PEACEBUILDING IN CENTRAL AMERICA: REPRODUCING THE SOURCES OF CONFLICT?

Revised Version: August 2002

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The United Nations (UN) and other international agencies conducted three major post-conflict peacebuilding operations in Central America in the 1990s: in Nicaragua, El Salvador, and Guatemala. Like the many other international peacebuilding missions that were deployed during the 1990s, the operations in Central America aimed to assist local actors in the implementation of peace settlements after civil wars, and more generally to create the conditions for what UN Secretary-General Kofi Annan has called a 'stable and lasting peace,' or a peace that is likely to endure for the foreseeable future.[1] Peacebuilding, in other words, is more than merely the supervision of ceasefires among former combatants. According to both Annan and his predecessor, Boutros Boutros-Ghali, the overarching goal of peacebuilding is to eliminate the underlying sources of conflict in a war-shattered state, in order to reduce the likelihood of renewed violence.[2]

Several commentators have characterized some or all the operations in Central America as 'success stories' for international peacebuilding.[3] Indeed, these missions scored important victories: The armed conflicts that plagued Central America during the 1980s are now terminated, and formerly warring parties are pursuing their interests primarily through electoral politics rather than by military force in all three countries. For a region that has enjoyed little peace in the last quarter-century, the absence of war is an accomplishment worthy of celebration. But to what extent did these missions succeed in achieving the larger goal of peacebuilding: removing, or remediating, the root causes of conflict in these countries? Scholars of Central American politics and history point to a combination of socio-economic, historical, and political factors that have fueled recurring bouts of revolutionary violence in El Salvador, Nicaragua, and Guatemala. The domination of a landed oligarchy, the existence of an impoverished peasantry largely excluded from power, and the tendency of governments in the region towards violent repression of dissent, are among the most frequently cited explanations for the cycles of violence.[4] A key question for students of peacebuilding, then, is whether the peacebuilding missions deployed to Central America in the 1990s successfully addressed the specific conditions that have historically fueled violence in these states.

There is no simple answer to this question. On one hand, the apparent shift toward democratic party politics in all three countries opened up the possibility that historically excluded groups would now have access to political power, and that the government would be less inclined to use repressive means to squelch opposition. But on the other hand, questions have been raised about the effects of internationally-sponsored economic reforms on the prospects for a stable and lasting peace. Some observers have noted, for example, that market-oriented adjustment policies sponsored by international peacebuilding agencies restricted the ability of Central American governments to fund such projects as the creation of new police forces, which were central to the peace agreements and to the neutralization of previously politicized and repressive security apparatus.[5] More fundamentally, however, this article contends that the economic dimensions of peacebuilding in Central America have damaged the prospects of achieving a stable and lasting peace in these three countries to a greater extent than many students of peacebuilding have recognized. In particular, internationally-sponsored economic reforms appear to have led to a worsening of poverty and distributional inequalities, which are among the conditions commonly identified as sources of violent unrest in the region. This is not to say that Nicaragua, El Salvador, and Guatemala are destined to slip back into civil war, but rather, that evaluations of these missions as 'successes' have paid too little attention to the underlying sources of conflict in these countries, and the degree to which peacebuilding policies exacerbated some of these conditions. Further, this conclusion casts doubt upon the prevailing assumption among practitioners of peacebuilding that market-oriented adjustment policies facilitate the consolidation of peace in countries that are just emerging from civil wars.[6] In some of these countries – including, it seems, Nicaragua, El Salvador, and Guatemala – rapid economic liberalization may work *against* the goal of creating a stable and lasting peace.

In making this argument, I do not mean to suggest that economic factors were the sole cause of civil violence in the past. Students of Central American politics have, for example, also pointed to the role of 'rebellious cultures'[7] and exploitative elites[8] as explanations for conflict. But there is near-universal consensus among scholars that poverty and distributional inequalities have been among the most important causes of recurring violence in the region, and this article focuses on these economic factors. Moreover, in highlighting commonalities across the three Central American countries that hosted peacebuilding operations in the 1990s, this article necessarily blurs some of the distinctive characteristics of each country's present and past: such as the peculiar character of military rule in El Salvador,[9] the single-family dynasty that existed in Nicaragua,[10] and the especially large Indian population in Guatemala.[11] These differences are important, but so are the similarities, and by concentrating primarily on the similarities we gain a better view of the systemic and recurring shortcomings of peacebuilding in the region.

In what follows, I describe the economic conditions that have historically fueled conflict in Nicaragua, El Salvador and Guatemala, and evaluate the effects of the recent peacebuilding operations on these conditions.

Nicaragua

In the late 19th century, local elites in Nicaragua and other Central American states responded to rising international demand for certain primary products, including coffee, by carrying out a series of reforms in the countryside, which was (and remains) populated primarily by mestizo peasants. The reforms legally transformed communally held indigenous properties into 'unoccupied' territory that could be purchased by wealthy agricultural elites who wished to produce lucrative export commodities. Not only were peasant farmers displaced from the land they cultivated, but new laws prohibited the growing of plantain, the staple food of the peasantry, and 'vagrancy' was made punishable by forced labor in productive enterprises (including the giant coffee plantations that often replaced indigenous farms).[12] Indian communities rebelled against this treatment, most notably in the 1881 War of the Comuneros, and waged a guerrilla war against the Nicaraguan government (and U.S. troops) in the 1920s and 1930s, as policies supporting the agro-export economy continued to favor the existing elite and disadvantage the rural peasantry.

Anastasio Somoza García became the country's autocratic president after rigged elections in 1936 and ruled until his assassination in 1956, and his sons continued the Somoza family dictatorship until 1979. Throughout this period, new lands were expropriated from Indian farmers for mass production of export commodities, including cotton in the 1950s. The Somoza family, its supporters and the agricultural elite prospered, while living conditions in the countryside remained dismal: While the size of the rural population increased, the amount of food produced for domestic consumption declined in absolute terms, as more and more land was dedicated to the cultivation of export goods. Widespread perceptions that the regime was both exploitative and corrupt fueled the country's insurgency, whose members called themselves Sandinistas (after Augusto César Sandino, a guerrilla leader assassinated who was assassinated in 1934). After a series of attacks in the late 1970s, Sandinista guerrilla forces defeated the Nicaraguan army in 1979, marched into Managua, and installed a new regime, which immediately undertook agrarian reforms by creating state-owned and communally-owned farms, in part using assets that had been abandoned by supporters of the former regime who fled the country.

The Sandinista government adopted other policies aimed at alleviating the hardships of the majority of poor Nicaraguans, including wage increases, food price subsidies, and expanded public services in health, welfare, and education.[13] In addition to new spending on social services, the government also conducted an expensive military campaign against a new armed opposition group known as the Contras, who were backed by the United States, and which sought to topple the Sandinista regime by launching raids from their bases in neighboring Honduras. By 1985, over half of the national budget was devoted to military spending alone.[14] While government expenditures mounted through the 1980s, tax revenues fell precipitously, not only because domestic and foreign investors were suspicious of the Sandinista regime's Marxist leanings, but also because the US government largely succeeded in cutting off foreign economic aid to Nicaragua by blocking loans from international lending agencies such as the World Bank and Inter-American Development Bank.[15] The combination of rising government expenditures and falling tax revenues generated an economic crisis that the Nicaraguan regime initially attempted to manage by printing more money – a policy that further compounded the country's economic crisis by triggering high rates of inflation, which peaked at over 33,000 percent in 1988.[16]

Central American leaders met on several occasions during the 1980s to discuss possible solutions to civil conflicts throughout the region, including the war in Nicaragua.[17] At one such meeting – on 7 August 1987 in Esquipulas, Guatemala – the presidents of Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica endorsed a peace plan presented by the Costa Rican president, Oscar Arias, which called for a ceasefire, national reconciliation, amnesty, democratization, termination of external aid to insurgent movements, and free elections.[18] This pact, widely known as the 'Esquipulas Accord,' ultimately provided the basis for the peaceful settlement of conflicts in El Salvador, Nicaragua, and Guatemala, which were negotiated with the help of international mediators including the United Nations. Nicaragua was first to reach a settlement in 1989. The Nicaraguan government and the Contra rebels agreed on a peace settlement that included the demobilization of the Contras and the holding of free and fair democratic elections.[19] Central American presidents quickly endorsed the agreement and called upon both the UN and Organization of American States (OAS) to oversee its implementation.[20] A joint UN-OAS commission subsequently reviewed Nicaragua's plans for elections, including provisions to guarantee freedom of association and expression, concluded that the plans conformed with basic liberal democratic norms, and agreed to proceed with a post-conflict peacebuilding mission.[21] Two new international operations were launched in 1989: first, the UN Observer Group in Central America (ONUCA), which monitored international frontiers and verified the cessation of cross-border aid to irregular forces and insurrection movements in the region;[22] and second, the UN Observer Group for the Verification of Elections in Nicaragua, which was sent to oversee the that the country's first post-conflict election and to ensure that the vote was conducted in a free and fair manner.[23]

The election took place in February 1990, under international supervision. Two Nicaraguan political parties were leading contenders: the incumbent Sandinista party led by President Daniel Ortega, and a coalition of opposition groups known led by Violeta Barrios de Chamorro. Despite minor incidents of violence, the elections were 'universally regarded as free and fair.'[24] To the surprise and dismay of the Sandinista government, the Chamorro opposition grouping emerged with over 50 percent of the popular vote and a majority of seats in the National Assembly.[25] For the first time in Nicaragua's history, a governing party peacefully handed over power to its democratically elected opponents.

The new government quickly implemented a sweeping program of economic liberalization and reform, including massive layoffs of government employees, privatization of most state-owned enterprises, the lowering of import barriers, reductions in social spending, elimination of price controls and subsidies, and liberalization of the financial and banking sector, among other things.[26] The Sandinistas had begun to liberalize the Nicaraguan economy during their final years in power as a response to the country's economic crisis, but their reform efforts lacked the full support of the international financial institutions and foundered due, in part, to lack of external funding.[27] The Chamorro administration, which was more committed to economic liberalization than the Sandinistas, intensified and accelerated the deregulation of Nicaragua's economy at the behest of the International Monetary Fund, World Bank, and US Agency for International Development, which designed a detailed stabilization and structural adjustment program for the country and made their financial support contingent on Managua's compliance with the program.[28] While the new government generally supported these policies, in fact the Chamorro regime had little choice, given the dire condition of the Nicaraguan economy, but to accept the conditions imposed by the major international donors in order to gain access to foreign resources.[29]

The economic reforms succeeded in reducing inflation to 12 percent in 1994 – a 'remarkable success,' in the estimation of the World Bank.[30] This success, however, came at a cost. The austerity measures that the government implemented to control inflation, and related reforms aimed at deregulating the country's economy, deepened the distributional inequalities in Nicaraguan society and contributed to an absolute decline in living conditions for many – if not most – Nicaraguans. In early 1995, for example, the unemployment rate was double that of 1990 and ten times that of 1984, due partly to the elimination of some 30,000 public sector non-military jobs from 1990 to 1994, and partly to the general economic contraction that was a side-effect of efforts to control inflation in the early 1990s.[31] Although economic growth resumed in the mid-1990s, the problem of unemployment and underemployment in Nicaragua improved little between 1994 to 1998, with roughly half of the country's workers still unemployed or underemployed, according to government figures released in the spring of 1998.[32] The situation was particularly grave in the countryside, where some observers estimated that as much as 80 percent of the economically active population was out of work.[33]

Reductions in redistributive social spending and massive public-sector layoffs – all part of the internationally mandated economic restructuring program – also contributed more generally to a widening of the gap in living conditions between rich and poor, even after the return of economic growth in the mid-1990s. One commonly used measure of income inequality, for example, is the so-called Gini index, which is scaled to a minimum of zero to a maximum of one, with zero representing no inequality and one representing a maximum possible degree of inequality. The Gini index for Nicaragua increased from 0.5669 in 1993 to 0.6024 in 1998, indicating that the income gap between the richest and poorest Nicaraguans widened during this period.[34] Indeed, between 1992 and 1997, while Nicaraguans involved in the newly deregulated export and financial sectors generally prospered, overall per capita income in the country fell from $920 to $340, meaning that most of the country's inhabitants became poorer.[35] Another telling statistic is that the daily caloric intake of the average Nicaraguan also decreased between 1990 and 1998 – in a country where more than one-third of the urban population (which is generally better off than the rural population) already lacked the personal income to cover the cost of a basic 'food basket.'[36] While there were some signs of improvement in the area of health care,[37] it seems that the living conditions of most Nicaraguans either remained stagnant or worsened during the 1990s, and that the income gap between the rich minority and poor majority became even more pronounced than before. While the economic adjustment and liberalization measures designed by the international financial institutions did help to restore fiscal balance and economic stability to Nicaragua, the social costs of these adjustment appeared to be significant. As the resident representative of the UN Development Program in Nicaragua, Carmelo Angulo, communicated to his colleagues in the International Monetary Fund in 1997, the internationally sponsored economic reform program 'has not succeeded in correcting the social imbalances,' but instead has served 'to aggravate the living conditions of a majority of the population.'[38]

The deterioration of living conditions in postwar Nicaragua appears to have fueled an increase in criminal and gang-related violence. According to Nicaraguan government statistics, armed bands roaming the countryside were responsible for an estimated 1,000 deaths and 600 kidnappings between 1990 and 1996.[39] Even the army chief, charged with controlling the violence, has linked the problem to the pervasiveness of poverty and unemployment.[40] Another factor contributing to the violence was the presence of large numbers of ex-combatants who had few legitimate economic opportunities but ready access to automatic weapons. Former fighters from both sides in the civil war had been promised access to land, credit and other resources, but few received these benefits, in part because of continuing conflicts over land titles, and because the Nicaraguan government was under pressure from international financial agencies to reduce spending.[41] Put another way, government austerity measures not only contributed to conditions of economic distress in the countryside, but also imposed limits on the ability of Nicaraguan authorities to fund peacebuilding programs such as efforts to reintegrate ex-combatants into productive civilian life. Many of these ex-fighters subsequently joined criminal bands, primarily in the more remote, northwestern part of the country.[42] By mid-1993, an estimated 1,200 former combatants from both sides were operating in Nicaragua, along with an unknown number of ordinary criminals who had no previous connection to military or guerrilla groups.[43] These so-called rearmados or 'rearmed ones' conducted sporadic attacks on government security forces and terrorized civilians in the countryside throughout the 1990s.[44] Urban areas also experienced a rapid increase in criminal violence, due largely to the spread of youth gangs – a phenomenon unknown even during the country's most violent periods of civil war, and apparently related to increases in youth unemployment and urban poverty.[45] Police statistics indicate, for example, that the number of crimes reported in the capital city, Managua, increased by 100 percent between 1989 and 1996.[46]

All of these developments cast doubt on the durability of peace in Nicaragua, for several reasons. First, while the Sandinistas have behaved as a loyal opposition (in the sense that they remain committed to operating within the constitutional framework rather than seeking to achieve power by other means) since they lost power in 1990, the upsurge of criminal violence in postwar Nicaragua, including 'assassinations of former Contras and Sandinistas, politically inspired kidnappings, takeovers of towns, public buildings and roads, armed attacks against security forces, and land invasions,' make it difficult to conclude that the country is now 'at peace,' even if the period of organized insurrection is over.[47] Second, the socio-economic conditions that have fueled previous periods of organized revolutionary violence in Nicaragua – namely, the existence of large and growing distributional inequalities between the largely rural peasantry and the wealthy elite – have not been remedied in the postwar period. Indeed, as we have seen, by some measures living conditions for most Nicaraguans have worsened, and the gap between rich and poor has widened. Further, reductions in subsidies to small scale farmers and the privatization of state-owned farms have also led to a re-stratification of land ownership patterns in the countryside, with large estate owners once again acquiring farmland at the expense of peasant farmers.[48] Given that these are issues that drove large numbers of ordinary Nicaraguans to support the violent overthrow of the Somoza regime in the first place, the re-concentration of wealth in postwar Nicaragua seems to be a recipe for renewed conflict, not lasting peace. Third, unless socioeconomic conditions improve for the majority of Nicaraguans, popular anger over the perceived inaction of the government in the face of economic distress – anger that is already visible and widespread – may undermine support for the country's new liberal democratic constitution along with the institutions of electoral democracy.[49] In the words of former UN Secretary-General Boutros-Ghali, 'The major threat to the democratic system [in Nicaragua] is not political conflict, but the deterioration of living conditions and the consequent loss of faith in democracy and its institutions.'[50]

More generally, the economic aspects of post-conflict peacebuilding in Nicaragua appear to challenge the notion that economic liberalization fosters peace in states that are just emerging from civil wars. Proponents of economic liberalization and orthodox structural adjustment in war-shattered states argue that these reforms are necessary in order to create the conditions for economic growth, which can help to reinforce a fragile peace by increasing incomes and living standards in formerly warring states. What these proponents often overlook or play down, however, is the fact that the strategy of promoting growth through economic liberalization tends to exacerbate distributional inequalities, which in the case of Nicaragua is a prescription for social unrest, given the historic causes of conflict in the country. As Argentine political scientist Carlos Vilas writes, the post-conflict economic liberalization policies pursued in Nicaragua, including deregulation and reductions in social spending, have offered 'the same old mode of development against whose effects peasants, workers, and middle sectors rebelled more than twenty years ago, sparking a revolutionary cycle that is coming to a close only now.'[51] In other words, a strategy of rapid marketization is most likely to promote a type of economic growth whose benefits are concentrated in a very small segment of the population. For a country like Nicaragua, this is a prescription for continued social unrest, because it is the precisely the type of inequitable growth that has historically fueled revolutionary violence in the country. During the Somoza years of the 1960s and early 1970s, for example, overall economic growth statistics in Nicaragua were impressive: per capita gross domestic product (GDP) rose an average of almost 3.9 for the decade 1962-1971, and an average of 2.3 percent between 1972 and 1976, while real GDP per capita rose by no less than 54 percent between 1960 and 1970.[52] Yet it was partly because so few benefits of this new economic activity found their way into the pockets of poorer Nicaraguans that popular support for the Sandinista insurrection gathered strength. Economic growth alone is not enough to promote a stable and lasting peace in Nicaragua; what is needed is balanced, or equitable, growth to address the underlying sources of conflict.

At the time of this writing, the experience of peacebuilding in Nicaragua yields mixed results. On one hand, democratization efforts have proceeded relatively smoothly. New national elections were held in 1996, and, once again, opposition parties accepted their electoral loss in stride. Further, the process of political liberalization has not sparked renewed fighting in Nicaragua, as it did in Rwanda and Angola; nor has this process reinforced the power of the most recalcitrant and least peace-oriented local parties, as it has done in Bosnia. But the prevailing doctrine of peacebuilding presupposes that political *and* economic liberalization together help to foster peace in war-shattered states – a presumption that the Nicaraguan case does not seem to support, given the apparently destabilizing effects of rapid economic liberalization on the society. In addition to the fact that marketization appears to be recreating precisely the socio-economic conditions that ignited the Nicaraguan conflict in the first place, it also seems to be eroding popular support for the country's new liberal democratic institutions, which suggests that the effects of economic liberalization may be undermining the accomplishments of democratization efforts in Nicaragua. More generally, the Nicaraguan case offers further evidence that liberalization sometimes works against the goal of promoting a stable and lasting peace in countries that are just emerging from civil wars, not only because the political or economic dimensions of liberalization can be destabilizing in and of themselves, but also because the processes of marketization and democratization are capable of working at cross-purposes.

Nor are there any signs that the government of Nicaragua will pursue more balanced growth strategies in the foreseeable future. In 1998, the government signed a new agreement with the IMF that made international loans and debt relief contingent on Managua implementing new austerity policies, including a further round of cuts to government spending, and public sector layoffs – policies that the president of Nicaragua, Arnoldo Alemán, has described as necessary, but 'painful and bitter' for the poor.[53] Other commentators, however, do not view such rapid and radical adjustment as necessary, and advocate instead a more equitable approach to reforms that recognizes the importance of spreading the benefits of economic growth and, if necessary, delaying liberalization in order to enhance the prospects for a lasting and stable peace in Nicaragua.

El Salvador

El Salvador's civil war began in the wake of a failed attempt to introduce agrarian and social reforms in late 1970s. The reforms were intended, in part, to change a 'very unequal system of land tenure' and to reduce the political, social and economic control of the country's small but powerful 'coffee oligarchy.'[54] All previous efforts to challenge the dominance of this elite had been squelched by the Salvadoran army, acting in concert with members of the oligarchy. In 1980, when it was clear that the latest reform effort had also failed, five communist revolutionary groups formed a new coalition – the Farabundo Martí Liberation Front (FLMN) – which in early 1981 launched armed rebellion against the Salvadoran regime. Thus began a 12-year-long civil war which cost an estimated 75,000 lives and displaced roughly one-quarter of El Salvador's population.[55]

After the 1987 meeting of Central American leaders in Esquipulas, progress towards a peace settlement in El Salvador was slow. Periodic discussions between the government and the FMLN in 1988 and 1989 brought no significant results,[56] but in April 1990 the parties jointly declared their desire to end the war and appealed to then-UN Secretary-General Javier Pérez de Cuéllar for help in mediating the ensuing negotiations.[57] The secretary-general agreed, and a process of staged negotiations began, leading eventually to the signing of a preliminary ceasefire agreement on 31 December 1991 and a comprehensive peace settlement two weeks later.[58] This settlement became known as the Chapúltepec Accord for the Mexican location at which it was signed, bringing together several agreements that the parties had reached over the preceding months.

The Chapúltepec agreement comprised a detailed plan (filling nine chapters and several annexes) for the demobilization and reintegration of former combatants into civilian life, legalization of opposition parties, free and fair elections, limited land reform, investigation of alleged human rights abuses, retraining and professionalization of the judiciary and national police, establishment of civilian control over the armed forces, and reconstruction of physical infrastructure, including roads, bridges, schools and clinics, among other things. In addition to setting out a vision for political and economic life in El Salvador, Chapúltepec also provided the blueprint for the subsequent peacebuilding mission. The United Nations was the primary international agency called upon to monitor the implementation of the Accord. A new UN peacebuilding operation – known by its Spanish acronym, ONUSAL – was deployed to verify all aspects of the ceasefire, along with the demobilization and reintegration of former combatants into civilian life, and to monitor the maintenance of public order while the new civilian police force was set up. ONUSAL also established offices in El Salvador to receive and investigate complaints of human rights violations, and to verify compliance with the human rights provisions of the peace agreement.[59] In May 1993, the operation's mandate was further expanded to include oversight of El Salvador's first post-conflict elections, including voter registration, the campaign, voting, and every stage of vote counting. Although the election, which was finally held in March and April 1994, was marred by sporadic violence and polling irregularities, the outcome was regarded as reasonably fair by most observers.[60] The ruling ARENA party retained the presidency in a run-off ballot with 68 percent of the popular vote, and took 39 of 84 National Assembly seats; while the FMLN (which, in the words of one observer, had 'succeeded remarkably in transforming itself from a clandestine operation into an open, well-organized party'[61]) won 21 seats in the Assembly.[62]

Peacebuilders also promoted economic liberalization in El Salvador. At the behest of the international financial institutions, then Salvadoran President Alfredo Cristiani implemented economic stabilization and structural adjustment policies shortly after taking office in mid-1989, eliminating price controls, increasing water, electricity and transportation fees, and restructuring the tax system.[63] These measures were reinforced and deepened in 1991 in conjunction with the peace process, under the guidance of the International Monetary Fund, the World Bank, and the Inter-American Development Bank, which offered additional financial assistance to the

Salvadoran government in exchange for extensive market-oriented reforms.[64] The FMLN, which had previously endorsed Marxist goals for the reorganization of Salvadoran society, apparently made a strategic decision to accept the liberal economic model which the ARENA government insisted on continuing in the post-conflict period.[65]

Despite delays in implementing various aspects of the peace agreement,[66] El Salvador, like Nicaragua, is widely regarded as a peacebuilding success.[67] At the time of this writing, the FMLN and other opposition groups remain committed to pursuing their political goals through peaceful means. New legislative and local elections were held in 1997, in conditions that the US State Department described as 'free and peaceful,' and presidential elections in 1999 were also accepted as legitimate by local parties.[68] Moreover, the government's liberal economic policies appear to have yielded relatively high levels of growth and low levels of inflation. El Salvador's real GDP, for example, expanded at a yearly average of 6.0 percent from 1992 to 1996[69] – a record that the World Bank deemed 'a remarkable success story.'[70] At first glance, then, the experience of El Salvador to date suggests that peacebuilding promoted both political stability and economic prosperity, and set the country on the path to a stable and lasting peace.

As in Nicaragua, however, closer examination reveals a more complex story. Democratic elections helped to transfer the conflict from the battlefield to the political arena, but economic liberalization policies promoted by the IMF and World Bank appear to have exacerbated the very socioeconomic conditions which precipitated war in the first place. Since the arrival of Spanish settlers in the mid-sixteenth century, the inhabitants of what is now El Salvador have always been sharply divided between a wealthy land-owning elite and an impoverished peasantry, and the country's history is punctuated by a series of popular uprisings which have sought to overturn the political and economic domination of the elite and to achieve a more equitable distribution of land, wealth, and political power across Salvadoran society. All of these uprisings were eventually suppressed by the armed forces, but the perpetuation of high levels of poverty and income inequality laid the foundation for future uprisings, followed in turn by further authoritarian repression – a pattern which, over time, produced recurring cycles of revolutionary violence in El Salvador.

El Salvador's internationally mandated economic reforms have included cutbacks in government expenditures and public-sector employment, aimed at restoring balance to national finances and reducing the state's role in the economy, which have had a disproportionately detrimental effect on the less affluent members of society, particularly the rural poor and urban working class. Living conditions for the bulk of the population have not improved significantly since the implementation of these reforms. El Salvador's human development index – a measure of general social well-being that includes per capita income, literacy and life expectancy – fell by over 10 percent in the first six years of the economic adjustment program, although it had recovered by the late 1990s.[71] While there have been improvements in the areas of health and education,[72] postwar economic growth has primarily enriched a very narrow segment of the population, including urban elites that originally made their money from coffee and sugar and are now involved in a wider range of export and financial enterprises.[73] Parts of the countryside, by contrast, such as the province of Morazán, remain stuck at human development levels similar to those of sub-Saharan Africa.[74] As a result of this unequal growth, wealth became even more concentrated in El Salvador during the period of economic liberalization and restructuring: The country's Gini index, for example, was 0.5050 in 1995; and despite relatively high levels of annual GDP growth, the index rose to 0.5589 by 1998, meaning that the benefits of economic liberalization were concentrated in the hands of a small minority and the distributional inequalities had widened.[75]

If the principal purpose of peacebuilding is to remediate the underlying sources of conflict in states which have recently experienced internal wars, then one might expect, given El Salvador's history, that peacebuilding efforts would attempt to ameliorate the problems of pervasive poverty and distributional inequality – problems which have precipitated civil violence in the past, including the most recent war. As Carlos Acevedo writes: 'If El Salvador's history during the first three-quarters of the twentieth century offers any lesson for the current postwar period, it is that the success of the peace process in the long run will hinge on the country's ability to redress the great inequalities of wealth and power that imperil both economic and political stability.'[76] In practice, however, economic policies promoted by international peacebuilding agencies have had precisely the opposite effect, worsening rather than ameliorating these problems. At best, the underlying conditions that drove people to openly challenge the regime in the 1980s have remained largely unchanged.[77] Kimbra Fishel puts it this way: 'Widespread structural adjustment policy has resulted in micro-economic difficulties which exacerbate the initial social and economic causes of conflict.'[78] Economic liberalization policies, in short, appear to have worked against the consolidation of a stable and lasting peace in El Salvador.

Indeed, as living standards for the bulk of the population have stagnated, the incidence of violent and non-violent crime in El Salvador has increased dramatically, particularly in impoverished rural areas where the rate of unemployment in 1994 was estimated to be near 80 percent of the economically active population.[79] The Economist Intelligence Unit summarized the situation in 1996: 'Kidnappings, assaults, gangland-style assassinations and organized, often drug-related, crime appear to be occurring more frequently, as the influence of drug-traffickers and car thieves spreads.'[80] A study published by the Inter-American Development Bank showed that El Salvador had the highest per capita homicide rate in the world in the mid-1990s.[81] The total number of violent deaths reported in that year far exceeded the estimated annual figure during the final years of the civil war, including both civilian and military deaths.[82] Many of these murders are being committed by armed gangs which roam the cities and countryside, and which reportedly include ex-fighters from both sides of the civil war.[83] A large proportion of Salvadorans blame the difficult economic conditions, including high unemployment, for this crime wave.[84] As in Nicaragua, the upsurge in crime is also linked to the presence of thousands of former guerrilla fighters, many of whom, unemployed, unsupported by the state, and with no means of making a living, have joined roving criminal bands.[85]

Pervasive criminal violence has not only made living conditions for most Salvadoran citizens more dangerous in the postwar period than in the preceding period of civil war,[86] it has also led to the creation of private vigilante 'crime control' groups.[87] The Salvadoran government has implemented measures to combat the violence, including emergency anti-crime legislation that increased penalties and simplified the process for convicting alleged criminals, and it has deployed army units to assist police in high-crime areas of the country, but these measures have not succeeded in reducing the rate of violent crime.[88] Some observers argue that the government's solution to the crime problem is just as dangerous as the problem itself, because expanding the role of the army for domestic crime-fighting violates the spirit if not the letter of El Salvador's postwar constitution, which prohibits the army from playing a domestic policing role,[89] and there is evidence of government security officials using illegal methods against suspected criminals, including excessive violence and human rights abuses – techniques which have historically been employed by Salvadoran governments to silence political opposition groups.[90] In short, the problem of rampant crime is not only a symptom of persistent poverty, unequal economic growth, and social decay, which are conditions that threaten the long-term political stability of the country, but the crime problem has also induced the government to respond in a manner that raises concerns about the future of El Salvador's new liberal democratic constitution.

Kimbra Fishel concludes that, for all of the reasons described above, peace in El Salvador is an 'illusion.' This judgment, however, is too severe: Although violent crime is endemic and the dangers of renewed political unrest still exist, the war between the government and the FMLN is over, there is greater freedom and tolerance of political activity, human rights violations have declined and are openly monitored, and most former combatants have returned to civilian life.[91] The country's economy has also revived since the end of the war, with overall growth rates ranging from 1.7 to 7.5 percent annually in the 1990s.[92] As in the case of Nicaragua, however, the benefits of this growth have gone mainly to the country's small and already wealthy elite. Economic growth in the aggregate is not sufficient to address the underlying sources of recurring conflict in El Salvador. During the 1960s and 1970s, for example, the Salvadoran economy grew rapidly, with GDP per capita rising at an annual average of over two percent from 1962 to 1978.[93] These averages are misleading because economic gains were so unevenly divided. In practice, Salvadoran workers actually lost one-fifth of their real purchasing power between 1973 and 1980.[94] Similarly, despite relatively high levels of aggregate economic growth in the 1990s, real wages for working class laborers in El Salvador declined by more than 10 percent between 1992 and 1996, following the termination of the war, which helps to explain why, as noted earlier, distributional inequalities have also widened.[95]

Responsibility for the widening gulf between rich and poor in postwar El Salvador lies partly with the international financial institutions that guided the Salvadoran government through various adjustment programs in the 1990s. These policies emphasized rapid liberalization and the achievement of macroeconomic stability above other goals, such as poverty reduction, in order to create the conditions for sustainable economic growth. But relying so heavily on market forces as a strategy for economic development does little, particularly in the short run, to address the long-standing grievances of the poor majority of Salvadorans – in fact, as we have seen, by some measures the adjustment programs promoted by the IMF and World Bank have left the poorest worse off than before. This is not the prescription for stable and lasting peace in El Salvador, where disparities in wealth and living conditions are factors that produced the conflict that only recently ended. In the words of James Boyce and Manuel Pastor, 'A failure to achieve broad improvements in living standards would fuel social tensions and heighten the risk of renewed war – and a return to war would shatter hopes for economic revival.'[96] Rapid and far-reaching economic liberalization policies have stimulated economic growth, but a type of growth that has done little to remedy the underlying sources of conflict in the society, or what one author describes as 'impoverishing growth.'[97] Indeed, the current combination of endemic poverty, widening income inequalities, and pervasive criminal violence, suggests that liberal economic policies have, in several important ways, impeded rather than facilitated the consolidation of peace in El Salvador.

Guatemala

International peacebuilding in Guatemala began in early 1997, after the signing of a comprehensive peace accord in December 1996. Given how little time has passed between then and the time of this writing, conclusions about the outcome of the Guatemala mission must be even more provisional than in the case of El Salvador and Nicaragua. Nevertheless, the Guatemala case is worth exploring for several reasons: first, the international financial institutions appear to have recognized the adverse effects of rapid liberalization in Nicaragua and El Salvador; second, the international financial institutions have attempted to correct these problems in their dealings with Guatemala; and, third, despite their efforts to learn from previous experiences in Nicaragua and El Salvador, these institutions still have not gone far enough in tempering and targeting their economic adjustment policies to the particular circumstances of deeply divided states that are just emerging from civil conflicts.

Although Guatemala differs from its neighbors in that it possesses a very large and relatively unintegrated Indian community (which makes up approximately 65 percent of the total population and is concentrated mainly in rural areas), the country has much in common with El Salvador and Nicaragua, including persistent and extreme socio-economic inequalities that have fueled recurring rounds of revolutionary violence. In fact, of all the countries in the world, Guatemala has the third most unequal distribution of resources between rich and poor (after Sierra Leone and Brazil), according to the Gini index.[98] This inequality reflects the historical domination of large-scale landowners over the Guatemalan economy, which became especially pronounced in the late 19th century, when huge estates in the countryside were dedicated to growing coffee beans for export. By 1900, coffee accounted for 85 percent of the Guatemala's exports, and land ownership was concentrated in the hands of the so-called agro-elite, who also controlled the country's politics through a series of authoritarian regimes backed by the armed forces.[99] As in neighboring countries, Guatemalan peasants were often forced from their lands, labeled 'vagrants,' and coerced into providing cheap labor for the plantations.

Elections in 1944 brought to power populist governments, led by Juan José Arévalo and Jacobo Arbenz, who implemented social and agrarian reforms including the formation of farming cooperatives, social security, rural education, a labor code, and ultimately the confiscation and redistribution of farmland to 100,000 peasants. These reforms faced strong opposition from large landowners, including the US banana company United Fruit. In 1954, the Arbenz government was overthrown in a US-backed invasion, and replaced with a succession of right-wing military and civilian governments. These governments responded forcefully to the rural-based insurgency – an insurgency that gained varying degrees of support from urban dissidents including student activists, labor unionists, and opposition parties. Between 1981 and 1984 alone, an estimated 440 villages were totally destroyed by security forces and private vigilantes; 50,000 people were killed; 150,000 fled to Mexico as refugees; and roughly 500,000 were internally displaced.[100]

In 1990, three years after the Esquipulas meeting, the Guatemalan government entered into peace negotiations with what remained of the main rebel group, the Guatemalan National Revolutionary Unity (URNG). Over the next several years, the parties reached several agreements: on human rights (March 1994), the resettlement of displaced populations (June 1994), the creation of a 'historical clarification commission' to investigate past violence and human rights abuses (June 1994), the protection of indigenous rights (March 1995), a ceasefire (November 1995), socio-economic and land issues (May 1996), and civilian control of the armed forces (September 1996), and a final agreement that set out liberal democratic constitutional reforms and rules for elections, legalized the URNG, and declared a 'definitive' ceasefire (December 1996).[101] From 1994 onwards, representatives from the United Nations served as the facilitators of these talks, thus 'paving the way for significantly increased involvement by the international community' in the Guatemalan peace process.[102]

The United Nations deployed a monitoring mission in 1994 (called the UN Human Rights Verification Mission in Guatemala, or MINUGUA) whose mandate was gradually expanded to include supervision of all aspects of the peace accords, including the demobilization of approximately 3,000 URNG guerrillas and their weapons, and the creation of new civilian police force. Echoing earlier achievements of peacebuilders in Nicaragua and El Salvador, the demobilization of the URNG proceeded successfully and national elections were held under relatively calm conditions in December 1999. In the area of human rights, however, international observers continued to express concerns about the treatment of journalists and activists, and some feared that para-statal death squads continue to operate in the country. In April 1998, the Roman Catholic Church released its 'Recovery of Historical Memory' report that detailed the impact of the war's violence; two days later, the bishop who oversaw the project was murdered, and the Church sees military complicity in the homicide.[103] The next two years witnessed an increase in the number of reported threats and attacks on political activists, human rights workers, members of the judiciary, and opposition politicians.[104] MINUGUA, whose mandate was extended through 2001, reported assaults, death threats and other acts of intimidation directed against journalists, prosecutors and judges who were directly or indirectly involved in the investigation of government security forces.[105] Whether these isolated reports auger a return to systematic human rights abuses in Guatemala remains to be seen.

In the area of economic reform, the provisions of the Guatemala peace settlement differed strikingly from the economic measures of the Nicaraguan and Salvadoran peace settlements. Three major international donors – the IMF, the World Bank, and the Inter-American Development Bank – were in close communication with UN mediators during the negotiation of the Guatemalan accords, and apparently resolved to correct some of the problems that had arisen from the economic adjustment process in El Salvador and Nicaragua.[106] Specifically, they pressed for agreement on a so-called socio-economic accord, which emphasized liberalization and macroeconomic stabilization but also committed the Guatemalan government to increased levels of social welfare spending. The rationale for this policy was the lessons that the donor agencies drew from the experiences of El Salvador and Nicaragua, where traditional structural adjustment policies emphasized rapid movement toward fiscal balance, low inflation and economic liberalization, but at the expense of distributional equity. The financial institutions now argued that lasting peace would not be possible without a reduction in Guatemala's sharp social and economic inequities,[107] and regarded the country as a test case for a new approach to 'postconflict sustainable development' in the fragile circumstances of war-shattered states.[108] Among other things, the socio-economic accord set detailed targets for increased state expenditure on education, health, social security and housing; committed the government to raising literacy and to providing at least three years of schooling to all children between the ages of seven and twelve; and set the goal of providing access to jobs in which real wages increased over time. Regarding taxation, the accord mandated an increase in the ratio of taxes to GDP from under eight percent to twelve percent by 2000 – in order to pay for the increased social spending. Furthermore, the accord called for the creation of a more progressive system of taxation in the country; that is, one that would make individual tax burdens proportionate to income. In sum, then, while Guatemala's postconflict economic reform package retained the traditional elements of structural adjustment, including liberalization and deregulation of the economy, it also placed greater emphasis than the Nicaraguan and Salvadoran economic reforms did on measures aimed at immediately reducing social and economic inequalities.

That, at least, was how the reforms were designed. In practice, however, conservative business interests in Guatemala, spearheaded by the Coordination Committee of Agricultural, Commercial, Industrial, and Financial Associations, has put pressure on the government not to increase taxation levels or reform the tax system to the detriment of wealthier citizens of Guatemala.[109] In the face of this resistance, the government has delayed full implementation of these elements of the socio-economic accord. In 2001, a year after the ratio of taxes to GDP was supposed to have been raised to 12 percent in order to pay for new social spending, the tax rate was still only 9¾ percent of GDP, one of the lowest in Latin America.[110] The government, in other words, was fulfilling its commitments to privatization and fuller liberalization of the economy, apparently because these policies served the interests of the Guatemalan business elite, but the government was dragging its feet in executing elements of the socio-economic accord that were intended to even out the asymmetrical benefits of marketization and to redistribute resources from the wealthy to the poor.

The IFIs called on the Guatemalan authorities to fulfill its commitments under the socio-economic accord, but their actions were not as strong as their words, and they compromised with the government, allowing it to implement these commitments more slowly and over a longer period. Further, the donor organizations backed away from their insistence on more progressive taxation in Guatemala, accepting the government's proposal to increase indirect, value-added taxes, which are borne by all consumers regardless of their income level, rather than increasing personal income taxes.[111] According to some observers, the IMF, World Bank, and Inter-American Development Bank did not press the issue as vigorously and consistently as they could have. 'One rather imagines,' writes Susanne Jonas, for example, 'that the IFIS would have sent an extremely clear, consistent, and unified message if the Guatemalan government were refusing to privatize or repay the foreign debt, rather than refusing to tax the rich.'[112] Be that as it may, international pressure and threats to terminate aid did finally induce the Guatemalan regime to negotiate a 'Fiscal Pact' with business and civil society groups in May 2000. The Pact recommitted the government to raising the level of tax revenues to 12 percent by 2002, and to increasing the minimum tax rate and eliminating tax loopholes, while meeting specific targets for social spending.[113] But soon after signing the Pact, the government backed out of it.[114]

In the meantime, although the effects of these economic policies will become clearer in the coming years, so far the benefits of several years of aggregate economic growth in Guatemala have not trickled down to the poor majority.[115] As the UN secretary-general reported in mid-2000, 'Guatemalans do not see the peace process as having brought about any major, tangible improvements in their lives.'[116] This situation is problematic for those who hope that peace will be lasting and stable in Guatemala. As in Nicaragua and El Salvador, failure to address the underlying sources of recurrent revolutionary violence in Guatemala – including profound social and economic inequalities – poses a serious threat to the durability of the peace settlement. Indeed, there is widespread agreement among observers of Guatemalan politics that 'the question of development remains central to the overall equation of building peace' in the country.[117] Unemployment rates remain very high (estimated at over 40 percent), half the population earns less than a dollar a day, more than a quarter of children under five years old are moderately to severely underweight, and almost 90 percent of the indigenous population lives below the poverty line.[118] The historical record in Guatemala – as well as Nicaragua and El Salvador – indicate that high levels of economic growth alone are not a sufficient remedy for the problem of recurring social unrest: In the 1960s and 1970s, the Guatemalan economy grew at an average of almost three percent annually, yet revolutionary movements gathered force as real wages fell and income distribution worsened.[119] Since the peace settlement was signed in 1996, the country has also experienced a period of economic growth, but addressing the underlying causes of conflict will require further efforts to convert this growth into improvements in living conditions for the majority of Guatemalans – that is, more equitable growth than the country has experienced in the past. This, in turn, requires the IFIs to act more forcefully in emphasizing income redistribution as a condition of assistance, and to move even further away from the traditional model of structural adjustment, which emphasizes economic efficiency over equity.

Moreover, there may be limited time to address these problems. Persistent poverty, unemployment, and easy access to weapons have contributed to an upsurge in violent crime in Guatemala since 1996, including soaring rates of kidnapping, theft, and homicide.[120] In the countryside, a major source of violence and insecurity is disputes over land ownership, which reflect the government's failure to carry out its commitment in the peace settlement to address the country's long-standing land tenure problem – over 70 percent of arable land is still owned by less than three percent of the population.[121] Some commentators express concern that the crime problem may encourage the government to expand the domestic policing role of the Guatemalan military, opening the door to a return of political repression under the cover of crime-fighting.[122] Indeed, MINUGUA's July 2000 report on the situation in Guatemala contained this warning: 'Faced with the high crime rate, and especially the impact of kidnappings, which serve to heighten the perception of a climate of insecurity, the State has allowed persons or groups outside the competent institutions to become involved in police investigations, on the pretense of supporting prosecutors, judges and victims.'[123] MINUGUA also stated – with remarkable bluntness for a United Nations document – that serious human rights violations have been committed by government security forces, including extra-judicial executions.[124] These developments pose a danger not only to the integrity of the 1996 peace settlement, which called for a demilitarization of the society, but also to the survival of Guatemala's fledgling democracy.

Conclusion

The process of political liberalization in Nicaragua, El Salvador, and Guatemala has provided former belligerents to pursue their respective political objectives through peaceful means, but the effects of internationally sponsored economic adjustment policies appear to be eroding the relative success of democratic reforms and undermining the prospects of a stable and lasting peace in all three countries. The principal weakness of peacebuilding in Central America is that it failed to address the underlying sources of violent conflict in the region. As the *New York Times* editorialized in March 1999: 'Central America's warring nations have essentially returned to the conditions of misery and inequality that caused the wars to begin with. While El Salvador has experienced steady economic growth, poverty in rural areas remains unchanged. In Nicaragua, the poor are worse off than at its war's end…. Even the local governments admit that free-market changes have so far mainly served the urban wealthy and middle class.'[125] These observations echoed the view that now prevails among many commentators that peace will not last in these countries if it means a return to the living conditions that sparked the wars.[126] Economic growth is important, but not enough, since unbalanced growth will not necessarily reduce the enormous disparities in wealth and well-being that have traditionally fueled unrest in these countries. Economic liberalization and adjustment programs have promoted free markets, helped to restore macroeconomic balance, and led to several years of economic growth in Nicaragua, El Salvador and Guatemala, but they have also 'reinforced historical tendencies toward profound social inequality' in these countries.[127] Unless these disparities are reduced, democratic consolidation will remain uncertain, and the threat of renewed violence will persist. Under these circumstances, to describe the three Central American peacebuilding missions as success stories is to misread both the purposes of peacebuilding and the effects of internationally-sponsored economic reforms on the prospects for a stable and lasting peace in these states.

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[1] UN Document SG/SM/8023, 13 November 2001.

[2] Kofi Annan, 'The Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa', Report of the Secretary-General to the Security Council, UN Document S/1998/318, 13 April1998, para. 63; Boutros Boutros-Ghali, *An Agenda for Peace: Preventive Diplomacy, Peacemaking and Peace-Keeping*, New York: United Nations, 1992, pp. 11 and 32; and, Boutros Boutros-Ghali, 'Supplement to An Agenda for Peace', UN document A/50/60 - S/1995/1, 3 January 1995, para. 49.

[3] For example, Stephen John Stedman, 'Implementing Peace Agreements in Civil Wars: Lessons and Recommendations for Policymakers', Policy Paper Series on Peace Implementation, New York: International Peace Academy, 2001, accessed at http://www.ipacademy.org/PDF_Reports/Pdf_Report_Implementing.pdf; Mark Peceny and William Stanley, 'Liberal Social Reconstruction and the Resolution of Civil Wars in Central America', *International Organization*, Vol. 55, No. 1, 2001, p. 150; Robert C. Orr, 'Building Peace in El Salvador: From Exception to Rule', in Elizabeth M. Cousens and Chetan Kumar (eds.), *Peacebuilding as Politics: Cultivating Peace in Fragile Societies*, Boulder, CO: Lynne Rienner, 2001, p. 154; and, Fen Osler Hampson, 'Assessing the Results of the Peace Process', in Margarita S. Studemeister (ed.), *El Salvador: Implementation of the Peace Accords*, Washington, DC: United States Institute of Peace, 2001, p.47.

[4] For example, Jeffery M. Paige, *Coffee and Power: Revolution and the Rise of Democracy in Central America*, Cambridge, MA: Harvard University Press, 1997; Frederick Stirton Weaver, *Inside the Volcano: The History and Political Economy of Central America,* Boulder, CO: Westview, 1994; and, Hector Perez-Brignoli, *A Brief History of Central America*, Berkeley, CA: University of California Press, 1989, translated by Ricardo B. Sawrey A. and Susana Stettri de Sawrey.

[5] For example, Alvaro de Soto and Graciana del Castillo, 'Obstacles to Peacebuilding', *Foreign Policy,* Vol. 94, Spring 1994, pp. 69-83; Alvaro de Soto and Graciana del Castillo, 'Implementation of Comprehensive Peace Accords: Staying the Course in El Salvador', *Global Governance,* Vol.1, No. 2, May-August 1995, pp. 189-203; and, James K. Boyce and Manuel

Pastor, Jr., 'Macroeconomic Policy and Peace Building in El Salvador', in Krishna Kumar (ed.), *Rebuilding Societies After Civil War: Critical Roles for International Assistance*, Boulder, CO: Lynne Rienner, 1997, pp. 287-314.

[6] For an examination of the underlying assumptions of post-conflict peacebuilding, including the assumption that economic liberalization will promote peace, see Roland Paris, 'Wilson's Ghost: The Faulty Assumptions of Post-Conflict Peacebuilding', in Chester A. Crocker, Fen Osler Hampson, and Pamela Aall (eds.), *Turbulent Peace: The Challenges of Managing International Conflict*, Washington, DC: United States Institute of Peace Press, 2001.

[7] Timothy Wickham-Crowley, *Guerrillas and Revolution in Latin America: A Comparative Study of Insurgents and Regimes Since 1956*, Princeton, NJ: Princeton University Press, 1992.

[8] William Stanley, *The Protection Racket State: Elite Politics, Military Extortion, and Civil War in El Salvador*, Philadelphia, PA: Temple University Press, 1996; and, Paige (see n. 4 above).

[9] Philip J. Williams and Knut Walter, *Militarization and Demilitarization in El Salvador's Transition to Democracy*, Pittsburgh, PA: University of Pittsburgh Press, 1997.

[10] Wickham-Crowley (see n. 7 above).

[11] Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads, and U.S. Power,* Boulder, CO: Westview, 1991.

[12] Thomas W. Walker, 'Introduction: Historical Setting and Important Issues', in Thomas W. Walker (ed.), *Nicaragua Without Illusions: Regime Transition and Structural Adjustment in the 1990s*, Wilmington, DE: Scholarly Resources, 1997, p.2.

[13] John A. Booth and Thomas W. Walker, *Understanding Central America*, 3rd edn., Boulder, CO: Westview, 1999, p. 88.

[14] Thomas W. Walker, *Nicaragua: The Land of Sandino, 3rd ed.*, Boulder, CO: Westview, 1991, p. 84.

[15] Ibid., p. 81.

[16] Ibid., p. 52.

[17] For a description of these efforts, see Marc W. Chernick, 'Peacemaking and Violence in Latin America', in Michael E. Brown (ed.), *The International Dimensions of Internal Conflict*, Cambridge, MA: MIT Press, 1996, pp. 267-307; and Jack Child, *The Central American Peace Process, 1983-1991: Sheathing Swords, Building Confidence*, Boulder, CO: Lynne Rienner, 1992.

[18] This agreement, which is reproduced in Child (see n. 17 above), appendix 4, pp. 178-84, was a slightly modified version of the plan that Arias had presented to the meeting of the Academic

Council on the United Nations System. Oscar Arias, 'Ten Years After Esquipulas: Looking Toward the Future', speech delivered at the tenth annual meeting of the Academic Council on the United Nations System (ACUNS), San José, Costa Rica, *ACUNS Reports and Papers*, No. 4, 25 June 1997.

[19] For a description of the negotiations that ended Nicaragua's civil war, see Child (see n. 17 above).

[20] Chernick (see n. 17 above), p. 284; and, Child (see n. 17 above), pp. 63-69.

[21] Child (see n. 17 above), p. 75.

[22] ONUCA's was later also called upon to police five 'security zones' within Nicaragua where Contras were disarmed and demobilized. On the expansion of ONUCA's mandate, see United Nations, *The Blue Helmets: A Review of United Nations Peacekeeping*, *3rd edition*, New York: United Nations, 1996, pp. 416-417. For an analysis of the ONUCA mission, see Brian D. Smith and William J. Durch, 'UN Observer Group in Central America', in William J. Durch (ed.), *The Evolution of UN Peacekeeping: Case Studies and Comparative Analysis,* New York: St. Martin's, 1993, pp. 436-462. In addition to ONUCA, the UN and OAS also created an International Support and Verification Commission, which facilitated and oversaw demobilization, repatriation, and relocation of Contras from their camps in Honduras.

[23] 'Report of the Secretary-General,' UN document A/46/609, 19 November 1991.

[24] Dario Moreno, *The Struggle for Peace in Central America,* Miami: University of Florida Press, 1994, p. 140. See also Walker (see n. 12 above) and Philip J. Williams, 'Elections and Democratization in Nicaragua: The 1990 Elections in Perspective', *Journal of Interamerican Studies and World Affairs*, Vol. 32, No. 4, Winter 1990, pp. 13-34.

[25] Chamorro's coalition won 51 of 92 seats, the Sandinistas won 39 seats, and two independent opposition parties won one seat each. Shelley A. McConnell, 'Institutional Development', in Thomas W. Walker (ed.), *Nicaragua Without Illusions: Regime Transition and Structural Adjustment in the 1990s*, Wilmington, DE: Scholarly Resources, 1997, p. 48.

[26] Rose J. Spalding, 'Nicaragua: Poverty, Politics, and Polarization', in Jorge I. Dominguez and Abraham F. Lowenthal (eds.), *Constructing Democratic Governance: Mexico, Central America, and the Caribbean in the 1990s*, Baltimore: Johns Hopkins University Press, 1996, p. 20; World Bank, *Trends in Developing Economies, 1996*, Washington, DC: World Bank, 1996, p. 367; Development Group for Alternative Policies, *Structural Adjustment and the Spreading Crisis in Latin America*, Washington, DC: Development Group for Alternative Policies, 1995; and, Bill Gibson, 'Nicaragua', in Lance Taylor (ed.), *The Rocky Road to Reform: Adjustment, Income*

Distribution, and Growth in the Developing World, Cambridge, UK: Cambridge University Press, 1993, p. 445.

[27] Oscar Catalán Aravena, 'Controlling Hyperinflation and Structural Adjustment in Nicaragua', in Alex E. Fernández Jilberto and André Mommen (eds.), *Liberalization in the Developing World: Institutional and Economic Changes in Latin America, Africa and Asia*, New York: Routledge, 1996, pp. 122-137.

[28] William I. Robinson, 'Nicaragua and the World: A Globalization Perspective', in Thomas W. Walker (ed.), *Nicaragua Without Illusions: Regime Transition and Structural Adjustment in the 1990s*, Wilmington, DE: Scholarly Resources, 1997, p. 34.

[29] Mario Arana, 'General Economic Policy', in Thomas W. Walker (ed.), *Nicaragua Without Illusions: Regime Transition and Structural Adjustment in the 1990s*, Wilmington, DE: Scholarly Resources, 1997, p. 83; and, Oscar Neira, 'The IMF and Financial Sector Reform in Nicaragua', in *The All-Too-Visible Hand: A Five-Country Look at the Long and Destructive Reach of the IMF*, Development Group for Alternative Policies, 1999.

[30] World Bank (see n. 26 above), p. 367.

[31] In early 1995, the rate of unemployment was 20.2 percent of the economically active population, while the combined rate of unemployment and underemployment was 53.9 percent. See Arana (see n. 29 above), p. 84. See also Economist Intelligence Unit, *Country Profile: Nicaragua, 1997-98*, London: Economist Intelligence Unit, 1997, pp. 31, 62.

[32] Economist Intelligence Unit, *Country Profile: Nicaragua, Honduras, 1999-2000*, London: Economist Intelligence Unit, 1999, p. 21; and, Christine MacDonald, 'Nicaragua Is Taking Steps to Join the Global Economy – But Road Is Long', *Boston Globe*, 9 August 1998, p. A18.

[33] Jon Jonakin, 'Agrarian Policy', in Thomas W. Walker (ed.), *Nicaragua Without Illusions: Regime Transition and Structural Adjustment in the 1990s*, Wilmington, DE: Scholarly Resources, 1997, p. 106.

[34] Miguel Székely and Marianne Hilgert, *The 1990s in Latin America: Another Decade of Persistent Inequality*, Working Paper No. 410, Washington, DC: Inter-American Development Bank, 1999, p. 34.

[35] Mark Everingham, 'Neoliberalism in a New Democracy: Elite Politics and State Reform in Nicaragua', *Journal of Developing Areas*, Vol. 32, No. 2, Winter 1998, p. 251.

[36] 'Basic Socio-Economic Data [on Nicaragua] for 21 December 2000', Inter-American Development Bank, accessed at

http://www.iadb.org/int/sta/ENGLISH/brptnet/english/nicbrpt.htm; and, Economist Intelligence Unit (see n. 32 above), p. 21.

[37] Despite real decreases in spending on health care, life expectancy increased over the decade, infant mortality decreased, more people had access to potable water, and the number of cholera cases fell from over 3,000 in 1992 to just over 500 in 1999. On the other hand, the incidence of dengue fever, tuberculosis, and intestinal infections has increased, as has the rate of maternal mortality, and the percentage of babies born with low birth weight. See United Nations Development Programme, *El Desarrollo Humano en Nicaragua 2000,* 2000.

[38] Quoted in *Envío*, 'The United Nations Hits the Nail on the Head', Vol. 16, No. 197 December 1997, p. 6.

[39] Reuters, 'Nicaraguan Army Chief Gives Gangs Ultimatum', 28 January 1997.

[40]Ibid.

[41] James Dunkerly, *The Pacification of Central America: Political Change in the Isthmus, 1987-1993*, New York: Verso, 1994, p.58.

[42] Child (see. 17 above), pp. 120-127. As Spalding notes, this phenomenon was not limited to former Contras, but including ex-soldiers of the Sandinista military: 'Economic frustration, combined with political discontent, pulled some ex-soldiers back into armed groups as well.' Spalding (see n. 26 above), p. 19.

[43] David R. Dye, Judy Butler, Deena Abu-Lughod, Jack Spence and George Vickers, *Contesting Everything, Winning Nothing: The Search for Consensus in Nicaragua, 1990-1995*, Cambridge, MA: Hemisphere Initiatives, 1995, p. 40.

[44] Tim Rogers, 'Silent War in Nicaragua', *NACLA Report on the Americas*, Vol. 34, No. 4, January 2001.

[45] Colin McMahon, 'Contra War is Over, But Nicaragua Still Troubled; Joblessness, Crime Plague the Peace', *Chicago Tribune*, News Section, 22 March 1996, p. 1. An estimated 55 percent of the Nicaragua's youth between the ages of 14 and 24 do not work or attend school. Economist Intelligence Unit, *Country Report: Nicaragua, Honduras*, London: Economist Intelligence Unit, Fourth Quarter, 1996. The independent research institute Nitlapán-UCA published a report which concluded that 36.6 percent of the urban population was 'severely impoverished,' meaning that their minimum caloric needs could not be met even if all their income were to go for food. Economist Intelligence Unit, *Country Profile: Nicaragua, 1997-98*, London: Economist Intelligence Unit, 1997.

[46] Reuters, 'Youth Gangs Boom in Nicaragua's Peace', 8 October 1996.

[47] Ariel C. Armony, 'The Former Contras', in Thomas W. Walker (ed.), *Nicaragua Without Illusions: Regime Transition and Structural Adjustment in the 1990s*, Wilmington, DE: Scholarly Resources, 1997, pp. 203-218.

[48] Jonakin (see n. 33 above), pp. 97-113.

[49] Katherine Isbester, 'Understanding State Disintegration: The Case of Nicaragua', *Journal of Social, Political and Economic Studies,* Vol. 21, No. 4, Winter 1996, pp. 455-476; Spalding (see n. 26 above), pp. 20-22; George Vickers, 'Keeping the Peace: The History and Challenges of the Accords', *Harvard International Review*, Vol. 17, No.2, Spring 1995, p. 57; and, Carlos M. Vilas, 'A Painful Peace: El Salvador After the Accords', *NACLA Report on the Americas*, Vol. 28, No. 6, May/June 1995, p. 186.

[50] Development Group for Alternative Policies, *Structural Adjustment and the Spreading Crisis in Latin America*, Washington, DC: Development Group for Alternative Policies, 1995.

[51] Vilas (see n. 49 above), p. 186.

[52] Booth and Walker (see n. 13 above), p. 69.

[53] Quoted in European Network on Debt and Development [EURODAD], 'Nicaragua in a Straight Jacket Between Structural Adjustment and the Need for Debt Relief', *Third World Debt in the 1990s,* Vol. 21, March 1998; see also MacDonald (see n. 32 above).

[54] Enrique A. Baloyra, *El Salvador in Transition,* Chapel Hill: University of North Carolina Press, 1982, pp. 2 and 22-32; and, Moreno (see n. 24 above), p. 31.

[55] United Nations, *World Economic and Social Survey, 1996*, New York: United Nations, 1996, p. 195; and, Terry Lynn Karl, 'El Salvador's Negotiated Transition', *Foreign Affairs*, Vol. 71, No. 2, Spring 1992, pp. 147-164.

[56] Patricia Weiss Fagan, 'Lessons in Peace Consolidation', in Tom Farer (ed.), *Beyond Sovereignty: Collectively Defending Democracy in the Americas*, Baltimore: Johns Hopkins University Press, 1996, pp. 213-237.

[57] James Dunkerly (see n. 41 above), p. 72.

[58] The cease-fire took effect on 1 February 1992.

[59] Ian Johnstone, *Rights and Reconciliation: UN Strategies in El Salvador*, Boulder, CO: Lynne Rienner, 1995.

[60] United Nations (see n. 22 above), p. 440; James K. Boyce, 'Adjustment Toward Peace: An Introduction', *World Development*, Vol. 23, No. 12, December 1995, p. 2074; and Vilas (see n. 49 above), p. 8.

[61] Tommie Sue Montgomery, *Revolution in El Salvador: From Civil Strife to Civil Peace*, Boulder, CO: Westview, 1995, p. 253.

[62] The Christian Democratic Party (PDC) took 18 seats, with the remaining six seats divided among three smaller parties. Fen Osler Hampson, *Nurturing Peace: Why Peace Settlements Succeed or Fail*, Washington, DC: United States Institute of Peace Press, 1996, p. 95.

[63] Development Group for Alternative Policies (see n. 50 above).

[64] Ibid.

[65] Elisabeth J. Wood, 'The Peace Accords and Postwar Reconstruction', in James K. Boyce (ed.), *Economic Policy for Building Peace*, Boulder, CO: Lynne Rienner, 1996, p. 77.

[66] There were delays in demobilization (Dunkerly (see n. 41 above), pp. 74-75; and, Catholic Institute for International Relations, *El Salvador: Wager for Peace*, London: Catholic Institute for International Relations, 1993, pp. 12-13), land reform (Fagan (see n. 56 above), p. 232), and establishing the new civilian police (Elisabeth Wood and Alexander Segovia, 'Macroeconomic Policy and the Salvadoran Peace Accords', *World Development*, Vol. 23, No. 12, December 1995, pp. 2079-99).

[67] Tommie Sue Montgomery, 'Constructing Democracy in El Salvador', *Current History*, Vol. 96, No. 607, February 1997, p. 61; and, Hampson (see n. 62 above), p. 69.

[68] Associated Press, 'El Salvador's Ex-Rebels Gaining Some Political Clout', *Miami Herald*, 18 March 1997.

[69] Economist Intelligence Unit, *Country Profile: El Salvador, 1997-98*, London: Economist Intelligence Unit, 1997, p. 76.

[70] World Bank, *El Salvador: Meeting the Challenge of Globalization*, Washington, DC: World Bank, 1996, p. 1.

[71] El Salvador's human development index fell from 0.651 in 1987 (the first year of structural adjustment) to 0.576 in 1993 (a decline of 11.5 percent over six years) despite the fact that the Salvadoran GDP grew by an average of over three percent per annum over this period.

[72] United Nations Development Programme, *Estado de la Nación en Desarrollo Humano, 1999*, San Salvador: United Nations Development Programme, 1999. This report was published before a major earthquake struck the region in January 2001.

[73] Development Group for Alternative Policies (see n. 50 above).

[74] Roberto Rivera Cámpos, La Economía Salvadoreña al Final del Siglo: Desafíos, 2000, pp. 220-21.

[75] Székely and Hilgert (see n. 34 above), p. 34.

[76] Carlos Acevedo, 'The Historical Background to the Conflict', in James K. Boyce (ed.), *Economic Policy for Building Peace*, Boulder: Lynne Rienner, 1996, pp. 19.

[77] Thomas W. Walker and Ariel C. Armony (eds.), *Repression, Resistance, and Democratic Transition in Central America,* Wilmington, DE: Scholarly Resources, 2000, p. 40.

[78] Kimbra L. Fishel, 'From Peace Making to Peace Building in Central America: The Illusion Versus the Reality of Peace', *Small Wars and Insurgencies*, Vol. 9, No. 1, Spring 1998, p. 33.

[79] Vilas (see n. 49 above), p. 11.

[80] Economist Intelligence Unit, *Country Report: Guatemala, El Salvador*, Fourth Quarter, 1996, London: Economist Intelligence Unit, 1996, p. 40. For additional descriptions of the crime problem in El Salvador, see Ernest H. Evans, 'The El Salvadoran Peace Process Five Years On: An Assessment', *Studies in Conflict and Terrorism*, Vol. 21, No. 2, April-June 1998, pp. 171-179; Fishel (see n. 78 above); *Envío,* 'Violence: A National Epidemic', Vol. 16, No. 196, November 1997, p. 17; and, Juan Jose Dalton, 'El Salvador: The Ideology of Fear', *Inter Press Service*, 12 November 1996.

[81] Cited in Economist Intelligence Unit, *Country Profile: Guatemala, El Salvador, 1999-2000*, London: Economist Intelligence Unit, 1999, p. 42.

[82] In 1996, there were 8,047 reported homicides (Economist Intelligence Unit (see n. 69 above), p. 71). The annual number of violent deaths in El Salvador in the latter years of the war was approximately 5,000. Douglas Farah, 'Killing in Salvadoran Crime Wave Outpaces Deaths During Civil War', *Washington Post*, 16 March 1996, p. A23.

[83] Montgomery (see n. 67 above), pp. 61-62;Boyce and Pastor (see n. 5 above), p. 90; and, Catholic Institute for International Relations (see n. 66 above), p. 16.

[84] See Montgomery (see n. 67 above), p. 61 for the results of public opinion polls conducted in El Salvador in 1996.

[85] Nfer Muoz, 'Central America: The Most Violent Area in the Americas', *Inter Press Service*, 31 July 31 2000.

[86] As Spence et al. write: 'For a majority of [Salvadoran] citizens life is less safe now than during most of the war.' Jack Spence, David R. Dye, Mike Lanchin, and Geoff Thale, with George Vickers, *Chapúltepec: Five Years Later: El Salvador's Political Reality and Uncertain Future*, Cambridge: Hemisphere Initiatives, 1997, p. 6. Farah (see n. 82 above) makes the same argument.

[87] William Stanley, *Protectors or Perpetrators? The Institutional Crisis of the Salvadoran Civilian Police*, Edited by George Vickers and Jack Spence, Washington and Cambridge: Washington Office on Latin America and Hemisphere Initiatives, 1996, p. 11; de Soto and del

Castillo (see n. 5 above), p. 190; Terry Tracey, 'Death Squads Reemerge in El Salvador', *NACLA Report on the Americas*, Vol. 29, No. 3, November/December 1995, p. 2, 42; Vilas (see n. 49 above), p. 6; and, Human Rights Watch, *El Salvador: Darkening Horizons: Human Rights on the Eve of the March 1994 Elections*, March 1994, p. 1.

[88] Kevin Sullivan, 'El Salvador on an Unfinished Road to Reform', *Washington Post*, 24 March 2000; and William Stanley and Robert Loosle, 'El Salvador: The Civilian Police Component of Peace Operations', in Robert B. Oakley, Michael J. Dziedzic and Eliot M. Goldberg (eds.), *Policing the New World Disorder: Peace Operations and Public Security*, Washington, DC: National Defense University Press, 1998.

[89] Montgomery (see n. 67 above), p. 62; and, Stanley (see n. 87 above), p. 12.

[90] Stanley (see n. 87 above), p. 2; and, Economist Intelligence Unit (see n. 80 above), p. 46.

[91] Margarita S. Studemeister (ed.), *El Salvador: Implementation of the Peace Accords*, Washington, DC: United States Institute of Peace, 2001.

[92] Inter-American Development Bank, 'Country Economic Assessment Report [El Salvador]', 2001, accessed at http://www.iadb.org/regions/re2/sep/es-sep.htm.

[93] Booth and Walker (see n. 13 above), p. 101.

[94] Ibid., p. 102.

[95] Ibid., p. 192.

[96] Boyce and Pastor (see n. 5 above), p. 287.

[97] Perez-Brignoli (see n. 4 above).

[98] Andrew Reding, *Guatemala: Hardship Considerations*, Washington, DC: United States Immigration and Naturalization Service, 2000, p. 1.

[99] Booth and Walker (see n. 13 above), p. 45.

[100] Christopher Louise, 'MINUGUA's Peacebuilding Mandate in Western Guatemala', *International Peacekeeping,* Vol. 4, No. 2, Summer 1997, p. 53.

[101] Susanne Jonas, *Of Centaurs and Doves: Guatemala's Peace Process*, Boulder, CO: Westview, 2000, chapter 3.

[102] Susanne Jonas, 'Democratization of Guatemala Through the Peace Process', paper presented to the conference on 'Guatemalan Development and Democracy: Proactive Responses to Globalization', Universidad del Valle, Guatemala, 26-28 March 1998, accessed at http://www.jhu.edu/~soc/.ladark/guatconf/jonas.htm.

[103] David Holiday, 'Guatemala's Precarious Peace', *Current History,* Vol. 99, No. 634, February 2000, p. 80.

[104] Christine MacDonald, 'In Guatemala, Activists Again Targets of Violence', *Boston Globe*, 13 May 2001, p. A19; and, Tina Rosenberg, 'The Erosion of Political Reform in Guatemala', *New York Times*, 3 June 2001.

[105] United Nations document no. A/55/174, 26 July 2000, para. 13.

[106] Jonas (see n. 101 above), p. 167.

[107] John Ruthrauff, 'The Guatemalan Peace Process and the Role of the World Bank and Inter-American Development Bank', paper presented to the conference on 'Guatemalan Development and Democracy: Proactive Responses to Globalization', Universidad del Valle, Guatemala, 26-28 March 1998, accessed at http://www.jhu.edu/~soc/.ladark/guatconf/ruthrauff.htm.

[108] Jonas (see n. 101 above), pp. 168, 171, 174.

[109] Economist Intelligence Unit (see n. 81 above), p. 18.

[110] International Monetary Fund, 'IMF Concludes Article IV Consultation with Guatemala', Public Information Notice no. 01/56, 25 May 2001.

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[112] Jonas (see n. 101 above), p. 178.

[113] Inter-American Development Bank, 'Country Economic Assessment Report [Guatemala]', 2001, accessed at http://www.iadb.org/regions/re2/sep/gu-sep.htm.

[114] *Economist*, 'The Boggy Road to Peace; Guatemala', 24 February 2001.

[115] *Business Week*, 'Guatemala on Three Dollars a Day', 6 November 2001; and, Holiday (see n. 103 above), p. 81.

[116] United Nations (see n. 105 above), para. 48.

[117] Louise (see n. 100 above), p. 55.

[118] Reding (see n. 98 above).

[119] Booth and Walker (see n. 13 above), pp. 118-20.

[120] Jack Child, 'External Actors: The United Nations and the Organization of American States', in Thomas W. Walker and Ariel C. Armony (eds.), *Repression, Resistance, and Democratic Transition in Central America,* Wilmington, DE: Scholarly Resources, 2000, p. 181; United Nations Development Programme, *Guatemala: El Rostro Rural del Desarrollo Humano*, Guatemala: United Nations Development Programme, 1999, pp. 5-6; and, Susanne Jonas, 'The Peace Accords: An End and a Beginning', *NACLA Report on the Americas*, Vol. 30, No. 6, May-June 1997, p. 9.

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[127] Carlos M. Vilas, 'Neoliberalism in Central America', in Thomas W. Walker and Ariel C. Armony (eds.), *Repression, Resistance, and Democratic Transition in Central America*, Wilmington, DE: Scholarly Resources, 2000, p. 227.