

April 19, 1994

## REAGAN AND BUSH POLICIES ARE PAYING OFF IN EL SALVADOR

### INTRODUCTION

Some fifteen months after a United Nations-brokered peace agreement between the government and the communist Farabundo Marti National Liberation Front (FMLN) was signed, El Salvador held presidential elections on March 20 and is due to hold a second round of voting this April 24.<sup>1</sup> Conservative candidate Armando Calderon Sol of the incumbent National Republican Alliance party, known by its Spanish acronym ARENA, is predicted to be the victor over the FMLN's Ruben Zamora. According to Salvadoran President Alfredo Cristiani, the elections are "the culmination of the peace process" and represent the "consolidation of democracy" for El Salvador. Added Cristiani, who was elected in 1989 and leaves office on June 1: "The FMLN [for the very first time] will be inside the system. They have become the second political force; they will have important participation in the [National] Assembly and municipalities."<sup>2</sup>

**A Victory for the Reagan Doctrine.** The elections are good news for El Salvador and the United States. They are the culmination of the policy began by Ronald Reagan in 1981 to oppose the Cuban-sponsored communist insurgency and push for democratic reform of the political oligarchy. The twelve-year guerrilla insurgency cost some 75,000 Salvadoran lives and an estimated \$6 billion in U.S. assistance. The conflict in El Salvador became a major battleground of the Cold War and was a key element in President Reagan's decision to halt Soviet-inspired communist aggression in the Third World.<sup>3</sup> The FMLN, which received assistance from the former Soviet Union, Eastern Europe,

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- 1 The author participated in a pre-election monitoring mission to El Salvador from March 3 to 7. The international group was sponsored by the Washington-based International Republican Institute, and interviewed representatives from El Salvador's major political parties, U.S. Embassy officials, business leaders, and electoral officials.
  - 2 Remarks during a March 9 interview with *The Washington Post* in San Salvador.
  - 3 The so-called Reagan Doctrine, crafted by then-President Ronald Reagan in the early 1980s, was a U.S. campaign to support anti-communist freedom fighters throughout the Third World. In addition to El Salvador, the primary battlefields of this doctrine were in Afghanistan, Angola, Cambodia, and Nicaragua

Cuba, and the Sandinistas in Nicaragua, waged a ruthless campaign to defeat a series of U.S.-backed governments and establish a Cuban-style communist dictatorship.

However, the determination of both the Reagan and Bush Administrations—against often bitter congressional opposition—to support Salvadoran democracy and economic reform appears to be paying off. The elections, which have been peaceful and free of fraud, will likely generate a new government that is committed to the market system, democratic rule, law and order, and human rights. In stark contrast to its neighbor, Nicaragua, El Salvador is leading the Central American charge toward economic growth, stability, and democracy.

Given that the U.S. has much at stake in the Salvadoran peace process and elections, there is also much that the Clinton Administration and Congress can do to facilitate a peaceful, democratic conclusion to the Reagan and Bush strategy. They should:

- ✓ **Develop an aid program that is conditioned on free market reforms in El Salvador.**
- ✓ **Provide assistance to support El Salvador's land allocation program for former combatants in the civil war to help reintegrate former soldiers and FMLN rebels into civilian society.**
- ✓ **Assist in the continued development of El Salvador's civilian police force.**

## THE ELECTIONS OF THE CENTURY

The El Salvadoran elections last month have been labeled as the “elections of the century.” Not only are they the first elections in which the FMLN has participated, they are the first since the January 1992 peace accord. Salvadorans went to the polls to choose a new President, 84 National Assembly members, and 262 mayors. Calderon Sol, who is the 45-year-old former Mayor of San Salvador, came in first with an estimated 49 percent of the vote. Former FMLN leader Zamora, of the leftist Democratic Convergence coalition, obtained approximately 25 percent of the vote, compared to only 16 percent for Fidel Chavez Mena of the Christian Democratic Party, once El Salvador's strongest party.<sup>4</sup> The remainder of the vote went to smaller opposition parties. Since no candidate succeeded in winning an absolute majority, a second round run-off election is scheduled for April 24. In all likelihood, ARENA will win the next round with a commanding majority of the total vote.

Most elections observers stress that the campaign and the March 20 vote was largely free and fair, but some leftist opposition leaders in El Salvador and their supporters in the U.S. complained that the process was tilted in favor of the ARENA party. They argue that the voter registration drive was incomplete in areas formally under their control, mostly in the eastern part of the country, and that some 74,000 people with voter identification cards were excluded from the voter registration lists. Some FMLN leaders also charge that names of the deceased continue to appear on the voter registries and that

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<sup>4</sup> These are the official final results released by the Supreme Electoral Tribunal on March 30, 1994.

many of their supporters are outside of the country. On election day, representatives from the FMLN complained that long delays at the polls prevented many people from voting.

However, officials at El Salvador's Supreme Electoral Tribunal, the autonomous and multiparty body tasked with overseeing El Salvador's elections, underscore that most of the problems arose because of limited financial resources, poor technology, and destroyed or missing records, rather than as an organized attempt by ARENA to steal the elections. In a report issued on March 17 to the United Nations Security Council, Secretary General Boutros Boutros-Ghali acknowledged these registration problems, but argued that the "conditions for the holding of free and fair elections are generally adequate." He also stressed that these irregularities would not have altered the final results of the elections.<sup>5</sup> With up to 3,000 election observers in El Salvador, a country of only 5.5 million people, the electoral process has been seen as one of the most highly scrutinized in the world.

According to the U.N. Observer Mission to El Salvador, known as ONUSAL, some 2.3 million Salvadorans have registered to vote and are in possession of their voter cards, known as "carnets." This translates into 85 percent of the country's 2.7 million eligible voters. The head of ONUSAL, Augusto Ramirez Ocampo, saluted the elections on March 20 for what he described as "their extraordinary normalcy, even if we have seen some irregularities."<sup>6</sup> J. Brian Atwood, the Director of the U.S. Agency for International Development (AID) and Bill Clinton's envoy to El Salvador's elections, confirmed this observation by saying that the U.S. delegation "observed no visible signs of intimidation or fraud."

**Cutting Back Aid.** As he prepares to leave office, however, President Cristiani is now warning that his country's future could be jeopardized by the Clinton Administration's plans to drastically cut back Salvador's aid package. The Administration has proposed cutting aid, which in the mid-1980s reached as high as \$600 million a year, to about \$94 million this year. That represents a 60 percent decrease from 1993, when El Salvador received \$230 million from Washington.<sup>7</sup>

Moreover, according to the House Foreign Affairs Committee, military assistance to El Salvador has plummeted from some \$11 million last year to a total termination of the program this year. Most of the security aid given to El Salvador last year paid for veterans hospitals, army demobilization programs, and weapons storage facilities, with none of it going to weapons sales. Cristiani states that his government did not anticipate such a quick drop in aid levels and that the reductions will make it harder to sustain the peace accord, invest in education, improve health care, and rebuild infrastructure damaged by the war.

**Aid Flowing to Former Guerrillas.** A heated debate also has erupted over the recipients of the U.S. assistance from AID. It is ironic that after the U.S. spent as much as \$1 million a day to defeat the FMLN rebels during the 1980s and early 1990s, the Clinton Administration is now providing approximately \$12 million to the former guerrillas this

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5 See Douglas Farah, "Voter Registration Disputed Surface in Salvadoran Election," *The Washington Post*, March 18, 1994.

6 Howard W. French, "Salvadorans Hold First Vote Since End of Civil War," *The New York Times*, March 21, 1994.

7 Douglas Farah, "Salvador's Leader says Aid Cuts Pose Threat," *The Washington Post*, March 11, 1994, p. A20.

year. According to Mark Schneider, AID's Assistant Administrator for Latin America and the Caribbean, "We are trying to help the people of El Salvador move away from the divisions of the past, and to provide them with an opportunity to work together for a more peaceful and democratic future.... El Salvador requires just as much readjustment as the post-Cold War relationships in the rest of the world."<sup>8</sup>

However, the assistance is going far beyond the initial U.S. offer to feed and house the former combatants of the civil war. According to the Salvadoran Embassy in Washington and ARENA officials in San Salvador, AID is giving financial assistance and office equipment to various non-governmental organizations (NGOs) with close links to the FMLN. Much of this assistance is designed to help educate former guerrillas about the electoral process and register voters. It also helps pay for land on which the former combatants can relocate and earn a living, and helps support some leftist labor groups.

According to a Salvadoran government spokesman who wishes to remain unnamed: "The Clinton policy is to funnel assistance to NGOs in El Salvador, many of which represent the Left and have clearly designed partisan political views." In March, a leading ARENA official complained to a Heritage Foundation visitor to El Salvador that "the NGOs on the left are receiving as much money from the U.S., Canada, and Europe as does the Supreme Electoral Tribunal and other electoral authorities in El Salvador." He said that over \$6 million is given to the FMLN-supported NGOs, compared to only about \$7 million that the authorities have to run the elections.

## SUPPORTING DEMOCRACY AND ECONOMIC REFORM

The Clinton Administration's main objective in El Salvador should be to support a free market and democratic system. Now that the war is over, the U.S. government should refrain from supporting one party over another in the Salvadoran electoral process. Rather, it should concentrate on helping the elected government carry out its reform program and peace process. Any assistance to the FMLN-led coalition in El Salvador should be restricted to helping the former rebels become a functioning political party in the democratic system.

To craft an effective, post-Cold War El Salvador policy, the Clinton Administration should:

- ✓ **Develop an aid program that is conditioned on free market and democratic reforms in El Salvador.**

To the extent that giving aid to the FMLN in El Salvador encourages them to enter into the political system and legitimizes the peace process, such assistance might be justified. But Washington should seek to guarantee that aid is not heavily tilted in favor of one political faction or another and that it is spent on programs to reconstruct the war-torn country, including the repair of roads and bridges, the construction of dams, and other infrastructure projects.

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8 "U.S. Dollar a Foe, Now a Friend to the Leftist Salvadoran Rebels," *The Washington Times*, March 29, 1994, p. A7.

As is the case with all U.S. assistance to the developing world, aid to El Salvador also should be linked to an Index of Economic Freedom, which would take into account numerous factors including: private property rights, the size of the state sector, the level of taxation, the banking system, business regulation, wages and prices, trade liberalization, and capital flows and investment policy.<sup>9</sup> Fortunately, the Cristiani government is moving in the right direction in its efforts to promote economic reform. It has begun deregulating the economy, cut tariffs, brought inflation down to 12 percent, and sustained a growth rate of approximately 5 percent last year.<sup>10</sup> Aid, moreover, should not be seen as an open-ended entitlement program, but rather a temporary effort at assistance that recognizes the fact that El Salvador has recently emerged from a twelve-year battle against communism and is a key U.S. partner in the inter-American community.

✓ **Provide assistance to support El Salvador's land allocation program for former combatants to help to reintegrate former soldiers into civilian society.**

One of the key challenges for the next Salvadoran government will be its ongoing program to integrate former combatants into the Salvadoran economy. One way to do this is by providing private land plots to army veterans and former guerrillas. The U.S. has been assisting in this effort by providing some \$72 million over the last two years to El Salvador's so-called Land Bank. This AID-funded institution helps finance land sales to ex-combatants and civilians displaced by the war. These people have traded in their weapons in order to grow such crops as coffee, corn, rice, beans, and sugarcane—all of which are vital to the Salvadoran economy. It is estimated that some 5,000 former soldiers, 6,500 former guerrillas, and up to 18,000 displaced civilians are eligible for Land Bank financing. U.S. assistance should be used to help repair roads and bridges so that these new landowners can get their crops from the field to the marketplace. U.S. assistance also should be channeled to develop a modern titling process which will help guarantee property rights and help settle disputes. A central registry of land titles should be created in San Salvador to help modernize the system and to provide a efficient recourse for property complaints.

✓ **Assist in the continued development of El Salvador's civilian police force.**

Under the terms of El Salvador's five-year National Reconstruction Plan, which was launched in 1992, a National Civilian Police force (PNC) was created to replace El Salvador's National Police (PN). The latter is controlled by the Ministry of Defense and has been accused of human rights abuses. The new civilian force, which is expected to reach 15,000 officers by 1998, consists of ex-FMLN rebels, former government soldiers, and others. Currently, the U.S., Spain, Chile, Germany, Norway, and Sweden are training the PNC, with U.S. aid going mostly to

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9 For more information on the Index of Economic Freedom, see Thomas P. Sheehy, "Rethinking Foreign Aid: The Index of Economic Freedom," *Heritage Lecture* No. 485, March 1, 1994.

10 "El Salvador: Hope," *The Economist*, March 26, 1994, p. 52.

funding instructors at the police academy in El Salvador and for purchasing police vehicles. Rather than fighting political violence, the PNC's biggest challenge today is combatting common street crime. FMLN candidate Zamora has applauded the force during campaign speeches and has pledged to support it.

The U.S. also has played a role by funding the \$91 million demobilization and transition account for the Salvadoran military in 1992 and 1993. Through this effort, the Salvadoran armed forces were reduced from 55,000 troops in 1992 to 31,000 in March 1993—almost a year ahead of the January 1994 deadline established in the peace accords for the troop reductions. The demilitarization program also eliminated the government's counterinsurgency battalions that were most often blamed for human rights abuses.

## CONCLUSION

El Salvador has been a key test case for democracy and the battle against communism. After twelve long years of war, its recent successes demonstrate that the Reagan and Bush policies in Central America were right and are paying off. The Salvadorans see last month's elections and the upcoming runoff vote as a true test for the consolidation of their democratic and the peace processes. They also feel that if all goes well on April 24 and the elections are carried out in a tranquil way, without fraud, El Salvador will be firmly on track to promote economic growth and democratic stability. The next five-year presidential term will be a critical test for El Salvador. During this time the Cristiani government's programs should bear fruit as the results of the peace process are confirmed.

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