

William M. LeoGrande, "América Central: Una década de democracia," *Foreign Affairs en Español* 1, no. 2 (summer 2001): 3-10.

### **Central America: A Decade of Democracy**

When the five Central American presidents signed the Esquipulas Accord in 1987, they pledged to seek peace with their armed opponents and build democratic governments. In less than a decade, Central America has achieved remarkable progress toward ending state-sponsored political violence, curtailing the power of the military, and establishing free and fair elections. But democratic government has not meant effective or responsive government. Rampant crime has corroded people's sense of public safety, corruption has become more extensive and visible, and governments have been slow in responding to natural disasters like Hurricane Mitch and the earthquakes in El Salvador. As the region's economy has stagnated, the social and economic inequalities that gave rise to revolution in the 1970s and 1980s have gone unaddressed. The institutional machinery of democracy is in place in Central America, but it is not working very well.

#### **From Dictatorship to Democracy**

Central America's revolutionary upheavals resulted from the collision of traditional agrarian societies with popular demands for social justice. Rapid economic growth in the 1960s spurred the expansion of commercial agriculture, driving small peasants off the land. Industrial development fostered the expansion of the urban working class and middle class, creating blue collar and professional jobs in both the public and private sectors. These dizzying social changes coincided with a dramatic shift in the role of the Catholic Church from a pillar of the established order, to an agent of popular mobilization. The result was a wave of reformist politics that swept through the region, marked by the rapid rise of Social Democratic and Christian Democratic parties.

The reformers demanded democratic renovation of Central America's authoritarian political systems, long been dominated by landed elites. Reflecting the aspirations of their popular base, the reformers sought social policies-- especially agrarian reform-- to redress the region's egregious inequalities of wealth and income. In Guatemala, El Salvador, Nicaragua, and to a lesser extent Honduras, this reformist wave was broken by repression, leading to a polarization of politics, the rise of the revolutionary left, and the outbreak of guerrilla war. Only Costa Rica, a consolidated democracy since the 1950s, was immune to this polarization and violence.

By the time the wars concluded in the early 1990s, Central America had been politically transformed. Although the revolutionaries triumphed only in Nicaragua (and there only temporarily, because of the implacable hostility of the United States), the region's traditional elites were forced to accept an historic compromise as the price of restoring order. In exchange for demobilization of the armed left, the landed elites agreed to accept democratic political institutions. In exchange for democracy, the armed groups agreed to seek social reform through the ballot box rather than revolution. In El Salvador and Guatemala, this transition pact was explicit, embodied in negotiated agreements between the state and the revolutionary left. In Honduras, it was tacit. In Nicaragua, the tables were turned, but the outcome was similar: the Sandinistas' revolutionary government was forced by the armed counterrevolution to make democratic concessions.

The most serious obstacle to democratic transition in Central America in the 1990s was the historic dominance of the armed forces and their abuse of human rights. In El Salvador, some 80,000 civilians died at the hands of the military during the war, and in Guatemala, 200,000. In Honduras and Nicaragua, the number of political murders was far fewer, but both countries had authoritarian governments in which the military played a dominant role.

Today, the state's use of violent repression has virtually disappeared, and the military has been subordinated to civilian authority. El Salvador experienced the most dramatic change. As a result of the 1992 peace accords, the military was purged of officers responsible for human rights abuses, reduced in size by more than half, and excluded from internal security functions. The security forces, notorious for harboring death squads, were abolished and replaced by civilian police, who receive high marks for treating the public respectfully.

Although the Guatemalan armed forces essentially won their war with the guerrillas, they too accepted significant changes as part of the 1996 peace agreement. The military's size was reduced by a third, police powers were transferred to a new civilian force, and a Truth Commission was empowered to investigate their role in human rights abuses (though not to name individual officers or initiate judicial proceedings). Despite these advances, however, the Guatemalan military still benefits from what the U.S. Department of State human rights report calls a "climate of impunity."

The Honduran military, which expanded rapidly in size and power as U.S. military aid poured into the country during the 1980s, shrank as the tide of U.S. dollars receded. From 1984 to 2000, U.S. military aid fell from \$77 million to less than \$1 million a year, and U.S. policy shifted toward the promotion of democracy and civilian control. President Carlos Roberto Reina abolished the draft, reduced the military budget, cut the size of the forces by half, and initiated investigations of military corruption and human rights abuse. President Carlos Flores Facusse has gone even farther, appointing the first civilian minister of defense and sacking several senior officers for insubordination.

Since the 1990 electoral defeat of the Sandinista National Liberation Front (FSLN), the Nicaraguan army, which was born as the armed wing of the FSLN during the 1978-1979 insurrection against Anastasio Somoza, has been depoliticized. A 1994 law on civil-military relations subordinated the armed forces to a civilian-led ministry of defense, and the size of the army, which reached 80,000 men at the height of the contra war, has been reduced to just 14,000. In short, while the armed forces of Central America still retain significant autonomy over military affairs and generally enjoy impunity for past abuses, the political eclipse of the armed forces has been far greater than anyone could have imagined a decade ago.

Electoral democracy has replaced military hegemony. Since the 1980s, there have been five presidential elections in Honduras, four in El Salvador, four in Guatemala, and three in Nicaragua. In elections held before the peace accords, opposition parties were not entirely free to participate, but otherwise, all the elections have been open and honest, devoid of the systematic fraud that was routine in 1960s and 1970s. There has been only one serious challenge to democratic government--

President Jorge Serrano's attempted autogolpe in 1993-- and it was defeated by a combination of international pressure and protests by Guatemalan civil society.

Despite these very real advances, however, Central America's electoral processes are not yet consolidated. Every country has seen at least one successful electoral transition from the incumbent party to the opposition, but none of the three countries torn by war have faced the paramount test of their democratic institutions: an electoral victory by the left. The armed struggles of the 1970s and 1980s forced traditional elites to accept democratic institutions and thus the possibility that the left might someday come to power by the ballot, but they have not yet had to confront that reality. In both El Salvador and Nicaragua, the formerly revolutionary left is the largest opposition party and they have real prospects of winning the next presidential election.

### **The Lack of Good Governance**

Central America has democratically-elected civilian governments, but it does not have effective or responsive governments. Social violence has replaced political violence as the region's most pressing problem, corruption scandals have become routine, and poverty and inequality remain among the worst in the Americas.

The wave of social violence, particularly violent crime and armed banditry, is a legacy of the region's wars. Thousands of demobilized combatants, a surplus of weapons, and few job opportunities have created fertile conditions for crime. The deportation from the United States of young Central Americans involved in criminal gangs has led to the creation of gangs in the region. Over the past decade, the homicide rate in El Salvador and Guatemala has doubled to 150 murders annually per 100,000 people-- more than ten times the median rate in Latin America. Even in normally pacific Honduras and Costa Rica, the public cites violent crime as one of the nation's top problems.

Cronyism and corruption are not new to Central American politics, but democratization, especially the emergence of a free press, has led to a series of highly publicized scandals. In Nicaragua, charges of corruption leveled at President Arnoldo Alemán's government have been so serious that international donors have held up assistance. The Sandinistas have yet to recover from the taint of the Piñata-- the wholesale transfer of state property to party members just before the FSLN left office in 1990. Charges of child sexual abuse leveled against Daniel Ortega have also hurt the party.

A year ago, despite their mutual antagonism, Ortega and Alemán agreed on a political pact that rewrote the constitution and electoral laws to exclude minor parties, virtually guaranteeing themselves a monopoly on political power. The pact also gave both Alemán and Ortega, as former presidential candidates, immunity from future prosecution. This self-serving political deal was reminiscent of the corrupt pacts Anastasio Somoza made with his opponents, which led the public to regard the entire pre-revolutionary political class as "zancudos"-- blood-sucking mosquitos. Recent polls indicate that public attitudes toward political parties are overwhelmingly negative, and 90% believe that corruption in government is widespread.

In Honduras, ministers from both the National Party government of Raphael Callejas and the Liberal Party government of Carlos Roberto Reina were indicted for embezzlement and for selling Hondurans visas to Asian immigrants. After Hurricane Mitch, government assistance to victims was excruciatingly slow, and some outside aid was delayed because of fears it would be siphoned off by corrupt officials.

In both El Salvador and Guatemala, corruption scandals led to the collapse of the Christian Democratic Parties in the 1990s. Widespread vote-buying in the Guatemalan Congress was one of the reasons for President Serrano's attempt to dissolve the body in 1993, and President Alvaro Enrique Arzú was suspected of channeling public works contracts to a network of friends and supporters. A majority of Guatemalans think corruption is even worse under President Alfonso Portillo.

Allegations of corruption against Salvadoran President Armando Calderón Sol badly eroded public support for his government, although his successor gets high marks from the public for administering earthquake aid honestly. Nevertheless, most people do not think that the government or the major political parties have been very effective at helping quake victims. In surveys of popular confidence in public institutions, the government ranks last. Even Costa Rica has been rocked by recent corruption scandals, leading to violent public demonstrations.

Meanwhile, the region's social and economic problems have gone from bad to worse. Annual GDP growth rates have been anemic for a decade, averaging just 1.4% per capita region-wide. Sharp reductions in U.S. economic aid, from \$1.5 billion in 1985 to just \$149 million in 2000, have forced Central American governments to adopt severe austerity measures. Neoliberal stabilization policies have meant privatization, reduced government expenditures, and a decline in public sector employment. With a per capita income of just \$446 per year, Nicaragua is the second poorest country in the Americas, and at \$691 per capita, Honduras is the third poorest. Except for Costa Rica, poverty rates in Central America are among the worst in the hemisphere, and remain essentially unchanged from the 1980s. In Guatemala, 83% of the population lives in poverty; in Nicaragua, 80%; in Honduras, 74%; in El Salvador, 48%; and in Costa Rica, 20%.

The failure of Central American governments to deliver public order, honest governance, economic prosperity, or social justice is due in part to external constraints-- reduced foreign aid, the debt burden, and neoliberal policies insisted upon by international financial institutions. But lack of resources is only part of the explanation. Part of the blame also lies in the weaknesses of Central America's new democratic institutions.

### **The Weakness of Central American Parties**

Theories of democracy place enormous emphasis on the importance of free and fair elections, which enable the people to hold government accountable, and on a robust civil society, which develops the public's skills and habits of political participation. By these two standards, Central America does well. But political parties are the institutional link between civil society and

government. Parties are often neglected in theories of democracy, although they are the mechanism that translates interest group politics into a broader program and mobilizes supporters to contest for control of the state. If popular participation and contestation are essential elements of democracy, as most theorists agree, then healthy political parties are essential, too. Unfortunately, Central American parties are conspicuously weak. Party systems are often fragmented, party elites are notorious for internal bickering and undemocratic practices, and the public is increasingly alienated from parties of all ideological hues, regarding them as self-interested and self-serving.

Parties on the left have had trouble making the transition from politico-military vanguards to mass-based electoral parties. The Sandinistas split in 1994 when former Vice-President Sergio Ramirez led a dissident wing out of the party. Daniel Ortega, after defeating another movement for internal party reform in 1998, has consolidated personal control, and is the FSLN candidate in this year's presidential election, even though he has the highest negative public opinion ratings of any political figure in Nicaragua. As the party leadership has grown more insular, the FSLN's popular base has eroded, and most of the party's mid-level cadres from the 1980s have left.

Besides the Sandinistas, Nicaragua's political terrain is littered with micro-parties. President Violeta Chamorro's National Opposition Union (UNO) coalition disintegrated shortly after winning the 1990 election. A total of 23 parties contested the 1996 presidential election, which was won by the Liberal Alliance, a coalition of fragments from Anastasio Somoza's old Liberal Party. The dominant party in the alliance, the Liberal Constitutionalist Party (PLC), was built upon a foundation of patronage from Alemán during his tenure as mayor of Managua.

In El Salvador, the coalition of five guerrilla groups that formed the Farabundo Martí National Liberation Front (FMLN) split soon after the peace accord. In 1994, the People's Revolutionary Army (ERP) formed a party of its own and promptly concluded a political alliance with the rightist Nationalist Republican Alliance (ARENA). Since then, the FMLN has been effective at contesting local elections, but remains internally divided between a radical wing and a reformist wing-- a division that has prevented it from mounting a credible campaign for the presidency. In a recent poll, only 14% of the public identified with the FMLN, and 20% with ARENA; 60% of Salvadorans did not identify with any political party. Election turnout has fallen consistently since the 1980s, and was below 40% in the 1999 presidential race.

Guatemala's party system has been the most fragmented and unstable. No party has won consecutive national elections, and most winners have disappeared at the end of their term in office. The Christian Democrats, who won the presidential election in 1985, were demolished by corruption scandals. A brand new party, the evangelical Movement of Solidarity Action (MAS), won in 1991, but by 1994, both MAS and its principal opponent, the conservative National Center Union (UCN), had faded from the scene. Two new parties squared off as the main contestants in 1996: Alvaro Arzú's moderately conservative Party of National Advancement (PAN) and Efraín Ríos Montt's evangelical Guatemalan Republican Front (FRG). The same two parties led the field again in 1999, with the FRG winning this time. The left, though it won the third largest congressional delegation, was divided internally and reeling from the defeat of the May 1999 referendum on the peace accords.

Turnout for the referendum was just 20%, and 41% for the presidential election. Three-quarters of Guatemalans report that they do not identify with any political party.

Even in Costa Rica and Honduras, where two stable parties have regularly alternated in power, the persistence of unsolved problems has produced voter disillusionment and apathy. In recent polls, Hondurans listed politicians and police as the two least honorable occupations, and political parties as the institution in which they have the least confidence. A majority of Costa Ricans do not identify with any party; and even though two-thirds of them think the country is on the wrong road and that things are getting worse, only 11% say they have any interest in politics.

### **Democracy's Dangerous Shoals**

If political parties are divorced from their popular base and not responsible to it, they cannot act as an effective instrument for holding government accountable to the popular will. Party leaders are liable to become a self-serving political class, creating an environment that fosters corruption and public cynicism. Before the revolutionary wars of the 1980s, Central American political parties were personalistic, clientelistic patronage machines. They had shallow popular roots that did not extend much beyond the upperclass. Party politics and rigged elections went on above the heads of the people, who had no substantive role in a system that was not responsive to their needs and did not serve their interests. Complaints from below were met with repression, until these systems collapsed in revolution.

Today, the repression has subsided, the elections are freer, and through a flourishing civil society, Central Americans are more involved in civic affairs than ever before. But Central America's political parties are still burdened by many of the same weaknesses as their predecessors. Citizens are not prevented from participating in politics by repression, as in the past; they are prevented from participating effectively by insular, unresponsive, and corrupt parties. Government is failing to meet people's needs, and people are losing faith in government. The result has been declining voter turnout and a sharp rise in public disgust for parties, politicians, and politics in general. The costs of political violence are still fresh in the memories of Central Americans, so few of them are willing to seek solutions to contemporary problems outside the framework of democratic institutions. But cases like Venezuela and Peru should remind us that even consolidated democracies can break down when malpractice by the political class causes people to lose faith in representative government.

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