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Central America: A South African Foreign Policy Adventure

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Introduction

Global Insight aims to provide members of the policy community with concise but trenchant analyses of topical issues. Comments and suggestions are invited.

South Africa established official relations with various States in Central America from 1993 onwards, thereby establishing its post-Apartheid era outlooks on interactions with the region. South Africa's relations with Central America have received sparse attention, both in the South African government and academia, and have mostly been driven by economic relations that have remained low in general. The developments in the economic relations can be viewed as a result of the opening up and exposure to global markets in general than any real concerted focus on strategically developing these relations. Political and social relations have also seemed to stagnate; for example, the South African government and academic machinery have not begun to grapple with the recent protests leading to governmental resignations and consequent elections in Guatemala¹, natural disasters² and northward-migration, and the smuggling of many Central Americans³ particularly children affecting the region. These dynamics underline the persistent struggles and deficits faced by people and the states in the region, despite the increasing attention that these events draw to the region.

Despite existing formal and economic relations with states in Central America, the lack of a response or statement by South Africa's Department of International Relations and Cooperation (DIRCO) regarding the recent events in Guatemala presents Central America as a glaring vacuum in South Africa's foreign policy. This potentially means that South Africa's reactions to events in the region have no lasting effect as they are eclipsed by this vacuum. The reason for this is that no platform exists from which to navigate events and build on relations in the region. For example the non-articulation of perspectives and the lack of response or notice of the Guatemalan events in late August and early September 2015, could be indicative of a genuine lack of comprehensive strategy and diplomatic innovation, restricted reaction to events, shallow economic linkages, and popular issues that develop a temporary trend in the global system of actors. This perceived inaction from South Africa therefore needs to be considered as the result of a genuine lack of a comprehensive and coherent strategy that highlights the role that South Africa wishes to play in the region and how to pursue it. South Africa's lack of understanding of the region, its dynamics, its desired role, and its interests has resulted in an approach that can be described as reactive, and non-reactive in some instances. ⁴

This policy brief therefore scrutinises South Africa's approach to Central America and looks to develop and articulate its approach in the region that can also contribute to the development of a framework for a broader Latin American and Caribbean Agenda. South Africa's approach to the region should be carried out in an essential South African manner, seeking to underpin its behaviour and approaches on the principles of *Ubuntu* and *Batho Pele* that are intent on bringing a development-driven and people-centred character to South-South Cooperation (SSC) within the Global System of Actors.

BUILDING STRATEGY

A strategy that guides how South Africa interacts with regional dynamics, states and societal interests in Central America, and Latin America and the Caribbean in general is essential. If the belief exists that the relationship does not pursue any strategic economic or political interests, then it should at least aim to integrate and come to understand the respective region and territories through their own experiences and perspectives. South Africa should look to deepen relations and understand the limitations of this set of relations, thereby seeking stable but beneficial relations which do not seek to go beyond the threshold of what is possible. The establishment of such a platform essentially necessitates the development and articulation of a strategy that is focused on the region, as well as shape the necessary tracks of diplomacy required to apply these strategies.

The nature of Central American dynamics and the lack of a comprehensive set of South African foreign policy strategies in this regards, reflect a region that has been assigned a value that is not befitting of South Africa's interests and focus. This, however, may be one of the bigger miscalculations of South Africa's targeted areas of involvement, particularly if an arena is presented where South Africa can test the viability of its Strategic Culture, *Ubuntu Diplomacy* and the principle of *Batho Pele*, within the global South, and also within the global system of actors. The events in Guatemala should also remind Southern Africa and South Africa that the authority and participation of the people remains powerful in their response to perceived and experienced government apathy. The application of the principles of *Ubuntu* and *Batho Pele* in the Central American peninsula can be accomplished through the provision of aid, offering crisis assistance and development projects and cultural and academic exchanges. This could result in greater embedding within the societal and political imaginations of the broader Latin America and the region in particular. ⁵ Significantly, such an approach would necessitate a rethink on the envisioned focus of activities of the South African Development Partnership Agency (SADPA),

as well as how to operationalise *Ubuntu* Diplomacy.

There has also been a general lack of strategy and articulation around South Africa's economic diplomacy to the region, particularly the states that are South Africa's bigger trading partners in the region such as: Mexico, Panama and Costa Rica.⁶ South Africa has also established relations with Belize. However, no strategy has been formulated around the only English speaking state in the region. Any strategy's functionality rests on identification of challenges (flashpoints), the identification of limitations of the relationship, the identification and understanding of actors, definition of approach, and the definition of objectives to pursue. This will be discussed under the following three headings: the prevalent domestic and regional concerns in Central America; the pivotal States; and the limitations.

The Prevalent Domestic and Regional concerns in Central America

Some of the regional and domestic concerns that generally persist in the region are related to basic needs and survival such as unemployment, poverty, youth dissatisfaction and issues relevant to education.⁷ Furthermore, development issues are also prominent such as issues of mining and resource extraction, trade, infrastructure development, environmental concerns and natural disasters, and combating climate change. Lastly, these concerns are also security relevant such as the trade in Narcotics and other trafficking related issues, border disputes, reform of the UN, and the prohibition of private military security companies.

The Pivotal States

Identifying and shaping regional objectives around certain key and pivotal states is important to advancing South Africa's interests and cooperation with the region. One of the pivotal states, Belize, could provide a point of information-access to

regional dynamics, which can be leveraged better from the South African perspective, as it recognises English as its official language, despite the growing Spanish speaking population.⁸ This approach could allow for a quicker build of institutional memory, as well as an understanding of the dynamics of Central America, which may lead to increased and more effective engagement with the region.

The other pivotal states that feature as significant components for South Africa's relations with the region are: Mexico, Panama, Guatemala, and Costa Rica. Guatemala has recently experienced protests against corruption and has demonstrated that people and civil society groups have the ability to change circumstances that they are dissatisfied with. Therefore, Guatemala appears as a recent example of how governments can be forced to bend the knee, but more importantly, the events in Guatemala exposed South Africa's reactive approach to the region and consequently its relative lack of strategy towards the region.

The case for increased focus on Panama and Costa Rica is the deepening of established trade relationships, the development of people-to-people relations and the development of the region. Furthermore, the function that Panama serves as a significant gateway to the west coast of South, Central and North America in South Africa's relationship with Member States of the Pacific Alliance and various strategic concerns such as development-related issues concerning the Panama Canal, external subversion, and the reduction of violent crime and poverty. The relationship with Costa Rica has recently become inhibited by tensions over its import bans on avocados from South Africa and Mexico, among others⁹. This requires economic and technological solutions in addition to political management of the relationship, in order to prevent the same situation that occurred when South Africa's citrus exports were banned from entering the European Union (EU).

The relationship with Mexico is by far the largest in terms of trade, and also is the most developed and diverse of South Africa's relations with States of Central America. Mexico is also a fellow member of the G20, which identifies Mexico as a significant partner in the struggle for reduction of inequality and poverty, the removal of unfavourable trade impositions, the reform of the UN and world trade and financial institutions, within the broader framework of the global South and SSC. Conversely, it is also a relationship that is complicated and limited due to Mexico's membership and participation in the North American Free Trade Association (NAFTA), its domestic challenges and its capacity to integrate and develop the region.

The Limitations

That being said, limitations abound relating to issues such as geography, regions, distance, culture, exportation and importation composition, political nuances and the Intermestic¹ dynamics highly affected by domestic or in-border circumstances. For example, some of the flash points that stand out in the region, on which South Africa has not really articulated its position, are: (1) the border contestation between Belize and Guatemala¹⁰, (2) the Guatemala-Mexico border and the issues relevant to it¹¹, (3) migration patterns (brain drain and child migration, and extra-regional interests)¹², (4) Indigenous and Settler confrontations around land¹³, and (5) drug-trafficking and gangsterism¹⁴.

The manner in which South Africa and the world's history has unfolded through the process of a particular type of globalisation, has resulted in the adoption and use of the English language across the society in general, inclusive of the governance, sciences, education, economics, and other sectors. This is in contrast to every Central American State except for Belize, where the Spanish-language is the official language of these States thereby creating

the barrier of language which affects the cultural proximity of the peoples and institutions of these respective regions in general.

Another set of limitations is the Gross Domestic Product (GDP), market size, and market saturation of the respective States, as well as the distances separating these regions. Approximately 12 479 km of ocean separates South Africa from Central America, therefore the linking medium between these regions, particularly trade routes, are naturally either primarily through sea vessels or secondly via airfare. It must be noted, however, that the distance and time, particularly in respect of ICT services, can be reduced even further by increased usage of social media and ICT networks. The Trade Intensity Maps available via the South African Revenue Service (SARS) website, displays the trade deficits and surpluses of South Africa's trade relationships with the Central American states.¹⁵ There has been a general trend of deficits for South Africa in its trade relationship with Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua since 2010. These trade figures can be seen in Figures 1 and 2 below, compiled with figures from SARS statistics on South Africa's trade with Central America, depicting the trade in 2010 and 2014. Noting that South Africa has had a trade surplus with Belize, the figures display that its trade relationship has grown from R4.36 million in 2010, to R10.2 million in 2014¹⁶. Furthermore, the trade relationship with Panama appears to have a visible fluctuation from surplus to deficit, falling from a high in 2010 of R581.11 million to a deficit of R664.86 million in 2014¹⁷. Thus, South Africa's trade relationship with Central America represents a higher degree of satisfaction for these states than the other way around, which deserves some unpacking as to what this could mean for South Africa, and potentially what leverage it offers South Africa as it carries the burden of the relationship economically.

¹ Intermesticity refers to the connectivity of the Domestic and External realms

Figure 1: South African Exports and Imports: Central America (2010)

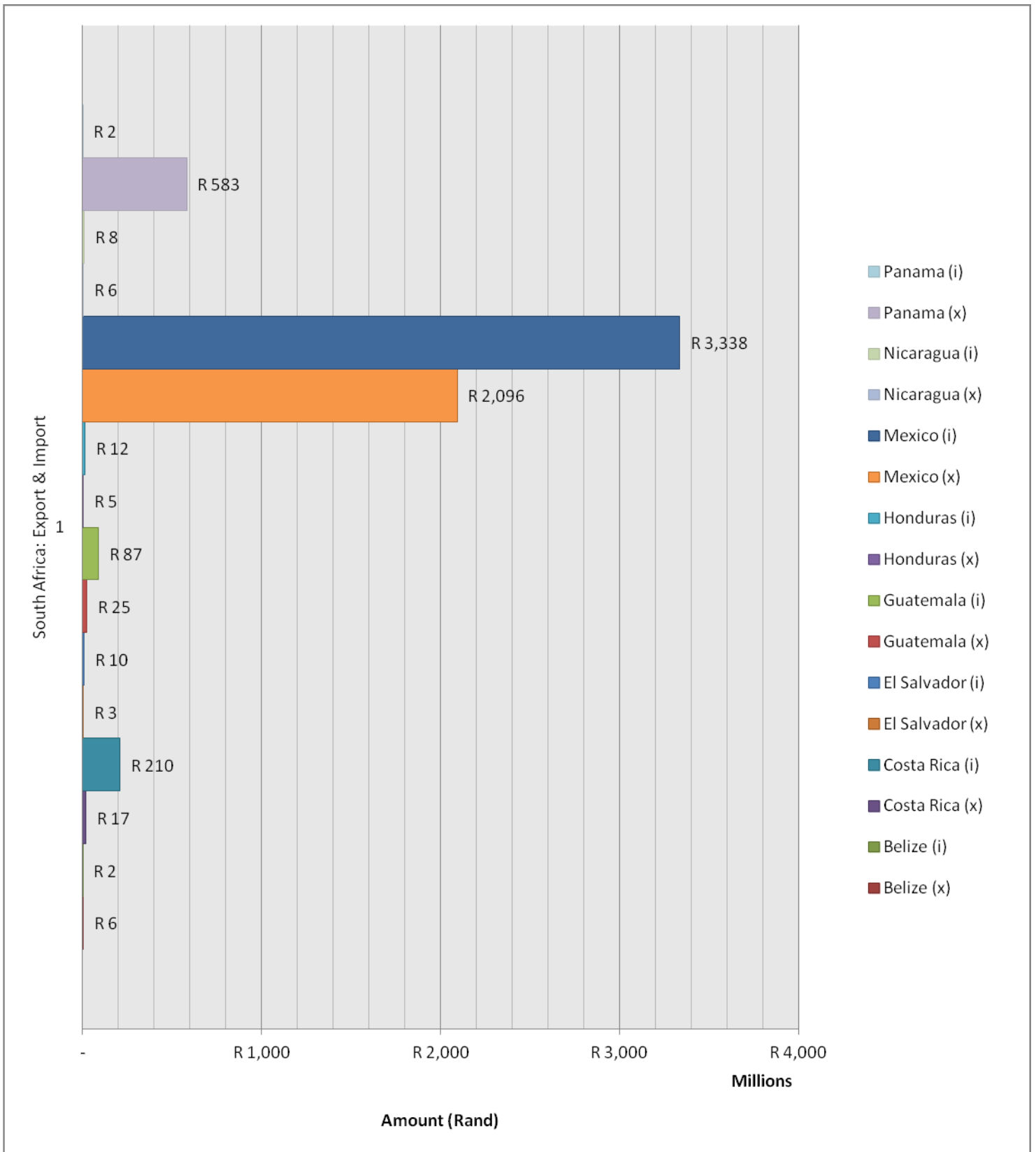
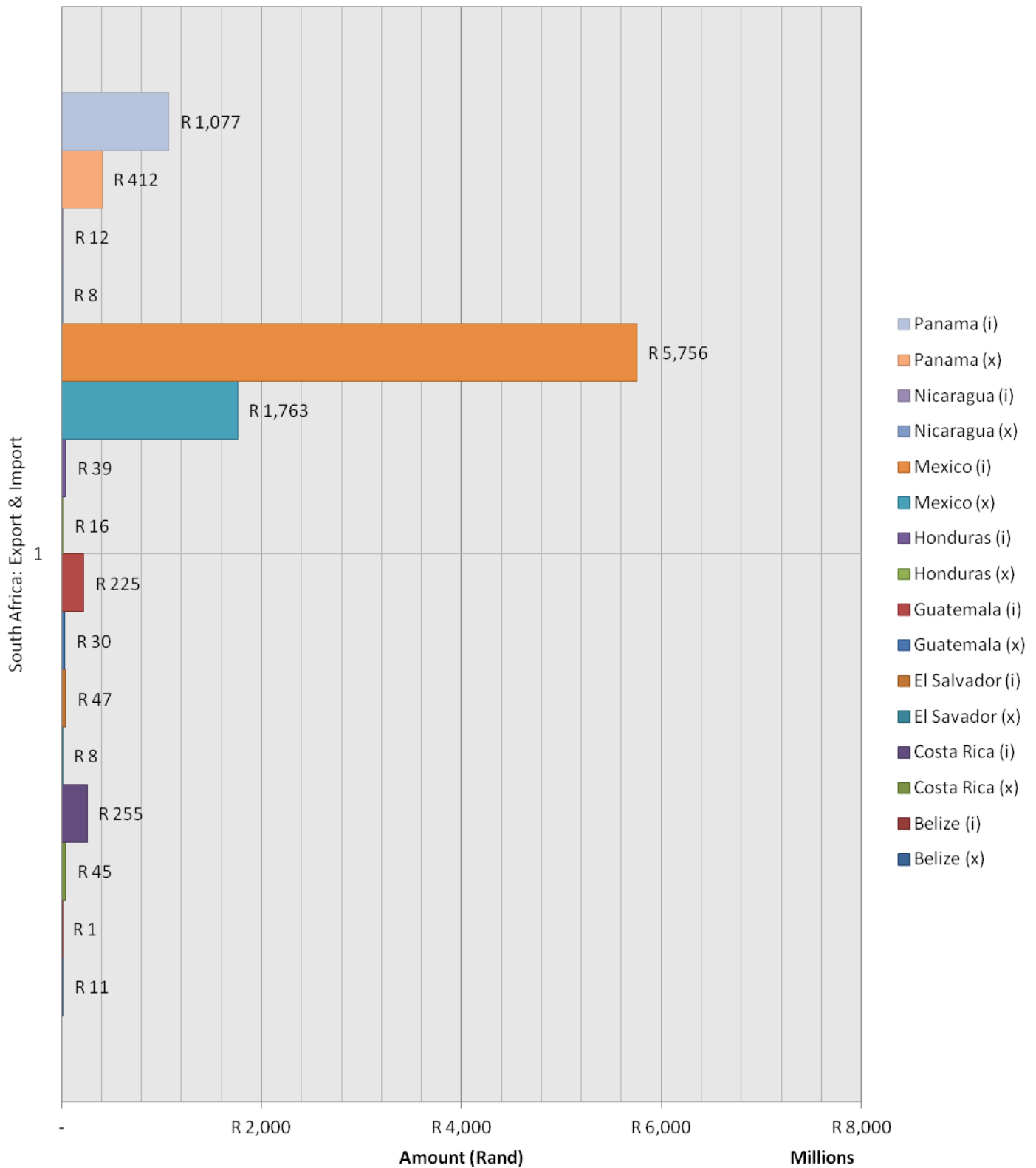


Figure 2: South African Exports and Imports: Central America (2014)



Source: SARS Website

Thus this relationship has to be considerate of the size of the respective GDP's that can be aimed at improvement of trade and social relations, the various market concerns such as areas where the market has already been saturated or experienced conflict (RSA vs Costa Rica's ban on South African Avocados), and where it could experience growth. Additionally, the distance between the regions necessitates talks about transportation costs, port efficiency and increased air-linkages. Lastly, the influences of the English and Spanish languages on the domestic circumstances of these respective states and societies need to be factored into South Africa's understanding of the region as they represent barriers that will need to be dealt with that hampers increased interconnectivity.

Recommendations

- *Gain an understanding of the dynamics of Central America.* In this regard, Belize could provide a point of information-access to Central American dynamics, which can be leveraged better from the South African perspective, as it is an English speaking state within the region
- *Understand the dynamics of regional organisations* such as Petrocaribe, SICA (Central American Integration System), the BCIE (Central American Bank for Economic Integration) and Central American Common Market (CACM)
- *Establish bilateral mechanisms with selected Central American States*, such as Panama, Costa Rica, Guatemala and Belize, in order to advance diplomatic and trade relations with the view of curbing issues causing friction such as the Avocado exportation bans on South Africa by Costa Rica

- *Set up forums to discuss the handling of migration and its effects*, as migration in the region does not only result in a "brain drain" due to the composition of the migrants (mostly children from Central America), but also results in increasing external actor involvement as these issues become more widely known and discussed, and as they continue to impact more on these actors
- *Establish joint or multilateral dialogues around issues of disaster mitigation and recovery and development cooperation*

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