EU Trade flows and balance

Source Eurostat Comext - Statistical regime 4

Period	Imports			Exports			Balance	Total trade
	Value Mio €	% Growth*	% Extra-EU	Value Mio €	% Growth*	% Extra-EU	Value Mio €	Value Mio €
2005	4,835		0.4	3,715		0.4	-1,120	8,549
2006	5,132	6.1	0.4	4,898	31.9	0.4	-234	10,030
2007	4,738	-7.7	0.3	5,377	9.8	0.4	640	10,115
2008	5,311	12.1	0.3	5,220	-2.9	0.4	-91	10,532
2009	4,637	-12.7	0.4	4,338	-16.9	0.4	-299	8,975
2010	5,654	21.9	0.4	4,597	6.0	0.3	-1,056	10,251
2011	6,046	6.9	0.4	4,457	-3.1	0.3	-1,589	10,503
2012	6,821	12.8	0.4	5,316	19.3	0.3	-1,505	12,137
2013	6,550	-4.0	0.4	5,529	4.0	0.3	-1,021	12,078
2014	6,211	-5.2	0.4	5,243	-5.2	0.3	-968	11,454
2015	5,169	-16.8	0.3	5,723	9.2	0.3	554	10,893

% Growth: relative variation between current and previous period

% Extra-EU: imports/exports as % of all EU partners i.e. excluding trade between EU Member States

APPENDIX 5. Table of Imports and Exports of the Czech Republic with CA using SEC Data

COUNTRY	2004		Total	2005		Total
	Export from CzR	Import to CzR		Export from CzR	Import to CzR	
Central America	10,010	816	10,825	11,482	1,343	12,825
Costa Rica	939	205	1,144	2,187	243	2,429
El Salvador	1,419	128	1,547	5,203	261	5,465
Guatemala	2,612	16	2,627	1,831	20	1,852
Honduras	1,938	456	2,394	456	717	1,174
Nicaragua	214	11	224	177	11	188
Panama	2,889	0	2,889	1,627	90	1,717

COUNTRY	2004		Total	2005		Total
	Export from CzR	Import to CzR		Export from CzR	Import to CzR	
Central America	10,010	816	10,825	11,482	1,343	12,825
Costa Rica	939	205	1,144	2,187	243	2,429
El Salvador	1,419	128	1,547	5,203	261	5,465
Guatemala	2,612	16	2,627	1,831	20	1,852
Honduras	1,938	456	2,394	456	717	1,174
Nicaragua	214	11	224	177	11	188
Panama	2,889	0	2,889	1,627	90	1,717

COUNTRY	2006		Total	2007		Total
	Export from CzR	Import to CzR		Export from CzR	Import to CzR	
Central America	7,873	2,901	10,774	11,708	1,506	13,214
Costa Rica	1,178	899	2,076	2,800	225	3,026
El Salvador	2,143	405	2,548	2,374	124	2,498
Guatemala	1,132	25	1,157	3,276	38	3,314
Honduras	1,096	1,488	2,584	1,097	902	1,999
Nicaragua	390	84	475	415	134	549
Panama	1,935	0	1,935	1,745	83	1,828

COUNTRY	2008		Total	2009		Total
	Export from CzR	Import to CzR		Export from CzR	Import to CzR	
Central America	9,047	2,771	11,818	7,265	2,386	9,650
Costa Rica	2,154	155	2,309	1,445	128	1,572
El Salvador	931	625	1,556	1,360	237	1,597
Guatemala	1,709	87	1,796	1,606	29	1,635
Honduras	2,268	1,863	4,130	796	1,898	2,693
Nicaragua	596	41	638	544	95	639
Panama	1,389	0	1,389	1,515	0	1,515

COUNTRY	2010		Total	2011		Total
	Export from CzR	Import to CzR		Export from CzR	Import to CzR	
Central America	11,900	2,654	14,555	13,079	7,248	20,328
Costa Rica	2,524	77	2,601	2,347	11	2,358
El Salvador	3,191	325	3,516	2,493	542	3,035
Guatemala	662	22	684	1,827	23	1,850
Honduras	2,591	2,192	4,783	769	6,622	7,391
Nicaragua	1,004	38	1,042	1,816	50	1,866
Panama	1,929	0	1,929	3,828	0	3,828

COUNTRY	2012			2013		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	14,751	5,068	19,819	21,143	4,037	25,180
Costa Rica	2,833	42	2,875	3,511	176	3,687
El Salvador	1,269	48	1,317	11,457	200	11,656
Guatemala	488	63	550	945	117	1,062
Honduras	1,161	4,871	6,033	1,554	3,484	5,038
Nicaragua	1,317	44	1,362	1,763	34	1,797
Panama	7,683	0	7,683	1,913	26	1,939

COUNTRY	2014			2015		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	64,485	4,512	68,997	41,747	3,334	45,081
Costa Rica	7,851	95	7,946	27,657	61	27,718
El Salvador	1,864	152	2,016	3,543	168	3,711
Guatemala	1,635	249	1,883	1,807	6	1,813
Honduras	2,976	3,948	6,923	4,121	2,806	6,927
Nicaragua	2,246	68	2,314	2,309	87	2,396
Panama	47,914	0	47,914	2,310	206	2,517

APPENDIX 6. Table of Imports and Exports of the Czech Republic with CA using MADb Data

COUNTRY	2002			2003		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	29,847,694	266,817,933	296,665,627	32,230,150	176,601,008	208,831,158
Costa Rica	2,131,299	236,475,250	238,606,549	1,836,677	154,849,560	156,686,237
El Salvador	18,080,406	11,267,528	29,347,934	21,718,912	9,152,836	30,871,748
Guatemala	3,727,362	427,835	4,155,197	3,087,717	278,753	3,366,470
Honduras	1,495,134	1,458,613	2,953,747	1,161,084	1,321,046	2,482,130
Nicaragua	203,940	385,006	588,946	111,258	77,879	189,137
Panama	4,209,553	16,803,701	21,013,254	4,314,502	10,920,934	15,235,436

COUNTRY	2004			2005		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	26,780,939	94,789,655	121,570,594	24,877,013	79,595,492	104,472,505
Costa Rica	2,184,368	59,228,789	61,413,157	2,290,214	22,707,918	24,998,132
El Salvador	15,711,123	23,604,689	39,315,812	11,232,980	32,222,808	43,455,788
Guatemala	3,177,630	99,562	3,277,192	2,897,080	64,687	2,961,767
Honduras	2,035,842	1,060,947	3,096,789	1,482,231	1,096,183	2,578,414
Nicaragua	337,764	48,455	386,219	129,479	34,392	163,871
Panama	3,334,212	10,747,213	14,081,425	6,845,029	23,469,504	30,314,533

COUNTRY	2006			2007		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	20,481,777	20,896,038	41,377,815	102,441,998	21,970,042	124,412,040
Costa Rica	1,848,457	5,480,995	7,329,452	4,781,638	9,851,856	14,633,494
El Salvador	6,422,668	13,107,302	19,529,970	30,233,059	10,602,715	40,835,774
Guatemala	4,038,859	81,152	4,120,011	4,571,920	130,060	4,701,980
Honduras	1,660,833	1,937,991	3,598,824	2,233,988	1,077,230	3,311,218
Nicaragua	278,560	40,249	318,809	237,922	225,993	463,915
Panama	6,232,400	248,349	6,480,749	60,383,471	82,188	60,465,659

COUNTRY	2008			2009		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	57,786,085	18,376,965	76,163,050	46,971,766	6,852,728	53,824,494
Costa Rica	4,289,813	5,390,326	9,680,139	4,871,335	952,122	5,823,457
El Salvador	35,767,637	10,148,844	45,916,481	32,076,866	2,013,779	34,090,645
Guatemala	2,887,734	158,188	3,045,922	2,589,775	209,503	2,799,278
Honduras	2,760,011	1,888,811	4,648,822	2,137,224	2,224,088	4,361,312
Nicaragua	158,256	63,406	221,662	413,379	50,597	463,976
Panama	11,922,634	727,390	12,650,024	4,883,187	1,402,639	6,285,826

COUNTRY	2010			2011		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	71,122,196	9,166,124	80,288,320	68,038,660	13,222,000	81,260,660
Costa Rica	6,540,699	203,147	6,743,846	4,077,528	86,375	4,163,903
El Salvador	48,291,583	3,641,161	51,932,744	37,913,749	7,476,039	45,389,788
Guatemala	3,949,791	43,668	3,993,459	4,185,996	34,728	4,220,724
Honduras	3,833,210	3,626,060	7,459,270	8,261,859	5,008,174	13,270,033
Nicaragua	317,486	95,168	412,654	415,951	136,942	552,893
Panama	8,189,427	1,556,920	9,746,347	13,183,577	479,742	13,663,319

COUNTRY	2012			2013		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	71,534,014	17,540,499	89,074,513	81,916,256	19,719,788	101,636,044
Costa Rica	5,185,887	110,973	5,296,860	7,052,923	179,796	7,232,719
El Salvador	36,402,829	11,193,914	47,596,743	42,770,699	14,144,726	56,915,425
Guatemala	4,577,079	179,822	4,756,901	9,643,786	212,829	9,856,615
Honduras	11,230,630	5,852,345	17,082,975	10,807,879	4,836,998	15,644,877
Nicaragua	360,300	81,049	441,349	733,762	155,327	889,089
Panama	13,777,289	122,396	13,899,685	10,907,207	190,112	11,097,319

COUNTRY	2014			2015		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	95,198,095	21,346,234	116,544,329	71,687,241	17,853,047	89,540,288
Costa Rica	4,517,535	6,193,739	10,711,274	6,542,356	1,120,599	7,662,955
El Salvador	38,572,507	10,604,352	49,176,859	42,343,439	10,719,151	53,062,590
Guatemala	10,061,569	291,413	10,352,982	6,801,892	442,473	7,244,365
Honduras	7,818,750	3,917,575	11,736,325	9,787,463	4,270,764	14,058,227
Nicaragua	1,022,397	247,290	1,269,687	1,504,986	338,786	1,843,772
Panama	33,205,337	91,865	33,297,202	4,707,105	961,274	5,668,379

APPENDIX 7. Table of Imports and Exports of the Czech Republic with CA using CSO Data

COUNTRY	2002			2003		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	28,028	249,959	277,987	36,434	198,105	234,539
Costa Rica	2,010	221,797	223,807	2,083	174,547	176,630
El Salvador	16,794	10,480	27,274	24,541	10,275	34,816
Guatemala	3,624	409	4,033	3,500	295	3,795
Honduras	1,407	1,391	2,798	1,309	1,411	2,720
Nicaragua	188	373	561	123	83	206
Panama	4,005	15,508	19,513	4,879	11,495	16,374

COUNTRY	2004			2005		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	32,771	212,679	245,450	30,778	136,071	166,849
Costa Rica	2,668	153,657	156,325	2,828	55,025	57,853
El Salvador	19,240	30,554	49,794	13,961	40,346	54,307
Guatemala	3,852	231	4,083	3,577	446	4,023
Honduras	2,478	1,821	4,299	1,805	2,151	3,956
Nicaragua	419	204	623	157	103	260
Panama	4,115	26,210	30,325	8,450	38,001	46,451

COUNTRY	2006			2007		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	25,803	93,449	119,252	142,191	94,920	237,111
Costa Rica	2,334	55,680	58,014	6,538	56,833	63,371
El Salvador	8,107	17,523	25,630	41,909	14,950	56,859
Guatemala	5,099	470	5,569	6,231	633	6,864
Honduras	2,108	3,575	5,683	3,063	2,116	5,179
Nicaragua	353	87	440	329	461	790
Panama	7,802	16,115	23,917	84,121	19,927	104,048

COUNTRY	2008			2009		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	84,081	104,103	188,184	66,283	86,101	152,384
Costa Rica	5,768	65,183	70,951	6,806	66,382	73,188
El Salvador	52,101	16,435	68,536	45,531	3,636	49,167
Guatemala	4,235	887	5,122	3,563	1,420	4,983
Honduras	4,097	4,850	8,947	2,980	4,232	7,212
Nicaragua	227	318	545	568	194	762
Panama	17,652	16,430	34,082	6,836	10,237	17,073

COUNTRY	2010			2011		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	94,092	123,937	218,029	94,786	159,220	254,006
Costa Rica	8,811	94,325	103,136	5,666	119,867	125,533
El Salvador	63,659	8,520	72,179	52,942	15,426	68,368
Guatemala	5,279	1,649	6,928	5,832	1,896	7,728
Honduras	5,088	5,733	10,821	11,524	10,649	22,173
Nicaragua	426	327	753	582	545	1,127
Panama	10,830	13,381	24,211	18,238	10,838	29,076

COUNTRY	2012			2013		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	91,945	352,784	444,729	108,651	479,127	587,778
Costa Rica	6,641	325,237	331,878	9,371	445,354	454,725
El Salvador	46,767	5,396	52,163	56,611	5,233	61,844
Guatemala	5,902	2,945	8,847	12,886	3,375	16,261
Honduras	14,421	11,871	26,292	14,343	11,873	26,216
Nicaragua	463	559	1,022	975	720	1,695
Panama	17,752	6,776	24,528	14,465	12,574	27,039

COUNTRY	2014			2015		
	Export from CzR	Import to CzR	Total	Export from CzR	Import to CzR	Total
Central America	126,326	379,291	505,617	79,627	384,676	464,303
Costa Rica	5,985	354,105	360,090	7,298	362,424	369,722
El Salvador	51,880	3,274	55,154	46,863	2,487	49,350
Guatemala	13,361	4,712	18,073	7,629	6,056	13,685
Honduras	10,353	9,099	19,452	10,870	6,934	17,804
Nicaragua	1,360	1,174	2,534	1,719	1,078	2,797
Panama	43,388	6,928	50,316	5,248	5,697	10,945

APPENDIX 8. List of important abbreviations used throughout the Text

Abbreviation -Term	Abbreviation -Term	Abbreviation -Term	Abbreviation -Term
AA – Association Agreement	EC – European Commission	ICC – International Criminal Court	PER – Political Economy of Regionalism
CA –Central America	EP – European Parliament	IPE – International Political Economy	PTA – Preferential Trade Agreement
CACM – Central American Common Market	EU – European Union	MADb – market Access Database	RKS-SS - Ministerial Coordination Group – Sector Group
CAFTA – DR – Central American Free Trade Agreement and the Dominican Republic	EU-CA AA – European Union and Central American Association Agreement	MFACR – Ministry of Foreign Affairs of the Czech Republic	SEC – Statistical System of Central American Trade
CARICOM – Caribbean Community	FDI – Foreign Direct Investment	MFN – Most favoured nation	SICA – Integration System of Central America
CCP – Common Commercial Policy	FTA – Free Trade Area	MITCR – Ministry of Industry and Trade of the Czech Republic	SIECA – Secretariat for Economic Integration of Central America
COREPER – Committee of Permanent Representatives in the EU	GAC – General Affairs Council	MNE – Multinational Enterprise	SPS – Sanitary and Phytosanitary
CSO – Czech Statistical Office	GATT – General Agreement on Trades and Tariffs	MS – Member State	TBT – Technical barriers to trade
CU – Customs Union	GATS – General Agreement on Trades and Services	NGO – non-governmental organisation	WMD – Weapons of Mass Destruction
EEAS – European External Action Service	GSP – General Scheme of Preferences	PDCA – Political Dialogue and Cooperation Agreement	WTO – World Trade Organisation