

The 2009 El Salvador Elections

Between Crisis and Change

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Covering Activism and Politics in Latin America

A Joint Report: January 2009

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Executive Summary

After 17 years since the end of El Salvador's civil war, the leftist Farabundo Martí National Liberation Front (FMLN) is poised to accomplish what its guerrilla predecessors never did: Takeover the national government with the presidential elections on March 15. The FMLN candidate Mauricio Funes holds a double-digit lead over his rival Rodrigo Avila of the right-wing Nationalist Republican Alliance (ARENA) party. An FMLN victory in March would break 20 years of one-party rule by ARENA.

On January 18 Salvadorans went to the polls to elect municipal and legislative representatives. Though both parties claimed victory, the FMLN came out ahead with a larger number of seats in the country's National Assembly—an auspicious prelude to the presidential vote.

Funes will join a new coalition of left-leaning leaders throughout Latin America. The turning of the political waters constitutes a dramatic shift for El Salvador—and the region. Over the decades, ARENA administrations have made El Salvador one of Washington's closest allies in the region and a poster-child of the free-market, neoliberal policies that have plunged millions into poverty throughout Latin America. The FMLN's rise to power would also mark an essential breaking point with the legacy of the country's civil war in which the US-backed government and its paramilitary death squads murdered some 75,000 citizens.

This report seeks to reflect on El Salvador's current situation as well as the possibilities and challenges ahead at this pivotal moment for the nation's future. The report is broken up into thematic sections, ranging from the campaigns and the economy, to militarization and the diplomatic front, and much more. These sections are, in turn, divided into more specific issues, such as CAFTA, water privatization, Plan Mexico, Integration, and potential relations with the new Obama administration.

This report is the product of collaboration between the Committee in Solidarity with the People of El Salvador (CISPES), the North American Congress on Latin America (NACLA), and Upside Down World. We hope this report helps create a more informed public in the United States, and that it contributes in some small way to Salvadoran's ongoing struggles for self-determination and social justice.

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Introduction

After 17 years since the end of El Salvador's civil war, the leftist Farabundo Martí National Liberation Front (FMLN) is poised to accomplish what its guerrilla predecessors never did: Takeover the national government.

Indeed, this year marks a rarity in Salvadoran electoral politics. First, came the January 18 legislative and municipal elections, which will be soon followed by the presidential election on March 15. Normally, presidential elections, held every five years, do not coincide with local elections, which are held every three years, making the beginning of 2009 a pivotal moment for El Salvador's future.

The two main competitors for the presidency are the FMLN and the right-wing Nationalist Republican Alliance (ARENA). Four smaller parties are also participating in both rounds of elections.

The FMLN was formed in 1980 when five leftist guerrilla groups joined forces to command the popular armed struggle against the ruling elite. The group was later recognized as a formal political party with the signing of the Peace Accords in 1992, which ended decades of bloody conflict. Army officer Roberto D'Aubuisson founded ARENA near the beginning of the Civil War in 1981. Maj. D'Aubuisson was a strong supporter and organizer of death squads that operated in the country during the 1970s and 80s.

The War and U.S. Intervention

From the 1970s to 1992, El Salvador experienced a brutal civil war in which the country's government and its paramilitary death squads murdered some 75,000 citizens. In the name of stopping the spread of Communism, these forces targeted political

dissidents, trade unionists, religious ministers, and human rights workers.

A UN-sponsored Truth Commission, mandated as part of the country's 1992 peace accords, reported, "The army, security forces, and death squads linked to them committed massacres, sometimes of hundreds of people at a time."¹ Assessing those killed during the war, the Commission found the FMLN guerrillas responsible for 5% of human rights violations, while the armed forces and paramilitary death squads responsible for 85%, with the remaining 10% undetermined.

The United States firmly supported the government's brutal counter-insurgency efforts. Before the peace accords ended the war, the U.S. provided the Salvadoran government more than \$6 billion in aid. *The New York Times* commented upon the release of the 1993 report:

A United Nations Truth Commission now confirms what the Reagan Administration sought to cloud—that terrible crimes were perpetrated in freedom's name by the armed forces of El Salvador... The report identifies a former Defense Minister as one of the senior officers who ordered the killing of six Jesuit priests in 1989. It names another Defense Minister as among those who tried to cover up the murder of four American churchwomen. It finds that Roberto D'Aubuisson, the right-wing politician and hero to Senator Jesse Helms, ordered the murder of Archbishop Romero.²

Times' columnist Anthony Lewis concluded: "In the 1980s the United States spent \$6 billion supporting a Salvadoran Government that was

dominated by killers. We armed them, trained their soldiers and covered up their crimes.”³

Back in Washington, Congress commissioned an investigation to determine how the Truth Commission report corresponded with State Department testimony during the 1980s. Despite evidence of significant deception, no perjury charges, reprimands, or official apologies were issued. A decade later, many of the architects of U.S. intervention in El Salvador, such as Elliott Abrams, would serve in prominent positions in the State Department under President George W. Bush.

Within El Salvador, the legacy of the war would become a point of contention between the two major political parties that emerged after the Peace Accords—the FMLN and ARENA. Just days after the Truth Commission report was released, ARENA deputies successfully rushed an amnesty law through the country’s Legislative Assembly pardoning those responsible for abuses.

Although the FMLN has often won electoral control over large regions of the country and sometimes enjoyed a plurality in the Assembly, successive ARENA governments have led the country since the 1992 peace accords, and the FMLN has yet to win the presidency.

The 2009 Elections

ARENA has held the presidency for the past 20 years. Over the decades, successive ARENA administrations have maintained close ties with the U.S. government, particularly with the U.S. Republican Party and has been the main proponent of neoliberal, free-market economic policies.

The results of the January 18 elections augur well for the FMLN ahead of the March presidential

elections. Salvadorans went to the polls to elect mayors and council members for the country’s 262 municipalities as well as 84 deputies for the National Assembly—the unicameral legislature. After a tense day of voting, the FMLN declared itself the “leading political force” in the country after winning the most seats in the National Assembly. Preliminary results indicate the FMLN has increased its number of deputies by four or five, while ARENA’s share of the 84-member legislature has either stayed the same or been slightly reduced. The FMLN will have 37 or 38 seats, while ARENA will have 33 or 34.

One setback for the FMLN, however, is the apparent loss of its hold over the capital city of San Salvador. Although electoral authorities have yet to declare a winner, ARENA declared its mayoral candidate Norman Quijano as the victor. Quijano held a 2-3% lead over the FMLN incumbent with most of the votes counted, but the FMLN and electoral authorities asked the public to await the final tally. Despite the possibly losing San Salvador, the FMLN celebrated victories in three of the next four largest cities in El Salvador. And overall, the FMLN will likely win between 80 and 90 municipalities, a big boost from the 59 the party currently controls.

The elections on January 18 continued the FMLN’s consistent climb in municipal and legislative politics. The FMLN hopes this local success will finally translate into a presidential victory.

ARENA’s party’s presidential candidate for 2009 is Rodrigo Avila, former director of the National Civil Police. The party’s vice-presidential pick is businessman Arturo Zablah, who previously planned to run for president under a third-party coalition he called “Alliance for Change.” Before being picked, Zablah had been openly critical of ARENA’s 20 years of failed economic policies.⁴ The choice is seen by many as a move by ARENA

to present itself as the “change” ticket and an attempt to win over moderate voters.

Voices

“The Peace Accords and the neoliberal model cannot function together because the neoliberal model will not tolerate social movements. The Peace Accords gave people access to new political spaces and the neoliberal model has tried to take them away.”

—*Lorena Peña, historic FMLN leader and current Deputy to PARLACEN*

Mauricio Funes, a former television journalist, is the FMLN’s candidate for 2009. He is the party’s first presidential candidate who was not a guerrilla combatant in the Civil War. The FMLN’s vice-presidential pick is Salvador Sanchez Cerén, a former guerilla commander, who has served as an FMLN deputy in the National Assembly since 2000.

The smaller parties competing in the polls include the National Conciliation Party (PCN), Christian Democrat Party (PDC), Democratic Change (CD), and the Democratic Revolutionary Front (FDR). The polarized nature of Salvadoran politics puts third parties at a distinct disadvantage in the presidential elections compared to the FMLN and ARENA. But some of these smaller parties maintain a small, yet politically significant presence in the legislature. The centrist PDC comes out of the January 18 election with seven seats, while the right-wing PNC will have around five seats. The center-left CD will have one or two seats, while the FDR, a center-left offshoot of the FMLN, failed to win a single seat.

The municipal and legislative elections were separated from the presidential elections, despite the increased costs incurred by the country by conducting two separate votes. The

FMLN views this as a tactic that favors ARENA, since the right-wing party has a larger budget, allowing them to orchestrate the two separate campaigns with funds to pay party members to work the polls on Election Day.

Election observers reported some instances of fraud on January 18, though it is unclear whether the accusations of foreigners voting, people using false voting cards, and vote buying, among other things, were enough to tilt the balance toward particular municipal or legislative candidates.

Mauricio Funes, the FMLN’s presidential candidate, rallied a crowd after the local elections and reminded them that the biggest contest is yet to come: the presidential elections on March 15 in which Funes holds a double-digit lead in the polls.

A Year for Change?

The economy has become the primary issue in the 2009 presidential elections, as a majority of Salvadoran families suffer due to high costs of food and basic services combined with soaring unemployment rates. According to polls, over 35% of Salvadorans said the economy is the main problem confronting the country, followed by 20% who cited poverty.⁵ All candidates have promised to encourage foreign investment, job creation, and lower the cost of living as part of their economic platforms.

Security and fighting crime are also a major issue for Salvadorans with polls indicating 15% of the population considers crime their top concern. El Salvador is one of the most violent countries in the Western Hemisphere, with an average of 10 murders committed daily and a notorious presence of violent street gangs involved in extortion and the drug trade.⁶

The election has increasingly come down to which ticket represents the best opportunity for “change.” This has put ARENA, as the incumbent party, on the defensive. The FMLN’s presidential campaign slogan “Hope is born, Change is coming” seeks to highlight ARENA’s failed policies and the need for a new political direction. In an effort to present the FMLN as the party of change, Funes has cast his campaign as part of a “new Left.” Funes has promised that greater investment in social spending and the reinvigoration of industry and the agricultural sector will not come at the expense foreign investment and private property.

Funes’ notoriety as a popular television journalist and the fact that he was not part of the armed struggle and old guard of the FMLN has garnered him support from broad sectors of the public that have not previously supported the party, particularly business owners. While Sanchez Cerén’s history within the party and armed struggle assures long-time FMLN supporters that the overall goals and principles of the FMLN have not changed.

The FMLN presidential ticket has created an unprecedented wave of support in the contest as they continue to maintain a 14 to 17% advantage over ARENA in independent polls. Campaign events have generated massive turnout with people waiting hours to see and hear Funes and Sanchez Cerén on their “Caravans of Hope.”

Avila and Zablah of the ARENA party in many ways are also running on a platform for “change” in an attempt to distance themselves from previous ARENA administrations. Avila presents himself as a candidate concerned with social investment and generating jobs, while Zablah underlines his role as a reformer within the Right and a businessman who knows how to encourage investment. But the addition

of Zablah to the ticket has failed to animate the right-wing conservative base as ARENA continues to lag in the polls.

ARENA’s presidential campaign slogan “Better investments, More jobs” is aimed at the populations’ economic concerns. Interestingly, Avila has avoided using his credentials as director of the National Civil Police to address the country’s security woes.

The Dirty Campaign

A key element of the current electoral climate is the campaign against the FMLN orchestrated by right-wing organizations notoriously led by the El Salvador branch of Fuerza Solidaria (United Force). Founded in Venezuela, the organization’s primary goal is stopping the leftward political tide in Latin America. In El Salvador, its activities include using print and television ads to defame the FMLN presidential formula.⁷

Early on, Fuerza Solidaria’s ads sought to link the FMLN to Hugo Chávez in Venezuela and claiming an FMLN victory would make El Salvador an enemy of the United States. The ads suggested this would jeopardize cash remittances sent home by Salvadorans as well as threaten the legal immigration status of El Salvador’s “distant brothers” in the United States. One ad even contained clips of an interview with Dan Restrepo, an Obama advisor, speaking about the new President’s concerns about Chávez and his influence in the region, specifically in El Salvador.

Since then, the ads have furthered baseless accusations that the FMLN is training armed groups in the country. Another ad attempts to paint Sanchez Cerén as the violent “true face” of the FMLN, claiming Funes only “serves for the photographs.” Fuerza Solidaria’s leadership

in El Salvador includes ARENA leaders and members.⁸ The FMLN has denounced the organization, along with ARENA, before the Supreme Electoral Tribunal (TSE) for conducting an illegal fear-based campaign, demanding the TSE put an end to these activities. The TSE has not responded to the demand.

Political violence has also reared its head in this campaign season with the uninvestigated murders of over a half dozen FMLN party and social movement leaders in 2008 alone. ARENA campaigners attacked FMLN supporters who were conducting door-to-door visits, sending four people to the hospital in San Salvador on September 4, 2008—this was one of several reported attacks against FMLN supporters. ARENA's mayoral candidate for San Salvador, Norman Quijano, publicly admitted that his campaigners are armed and should be “considered dangerous.” El Salvador's Human Rights Ombudsman asked all parties to sign a non-violence pact—a proposal previously made by the FMLN—and every party except ARENA signed on to the agreement.⁹

Free and Fair Elections?

Besides the volatile campaign environment, many civil organizations as well as the FMLN have raised concerns about the potential for electoral fraud. The TSE is mandated by the Constitution to be an unbiased, non-partisan authority on elections. The current composition of the TSE, however, has turned it into a partisan body that has passed a series of reforms with the potential to undermine the Salvadoran democratic process.

Three out five TSE judges are members of right-wing factions from the ARENA, PCN, and PDC parties. These parties have helped change voting rules so that electoral reforms require the approval of three out of five judges, rather than the four-judge threshold previously needed for approving

reforms. This has effectively allowed the TSE to implement a series of reforms that favor the right-wing parties in general and ARENA in particular.

An independent audit completed in December 2007 by the Organization of American States (OAS) found an array of irregularities in voter registries, among them the inclusion of 100,000 deceased persons, 109,707 voters with incorrect information, and many voters registered twice. An investigation by national daily *Prensa Gráfica* discovered the registration of 236,000 people whose identification documents do not appear in the most recent government census from 2007.¹⁰ Despite these well-documented irregularities, the TSE has failed to investigate—much less purge illegal registrations. In fact, the TSE has not even made the electoral registries available to all political parties as required by the Electoral Code and the Constitution.

When the TSE does act, it seems to introduce reforms that pave the way for fraud. One reform undermines the ability to confirm the authenticity of ballots. In the past, in a process known as “Sign and Seal,” for a ballot to be counted it required signatures and seals from both the President and Secretary of each voting table. But a new reform allows ballots lacking the signatures of the President and Secretary to still be counted, opening up the possibility of ballot box stuffing and/or the manipulation of submitted votes while the ballots are transported at the end of Election Day.¹¹

If past elections are any indication, another potential for fraud is the busing in of foreigners from neighboring countries, as eyewitnesses have reported amid previous votes. In fact, on January 12, 2009, all four parties participating in the San Isidro de Cabañas elections except ARENA denounced the inclusion of numerous Hondurans in the electoral registry.¹²

Amid these troubling signs, the OAS mission in 2007 made over 100 recommendations to be implemented in order to ensure a fair and transparent process. To date, a vast majority of these recommendations have not been implemented and the OAS mission to the country has failed to continue pressuring the ARENA government for their implementation.

With the international spotlight on the 2009 elections in January and March, authorities expect hundreds of international observers to be present at the polls. The TSE has invited observer missions from the OAS and European Union to monitor the process. If current poll numbers hold, the large number of international observers monitoring the elections will ratify an FMLN victory, initiating the first alternation of power in two decades.

Many analysts predict right-wing parties will use fraud to make up for its losses against the FMLN, trying to subvert the will of the people. For Salvadorans, the risk of electoral fraud is real: 55.5% of the population believe there will be fraud in the 2009 elections, according to a poll conducted by the University Institute of Public Opinion (IUDOP) at the Central American University (UCA) in San Salvador in October of 2008.¹³

Continued U.S. Intervention

El Salvador has a long history of military and electoral intervention by the U.S. government. The last presidential election in 2004 saw many instances of Washington's intervention in the elections in favor of ARENA.

The most prevalent forms of intervention in 2004 were statements made by State Department officials and members of Congress that threatened Salvadoran-U.S. relations

should the FMLN win the presidency. Fear of U.S. retaliation caused many Salvadorans to vote for ARENA rather than for their preferred candidate. U.S. fear-mongering helped turn a close race, according to pre-election polls, into a decisive victory for the ARENA candidate.¹⁴

During the 2009 campaigns, U.S. officials have publicly pledged neutrality and asserted they will work with whichever party is elected. But subtler interventionist statements by U.S. officials continue. Throughout 2008, the right-wing press in El Salvador made accusations with dubious evidence that the FMLN was an active supporter of Colombian rebels who are on the U.S. list of terrorist organizations. As the right-wing press irresponsibly publicized these baseless accusations, U.S. Deputy Secretary of State John Negroponte stood next to U.S. Ambassador to El Salvador Charles Glazer and declared that Washington would oppose any party that supports "terrorists." Glazer went even further declaring, "Any organization that is friends with, assists or works with the FARC will not be viewed in a friendly way by the United States."

Just as insidious, local U.S. officials have failed to respond to declarations made by organizations like Fuerza Solidaria that claim U.S.-Salvadoran ties would be threatened by an FMLN victory. U.S. officials have tolerated the manipulation of El Salvador's inevitably sensitive relationship with the United States for electoral purposes.

Nonetheless, the FMLN has maintained its lead in the polls, and if this continues through March 15, 2009, it is likely that El Salvador will have its first leftist government. El Salvador would be joining the ranks of an ever-growing list of countries opting for governments that represent the poor majority instead of the elite few. ●

Economy

Global Crisis, Local Poverty

The 2009 elections are taking place at a time of growing economic worries, with an ever-growing number of Salvadoran families unable to cover the increased costs of living. An international food crisis has raised prices of basic staples like corn and wheat, while high oil prices have driven up transportation costs. Meanwhile, more Salvadorans find themselves struggling to earn a decent wage, with half of the labor force working in the informal sector.

All this makes the economy perhaps the most important issue for voters in the coming elections. Most analysts say economic woes in the country have given the FMLN an edge in the elections.

In recent years, El Salvador has experienced the same relatively buoyant economic growth as most Latin American countries, which have all benefited from high commodity prices. The economy grew by 4.2% in 2006 and 4.7% in 2007, the largest annual economic expansion since 1999.¹⁵ But this economic boon has failed to improve the livelihoods of 30% of the population, which continues to live in grinding poverty. Outside the cities, nearly half (49%) the rural population is poor.

The U.S. recession will likely cause a marked drag on economic growth, particularly since the United States remains, by far, the largest buyer of Salvadoran exports. An advantage of this slowdown is a projected decrease in inflation, which reached nearly 7% in September 2008—up from about 4% in 2007.

Economists predict the U.S. crisis will negatively impact cash remittances sent home by Salvadoran immigrants in the United States. The Salvadoran economy has become heavily dependent on remittances, which account for 17% of the country's GDP.

The incoming administration in San Salvador is unlikely to oversee the same economic boom experienced in 2008. In the first eight months of 2008, El Salvador's exports were

Voices

"El Salvador does not print its own dollar bills. How does El Salvador get dollar bills? Exported goods must surpass imported goods. But imports here exceed exports, which makes us lose money. The government was relying on remittances to cover the deficit, and that is why the policy is to get people to leave. You can get a passport in half hour—that's the only thing in this giant bureaucratic state that you can get in a half hour!"

—Lorena Peña, historic FMLN leader and current Deputy to PARLACEN

up year-on-year by nearly 18%, totaling \$3.5 billion. Before the U.S. economy definitively crashed in October, remittances to El Salvador had grown by 5%, totaling nearly \$3 billion, compared to the same period in 2007. Despite the recession, Salvadoran remittance flows have fared better than those to other Central American countries. But August 2008 was the first time in five years that remittances experienced a year-on-year fall—by 2%.

The global economic downturn is already being felt in the country. One sign of local recession is a dramatic slump in the construction sector, which is an important

source of employment. Economists indicate the global credit crunch means lenders are less likely to provide financing for new construction projects. Construction industry sources recently announced more than 13,000 construction workers have been laid off.

Elections: It's the Economy

Anticipating economic hard times, the Saca administration recently won cross-party approval for its 2009 budget of \$3.6 billion, which was notable for allocating 19% for education and 11% for health care. Most analysts interpreted these hefty allocations as an attempt by ARENA to present a more socially oriented stance for the 2009 elections.¹⁶

During the campaign, both ARENA and the FMLN modified their traditional electoral discourse to attend to each party's perceived economic weaknesses among voters. The result was a noticeable role reversal with ARENA trying to convince voters of its social-democratic credentials, while Mauricio Funes of the FMLN tried to court the business community. Funes even traveled to Mexico to meet with billionaire Carlos Slim with the implicit message that his administration would maintain an investment-friendly climate in El Salvador. Both Avila and Funes have promised that job-creation would be a centerpiece of their economic program.

Both Funes and Avila have also promised to maintain the U.S. dollar as El Salvador's currency. An academic study by scholars Marcia Towers and Silvia Borzutzky shows that dollarization has facilitated investment and financial transactions in the country, but they also note that dollarization has worsened poverty and inequality in the country.¹⁷ Given the weakening of the U.S. dollar, some FMLN

officials claimed Funes, if victorious, would re-introduce the Colón—the country's old currency—near the end of his term in 2014. "Far from having brought the paradise it promised, [dollarization] has reinforced our weaknesses," Funes said recently. "However, I'm convinced that at this time, the cost of de-dollarization is greater than maintaining the dollar."¹⁸ However, debates within the FMLN continue about if and when to rescind the dollar as the nation's currency.

If Funes wins the election, he would do well to seek a reorientation of El Salvador's economy, which has traditionally had a pronounced bent toward the United States. The FMLN's ideological affinity with left-leaning Latin American governments means he could take advantage of this scenario to diversify El Salvador's economic portfolio. This diversification could help counteract the negative economic impacts caused by the global crisis and CAFTA, particularly on the country's struggling agricultural sector.

CAFTA

The Central America Free Trade Agreement (CAFTA) was initiated by the Bush administration in January 2002 in an effort to revitalize faltering talks for a hemispher-wide Free Trade Area of the Americas. El Salvador was the first country to approve CAFTA—in December 2004—and, in March 2006, became the first to implement the agreement. Publicly, the Salvadoran government boasted of this first-place status, claiming it would help El Salvador garner even more of CAFTA's supposed benefits than other Central American countries, where the measure was still being debated.

Yet, long before CAFTA officially went into effect, the agreement's flaws were obvious to

most Salvadorans: 76% of those polled in late 2005 said that CAFTA would not improve the situation in El Salvador, or perhaps even make matters worse.¹⁹ For years before CAFTA became law, its supporters widely promoted the deal as the answer to all of El Salvador's economic woes, promising everything from job growth and increased investment, to reduced poverty and the diversification of the agricultural sector. ARENA also assured Salvadorans that free trade would boost their purchasing power, since cheaper imports would supposedly bring lower prices.

All these promises failed to materialize. Though CAFTA has led to increased exports in some sectors, employment has not increased. Meanwhile, El Salvador's trade deficit with the U.S. has ballooned, creating an alarming situation for a country with an already huge national debt and trade deficit.

FMLN leader and deputy for the Central American parliament Lorena Peña explains why this trade deficit is so damaging to El Salvador: "El Salvador does not print its own dollar bills. How does El Salvador get dollar bills? Exported goods must surpass imported goods. But imports here exceed exports, which makes us lose money," says Peña. "The government was relying on remittances to cover the deficit, and that is why the policy is to get people to leave. You can get a passport in half an hour—that's the only thing in this giant bureaucratic state that you can get in a half hour!"

One of CAFTA's most damning effects is that it's driving out-migration from the countryside, where the unemployed population has more than doubled since CAFTA went into effect, including a net loss of 11,457 rural jobs in its first year, and many more since then.²⁰ (See

"Migration," p. 16.) The deal's negative effect on employment has hit Salvadoran women particularly hard; permanent employment for women decreased by 2% since CAFTA's implementation, while women's average income fell by 4% during the same period.²¹

Intellectual Property and Investor Rights

As part of the CAFTA implementation process, U.S. negotiators forced El Salvador to make a series of legal reforms, some of which were not part of initial negotiations but rather thrust on the Central American countries by the U.S. Trade Representative. Such changes brought new resistance to CAFTA in El Salvador. Some of the fiercest opposition arose around the CAFTA-induced Intellectual Property Law, which sparked mass protests by informal sector market vendors throughout 2006 and 2007. The reforms impose fines and even jail-time for those who sell and purchase pirated goods, thereby destroying the livelihood of the thousands of poor Salvadorans who depend on the informal economy. Shortly after CAFTA went into effect, Salvadoran police made mass arrests of vendors, and confiscated thousands of dollars in CDs, DVDs, clothes, shoes, and other pirated products.

The investor rights provisions contained in CAFTA allow foreign corporations to sue national governments over laws or regulations that cause a loss in corporate profits. Given that free trade agreements supersede national law, any law that seeks to protect the people's right to affordable social services—such as an anti-health care privatization law considered in 2003—could be challenged under CAFTA's chapter on "Freedom of Investment." In the case of water privatization, laws that guarantee

access to water for poor communities or create higher environmental and water quality standards than currently exist could be deemed illegal “barriers to trade” (See “Water Privatization,” p. 14).

Pacific Rim

A mining company called Pacific Rim has become the first corporation trying to use CAFTA’s investment provisions against the government. In December 2008, Pacific Rim filed a Notice of Intent to sue the government of El Salvador under CAFTA laws for refusing to grant mining exploitation permits. Corporate executives claim to have lost “several million dollars” since El Salvador’s Minister of Environment denied the company permits for the exploitation of gold and silver deposits at the El Dorado project in San Isidro.

The Notice of Intent gives the government 90 days to resolve the issue directly with the mining company. If no agreement is reached before March 9, Pacific Rim can choose to commence arbitration proceedings. Some analysts see the timing of the potential suit as an attempt to make the mining project an election issue, fueling political tensions on the eve of the March presidential elections.

In June 2008, more than 1,000 protestors converged in San Isidro to shutdown the El Dorado project site. One reason farmers oppose the mining operations is because the mine stands to consume 30,000 liters of water a day from the same sources that provide water to the surrounding agricultural communities. Environmentalists also warn about the dangers of water and land contamination resulting from the use of cyanide and other poisonous chemicals used in gold and silver extraction.

The U.S. Congress has committed to giving \$400 million annually to El Salvador through the Millennium Challenge Account Fund. Most of these funds are slated for megaprojects, including the development of hydroelectric dams, mines, and the construction of the Northern Transnational Highway.²²

Funes has been critical of the mass corporate profits and scale of such development projects, but he has yet to make definitive statements regarding the potential Pacific Rim lawsuit. However, various FMLN mayoral candidates in the region have spoken out against Pacific Rim as one of the many mining “projects of death” that they will work to defeat.

Voices

“Some people are concerned that the economy will collapse if the FMLN wins because the five families who control the economy (Christiani, Poma, Murrya-Mesa, Siman, and Regalado-Dueñas) are against the FMLN, and they could take their money out of the country. But there are steps the FMLN could take to prevent some of these economic problems.”

— César Villalona, economist

If Pacific Rim actually files the suit and wins a significant settlement, then a dangerous precedent would be set. Another equally worrisome possible result is that the suit would open the way for a mining law that would relax restrictions on mining investments. Anti-mining groups have continued stiff opposition to the El Dorado mine, hoping to stop Pacific Rim and other destructive mining companies from expanding their reach in Central America. ●

Resistance and Migration

Resistance to CAFTA Continues

Resistance by local political and popular movements has focused on CAFTA's most controversial aspects, including intellectual property laws that criminalize informal market vendors, the government's push for water privatization, and investment provisions that grant new power to companies like Pacific Rim. But critics also point to other negative aspects of El Salvador's current social and economic crisis that are also partly attributable to or exacerbated by CAFTA: the rise in cost-of-living, increased street violence, and continued agricultural demise.

The FMLN's Funes publicly stated that he has no plans to withdraw El Salvador from CAFTA. The campaign promise is widely seen as—at least in part—aimed at swaying undecided voters and easing historically tense relations between the FMLN and the U.S. government. If he wins the March elections and CAFTA continues to fail the Salvadoran people, social movements and the FMLN's base will seek to pressure Funes into renegotiating the deal—if not its outright cancellation. In the near term, Salvadorans will continue to suffer CAFTA's negative effects and continue their fight against its most destructive provisions.

Water Privatization

The movement to expand and defend El Salvador's public water systems was a consistent thorn in the side of President Tony Saca's administration. Marucio Funes' candidacy, and likely victory, presents the movement an unprecedented opportunity for significant gains.

The struggle over water policies dates back to 1998 when the Inter-American Development Bank (IDB) awarded a \$43.7 million loan to the ARENA-controlled national government. The IDB directed the bulk of the funds toward opening the water sector to private competition—in a word, privatization. Part of the plan included rebuilding public water infrastructure in an effort to entice potential private investors. Under the terms of the loan, the Salvadoran government also committed to passing a General Water Law, which would reform the water market and streamline the regulatory environment, making the water business a profitable one.

Voices

"Let's remember that CAFTA is corporate domination over the country. It aims for the destruction of small work sectors. They are trying to make us disappear so they can implement their big plans within the country."

—Sandra Moses, Street Vendor

The privatization was designed as a decentralized program in which the national water company (ANDA) would cede authority over water service provision to private companies contracted by local mayors. Many small farmers quickly found their public water delivery systems, which took years of local funds and effort, come under the control of local water bosses who reaped profits through higher service fees. These types of arrangements made "decentralization" extremely unpopular among the rural poor.

ARENA's proposed General Water Law, which would have ratified the IDB's neoliberal-style privatization, would have surely been met with strong legislative opposition from the FMLN.

ARENA even encountered resistance from its own rural base, which was generally skeptical of handing water services over to private contractors. Public water defenders marched in August 2005 (in the run-up to the 2006 municipal elections) and successfully deterred ARENA from submitting its draft bill.

Despite this widespread opposition, ARENA moved ahead with its privatization plans. Since FMLN-controlled municipalities refused to take the IDB money, Saca poured funds into ARENA-controlled municipalities that compliantly signaled a readiness to kick out ANDA and establish their own local water companies. According to SETA, the union of ANDA workers, ARENA mayors adopted these “decentralization” schemes in 41 of the country’s 262 municipalities.

The problem with this strategy, as noted in a 2007 IDB review, was that the newly decentralized system entirely lacked a national regulatory framework. For example, public water faucets are an important source of water in small rural towns. In one town, the new decentralization scheme charged residents for this service. Meanwhile, just fifteen miles up the road in another town, residents organized and forced the mayor to assume the costs for the public faucets.

In July 2006, the National Forum for the Defense and Sustainability of Water was founded by a coalition of grassroots groups. The Forum has maintained a principled stance against privatization. On World Water Day 2006 (March 22), thousands of people marched on the Legislative Assembly, where they presented a “people’s version” of the General Water Law. The draft declares water a human right beyond the profit-driven laws of the market. Organized resistance has held off national-level water reform and activists have fought decisively to

keep water in public hands at the local level. But, so far, opponents of privatization have not had enough power in the Assembly—and certainly not in the executive branch—to enact policies that would guarantee affordable water coverage for all Salvadorans and a national plan for sustainable management of water resources.

The Battle of Suchitoto

In 2007, things took a dramatic turn in the town of Suchitoto. The Saca government was still unable to implement the IDB-mandated legislative reform, but Saca was determined to continue with his de facto decentralization of water provision by pushing projects through pro-government municipalities, albeit unevenly. Saca was enacting the decentralization through piecemeal projects and without a national framework, but he needed to maintain the appearance of a uniform decentralization to keep the IDB funds flowing.

President Saca decided to promote the decentralization policy in the town of Suchitoto on July 2, 2007. The event was an evident PR gimmick. Scores of journalists and foreign dignitaries were invited, including agencies that had funded decentralization projects in the past.

Saca’s choice of location and timing was curious. Suchitoto’s water services are run by a municipal water company, but the company is governed through a series of public meetings and all profits are funneled back into infrastructure development. By holding the event in Suchitoto, Saca was clearly trying to call attention to a model water system.

When Saca flew in by helicopter to a lakeside resort, he found an empty press conference. Protesters had blocked all entrances into Suchitoto and police had sealed off the entire area.

The peaceful protest was brutally repressed by riot police and specialized forces of the National Civil Police. Police opened fire on the protest with rubber bullets, tear gas, and pepper spray injuring 75 people. Fourteen people were arrested and 13 charged with “Acts of Terrorism.” In early 2008, nearly a year after their arrest, the Attorney General dropped the bogus charges. The government was unable to substantiate its original terrorism accusations, which carried a potential sentence of up to 60 years in prison. The charges fell under the 2006 “Special Law Against Acts of Terrorism,” which was championed by the U.S. Embassy in San Salvador. The government has not made any public declarations on privatization or the decentralization of public water services since releasing the Suchitoto 13.²³

Voices

“It’s clear that there will be a big confrontation with the ruling class if the FMLN wins. This is not Nicaragua. The army there has some Sandinista supporters; here, the army could act against the FMLN.”

— César Villalona, economist

In December 2008, the town of San Pedro Nonualco became the first municipality to reverse a decentralized water system after 300 residents publicly expressed their opposition to the existing water decentralization plan. The residents demanded that all mayoral candidates sign a pledge to revert the system back into public hands. Even ARENA Mayor Luis Guillermo García Cortez, who was not expected to attend the gathering, signed the pledge. It is unclear whether García Cortez will begin the transition back to the public system, or if he’ll leave the task to the next administration. But activists are unlikely to let the issue rest, and a precedent has been set for communities trying to push the state toward reassuming responsibility for water provision.

Rosa Centeno, a leader of a group leading the fight for public water, sums up local frustration over the privatization drive. “The government doesn’t invest in public services, and then claims they don’t work, and that to improve services they need to be privatized,” explains Centeno. “But this only improves services for those who can pay for them, and the poor are forgotten. Water is a human right, and if the government doesn’t guarantee it, who will?”

Mauricio Funes declared his opposition to water privatization in two exclusive interviews with Upside Down World in 2007. In March, he unequivocally declared his support for state management of water. But making good on promises of affordable water access for all Salvadorans remains a huge challenge.

Migration

Some 700 Salvadorans are said to leave the country every week to seek employment, mostly to the United States. And the economic dislocations caused by CAFTA are making matters worse. According to unofficial estimates, around a quarter—and some say more—of El Salvador’s total population of eight million lives outside the country—mostly, in the United States. It is still unclear what impact the ongoing U.S. economic crisis will have on Salvadoran migration flows.

The first large wave of Salvadoran migration to the United States began when droves of refugees sought to escape their battle-torn country. With prodding from U.S.-based solidarity groups, the U.S. Congress approved the 1990 Immigration Act, which awarded 18 months of Temporary Protected Status (TPS) to Salvadorans. Some 187,000 Salvadorans registered for this benefit.²⁴

That same year, Salvadoran immigrants and solidarity groups scored another victory when

the U.S. government offered to settle a lawsuit out of court, effectively reforming prohibitive U.S. asylum procedures. Since the U.S. government was a proxy aggressor in El Salvador's civil war, activists successfully forced Washington to compromise and share responsibility for the human toll of the war. The settlement gave refugees from El Salvador and Guatemala, where a U.S.-backed war also raged, the right to apply, or reapply, for political asylum under special rules designed to ensure fair consideration of their claims. Some 240,000 Salvadorans and Guatemalans eventually applied for asylum in the immediate wake of the lawsuit.²⁵

The provision for Salvadorans to enter the United States under legal TPS has been renewed several times—the latest renewal is due to expire in 2010. ARENA and its proxies have falsely implied that the TPS allowance will be revoked in the event of an FMLN victory. One ad supporting ARENA suggests an FMLN victory would jeopardize cash remittances sent home by Salvadorans as well as threaten the legal immigration status—partly a reference to TPS—of El Salvador's "distant brothers" in the United States.

Besides the Salvadorans in the United States under TPS, untold thousands of others live there as undocumented immigrants. Many undocumented Salvadoran immigrants to the United States travel the long journey north by land. The treacherous voyage encapsulates everything that's wrong with U.S. policy toward Central America, where free trade, the drug war, U.S.-backed militarization, and repressive immigration policies converge, making a bad situation worse for Central American migrants seeking a better life.

Plan Mexico, the U.S. anti-drug military aid package, means migrants will be caught in a web of violence as they cross through parts of

Guatemala and Mexico that have become drug-trafficking hubs (See "Plan Mexico," p. 19). Plan Mexico continues the trend toward the criminalization of migrants. As Laura Carlsen, observes, "By including 'border security' and explicitly targeting 'flows of illicit goods and persons,' the [Plan Mexico] initiative equates migrant workers with illegal contraband and terrorist threats."²⁶

The anti-immigrant crackdown by the Immigration and Customs Enforcement (ICE) agency begun in 2006 has hit the Salvadoran immigrant community hard. Like their counterparts from Mexico and other Central American nations, Salvadorans living in the United States have been subject to the same work-place raids, family separations, unlawful detainments, vigilante violence, and inhumanity of U.S. immigration policy.

Martín Moses, a street vendor in San Salvador, has a holistic vision of these problems and what to do about them:

We have been encouraging Latinos in the states to get organized. We want them to struggle there because their struggle is also a struggle of survival. And they help us. In El Salvador we don't survive on salaries; remittances are what keep the country afloat. So we have supported the people who are organizing for immigrant rights in Los Angeles because when they organize, it supports our organizing here. What we would ask of senators and Congress people in the U.S. is to support immigrants and not to deport people... If they send them back we will have a social and economic crisis, and we do not want another war. ●

Militarization and “Security”

ILEA and Police Repression

El Salvador’s violent history, and the U.S. role in this history, makes ARENA’s drive toward US-backed militarism all the more alarming. In fact, ARENA’s adherence to U.S. military policy is such that El Salvador was the only Latin American country with troops helping the U.S. occupation of Iraq in 2008. Realizing the troop deployment could open ARENA to criticism in the elections, Saca announced their withdrawal on December 23.

Voices

“The government also fights against the vendors of the informal sector. They have been able to infiltrate leadership within the movement, who are now funded by the government itself. These false leaders have been able to block vendors’ organizing work and to threaten other vendors into isolation. In 2007, they not only blocked protests, but also set up groups that infiltrated the front of marches who vandalized property and blamed the rest of the group.”

—Sandra Moses, *Street Vendor*

ARENA has also helped convert El Salvador into a key piece of the Pentagon’s military architecture in Latin America. The 2008 U.S. federal budget includes \$16.5 million to fund an International Law Enforcement Academy (ILEA) in El Salvador, with satellite operations in Peru. The ILEA is part of a general shift in U.S. military strategy, in which the secretive training of Latin American military and police personnel that used to primarily take place at the notorious School of the Americas (SOA), in Fort Benning, Georgia—including torture and execution techniques—is now decentralized. The SOA gained notoriety in the late 1990s for having trained some of the region’s worst human rights abusers.²⁷

According to ILEA directors, the facility in El Salvador is designed to make Latin America “safe for foreign investment” by “providing regional security and economic stability and combating crime.” Most instructors come from U.S. agencies such as the Drug Enforcement Agency (DEA), Immigration and Customs Enforcement (ICE), and the FBI. The FBI has had a remarkably large presence in El Salvador since opening its office there in 2005. ILEA also includes training programs run by private U.S. security companies like DynCorp International. Most of the school’s expenses are paid with US-taxpayer dollars—\$3.6 million at last count.

With a US-mandated clause that provides ILEA personnel immunity from charges of crimes against humanity, the academy will train an annual average of 1,500 police officers, judges, prosecutors, and other law enforcement officials throughout Latin America in “counterterrorism techniques.”

Though a lack of transparency makes it impossible to know the content of courses, the conduct of the Salvadoran National Civil Police (PNC)—who compose 25 percent of the academy’s graduates—has shown an alarming turn for the worse since the ILEA was inaugurated. The Salvadoran Human Rights Defense Office has published reports connecting the PNC to death squads and repeated cases of corruption and misconduct. It also notes that between 2001 and 2006, 40% of abuse complaints submitted to the Human Rights Office concerned the PNC.

Another report by the Archbishop’s Legal Aid and Human Rights Defense Office provides evidence for

10 murders allegedly committed by PNC officers during 2006. One of the victims was, according to the report, tortured to death; one involved a nine-year-old boy shot to death; and eight of the murders resembled “death squad executions.” The report also notes patterns of “social cleansing” by police, as well as strong evidence of political motivations behind several of the murders.

Police abuses have already been compounded by the introduction of ARENA’s “Mano Dura” (Iron Fist) initiative—a package of authoritarian militarized policing methods aimed at youth gangs. Not only have abuses been on the rise since the introduction of Mano Dura in 2003, but murder and violent crime have actually increased since the start of the crackdown as well. The wedding of the Mano Dura with the ILEA will likely lead to a further deterioration of civil liberties and more human rights abuses.

ARENA’s obsession with beefing up security forces has also led the PNC to take an increasingly active role in cracking down on civil liberties with the intent of curbing both crime and social protest. Indeed, Salvadoran social movement organizations have reported increased police repression in recent years. It began with a PNC incursion into the National University in July 2006 against student protestors. After a surge of political assassinations following the university raid, the PNC began systematic attacks in 2007 that targeted college students, campesinos, and anti-CAFTA protestors.

Free trade agreements like CAFTA have been highly contentious, and President Saca’s administration has gone to significant lengths to ensure that they succeed—including passing an anti-terror law in September 2006, modeled on the USA PATRIOT Act, that has been used to arrest everyone from anti-water-privatization activists to street vendors who violate CAFTA’s intellectual property rules.

Voices

“The repressive system has not changed since the war. It is a repressive force, and they have relationships with the gangs.”

—Martín Moses, Street Vendor

In April 2007, when CD and DVD vendors resisted a CAFTA-related government crackdown on their business, the PNC arrested 14 vendors for “acts of terrorism”—an obviously spurious charge. The vendors spent four months in prison under deplorable conditions. In February 2008, almost a year later, all charges against the vendors were formally dropped. The case was reviewed by a “Special Tribunal on Acts of Terrorism,” comprised of government appointees and graduates of ILEA.

Plan Mexico

On May 22, 2008, the U.S. Congress approved the “Mérida Initiative,” also known as “Plan Mexico.” The militarization package is ostensibly aimed at “counter-narcotics, counter-terrorism, and border security measures.” The package provides Mexico with \$400 million and \$65 million to Central America and two Caribbean countries.²⁸

The aid earmarks \$2 million for the ILEA’s 2009 budget. With these new funds the academy will step up its efforts, training police from throughout the hemisphere, without public oversight or transparency as to the academy’s operations or curriculum. Plan Mexico was negotiated behind a similar veil of secrecy, leading to complaints from U.S. congressional representatives for the lack of transparency.²⁹

Critics complain Plan Mexico follows the same failed militarized “war on drug” model of Plan Colombia, which has failed to meet its stated goals since it was implemented 10 years ago. If Plan Colombia is any indication, U.S. military

aid and training has done nothing to mitigate abuses by that country's security forces—in fact, in recent years abuses by the Colombian military, particularly extrajudicial executions, have grown worse, not better.

Voices

"We understand that within the structures of the police there are a few good elements but, unfortunately, the ones in command are the ones that oppress."

—Sandra Moses, Street Vendor

The militarized strategy also stands to worsen the growing persecution of social activists. As the Latin American Working Group, a policy organization, notes, "Too often in Latin America, when armies have focused on an internal enemy, the definition of enemies has included political opponents of the regime in power, even those working within the political system such as activists, independent journalists, labor organizers, or opposition political-party leaders."³⁰

Plan Mexico also continues the trend toward the criminalization of migrants, as analyst Laura Carlsen, observes, "By including 'border security' and explicitly targeting 'flows of illicit goods and persons,' the initiative equates migrant workers with illegal contraband and terrorist threats."³¹

Crime

The economy has superseded crime this election season as voters' principle concern. But crime remains an intractable problem, as well as a major concern for voters. Driven by increased poverty, inequality, and joblessness, El Salvador has become one of the most violent countries in the Western Hemisphere, with an average of 10 homicides a day.³² Political parties and mainstream media often blame street gangs for

the violence, but crime statistics present a more complex picture. Past governments have done little to address the root social problems that often lead youth to join gangs.

ARENA has consistently campaigned as the hard-line, law-and-order party, promising to "crack-down" on crime. The result has been a string of draconian anti-crime policies, such as increasingly authoritarian and militarized "Mano Dura" (iron fist) policing, particularly aimed at youth gangs. These policies have swelled the country's jails and increased human rights abuses by security forces, but they have failed to put a dent on crime rates. One alarming sign of the deteriorating security situation is the return of vigilante groups conducting "social cleansing" operations in poor neighborhoods aimed at alleged criminals, prostitutes, drug users, street children, sexual "deviants," and other so-called "undesirables."

Both Avila and Funes have promised that tackling the crime problem will be a key priority of their administrations. Besides the obvious human and social toll, Funes highlighted the economic costs exacted by crime and the perception of insecurity. He has also recognized the police as part of the problem; Funes promised to purge the corrupt police force and provide a larger budget for police salaries and equipment. Funes admitted these reforms and other measures aimed at fighting crime will be costly, so he suggested cracking down on tax evasion, which deprives the government of nearly \$600 million a year.³³

Besides punitive measures, Funes recognized at a campaign rally the need to "attend to the precarious social conditions that are the source of insecurity and social violence." The candidate has promised greater investment in education and social programs to attack the root causes of criminal activity. ●

Foreign Policy

Latin America's Regional Blocs

In the upcoming elections in El Salvador, Funes is poised to join a new coalition of left-leaning leaders throughout Latin America. Despite being of a broadly defined leftist political orientation, these leaders are by no means a uniform bunch. Some have tackled long-standing inequality and poverty head-on by taking greater state-control of natural resources and redistributing wealth and opportunities through social programs. While other recently elected leaders have been far more accommodating to neoliberal, free-market economic policies.

Still, all these leaders have—in one way or another—displayed a willingness to band their countries together in creating economic and diplomatic alternatives in the hemisphere without the domineering presence of Washington. Three main blocs driving this unity are: The Bolivarian Alternative for Latin America (ALBA), the Union of South American Nations (UNASUR), and the Rio Group, which serves as an alternative to the US-dominated Organization of American States (OAS). Only the Rio Group currently includes El Salvador.

What these multilateral bodies hold in common is an effort to solve regional problems without the divisive and over-bearing presence of the United States. For instance, the recently revived Rio Group was instrumental in resolving a conflict that arose in March 2008 when Colombia bombed a rebel camp on Ecuadoran soil.³⁴ Similarly, when a right-wing massacre and civic coup attempt threatened to pull Bolivia apart, an UNASUR meeting in Chile strengthened Bolivian President Evo Morales' mandate by offering support and mediation, weakening the destabilizing right-

wing forces and temporarily pacifying regional tensions in Bolivia. Both diplomatic initiatives were successful, in part, because of the notable absence of U.S. officials.³⁵

Regardless of whether Funes chooses to work with such blocs—as leaders in nearby Honduras and Nicaragua have done by joining ALBA—his administration could benefit from these efforts for the region's self determination. Similarly, as the U.S. economic downturn continues, it might make sense for Funes to consider stronger ties with these regional economic blocs to better weather the financial storm. Although Funes has rejected the possibility of joining ALBA and has signaled his intention for El Salvador to remain part of CAFTA, the Salvadoran social movement and the FMLN will certainly pressure him to reconsider these stances.

Central American Integration

Central American integration has a long history; in fact, shortly after independence, almost the entire isthmus joined together as the Federal Republic of Central America in 1823. But internal disputes led to the Federation's dissolution in 1838. Since then, several intra-regional integration treaties have been signed. The most comprehensive and lasting is the Central American Integration System (SICA), and it remains the region's main integrative, multilateral body composed of all seven Central American countries—Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—as well as the Dominican Republic. SICA was established with the signing of the Protocol of Tegucigalpa in 1991. According to critics, SICA has generally lacked a comprehensive vision of political and

social regional integration, focusing instead on promoting unfettered free trade between member-states. However, SICA could eventually be used as a springboard toward integration with other regional bodies in the hemisphere, particularly those in South America, where momentum for integration is strong.

Funes and the Latin American Left

In an effort to win over moderate voters, ARENA has repeatedly tried to draw parallels between Funes and Chávez—a strategy used against leftist candidates throughout Latin America. But when asked in an interview by Upside Down World about where he situates his potential administration within the regional shift to the left, Funes responded:

We respect the process being followed in Venezuela, as well as we respect and closely watch the edification of a new society which Lula is building, and the one that the new President Fernando Lugo in Paraguay has promised to build. Those processes are a response to other circumstances and so what we hope to build are relationships based on cooperation and solidarity with the people represented by each one of these countries. However, we are not going to follow the same recipe or model that might have worked in other countries, but has nothing to do with our reality.³⁶

In an interview with Upside Down World, Funes distanced his political vision from that of other leaders in the region, such as Chavez and Morales, who have taken a more combative stance against free trade. Instead, Funes appears ready to embrace some kind of middle ground,

which, though it may exacerbate existing economic problems, will broaden his voting base and temper criticisms from Washington.

Funes said, “Given the current international context, we do not aspire to build socialism in El Salvador. What we hope to build is a more dynamic and competitive economy, placing ourselves in the international playing field in a highly globalized and competitive world.”

With such comments, Funes may simply be pandering to moderate swing-votes, or deflecting the possibility of hostility from Washington. But if he wins the elections, it’s possible he will warm to Chávez and others, a move that could work in El Salvador’s favor, economically, diplomatically, and politically. Funes could take full advantage of the new independent alliances in the region and “multipolarize” the country’s foreign relations, which have been traditionally US-centered under ARENA.

Barack Obama and El Salvador

The future of US-El Salvador relations with Barack Obama in office are still uncertain because of Obama’s lack of stated policies toward the country, and the fact that a major presidential election in El Salvador still looms. However, some speeches, events and announcements point to what the new relationship might look like, particularly regarding regional security and free trade.

The Bush-appointed Ambassador to El Salvador, Charles Glazer will be leaving his post at the time of Obama’s January 20 inauguration; Obama has asked all of Bush’s politically appointed ambassadors leave their positions at that time. Once Glazer’s replacement is known, it will be easier to predict the future of U.S. relations with El Salvador. Although his relationship with Funes is still unknown, Obama’s victory was a

clear blow for ARENA, which benefited from close ties with the Bush administration—ties that Glazer was instrumental in developing.

Last May in Miami, Obama outlined some of his key policies for Latin America in a speech to the Cuban American National Foundation. His one mention of El Salvador related to gangs and security: “Thousands of Central American gang members have been arrested across the United States, including here in south Florida. There are national emergencies facing Guatemala, El Salvador, and Honduras,” claimed Obama. “[W]e must stand for more than force—we must support the rule of law from the bottom up. That means more investments in prevention and prosecutors; in community policing and an independent judiciary.”³⁷

Analyst Laura Carlsen of the Americas Program in Mexico City discussed Obama’s potential security policies for the region, as outlined in his Miami speech:

These [policies] include a far greater willingness to assume shared responsibility, take on domestic challenges in drug control and armstrafficking, and create measurable benchmarks, while emphasizing many non-military alternatives. The inclusion of a ‘Northbound and Southbound Strategy’ recognizes U.S. responsibilities and failings in its own territory and seems to break with the sanctimonious declarations that place the onus for transnational security threats on the south and have been used to justify U.S. intervention.³⁷

It’s unclear to what extent the new U.S. President will work to curtail crime and violence in Central America through poverty alleviation by supporting economic policies that benefit the

majority of the region’s population. Another enormous, and related, issue in 2009 and beyond is how the U.S. economic downturn will impact remittances to El Salvador. In this area, Obama’s domestic economic policies will have a direct effect on El Salvador.

The question of CAFTA and free trade (See “CAFTA,” p. 11) will also prove to be pivotal in US-El Salvador relations. While Obama opposed CAFTA from the beginning, Funes has strayed from the FMLN line, saying he will not withdraw from CAFTA if elected president, nor would he get rid of the U.S. dollar as El Salvador’s national currency.

Many Central Americans have resisted CAFTA’s application (See “Resistance,” p. 14) for many of the same reasons Obama opposed the agreement. Obama voted against CAFTA in 2005. He explained his opposition in a column published by the *Chicago Tribune*:

[CAFTA] does less to protect labor than previous trade agreements, and does little to address enforcement of basic environmental standards in the Central American countries and the Dominican Republic. ... But the larger problem is what’s missing from our prevailing policy on trade and globalization—namely, meaningful assistance for those who are not reaping its benefits...³⁹

Obama has also spoken out against the “investor rights” provisions included in free trade agreements (FTAs). In a February 2007 letter to the Wisconsin Fair Trade Coalition, Obama stated, “With regards to provisions in several FTAs that give foreign investors the right to sue governments directly in foreign tribunals, I will ensure that this right is strictly limited and will fully exempt any law or regulation

written to protect public safety or promote the public interest.”⁴⁰ These are precisely the kinds of provisions EL Salvador will be coming up against in its struggle with the Pacific Rim mining project (See “Pacific Rim,” p. 13).

Obama added, “We should add binding environmental standards so that companies from one country cannot gain an economic advantage by destroying the environment. And we should amend NAFTA to make clear that fair laws and regulations written to protect citizens in any of the three countries cannot be overridden simply at the request of foreign investors.”⁴¹

An End to “Backyard Diplomacy”?

In 1823, U.S. President James Monroe warned European powers against interfering in the affairs of the newly independent states of Latin America. Monroe’s speech—known as the Monroe Doctrine—planted the seed of the notion that Latin America is the “backyard” of the United States. The U.S. government has invoked the Doctrine as a justification for imposing its will on its neighbors to the south. Foreign intervention in Latin America remained acceptable for the United States, as long as it was the one doing the intervening. And it did so dozens of times—at great cost to democracy and human life. Few countries have suffered more from this “backyard diplomacy” than El Salvador.

Long a country plagued by foreign intervention, mainly by the United States, El Salvador now faces a formidable host of countries trying to spread their influence in Latin America—particularly, Brazil and Venezuela, but also China, Russia, and other emerging powers.⁴² This new challenge to the Monroe Doctrine does not mean meddling from Washington is a thing of the past. But the possibility of new regional and international alliances provides El Salvador a multipolar

configuration of international relations that it could use to its advantage—especially as leverage in its dealings with the United States.

Funes has presented himself as a moderate leftist—more in the political mold of Lula rather than Chávez—making his administration a natural ally of Brazil’s. But Brasília’s attempts to become a regional leader have caused a series of recent diplomatic scuffles, leading some analysts to signal a growing regional backlash against Brazil as its political and economic interests in the region continue to expand.⁴³ Lula bitterly challenged Bolivia over its renegotiation of gas extraction contracts; Brazil also lashed out against Ecuador’s decision to cancel a construction contract with a Brazilian firm; and Paraguay have had a long-running dispute with Brazil over electricity and royalties generated by Paraguay’s massive Itaipú hydroelectric dam, which Brazil helped finance.

At the same time, Brazil is seen as a steadier investor in the region—investing a staggering \$71 billion in 2005—compared to Venezuela, whose economic largesse in the long run depends on high oil prices. But in recent years, Venezuela has made more headway in the region through ALBA, recruiting Nicaragua and Honduras as members. And Chávez has also generously provided FMLN-controlled municipalities in El Salvador with preferential oil deals.

Funes public comments seem to reflect that he understands a good relationship with one country—and others—in this multipolar geometry of power is not a zero-sum game. The main foreign policy task for next administration in San Salvador is to juggle these relationships with larger partners like Brazil, Venezuela, and the United States in a way that garners the most benefits for Salvadorans and prevents the country from being anyone’s “backyard.” ●

Conclusion

Following the FMLN's apparent victory in the January 18 municipal and legislative elections, the stage is set for an historic leftist victory on March 15. This would be the first time the firmly right-wing ARENA is forced to transfer power since its one-party rule began in 1989, when the civil war was still raging. An FMLN win would be a seismic political shift for El Salvador—and Latin America.

Though questions remain about how far Funes will go to challenge the neoliberal system—or how much space exists for such a push given the current economic crisis—the FMLN's ascension is another clear signal of deeper political changes taking place through Latin America.

The Salvadoran people appear to be fed up with the failures of the US-backed economic order that brought privatization, CAFTA, and increased migration. The 2009 elections will give voice to those frustrations, but should the FMLN be propelled to victory, both the party and Funes will have a challenging path ahead. A right-wing backlash is probable, while the position of the new Obama administration towards the Latin American left remains an unknown. But the opportunities are immense and the expectations are high for significant changes to the social, political, and realities of El Salvador. ●

Notes

1. Full Truth Commission report available: <http://www.derechos.org/nizkor/salvador/informes/truth.html>
2. "Truth, Lies and El Salvador," *New York Times*, March 16, 1993: <http://query.nytimes.com/gst/fullpage.html?res=9F0CE7D81F3DF935A25750C0A965958260&sec=&spn=>
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The Committee in Solidarity with the People of El Salvador is a grassroots organization dedicated to supporting the Salvadoran people's struggle for self-determination and social and economic justice. We focus our work on El Salvador because of the U.S. government's continuing military, economic, and political intervention on behalf of U.S. corporate interests, and because of the Salvadoran people's tenacious and inspiring struggle to build social justice.

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