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The Bad and the Good in El Salvador

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Barack Obama's Latin American tour concluded yesterday in El Salvador, a shockingly violent country that, [outside of neighboring Honduras](#), has the highest murder rate on earth. The figures are just mind-boggling: Last year, El Salvador suffered [71 killings per 100,000 inhabitants](#), making it far bloodier than Iraq or Afghanistan. Even Venezuela (where crime has soared to [previously unthinkable levels](#)), Guatemala (where grisly drug carnage has been exacerbated by [an influx of Mexican narcos](#)), and Colombia (where the government is still [battling armed guerrillas](#)) have lower homicide rates. (Indeed, Colombia has a *much* lower homicide rate.) As *The Economist* has [observed](#), Salvadorans are being slain in greater numbers today than they were during their ferocious 1980–92 civil war.

The Obama administration is seeking to improve [citizen safety](#) through its [Central America Regional Security Initiative](#) (CARSI), which is essentially an expanded version of a program that originated as part of the 2007 [Mérida Initiative](#). All across Central America's "northern triangle" (El Salvador, Honduras, and Guatemala), Mexican drug-trafficking organizations (DTOs) are wreaking havoc and making nightmarish crime problems even worse. In December, Guatemalan president Álvaro Colom declared a "state of siege" to help combat the harrowing onslaught. It's a classic example of drug-war irony: The relative success achieved by the Mexican government in squeezing and battering its homegrown DTOs has pushed them into smaller, poorer countries with weaker institutions.

In El Salvador, most deadly violence is attributable to brutal youth gangs known as "maras." Many Americans seem to believe these gangs emerged south of the border and then migrated to the United States. In fact, the opposite is true: The maras arose in Los Angeles during the 1980s — a decade that saw hundreds of thousands of Salvadorans enter the United States to escape a raging civil war — and later were exported to Central America through criminal deportation. As journalist Ana Arana has [explained](#) in *Foreign Affairs*, "The roots of the maras' presence in Central America can be traced back to 1992. In the aftermath of the Los Angeles riots, police there determined that most of the looting and violence had been carried out by local gangs." A tough crackdown ensued, followed by large-scale deportations. "As more and more hard-core gang members were expelled from Los Angeles, the Central American maras grew, finding ready recruits among the region's large population of disenfranchised youth."

The economic impact of Salvadoran gang crime is astounding: Several years ago, when the country's

murder rate was substantially lower than it is now (though still fearsomely high), the United Nations Development Program calculated that the costs associated with violence amounted to 11.5 percent of Salvadoran GDP. While the aggregate number of killings dropped by 9.1 percent between 2009 and 2010 — thanks in large measure to a military deployment — it would be premature to say that President Mauricio Funes has made sustainable progress in curbing the bloodshed.

On the other hand, Funes may well be the most popular leader in Latin America, and he amply deserved the praise that Obama gave him. Elected in March 2009, the former television journalist broke the conservative ARENA party's 20-year stranglehold on the executive branch, becoming the first center-left president in modern Salvadoran history. He represents the FMLN, an erstwhile guerrilla outfit that is still littered with far-left radicals, such as Vice President Salvador Sánchez Cerén. Yet concerns that Funes would be steamrolled by FMLN hardliners have proved overblown. Through his embrace of centrist initiatives aimed at fighting poverty and quelling violence, he has boosted support for democracy in a country long wracked by ideological extremism and bitter polarization.

His pragmatism reflects a broader Latin American trend: the ascendance of politically moderate, business-friendly “leftists” who have far more in common with the region's center-right leaders than they do with the likes of Hugo Chávez. Former presidents Lula da Silva (Brazil), Tabaré Vázquez (Uruguay), and Michelle Bachelet (Chile) each had a background in radical left-wing politics — yet each pursued a sensible, market-driven economic agenda and championed free trade. Likewise, in Peru, Alan García has abandoned the Chávez-style populism that spawned hyperinflation during his first presidential term in the 1980s; since returning to the Peruvian presidency in 2006, he has governed as a born-again “neoliberal.” (The World Bank reckons that it is now easier to do business in Peru than in any other Latin American country save Mexico.) Uruguay and Brazil are currently led by former Marxist guerrillas — José Mujica and Dilma Rousseff, respectively — who have maintained the centrist policies they inherited and sought to attract private investment.

During the 1990s, El Salvador moved farther in the direction of economic liberalization than almost any other country in the region. Indeed, the only Latin American and Caribbean nations that rank ahead of it in the 2011 Index of Economic Freedom are Chile and Saint Lucia. El Salvador's score is 15 percent higher than the global average, though it has declined considerably over the past decade — a development for which ARENA, not the FMLN, must accept responsibility. Citing research by former Salvadoran finance minister Manuel Hinds, Cato Institute scholar Juan Carlos Hidalgo has noted that the Salvadoran economy “is probably more than 30 percent larger than indicated by the official data.”

That's encouraging. But unless the government can successfully tackle the maras (“supergangs,” as Arana called them), disrupt their budding alliances with Mexican drug traffickers, and dramatically reduce violent crime, future Salvadoran economic growth will be severely constrained. The country already enjoys a robust security relationship with the United States, and CARSI will make that relationship even stronger. But its civilian institutions — such as the police and the judiciary — remain dangerously fragile and

plagued by corruption. (The army, meanwhile, exhibits “growing professionalism” and has become “one of the most respected institutions in El Salvador,” writes Carlos Rosales, a former cabinet member in two ARENA governments.) Moving forward, Salvadorans would benefit enormously from a sturdier, more effective civilian law-enforcement apparatus. They would also benefit from a serious rethinking of U.S. drug policy — but that, alas, may be too much to hope for.

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