

EL SALVADOR'S STORY:

El Salvador's progress
on governance:
Negotiation, political
inclusion and
post-war transition

Dan Harris and Marta Foresti



Development Progress



El Salvador's progress on governance:

Negotiation, political inclusion and post-war transition

Key messages

1. There has been no relapse into large-scale violence in El Salvador since the Peace Accords of 1991. Both domestic and international observers have considered all subsequent presidential and parliamentary elections 'free and fair.'
2. The transition and peace process have been defined by a high degree of national ownership. In large part, this was the result of mutual recognition that a negotiated solution would be necessary to end a high-cost stalemate in which neither side was able to impose an outcome.
3. Among external drivers, aid alone does not explain the progress in governance in El Salvador. Immigration, trade policy and remittance flows have all contributed towards achieving developmental outcomes.

"No relapse into large-scale violence in El Salvador since the Peace Accords of 1991"

Summary

From 1980 to 1991, a violent and destructive civil war raged throughout El Salvador, rooted in more than a century of systemic social, political and economic exclusion of large segments of the population. From the latter half of the 19th century, the country had been ruled by an oligarchic alliance of a small wealthy landowning class and the military, which maintained its grip on power in a context of overwhelming inequality through the use of physical force. The formal institutions of government in El Salvador were little more than a facade.

These historical divisions were compounded by changes in the geopolitical context. In the Cold War era, Latin America was one of the major battlegrounds in the war between capitalist and communist ideologies. El Salvador was no exception: during the war the US provided more than \$1.1 billion to the right-wing government in an attempt to contain Cuban- and Nicaraguan-backed revolutionaries. The result of this unfortunate conjunction of historical injustice at home and geopolitical conflict on the world stage resulted in a war that led to the deaths of 75,000 people and the displacement of more than a million others.

And yet, from this challenging and complex point of departure, El Salvador has achieved significant progress in developing a system of governance that provides incentives for the state to act in ways that promote the wellbeing of the population in general, rather than merely that of an elite. The country has progressed from a state of affairs in which physical violence was an accepted form of political contestation to a norm of non-violent political activity.

What has been achieved?

The civil war and the history of systemic political exclusion that engendered it were truly national in scale. Only institutional change implemented at the national level, subscribed to by all parties in all parts of the country, could help set El Salvador on a new path towards inclusive development.

In this regard, the 1991 Peace Accords provided the foundation for a new form of governance. Since then, there has been no relapse into large-scale violence, nor have significant portions of the population sought to promote or inhibit change by violent means. Furthermore, more than 15 years of presidential and parliamentary elections have now been held, all of which have been considered 'free and fair' by both domestic and international observers. The defeated party in each election has accepted the result without resorting to violence.

The Peace Accords mandated the creation of a new National Civilian Police (PNC), outside the control of the traditional military establishment, responsible to the civilian-elected legislature and dedicated to protecting and serving citizens rather than the interests of the state or an elite. The very existence of a civilian police force is important evidence of progress in terms of the relationship between politics and physical violence.

Given the roots of the civil war in the near complete and systematic exclusion of the political left, improved inclusiveness in the political process has been critical to improved governance in El Salvador. For example, the transformation of the former coalition of insurgents – the Frente Farabundo Martí para la Liberación Nacional (FMLN) – into a viable political party enabled, for the first time, equitable, non-violent, competitive political debate. After 15 years as the dominant opposition party, the FMLN was victorious in the widely endorsed presidential and parliamentary 2009 elections, marking a critical moment in Salvadoran politics.



What has driven change?

Strategic stalemate and an opportunity for negotiation

The continuation of warfare was likely to entail significant costs to both government and insurgents for some time to come, without the chance of a decisive victory for either side. Recognition of this 'strategic stalemate' shifted the thinking on both sides, resulting in a high level of elite buy-in that was indispensable in the transformation to a negotiated peace. FMLN leaders, cognisant of the significant leverage they now held in the negotiation of the Peace Accords, began to consider how their military strength might translate in practice into new roles in the post-conflict political settlement. On the other side, President Cristiani, elected in 1989, was acutely aware of the ongoing costs of a conflict with no end in sight. Despite significant pressures from within his own party, the Alianza Republicana Nacionalista (ARENA), he led its transformation into a more moderate political party willing to bargain with the FMLN leadership.

A more conducive geopolitical context

The end of the Cold War changed the incentives of major international actors, resulting in the breakdown of external support to both the insurgents and the government. For the FMLN, this forced a reassessment of the value and stability of linkages with allies such as Nicaragua and Cuba and of its own political ideology. Meanwhile, the government could no longer count on the support of the US: the collapse of the Soviet bloc had provided the final blow to the hard-line domestic consensus in US thinking on El Salvador and on engagement in Latin America more broadly – so toleration of repressive right-wing regimes and human rights abuses was no longer a necessary price to pay for combating communist threats. As a result of these shifts, support for, or at least acceptance of, a negotiated settlement and the end of the political exclusion of the left was now on the table.

Skilful facilitation by the UN

Still, decades of animosity and distrust between the two sides meant that any process of negotiation would require skilful facilitation. The FMLN and the Salvadoran government separately requested the help of the UN in bringing the conflict to a close and eliminating its root causes through a process of negotiation. Under the leadership of Secretary-General Javier Pérez de Cuéllar, his personal representative Alvaro de Soto and eventually Pérez de Cuéllar's successor Secretary-General Boutros Boutros Ghali repeatedly broke deadlocks in the negotiation process. The UN Observer Mission in El Salvador monitored compliance with the Peace Accords and on numerous occasions shepherded the insurgents and the government through moments of crisis. The UN's role as a third party, one viewed as legitimate by both sides, was absolutely critical to its ability to do this.

The importance of aid

As the transition process unrolled, it became clear that the costs of the post-war reconstruction effort would exceed the ability of the government to pay. Responding to clear signals from the Salvadoran government, donors, led initially by the US and the Inter-American Development Bank (IADB), provided a package of grants and long-term concessional loans to assist in the funding of the National Reconstruction Plan. Although government and donor spending priorities were not always closely aligned, support was enabled to numerous key elements of the new Salvadoran governance structure. In the uncertain environment of the post-conflict state, it was critical to adopt a flexible approach to the design of aid packages in order to better respond to emerging opportunities (i.e. those arising from reform processes) and challenges.

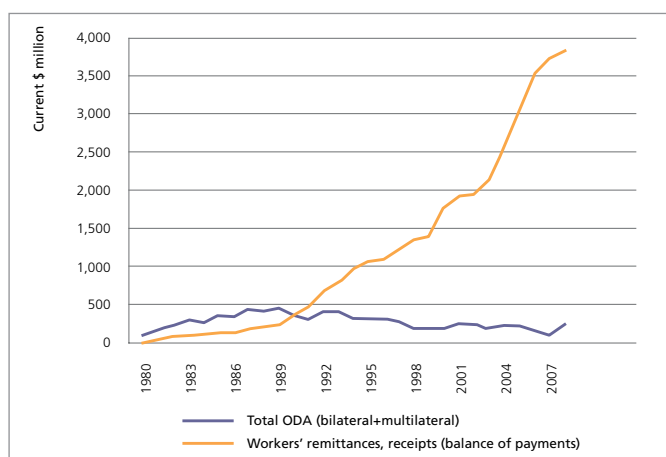
The critical role of emigration and remittances

The movement of footloose Salvadorans, also a key contributing factor in the governance transition, provides a clear indication of the extent to which the international and the domestic spheres were inextricably linked. In a country where under- and unemployment remain key public concerns, the emigration of 25% to 30% of the

"Development policy cannot be about aid alone"

Salvadoran population represents an important pressure release valve. Remittance flows have now reached almost 20% of gross domestic product (GDP), dwarfing official development assistance (ODA) (Figure 1), playing a critical role in poverty reduction, supporting domestic consumption, funding imports and contributing to increased political stability.

Figure 1: External flows to El Salvador, 1980-2008¹



¹ World Development Indicators (WDIs).

Lessons learnt

- El Salvador's progress in governance highlights the importance of grounding state and peace building in political settlements and institutional arrangements which reflect the balance of power among elites and between citizens and the state. The successful transition of the FLMN is demonstrative of the importance of an inclusive and non-ideological political settlement to sustainable progress.
- Although the UN and donors played a critical role, inclusive political settlements are unlikely to succeed if they are imposed from the outside. Commitment and leadership at the highest levels on both sides were indispensable in El Salvador, as was the presence of a strategic stalemate – the unlikelihood of a decisive military victory for either side in the short or medium term.
- Development policy cannot be about aid alone. The experience of El Salvador demonstrates the importance of emigration and remittance flows in maintaining social stability. Flows of information, skills and ideas (particularly among influential elites) have also contributed to transformational change.
- Building better linkages between foreign policy, security and development, and better working relationships among relevant agencies, can deliver a more sustainable transformation in governance. Recognising that development partners are in fact sovereign actors with economic and political interests that will affect policy priorities is the first step towards such cooperation.
- Donors need to approach governance transitions with realistic timeframes and a willingness to go beyond quick wins and easily measurable investments. Merely focusing on ending the war is not sufficient: it does not equal to ending violence (this is true across Latin America), and the presence of a monopoly of use of coercive force is not enough to guarantee the legitimacy of state and hence governance.
- The experience of the PNC suggests that investing in capacity and personnel is critical, as this can facilitate flexible responses to opportunities arising as a result of shifting incentives on the ground and the emergence of new actors.



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**Overseas Development
Institute**

111 Westminster Bridge Road
London SE1 7JD
United Kingdom

Tel: +44 (0)20 7922 0300

Fax: +44 (0)20 7922 0399

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