THE CENTRAL AMERICA SYNDROME: ANATOMY OF POLITICAL VIOLENCE

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Formal political sovereignty was proclaimed by the Central American states as early as in 1821, ahead of the rest of the colonized world by more than a century. A hundred and sixty two years have passed since then, a period during which nothing more than the conditions of their struggle for political and economic liberation has changed. Ever since the countries were conquered by the Spanish colonists in the early 16th century, struggle for emancipation on the political and economic front has been the springboard of events in the region. The struggle continues to date as elsewhere in the Third World. The chronic nature of political turmoil and economic chaos that has plagued the region in recent years has however made Central America one of the most volatile regions in the contemporary world.

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Lying between two great oceans—the Atlantic and the Pacific and as a corridor between the two wings of the western Hemisphere, Central America has long been of great geo-political and strategic significance in the global scenario. Contending with the English, Dutch and French interests around, Spain ruled the Central American region for about 300 years. For most of the post-colonial period, the United States has been an almost undisputed designer of the Central American destiny. The Soviet challenge to the US domination of events in the region was exposed in the late fifties and early sixties initiated by the Cuban revolution in 1959, which later on became the symbol of popular movements in the whole of Latin America. Since then the Soviet Union has successfully exploited the deeprooted 'anti-Yankee' feelings in the region and the Cuban complicity to majestically introduce 'eastern winds' into Central America.

External interference in the affairs of the countries of Central America which are dictated by insurmountable Super Power stakes

around the region has, no doubt, greatly contributed to make it one of the most explosive areas of tension in the contemporary world. The responsibility of the Super Power rivalry in fueling the Central American infarno can thus be hardly underestimated. Viewed through the Super Power strategic lenses hardly any solution to the Central American problem can be observed for the foreseeable future. The US is unlikely to give up its policy of interference in the region both directly and indirectly through forming and assisting military or quasi-military regimes, training, financing and sometimes manning incumbent and/or insurgent forces and applying measures intended to increase economic and political dependence of the states. Soviet Union, on the other hand, will very much continue with its established tools of supporting the leftist guerilla organisations and movements, popular reforms and populist regimes to deep-root its emergence as a political, military and economic force in its bid to contain US influence in the region.

In an effort to make a deeper insight into the affairs of the region, it may be worthwhile to observe that the Central American political violence owes its origin in a substantial part to the internal economic anarchy. Looking at the countries of the region through an economic view-finder, it may be observed that the region is in the grip of a vicious circle: economic problems generating political instability which in turn aggravates economic situation accelerating the degree of political violence. The objective of the present article in this context is to find out how far political violence in Central America has its origin in economic problems of the countries and how far the latter contribute to the process of socio-political polarization and to the corresponding violences that have taken a chronic nature.

The Colonial Link

The independent states of Central America include Belize,1 Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and

^{1.} The crown colony of British Honduras until September 1981 when it become independent. Belize is not included in specific terms into the purview of this article.

Panama. A thriving civilization had been developed by the Maya Indians in the region before the advent of the Spanish colonists in early 16th century. As elsewhere in the colonised world, the conquistadors came to the region in search of wealth, status and power. But unlike the lower and middle class settlers of North America, these conquerors did not come to work and earn, but to live literally on others' labour. Thus most of the history of Central America is that of naked pillage resulting in a conversion of a flourishing communistic peasantry into a class of virtual serfs. The Spanish encomienda of 1503 provided institutional arrangements for allocation of local Indians to conquistadors to force the Indians to work for their lords. The purpose was to assure a continuous supply of cheap and obedient labour for the expropriated land. The encomienda was abolished in 1520 but the practice has persisted in disguised or modified form till today through the whole period of post-colonial history, which hardly ever witnessed central America without external interference.

Independence was proclaimed by the Central American political, military, religious and university leaders at Guatemala City in 1821. The early post-colonial period of Central America was marked by conflicts in terms of commercial interest between Britain and the United States. These were settled by Clayton-Bulwer treaty of 1850, which prevented either nation from controlling any region in Central America and guaranteed the neutrality of any route that might be built". The treaty in effect marked the overture of US influence in Central America. Railroads were built in Panama, Costa Rica, El Salvador and Guatemala by the United States which not only helped development of banana plantation and production of coffee but also brought huge profits to US businessmen. The Hay-Paunceforte Treaty between the United States and Great Britain was signed in 1901 which allowed the former to build the Panama Canal.3

^{.2.} Encyclopedia Britanica, 15th Edition Vol. 3. P. 1109.

^{3.} Both Panama and Nicaragua were considered for the canal, which was finally built across the Isthmus of Panama in 1903.

The countries of Central America enjoyed a brief period of federation with its centre in Guatemala immediately after the colonial years. Lasting for about seventeen years, the federation broke down by early 1840s. The post-federation history of the states is replete with events of domestic political violence by both liberals and conservatives, assassinations and military coups, forced resignations and a chequered episode of inter-state armed hostilities. The terms of office of the governments (rulers)-in-power ranged from merely few days to decades together. With the exception of Costa Rica where since the civil war of 1948-49, there had been little violent socio-political conflict, and more or less free political institutions have developed, political violence and social disorder have been widespread throughout the region which persists todate. Lascivious political killings by liberals and conservatives, left and right, government and opposition coupled with mounting social unrest have been ravaging the countries with an unprecedented intensity specially since the early seventies. With civil war rampant in El Salvador and incipient anew in Nicaragua, increased political violence in Guatemala, traditional border conflicts refuelled by Super Power strategic entanglements, the 'banana carridor' at the opening of the 1980s seems to be in an infarno harder to be controlled than ever.

The political crisis in Central America owes its origin to a great extent to the internal socio-politico-economic system in-built in the region by its colonial past. In order to understand the real nature of the problems it is necessary to comprehend its struclural composition.

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The Socio-Economic Profile

The six Central American mini-states comprise an area of roughly five hundred thousand square kilometers with a population of 22.1 million. The tiniest of the states, El Salvador with highest

September 1821 to May 1838. Guatemala, Honduras, El Salvador.
 Nicaragua and Costa Rica joined the federation. Panama joined
 Colombia in 1821 and declared independence in 1903.

population density (214 per square kilometer) has an area of 21 thousand square kilometers while the largest of them, Nicaragua has 130 square kilometers and also the lowest population density (20 per square kilometer). Basically agricultural, all the states belong to the category of 'middle-income' countries with per capita GNP ranging from US\$560 in Honduras to US\$1730 in Costa Rica and Panama, The PQLI (Physical Quality of life Index) also places the countries amongst the middle-ranging of the developing states with a variation of PQLI between 54 in Nicaragua and 86 in Costa Rica. Relatively sparsely populated by Third World standard, the per capita availability of arable land in the countries is also moderate ranging from 0.3 acres in El Salvador and Costa Rica to 1.4 acres in Nicaragua. Typical of the developing nations, the prime exports of Central America are primary commodities,5 whose share in total imports varies from 64% in Panama to 87% in Nicaragua. Import of the countries are on the other hand dominated by machinary, equipments and other manufactures. In the whole of Central America only Guatemala produces some petroleum, that also at a rate considerably below national consumption level.

The decade of 1960s had opened some optimistic forecasts about the social, political and economic future of the countries of Central America. Resulting from the launching of the Central American Common Market (CACM) in 1960 the region experienced as a whole about 6% annual economic growth, one of the largest in the world during the period. The establishment of the CACM provided a macro-economic stimulus to regional trade and development of import substitution industries (like textiles, packaged foods, plastics, tires and allied). This also created an incentive to additional foreign investment in the region.

The growth of the economies was however substantially based on external reasource inflows. The economies are extremely dependent on imported petroleum not only to fuel the autos of the middle and the affluent section of the society and to power the road trans-

^{5.} Most important of them are cotton, coffee, Banana and Meat.

28 Buss Journal

port network for the expanded crop and industrial production but also to run the electricity generators and chemical industries producing fertilizers and insecticides vital to the economies. The combined outstanding external debt of the countries soared from roughly US\$200 million to US\$767 million in 1970, to nearly US\$7 billion in 1980 and to over US\$9 billion in 1982 with their corresponding negative impact in terms of debt service ratios. The pace of annual external resource inflow has also increased alarmingly. The countries received an amount of US\$215 million in 1970 while in 1980 the amount of annual gross inflow jumped to US\$1457 million. Nicaragua alone had a positive current account balance of payments (US\$160 million) in 1980, the aggregate volume of current account balance of payments deficit for the same year being US\$1.4 billion. All these resulted in a rapid depletion of monetary reserves which by late 1982 had fallen to negative US\$ 840.7 million from the 1979 level of US\$789.5 million positive.

In the face of increasing political violence regional trade suffered a substantial set-back and by 1982 the prospect of the CACM seemed to be collapsing. Consequent upon all these developments the entire area entered an era of negative real growth, and according to some estimates the present level of GDP of every country represents that of several years earlier in real terms. This overall situation has severely damaged the prospects of improvement in political situation by contributing greatly to sharpenning of the process of socio-political polarization.

Economic Inequality and Political Instability

The post-World War II history of Central America shows an unprecedented concentration of all social, political, economic and cultural activities of the states in one metropolitan city. The metropolis generally developed nurturing the socio-politically vital middle

^{6.} Richard Millett, Central American Cauldron, Current History
February 1983.

^{7.} Ibid. p. 73.

^{8.} Ibid. P. 73.

and upper class at the expense of the poorer countryside. Economic concentration was generally sharpened in Central America during this period. The post-war development of import-substitution industries by a handful of companies, whether domestic or foreign, concentrated economic power of the societies in the hands of the urban-rich class, in line with the principles of the encomienda.

Concentration of economic bases of power in Central America is so heavy that it is not hard to relate political instability with economic inequality. Wealth and income are polarized in rural Central America to an extreme found in not many other parts of the world. The overwhelming majority of the rural people are landless labour or own so small amount of land that can hardly support a moderate-size family. Table I presents data on Gini Concentration Ratio of land distribution⁹ and table II shows the extent of inequality in income distribution.

Data show that the extent of concentration in land distribution is very close to the maximum both in terms of Gini Concentration Ratio and in terms of the percentage of farms with half the erable land. The *latifundio*, or the large landed estates,

Table I: Land distribution of Central Americ
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States	Gini Ratio	% of farms (large ones) with half land.			
Costa Rica	0.89	0.9			
Guatemala	0.86	0.3			
El Salvador	0.82	1.2			
Honduras	0.75	2.6			
Nicaragua	0.75	3.6			
Panama	0.73	5.0			

Source: Taken from Anger, Violence and Politics Ed. by Ivo K. Feierabend, R.L. Feierabend and R. Gurr, New Jersey 1972. p.130—138.

^{9.} The Gini Concentration Ratio calculates the difference between an hypothetically ideal cumulative distribution of land (where all farms have the same size) and the actual distribution. The higher the Gini Ratio the greater the inequality, the maximum limit of the ratio being equal to one.

who make up not more than 7% of the total number of farms occupy over 80% of the land. The average latifundio estate is somewhere between 500 and 27,000 times bigger than the typical minifundio or tiny farm households. Most of the history of rural Central America is that of latifundio securing continuous supply of cheap and obedient labour from among the minifundios and landless poor. According to some estimates the proportion of rural households belonging to this latter category ranges between 40 and 88 percent, 10

The minifundios are squeezed into so small proportion of land that their landownership is no gurantee for even a subsistence livelihood. The agricultural expansion that was achieved in Central America in the 1960s and early 1970s (around 5% a year) was basically commercial export-oriented agriculture on land owned by urban elites, many of whom were military men receiving large tracts of public and community land. Since commercial farming produced exportable items like cotton, coffee, sugar and beef, higher priced food-stuffs like corn and beans had to be imported for domestic consumption. The purchasing power of the poorer section having already eroded by inflation, the worst part of its affect was experienced by them.

The distribution of income is also no less unequal. Data for three of the countries as presented in table II shows that the highest 10% of the population received between 39.5 and 50% of the income while the lowest 80% received between only 16.9 and 20.0% of the income. The traditional concentration of wealth and income was further sharpened by the metropolis-biased import-substitution industries. The fruits of the economic growth of the 1960s boosted by the CACM were also concentrated in the hands of urban elites. When after the creation of the CACM and after scores of multinational enterprises began to operate in the region, inherent weakness of the process of distribution made the entire socio-economic structure of economies extremely fragile.

^{10.} Paul Harrison, Inside the Third World. p. 108.

Table II. Pattern of income distribution of some Central American countries

Percentage share of household income by percentile group of households

Country	Year	Lowest 20%	Second quintile	Third quintile	Fourth quintile	Highest 20%	Highest
Costa Rica	1971	3.3	8.7	13.3	19.9	54.8	39.5
Ranama	1970	2.0	5.2	11.0	20.0	61.8	44.2
Honduras	1967	2.3	5.0	8.0	16.9	67.8	50.0

Source: World Bank, world Development Report 1982.

The in-built bias of these multinationals in favour of the local capitalist class was also soon exposed as the fruits of higher rate of overall growth failed to filter down to the masses. While general economic activity got a stimulus, the overwhelming majority of the population were being deprived of the benefits of the growth. The existing institutional structure tended to maximixe benefits for urban elites rather than for the nation as a whole. Most of the legal arrangements were designed to benefit principally, if not exclusively the higher income groups. The institutions of land ownership on the other hand have preserved and sanctioned the existing inequalities in the distribution of income and wealth which pronounced the process of social stratification. These inequalities not only hindered the efficient use of resources and limit productivity in agriculture and industry but also prevented the preservation of a minimum level of socio-political stability.

The conditions of the deprived majority in both urban and rural Central America soon ceased to be tolerable. The relatively high rate of literacy in the region made the *minifundios*, the landless peasants and urban masses aware of the mechamism of exploitajon and they started to want their share in the benefits in real terms. Land reform had already in early 1960s become an explosive issue in central and other parts of Latin America. On the pattern of the Cuban revolution and successive flow of eastern winds in the region, rural guerilla forces organised themselves in late fifties and early sixties. The peasants are since then also getting organised into trade union

style associations to press for land reform, acting as pressure groups and defenders of peasants' rights. Parallel to this, in urban areas service and technocratic middle class has expanded which is also increasingly feeling socially and economically insecure. Another countervailing power to the investor families and multinational business has sprung among the public employees who have organised themelves into unions strong enough to paralyse the whole urban sector. The growing middle class was regarded in the 1960s and early 1970s as the balancing force between the extremes and to provide the basis for the introduction of democratic, reformist political changes. But they also soon become aware of the fragility of their optimism in democratic and evolutionary changes and started to opt for a desperate need to radical changes.

By mid-1970s all these forces gathered enough strength in almost all the six states to enable them to claim share in the political institutions. The way in which such claims were responded in respective countries had substantial bearing on the course of events during the recent years. Reasonable political stability was maintained in Panama, Costa Rica and Honduras where these forces were granted at least the status of contenders to political power. Explosive situation occurred in Nicaragua, El Salvador and Guatemala where the claims of these force were resisted.

Concentration of wealth and income in the hands of a handful of elites in the 1960s and 1970s had budded a grave intra-elite conflict which also largely contributed to the breakdown of the traditional, ruling class. Initial competition between economic oligarchy in the urban based industrial commercial sector in course of time took the shape of outright hostility beween elites. The hostilities were joined by the miliary whose interest in gaining share in concentrated wealth and income was greatly accentuated. The rivalry among these different sections of elites was not simply one for economic gains but soon turned into "shootouts between rival mafias" as described by one of the leaders of the moderate left in Guatemala. Weakened by

^{11.} Munuel Colon Arqueta, Assassinated in 1979. Quoted in Ronald H. Ebel. Political Instability in Central America. Current History, February 1982.

such rivalry, the traditional metropolis-state system became crucially vulnerable to the political mobilisation of the urban work force, populist parties and rural groups. Authorities' efforts to control violence by generally repressive measures have been frustrated only to raise the extent of violence and have resulted in an unprecedented increase in the awareness and participation of the masses in political movements.

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External Interventions

Growing influence of foreign powers has no doubt, greatly added momentum to the conflicts. The United States, which in recent years had to concede its monopoly of control over the region in favour of the Soviet Union has aired ample rhetoric about the strategic threat of "eastern winds" against its terriroty. The US share in the events in El Salvador, Nicaragua and Honduras has been openly declared by President Ronald Reagan by his well-known statement: "Central America is too close and strategic stakes are too high for us (the U.S.) to ignore the danger of governments seizing power there with ideological and military ties close to the Soviet Union.." The US involvement with its recent massive military aid to the governments in El Salvador, Honduras, Guatemala and to the Honduras-based samocista groups in Nicaragua has no doubt had accelerating impact on the political violence of the region.

The growing Soviet interest in the region on the other hand, in the guise of economic co-operation and support to national liberation movement has received momentum in recent years. Whereas the total turnover of Soviet-Latin American (except Cuba) trade in 1960 was only US \$ 68 million, it rose to over a billion

^{12.} Quoted in the Newsweek, March 21, 1983. p.10.

^{13.} At the time of writing this paper Reagan asked the Congress for US\$ 110 million in military aid to the Salvadoran government plus US\$ 67 million in economic assistance and another US\$ 121 million worth of military and economic aid for other countries in the region.

dollars in 1980. The economic and political ties of Soviet Union with Central America received significant momentum after the Sandinista victory in Nicaragua in 1979. Since then Nicaragua has been considered as the second after Cuba centre of 'eastern winds' in the Western hemisphere.

Mexico as the corridor between the region and the United States has also focused renewed interest in the region. The flow of arms to the region and presence of foreign military trainers and advisers have greatly complicated the situation. With Argentina, Israel and even the Palestine Liberation Organisation enlarging the list of arms suppliers to the region, the prospects of peace seem to be a far cry. Given the Reagan administration's rhetoric plan to win in El Salvador and elsewhere in the region, the regional and international efforts (including those by the Socialist International) for negotiated settlement may take generations to show the end of the tunel.

As the process of entanglement accelerates resulting from interference by outside forces, violence within the region grows faster with more and more people yelling "Venceremos"—we shall overcome. If history offers any guide, it should be realized that intervention has the least possibility or serving its ends. The U.S. has a long history of military influence in the region. The cases of Cuba and Nicaragua have shown how US-sponsored training programmes can morally destroy the army (pre-1959 Cuban army and the pre-Sandinista Nicaraguan National Guard) and drive thousands to join the radical left. The rationale for U.S. involvement has long been challenged thus making containment of communism synonymous with repression and brutality. Central America is too small a community to have any one nation unaffected by events in others. Thus the proliferating effects of the Nicaraguan revolution were destined to have felt in El Salvador and elsewhere. Coupled with the internal polarization resulting from long-term structural imbalances in the socio-politico-economic field these effects seem to have generated a wave of radical leftism in Central

America whose containment requires a fundamental change in the US attitude towards the region. Any serious intention to stabilise Central America should address itself to the task of realizaing how Central Americans themselves see the solution to their own problems. That is an approach needing the solution of primarily the economic problems through deep-rooted socio-economic reforms. It is these remedies that are wanted not rhetoric.

Concluding observation

The political epidemic that afflicts the Central American states has its roots in an in-built process of infection. Century-old injustices in the socio-economic field are the elements that make up the syndrome. It is the measures to remove these injustices that may provide the necessary antibodies against the deasese. Bullets can provide no relief to the wounds caused by social tensions or political disagreements resulting from deep-rooted economic inequalities. The sooner it is realised by forces within and outside the region which are moulding the events therein, the better is the prospect of peace in the region. Sweeping and grassroots institutional reforms to undo the injustices in the economic field may be the only alternative to violence. Concerted economic, social and political reform free from external influence holds the key to peace in Central America. It may however, be long before one may be optimistic about prospects of such reforms.

Annexture 1. Basic Socio-economic indicators of Central American Countries

100		Population			GNP	per Capita	Per Cap	Struc	Structure of prod (% of GDP)			
Country ((millions 1981)	density (per sq. km)	(thou- sands of sq. km.)	PQLI	(Dollars 1980)	Av annual growth (1960-80)	land (acres)	Agric	Ind			
Honduras (44)	3.7	33	112	57	560	1.1	0.5	31	25	17	44	
El Salvador (49)	4.5	214	21	66	660	1.6	0.3	27	21	15	52	
Nicaragua (53)	2.6	20	130	54	140	0.9	1.4	23	31	25	46	
Guatemala (62)	7.3	67	109	59	1080	2.8	0.5		-10	17	-	
Costa Rica (77)	2.2	43	51	86	1730	3.2	0.3	17	29	20	54	
Panama (78)	1.8	23	17	81	1730	3.3	0.6	-23	21	13	56	
Total	22.1		500	9 4	387	Contract of the	Can like			15 E 15		

Figures within parentheses indicate World Bank ranking of respective countries in ascending order of income per capita

Source: World Development Report, World Bank, 1982
The World Almanac and Book of Facts, 1983

Annexture 2. Structure of merchandise exports (Percentage share in total)

Country	Fuels, minerals & metals		Other primary commodities		and		Machinery & transport equipments		manufac-	
	1963	1979	1960	1979	1960	1979	1960	1979	1960	1979
Honduras	5	5	93	85	0	1	0	(.)	2	9
El Salvador	0	2	94	74	3	8	(.)	2	3	14
Nicaragua	3	1	95	87	0	2	0	1	2	9
Guatemala	2	2	95	75	1	6	0	2	2	15
Costa Rica	0	(.)	95	75	0	4	0	4	5	17
Panama	-	26	- 1410	64		3		(.)	200	7

(.) less than 0.5

Source: Annual Development Report, World Bank 1982

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Annexture 3: Structure of merchandise imports (Percentage share in total)

Country	Food		Fuels		Other primary products		Machinery & transport equipments		O ther manu fac- tures	
	1960	1979	1960	1979	1960	1979	1960	1979	1960	1979
Honduras	13	9	9	11 -	3	2	24	34	51	44
El Salvador	17	13	6	10	6	4	26	24	45	49
Nicaragua	9	14	10	21	5	2	22	14	54	49
Guatemala	12	7	10	11	7	3	26	31	45	48
Costa Rica	13	7	6	13	6	3	26	31	49	46
Panama	15	10	10	28	1	1	22	21	52	40

Source: Annual Development Report, World Bank 1982

Annexture 4: Balance of payments and debt service ratios

Country	balance	Current account balance of payments (millions \$)		Gross i of capi (million	tal	Debt so as % GNP		Debt service as % of Export of goods & services	
	1970	1980	I would be	1970	1980	1970	1980	1970	1980
Honduras	-64	-321	812	29 *	180	0.8	3.9	2.8	9.9
El Salvador	8	-86]	509	8	124	0.9	1.2	3.6	3.5
Nicaragua	-39	160	1698	44	269	3.2	3.7	11.1	14.5
Guatemala	-8	-163	541	37	93	1.4	0.8	7.4	3.5
Costa Rica	-74	-655	1585	30	398	2.9	4.3	9.9	16.4
Panama	-64	-288	2276	67	387	3.0	14.3	7.7	18.4
Total	-241	-1353	6992	215	1457	9.5		7 739	11 6 3

Source: Annual Development Report, World Bank 1982.