

THE BROOKINGS INSTITUTION

COMMEMORATING 20 YEARS OF PEACE IN EL SALVADOR: IS IT A REALITY?

Washington, D.C.
Thursday, January 19, 2012

PARTICIPANTS:

Introduction:

KEVIN CASAS-ZAMORA
Senior Fellow, Foreign Policy
Interim Director, Latin America Initiative
The Brookings Institution

DIANA NEGROPONTE
Nonresident Senior Fellow
The Brookings Institution

Panel:

CYNTHIA J. ARNSON, Moderator
Director, Latin American Program
Woodrow Wilson International Center for Scholars

HIS EXCELLENCY FRANCISCO ALTSCHUL
Ambassador
Republic of El Salvador

DIANA NEGROPONTE
Nonresident Senior Fellow
The Brookings Institution

* * * * *

P R O C E E D I N G S

MR. CASAS-ZAMORA: Good afternoon. I'm Kevin Casas-Zamora, senior fellow in Foreign Policy and the acting director of the Latin America Initiative at Brookings. Thank you all for being here today.

For me, today is a joyous occasion. First of all, a dear colleague at the Latin America Initiative, Dr. Diana Negroponte, is unveiling a new book for which I, in a very -- in a very, you know, warm way I want to congratulate her. But it so happens that the book that she's launching today deals with a set of issues that a Central American matter to me a lot.

Over the past year or so the Latin America Initiative has been hosting many events on the challenges of Central America. Inevitably, most of those discussions deal with the bad news coming out of the region. From the very troubling security situation to the fact that the region to this day continues to expel young people by the hundreds of thousands. It is rare that an event comes along that allows us to take a more balanced look at Central America. For all the immense problems that the region faces today, when we talk about challenges in Central America, we must never forget where we come from. A little more than two decades ago, civil wars were raging in three countries in the region and an anarchical dictator was ruling another one.

What the current problems are forcing us to realize is simply that ending wars is in some ways the easy part. It requires the will and the courage to sit down and negotiate a settlement. Yet, building more equitable societies, solid democratic institutions, and prosperous economies requires those same attributes over a very, very long period of time. All the same, I do think that Central Americans are entitled to take pride in the fact that leaving behind the wars was very much an achievement of the Central Americans alone. Whatever the problems the region must deal with now

considering where we come from, the glass in Central America is half full, not half empty.

Diana's wonderful and insightful book on El Salvador reminds us that peace negotiation processes are inherently messy affairs where the ethically desirable is nearly always trumped by the politically expedient; where immense political courage co-exists side-by-side with petty jealousies and machinations; where the urgent task of leaving behind a bloody past does not necessarily mean doing all that is necessary to gain a future. Above all, it reminds us that peace and development never arrive at a stroke of a pen; that they are the work of entire generations.

The Central American Peace Accords threw a lifeline to the region. Now it's up to us Central Americans of today to make sure that that lifeline is not drowned in a sea of sorrows. And I must confess that Diana's book is the kind of work that a Central American, particularly one like me that didn't leave the region out of necessity but out of wanderlust, that makes you want to go back to try and realize the bright promise that the region had two decades ago.

Thank you, Diana, for making this conversation possible. Unfortunately, I can't join you in the discussion but we have here wonderful speakers that will more than make up for my absence. We have, thus, the distinct pleasure of having among us His Excellency Francisco Altschul, ambassador of the Republic of El Salvador to the United States and a good friend of Brookings.

We are also happy to have here my good friend, Cindy Arnsen, the director of the Latin American Program at the Wilson Center and an expert of many years on Central American issues. And that includes writing and publishing two wonderful books on the region. You can read on the program the many accomplishments and experiences that they both bring to this discussion. They are, indeed, uniquely qualified to join Diana in this conversation about the past, the present, and the future of El

Salvador. Thank you both for joining us here. And thank you all once again for helping us continue this conversation on Central America.

Diana, over to you.

MS. NEGROPONTE: Kevin is going for a job interview. Fingers are crossed for him.

Good afternoon. I want to thank my fellow panelists for both reading the book and then being willing to come and enter into a critical discussion with me on the question of whether the peace that was achieved 20 years ago last weekend is a real peace. It's unusual for a person who launches a book to have a PowerPoint presentation but I went into Google Pics and I found such good photographs that I decided I would have a PowerPoint presentation this afternoon.

Thank you. Wonderful.

A bare outline. Ambassador Meister, you are most welcome and there are seats waiting for you right up in the front. So walk strongly forward.

The reason I put up this photograph is to show the mountainous or hilly character of El Salvador as well as its neighbors because although this wall was centralized in El Salvador, the capacity to have rest and recreation across the border, to be resupplied across the border, remained a permanent feature in the 12 years of that war.

This is one of my Google Pics, but so is this one. Twelve years, 70,000 people dead, half a million displaced, and \$2 billion worth of destruction. A small country the size of Massachusetts decimated by a civil war among its fellow citizens, many of whom are sitting in this room today, some who fought with the Armed Forces, and some who fought or closely aligned with the FMLN. They are all committee Salvadorans, and as I did this work and my passion in doing the research on it I have emerged with a huge

admiration for the strength, the intelligence, and the bravery of Salvadorans.

And if you ask the question why is a British woman studying El Salvador? I have a reason in this room for telling you. My husband and I are the proud parents of five Central American children, one of whom is with us this afternoon. And I needed to know their heritage. So when I went up to Georgetown to get a Ph.D., I knew immediately which area I should study because I wanted to be able to understand their background. The young lady with us, Alejandra, was too young to join the FMLN. There are many young women who fought, but those young women did not participate in the peace. And that, I believe, is an issue which we should confront not only with the Salvadoran situation but with others, too. How can you ensure that half your population has a commitment to implementing peace, to consolidating the gains which came from it?

Joaquin Villalobos, who is one of the leaders, one of the comandantes of the guerilla force known as the FMLN. I was with him two months ago in Toronto because he still doesn't have a passport to the United States. It seems very strange that a man who was so honest in those peace talks is not recognized today but his impact and his ability to influence the conflicts in Mexico and in Colombia goes beyond the Salvadoran border.

Another leader of the FMLN, Schafik Handal, who subsequently became the leader of his party and died last year Ambassador Altschul? Two years ago. But for the government there was a very brave man. Alfredo Cristiani was married to the daughter of one of the wealthiest men in El Salvador. He could have become what was known as an oligarch. He could have protected his land, his pharmaceutical industries, and those of his wife. Instead of which he joined with other business men of more moderate opinion and determined to end the war.

Now, for Cristiani and his colleagues, ending the war did not mean

negotiating with the FMLN. There would be no negotiation because that meant concessions, and how do you concede to men and women who have kidnapped, murdered your family members? So the word "negotiation" was not to be used but rather "dialogue" was to be used.

Tendentious efforts until, in November 1989, the FMLN made one last huge effort at a military engagement. They entered San Salvador. They occupied it for three weeks. During the day the Armed Forces had the predominance, and at night when they went back to their barracks the FMLN came out and they were in control. But it was very clear that there was a stalemate. Neither side could win militarily. And therefore, in December 1989 -- sorry -- yes, 1988 -- the FMLN reached out --

SPEAKER: '89.

MS. NEGROPONTE: Will you please forgive my error here? I think --

SPEAKER: You're talking about the offensive.

MS. NEGROPONTE: I'm talking about the offensive.

SPEAKER: '89.

MS. NEGROPONTE: '89. So I've got -- thank goodness I've got experts up on here with me.

The FMLN agreed to send a delegation to Montreal to meet with a U.N. bureaucrat known Alvaro de Soto. And yesterday I spent the afternoon with de Soto up in New York at the Council on Foreign Relations, he recalling the difficulties of making peace in El Salvador. He was committed to a U.N. role in bringing about a peace in this country. But around him were the officials of the United Nations who said "My dear fellow, you are crazy. If the United Nations gets involved in Central America, the U.S. government will pull the rug from under our feet. They, the U.S. government consider that Latin America is their sphere of influence and there is no role for us."

But something else had changed. The Berlin Wall had fallen. General Secretary Gorbachev had given his big speech to the U.N. General Assembly on December 8th, in which he said that the Soviet Union would no longer support wars of revolutionary nationalism. And that sent a message to the FMLN that although they did not receive funds directly from the Soviet Union, dependence on Nicaraguan support would become tendentious, weak, and that they therefore would have to rely on their own resources. That same month a battalion, whose pronunciation I'm going to ask the ambassador to give me --

SPEAKER: Atlacatl.

MS. NEGROPONTE: -- went into the University of Central America, forced the six Jesuits out of their bed, made them lie down in the grass in front of their seminary, and shot them in the back of the head. Then they went back into the living quarters of the Jesuits. They shot the housekeeper in her bedroom and her 16-year-old daughter. What they did not count upon was that the sister of the housekeeper watched all of this from a nearby window. She subsequently went out to Miami and told her story. But the stalemate combined with this ghastly attack on the Jesuits galvanized the world. This was a horror which could not be accepted. Joe Moakley, very committed to the Catholic vote in Massachusetts called upon for an investigation and then the change begins. A willingness to find an alternative, and this man, the Peruvian U.N. Secretary General, was persuaded by Alvaro de Soto that there could be a role for the U.N. so long as the U.S. agreed.

This was not to be a cease fire and then talk; this was to be talk and fight. Because the only leverage which the FMLN had was their capacity to return to the fight. And while for the United States' government, and Ambassador Meister will remember this well, the ability of the FMLN to continue bombing at the same time as

talking was wrong. It was the only way forward. And this man, a democrat, very close to the democratic majority in the House but also hired by Secretary of State Jim Baker to lead this effort for the U.S. government, was willing to cross the aisle, was willing to talk with both sides, and he believed that a peace could be reached.

I'm not going to go through this list. You can read it. But it became key in the first year of negotiations, the first months, to reach an agenda of what was at stake and what might be achieved.

I'm skipping through this. I had this for yesterday because Alvaro de Soto would meet at fancy hotels in Mexico because the Mexican government plays a key role in this, offering a site both for the FMLN offices but also for meetings. And they put the Radisson Hotel in Mexico City, which is the picture up here at the disposal, and here would come the different emissaries' representatives. And in April 1991, key negotiations. They spent three weeks in this hotel, for the most part negotiating around the edge of the swimming pool with tequila abundant, but they reached agreement. They reached agreement except on this issue.

What does depuration of the Armed Forces mean? Purging or liquidating? They agreed it meant purging. You had to get rid of the senior officer corps and you had to reduce the size. You had to get rid of the paramilitaries. You had to get rid of the hated organ and the National Guard and the Treasury police. And those became the central issues of the peace process which 22 months later reached in Chapultepec a signing between President Cristiani and the FMLN. And then the hard work began -- how to implement it.

So the new United Nations was invited in to go around the country and to collect the stories of victimization, abuse, and human rights atrocities. And for the first time in its history peasant families and working class men and women had an audience,

an international audience for the bestiality that they had gone through. And both sides assumed that the other side would take the major blame, which is why President Cristiani agreed to participate in it because he was sure that the FMLN would take half the blame. When the report came out, 80 percent of the blame was placed on the government forces; 20 percent on the FMLN. And then began the process of you and experts and troops from all over the world -- Spain and Uruguay and others -- coming to decommission weapons, to train a new police force, and to set about helping in the creation of new institutions. The truth commission members, one of whom includes those of you who know Ted Piccone who works here. He was a young investigator with the U.N. truth commission here. I looked for a picture on Google Pics but he hasn't yet made it.

But the Armed Forces were angry because the U.N. Commission report had named them. And in addition there had been a private, if not secret, Salvadoran *ad hoc* commission which had undertaken its own investigation. That report still remains secret. Its names, too. But Cristiani was obliged to carry out the recommendation that the leadership of Salvador's Armed Forces would be removed.

And I tell the story in the book of the laissez faire, having been informed of the recommendation of this *ad hoc* commission and without consulting Washington -- very dangerous for a diplomat -- asked for a meeting with the High Command. And he went into the High Command and he said to them, "You signed the peace agreement. You must carry it out." And he was met with dead silence. And he walked out and he went back to the embassy and he called the assistant secretary and he told him what he had done. And the assistant secretary said, "What? You what?" That was a way to protect Cristiani from the anger of these gentlemen in this picture who believed that they had been sold in order to achieve a peace. But the truth is that peace could only come if

they agreed to stand down. They had to resign. And General Ponce Enrile, who is also up at the center there, took another job and passed away, I believe, just about seven or eight months ago.

Cristiani had to be protected from this, the traditional power in Salvadoran society, and President H. W. Bush gave his full support to it. The decommissioning went on and in 1995, that little white van finally left the country. By that time they were not popular. They were seen as interfering. They were seen as an infringement on sovereignty, and their work was essentially done and it was left to the Salvadorans.

I'm now going to ask Ambassador Altschul to take this story from here onwards. Thank you.

(Applause)

AMBASSADOR ALTSCHUL: Well, first of all, let me thank Brookings and thank Diana and congratulate her, not only for an extremely well researched book but also for an excellent presentation. I am sure this book will become a very important input for understanding and knowing what this process that led to the peace agreements is and represents.

But more than talking about specifics of the book and the story of the agreements, I would like to start where Diana ends, one of her conclusions, which says, "formal democratic structures may exist in El Salvador but the spirit of democracy has not yet taken hold." I think this is true, but partially true. In July -- in June last year we had a very important crisis, political crisis in El Salvador. The legislative assembly, with the approval of the executive branch, tried to reduce the autonomy of the Supreme Court, particularly of the constitutional Court of Justice. This obviously created a serious problem, something that perhaps in stronger democracies would have been seen as a

normal aspect of life. For us it was very traumatic. Fortunately, we were able to move in a positive way and the issue was resolved and the Supreme Court continues to have the autonomy that it had before this crisis.

But the fact that we had this crisis, I think, is itself a positive sign. Before the peace accords this crisis could not have happened. Why? Because the executive branch, the legislative branch, the judicial branch were basically controlled by the same people, the same political party, et cetera, because they were very weak, civil society institutions that could respond as many of them did in this situation because the mass media were before totally subservient, let's say, to the political system. And in the case that this had happened, the most likely outcome would have been a military coup d'état. So even this or the least crisis showed that we are in a process in which we still have institutions which are stoic, but it shows also that we have moved from where we were before. And I think this is something that is directly related to the peace accords.

Just like Kevin said, when you look at the peace 20 years after, the question -- and this is a continuing debate among politicians and academics in El Salvador and I guess other parts -- is whether the full -- the glass is half full or half empty. Of course, people who see that the glass is half empty look at the incredible and terrible indicators of citizen insecurity and violence, the maras, the organized crimes, and so forth. They point out to existing, still existent polarization of the country and also to the fact that we continue to be a country with extreme inequalities and poverty. For them, obviously, the peace accords did not change fundamentally the economy or the politics of the social structure of the country. Although I acknowledge the limitations of the peace accords, one has to realize that their main purpose was to end the war and to reconcile Salvadoran society. But they also aimed at opening a space and conditions so that we could continue through a democratic process the issues that had not been solved by the

peace accords.

In that sense, I would like to point out to at least three important issues that I think were accomplished with the peace accords, and we can objectively see then 20 years afterwards. One is the demilitarization of Salvadoran society. Since 1932, we have been ruled basically by military dictatorships with different degrees of levers of repression. But basically, since then ruled by the military. It was the military, the Armed Forces, which determined the life of the country. Now, after the peace accords, the military has -- was given and I would say has complied in an exemplary way the growth that it was given, which is only to look after and protect the sovereignty of the national territory. The military, the Armed Forces right now, do not have any role in citizen security in determining what happens in the life of the country or administering many of the ministries and institutions of the government as they did before.

A second important element I would say is the democratization of Salvadoran society. Right now we enjoy real truism, freedom of speech, freedom of political rights, which was, I would say, the most important reason why we had to go to an armed conflict. Poverty, economic injustice, of course they have a role in that, but they do not explain by themselves the fact that we had to resort to arms struggle. The reason was that for many years, people tried to achieve change through democratic means and this was not allowed to. And at the end the only resort left was to go to a military struggle. That situation has changed. And now and the fact that after 20 years there is a government in El Salvador which is a government in which the FMLN, the former guerillas, are an important part of this government position. It is recognition or a clear example that this democratization process has been moving on.

And the third element I would say has to do with the respect for human rights. El Salvador was known during those years as one of the worst violators of human

rights in the world. And Diana mentioned terrific figures about that. People were tortured, disappeared, and so forth. This is no longer happening in El Salvador. Now we're looking and we're suffering a different kind of violence, but it is not in any way a political violence or result of violence that results from political difference. In that sense, this has been a clear improvement. We have now, for the first time, a human rights ombudsman, many other institutions that have to deal with human rights. And now with President Funes we're starting a fundamental aspect that had not been done before, which is first recognizing and asking public forgiveness for the violations of human rights that were done by the state; and second, what President Funes announced just a couple of days ago, in a small hamlet, El Mozote, where a terrible massacre took place, he announced the creation of a new secretariat to deal with the moral and material reparation to the victims of violations of human rights. So in a way then perhaps we could say that -- and that's why I said it was partially true -- democracy has not taken a hold yet but that we are moving in that direction. And that's why I think, and I would put myself on the side of those who see, that the glass is half full.

Acknowledging this doesn't mean that we don't see that there's still a long way to go to fill up the glass and that we have enormous challenges behind us. And there I totally agree with the conclusions that Diana comes forth in her book. Poverty and equality, fundamental challenge that still has to be solved. Many people questioned the accords saying it did not -- the accords did not address the economic situation, this economic system. This was done on purpose because the belief was that you cannot by decree, negotiate a political -- an economic system. The idea was let's level the field so that through a democratic process and through the different proposals that different political parties put forth, it is the Salvadoran people who decide by democratic elections which way they want to go in terms of a new economic model.

So the fact that we still are facing enormous inequalities, economic and social exclusion and injustice should not be seen I think as putting blame on the accords. This is part of the process. We have been lauding in that but we also have to recognize that something like that is not only -- it's not the sole responsibility of the government. Even the previous governments or the government right now or any future government. This is a responsibility for all sectors of Salvadoran society. And there are fundamental issues that we still have to deal with which are difficult but necessary. Just to mention one, the need for a new fiscal agreement, the new fiscal pact that would provide the necessary resources so that we can invest in social development for the country.

Another huge challenge, of course, is the situation of insecurity, of violence. And it has been said also that this is the result of the war. I think that is, again, it's only part of the truth. It is definitely an important element but that does not only explain the levels of violence that we are having today. This is a much more complex situation. It has to do with the breaking of the families because of migration. It has to do with the lack of economic opportunities for the young people. It has to do with the lack of, in a sense, hopeless perhaps for many of the young people. But it has to do fundamentally with the enormous power that the organized crime and the drug traffickers have.

So regardless, this is a fundamental challenge that we have, and I think it has to be approached in a holistic way, an integral way, not only looking at the combat of crime but also looking at crime prevention. Also looking at the regional level. And also understanding that the main issue of drug trafficking has to do with three components of the whole process -- the production, the transit, and the consumption of the drugs.

And to end I would say that the third challenge that we're still facing is the continuing challenge to strengthen our democratic spaces and our democratic

institutions. What we have to do is to continue to fill the glass. And I think that is in the process that we are. There are -- we have now institutions that we didn't have. That's a plus. Some of these institutions are working okay. Some others are still very weak. We have to nurture them and provide them and strengthen so that they can guarantee that this process that was started 20 years ago, that we've been walking up till now, but we can continue walking towards a full consolidation of democratic society which at the end I think was what the peace accords fundamentally were looking at.

Thank you.

(Applause)

MS. NEGROPONTE: In 1999, you came out with a book Comparative Peace Process. In 2006, you looked at the consequence for peace eight years after. Tell us now, 20 years after, what do you think?

MS. ARNISON: I'll switch glasses with Francisco.

Diana, thanks for your book, for this invitation. I'm reminded when I look at the detail and the level, you know, the amount of research that went into your book, I'm reminded of something that a very dear friend told me when I was writing my first book, which is that it is like cutting the grass with a pair of scissors. And I think that sums it up. But it also sums up the level of attention to detail and fact and counter fact. And I really thank you and praise you for this enormous contribution to the understanding of El Salvador but also to the understanding of peacemaking in general. So thank you.

Thank you also, Ambassador Altschul, for that wonderful overview. I think what I'll do is probably agree with much of what has been said by the previous speakers, but perhaps put some more meat on the bones and also perhaps end on a more pessimistic note because I think that the challenges that Salvador is facing, particularly in the security arena, do have the potential for undermining the gains thus far.

I also have to say that there are, in fact, many people in this room who are protagonists, you know, in El Salvador and the United States during these terribly high-pitched battles domestically in the 1980s over how to respond to the guerilla movement in El Salvador and what U.S. policy should be, the degree of emphasis or not on human rights and military reform. And I think that after the Berlin Wall fell and the Cold War ended it became possible to actually have a discussion. But I would propose that there is still probably many different histories and discourses about what took place in the 1980s that would provide fruitful material for ongoing exchange.

One thing that I think comes out from Diana's book and also from a review of the peace accords over the last 20 years is that accords themselves are not panaceas. They are not things that can resolve all of the problems in society ushering in some kind of new golden era of freedom and development, but rather they constitute significant and truly unprecedented stages in a country's transition in multiple forms from authoritarianism to democracy; from war to peace; and from militarization to demilitarization. And I think it's the complexity in the simultaneity of those transitions in El Salvador that has made the process so complicated.

One conflict resolution specialist noted that peace accords "provide a new set of opportunities that can be grasped or thrown away. The peace accords in El Salvador -- and I agree with what's been said -- resolved historic crises of political exclusion that had spawned decades of violence of war, and the settlement launched an unprecedented and significant process of institutional reform.

That being said, and this goes to what I think Diana gave me as my assignment, accords are judged not only by the degree of compliance or noncompliance with the letter of the accord, but also by the extent to which they address root causes of war and satisfy both short-term needs and long-term needs for demobilization, security,

political participation, economic recovery, and an end to impunity and injustice. And I'm sorry to use that metaphor once again about the glass being half empty and half full, but I think there is really -- there are certain things that are very positive and also things that are very troubling.

On the positive side, as Francisco has mentioned, because political exclusion, direct military rule, fraudulent elections were key causes of the insurgency and of conflict, the post-conflict political opening constitutes a central element in the maintenance of peace. The peace accord marked a demilitarization of politics, an end formally to the left's political exclusion. Indeed as we know, the FMLN, by going to a more centralist candidate, won the 2009 presidential elections, something that caused satisfaction with democracy in El Salvador according to the public opinion surveys carried out by LABPOP to jump some 10 points between 2008 and 2010. There was also reform of the Armed Forces as has been pointed out, the end of its dominance of the political life of the country.

Ambassador Altschul Francisco has pointed out the improved respect for human rights, and anyone who remembers the horrific violations of the war years, the assassinations, mostly I think some by the FMLN, the majority by government security forces, death squads, massacres, torture, all of us certainly celebrate an end to those kinds of violations and the end to killing for political reasons. There have been enhanced press freedoms, freedom of speech. There are online resources that publish unbelievable investigative journalistic accounts, including a very dangerous topic such as organized crime. And then finally, there's been the holding of presidential, legislative, and municipal elections. Representation has improved at the local level and it is truly a competitive electoral system.

On a more sobering note, Salvadoran society remains polarized

politically as well as economically stratified. It is characterized by wide gaps between the rich and the poor, between urban and rural populations, and between the area of greater San Salvador and the rest of the country. Immigration, which has been mentioned before, provides an economic and population safety valve. It contributes to the economy through massive remittances, but it also deprives El Salvador of professionals, members of the middle class, campesinos, who count among society's most talented entrepreneurs. I think it's worth noting that remittances from the 2.5 million -- approximately 2.5 million Salvadorans living outside the country, about 90 percent of which in this country account for approximately 18 to 20 percent of the country's gross domestic product.

The peace accords' inattention to socioeconomic issues, as has been pointed out, was rooted in the dynamic of the peace negotiations. I would argue, you know, rooted in the kind of military stalemate and the relative strength and possibilities of the negotiating parties left important root causes of the war unaddressed.

Now, I would disagree with some of the critics of the peace accord. Critics have noticed the inclusionary aspects of the peace accord in political terms, which stand in stark contrast to the economic politics that were carried out at least for the first 17 or 18 years. And the asymmetry between the political and institutional framework of the accord which was inclusionary I think has been noted as contrasting with the exclusionary economic model in the post-accord era. But I think that it's difficult to sustain that. When one looks at the figures, poverty and inequality and El Salvador declined over a period -- over the period of ARENA rule. The economic forms and the structural adjustment, along the lines prescribed by the Washington consensus, led to growth in per capita income. In the 1990s and the early 2000s, inflation dropped and key social indicators such as access to education literacy and infant mortality improved. Until

the rise in food and energy prices in 2008 hit El Salvador as it did the rest of -- basically, all poor countries, the economy had grown at a faster rate than the average of the rest of Latin America. And exports rose. The ratio of debt service to exports remained low and the expansion of the mikelis sector was really notable. And yet, the benefits of this growth were perceived as not well distributed. And that's, I think, what became salient in political terms.

President Funes, you know, came to power at a time of unprecedented domestic and global challenges, some of them prompted by the financial meltdown in the United States. El Salvador was second only to Mexico as the nation hardest hit by the global economic downturn. According to the United Nations Development Program, the country lost about 30,000 formal sector jobs. Remittances went down and this was compounded by natural disasters to which El Salvador remains vulnerable. Paradoxically or perhaps understandably, the degree of integration between the Salvadoran economy and the U.S. economy has become a vulnerability as the U.S. economy goes down so does El Salvador.

And I'd like to finish on the issue of the surge in crime and violence. El Salvador has long standing issues of impunity, have facilitated the operation of criminal networks sometimes. There are allegations that members of the judiciary, the financial sector political parties, have connections to criminal groups and there is a danger that involving the military in what Ambassador Altschul described as the surge in organized crime and drug trafficking violence. The danger is that involving the military in the fight against organized crime will lead to a process of penetration and corruption as has been seen in Honduras and Guatemala.

We all know that El Salvador is one of the most violent countries in the world along with Honduras and Venezuela. Those are the three according to the U.N.,

the most violent countries in the world. Sixty-eight percent of homicide victims are between the ages of 15 and 34. Nine out of 10 victims are male. Again, one of the highest rates of homicide to young men in the world. The rate is also increasing in terms of violence against young women.

What does this all mean in terms of El Salvador's future? There was a very disturbing poll taken last year if I'm not mistaken that showed that in order to combat crime and violence, Salvadorans would accept an end to democracy and a return to authoritarian rule. And I think a central question, as El Salvador along with other countries in Central America become more overrun with drug trafficking organizations with links to the Andean region to Mexico, the Caribbean, and up to the United States, whether El Salvador's nascent democratic institutions and today weak institutionality, will be able to counter the kind of corruption and violence that come with these structures.

So I'm sorry to end, you know, on this negative note, but I think that there is real cause for concern and particularly cause for concern with the ways that the networks of organized crime are using existing gangs and maras, In co-opting those structures and working at a local level to manage and co-op in corruption politicians.

So on that sobering note, I will pass it back to Diana.

(Applause)

MS. NEGROPONTE: The floor is now open to you. So I would ask you please to identify yourself -- your name and your affiliation and wait for a microphone to come because we are recording this. And then we will seek to answer your question.

SPEAKER: (Speaking in Spanish) if you don't mind because I need the sound bite in Spanish. (Speaking in Spanish)

AMBASSADOR ALTSCHUL: (Speaking in Spanish)

MS. NEGROPONTE: Would you be willing to answer in English?

AMBASSADOR ALTSCHUL: Answer in English?

MS. NEGROPONTE: Because I'm not sure that the majority of our audience today --

SPEAKER: Basically my question was that last year there were more than -- sorry. I do need the sound bite in Spanish though.

My question was that last year there were more than 4,000 homicide victims, violence is running high, and I wanted him to go a little bit further on her comments about the risk of involving the military in fighting the drug cartels and the gangs and, you know, just organized crime. The real risk that involving the military could, you know, lead to corruption, lead to corrupting the civil society and all of that. I wanted him to go further in that and those real concerns that Salvadoran society has.

AMBASSADOR ALTSCHUL: If I may suggest, I would answer your question in English and after we are over I'll gladly give you the sound bites in Spanish.

Well, first, I totally agree with Cindy in the fact that I think the biggest threat to this -- to our democratic process comes from drug trafficking and organized crime. It is not ideology. It is not a foreign country. It is precisely this issue because one, they have an enormous capacity to corrupt, all the resources that they have; and second, they need and they thrive of weak institutions because that's also the best way in which they can prosper and survive. So I agree this is perhaps the most important challenge that we have.

In terms of the role of the military in this issue, first, I think that we have to understand that the approach has to be comprehensive. It is not only combating crime; it is preventing crime. It has to deal with prison systems, rehabilitation and reintegration. It has to do with stronger institutions. In particular here I would also agree that one of the things that we are lacking and have to work a lot is in the issue of

impunity. This has to do with strengthening the fiscal year, which is the general prosecutor's office, the whole judicial system. This is something that has I've been working as a country for 20 years but there's a long, long way to go. Things apparently are starting to change. Just two days ago one of the most notorious drug traffickers who had been under trial for the past four years and had been once again left free was finally condemned to 80 years of prison. So a good sign but there is definitely a big challenge.

Now, what the military, the army has been asked to do by the president is to participate along and under the direction of the civilian PNC, the national police, in specific areas of security. It is not that they are coming out and doing by themselves, autonomously deciding what they want to do. They have been given specific responsibilities. One, to take control of the border, to prevent precisely drug traffic and contraband, et cetera, et cetera, et cetera. Second, control of the prison system. Not only of the presence of the prisoners themselves but of the security of the periphery -- of the periphery of the prisoners because prisoners have become one of the best places in which organized crime operates from. Most of the extortions that were being done in El Salvador were conducted by members, gang members who were in prison.

And the role that the army has been assigned is a temporary basis. It goes for periods of 18 months and it is the president who determines whether they will continue or not. I understand that because of the history and the tradition of armies in Latin America, and particularly regarding human rights and so forth, there might be an apprehension about this. But as far as today there have been no accusations or violations of human rights or any improper act conducted by the military in these specific tasks.

MS. NEGROPONTE: Thank you, Ambassador. Let's open up to another question. Yes, Mr. Rank and Rafael.

MR. RANK: Good afternoon. My name is Julio Rank from the National Endowment for Democracy.

This very day the Supreme Court was going to review Spain's request to extradite about 20 army officials involved in the Jesuit killing. What is your view on the importance of the amnesty law and the whole peace agreement? Because it seems like every time an electoral event comes around these things get thrown and it seems like no real reconciliation can happen if the threat of the amnesty law is always imminent. What is your position on that?

MS. NEGROPONTE: Julio, let's see. Do you want -- or do you want me to?

MS. ARNSON: Sure. I can respond to that.

I think what has been the pattern over the last several decades, certainly in Latin America, is that when domestic or national systems are not capable of delivering justice in cases -- in significant cases of human rights violations, there's a sense that that's where the international community has to play a role. The Spanish request is related to the fact that some of the murdered Jesuits had Spanish citizenship and so it was considered a crime against Spanish nationals and that's the basis for the extradition. And I think that the inability of the court system in El Salvador historically, but certainly in the period since the peace accords, again, changing slowly and getting, you know, better bit by bit, but the inability to investigate and prosecute not only high profile cases but cases against, you know, common citizens has been, you know, a really important weakness. And I don't think we should be surprised that even though the initial pact, which was to have a truth commission that was going to name names but had no judicial power, we should not be surprised that over time that is challenged. I mean, that's been the history in Argentina. That's been the history in Chile. That's been the history in

Uruguay. What's notable in the Salvadoran case, I think, is the lack of national debate over these issues. There was a lack of national debate when the truth commission issued its report. It was immediately repudiated by the government, by the Armed Forces. Some NGOs, you know, were interested and the Catholic Church was interested in a debate. But its recommendations went nowhere. And I think what's not terribly healthy is that the debate is forced on a society from abroad, but that is going to happen inevitably, you know, when there is not a national capacity, you know, to come to grips with these kinds of things. So I think the answer ultimately lies in strengthening, you know, the judiciary in El Salvador to deal with these kinds of cases.

MS. NEGROPONTE: Thank you. Rafael. And then the gentleman over here.

MR. HERNANDEZ: Thank you very much. My name is Rafael Hernandez and I represent Central America and El Salvador and the board of directors of the World Bank. I am a Salvadoran myself.

Let me just, you know, give you my brief opinion, you know, as a Salvadoran. I think I share with the speakers of El Salvadorans. I do not take a lot of pride to say what has, you know, taken hold over the last 20 years. However, at the same time I recognize that we have a long way to go. But also I will, you know, like to think that the glass, you know, is half full and not half empty.

But I would like to, you know, to make my remarks to the point that Cynthia made at the very end of her presentation. And that is it is sad really that after 20 years and after the small, very important, you know, step that had been made in building a country, you know, building institutions in El Salvador where a lot of people, you know, that dedicated their life, they committed many years, they are beginning to see the fruit. And then all of a sudden El Salvador and the whole region have fell victim, you know, to

the drug traffickers and the organized crime.

Let me tell you why I'm very sad and disappointed because I've lived in this city almost 30 years and I have attended many of the interesting presentations at the Cinter Center. And every time that this issue comes about, 99 percent of the blame is put or the solution is going to come for what El Salvador does in terms of doing away with the corruption, with, you know, the impunity and so on and so forth. I never have ever said, look, we have a problem of demand in this country. We are the ones who are perpetrating that when we go to the parties and have a good time and they offer us, you know, when we put our noses there, there is a host of cadavers that have been left along the way. I have never heard any public, you know, discussion in this country recently where they have come and said, look, Salvadorans are not going to solve that, Central Americans are not going to solve it, we have the problem. It is still good, you know, to buy drugs and, you know, the middle class and the upper middle class, the politicians, you know, Wall Street, they don't see it. And no one is telling them that but they are responsible for what is happening.

But more said to me or sadder to me is that institutions such as this one or such as yours or others, the researchers, they don't want to address this topic. They shy away from it. And let me tell you, we at the World Bank are given the fight as well. When we did the World Development Report the Spanish director allowed me to, you know, I was the only one who said it doesn't matter how much we do in the country. We have a problem of public health in this country of demand and unless this is addressed in a serious way, don't blame the Salvadorans for it or the Central Americans. I'm not going to say that we are not responsible for it; we are. But my point is that we are looking only at one side of the equation. And as long as we look the other way we're not going to achieve any progress. Thank you.

MS. NEGROPONTE: Rafael, thank you.

We have -- our next questioner is over here.

MR. MAURICIO: Thank you, ma'am. My name is Carlos Mauricio. I am from El Salvador. I founded the Stop Impurity Project. It's an organization made of Salvadoran torture survivors. I am one of them. I was captured by the Salvadoran Army. I was kidnapped by the Salvadoran Army in 1983 and I came to the United States after I - - luckily I came alive from the National Police Headquarters in which I was tortured for about three weeks.

I was in El Salvador yesterday. I was in El Salvador when President Funes came to El Mozote to ask for forgiveness to the people of El Mozote. And I was there. I was very happy. I am also a human rights advocate now. Because of my situation as a torture survivor I became a human rights advocate. And I am so happy that now President Funes finally is coming to say something about what happened in El Mozote. Many names saying that they Army did, what the Army did, what the commoners did in El Salvador, telling that indeed in El Mozote village more than 1,000 Salvadorans were killed by the special elite battalion training in the United States. An Atlacatl Battalion came to El Mozote and killed more than 1,000 unarmed peasants, 30 percent of those killed were children under the age of six years old. So finally President Funes came to El Mozote and I am so happy that he finally came and said that indeed the amnesty given to the military is illegal. The amnesty given to the military that says that they were not responsible for the killing, finally President Funes came last Monday and said that no, we should talk about it but we should no longer name heroes those guys who came and killed the peasants in El Mozote. And I am so happy because I believe and I am going to ask the ambassador if there is a way of saying that the policy of the Salvadoran government now is finally addressing those issues and finally stopping

impunity. I am really concerned about that because I believe there is finally the first time that the government is coming and saying something about impunity that has been granted to the Salvadoran military in El Salvador.

AMBASSADOR ALTSCHUL: I think that since President Funes it started this process. As has been said before, this is a process that has taken in Argentina, Chile, 20 something years. But we're starting to move in that direction. First, when President Funes asked for forgiveness publicly for all the crimes that have been committed by the state, he apologized and asked forgiveness for that. Second, when there was a total change in policy at the OAS Human Rights Commission when for the first time the Salvadoran government accepted the responsibility of annunciations that have been put in front of the Inter-American Human Rights Commission. And third, I will say is the step that you mention in which he's saying we can no longer continue name those people in the military that it is known have committed gross violations of human rights and treat them as heroes. We need to redefine, restudy all the history. And I think that is an important point of departure. And the fourth element is what he also announced, and that opportunity that the government, the state is going to begin exploring the ways by which the victims of human rights violations can receive moral and economic reparation. I think these are the first steps. It is not everything but I think as we have been saying before in other areas, we are moving in that direction.

MS. NEGROPONTE: Cindy, you wanted to answer Rafael and then Dr. Bouvier.

MS. ARNSON: I wanted to make a brief comment because I share a lot of the frustration about what you're saying but I think it's probably an unfair characterization of certainly the think tanks, whatever around town that we don't recognize the importance of demand and the role of the United States and the proximity,

you know, the proximity of Mexico, Central America, and the Caribbean to the largest drug market in the world as being a central part of the problem. Where I think -- where we have been frustrated is that there is a complete lack of willingness for political reasons to consider real alternatives beyond, you know, the current policies that are focused on introduction on, you know, suppressing the level -- suppressing production, breaking up trafficking networks, that there's not, you know, any consideration at the political level, certainly at the level of the national government, you know, of alternatives along the lines of the things that are being discussed and frankly were called for just yesterday by the new president of Guatemala, General Otto Perez Molina. So I think that's where there needs to be greater opening. But I think -- I also, just as a matter of fact, there have been significant reductions in demand in this country that have been important. But again, the level -- the responsibility that the United States has for the problem in Central America, in Mexico, in Colombia, Peru, wherever, is enormous and yet the effects, the principal effects are born in the countries where drugs originate or are trafficked. And then among poor populations in this country where consuming populations are concentrated. So we need to do much more on this end. I couldn't agree more.

MS. NEGROPONTE: Ginny Bouvier from the U.S. Institute of Peace.

MS. BOUVIER: Thank you. I'd like to thank you all for your presentations and to congratulate Diana for a very important book, and Brookings also for hosting today's event.

Twenty years gives us a chance to look back and think about what we might learn from the experiences. And I'm wondering, first of all, Diana, if you could talk from some of your interviewing, if you could make any assessments about mistakes that were made or things that might have been done differently or better or if it were to happen again how things might be done in a second round. And that's linked to a

question of what kinds of lessons you all might draw from the experience in El Salvador for other countries such as Colombia, which are still experiencing conflict and looking forward to some sort of peace process down the road. What lessons can we take from El Salvador?

MS. NEGROPONTE: I'll give you just two lessons which come to mind to it. And the first is that leaving the socioeconomic issues to the end of the negotiations and then just focusing on them as a means to reintegrate the Armed Forces and the FMLN fighting men and women into society left a major underlying cause unanswered. And it succeeded in providing a means for the fighting force to enter civilian life but it did not provide a means for the majority of the country to participate actively in an economic worthwhile life.

The second is the artificiality of deadlines. And that is one which the U.S. government contributed to. We were so impatient to reach an end to this war, to rid the U.S. government of this cauldron or quagmire of Central America, that the State Department kept on insisting which agreement, which agreement, this date, that date, and the other. Well, this is father like calling wolf when it became very clear after the first and second time that the FMLN were not going to stop fighting. They were not going to decommission their weapons. They were not going to move to the concentration zones. The calling from Washington for deadlines became vacuous.

So I think the second lesson I will focus on is that you have to have real deadlines, one of which was meeting the constitutional requirements of the Salvadoran government for changing the constitution, and the other was the fact that Perez DeQuaya was to leave office on December 31, 1991, and his successor, a distinguished gentleman from Egypt, knew nothing about this problem, cared very little for this hemisphere. That deadline forced both sides in the final hours to make the necessary concessions. The

broader issue.

MS. ARNSEN: Two things, Ginny, because as you know, I mean, you've written a lot about this and I've thought about it a lot as well.

There are two lessons, particularly for Colombia but I think broader. One of the things that the Salvadoran accords or the negotiation process demonstrated is that intermediate accords can serve to build confidence and can be stepping stones on the path to a broader accord. That's what happened with the San Jose accord over human rights which brought in U.N. observers to observe the implementation and the verification of that accord and contributed to a decrease in the level of violence which served to build confidence on both sides. And the way that I think plays in Colombia is that, you know, should there be an effort not to have sort of a cease fire, you know, broad accord, you know, with the FARC and the ELN, but especially with the FARC over a human rights accord that would involve the release of kidnapped victims and the release of people held by the military, that would just go miles. Now, up until now the FARC has not been willing to do that. But trying to find -- trying to identify some slice, some lesser slice of a global accord that the parties can negotiate I think is important.

The second piece of that is related, which is that making the cease fire a precondition for talks is a very bad sort of precedent. As Diana indicated in the slides, fighting went on during the process of negotiation which began in 19 -- what, 1990? '89, '90? Basically just after the offensive but the first sort of formal talks in 1990 went on for about two years which in the scheme of things, you know, and in retrospect is nothing, you know, compared to say the number of years that the Colombians have been trying to come to a comprehensive accord. But you cannot make the laying down of weapons or the declaration of -- not the laying down of weapons but the declaration of a cease fire a precondition for going into talks. And I think that this is a mistake that the Colombian

government made specifically with the ELN and at a time when the Mexican government was actively serving as an intermediary. And I think it's an ongoing problem. I can understand the sentiment, you know, behind, you know, if you're going to try to build public trust around a peace process you can't have people placing bombs, you know, in military barracks and, you know, continuing to wreak havoc. I understand that mentality but the Salvadoran negotiators understood the cease fire as a product of a mediation, not a precondition. And I think that's one sort of lesson that stands out that's been very important.

MS. NEGROPONTE: Ambassador Altschul.

AMBASSADOR ALTSCHUL: Something perhaps that for me is an important lesson and perhaps is too self-evident is that political settlement and negotiation is always the second best option. The only thing that makes possible negotiation, at least in the case of El Salvador and I think you mentioned to this, is that both sides understood that there was not a possibility of a military victory. Now, the other -- the additional comment to that is that even if a political settlement starts as a second best, it is the best end result.

MS. NEGROPONTE: Well, I want to thank you all very much for coming this afternoon, and I want to thank my fellow panelists for participating in this event. If anybody would like to buy a book I'm ready to sign away, but thank you for coming.

(Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314

Phone (703) 519-7180 Fax (703) 519-7190