

From Elections to Earthquakes

Reform and Participation in
Post-War El Salvador

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April 2001

Hemisphere Initiatives
Cambridge, Massachusetts

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We would like to thank all those who granted us time for interviews and provided other assistance. They are listed alphabetically in the 4th endnote. Claudia Ferreira Talero translated the report into Spanish with rigorous professionalism. Nick Thorkelson of Thorkelson Graphics, Somerville, Massachusetts (www.nickthorkelson.com) did the graphic design and layout. Kathy Sevilla did the graphics work for the Spanish edition. Rachel Farley of WOLA ably handled logistics for delivery. In El Salvador, as she has done many times in the past, Loly de Zúniga provided able help in making printing and delivery arrangements as well as scheduling interviews for the research. Emily Peck, Katherine Yih, and Jim Iffland proofread various sections of the report, and each of them helped under severe time constraints.

We gratefully acknowledge a grant from PRODECA that made this report possible and covered almost all of the expenses. WOLA covered travel expenses for Vickers and a portion of administrative costs. A por-

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tion of Spence's travel expenses was covered by a research grant from the John W. McCormack Institute at the University of Massachusetts Boston.

Final editorial content is the responsibility of Spence and Vickers and Hemisphere Initiatives. Additional copies of this report and other Hemisphere Initiatives reports (listed on the inside back cover) can be obtained from

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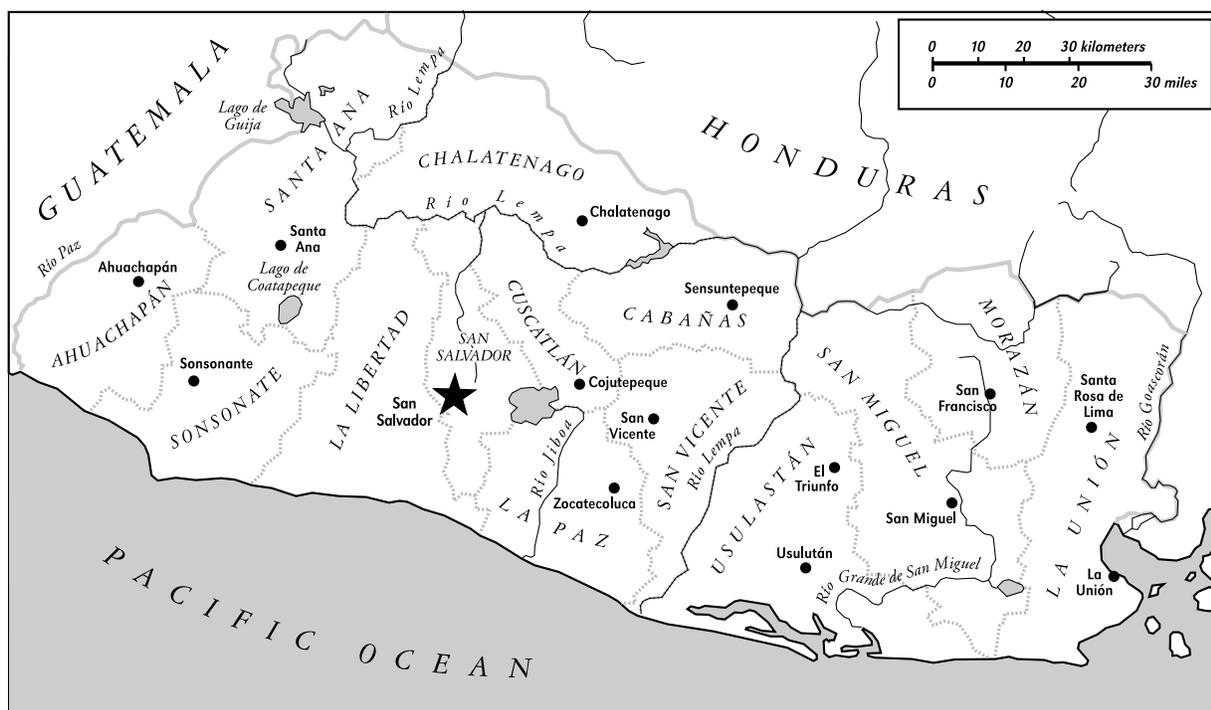
Reform and Participation in Post-War El Salvador

SUMMARY

On January 13th an earthquake struck El Salvador causing widespread death and destruction. The ensuing days were marked by stubborn, heroic, and inspiring efforts of Salvadorans, and of international volunteers, to save lives, prevent epidemics, and establish temporary supplies of shelter and provisioning. They could not save 844 people or prevent over \$1.2 billion in damages. Almost one-fifth of the population was directly affected by a family death, injury, destruction, or major damage to their home or school, or loss of income.

Then, incredibly, on February 13th another earthquake ripped through central El Salvador. It killed at least 315 people and caused another \$348 million in damages. In total over 8,000 people were seriously injured. The total economic damages amount to 12% of the Gross Domestic Product (GDP). Weeks of tremors, some very large, made day to day living a nightmare. In early March authorities remained extremely concerned that the oncoming rainy season would collapse fragile structures.¹

El Salvador has gone through wrenching and dramatic transformations in little more than



two decades. Hurricane Mitch hit it hard in 1998. Last year a dengue fever epidemic spread throughout the country.

From 1980-1992 a bloody civil war shredded the social fabric. It claimed 80,000 lives, most of them non-combatants, a casualty rate more than 50 times the U.S. rate in the Vietnam War and even considerably above service deaths in the U.S. civil war.² In the midst of the war there was a major earthquake. The war displaced over a quarter of the population and fifteen to thirty percent of Salvadorans left the country.

In 1989, a large offensive staged by the leftist Farabundo Martí National Liberation Front (FMLN) left both sides heavily damaged. Government forces murdered six Jesuit scholars and their housekeeper and her daughter, which led to a reduction in U.S. financial support. Prolonged negotiations between the government of President Alfredo Cristiani and the FMLN produced a peace accord in January 1992. It mandated constitutional and institutional changes, particularly to the military and police structures, but did little to address issues of poverty and landlessness.

The FMLN contested elections in 1994. That election was won by Cristiani's rightist National Republican Alliance (ARENA) party and its candidate, Armando Calderón Sol. The country had entered its triple transition from war to peacetime reconstruction, away from authoritarianism toward greater democracy, and, under the ARENA administrations, toward a neoliberal economic model. However, the welcome peace has been marred by ongoing physical and psychic war damage, persistent though slightly mitigated poverty, and unusually high rates of crime, particularly violent crime.

This report, the 14th by Hemisphere Initiatives on the Salvadoran transitions, was largely drafted before the earthquakes. It set out to examine critical areas of post-war change: the electoral system and its results, economic trends, and three critical areas of institutional reform all with direct impact on the public: education, health, and public safety.

The earthquakes deeply affected all of these. Damaged hospitals had overflowing patients being treated outdoors. Nearly 31% of school buildings were damaged or destroyed, and ongoing tremors led to suspension of classes for hundreds of thousands of students. We analyze the earthquake's damage and political fallout in a separate section.

Our overarching concern in this series of reports has been the issue of post-war democratic transition, and whether El Salvador has seen its transition stall. Scholars of the "third wave" of transitions to democracy have, in recent years, become concerned that the process has eroded in many places due to a lack of accountability, corruption, and the persistence of pockets of authoritarian practices. Our concern goes beyond procedural democracy to the question of social equity, as is evidenced by our focus on poverty and inequality, health, safety, and education. Is democracy paying off for Salvadorans?³

The March 2000 elections solidified a trend toward pluralistic elections and avoided a possibility of one-party hegemony. Conditions were markedly less tense and violent than in the pre-electoral period in 1994. However, serious problems remain with voter registration, non-residential voting and abuse of incumbency. There was yet another increase in voter abstention, this time to 63%, an alarmingly high level.

The economy grew in the early 1990s, but growth slowed considerably in 1996 and has not fully rebounded. Critics point to low investments. Others say that low tax collection impairs health and education. In mid decade President Calderón Sol called for El Salvador to become another Hong Kong. That set the bar high. Growth and human capital investment have not been nearly sufficient to become another Asian "tiger," despite an extraordinarily large inflow of dollars from Salvadorans in the U.S.

Institutional reform is difficult and takes time. The peace accords eliminated the three old police forces and created an entirely new institution, the National Civilian Police (PNC). The PNC entered the field amidst optimism, but also in a culture embedded in corruption and

impunity. Post-war El Salvador, in proportion to its size, has been a world leader in violent crime. Operating in a difficult context, the PNC has been infiltrated by bad elements, and has displayed excessive use of force. It has shown insufficient means to police itself. However, efforts for self-improvement do exist.

There has been encouraging progress in education to overcome a long history of neglect. The former warring enemies reached consensus about the scope and importance of the problem. Considerable international aid, and, in its initial years, a very dynamic Minister of Education advanced reforms. Under an innovative program there are now more rural children in school. However, the long term government financial commitment to these new schools and to their teachers, who remain outside the pension system, for example, is not clear. In these and traditional schools there is more space for parent involvement, but there is also a greater tendency to ask families to pay school fees and raise funds for their schools.

Improvement in health coverage and administration has not gone as well. It is hard to find evidence of consensus. Insufficient funding and bureaucratic suspicions have hampered efficient, cheap health services to the poor. The issue of privatization (also present in education) has created opposition and conflicts. In public hospitals patients are charged "voluntary quotas," a seeming contradiction (as in the schools) with constitutional mandates to provide health care and education.

The January earthquake led to a moment of political unity when the budget was passed, but ensuing conflicts between the two principal parties mirrored the post-war reconstruc-

tion battles over strategy and participation. The main political actors could not reach procedural consensus about formulating a plan to present to international donors. Government officials seemed disappointed after a donors' conference in Madrid on March 7th that the amounts had not been greater, nor the loan terms softer. It is not known whether consensus with the FMLN would have resulted in bigger donations.

A key element cutting through all areas is political participation. How should political parties, the community, and the government best participate in and monitor policing, earthquake relief, and health care delivery? What role should parents have in schools? Are Salvadoran political parties democratic organizations? Will significant increases in municipal government budgets contribute to increased citizen participation?

The report finds signs of progress in the electoral system. In each of the institutional areas things are better than they were during and immediately after the war. But progress has been grudging. Before the earthquakes, poverty was somewhat reduced, but remained extensive particularly in rural areas. There are cases of new forms of political participation, but they are outweighed by evidence of disaffection with the political process.

El Salvador has suffered far more than most countries. It is easy to make criticisms from the outside and to use overly ideal standards in doing so. Salvadorans have done very well, as have their neighbors in war-torn Nicaragua and Guatemala, in facing up to difficulties most people in the higher income countries never have to contemplate.⁴

ELECTIONS AND PARTIES

TRENDS, PROBLEMS, AND GOVERNANCE⁵

The very real possibility after the 1994 elections that ARENA would become a de facto hegemonic party abated in March 2000. In 1994 ARENA took 68% of the presidential runoff vote, electing Armando Calderón Sol. It won 207 out of 262 municipal elections, including the twenty largest municipalities. It won 39 seats in the Assembly, four short of a majority, making control of it easy.

These 1994 results cemented a trend. ARENA had ever more soundly thrashed the center-right Christian Democrats (PDC) and the conservative National Conciliation Party (PCN) in legislative and presidential elections in 1988, 1989, and 1991. Supported by the U.S., the PDC had won the Presidency in 1984 with 750,000 votes (54%) in the runoff. In 1994 it polled one-third that total and gleaned but 18% of the vote. The PCN was the hegemonic party of the military in the 1960s and 1970s. Since 1984 it has won less than 10% of the vote.⁶ In 1989 ARENA's

"PARTY BACKGROUND"

The military permitted the PDC limited operating space in the 1960s, but PDC growth was checked when the military defrauded it and its center-left coalition partners in the 1972 presidential elections, a fraud that radicalized many. ARENA, backed by a large majority of the economic elite, was born when the elite faced the crisis of the civil war and the prospect of elections without military candidates. Roberto D'Aubuisson, who was accused of organizing death squads in the 1980s, organized the party and, a decade after his death, remains the party's icon. The Democratic Convergence (CD) has roots in several smaller, center-left parties that were in exile during the war when they had a diplomatic tactical alliance with the FMLN. These parties re-entered elections in 1989 under very dangerous conditions. Following a number of shifts, a single party was formed after the 1994 elections. The FMLN formed in 1980 as a confederation of five parties that had taken up armed struggle.⁷

Alfredo Cristiani rode in (54%) on the PDC's negatives and his own favorable campaign image. The PDC had failed to end the war. The economy had declined sharply and so had real incomes. ARENA peppered the PDC with sensational charges of corruption. In 1994 Calderón Sol won on Cristiani's positives — 5 years of economic growth and the 1992 peace accords — and ARENA's financial and incumbent advantages.

In 1994 ARENA enjoyed enormous financial advantages, particularly over the new entrant, the FMLN. The incumbent party took full advantage of lax electoral rule enforcement with a barrage of TV advertisements displaying the government's achievements.

ARENA's dominance seemed to increase after the 1994 elections. Long simmering, but private, tensions within the FMLN boiled over. To ARENA's amazement and delight the FMLN divided when two leaders of its five groups and some of their followers left to form their own, more conservative party. Suddenly, the FMLN had lost 7 of its just elected 21 deputies. Meanwhile, intense PDC bickering continued to decimate the strength of the party.

The Shift Away from ARENA. But the 1997 and 2000 elections have changed the balance, despite ARENA's robust victory in the 1999 presidential elections. In essence, ARENA and the FMLN tied. In 1997 ARENA won 28 Legislative Assembly seats (of 84) to the FMLN's 27. In 2000 the FMLN took 31 to ARENA's 29. ARENA has won in more municipalities, but the FMLN closed the gap in both elections and also won in the great majority of big municipalities.

In March 2000, four other parties won 25% of legislative seats and potentially hold the balance of power. The PDC won 5 seats, and the PCN levered the proportional representation system to gain 14 seats. The center left Convergencia Democrática (CD), insignificant in rural areas, increased its 1997 vote by half.⁸

TABLE 1: ASSEMBLY AND MUNICIPAL ELECTIONS

	Deputies			Mayors		
	1994	1997	2000	1994	1997	2000
ARENA	39	28	29	207	162	127
FMLN	21	27	31	13	48	67
FMLN coalition	—	—	—	2	3	10
PCN	4	11	14	10	18	33
PDC	18	7	5	29	15	16
PDC – PD	—	3	—	—	4	—
CD (& PD '00)	1	2	3	0	0	4
Other	1	6	2	3	11	5

ARENA's vote totals declined in 1997 in rough proportion to a decline in voter turnout (about 200,000 votes— one third of ARENA's 1994 Legislative Assembly total). Meanwhile, the FMLN added 75,000 votes. The March 2000 results extended ARENA's 1997 losses. ARENA did not win *any* of the 15 largest municipalities. The PDC won the third largest city, San Miguel, the PCN won the department capital of Usulután, and the FMLN took the rest. The FMLN's Dr. Héctor Silva was reelected mayor of San Salvador (in a coalition) over the ARENA candidate by a margin ten points higher (56% to 39%) than his 1997 margin.

Between these two elections, ARENA crushed the FMLN in the 1999 presidential elections when Francisco Flores defeated Facundo Guardado 51% to 29%. However, those results may have been due to another bruising, public fight within the FMLN. It took three conventions before the party limped to the nomination of Guardado. TV viewers could witness a din of raucous catcalling shouting down the candidacy of Héctor Silva, associated with the renovation faction. Historic commanders Schafik Hándal (of the former Salvadoran Communist Party) and Salvador Sánchez Ceren (from the FPL, the largest of the five guerrilla groups) headed the orthodox, or revolutionary socialist, faction. Seen in this context, ARENA's 1999 victory was not surprising.

Why the Shift from ARENA? After 1994, the FMLN reorganized itself, dissolving the confederation structure and erecting new national bodies. Meanwhile, ARENA, a seemingly solid block of unity, began to spin off dissidents, and Calderón Sol proved to be a less than electrifying President.⁹ The 2000 elections were preceded by a four-month strike by workers and doctors in some public hospitals. A poll by a daily newspaper indicated the government was being hurt by the strike more than the strikers were. Whatever the impact of campaigns and immediate events, the March 2000 results confirmed a shift away from ARENA and the urban strength of the FMLN.

In 1996 economic growth slowed significantly. It has not rebounded to the levels of the Cristiani administration. Poverty has been reduced only marginally. Remittances are the main source of increased income in a significant number of families. This cannot be credited to ARENA, and the families know it. ARENA has twice raised the regressive value added tax. Crime continues at very high levels and, along with economic problems, has been rated the most serious issue in public opinion polls throughout ARENA administrations. Meanwhile, ARENA suffered defections and charges of corruption of sufficient plausibility to lead to cabinet-level resignations in the Calderón Sol administration. Finally, voting successes in 1994 and 1997 gave the FMLN a

more ample and equal campaign chest of public financing.¹⁰

Electoral Problems. The elections in March 2000 and the campaigns were conducted in an atmosphere relatively free of violence and without high levels of tension by comparison with the first post-war elections in 1994. However, several conditions cloud gains in pluralistic democracy.

Elisabeth Wood and Jeffery Paige, among others, have argued persuasively that the grassroots insurgents in the war forged the advance to democracy.¹¹ But mounting evidence indicates that increasing proportions of the grassroots are cynical about what has been forged. A large majority (63%) of registered voters did not cast ballots. Abstention has increased since the initial rounds of civilian based elections during the war. The trend was partially reversed amidst the hoopla of 1994 with a 53% turnout, but it has fallen steadily since then. In 2000, with each of the two parties getting a bit more than one third of the vote, it meant that each was supported by about ten percent of the adult age population. This cannot be considered a mandate.¹²

For years polls have demonstrated high levels of cynicism about political institutions and politicians. Bill Barnes has argued that cynicism is not a sufficient explanation for low turnout in El Salvador because it can be found too in Nicaragua where turnout levels have been markedly higher (though abstention was up 20 points to 45% in the November 2000 municipal elections). He argues that in Nicaragua there was a more participatory political culture in the 1980s, a center-left either unshackled or in power, and a competent electoral authority running decentralized registration and voting procedures.¹³

El Salvador's cumbersome registration and voting processes hold down turnout and discriminate against the poor. Registration and voting are centralized in the urban municipal centers of each municipality. This means that peasants must travel by bus or walk some miles to register and to vote. Several trips are

required to register. In San Salvador a voter journeys to the voting center assigned to his or her last name. Spouses often must vote in different centers. Most people travel across the city to vote.

In a mid-1999 poll, 50% said they had not voted in the 1999 elections (though the actual abstention rate was 61%). About one third of non-voters said they had no interest or manifested cynicism. Just under two thirds claimed to be too busy to vote. (However, when asked why *other* people fail to vote, polls show that higher percentages of respondents assert that *others* lack confidence in parties and politics.) It is difficult to say to what extent much claims of being too busy really reflect low interest or, rather, reflect inconvenience.¹⁴ But the policy prescription that would most easily correct some of the problem would be to make it easier to register and vote.

But policy change has not been forthcoming. Six years ago a presidential commission recommended residential voting, a national ID card good for voting, business matters, etc., and a more professional Supreme Electoral Tribunal. International actors offered money to finance the changes. But the issues have languished for six years in the ARENA-dominated Assembly. The FMLN had not, until recently, given these issues high priority.

In the new Assembly, ARENA and the FMLN announced an agreement in principle that endorsed these recommendations *and* called for allowing Salvadorans abroad to vote absentee. Then a partisan dispute arose over whether the Supreme Electoral Tribunal or the National Registrar should supervise the key unitary ID card process. However, several months later the two agencies reported initial steps in mapping the country. Given the history of delay and the damage of the earthquake, the job may not be done in time for the 2003 elections.¹⁵

Two other issues deserve mention. Five of 14 Departments (states or provinces) have three representatives, whereas two would be warranted by their population size. And three larger

Departments all should have one or more additional seats: San Salvador, La Libertad, and Sonsonate. In small, rural Cabanas (with 3 seats) there is one Assembly Deputy for each 50,000 voters; in San Salvador there is one for each 125,000 voters. Were the seats to have been reallocated before the last election it would likely have cost the PCN (an ally of ARENA) four seats, probably to the benefit of the two large parties.¹⁶

Polls indicate that large numbers of Salvadorans believe that political parties are remote from the people—until campaign time. In a September CID-Gallup poll, 54% said they identified with no political party.¹⁷ This is not a complaint unique to El Salvador, but the electoral system and internal party politics combine to distance parties and elected deputies from voters. In elections the voter marks a party flag that represents, but does not name, a rank ordered list of candidates. If the party wins 30% of the vote in a Salvadoran Department it gets 30% of the seats allocated to the Department. The top people on its candidate list are awarded those seats. In this common version of a Proportional Representation system the winning candidates are more beholden to the party and less so to voters or to a particular electoral district. The system has considerable advantages (proportionality, for one), but its centrality on parties creates a greater obligation for parties to be relatively accessible to their sympathizers and constituencies, and relatively transparent and democratic in their internal functioning.

Recent history suggests two extremes in El Salvador: high centralization with little room for meaningful input by the party's base (ARENA and the PCN) and high factionalization (mostly at elite levels) where the disputes have threatened or led to party fissure (the PDC and the FMLN). Neither extreme contributes to citizen participation at the base of the parties. Both the FMLN and ARENA have paid some attention to this issue since the election.

Governance and Local Participation. Despite the FMLN electoral gains, control of the

national government has remained where it was—in ARENA's hands. ARENA has been able to combine its Assembly votes with those of the PCN (14) and almost all PDC votes as well.

Last May, ARENA swiftly demonstrated its control. The FMLN claimed that custom dictated that the party with the most deputies should get the presidency of the Assembly. ARENA instead proposed that the presidency rotate in one-year terms beginning with the PCN, then the FMLN, then ARENA. The FMLN refused. It pointed out that when the FMLN finished with one seat less than ARENA in 1997 ARENA had refused to accept the FMLN's proposal for a rotating presidency. End of discussion. ARENA mustered 47 votes to elect PCN head *Ciro Cruz Zepeda*. The FMLN, in protest, refused to take any other positions in the Assembly's executive committee.¹⁸

However, with four additional seats over 1997, the FMLN can block measures that require a 56 vote qualified majority, measures such as Supreme Court appointments, international treaties and loans, and government bond issues. ARENA had to reach an accord with the FMLN over Supreme Court appointments. In a striking display of the new politics in post-war El Salvador, the U.S. ambassador lobbied the FMLN bench for its support for several agreements over extradition and anti-drug trafficking. The FMLN hesitated on extradition and wanted improved benefits for Salvadorans in the U.S., but came around to support the extradition treaty for an orchestrated "grand finale" vote for the Ambassador's pleasure on the 4th of July! It abstained on an agreement to allow the U.S. military to train Salvadoran police in anti-narcotics techniques, and voted against an agreement permitting U.S. anti-drug personnel to use Salvadoran facilities in the airport. On the latter, ARENA claimed a simple majority was sufficient. The FMLN took the issue to the Supreme Court, but meanwhile the U.S. took steps to put the agreement into effect.¹⁹

Because the government habitually spends more than it gains from taxes and other fees, it must borrow and needs a qualified Assembly

majority to do so. The FMLN's refusal over many months to approve the great majority of a large package of international loans was a constant theme in the Assembly last year and before.

However, apart from negotiating sessions with Ambassadors, international bank officials, cabinet ministers and the President, it was not clear what the FMLN gained with its new bargaining leverage. It did get an increase of allotments to municipal governments, from 6% to 8% of the national budget, but fell short of its initial request of 12%. President Flores had initially refused even the 8%, even when the mayors' association (COMURES — headed by an FMLN mayor, but with a majority of ARENA mayors) had requested it. However, the FMLN's delay of loan approvals, though backed by a complex argument about taxes and spending priorities, is hard to translate to the public. Perhaps coincidentally, in the aforementioned CID-Gallup poll, 15% of those polled identified with the FMLN, compared to 21% the previous May (whereas ARENA nudged up a notch to 23%).

Following the first earthquake, pressure on the FMLN to pass the budget and approve the loans became immense, and the measures went through after a prominent appeal by the President and a visit to the FMLN by the CEO of the Interamerican Development Bank.²⁰

The increase in municipal budgets has important political implications. In 1997, legislation mandated that 6% of the national budget go to municipalities. Previously local governments took less than 1%, on average, of the country's total tax and fee revenue, though per capita amounts varied widely.²¹ Shawn Bird's research found that some mayors had, before the 6% increase, increased revenues with more effective local fee collection. But even then, local revenues remained under \$10 per capita. The increase to 6% saw, in one case, a local budget of three-quarters of a million colones (about \$85,000) augmented by 3.1 million colones.²²

This has implications for participation. Local participation is not a new issue. Both

sides during the war pushed their own models, and peasants in some regions organized.²³ Since the war, other modes of participation have sprouted among service-providing, non-governmental organizations (NGOs) and issue oriented groups. This participation remains, on a national scale, fragmented and financially unstable.²⁴

For Salvadoran municipalities the 6% funds have made possible significant, serious and visible projects. How this will play out in terms of participation in design and choice of projects or with what electoral implications is not clear. But it at least gives mayors and municipal councils and citizens some options for projects and meaningful participation.²⁵

INTERNAL PARTY POLITICS²⁶

FMLN. The divisions in the FMLN that burst into public view in 1998 have been reduced, and participation in party affairs may well be broadened. The selection of Fabio Castillo in the July 1999 party convention as Coordinator General of the FMLN seemed to have resulted in a partial healing and *modus vivendi*. That convention also established a rough balance in the 52-member National Council and 15-member Political Commission between *renovador* and *ortodoxo* factions.

In the Assembly the *ortodoxos* have some 19 of the 31 seats. One of their most visible figures, Schafik Hándal, was slated to become Assembly President, and Salvador Sánchez Ceren leads the party bench. The FMLN bench has consistently voted as a block, but the threat that it might not has tended to weaken the *ortodoxos'* hand.

For example, in May 2000 the *renovadores* announced that they were in favor of negotiating two international loans that the FMLN had been delaying for two years. Two days later the FMLN bench announced it had changed its position to favor two loans in exchange for an ARENA promise to consider allowing international loans to mayors and raising the national budget allotment for municipalities.²⁷ In June,

with the two big parties negotiating over five Supreme Court appointees, the *renovadores* claimed they bested Hándal when they proposed a compromise candidate acceptable to some in the *ortodoxo* faction and to ARENA.

In FMLN's party Convention it accepted, in December after six months of negotiation, a Sánchez Ceren call for unity that eliminated formal recognition of the two tendencies, and the *renovadores'* proposals for open party primaries and referenda on some issues. This was significant progress toward party unity and enhanced participation. However signs of tension remain.²⁸

ARENA. Visible post-election blame casting and shoving matches among areneros was remarkable. The top down, hierarchical party has gradually loosened its tight-lipped style in the wake of two disappointing elections. Since its founding in the early 1980s, it has been centrally dominated first by Roberto D'Aubuisson and then by its board of directors, COENA. There have been internal struggles for power within COENA, but until recent years analysts have been roughly in the position of Kremlin watchers.

The first serious public fight came from maverick Kirio Waldo Salgado, who charged top party members with corruption.²⁹ Before the 1997 elections a few far right *areneros* decamped for the PCN, claiming that ARENA had abandoned its principles. In the wake of 1997's electoral reverses, Gloria Salguero Gross, a former ARENA Assembly leader, was asked to step down as head of the party. Former President Cristiani replaced her. The composition of COENA turned over radically two times in four years. None of those who came on after Calderón Sol was elected remained after 1997.³⁰ Cristiani claimed this showed the party can renew its leadership and contrasted it with the long-standing presence of Schafik Hándal in the FMLN.

This genteel version of events was put to rest when Gloria Salguero Gross, evidently still stinging from being deposed in 1997 and no longer even an Assembly deputy, announced

that the March 2000 election had been a "catastrophe." She called for a total restructuring of the party. Cristiani defended the campaign's organization but called for a searching analysis. By early April Cristiani tearfully presented his resignation.

The waters were roiled. A Political Commission, consisting of President Flores, Calderón Sol, and Cristiani, called for a General Assembly of 800 party leaders to meet in May. A trial balloon was floated proposing that party primaries, not COENA, should select candidates for office. A group of "founders of the party" (Salguero Gross among them) complained that neither the grassroots nor veteran members had any say in the party.

There seemed to be significant pressure from the grassroots to open the party processes. However, by June COENA announced that party statutes would not be changed. Rather COENA formed four working groups to improve the party. It picked young Walter Araujo to head the party until the October party Congress and compromised with the disgruntled founders group by allowing two of them to fill two vacancies on COENA until October.

Araujo, whose reputation was that of a hard liner, is said to be backed by Flores, who has counseled him to tone down his rhetoric. By September he had apparently sufficient power or adroitness to orchestrate a 50% change in the membership of COENA and the removal of former Presidents Cristiani and Calderón Sol from the Political Commission. One of the two "founders" appointed in June lost out. The other, Ricardo Valdivieso, resigned in solidarity, leaving the group outside COENA once again. These changes were dutifully ratified a week later by the party Congress. Araujo could build on this base to further presidential ambitions, but it is not clear that his moves have reanimated the party.³¹

The party has cultivated an internal mystique and a loyalty to its anti-communist founder Roberto D'Aubuisson that borders on the reverential. But half a decade and more

after the peace accords, ARENA has had more difficulty rallying voters around a theme of burying communism (as the party anthem still intones). Post-war circumstances and electoral losses also make it harder to justify the party's extreme internal centralization.

PCN. With 8.8% of the national vote, the PCN won 17% of the Assembly deputies. By contrast the PDC won 7.1% of the national vote but only 6% of the seats. The PCN's advance was due to the declines of ARENA and the PDC in rural Departments. In 1994 the PCN won no seats in the eight small Departments with only 3 seats and the PDC won 8 seats. This year, without huge vote shifts, the PDC won no seats there, and the PCN eight. The new president of the National Assembly, Ciro Cruz Zepeda, led his party ticket in the Department of Cabañas but gained only 4451 votes (15%).

Anti ARENA-PCN forces in the past Assemblies claim there is a highly regularized system of payoffs from ARENA to PCN operatives to ensure loyal voting. The PCN was usually, but not always, loyal after 1997. It was solid in 2000. But it may be a weakening ally. In the September CID-Gallup poll only 1% identified with the PCN. The image of the party was tarnished when the head of its Assembly bench, Francisco Merino (former *arenero* and Vice President during the Cristiani administration) pulled a pistol and fired on police officers attempting to arrest him for drunken driving. He later said he had no memory of having done so, a claim that, under the circumstances, just might be believable.

PDC. The PDC's disastrous decline from 518,000 votes (53%) in 1985 to 87,000 (7%) this year is due mainly to protracted internecine warfare that has ranged from the vicious to the comic. In addition, ARENA has at key moments played an active role supporting sympathetic PDC elements and attacking those who might otherwise capture the party flag and form a broad center-left alliance with the FMLN. Those who ended up in control of the party have thus been loyal allies of ARENA in the Assembly since 1994 (though there have been a few mavericks). Splinter groups that have left the Party have had only modest success for an election or two. This year the party rebounded in San Miguel when Wil Salgado, in a well-financed campaign, won with six times as many votes as the PDC got in 1997.

The CD. The CD, in a coalition, increased its Assembly seats to 3 from 2, but Rubén Zamora, standard bearer for the CD and the FMLN in 1994, and Deputy in 1997, was not one of the winners. In an inexplicable move, the CD allied with the PD (to form the CDU). The PD is the party that emerged from the 1995 secession from the FMLN. The PD allied in several races with the PDC in 1997, but garnered almost no votes on its own.³² It has often voted with ARENA, despite its social democratic label. Despite this evidence, Zamora ceded the number one position on the San Salvador slate to the PD's Juan Ramón Medrano, a former FMLN commander and the sole PD deputy elected (with PDC votes) in 1997. The CDU got enough votes for Medrano in San Salvador, but not enough for Zamora.

THE ECONOMY

Less reliant on agricultural exports than it was before the civil war, the Salvadoran economy has rapidly expanded assembly plant exports, with the promise of more to come following the quota granted El Salvador by the U.S. in 2000 under the Caribbean Basin Initiative. The Cristiani administration ushered in major structural changes and enjoyed rapid aggregate economic growth. Then growth slowed. The economy's most important new feature is a social product of the war itself, that is, money sent home (remittances) by Salvadorans who have emigrated to the U.S. Despite this, the economy retains its fundamental problem of extensive poverty, though at lower levels than before the war.

The changes and similarities can be gauged by a brief glimpse at the political crises that marked the turn of four decades. In the late 1950s, coffee prices fell from 57 cents to a 4-year (1959-63) average of 36 cents. Agricultural products, coffee chief among them, were 94% of exports. The coffee crisis, along with the "external shock" of the Cuban revolution, triggered a coup within the military, which eventually led to a small political opening for civilian political parties.³³

The 1969 "Soccer War" with Honduras was caused when the Honduran government forced repatriation of Salvadorans who had migrated there. Some 300,000 had migrated (1 for every 8 Hondurans) because expansion of export crop farms had absorbed their subsistence farms. The expansion of export crops and the more rapid growth in manufacturing did not provide sufficient jobs for those without land. After the 3-week war some 130,000 to 200,000 Salvadorans had to return home, vastly expanding the land-poor population.³⁴ In 1972 the fraud in the presidential elections effectively buried the civilian coalition's call for agrarian reform.

By 1979, the economy, despite average annual growth of 5.4% (1960-78), led by industrial growth, still had half the population living in

the countryside and rural poverty rates of 83%.³⁵ The October 1979 military coup came three weeks after the Sandinistas sent Somoza packing in Nicaragua — the parallel to the "external shock" of Fidel Castro in 1959. Leftist radical movements deepened the political crisis.

The following March El Salvador lurched into civil war. The third junta since October, this one backed by the U.S, nationalized banks and export marketing and decreed a land reform. Amid a massive increase in political assassinations, Archbishop Romero begged the U.S. not to provide military aid and urged soldiers to disobey orders to kill civilians. Within days, he was assassinated. The ensuing war caused a 24% drop in GDP (1979-82), a 90% decline in private investing, and massive capital flight. U.S. aid began to flow in and, by the end of the decade, amounted to over \$4 billion. Salvadorans flowed out.

The aforementioned 1989 FMLN offensive led to peace negotiations. The Cristiani administration launched to a neoliberal economic model.

Structural Changes in the Economy. Coffee, though important, no longer has the economic force to catalyze a political crisis as it did in the late 1950s. Agriculture and agricultural exports have not grown as fast as manufacturing, finance, construction, and services.

The Cristiani administration privatized the banks and the marketing of export crops. It aimed to turn El Salvador into a regional financial center. (Many powerful *areneros*, including Cristiani, are said to control the banks.³⁶) It virtually eliminated export taxes and made the value added tax (VAT) the chief source of revenue. The VAT went to 10% (1991) and 13% (1995), both increases arriving shortly after elections. (However, tax revenues are low compared to other nations.) Cristiani eliminated or greatly reduced price regulations on vital consumer goods and interest rates, and pushed for free trade zones of assembly plants ("maquilas").

However, diversification and industrialization were also the beacons of the 1950s through the 1970s. From 1960-78, coffee and cotton were dominant, but industry grew at better than twice the rate of agriculture, and aggregate growth rates were higher, on average, than growth rates in the 1990s.³⁷ Poverty is lower than during the 1970s, and lower since 1992. But rural poverty before the earthquakes was above 50%, and extreme rural poverty was 25%. By some estimates, rural landlessness or land poverty is as extensive as it was in the pre-war years. Rural catastrophe has only been averted by rapid urbanization, despite the relative lack of industrial jobs in the cities and, as in the 1960s, by emigration.³⁸

The economy is far more reliant than in 1969 on a larger number of expatriate Salvadorans, “distant brothers,” remaining abroad and sending large amounts of money home.

Year	Remittances	Remittances as % of GDP	Coffee
1980	11	< 1	615
1989	228	5	230
1994	979	15.8	271
1997	1,200		518
1998	1,338	18.7	332

Performance. The economy grew rapidly in the early 1990s, peaking at GDP growth that averaged 7.5% in the two years prior to the 1994 elections. But in 1996 it declined to 1.7% and only averaged about 3.3% over the next three years. Growth in 2000 was estimated in early 2001 between 2.0% and 2.5%. The government has argued that decline reflects a natural economic cycle, and not a structural defect. However, though all Central American economies *did* decline sharply in 1996 (save that of poverty stricken Nicaragua), all save

that of Honduras had higher growth rates than El Salvador in the next three years, despite El Salvador’s much higher flow of remittances.

Remittances, pent up demand, and economic growth fueled a post-war boom in consumption. Private consumption rose about 2 points faster than GDP growth. Imports rose, as did the commercial deficit. When decline set in, the rate of consumption fell below GDP growth, suggesting that falling consumption pulled down GDP.

Consumer Imports, Exports and Investment.

El Salvador’s product imports have exceeded exports by a high margin. Economist Roberto Rivera Campos asserts that in 1998 “we Salvadorans [in El Salvador] absorbed 13.4% more than we produced.” In 1995 the excess of imports (counting net services as well as goods) over exports peaked at over 17% of GDP. In a given year 13.4% would be “extraordinary” for any country, but high levels have persisted for a decade. Remittances have made this possible.⁴⁰

Persistently high interest rates have depressed investment. Exports have not grown sufficiently, in part due to an increasingly overvalued currency. A decade-long constant nominal exchange rate hides a real exchange rate shift of over 30%.⁴¹

Though coffee prices spiked in 1997, in general they have been low, hurting export earnings. In mid-2000, the coffee sector lobbied for a \$100 coffee fund to alleviate old debts. Despite a bumper harvest early in 2000 (a 31% increase), the sector argued it could not make a profit at a \$1.00 per pound. When estimates for the next harvest projected a 20% drop and the world price fell to 85 cents, the Assembly quickly approved the bill.⁴² A few weeks after the earthquake crisis the government announced a \$488 million line of credit to help coffee recuperate, an amount that seemed high compared to other damaged sectors (see below).

Assembly Plants and Exports. The Flores administration was triumphant in May 2000 when the U.S. approved, under the Caribbean

Basin Initiative (CBI), a 250 million square meter duty free quota of assembled textile products (using U.S. cloth and thread) from El Salvador, Honduras, Guatemala, and the Dominican Republic. Simultaneously, El Salvador, Honduras, Guatemala, and Mexico concluded a trade agreement that would eliminate tariffs on 75% of 6000 Central American products and 60% of 12,000 Mexican products. Enthusiastic government estimates of maquila job growth ranged from 75,000 to 150,000. The think tank FUSADES predicted that economic growth would reach 4.8% in five years on the basis of \$265m new maquila investments. Without these investments growth would only be 1.6%.⁴³

Maquila exports have grown rapidly from \$198 million in 1992 to \$1.3 billion in 1999, but imports for maquilas are also high, so the net export growth would be \$42 million in 1992 and \$378 million in 1999. To compare to other dollar inflows see Table 3.

	1998	1999	2000
Net maquila exports	338	379	456
Gross coffee exports	324	245	298
Remittances	1,338	1,373	1,751

Central Reserve Bank December 2000 *Montbly Bulletin*.
2000 coffee and maquila estimated.

The maquilas' main claim as a development strategy is that they generate jobs. Between 1985 and 1992 they added over 40,000 jobs.⁴⁴ The assembly plant association (ASIC — Asociación de Industriales de la Confección) said there were 60,000 maquila jobs in December 1999. That would be 2% of the work force. In the 1970s, when cotton was the new boom product, it employed (for the har-

vest) 45,000 to 95,000 workers, a higher percentage of the then smaller workforce. Even under the most optimistic of the wide ranging CBI job estimates maquila jobs would become about 6% of the work force. Last October the government announced formation of four new free trade zones which would add, it said, 15,000 jobs in 2001. This cast some doubt on the projections of 100,000 or 150,000 new jobs in four years.⁴⁵

Maquilas seek low wage markets and have low capital investments, so they are mobile. Several years ago El Salvador was targeted in a worldwide campaign to stop maquila work place abuses. Then President Calderón Sol called those who had criticized maquila practices traitors. In mid-2000, ASIC criticized a U.S. delegation set to inspect maquilas *before* it had arrived. (Nicaraguan president Arnoldo Alemán even barred entry to a representative of the U.S. based National Labor Committee.)⁴⁶ El Salvador has never had a legal environment hospitable to trade unions. If decent wages and working conditions come to the maquila sector, will the maquilas leave?

Poverty and Living Standards. Poverty declined from 60% of the population in 1991/92 to 45% in 1998, though it increased during the 1996 downturn and will increase significantly after this year's earthquakes. Rural poverty was at 66% at the beginning of the decade and 57% in 1998, with 27% in extreme poverty. Measured by the United Nations Development Program's Quality of Life Index El Salvador has consistently ranked below where it should rank in relation to its GDP per capita, whereas Costa Rica consistently ranks well above where it should rank, and even much poorer Nicaragua has done better than El Salvador.⁴⁷

There was some increase in income per capita after the war, but, in real terms, by 1995 it was still below 1978 levels. With an index of 100 for 1978, income per capita fell to 70 by 1989 and rose to 88 by 1995. In 1999 unemployment was 7.6%, and under-employment was 32%.

Panel studies in 1995 and 1997 show that rural poverty has many variations. The average family incomes were 20,000 *colones* (about \$2300). Dividing the group into income deciles, the researchers found that many families moved up or down several deciles during the two years. Families that lived closest to urban centers, paved roads, and markets were more likely to mitigate poverty, and more likely to have small businesses. Education also predicted relative success.

In the sample, one in seven poor families received remittances. Those families, on average, received 8185 *colones* in 1995 and 9707 in 1997. Poorer families received smaller amounts, but even among the most consistently poor recipients there were increased acquisitions of electricity (45% to 52%), water (34% to 41%), stoves (19% to 26%), televisions (45% to 54%), and refrigerators (22% to 26%).⁴⁸

TABLE 4: COUNTRIES WITH REMITTANCES OVER 10% OF EXPORTS OR OVER \$30 PER CAPITA

Country	Remittances in millions of dollars	Remittances as % of exports	Remittances in \$ per capita	\$ per capita as % of GNP/capita
Albania	452	154	151	15
Algeria	1080	10	37	2
Bangladesh	1525	26	64	3
Burkina Faso	87	22	8	3
Dom. Rep	1326	18	166	9
Ecuador	840	17	70	5
Egypt	3518	26	59	4
El Salvador	1338	49	223	11
Eritrea	120	93	30	16
Guatemala	456	13	42	2
Honduras	220	9	37	4
India	9385	20	10	2
Jamaica	659	19	220	10
Jordan	1543	42	386	27
Macedonia	63	4	32	3
Mexico	5627	4	59	1
Morocco	2011	20	72	6
Nepal	113	10	5	2
Nicaragua	200	26	40	11
Nigeria	1574	16	13	4
Pakistan	1490	15	11	2
Portugal	3199	9	320	3
Spain	2944	2	75	1
Sri Lanka	999	18	56	6
Trinidad & Tobago	45	2	45	1
Tunisia	718	8	80	4
Turkey	5356	10	84	3
Yemen	1202	70	75	30

World Bank, *World Development Indicators 2000* CD-Rom 1998 figures
(Population for 1997 rounded to nearest million)

Remittances. Perhaps more than any economy in the world, El Salvador depends on expatriates sending money home. El Salvador is one of two or three countries that stands out in all ways one assesses the weight of remittances.

Tables 4–7 compare El Salvador to 27 other countries that have high levels of remittances. Attempting to gauge the importance of remittances to the economy requires looking at a combination of measures. Spain and Yemen each have remittances of \$75 per

**TABLE 5:
REMITTANCES AS %
EXPORTS (TOP 10)**

Albania	154
Eritrea	93
Yemen	70
El Salvador	49
Jordan	42
Bangladesh	26
Egypt	26
Nicaragua	26
Burkina Faso	22
India	20
Morocco	20

capita, but for Yemen they are equivalent to 70% of the country's exports.

Using 1998 figures, El Salvador ranked 4th measuring remittances as a percent of exports (49%). It ranked third in the dollars per capita remittances bring in (\$223). And taking remittances per capita as a percent of GNP per capita, El Salvador ranked 5th. Jordan and El Salvador are the only countries that ranked in the top five in all three measures.⁴⁹

The fact that poverty persists at high rates despite the direct contribution that large-scale remittances have made to family incomes is disturbing. The rapid upswing in remittances to El Salvador has happened in the most favorable U.S. economic circumstances in decades marked by, among other things, a tremendous increase in entry level, low wage jobs mainly in the service sector. However, though there were early signs of a U.S. downturn toward the end of 2000, remittances, after being level for two years, jumped dramatically. (Table 3)

In the last few years, surveys of Latino immigrants have shed light on remittance flows, but many serious questions remain. Here is a brief summary.⁵⁰

First, the peace processes in El Salvador, Guatemala, and Nicaragua did not result in significant repatriation. Second, there are wide ranges in variations in the extent to which immigrants remit. According to one study Salvadorans remit at higher averages per family, but another study had data to the contrary. Among Latinos several studies indicate that increased education and learning English positively correlate with remittances. So does

TABLE 6: \$ PER CAPITA (TOP 10)

Jordan	386
Portugal	320
El Salvador	223
Jamaica	220
Dom. Rep	166
Albania	151
Turkey	84
Tunisia	80
Spain	75
Yemen	75

length of stay. On the other hand, naturalization negatively correlates. Increased income in the U.S. positively correlates and receiving welfare negatively correlates, though receiving welfare does not necessarily stop the flow of remittances, a point that may be politically sensitive in the U.S. Having close family members remain in the home country positively correlates and having them move to the U.S. negatively correlates.

One study suggests that there was no significant difference in remittances between those born in the U.S. and those born in the home country. However, anecdotal evidence suggests that some young Salvadorans raised in the U.S. think of El Salvador as a foreign country and have little idea of their former home. But other studies assert that immigration is now a more transnational experience. Salvadorans in the U.S. have purchased real estate or made investments in El Salvador. Mayan girls born in the U.S. are sent to the home village in Guatemala to be raised in the traditional fashion by grandparents.

TABLE 7: \$ PER CAPITA AS % OF GNP/CAPITA (TOP 10)

Yemen	30
Jordan	27
Eritrea	16
Albania	15
El Salvador	11
Nicaragua	11
Jamaica	10
Dom. Rep	9
Morocco	6
Sri Lanka	6

There are discrepancies about the use of remittances. Families in the U.S. say the biggest use of remittances is to cover health costs. However, most analysts in El Salvador conclude the biggest use of remittances is for consumer goods, with a small but significant portion used for investment in starting or running small businesses. It is not clear how much remittances have generated jobs. They have generated consumption, but also a surge in imported goods.

The data in these new studies also have major discrepancies with aggregate data on remittances and migration. One study

of four Latino groups found that among Salvadoran *households* that send remittances, the average amount in 1995 was \$2078 per year. Including the Salvadoran households that did not remit or did not say how much they remitted the average per *household* was \$1334. The Central Bank of El Salvador reported in 1995 remittances of \$1.061 billion. Blending the two data sources would suggest that there are 511,000 Salvadoran *households* in the U.S. that remit, or a total of 783,000 Salvadoran *households* (including those that do not remit or did not say). However, according to the U.S. government from 1971-1995 some 378,000 Salvadoran *individuals* were admitted and there are an estimated 300,000 undocumented Salvadorans. *There is a huge error somewhere.* If one assumes that any combination of two of the above estimates is correct the other is off by a factor of 2 or 3, depending on assumptions about family size.⁵¹

Dependence on remittances is subject to U.S. policy. During the war, while the INS was expelling Salvadorans, the Department of State was supporting the Salvadoran government's argument that sending them back would be an economic disaster. More recently Salvadoran immigrants groups and human rights activists have lobbied for permanent resident status and, in the wake of natural disasters such as this year's earthquakes, the process of expelling Salvadorans has been temporarily halted.

Last July, when the FMLN wanted to condition its approval of extradition agreements with the U.S. on improved treatment of Salvadorans in the U.S., Ambassador Anne Patterson was quick to suggest that a negative vote in El Salvador would have negative repercussions on Salvadoran immigrants. Salvadoran legislators last year lobbied U.S. legislators to extend temporary legalization to undocumented Salvadorans who applied for it.⁵²

Some Salvadorans in the U.S. have organized to send remittances to hometowns for collective goods projects. Representatives of Salvadoran

groups in the U.S. spoke before the Salvadoran Assembly about extending the ability to vote in Salvadoran elections to those who reside in the U.S.⁵³ Would they, as suggested by title of a feature in the daily *La Prensa Gráfica* called "Department 15," elect deputies explicitly representing the unofficial 15th Salvadoran province?

Dollarization. Catching the FMLN (and the nation) by surprise, President Flores announced in mid November that the dollar would freely circulate and that the exchange rate would be fixed at 8.75 to 1. Several government accounts would be held in dollars. Banks could loan in dollars, and employers could pay in dollars. The *colon* would gradually disappear. The government predicted the move would reduce high interest rates, inflation, and the risk of devaluation and therefore lead to investment and economic growth.

The policy removes the ability of the central bank to manipulate the money supply to reduce inflation or affect interest rates. Dollarization means the money supply depends on sources of foreign currency. Critics warned that Argentina's recent and deep economic difficulties stem in part from its lack of maneuverability because of its dollarization program, and the FMLN warned against increasing an excessive reliance on the U.S. economy — of economic imperialism.

Though the move was controversial, in the aftermath of the earthquakes the plan was moving ahead, and the wind seemed to have been taken out of the sails of the plan's opponents. But by then it was clear that interest rates were not coming down as fast as predicted earlier. Argentina might demonstrate that the plan is no panacea. El Salvador, because of its current enormous remittance income, might be better placed than many other countries to attempt the plan. Once again the nation relies upon the "distant brothers."⁵⁴

POLICE REFORM IN THE MIDST OF CRIME AND CORRUPTION

The post-war crime wave has dominated opinion polls as the country's single worst problem.⁵⁵ Fear of crime has affected political debate and has generated pressures for tougher laws. Inevitably, some of the blame for the ongoing crime wave has been directed at the National Civilian Police (PNC).

The causes of crime are complex, the more so in El Salvador's post-war society. Family structure and culture, percent of young males in the population, and poverty all affect crime. In El Salvador, the war dislocated and fractured tens of thousands of families. War-related post-trauma stress disorder is widespread. Underemployment has remained high. There are large numbers of young to middle aged men who came out of the war with little education or vocational training. The country has been awash in arms. Evidence in 1996 and 1997 indicated some 20,000 young men in gangs in the San Salvador metropolitan area, half of whom had been hospitalized at least once and 70% of whom had been in jail at least once. They testified that they had learned their tactics for confronting other gangs from the war's combat veterans.⁵⁶

Crime statistics are often not reliable. In 1999, for example, headlines screamed that El Salvador had the world's highest murder rate. More careful reading revealed that the study included all violent deaths, including traffic accidents. The best reading suggests that murder rates either stabilized or dropped slightly after 1995.⁵⁷ Whether El Salvador tops the world charts or not, *intentional* homicide rates have been extraordinary — by one measure 139/100,000 inhabitants in 1995 and 117/100,000 in 1996. By contrast, the U.S. rate was 8/100,000.⁵⁸ A 1999 poll conducted by the University Institute for Public Opinion (IUDOP) found, astonishingly, that almost one in every four Salvadoran homes had been the victim of a criminal act in the previous four months.⁵⁹

The material costs of crime have been vast. In a careful analysis of costs associated with crime in 1995, including police, prison, health care, victim costs, etc., Luis Romano concluded that the sum total amounted to 13% of GDP, or two times more than 1995 GDP growth (6.3%).⁶⁰ Annual crime cost is equivalent to the earthquake damage this year.

El Salvador has been slow to address long term solutions, though there are new internationally funded programs (by the Inter American Development Bank and the United Nations Development Programme) to address the social causes of crime. And President Flores charged the National Council for Public Security (see below) with developing plans for the social prevention of crime.

The PNC is forced to deal with the short-term consequences. This morass would severely challenge a veteran, crack police force. The PNC is not that.

The 1992 peace accords called for the creation of an entirely new police force, a new police Academy, and the dissolution of three discredited forces. This ambitious process would have been easier if surrounded by well-developed complementary criminal justice institutions. But courts and public prosecutors' offices have also been going through a slow and difficult reform process, and prisons, in the worst shape of all, are overstuffed, violent holding pens.

This inauspicious context suggests that some of the blame directed toward the still young PNC is misplaced. But some is not. The eight-year narrative of the PNC has inspiring moments, but it is marked by chapters of corrupt and criminal elements embedding themselves into its fabric, of the excessive use of force and human rights abuses, and of leaders who have not always adhered to PNC rules.

Given the immensity of the problem and the near universal perception of its severity, one would have imagined that the governments and

opposition parties would have bent every effort to turn the PNC into a modern, elite, and honest force.

Such has not been the case. There have been positive efforts, and the creation of the force is itself quite an achievement. But real efforts to root out corruption have only been solidly backed by the highest levels of the government (and prioritized by opposition parties including the FMLN) at moments when police transgressions have been so egregious that the issue could not be avoided. At these moments “purification” comes into fashion. Such a moment passed in the second half of 2000. Its impact remains to be assessed.

More often, however, the police have been under supported, and, worse, suspect elements in them have remained either untouched or possibly protected by powerful elements in the government. This could only have had a corrosive effect on the rest of the PNC.

The PNC in many ways has served well. When it was first being deployed it was greeted with open arms. Citizens helped it crack two rural crime rings. Even now, everyone old enough to remember agrees that the PNC is a vast improvement over the security forces of the past. Moreover, the PNC has suffered a casualty rate vastly higher than the police forces of the U.S. And it recently initiated a program of multiple small patrols in high crime areas that it believes have led to deterrence and closer ties with the community.

Still, creation of a really effective force remains a distant goal. The current round of purification, which has raised doubts about procedural fairness, may have removed bad elements, but it is not the first time such promises have been made.

Corruption and purification. The “corruption problem” came to a head in May 2000, when PNC Director Mauricio Sandoval admitted that there was the “most clear evidence” that police officers were involved in two kidnappings. *That same day*, four suspects, one of them a police officer, robbed a Holiday Inn near the U.S. Embassy, and criminals wearing police uniforms robbed a business.

The public outcry was enormous.

President Flores appointed a special commission to evaluate PNC agents, and to recommend disciplinary actions, dismissals, and criminal prosecution. Moving quickly, the Commission reviewed outstanding cases in the internal disciplinary system. By July, the Commission had recommended dismissal of over 200 officers, including several senior officials.

The Commission’s pace then slowed. Some dismissed police filed suit after they had been acquitted of criminal charges. Regulations permit police officers to defend themselves in internal disciplinary proceedings. The Supreme Court ordered some officers reinstated when they were fired without due process.

However, PNC Director Sandoval, a controversial appointment of President Flores, secured transitory legislation to suspend for 120 days some of the civil service protections enjoyed by the police and to create a new rapid fire process. (He also secured from the Assembly a temporary suspension of certain rights, to enable, for example, the police to intercept telephone communications in kidnap cases.)⁶¹

By October Sandoval claimed that some 1200 officials had been or would soon be out of the PNC (out of a force of just over 17,000). The number rose to over 1500 by year’s end. Two thirds were dismissed on suspicion of bad behavior. They might be eligible for a cash settlement. Many of the remainder whose cases were heard by the internal discipline bodies presumably were dismissed on evidence of malfeasance, though not of sufficient weight to bring about conviction. They too might get cash settlements.⁶²

The rapidity of the sweeping purge and the retroactive nature of the new process raises procedural fairness and even constitutional questions. In 1997 HI critically noted a large backlog of internal discipline cases (1200) being slowly processed (120 per month).⁶³

The recent process reached 1500 dismissals in 120 days. In the light of other claims that some PNC promotions have been based on friendship, there is room to wonder if those without friends in high places lost.

Déjà vu? The campaign to clean up the PNC recalls some of the earlier history of the force. In June 1994 a video camera fan caught a San Salvador bank robbery in progress in broad daylight. The footage revealed the head of the gang to be one Colonel Corea, then the head of the investigative division of the old, and still extant, National Police (PN), the last of the old police forces to be phased out under the peace accords (see below). In a stunning aftermath, the PN Director backed the Colonel by claiming he had been in PN headquarters at the time of the robbery. Corea was set free.⁶⁴

The public outcry was enormous.

The Corea caper could hardly be blamed on the PNC. Indeed the then new head of Public Security, Hugo Barrera, under the glare of news coverage, moved swiftly, and was backed by then newly-inaugurated President Calderón Sol. He dismissed the agents in the PN investigations unit and advanced the date of the PN's final dissolution to December 1994.

Nonetheless, the fact that it took a filmed robbery to lead to a campaign to root out corruption was then and remains symptomatic.

Prior to this, the Cristiani administration had repeatedly delayed the final demobilization of the PN and had shifted portions of two of its units into the PNC, including portions of the very same investigative unit Corea headed (see below). The remaining 700+ officers under Col. Corea were in hopes that they might also get into the PNC before the PN was finally demobilized.

Origins. The January 1992 peace accords gave birth to the PNC and called for the immediate dissolution of the National Guard (GN) and the Hacienda Police (PH) as well as a phased demobilization of the PN to end July 31, 1994 when 6000 PNC would have been deployed.

Sixty percent of the PNC were to be people with no prior FMLN or military association, while forty percent of positions were to go, in equal portions, to qualified applicants from the PN and the FMLN. With considerable input from the United Nations, the Peace Accords (and subsequent negotiations) designed a PNC

structure with a chain of command and considerable checks and balances (see below).

With the ink barely dry on the accords, President Cristiani, under pressure from a military which had lost badly in the accords, attempted to preserve the GN and PH by simply renaming them and assigning them different, rather vague ("frontier patrol") responsibilities. In a telling argument, he worried about crime problems that would stem from a rapid demobilization.⁶⁵

This ploy was initially blocked by the FMLN, but two months later negotiations retained portions of Cristiani's plan and also permitted the transfer of some 3000 GN troops into the PN, about a 50% increase in its forces.

Lack of government support at the outset was manifested by granting the PNC training centers in deplorable condition and a tepid budget. Between 1992 and 1994 the government assigned more money to the PN (\$77 million) than to the PNC (\$45 million) and the Academy (\$20 million) combined, despite evidence that the PN's actual troop count was less than it claimed.⁶⁶

In December 1992, the FMLN agreed to a government demand, supported by the U.S., to transfer intact the anti-narcotics and investigative units from the PN to the PNC. (This occurred during a major crisis about removal of high level military officers and FMLN demobilization.)⁶⁷

Advocates of the transfer claimed that the rookie PNC sorely needed trained, specialized units. Opponents said the two units had dubious reputations. Evidence grew to support the opponents' position, particularly when members of the investigative unit were found to be involved in, or covering up, the commission of several notorious cases of political assassination and other human rights violations.

Six months later the government named Óscar Peña Durán to be the top operational officer in the PNC. He proceeded to spread members of the investigative and anti-narcotics units into key police posts around the country, using them, in effect, as his own command structure of the PNC.

The battle to get rid of Peña Durán would stretch on for a year, and the battle over the two “specialized units” would last until early 1995, if not longer, despite evidence of criminal complicity. In short, for its first three years the PNC was subject to weak government support and efforts that compromised its “civilian police” mission, or worse.

The Barrera era. Hugo Barrera was not a member of ARENA, but a forceful and ambitious politician. The new Director of the PNC, Rodrigo Ávila, was a member of ARENA. They both were committed to making a better police force. But, despite his forceful actions in the wake of the bank heist, Barrera proved to have shortcomings. He demurred for months on enforcing the rules against the narcotics and investigative units still lodged in the PNC, despite Ávila’s support for change.

Some 71 members of these units had not even taken courses at the new Academy. In late 1994 they were confronted with an international campaign, with Rep. Joe Moakley (D-MA) leading pressure from the U.S. Congress, to get rid of them or at least force them to take the Academy course—hardly a punitive request.

Finally in early 1995, with Barrera’s eventual support, the move was made to dismiss the 71 members. The entire anti-narcotics and investigative units seized control of their offices and threatened to burn all records during 4 weeks. They stood down after being offered an indemnification package amounting to 14 months pay—that is 7 times as much as other police and soldiers had received. And there were no real guarantees that those who had departed could not infiltrate once again.

However, Barrera, then proceeded to create his own investigative units outside the carefully structured chain of command. This was in keeping with his highly personalistic administrative style.

To counter Barrera’s weight, reform forces, largely based in the UN, convinced President Calderón Sol to create the National Council for Public Security, a high profile group that would plan a public security strategy and keep

an eye on Barrera.⁶⁸ Despite the signal abilities of the Commission members, Barrera, a consummate political operator, had the advantage of day to day control, and he mitigated the Commission’s influence.

Director Sandoval. In 1999, President Flores named Mauricio Sandoval Director of the PNC, to the consternation of many in the human rights community.

Jesuits from the UCA recalled that during the 1989 FMLN offensive Sandoval headed the National Secretariat of Information, which took over all radio stations. The radio network broadcast phone calls that threatened the Jesuits with death. Days later six Jesuit UCA scholars, their housekeeper and her daughter were murdered by government troops. No one has stated evidence that Sandoval was personally involved in permitting these broadcasts or that the threats were linked to the assassinations. Nonetheless, it is quite reasonable for the Jesuits to harbor suspicions and ask for an accounting.

Also, Sandoval directed the Office of State Intelligence (OIE), created under the peace accords to put intelligence gathering under civilian control. Human rights activists argued that the peace accords had explicitly separated policing from gathering political intelligence and thus found it inappropriate that the former OIE head was now PNC Director.

Little is known about OIE. For example, in interviewing U.S. and Salvadoran government sources HI received statements about OIE’s size that ranged from 40 to 200 investigators. Sandoval acknowledged to HI in August 1999 that concerns expressed about him stemmed from the secrecy shrouding OIE, and said that he would soon report on OIE’s work during his tenure. No such report has yet appeared.

A retired Salvadoran official who had been involved in public security told HI that the OIE regularly tapped the phones of the President’s political enemies, but offered no evidence.⁶⁹ However, the Attorney General, in early 2000, opened an investigation after a former Vice President of El Salvador and a former

Superintendent of Telecommunications and Energy both publicly asserted that telephone wiretapping was regularly carried out by the OIE.

In the last year of Director Ávila's tenure, a number of human rights groups had traveled abroad with Director Ávila's advisors to examine experiments in community policing. When Director Sandoval arrived, the NGOs withdrew from these discussions. While Director Sandoval has created his own division of community policing in the PNC, the relationship with human rights NGOs has not been re-established.

Several analysts argued to HI in April of 2000 that Sandoval had *de facto* merged State Intelligence with the PNC. Sandoval, however, denied to HI that there were any links at all between OIE and the PNC.⁷⁰

Director Sandoval's PNC track record shows him to be a strong manager, and the PNC has needed that. He gathers managers weekly, has used police statistics for planning and concentration of police in high crime areas, and has been open to experimenting with new police methods. He has implemented simpler organizational schemes recommended by his senior officers and by the National Commission for Public Security.

As a former public relations executive, he has been PR conscious, spotlighting, for example, PN deployments in high crime areas. He has amassed statistics to assert that crime has fallen during his tenure. Skeptics wonder if this is show more than substance.

Sandoval has sought to concentrate control of the public security structure in his own hands. This could undermine the checks and balances designed under the peace accords. The design included a Vice-Minister (later on, a Minister) of Public Security, and a PNC Director who reported to the Minister, but was appointed by the President and could be dismissed by the National Assembly. The accords established the new Academy independent of the PNC, with a civilian, and politically pluralistic, academic council.

For internal control, the Minister appoints

an Inspector General of the PNC, but must do so with the advice and consent of the Attorney General and the Director of the National Council for the Defense of Human Rights. However, there are in addition, disciplinary and control units within the PNC under the Director. The structural plan firmly establishes the principles of accountability and checks and balances, in sharp contrast to the old order.

Director Sandoval has sought to bring all of these previously distinct entities under his control. He has moved to consolidate a direct relationship with the President, bypassing the Minister of Public Security and Justice.

The Public Security Division. The PNC's design had two strong divisions: public security and criminal investigations. Investigations has had a troubled history with no clear evidence that, even after purges following the aforementioned 1994-1995 episodes, it is clean. It was to have been the central element in a new, professional, scientific approach to policing.

Public security deploys the great mass of police around the country on daily patrols. Planners envisioned community based police housed not in military-style barracks but in the neighborhoods. Until recently, most agents lived in barracks, although in the last two years there has been a shift out of the barracks. (After the earthquakes that struck El Salvador early in 2001, all police agents were ordered back to barracks again.)

Recently, growing concern about corruption and crime by patrol officers has led to new efforts to supervise them. They are assigned to delegations, sub-delegations, and then small police posts throughout the country. There had been few formal procedures to guide the day to day activities of agents. In some delegations, agents or groups of agents had assigned patrol areas. In others, agents waited in the station to respond to complaints.

Only in 1999 were standard incident reporting forms circulated through the PNC, so that, until recently, there has been no systematic documentary data base for the review of police

agents' patrols or encounters with the citizenry. Only recently have sergeants and corporals received training in supervisory skills.

Another initiative, sponsored by U.S. advisors working with ICITAP (the International Criminal Investigation Training Assistance Program, which has worked in El Salvador since the Peace Accords were signed), has been to encourage deployment of multiple small patrols in high-crime areas. This began under Director Ávila. Sandoval has expanded the program. Its advocates claim it yields better supervision, strengthened community relations, and significant reductions in crime. HI interviews suggest that communities view these programs positively, but do not laud them to the skies. This useful model should be carefully expanded.

As we have seen there were efforts by military elements to infiltrate, and even take over, the PNC. More benign, or at least more popu-

lar with a fear-ridden population, have been numerous examples of military, or joint police-military, anti-crime patrols in rural areas. The most recent initiative, which raises a different set of questions, is U.S. sponsored joint effort to combat international drug trafficking.

The PNC faces serious public criticism. The government must move quickly to institutionalize a serious and continuous evaluation of the police, to restore some checks on the Director's power, and to address the deeper causes of crime. The recent sweeping purge, quite apart from procedural fair play issues, may have done little, or a great deal, to make the PNC more effective or honest. The process has not been open to scrutiny of assessment. The government must strengthen the Academy's ability to vet candidates and the PNC's supervisory and internal control systems so that citizens and honest cops do not fear that blowing the whistle will be either useless or even dangerous.

EDUCATIONAL REFORMS: PROGRESS ON A MAMMOTH TASK

Even before the chaos of 12 years of civil war, schooling in El Salvador was riddled with inefficiencies and errors. Though the Education Ministry absorbed 25% of the budget—a level to which it has never returned—El Salvador trailed all of Latin America, save Haiti and Guatemala, in public attendance. In 1979 over 3% of GDP went to education, a level to which El Salvador has never returned. However, in 1980 only 47% of the population between the ages of 6 and 23 attended school, compared with 72% in Cuba and 53% in Nicaragua. In 1980 national illiteracy was 31.5% and 44.6% in rural areas.⁷¹

Corruption, administrative inefficiencies, and a general lack of controls tainted the system. Teachers were badly paid, unmotivated, and, in many cases, spent more time in political union activities than in the classrooms. Poor coverage and low student performance were the order of the day.

Then came the war. Between 1980 and 1989 the education budget fell in real terms by 68%. Of that, 96% went to salaries. Spending on textbooks and educational materials accounted for less than \$1 per student. In 1990 17% of first graders failed to finish the year, 20% had to repeat the year, and on average, it took 9.4 years to finish primary school.⁷² Teachers received no stimulus or incentives; students received no systematic evaluation. Teacher training was practically nonexistent. Authorities avoided training sessions out of fear of creating an occasion for “subversive” meetings.

Public schools closed in the war zones. In the largest guerrilla-controlled zones “popular schools” began in newly repopulated villages.⁷³ But then the war interrupted these schools, teachers had little education, and textbooks were extremely scarce. In other rural areas, teachers often did not turn up, arguing that it was too dangerous. When they did, they arrived late Monday and left Friday mornings.

By 1991-92, 68.8% of the economically active population, and a startling 88.6% of the rural EAP, had six years or less of formal education.⁷⁴

Against this somber panorama education authorities campaigned to recuperate the “lost war years.” In addition, economic elites, with an eye on globalizing the economy, looked to the education models of the Asian tigers as their example, an example that demonstrates just how much time had been lost even before the war (Table 8). The need for qualified professionals, for a “type of education that gives priority to learning skills.... handling numbers and analytical study” was paramount.⁷⁵ And the World Bank was willing to finance educational reform.⁷⁶

**TABLE 8:
SECONDARY SCHOOL ENROLLMENT
AS A PERCENT OF AGE GROUP**

Country	1960	1977
El Salvador	13	22
Guatemala	7	16
Mexico	11	39
Taiwan	33	75
South Korea	27	88

World Bank 1980 World Development Report

**TABLE 9:
SPENDING ON EDUCATION AS A
PERCENT OF NATIONAL BUDGET,
1992-1997**

1992	1993	1994	1995	1996	1997
13.74	14.5	14.6	14.8	14.08	15.97

UNDP 1998 Informe de desarrollo humano,

**TABLE 10: EDUCATION SPENDING.
CENTRAL AMERICA (1993-1996)**

Country	% GDP
Belize	5.0
Guatemala	1.7
Honduras	3.6
El Salvador	2.2
Nicaragua	3.6
Costa Rica	5.3
Panama	4.6

UNDP, *Informe sobre desarrollo humano*, 1999, for El Salvador and Nicaragua, Coordinación Educativa y Cultural Centroamericana (CECC), *Anuario Centroamericano*, 1997.

THE REFORM PROCESS

EDUCO. Financed by the World Bank, the EDUCO program was designed to increase rural schooling. EDUCO systematized the use of community teachers that had been operating in many areas. Begun before the 1994 reform campaign, EDUCO set the stage for administrative decentralization and parent involvement. EDUCO won El Salvador international acclaim.

Central to EDUCO was a contract signed between the Ministry and the local community, represented in what was baptized “*Asociación Comunal para la Educación*” (ACE), a local parents association. The Ministry funded the ACE, which in turn would hire and fire teachers and administer the school. Though the Ministry would monitor ACEs, this marked a radical departure from centralized Ministry control.

In 1990 UNICEF funded a pilot plan in 3 locations. With a World Bank loan of \$27 million, shared between the ministries of Planning, Education, and Health for “rehabilitating social services,” 236 ACEs catering to over 8,000 children were created in 1991 under new special regulations. By 1997 there were 190,000 EDUCO students, with over 6000 teachers (about 32 students per class).⁷⁷ Local community control has insured that teachers are in school Monday through Friday.

Most EDUCO teachers were either unemployed or working in rural areas undesirable to urban teachers. The teacher union, ANDES 21de Junio, nonetheless, opposed the scheme. ANDES warned that local control by inexperienced parents would lead to favoritism, and that EDUCO would lead to privatization. Mayors and local leaders have had influence on the ACEs, thus reinforcing local elites, but widespread abuses and incompetence have not been apparent.

Job security for the EDUCO teachers is a real problem. They are not part of the Ministry’s teaching staff, nor are they unionized, so they are restricted to working within the EDUCO system without pension rights. Is the government committed to fully funding these schools? Their origins were heavily funded by international organizations through grants and loans. The fact that teachers remain “outside” the system and the rumors of and facts of increasing fees paid by parents in traditional and EDUCO schools cast doubt on the government’s commitment.⁷⁸

Some rural communities formerly controlled by the guerrillas also saw EDUCO as synonymous with privatization. In Arcatao, Chalatenango, the community vehemently opposed an EDUCO school.⁷⁹ A compromise was reached. Seven “popular teachers” without much education had been giving classes since the war years. They were retained under EDUCO to teach with five Ministry instructors who had arrived after the war. This hybrid, with both an ACE and a *comité de desarrollo educativo*, or CDE (the parent-teacher association implemented in non-EDUCO schools — see below.) is perhaps unique to these former conflictive zones, where community participation is very strong. Elsewhere, time constraints make parent participation in the ACEs sketchy.⁸⁰

What about educational quality? Ministry Officials cite research that indicates that EDUCO pupil performance was “the same as in traditional public schools” in history, and better in math. A 1998 World Bank funded study found that pupils in the normal public schools

do the same or slightly better. It concluded that parent participation and administrative decentralization do not necessarily result in better schooling, as measured by tests.⁸¹ But EDUCO did show that it is possible to create schools, improve upon deficient ones, and to involve parents.

Building Consensus. After 12 years of bitter civil war, EDUCO helped forge a consensus across the political spectrum that was to be vital for reforms.

USAID financed a 1993 study on the state of the education system, carried out by the Harvard [University] Institute for International Development (HIID), the Jesuit Central American University (UCA) and the business-oriented Entrepreneurial Foundation for Education Development (FEPADE). (Previously USAID had funded SABE, which created the “Colección Cipote,” attractive primary school textbooks in 4 subjects.) HIID added prestige, and UCA and FEPADE were able to convene a wide range of social sectors and political thinkers. The study called for a broadly participatory and consensus building process of design and implementation of reforms.⁸²

In October 1994, President Calderón Sol announced the creation of a National Commission of Science, Education, and Development with a mandate to “present the framework for the process of transforming education in the country.” A 50-member, politically highly diverse commission, debated education reforms. In a process unique for El Salvador, a consensus grew, even among former arch-enemies from the civil war, over the need for radical education reforms. The Commission told the President that the priorities were coverage, quality, and equitable access. But implementation steps were not detailed and some former members regret a lack of consistent, long-term financial support from the government.⁸³

Minister Cecilia Gallardo de Cano’s Plan Decal 1995-2005. Cecilia Gallardo de Cano, was the driving force behind reform. Her pres-

ence in both the Cristiani and Calderón Sol cabinets was unique and gave continuity to the fledgling reforms. Even ANDES leaders, with whom she fought at least two fierce battles, agree that she was “a woman with vision who did not allow herself to be manipulated politically.”⁸⁴ Others describe her “leadership and determination” to see the reforms through in the face of opposition or ambivalence.

She resigned following a withering propaganda campaign in the Calderón Sol administration directed toward the FMLN over its refusal to approve a package of World Bank education loans. The Minister was in favor of the loans, but the barrage was launched in her name without her knowing it. Key functionaries still in the Ministry believe the reform process has slowed since her resignation. “Without her, the project is still on the go, but leadership is vital. She allowed us all to get involved and to be part of the process,” said one senior official.⁸⁵

Her **Plan Decal 1995-2005**, a product of consensus building, was the centerpiece of an \$80 million World Bank loan. The ten-year plan presented three tasks:

Broadening coverage by expanding EDUCO to the 6th grade, introducing alternative classrooms in communities with a deficit, and providing dietary supplements in poor schools; **Improving quality** through curricular reforms, introduction of pupil and educational evaluations, improved teacher training, and innovative schools for parents; and **Institutional reforms** including decentralization of administrative functions, creation of school associations (CDEs), and legal reforms concerning the rights and obligations of teachers.

In January 1999, the new Education Minister, Evelyn de Lovo, re-launched the plan in a document entitled “*Desafíos de la Educación en el Nuevo Milenio 2000-2005*”. Recognizing that “reforms are not made in a question of just five years”, she announced continuity with her predecessor and established the goals in Table 11.⁸⁶

TABLE 11

Indicators	2000*	Target 2004
Illiteracy	17%	12%
Kinder (ages 1-5)	34%	45%
Basic Primary grades 1-6	84%	90%
Grades 7-9	42%	50%
Medium (<i>bachillerato</i>)	26%	30%

Source: "Desafios de la Educación en el Nuevo Milenio,"
MinEd Jan. 2000

*1998 figures of household census.

IMPACT AND TARGETS

Largely thanks to EDUCO, more children are now in school. From 1994 through 1997, rural classrooms grew from 10,191 to 14,015, and urban classrooms from 18,333 to 22,618.⁸⁷ The number of teachers employed by the Education Ministry (not counting EDUCO teachers) rose from 24,557 in 1992 to 27,931 in 1999.⁸⁸

TABLE 12: ENROLLMENT CHANGES⁸⁹

	1989	1992	% urban	1998	% urban
<i>Parvulario</i> (ages 4-6)	61,867	106,305	68.3%	166,131	67%
Basic (grades 1-9)	991,607	1,051,819	53.5%	1,198,907	55%
Middle		105,650		162,898	79%

However, in 1999, Minister de Lovo estimated a national deficit of 4,857 classrooms. Major deficiencies can be seen among the very young and teenagers who are not in school, especially in the rural areas (Table 13).

Moreover, poor classroom performance and repetition of grades plague the system. On average, almost 7.5 years have been needed to complete 6th grade. In 1998, more than 250,000 children were in grades that did not correspond to their age groups.

TABLE 13:
PERCENT NOT IN
SCHOOL 1998⁹⁰

Age	Total	Rural
4-6	57	68
7-9	15	21
10-12	11	16
13-15	24	34
16-18	53	65

The problem is worse in rural areas, especially former war zones. In Arcatao 1 of 7 students was not in the grade corresponding to age.⁹¹

Quality. It is no mean achievement that children in 1st to 6th grades now have access to well-written textbooks on four key subjects. Supplies seem to be plentiful even in rural areas. But since the books must be used for five years, children cannot take them home for fear of damage. Libraries are uncommon; schools often must pay a librarian from funds they raise themselves.

Good use of new texts has been patchy. An early evaluation in 140 classrooms around the country found repeated cases of teachers asking students to copy from textbook to exercise book, a hoary tradition that the reform was to eliminate.⁹²

The reformers were determined to change teaching practices for the last three years of basic (7,8,9th grades) and in middle school (*bachillerato*). They proposed a new "participative" and interactive methodology in order to overcome the old memory-based, rote-learning. A teacher trainer at the Central American University (UCA) commented, "Teachers were enthusiastic at first about the reforms, but they

began to get frightened off by the participatory methodology that is called for."⁹³ The integration of the sciences has run up against the reality that there are not many teachers ready to teach all three sciences. "There is not the mentality of integration, either," said another teacher trainer.⁹⁴ The curriculum of middle-level education was reduced from 32 specializations to two broad categories: two years general education in preparation for university or three-year technical education. The

HOW RELIABLE ARE THE FIGURES?

Ministry officials believe the system's data are inaccurate. Central authorities request information from departments, which ask district supervisors, who then ask school directors, who then ask teachers. Directors and teachers have a tendency to boost teacher-pupil performance records by inflating enrollments to justify more teachers and money.

The Ministry until recently used data from the 1992 household census, despite dramatic post-war demographic shifts. The consequences are serious. "We thought things were getting better in Ahuachapán, but we have now realized that it's not the case," an official told HI. The Ministry is implementing new data collection methods that are closer to the more accurate Economic Ministry household surveys.

technical options have been vastly reduced and updated. However, the economic contraction has meant that many technical course graduates are not finding jobs.

The UCA carried out three evaluations (1997-1999) of the curricular and pedagogical changes through surveys of pupils, teachers, directors, and parents. It found improvement in teaching methods, more active pupil participation, and generally limited parent involvement. It called for better, sustained supervision and training for teachers and directors.⁹⁵

Teacher, School Director, and Student Reactions. USAID signed an accord with FEPADE and the Ministry to run a five-year "social sector reform project," to prepare the teacher training instructors. After two years the Ministry decided to implement its own massive teacher training sessions. In the first years many teachers welcomed the well-organized training. Participants received travel and food allowances. By 2000 teacher enthusiasm had waned. Many complain that the training sessions are now infrequent and unsubsidized.

Minister Gallardo de Cano won over ANDES to the reform process when she involved its leaders in drafting the reform legislation. ANDES succeeded in having created the "*tribunal calificador*," or qualifying tribunal, to allo-

cate new teaching posts. It has representatives from ANDES, the Ministry, and a lawyer appointed by the Supreme Court. The 1996 "Law of the Teaching Career" (*Ley de Carrera Docente*) resulted from a pact between the Minister and ANDES. ANDES gained a healthy wage increase, and the new legislation called for a wage review every three years in addition to general public sector wage increases.

But several sources, including Ministry officials, union representatives, and teachers spoke of specific "price tags" for teaching posts charged by the qualifying tribunal (9000 *colones* for a new post, 6000 *colones* for a transfer). According to one Ministry official, last year there were more than 30,000 applications for just 400 teaching posts. This seems incredible, but teacher applicants talked of traveling the length and breadth of the country in search of a post, and of finding that when they arrived at a school 150 applicants had arrived ahead of them.⁹⁶

School directors complain that planning with the teachers is difficult. Public schools run two daytime sessions, roughly 7.30 to 11.45, and 12.30-4.45. In urban areas evening classes often meet from 5.30-9.00. Most teaching staff work two shifts, often at different institutions—and some even work three. There is little time left for staff meetings.

ANDES says the wage for a single shift begins at 2900 *colones*. But public schools and parents must raise their own funds, including for teachers' salaries. In one school in Amatepec, on the edge of the capital, of 27 teachers, 17 are paid out of the parental "quotas."

ANDES suffered severe repression in the 1980s, but remained one of the most militant and successful public sector unions. Minister Gallardo de Cano and ANDES made some progress in accommodating each other's interests. But difficult issues remain.

Evaluation of teachers and incentives was the subject of a series of strikes by ANDES in 1998-1999. The union objects to linking one to the other, as well as to parents being involved in the process through the school CDEs. The Ministry argues that incentives

must be related directly to teacher performance. "We are in agreement with evaluating professional capacities, but not linking that to incentives," said Felipe Rivera of ANDES.⁹⁷

Hiring and firing remains a battlefield. ANDES wants to add members to the qualifying tribunal. The Ministry proposes giving the CDEs the responsibility for contracting teachers, similar to EDUCO system's ACEs. ANDES fears that favoritism will come to play. Their fears have some justification, but as on other issues, the union seems to lack proposals on incentives and firing to counter the arguments of the Ministry.

Decentralization. Many officials claim that administrative decentralization has been an impressive success. The Ministry previously purchased centrally and then distributed the most minor school items (even mops and brooms). Massive restructuring did not promise to be easy. By moving with lightening speed to delegate authority to new offices for each of El Salvador's 14 Departments the Ministry minimized opposition.

The new offices now control and administer salaries for all the teachers in their areas. Supervisors, organized on a district level within each Department, are the next link down to the schools. Within the schools, the CDEs administer earmarked funds.⁹⁸ By law, each CDE has two students, three parents, two teachers, and

MARIA'S SCHOOL DAY

"Maria" attends 8th grade in a public school in a San Salvador working class area. Classes run from 7.30 to 11.45, with two breaks totaling 35 minutes. However, at least once a week, her class lets out over an hour early, and her class often starts late because the grade supervisor turns up late with the key. Maria is on the softball team, but has to miss classes in order to take part in games. Her average school week is therefore around 17 hours.

Maria's elder sister goes to night school in the 2nd year of the three-year *bachillerato* — an intensive course for adults, and one step away from the university. In 1999 teacher trainees taught two of the six subjects for six months. Usually the regular teachers assigned to give these subjects neither turned up at class-time nor supervised the trainees.

the school director, who presides.

The CDEs make recommendations about applicants to the centralized qualifying tribunal, which often ignores them. The CDE can organize extra-curricular school activities and raise funds for budget shortfalls and resources unsupported by the Ministry such as libraries. Some of the best-working CDEs are in those schools that already had a strong parent-participation; others have been rendered dysfunctional by internal divisions among the staff.

Many schools still have a different director for each shift. Changing to one director, as called for in the reforms, has been gradual and conflictive, with accusations of favoritism between the union, the Ministry, and even individual directors. Appeals of appointment decisions can drag on for a year.

Given that the director is the president of the CDE, the success or failure of the committee will often come down to the individual personality of its head. Local power structures, especially in rural areas, will also tend to be reflected in the CDE. In general, the neither parents nor pupils have much involvement. So any widening of CDE powers must be preceded by a close examination of their capacities. As one school director in Soyapango commented: "The CDEs need more training and experience to take on more functions; we are not really ready at this stage."⁹⁹

HEALTH CARE'S STALLED REFORMS

El Salvador's health care system has lacked affordable services, particularly in rural areas. Services for anything beyond basic health attention are heavily concentrated in San Salvador.

The system has three sectors. The Ministry of Health runs public health care. The *Instituto Salvadoreño de Seguro Social* or ISSS, a semi-autonomous government agency, runs an employer-employee contribution insurance system. And there is private health care. The three overlap but rarely co-ordinate. The public sector nominally covers 80% of the population, although actual coverage is lower. Around 40% of the population uses the public system as outpatients, and 76% for hospitalization.¹⁰⁰

Coverage and Fees. For every 100,000 inhabitants, El Salvador has 91 doctors, 38 nurses, 54 midwives, and 21 dentists. In contrast, Costa Rica has 126 doctors per 100,000 inhabitants and Cuba 518.¹⁰¹ Sixty percent of physicians are concentrated in the capital, which has 32% of the population and only 18% of the poor segment of the population.¹⁰² Of 5,000+ registered doctors, most work both in the public sector and private practice.

Funding for public health care is low. Meeting increased demand would require international help or more tax funds. El Salvador has one of the lowest tax takes in the region, representing just 11% of GDP in 1998, slightly up from 9.6% at the end of the war in 1992. There has been some growth since the end of the war. The Ministry devotes 60% of its budget to hospitals and under 30%

to primary care. San Salvador receives more than 40% of the budget.¹⁰³

A recent study suggested that in order to cover a basic packet of benefits for the poor, the Health Ministry would need to triple its yearly budget. This would in turn mean an additional 3 billion *colones* in taxes, or an increase to 13.4% of GDP. That is not likely to happen.¹⁰⁴

In theory, public sector health care is free. But, for many years hospitals and health centers have charged "voluntary quotas." For example, Hospital Rosales charges 5 *colones* "recuperation fee" for each outpatient appointment and another 5 *colones* per medicine prescribed. The "voluntary quota" for operations is capped at 300 *colones*.¹⁰⁵ A social worker can waive the fees after assessing the patient's ability to pay. In comparison, a private GP or pediatrician would charge, respectively, for a first appointment 100 or 160 *colones*.¹⁰⁶

Another public hospital charges 20 *colones* per appointment, and, under new "semi-private" services approved by presidential decree in 1998, 5000 *colones* for a normal birth, and 8500 *colones* for a cesarean.¹⁰⁷ The private sector has criticized this "semi-private" practice as "unfair competition." In rural areas, some health clinics charge 10 *colones* or more per appointment, but usually give medicines for free depending on availability. Otherwise the patient would pay, for example, 60 *colones* for a 5-day course of penicillin at most pharmacies.

"Voluntary quotas" of 20-25 *colones* (appointment plus 4 or 5 medicines) will stretch the pocket book of a construction worker (who earns the basic wage of 1260 *colones* a month) or a domestic (earning approximately 100-150 *colones* a week).

In 1996, the population and government spent the equivalent of 7.6% of GDP on medical services and health, representing around 6.9 billion *colones*. Of that total, 42% was divided between the public sec-

TABLE 14: MINISTRY OF HEALTH BUDGET AS % OF GDP 1990-1999

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
0.92	0.85	0.96	1.21	1.25	1.45	1.45	1.34		1.51

Source: *Health Ministry and National Budgets*

tor, which supposedly covers 80% of the population, and ISSS, which is to cover another 14-17% of the population. The remaining 58% went to private health care. Most payments for private care are cash, as opposed to private insurance policies. Very poor families paid 15% of the total cash medical payments in 1996, and relatively poor families paid another 24%. Very poor families paid 15% of the total cash medical payments in 1996, and relatively poor families paid another 24%.¹⁰⁸

Public health coverage falls short. Poor people pay private doctors at the sacrifice of food or clothing. A 1997 household survey found that 42% coped with illness by self-medication — which could mean anything from resorting to *curanderos*, local people who practice herb-based medicine, or diet-based remedies, to buying medicines on the streets or over the counter, without a prescription. Of these, 55% were women and 67% were poor.¹⁰⁹

Structure and Performance. The Ministry of Health has 30 hospitals, with 4800-5000 beds, and 450 health centers. It has 5 administrative departments in San Salvador and one in each of 13 provinces. Provincial Ministry offices administer health centers, while hospitals answer to the Ministry.

The ISSS has 1580 beds in ten hospitals, 35 medical units and 24 community clinics, all in the urban centers. It provides curative care to some public and private sector employees, their spouses, and children up to six years old, as well as to old age pensioners. The ISSS deducts 3% from salaries. Public sector employers contribute another 6.35% and private sector employers 7.5%.¹¹⁰

MRS. C'S MIGRAINE AND DEPRESSION

Mrs. C., a 58-year-old widow, suffers from migraine and depression. A former secretary, she now lives off her pension of 1700 *colones* a month. She owns her house and has a small amount of savings. When she went to her local ISSS clinic, she was given medicine, but the anti-depressants lowered her blood pressure. Surprised and concerned she decided to jump the 2-hour queue at the ISSS clinic and seek a private doctor. He told her that the pills had been discontinued because of dangerous side effects. She paid 150 *colones* for the appointment, 600 *colones* for blood and urine tests, and 300 *colones* for medicine, or 62% of her monthly pension. None of that money is recoverable from the ISSS.

It is estimated that 600 firms evade their ISSS contributions, thus preventing some 15,000 employees from receiving coverage.¹¹¹

The military, teachers, electricity workers and others have profession-based semi public social security schemes under their own infrastructure.

The ISSS has become the constant target of criticism leveled at inefficiency, bad management, and poor medical attention. Its separate status results in bad coordination, particularly in reacting to epidemics. Many cases of “*mala praxis*” are related to surgery. The most spectacular case of corruption, still unre-

resolved, implicated a former ISSS director in a multi-million dollar medicine purchase fraud. It is common for ISSS patients to be driven to private medical attention by long waits and outdated medicines at ISSS facilities.

The private sector encompasses some 1170 hospital beds plus clinics, laboratories, and ambulance services. Most insurance companies have their own list of approved hospitals and clinics.¹¹²

It is common practice for doctors to hive off public sector patients for their private practice due to the remunerative advantage and restrictions on work shifts in the ISSS and Health Ministry.¹¹³ This leads to the question of whether there might be a disincentive, among some doctors, to maintain high standards at ISSS and Health Ministry facilities. Even before the 1999-2000 strike, described below, the ISSS administration had begun passing some of its services to the private medical profession.

NGOs, usually financed by international donors, provide a range of preventative and primary care services mainly in the rural areas. One estimate puts the coverage at between 25% and 40% of the rural population — suggesting that the NGOs and international

TABLE 15: CENTRAL AMERICAN HEALTH INDICES

	El Salvador	Nicaragua	Guatemala	Costa Rica	Honduras
Infant Mortality /1000	35	45	49	12	36
Maternal mortality /100,000	120	102	111	15	108
Life expectancy	70	69	65	76	70
Doctors/100,000	118	62	99	150	88
Trained person at birth %	72	69	61	97.5	60
GDP per capita (1998)	1850	370	1640	2770	740
GDP /capita at PPP	4008	1896	3474	5802	2338
Health spending /capita \$US	130	58	82	239	49
Health spending as % GDP	7	13	5	9	7

Pan American Health Organization Basic Indicators 2000. Health spending counts public and private sectors.

money plug an important gap not financed by the government.¹¹⁴

Critics see a highly deficient system. Curative attention and not prevention is the focus. It is not attentive to the major causes of infant mortality — diarrhea and respiratory infections — that mainly afflict rural areas. The ISSS does not cover rural areas, or poor self-employed workers. And attention to mental health and physical rehabilitation, two big post-war problems, has been left mainly to NGOs. As Table 15 suggests, though El Salvador's GDP more closely approximates that of Costa Rica, its health indicators more closely approximate those of impoverished Nicaragua and Honduras.

The ISSS' "historic" budget process requires it to spend the resources allocated in totality in order to be given the same, or more, the following year.¹¹⁵ There are no performance-based incentives for doctors in the public or social security systems.¹¹⁶ There is no price oversight of private practices.

Stalled Reform.¹¹⁷ Compared to educational reform, modifications in the health system are still "in diapers." Decentralization of the Health Ministry has started. The ISSS has shed some of its responsibilities to private concessionaires, sparking major controversy. The quality and coverage of basic health care services has seen little change. Discussions of

reform among principal actors have been long, tortuous, and conflictive.

Government reform plans have been seen by civil society groups as schemes to privatize. These groups read the World Bank's 1993 *World Development Report: Investing in Health* as a call to privatize. The document called for promotion of "diversity and competition," through decentralization, subcontracting, and opening up the national health systems to competition from foreign providers. The Bank stated: "In developing countries where the public system practically has a monopoly over health assistance, it is probable that a mixed system that exposes the public services to competition results in more efficiency and better quality in the attention given."¹¹⁸

One critique agreed that public hospitals used funds inefficiently, but it argued for increased efficiency and more funds for primary, preventative care rather than reduction of already minimal public services. They pointed to evaluations of privatized hospitals in Brazil, which reveal scant, or zero improvements in efficiency, quality of services and costs, and asserted that decentralization into private hands had not been a successful in many countries.¹¹⁹ The World Bank has admitted that charging, however little, for a simple health service can act as a powerful barrier to people seeking medical care.

In 1996-97 World Bank and Inter American Development Bank loans were being negotiated

that called for greater contact between the government and NGOs. USAID also pushed for closer collaboration. It had funded the *Prosami* project that was aimed at providing rural services. When the funding ended in December 1998 USAID requested that the Ministry now pay for the NGO health promoters. Grudgingly the Ministry agreed to absorb 80 promoters per year and to hire five Salvadoran NGOs to continue the work (through another pool of USAID funds). Health authorities complained that the NGO projects were creating a demand for health services that the State was unable to meet.¹²⁰

In 1997, the Ministry shut an NGO decentralized pilot project in the outskirts of San Salvador after it accused the NGOs of “politicizing” the population.¹²¹ The incident coincided with the sweeping turn-about in the 1997 elections when the FMLN carried the vote in these areas.

Ironically, a similar project is now the showpiece of the Health Ministry as it attempts to decentralize services. The first “*Sibase*” or *sistemas sanitarias básicas* was established in Nueva Guadalupe, Usulután, with the German NGO GTZ and USAID funds.¹²² *Sibase* establishes coordination between local hospitals and health centers (which have had different reporting channels), as well as other local actors (police, mayors) within an area of 50,000 to 250,000 people.¹²³

Users are happy with the services. But generalizing *Sibase* would require legislation. But Ministry critics of decentralization argue that earlier administrative decentralization to provincial levels duplicated efforts and red tape.¹²⁴

Proposals for Reform. The 1994 ANSAL report, funded by USAID, the World Bank, the Pan American Health Organization, and the Inter American Development Bank recommended the transfer of hospital administration to the private sector, redefinition of the State’s role, and reorganization of primary care to increase the role of NGOs. The report was not well received by the Health Ministry, the medical profession, or the unions.¹²⁵

Critics argue that the ANSAL study failed to provoke change because the outside experts did not consult sufficiently with key local actors.¹²⁶

That has changed. Proposals have emanated from five Salvadoran groups: the think tank FUSADES; the Physicians College; the ISSS union STISS; the National Health Commission; and “Table 13” of the National Development Commission (established by President Calderón Sol) chaired by the Vice-Minister of Health. The Consejo Nacional de Reforma has debated the proposals. The *Consejo* consists of, among others, the Minister of Health, Director of ISSS, a representative from FUSADES and President of the College of Physicians. There is criticism that doctors and users do not have sufficient representation on the *Consejo*.¹²⁷

All five proposals call for significant change but differ about what to change and how. For example, FUSADES’ proposal calls for universal and obligatory insurance, with the State subsidizing the 50% of the population in poverty. The state would finance 100% of basic health for the 12% at the bottom, 85% of costs to the next 18%, and the 50% for the remaining 20%.¹²⁸ Based on the premise that the users need a choice in health care, FUSADES proposes that the hospitals and health centers be self financing and opened up to competition. FUSADES affirms that “any kind of reform that implies universal coverage would imply huge resources.” It is not clear how insurance would be provided to the floating members of the very large, self employed informal economy. The proposal admits that the “period of transition” would be “a long one.”

The five use similar terms such as “solidarity,” “universality,” “efficiency,” “equity,” and “participation” differently. “Participation” may mean asking people what services they want (the Ministry) or allowing freedom of choice (FUSADES), or involving the public in designing health policies (The Physicians College).

All five proposals accept a private sector role. But the Physicians see it as only complementary, while the National Development Commission wants it to be co-equal with the same set of rules. The ISSS union proposal places the ISSS in the forefront, but contemplates subcontracting services to the private sector. The proposal formulated by the National

Health Commission, proposes converting the Ministry and ISSS, into “autonomous government entities.” FUSADES’ proposes to scrap ISSS. The other proposals do not address how to resolve the threat of decapitalization of the ISSS as a result of the introduction in 1998 of private pension funds. Given the damage done to unions and increases in consumer prices following privatizations in other sectors, it was like waving a red flag at the union bull.

The Strike. When on March 6, 2000, anti-riot police fired off rubber bullets and tear gas at a concentration of doctors, health workers, and their supporters near Hospital Rosales the authorities made another error in their handling of the longest health strike in recent years. Equally, when President Flores appeared on television the previous night, declaring the strike to be “political” and ending all contact with the strikers, he shot wide of the mark. A union leader later said, the presidential announcement “gave us the excuse to begin street protests and block highways” which led to a victory — of sorts.¹²⁹

Both ARENA and the FMLN clearly hoped that the dispute would seal the electoral fate of the other. ARENA miscalculated. An irate public perceived an aloof government that was uninterested in resolving the three-month old chaos that was obviously affecting public health. A poll in February showed that 55% felt that the Flores administration was to blame for prolonging the dispute — against 28.5% who blamed the unions and 10.8% the ISSS administration. Asked to take sides in the dispute, 31.9% sided with the strikers and 28.8% with the government. Another 29.7% sat on the fence. But, interestingly, 73.8% said, “reforms should be made to the ISSS.”¹³⁰

The doctors and unions agree that what began as a dispute over alleged violations in previous labor accords turned into a wider dispute over the future of health services and privatization. To halt a 1998 strike, the Calderón Sol administration had agreed to bargain over wages and labor issues with STISSS, the ISSS doctors’ union SIMETRIS, and the Physicians College, and to accept broader representation on its *Comisión Nacional de Salud*, one of the aforementioned five proposing groups. The

unions said the government reneged. That led to selective strike actions in mid-1999, and then to a full strike in November. The unions believed that the anti-privatization card would hold most sway with a population generally unsympathetic to strike actions.

Other problems had been simmering. The government was dragging its feet over the future of two refurbished hospitals, *Amatepec* and *Roma*, which ISSS acquired in 1997 in lieu of arrears owed by the State and the private sector. The union called for their immediate reopening in order to alleviate the heavy demand on ISSS hospitals.¹³¹ In July 1999, the ISSS director announced the reopening — but said that it would be under a “new model” of private administration, as proposed in the original ANSAL study. Given the damage done to unions and increases in consumer prices following privatizations in other sectors, it was like waving a red flag at the union bull.

The March 10 strike accord, two days before the election, committed the government to respect the decisions of the auditor general and Supreme Court on the future of lost salaries, and 221 sacked workers.¹³² It bound the authorities to reopen discussions on salary issues, as it had in 1998, and to establish more commissions with the unions and medical profession to continue discussing other aspects of the health sector. It was even more ambiguous about the future of the two ISSS hospitals.

Publicly the unions saw the strike as a “victory,” but plainly, it was only a partial one. One union leader, asked how much had been won, said, “Internally, not much.”¹³³ “We uncovered the government’s intentions...and awoke the awareness among the population that the health service should not be stolen,” another leader says.¹³⁴ But the accord did not restore jobs, nor did it establish new wages. In July the government announced that *Amatepec* and *Roma* hospitals would reopen in October under an autonomous administration, or “local government” as it was phrased, a formulation not far distant from President Flores’ initial announcement that had triggered the fray.¹³⁵

THE EARTHQUAKES

THE DAMAGE

In early March the death toll stood at 1259. A proportional death toll in the U.S. would exceed 51,000, that is, only 12% fewer than Vietnam War deaths. The total of 8,000 serious injuries greatly understates the extent to which the physically damaged hospital system was inundated.

Hundreds of thousands of people lost homes and jobs. The two earthquakes destroyed 150,000 homes and heavily damaged another 185,000. The damage was inflicted mostly in semi-urban and rural areas and predominantly affected the poor. Total housing damage was \$334 million. Transportation suffered \$433 million in damage, industry and commerce \$242 million, and the agricultural sector \$93 million.

One in twenty homes is also a center of economic activity, so housing damage also resulted in loss of income. In addition, for the January earthquake only, nearly 12,000 small and medium businesses were destroyed, and another 20,000 were physically damaged, throwing about 32,000 people out of work. This understates the total following just the January quake that suffered loss of income or a probable threat thereof. That was estimated to exceed 420,000, or 1/6th of the workforce. Those victims are predominantly poor, and about half of them also suffered housing damage or destruction.¹³⁶

The two quakes damaged or destroyed 1809 public and private education centers, 31% of the total. In about 1000 cases the damage was moderate. Classes were suspended for many more schools on several occasions, as ongoing tremors raised anxieties. The direct and indirect costs were about \$65 million, not counting the educational cost of lost school time.¹³⁷

In addition, the quakes left \$127 million damage to nation's "historical patrimony." For example the Biblioteca Gallardo, a unique private library with 80,000 volumes, some from the XVI and XVII centuries, suffered serious structural damage.

Even if they had remained untouched, the hospitals and health centers would have been strained well beyond their capacity. But they were hit, too. The January quake struck 19 Ministry hospitals (63%) and 4 had to be evacuated, costing over 2000 beds. Another seven hospitals were damaged in February, and 4 were partially evacuated (costing another 273 beds). Also, three ISSS hospitals were hit. Private sector hospitals were mostly unscathed. The damage to hospitals, of course, was greatest just where they were needed the most. The health sector damage estimate of \$72 million (of which about \$48 million is damage to plant and equipment) understates the problem, because the majority of the hospitals in the public system entered the emergency in various states of old age and obsolescence. The extent of patient treatment was extraordinary. Over 3000 surgeries were required. Emergency rooms were flooded with 44,000 emergency cases, a minority of all consultations.¹³⁸

The gross economic damage amounted to \$1.6 billion, a sum equivalent to 12% of GDP.¹³⁹ By contrast, the damage in the recent earthquake suffered by Seattle had a higher price (\$2 billion), but that amounted to about 1.5% of Washington's gross state product.

Hurricane Mitch, regarded as the worst in 100 years, caused damage in the amount of 13% of Central America's gross regional product. El Salvador's current damage is far less than Mitch's damage to Honduras (80% of GDP) or Nicaragua (49%). However, the Salvadoran Departments hardest hit by the quakes suffered damage to life and property on a scale comparable to that suffered by Honduras and Nicaragua. The damage to Usulután (mostly hit in January) and Cuscatlán (hit hard in February) amounted to 19% and 22%, respectively, of their departmental GDP. La Paz and San Vicente were walloped in both quakes and suffered damage to local GDP, respectively, of 32% and 58%.

However, even in San Salvador, where the damage was relatively light (2.4% of local

BEHIND THE NUMBERS: POVERTY AND THE “NATURAL” DISASTER

An international doctor with previous experience in El Salvador went there after the January quake and sent HI an account. The following is an excerpt.

January 30. The parish priest from 22 de Abril community (on the outskirts of San Salvador) calls to say that a child has died. In the Archdiocese they think that this might be the beginning of epidemics in the shelters for the earthquake-displaced. We head for the parish. Four communities, all within about 10 minutes walk of a big private hospital, [have] the homeless displaced . . . on the sports field. We walk around with the priest. These communities were founded [during the war's early years] by people displaced by the war from San Miguel and Morazán. They came to San Salvador looking for refuge but found none. The only place they could find to settle was a steep garbage dump. They erected little shanties of black plastic over the dump, then replaced them bit by bit with houses of scavenged materials, then mud and sticks, and for the best off families cement blocks. In the quake the houses at the edge of the slope gave way, leaving the steep hillside exposed, with its archeological strata of indestructible plastic bags nearly 30 years later still intact. But the houses have not completely fallen. They teeter on the edge of the slope—the floors canted, sometimes over mere air, the sidewalks cracked and tilted. When the rains start some of them will fall the rest of the way down, crushing the shanties beneath them, carrying the hillside with them.

It has been barely two weeks since the quake, and already new sheets of corrugated metal have been installed to cover the holes in the roofs, wooden braces have been hammered in to stabilize tilting roof beams, enough cynicism has set in about the relief efforts that the community will no longer per-

mit visits by census takers—aid is welcome, but not the pretense of it.

We visit the house of the dead infant. No epidemic it seems, maybe SIDS [Sudden Infant Death Syndrome], maybe violence, maybe meningitis, and a mother so young and lonely and uninformed that she had not noticed any signs. The neighbors are all sitting in vigil with her. The husband is in the hometown in the eastern part of the country and is not expected to return.

Below us I can see the black plastic shanties erected on a playing field by the completely dispossessed. There is a young boy playing—dressed only in an adult's t-shirt, which reaches to his feet. He seems unconcerned. The floor I stand on, high above him, is tilting. When it lets go the place where the boy is standing will be crushed.

The city of Soyapango says that these people were not harmed by the quake and do not need assistance, the priest tells us.

I report back to the Archdiocese that what this population mostly needs is steady household income and stable ground to build on - in short, exactly what they have lacked [since they arrived from the war zones]. There is as yet no acute medical emergency. But there is an acute exacerbation of the health consequences of chronic poverty. Many of the few employed residents of 22 de Abril lost their jobs at least temporarily when the factories employing them were damaged in the quake. They are now less able than ever to afford the price of a physician visit (not to mention the price of any medications prescribed) if anyone in the family falls ill with the gastrointestinal and respiratory and skin infections that plague the poor in these settings.

GDP), the damage per capita was \$103, or 902 *colones*. Recall from the above health and education sections that Mrs. C's monthly pension was 1700 *colones*, and that a domestic might earn 600 *colones*, a construction worker 1260, and a teacher 2900. The poorest Departments (Chalatenango, Morazán) were mostly untouched, but their prospects dimmed because all aid will go to quake zones. The map of poverty broadens into the quake zones, and estimates were that the national poverty rate has risen ten points to nearly 60%.

POST QUAKE POLITICS

The first political moment after the January earthquake could be seen as an act of national unification. Assembly opponents had been staring each other down for months over the 2001 budget and approval of just over \$200 million in international loans. President Flores went before the Assembly and begged for approval of both. In a rare unanimous vote the Assembly voted and pledged to approve and ratify the loans.

That was the last display of unity.

The FMLN held that a reconstruction plan should be fashioned with the full participation of constituent groups, including opposition parties. The government turned down the offer. The FMLN offered to put itself under the command of the President and said it would accompany the President to the donors' consultative group conference Madrid. ARENA found conditions in this seemingly supine offer. The FMLN had insisted on a broad-based committee. Think tanks, including the generally conservative FUSADES, called upon the government to form a broad team. Representatives from international agencies suggested that it would be advantageous to present a plan with broad backing.

President Flores said this was not a time for political negotiations. In the end, he said, the only people the government needed to consult were the victims of the quake—though how this consultation was to take place, beyond gathering information for damage reports, was not clear.

In one municipality, an ARENA mayor complained that the FMLN had formed a reconstruction committee and that a team of Venezuelans was working with it. In another, San Juan Tepezontes, there were two emergency committees, one formed by the ARENA mayor, the other by the FMLN, and each had marked off neighborhoods. Óscar Ortiz is the head of COMURES, the mayors association, and the FMLN Mayor of Santa Tecla in metropolitan San Salvador. He complained that mayors had sent letters to the government about reconstruction but they had been met by silence.

Economics Minister Miguel Lacayo and Juan José Daboub, technical secretary to the President, were charged with fashioning a plan for Madrid. Daboub defended the process and attacked the FMLN, saying that it took the deaths of over 800 Salvadorans to get the FMLN to approve the budget, and that the FMLN had a plan that called for socialism. An FMLN rough draft had surfaced (and been played up by Daboub on television) that called for socialism. The FMLN backtracked and said socialism was a long-term goal, not its plan for reconstruction.

With the March 7th Madrid meeting but weeks away, the government may have felt that there was not time for a broad committee to get bogged down in debate, particularly with its main adversary.

But the rejection recalled the debate over post-war reconstruction when government aid contracts were not given to any NGOs with FMLN sympathies (unless through international intermediaries), and when the government held all the planning reins. But even in those early post-war years with wounds still raw, the government and FMLN agreed to go on fund raising trips together.¹⁴⁰

In February, the FMLN suggested that it might make its own trip through European capitals and might send a committee to Madrid. Flores was publicly concerned about this possibility. However, with the Madrid conference on, the FMLN issued its own reconstruction plan—but did so in San Salvador. In Madrid, representing the mayors was the aforementioned Mayor Ortiz. (He had been invited at the last minute.) Rather than focusing on criticisms, he made a plea for aid.¹⁴¹

RECONSTRUCTION AND GROWTH

In the end, the government in Madrid secured commitments for \$1.3 billion, with \$300 million of that in grants and much of the rest in soft loans. This included what had previously been delivered and pledged. President Bush had pledged \$110 million to President Flores and Temporary Protection Status (TPS - exempting those who register from deportation) for Salvadorans in the U.S. In perhaps the most explicit statement yet that maintaining a Salvadoran diaspora is the economic policy, Flores exulted that the TPS was worth \$350 to \$500 million a year in additional remittances (though the basis of his calculations was not clear).

However, at the end of the day in Madrid, the government's tone was noticeably muted, with various officials wishing that grants had been higher and the loan terms softer. The government had estimated it would take \$2 billion to reconstruct. Nonetheless, government offi-

cials continued to project economic growth for 2001 at 3.5-4.5%, an increase over the estimated 2% in 2000 and 3.3% in 1999.

Before Madrid, CEPAL estimated reconstruction costs of \$1.9 billion and projected probable growth in 2001 of 3.75%, with pessimistic (3%) and optimistic (4-5%) scenarios. FUSADES' projections, also before Madrid, were less sanguine.

They focused on the damage to the highway system and infrastructure, a worsened investment climate in the private sector, and reduced consumer spending. FUSADES estimated 2.5%, and that was based on the hope that there would be no further damage when the rainy season got underway. Economic reporters consulted by HI were less optimistic than FUSADES.¹⁴²

CONCLUSION

The question of adherence to the peace accords, while still legitimate, has not had political weight for three or four years. But the legacy of the war weighs heavily.

The repeated “purification” of the PNC is, after all, the same issue, on quite different terrain, of the accords’ call for police purification. The EDUCO program can be seen not only as an effort to make up for war created rural deficits, but also as an effort to mitigate one of the causes that led peasants to fight in the first place - El Salvador’s deep rural injustices. But educational quality has trailed expanded coverage. In health, the promise of the *Sibases* comes years after EDUCO’s decentralizing model and has not accelerated nearly as quickly. Rural health care remains poor. Rural land poverty is in similar proportion to pre-war years.

The war was fought against what rebels and others perceived to be an undemocratic, distant, arrogant, and, in the case of the old police forces, cruel government. The schools, health systems, and police, more than any other public institutions, are made up of what one analyst coined “street-level bureaucrats.” Across the nation, they come in contact with the public every day. How they perform their services and with what resources, and how they encourage or respond to citizen participation will be the keys to their success or failure in reducing this legacy of the war and its causes. Unless the government provides them full support they won’t be able to do their job well. There is reason to doubt the government’s commitment. We have noted the low tax collection rate. Even in Education, the area with the most progress, much of the change was financed internationally. EDUCO teachers deserve pension rights and other normal job protections. In Brasilia, the capital of Brazil, the government a few years ago addressed the core issue of school attendance by providing poor families with income subsidies so their kids could go to school rather than work. El Salvador needs to consider that.

Remittances are the product of the war. There is some legitimate worry that the government’s plan for financing health and education is to off load costs on to families, under the assumption that they can pay them with remittances from the U.S. However, as we have seen, a minority of poor families receives remittances. As an economic phenomenon they may be more stable, in the short to medium term, than either coffee (subject to the idiosyncrasies of Brazil’s climate) or the mobile, labor-cost sensitive maquilas. The negative side of remittances (apart from those mentioned above) is that this pillar of the Salvadoran economy is based upon a painful division of the Salvadoran family. As the pain recedes, and the memories of the new generation fade, so, too, might the remittances.

ARENA emerged from the March 2000 election setbacks with a tightly disciplined Assembly bench and a long-standing legislative alliance with the PCN. Since then, it has demonstrated control of the government. Its margin for action on issues that require a qualified majority is limited. When the FMLN would not agree to international loans, ARENA, apparently, was stuck. It may be that ARENA’s new leadership will resolve differences among party elites and animate the party base, but there is no evidence so far that it has done so. ARENA has no obvious presidential candidate.

The FMLN has a potential presidential candidate, its greatest Assembly strength ever and control over the largest, and now better-funded, municipalities. A year after the elections, it is difficult to evaluate the potential of these strengths. Its legislative power was clearer than its strategy. Progress in FMLN municipalities may be happening.

Despite often used rhetorical flourishes about parliamentary democracy being about the “art of compromise,” it is fundamentally an adversarial process with big interests at stake. In El Salvador, parties vote as a block, and there are marked ideological differences between ARENA and the FMLN, recent adversaries in a

shooting war. It is not surprising that the adversarial climate is usually unyielding. We should not expect legislative tea parties at the end of the day's debate.

The FMLN's attempt at leverage by holding up the loans and its clamoring to share the design of post-earthquake reconstruction are parts of its legitimate peace negotiation strategy to have more leverage over governmental policy. The FMLN has every right to know the details of every loan, and the government, somewhat in keeping with ARENA's centralized style, has been grudging about providing full information. But the FMLN's counterproposals for funding education and health have not been clearly projected. Worry about the size of El Salvador's debt is legitimate; but most of these loans have soft terms, and El Salvador is very credit worthy. The real issue is which Salvadorans will be burdened with paying back the loans. But if the FMLN was bargaining loan approval against tax law changes, it was not evident.

In the normal rubric of parliamentary debate, ARENA blamed the FMLN for blocking the loans. But there was no evidence of ARENA being willing to compromise either. For what, exactly, was the FMLN bargaining, in exchange for loan approval, and what were the endgames of ARENA and the FMLN? The January earthquake settled the budget and loan issue for 2001, but it did not answer these questions.

There have been a few signs of compromise, over electoral reform, for one. Nonetheless, the

extent of stubborn hardheadedness seems excessive. President Flores' brusque dismissal of the FMLN's post earthquake call for "*concertación*" could not be characterized as creative diplomacy.

It is easy for outsiders to call for electoral reform, but it must be conceded that in El Salvador, since 1982, the popular vote decides the election. It is easy for outsiders to call for greater post-war reconciliation and less working for partisan advantage, but we should recall that, in the U.S., the evidence of Civil War damage and conflict remained naked a century later—and, even now, there is debate over southern state governments' display of the rebel flag.

In this light, we conclude by recommending contemplation of two quotations from speeches, given on January 16, 1992 by President Alfredo Cristiani and FMLN commander Schafik Hándal in Chapultepec Castle in Mexico City at the ceremonial signing of the peace treaty.

President Cristiani: "We say to the FMLN, with respectful conviction, that your contribution is needed to develop a stable and consistent democracy...and we are sure that all political and social forces can work together...for the benefit of the country, as El Salvador deserves."

Commander Hándal: "As befits the outcome without victors or vanquished, the FMLN enters the peace by opening its fist into a hand and extending it in friendship to those we have fought with the firm goal of initiating the unification of the Salvadoran family."

ENDNOTES

- 1 Comisión Económica para América Latina y El Caribe, "El Terremoto del 13 de Enero de 2001 en El Salvador: Impacto socioeconómico y ambiental," and "Evaluación del Terremoto del Martes 13 de Febrero de 2001," (hereinafter CEPAL-January and CEPAL-February).
- 2 Mitchell Seligson and Vincent McElhinny, "Low-Intensity Warfare, High-Intensity Death: The Demographic Impact of the Wars in El Salvador and Nicaragua," *Canadian Journal of Latin American and Caribbean Studies*, vol. 21, 1996. Civil War and Vietnam Casualty figures are from the 1996 edition of *The World Almanac*. The statistics are: El Salvador war dead = 80,000; 1982 population = 5m; U.S. Vietnam armed forces; war dead = 58,000; 1970 population 203m. U.S. Civil War service deaths = 365,000; 1860 population = 31.5m.
- 3 The literature is huge. An excellent starting point is Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, eds. *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective*, University of Notre Dame Press, 1992. For El Salvador begin with Herman Schlageter, "Corrupción, instituciones Arcaicas y Posibles Soluciones," in Stefan Roggenbuck, ed., *Instituciones y Democracia en El Salvador*, Fundación Konrad Adenauer, San Salvador, 1994.
- 4 We are grateful to members of the Ministries of Health and Education, of the National Civilian Police, of the FMLN, ARENA, Christian Democratic Party, and the Convergencia Democrática political parties and to numerous citizens for giving us their time, to teachers and school directors in San Salvador, Soyapango, Arcatao, and San José Las Flores. Though we do not cite them in individual notes were are particularly grateful for their time, their insights, and their graciousness to Damian Alegria, Paco Altshul, Antonio Alvarez, Bill Barnes, Guido Bejar, Jim Boyce, Paula Brentlinger, Ricardo Córdova, Maria del Carmen Cruz, Héctor Dada, Nidia Díaz, Ken Ellis, Irene Flores, Héctor Lindo Fuentes, Alfonso Goitia, Facundo Guardado, Nora Hamilton, Pedro Juan Hernandez, Kelly Josh, Melinda de Lashman, Arthur MacEwan, Gerson Martínez, Jaime Martínez Ventura, Vince McElhinny, Andres McKinley, Roberto Moran, Mary Ott, William Pleitiz, Giovanni Ricci, Felipe Rivera, René Rivera, David Rodriguez, Edmundo Salas, Orlando de Sola, Bob Sutcliffe, Ramiro Velasco, Ronal Umaña, Helen von Acker, Knut Walter, Libby Wood, and Rubén Zamora.
- 5 Jack Spence authored a shorter version of the following analysis for the *LASA Forum*, Summer 2000.
- 6 Rubén Zamora, *El Salvador: Heridas que no cierran: Los Partidos Políticos en la Post-Guerra*, FLACSO, San Salvador, 1998, 93-101; Jack Spence, David R. Dye and George Vickers, *El Salvador: Elections of the Century*, Hemisphere Initiatives (hereinafter HI), July 1994, 8-10; FLACSO, *El Proceso Electoral 1994*, San Salvador, 1995.
- 7 Zamora, op. cit. Municipal and legislative terms are three years; the President serves five years.
- 8 Other small parties have not lasted. Three parties that gained seats in 1997 are now out. This time the new PAN gained two seats. On parties and democratization: Scott Mainwaring, and Timothy Scully, eds., *Building Democratic Institutions: Party Systems in Latin America*, Stanford, 1994.
- 9 Jack Spence, David R. Dye, Mike Lanchin, and Geoff Thale, *Chapultepec: Five Years Later, El Salvador's Political Reality and Uncertain Future*, HI, January 16, 1997; See IUDOP, "Los salvadoreños evalúan dos años de gobierno de Calderón," *Estudios Centroamericanos (hereinafter ECA)*, No. 571-572, May-June, 1996.
- 10 Public financing *before* the election depends on results from the previous election. In 1994 the FMLN got 500,000 colones; ARENA got 14 million. *After* the 1994 election the FMLN received an additional 14.3m and ARENA an additional 21m. By contrast before the 1997 election the FMLN received 5.5m to ARENA's 11.8m. Afterwards, the FMLN got 4m. ARENA had to give 1.4m back. This year they got roughly equal amounts before and after the election. See Tribunal Supremo Electoral, *Guía Elecciones 2000*, pp. 33-34 and *La Prensa Gráfica*, (hereinafter *LPG*) March 25, 2000.
- 11 Elisabeth J. Wood, *Forging Democracy from Below: Insurgent Transitions in South Africa and El Salvador*, Cambridge University Press, 2000; Jeffery Paige, *Coffee and Power: Revolution and the Rise of Democracy in Central America*, Harvard University Press, 1997.
- 12 For adult population estimate see USAID, "El Salvador 2000: A Primer on Legislative and Municipal Elections," www.usaid.gov/regionslac/el_salvador_election_primer.html (no date).
- 13 William A. Barnes, "Incomplete Democracy in Central America: Polarization and Voter Turnout in Nicaragua and El Salvador," *Journal of Interamerican Studies and World Affairs*, v. 40. No. 3, 1998, 63-101. NB: Ricardo Córdova Macías, "El Salvador: El Abstencionismo en las Elecciones Presidenciales de Marzo de 1999," presented at the Latin American Studies Association Congress (hereinafter *LASA*), Miami, March 2000.
- 14 "Los salvadoreños frente a las elecciones," *Proceso*, número 886, 19 de enero 19, 2000, 10-12.
- 15 *LPG*, July 26, December 23, 2000.
- 16 The other four are Morazán (57,000), San Vicente (52,000), Chalatenango (64,000) and Cuscatlán (66,000). The other Departments with 3 seats are La Paz, Ahuachapán, and La Unión. The other 60 seats are: San Salvador 16, Santa Ana 6, La Libertad 5, San Miguel 5, Usulután 4, Sonsonate 4, and a National Slate 20. One reallocation method could group contiguous over-represented departments: Morazán with La Unión for 5 (not six) seats, San Vicente with La Paz for 5 (not six) seats and Chalatenango, Cuscatlán, and Cabañas for six (not 9) seats.
- 17 *Diario del Hoy* (hereinafter *DDH*), September 20, 2000.
- 18 *LPG*, April 30-May 4, 2000.
- 19 The FMLN claimed 63 votes (75%) are necessary because the agreement affected Salvadoran "territory." Its argument has merit though is based on a somewhat vague constitutional clause (Article 147): Cualquier tratado o convención que celebre el Órgano Ejecutivo referente al territorio nacional requería también el voto de las tres cuartas partes, por lo menos, de los Diputados electos. *LPG*, June 27, 28, July 4-7, September 5, and October 11, 2000.
- 20 *LPG*, December 23, 2000, January 18, 19 and February 12, 2001. *DDH*, September, 21-22, 2000.
- 21 Marcos Rodríguez, "A propósito de la transferencia del 6% a las Municipalidades," *Alternativas para el Desarrollo*, No. 60, septiembre-octubre 1999, 8-18; Victor Antonio Orellana, "Políticas y Propuestas de Descentralización en El Salvador (1980-1996), FUNDAUNGO, San Salvador, April 1997.

- 22 Shawn Bird, "Institutionalizing Local Democracy: Decentralization, Municipalismo, and Citizen Participation in El Salvador," LASA, Miami, 2000.
- 23 Jenny Pearce, *Promised Land: Peasant Rebellion in Chalatenango El Salvador*, Latin American Bureau, London, 1986; Elisabeth J. Wood, op. cit.; Vincent J. McElhinny, "Revolutionary Experience and the Empowerment of Rural Producers in El Salvador," presented at the 1999 Annual Meeting of the American Political Science Association, Atlanta, September 2-5.
- 24 McElhinny, op. cit., Philip Oxhorn, "Hacia un modelo alternativo de desarrollo para El Salvador: El papel de la sociedad civil," en Knut Walter (coordinador), *Gobernabilidad y Desarrollo Humano Sostenible en El Salvador*, San Salvador, 1999. From LASA, Miami, 2000, see: Shawn Bird, op. cit., David E. Leaman, "Partners Still Living Apart: Civil Society and Political Society in Post-War El Salvador," Alberto Enríquez Villacorta, "La Participación Ciudadana en el Desarrollo del Municipio de San Salvador," Kelly Ready, "Between Local Constituencies and Transnational Funding: Situating Salvadoran Feminism," Lorena Martínez, "La Globalización Desde Abajo: La Experiencia de la Asociación de Comunidades Rurales para el Desarrollo de El Salvador (CRIPDES)," Michael W. Foley, "Laying the Groundwork: The Struggle for Civil Society in El Salvador," *Journal of Interamerican Studies and World Affairs*, v. 38, 1996, 67-104. For comparative perspectives see Eliza Willis, et. al., "The Politics of Decentralization in Latin America," *Latin American Research Review*, v. 34, no. 1, 1999; Jonathan Fox, "Latin America's Emerging Local Politics," *Journal of Democracy*, v. 5, April 1994, 105-116.
- 25 McElhinny, op. cit., compares three rural municipalities each with longstanding political ties either to the FMLN, ARENA, or the PDC. The FMLN municipality showed higher approval for more radical forms of participation. In Bird's sample an FMLN municipality, Nejapa, was relatively low on participation and high on legitimacy, while a PCN city, Berlin, showed the reverse pattern. However, Nejapa was one of the first to have a citywide planning commission.
- 26 This section has benefited from Zamora, op. cit.; and the essays by Héctor Dada and Carlos Ramos in *Las elecciones de 1997: ¿Un paso más en la transición democrática?*, FLACSO, 1998.
- 27 *LPG*, May 1-5, 19, 22, and 25.
- 28 *LPG*, and *DDH*, June 16-19. According to Nidia Díaz, veteran commander and Assembly Deputy, party fractiousness reduced FMLN women deputies from 9 of 27, to 7 of 31. Interview with Nidia Díaz, March 15, 2000. For convention results see *LPG*, and *DDH* December 17-18, 2000.
- 29 Salgado's party, the PLD, gained 2 seats in 1997, but fell off the map in 2000.
- 30 Zamora, op. cit., 81-87.
- 31 *LPG*, March 15, 16, April 7, April 18, May 16-21 *DDH*, September 20, 23, 30, and October 1, 2000.
- 32 The PD allied with the PDC in 7 departments. For every 100 votes gained the PD contributed 5, but got 1 of the 3 seats the alliance won.
- 33 World Bank, *World Development Report 1980*, Zamora, op. cit., 137-142.
- 34 James Dunkerley in *The Long War*, Verso, 1983, suggests the government intended this migration, a "discrete policy of lebensraum," p. 80. The classic analysis is William Durham, *Scarcity and Survival in Central America: Ecological Origins of the Soccer War*, Stanford, 1979. Durham's estimate of post-war returnees is 130,000, p. 170. See Victor Bulmer-Thomas, *The Political Economy of Central America since 1920*, Cambridge University Press, 1984 for population and economic data.
- 35 Carlos Acevedo, "The Historical Background to the Conflict," in James Boyce, *Economic Policy Building for Peace: The Lessons of El Salvador*, Lynne Rienner, 1996.
- 36 M. Dolores Albiac, "Los ricos más ricos de El Salvador," *ECA*, No. 612, October 1999, 841-865. For a terse critique of the ARENA model from a conservative source see, in the same issue, the article by Álvaro Magaña on Amartya Sen, 877-892.
- 37 Relevant growth rates: 1960 to 1970: national = 5.9%; industry = 8.5%, agriculture = 3.0%; 1970 to 1978: national = 5.2%; industry = 7%, agricultural = 2.7%, World Bank, *World Development Report*, 1980. But compare to Taiwan and South Korea. In El Salvador the share of industry rose from 34% to 36%. In Taiwan industry's share rose from 51% to 86%, and in South Korea it rose 31% to 60%. GNP/capita growth averages: 1.8% in El Salvador; 6.5% in Taiwan and 6.9% in South Korea. These countries were unique. Near the front lines of the cold war, they received in the 1950s and 60s tremendous quantities of U.S. aid.
- 38 See the debate between Mitchell Seligson and Martin Diskin with comments by Jeffery Paige in the *Latin American Research Review*, vol. 31 no. 3, 1995 and vol. 31, no. 2, and 1996.
- 39 Comisión Económica Para América Latina y el Caribe - CEPAL, "USO Productivo de las Remesas Familiares y Commentaries en Centroamérica," LC/MEX/L.420, 2 de Febrero de 2000 (hereinafter CEPAL-CA), Cuadro 1.2; and CEPAL, "USO Productivo de las Remesas Familiares y Comunitarias en El Salvador," LC/MEX/L.415, 17 de Diciembre de 1999 (hereinafter CEPAL-ES). Roberto Rivera Campos has different figures for percent of GDP because his GDP calculations have a different price basis than those of CEPAL. In his calculations for 1989 remittances were 4.8% of GDP; for 1994, 11.9%; and for 1998, 11.3%. See Cuadro 1.8, p. 48 in his very important work, *La economía salvadoreña al final del siglo: Desafíos para el futuro*, FLACSO, San Salvador, 1999.
- 40 Rivera Campos, op. cit., 87-102, 148-151.
- 41 *Ibid.*, 108-121. The Consumer Price index declined from 20% in 1992 to 2% in 1997, 4% in 1998 and -1% in 1999. It rose to 4.3% in 2000.
- 42 *LPG*, July 3, 5, 10, 12, 28, 2000, March 8, 2001.
- 43 *DDH*, May 12, 15, June 30, July 27, 2000. With the FMLN abstaining the Assembly approved the Mexico agreement in December. *DDH*, December 8.
- 44 Alexander Segovia, "Performance and Policies Since 1989 in Boyce, op. cit.; Banco Central de Reserva (BCR), *Annual Economic Indicators*, 1999.
- 45 *DDH*, October 10, 2000.
- 46 *DDH*, December 5, 1996; *LPG*, July 18, 2000.
- 47 Rivera Campos, op. cit., 215-230.
- 48 Beneke de Sanfeliú, "Dinámica del ingreso de las familias rurales en El Salvador: Estudio de panel 1995-1997, FUSADES; Lardé de Palomo, Anabela y Aida Ariuello de Morera, "Integración a los mercados de los hogares rurales y generación de ingresos," FUSADES; Carlos Briones y Katharine Andrade-Eekhoff, "Participación en los mercados laborales de los residentes en las áreas rurales. Limitaciones y desafíos, FUSADES, FundaUngo, Ohio State University, all in March 2000. See Tables 5 and 7 in Beneke de Sanfeliú.

- 49 The World Bank does not present remittance figures on many countries. The comparison does not include a few small island nations (e.g. Vanuatu, Comoros, Cape Verde) with very high remittances as a percent of exports. Though the data differ the picture remains the same in the CEPAL-CA study, op. cit. For 1999 remittances as a percent of GDP in El Salvador were twice those of Nicaragua and 4.5 times those of Guatemala.
- 50 See the following joint publications by the Interamerican Dialogue and the Thomas Rivera Policy Institute: Louis De Sipio, "Sending Money Home...For Now: Remittances and Immigrant Adaptation," January 2000; Manuel Orozco, "Remittances And Markets: New Players And Practices," May 2000; J. Edward Taylor, "Do Government Programs "Crowd In" Remittances?" May 2000; B. Lindsay Lowell and Rodolfo O. de la Garza, "The Developmental Role of Remittances in U.S. Latino Communities and in Latin American Countries," June 2000. See also, Peggy Levitt, "Towards An Understanding Of Transnational Community Forms And Their Impact On Immigrant Incorporation," presented at Comparative Immigration and Integration Program, University of California at San Diego, February 19, 1999; Nora Hamilton and Norma Stoltz Chinchilla, "New Organizing Strategies And Transnational Networks Of Guatemalans And Salvadorans In Los Angeles," <http://migration.ucdavis.edu/mm21/1999/hamilton.html>; Patricia Landolt, "Salvadoran Transnationalism: Towards the Redefinition of The National Community, Program in Comparative and International Development, The Johns Hopkins University, (n.d.) <http://www.jhu.edu/~soc/pcid/papers/18.htm>
- 51 See DeSipio's, op. cit. The CEPAL-ES study, op. cit., said sources in El Salvador's Central Bank informally stated that official figures understate remittances. Others claim they overstate and cover up crime related money laundering. It could be the poll respondents exaggerate the amount they send home.
- 52 *LPG*, July 25, 2000.
- 53 Landholt, op. cit., p. 1; Levitt, op. cit., Hamilton and Chinchilla, op. cit.
- 54 *Latin American Monitor - Central America*, v. 18, no. 1, January 2001. *DDH*, November 23, December 1, 4 and 16, 2000.
- 55 There have been many surveys. For a 1997 review see, José Miguel Cruz and Luis Armando González, "Magnitud de la violencia en El Salvador," in *ECA*, no. 588, October 1997, 956. This issue, entitled *la cultura de la violencia en el salvador*, contains essential articles.
- 56 Miguel Cruz, "Los Factores Posibilitadores y las expresiones de la violencia en los noventa," *ECA*, no 588, 984-987.
- 57 IUDOP survey, July 1999.
- 58 Cruz and González, op. cit. 956, *New York Times*, October 13, 1996.
- 59 (IUDOP) survey, July 1999.
- 60 Romano, *ECA*, No. 588, October 1997, 967-976.
- 61 *DDH*, May 25 - June 7 (with four stories on May 26 and four on June 7), June 30, July 5 (3 stories), 2000.
- 62 *DDH*, September 25, October 1, 2 and 8, 2000; Communication to HI from FESPAD, March 8, 2001.
- 63 *Chapultepec Five Years Later*, op. cit., 16-20.
- 64 The richly detailed *La Policía Nacional Civil de El Salvador (1990-1997)*, UCA Editores, 1999, by Gino Costa is the fundamental source on the PNC. See William Stanley, *Protectors or Perpetrators? The Institutional Crisis of the Salvadoran Civilian Police*, HI and the Washington Office on Latin America (WOLA), 1996.
- 65 Costa, op. cit. 101, 137-145.
- 66 Costa, op. cit. 171-173.
- 67 See George Vickers, Jack Spence, et. al., *Endgame*, HI, December 3, 1992; Costa, op. cit., 225-277.
- 68 On the commission were David Escobar Galindo and Salvador Samayoa, highly respected members of the Government and FMLN peace accord negotiating teams, and a prominent y business leader Luís Cardenal. Cardenal lost to Héctor Silva in the March 2000 mayor's race.
- 69 HI/WOLA Interview, July 1999.
- 70 HI/WOLA interview with Sandoval, April 2000 and other interviews April 2000.
- 71 UNDP, *Report on Human Development 1992*; Ministry of Planning Household Census 1991-92.
- 72 Based on annual reports of Education Ministry, Central Bank figures and annual budgets, and "El Salvador: Reforma Educativa. Analisis del proceso de descentralización, 1ª parte," FUSADES, March 1998).
- 73 John L. Hammond, *Fighting to Learn: Popular Education and Guerrilla War in El Salvador*, Rutgers, 1998.
- 74 Ministry of Planning Household Census 1991-92.
- 75 Interview, March 2000, Knut Walter, former member of the Education and Science Commission, and ex-adviser to Minister Gallardo de Cano. Walter wrote in "Educación en Centroamérica, Reflexiones en torno a sus problemas y su potencial", October 1999: "It was no longer a question of passing on, or inculcating knowledge by rote learning, or by repetition, nor of training individuals to occupy a particular given post. Rather, it was seen as necessary to prepare people to fulfil a wide variety of jobs where the importance was not just how much a person knows, but rather his or her ability to learn more on the job."
- 76 See Hector Lindo Fuentes, "Educating for Progress and Educating for Economic Growth: Liberal and Neoliberal Educational Reforms in El Salvador," LASA, Guadalajara, April 1997 for an insider view. The World Bank gave Salvadoran planners copies of *The East Asian Miracle*. His observations suggest that the reforms were difficult to implement in the classroom.
- 77 "EDUCO, Una experiencia en Marcha" Ministry of Education, San Salvador, November 1995; Victor Córdova and Barbara Wein, "The Role of Education in the Construction of Peace and Social Transformation of El Salvador: What is the Education El Salvador Needs?" LASA, Miami, 2000. "Estado de la Nación en Desarrollo," National Committee for Sustained Development, San Salvador, April 1999.
- 78 ANDES reports 19,000 unionized teachers out of the 29,000 Ministry-employed teachers. The Ministry reported a 1997 rural-urban teacher ratio of 10:17.
- 79 Rumors that EDUCO would hike parents' fees ("quotas") 10-fold heightened distrust. Families had been paying 10 colones per month per family for schooling — regardless of the number of children. See also, Ian Davies, "The Debate over Popular Education in El Salvador," LASA, Miami, 2000.
- 80 Based on sample interviews with teachers and directors, March-April 2000. "El Salvador: Reforma Educativa," op. cit.
- 81 Interviews with MinEd officials, San Salvador, March-April 2000. Emmanuel Jiménez and Sawada Yasuyuki, "Do community managed schools work? An evaluation of El Salvador's EDUCO program," (Paper No. 8, Evaluation of Educational Reforms, Development Research Group), World Bank, Feb 1998.

- 82 See José Luis Guzmán, "La transformación de la educación en El Salvador. Reflexiones sobre la propuesta de la Comisión Nacional de Educación, Ciencia y Desarrollo," *ECA*, No. 561-562, Año L, Julio-Agosto 1995, 619-633.
- 83 Proposal of the Education, Science and Development Commission "Transformar la educación para la paz y el desarrollo en El Salvador," 1994.
- 84 Interview with ANDES leaders, March-April 2000, San Salvador.
- 85 Interview in San Salvador, April 2000.
- 86 Quoted in *DDH*, Feb. 7, 2000.
- 87 "Estado de la Nación en Desarrollo" op. cit.
- 88 *DDH*, Sept 9, 1999. "Estado de la Nación en Desarrollo," op.cit. and "Datos Estadísticos Educativos Actualizados, 1998," MinEd, January 2000.
- 89 "Estado de la Nación en Desarrollo" op. cit.; "Desafíos en la educación en el nuevo milenio" MinEd Jan. 2000.
- 90 "Datos Estadísticos . . .," op. cit.
- 91 "Estado de la Nación en Desarrollo," op. cit.; "Datos Estadísticos . . .," op. cit. Interview with directors in San Salvador, April 2000.
- 92 Knut Walter carried out the evaluation for the Education Ministry.
- 93 UCA, Monitoreos de Seguimiento, Proyecto de Reformas Curriculares, 1997, 1998 and 1999. Researchers interviewed teachers, students and parents in 30 schools across the country, observed classes, and conducted focus group discussions. Their conclusions in many ways coincide with HI's impressions from other informal sources. See also Lindo Fuentes, op. cit.
- 94 Interview, April 2000.
- 95 UCA, op. cit.
- 96 Experiences recounted to HI during informal talks with teachers and union members.
- 97 Interview in San Salvador, April 2000.
- 98 These funds, are known as "quality bonds," or "bonos de calidad." The Ministry distributed 160 million colones in bonds to 4000 plus schools in 1999, but Ministry sources suggest the bonds were not fairly apportioned.
- 99 Interviewed as part of informal consultations with school directors in the course of the research.
- 100 "Estado de la Nación," op cit.
- 101 "Informe sobre el desarrollo humano, 2000," UNDP. The Ministry says it employed, in 1998, 3,120 doctors, 1,753 nurses, 3,118 nursing auxiliaries, and 3,600 administrative staff.
- 102 Rena Eichler and Elizabeth Lewis, "El financiamiento de la reforma de la salud en El Salvador: Marco para las Decisiones de Políticas", Management Sciences for Health (July 1999), commissioned by USAID, San Salvador.
- 103 "Informe sobre el desarrollo humano," op. cit.
- 104 Management Sciences for Health. op. cit., 7.
- 105 Information provided by personnel in Hospital Rosales, July 2000.
- 106 Information collected from various private practices in San Salvador, Aug. 2000.
- 107 Executive Decree No. 263, Diario Oficial No. 62, tomo 343, April 7 1998.
- 108 "Estimaciones del Gasto Nacional en Salud de El Salvador durante 1996", Health Ministry, May 1998.
- 109 Household Survey, Ministry of Planning, 1997.
- 110 ISSS 1999 yearly report. Private sector employees have wider benefits that include compensations for temporary absence from work, maternity rights, etc.
- 111 *LPG*, July 20 2000, 19.
- 112 Monica Panadeiros "La organización del sistema de salud en El Salvador: Una propuesta de Reforma," FUSADES, San Salvador, November 1998.
- 113 Interview with Dr. Julio Osegueda of SIMETRISSS.
- 114 "Estado de la Nación," op. cit.
- 115 Based on interview with staff at FUSADES.
- 116 Management Science for Health, op. cit.
- 117 This section is based on interviews done with staff from the Pan American Health Organization, USAID, FUSADES, and the Physicians College, and on review of the five proposals and in the Health Ministry's "Modernización Institucional y Reforma del Sector Salud," San Salvador 1999.
- 118 New York, Oxford University Press, 1993, 129.
- 119 Antonio Ugalde and Jeffery Jackson, "Las políticas de salud del Banco Mundial, una revisión crítica," First published in *Cuadernos Medicos Sociales* May 1998, Rosario, Argentina.
- 120 Related by Dr. Eduardo Espinoza, former dean of the Medical Faculty at the National University, San Salvador.
- 121 See Alberto José Frick Cardelle, "The Influence of Democratization and Reforms in the Health and Economic Sectors on NGO-State Relations: El Salvador and Guatemala," Ph.D. dissertation, University of Miami, June 1999.
- 122 USAID has also helped fund a similar *Sibase* in Ilobasco, Cabañas, while PAHO and AID together are working with a *Sibase* in Metapán, Santa Ana.
- 123 "Organización de los sistemas sanitarios," Health Ministry, San Salvador, 1999.
- 124 Interviews with Health Ministry officials.
- 125 "La Reforma de Salud: hacia su equidad y eficiencia," San Salvador, 1994. The Health Minister said with respect to international aid that he wants the reforms to "smell like pupusas (a popular Salvadoran stuffed tortilla) and not hamburger." See Cardelle, op. cit.
- 126 Panadeiros, op. cit.
- 127 Also represented: Francisco Gavidia University, FUSAL (a conservative NGO), "users" (one representative), and FUSADES by Anabel de Palomo. Dr Eduardo Espinoza, former dean of the Medical Faculty of the National University, complained that Francisco Gavidia University was not representative of the academics. The ISSS unions, STISSS and SIMETRISSS, complained that they had been left out, and the Physicians College said that its President, Dr Mata, was outnumbered.
- 128 Panadeiros, op. cit.
- 129 Interview with STISSS general secretary, Oscar Aguilar.
- 130 Poll published in *LPG*, Feb. 24, 2000.
- 131 According to STISSS, the Primero de Mayo ISSS hospital in San Salvador has capacity for 12,000 patients a year, but currently attends to more than 18,000.
- 132 The court eventually ruled that ISSS had violated the labor agreement. This would not obligate reinstatement of the sacked workers, but would obligate a money settlement.

- 133 One union leader even said that it had been a “victory that the unions had survived the conflict intact,” since it had been the government’s intention to “destroy us.” Interview with Oscar Aguilar, Gen. Sec. of STISSS.
- 134 Interview with Dr. Julio Osegueda of SIMETRISSS.
- 135 *LPG*, July 17 2000.
- 136 CEPAL-February, i-v, 12,13, 17,43, 50, 51; CEPAL-January, 97-100.
- 137 Of 5878 educational centers some 1020 are private sector of which 28% were damaged. CEPAL-January, 38-40; CEPAL-February, 20-23.
- 138 CEPAL-January, 35-37; CEPAL-February, 18-20.
- 139 CEPAL-February, v-vii. The amount is 43.5% of exports.
- 140 Kevin Murray, et. al., *Rescuing Reconstruction: The Debate on Post-War Economic Recovery in El Salvador*, HI, May 1994.
- 141 *LPG*, January 18, 19, February 13, 17,24, 2001; *DDH*, February 17, 27, March 3, 2001.
- 142 *DDH* and *LPG*, March, 1-3, 7-8, 2001; Notimex, “Creceza Económica Salvadoreña 2.5 por Ciento,” March 5; CEPAL-February, 47-51.

Hemisphere Initiatives has published the following reports. Please send requests to Hemisphere Initiatives c/o Jack Spence, jack.spence@umb.edu or jackspence@terra.com.br.

Establishing the Ground Rules: A Report on the Nicaraguan Electoral Process, Jack Spence, George Vickers, Ralph Fine and David Krusé, August, 1989.

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**Endgame: A Progress Report on Implementation of the Salvadoran Peace Accords*, George Vickers and Jack Spence with David Holiday, Margaret Popkin and Philip Williams, December 3, 1992, 16,500 words.

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**El Salvador's Elections of the Century: Results, Recommendations, Analysis*, Jack Spence, David Dye, and George Vickers with Garth David Cheff, Carol Lynne D'Arcangelis and Ken Ward, July 1994, 25,000 words.

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* available in Spanish



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Hemisphere Initiatives has monitored the peace and electoral processes in El Salvador since the signing of the Chapúltepec Peace Accords. It has published thirteen full reports, almost all in Spanish and English, on various aspects of the accords and elections.

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The efforts of Hemisphere Initiatives have been supported by grants from foundations, international NGOs, and private individuals.
