DEMOCRATIZATION AND OTHER CIVIL WAR LEGACIES IN CENTRAL AMERICA

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IN CENTRAL AMERICA*

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ABSTRACT

This paper analyzes the impact of civil war on regime change. It focuses on Central America, a region where several countries underwent transitions to democracy in the wake of civil war during the second half of the twentieth century. It argues that armed conflict, not increasing levels of economic development, led to political change. Violence liquidated stubbornly resilient autocracies in El Salvador and Nicaragua, catalyzed the democratization of Costa Rican politics, and was the backdrop to regime liberalization in Guatemala. Postwar negotiations, at a time when Cold War bipolarity was ending, led to the establishment of more open, civilian regimes on the isthmus. This paper also notes that the transition from autocracy was enormously costly in both lives and economic well-being, which helps to explain why political change has given birth to low-quality democracies or mixed regimes on the isthmus, ones that also have witnessed the explosion of criminal and drug-related violence.

RESUMEN

Este artículo analiza el impacto de la guerra civil sobre el cambio político. Se concentra en Centroamérica, una región donde varios países experimentaron transiciones a la democracia luego de guerras civiles durante la segunda mitad del siglo veinte. Este estudio sostiene que es el conflicto armado, y no los niveles crecientes de desarrollo económico, lo que transforma los sistemas políticos. La violencia liquidó a las dictaduras eternas de El Salvador y Nicaragua, catalizó la democratización de la política costarricense y fue el transfondo de la liberalización del régimen político en Guatemala. Las negociaciones posteriores a las guerras, en un momento en que la bipolaridad de la Guerra Fría estaba terminando, llevaron al establecimiento de regímenes civiles más abiertos en el istmo. Este artículo también nota que la transición desde el autoritarismo fue enormemente costosa tanto en vidas como en bienestar económico, lo que ayuda a explicar por qué el cambio político ha dado origen a democracias de baja calidad o a regímenes mixtos en el istmo, regímenes que no han podido contener la explosión de la violencia criminal y relacionada con el tráfico de drogas.
INTRODUCTION

The final decades of the twentieth century transformed the political landscape of many parts of the world, including Central America. If only Costa Rica was democratic at the start of the Third Wave, every country on the isthmus saw the replacement of military-appointed juntas and executives with elected presidents (and legislators) by the mid-1990s. These outcomes were unexpected. That civil war wracked El Salvador, Guatemala, and Nicaragua during much of the preceding decades suggested that peaceful solutions to conflicts—the hallmark of democratization—were not possible. The region’s descent into violence—one that took the lives of more than 300,000 Central Americans—is testimony to the resiliency of autocracy and marks the region’s violent route to (a much less than perfect) modernity.

This paper investigates the impact of civil war on regime change, a long-standing concern in comparative politics and, more recently, in international relations. To this end, I distinguish between two different, but successive, processes. The first consists of the demolition of reactionary despotism, or of the types of military and personalist governments that made Central America resemble the rest of the third world more than the rest of Latin America. The second is the transition to more open forms of government. Both processes were intertwined, of course. But separating them permits understanding of how war destroyed autocracy but only negotiations led to democratization. And only when rebels won or, better yet, civil war bogged down into a stalemate, did political regimes democratize—that, at least, is the argument I sustain in this paper. I also chart the effects of violence on key dimensions of development to make the argument that armed conflict, while perhaps—and regrettably—the only way to overcome the refusal of oligarchs and officers to share political power, imposed terrible long- as well as short-term costs on their societies.

The first part of this paper analyzes the end of dictatorships in Central America. With the partial exception of Somoza’s Nicaragua, reactionary despotism never really solved the problem of political succession, of the rotation of executive power in a peaceful manner. This weakness created opportunities for reform which, however, rarely allowed liberalization to lead to democratization.

The second part of this paper examines alternative accounts of why (low-quality) democratic regimes replaced dictatorships on the isthmus. It reviews modernization-inspired
accounts to suggest that development levels do not explain regime change. This paper echoes the claim that war liquidated the old order on the isthmus; it argues against concluding that democratization was a function of changing elite interests. I analyze why negotiations led to political systems that allowed the ballot box to select the leaders of executive and legislative office. I then go on to place political outcomes on the isthmus in comparative perspective before identifying the legacies of civil war on economic development, the nature of political regimes, and internal security.

**POLITICAL REGIMES IN TWENTIETH-CENTURY CENTRAL AMERICA**

Figure 1 displays the nature of political systems during the twentieth century. This taxonomy displays regime types, by year, for Central America. The political systems are coded on five dimensions: how competitive their elections are, how extensive voting rights are, whether civil rights are respected, whether national sovereignty exists, and whether civilian authorities exercise control over the military. To be considered a democracy, a regime has to score high on all dimensions; scoring poorly on one dimension only would make a regime an autocracy. A mediocre rating on one or more dimension classifies a regime as semi-democratic. This is an admittedly limited conception of democracy, one that emphasizes procedural norms at the core of liberal democratic thought.

The index displayed in Figure 1 suggests that dictatorship predominated until the 1980s. Dictatorship was the form of government in 72 percent of the country-years in the six countries of Central America between 1900 and 1980. Twenty-two percent of the country-years had semi-democratic governments, that is, political systems that limited political competition, suffrage rights, or civil rights in a significant way. Six percent of the total country-years were democratic, that is, political systems that hold fair and competitive elections, institutionalize widespread suffrage rights, and possess an ample system of civil rights. Democracies existed in Costa Rica.

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and Panama 30 and 10 percent of the time, respectively, during the first eighty years of the twentieth century.

What sort of regimes were there in northern Central America? Enrique Baloyra called them reactionary despotisms. They were despotic because they did not respect the civil rights of their citizens nor allow for the competitive election of their executives or legislators. They were reactionary because dictators or military juntas promoted the low tax, low social spending policies favored by large exporters of coffee and bananas.

In 1980, Hondurans cast ballots for the Constituent Assembly that produced a new constitution, one that has been in effect since 1982. In late 1981, Hondurans elected Roberto Suazo Córdova of the Liberal Party president. Honduras’s political system became semi-democratic in 1982 and remained so until 1996, according to three criteria. First, the government did not always respect the civil rights of its opponents. Although human rights abuses did not

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lead to large-scale assassinations and disappearances comparable to those of 1979, serious criticisms were leveled against the regime.\(^4\) Second, the Honduran military remained independent of civilian control until the 1990s.\(^5\) Third, the blessing of the Honduran armed forces on the anti-Sandinista insurgency known as the Contras, funded by the US Central Intelligence Agency, limited the sovereignty of the elected officials.\(^6\)

We code Nicaragua as an autocracy until 1985 because the revolutionary junta, which saw its conservative members leave in April 1980, and the Sandinista Directorate retained power, despite their willingness to bargain on some issues with the Council of State. With the development of the Contra movement, the junta declared a state of emergency that limited civil rights. It did not convene presidential and legislative elections until 1984, which leading opposition members, egged on by the Reagan administration, boycotted. The elections, judged as fair by international observers, and the promulgation of the constitution were a political opening that makes Nicaragua’s political system semi-democratic in 1985.\(^7\) After the 1990 elections, the political system became democratic. Both the Sandinistas and the Contras recognized the results of the 1990 election, which was won by Violeta Barrios de Chamorro, the widow of Pedro Joaquín Chamorro, the editor of *La Prensa* who had been assassinated in 1981. In the following years, each side demobilized its war machine, and the 100,000-person Sandinista army gradually lost influence over the government.\(^8\)

The Guatemalan political system underwent a transition from brutal authoritarian rule in 1985. While routing the Guatemalan National Revolutionary Unity group (Unidad Revolucionaria Nacional Guatemalteca, URNG), the military held elections for a Constituent Assembly, which produced a new constitution in 1984. Later that year, Guatemalans turned out to vote and delivered a victory for Vinicio Cerezo, the presidential candidate of the Guatemalan


Christian Democrats (Democracia Cristiana Guatemalteca, DCG), giving his party a majority of seats in the congress. This country’s political system remained semi-democratic throughout the rest of the 1980s and 1990s. Failure to end civil rights violations continued until the 1990s. The military’s independence from civilian authority limited democratization.⁹

The political system of El Salvador went through a more gradual and controlled transition from repressive military rule, which started when Salvadorans cast ballots for a Constituent Assembly in 1982, though only for parties of the center and the right. Despite presidential elections in 1984 and 1989, continuing human rights violations and the lack of civilian supremacy over the military limited political reform.¹⁰ It was not until the signing of the peace accords in 1992 that the Salvadoran political system became semi-democratic. The country’s political system democratized in 1994, when presidential elections included candidates from the left and the right, and which the Nationalist Republican Alliance (Alianza Republicana Nacionalista, ARENA) won.

The regime opening of the early 1980s in Panama came to an abrupt halt in 1981, when General Omar Torrijos, the Commander of the National Guard, died in a mysterious plane crash. His death triggered a power struggle within the Guard, which was gradually won by General Noriega. In 1984, Noriega’s candidate for the presidency, Nicolás Ardito Barletta, won in a fraudulent vote. Noriega deposed him a year later and allowed Barletta’s vice-president, Eric Arturo Delvalle, to become president. Following another fraudulent election in 1989, the United States overthrew Noriega. Guillermo Endara, the candidate who allegedly won the 1989 election, was sworn in as president, a post he held until 1994. The National Guard was disbanded and the security forces rebuilt in the wake of the US invasion.¹¹ Panama is coded as a semi-democracy during the US occupation. Its political system becomes democratic with the election of Ernesto Pérez Balladares to the presidency in 1994.

EXPLAINING REGIME CHANGE

Why did the equilibrium upholding reactionary despotism change? Why did its destruction lead to transitions to democracy? The following subsections examine alternative responses to these questions.

Modernization Theory

Levels of economic development do not explain political changes on the isthmus, as modernization theory would have it. Using a database of 135 countries between 1950 and 1990, Adam Przeworski and colleagues suggest that none of the region’s countries, including Costa Rica, had met thresholds of economic development for democracy between 1950 and 1990. Yet most regimes began to liberalize in the 1980s, and politicians in Costa Rica reformed their democratic system in the 1950s. The decades during which autocrats relinquished control of their political systems were also those when GDP per capita fell everywhere, in some places dropping significantly.

Even exclusively regional comparisons underscore the limited utility of the modernization thesis. Although Panama has had an economic development level similar to Costa Rica’s, its political system was one of the last to democratize in the region. Moreover, data on GDP per capita in Figure 2 indicate that development dipped as a result of the civil wars of the early 1980s. In two countries—El Salvador and Guatemala—levels of economic development did not recover their mid-1970s rate until the late 1990s. Honduras’s GDP per capita levels have stagnated and Nicaragua’s took a dramatic turn for the worse during the 1980s. Yet most of these countries made a transition from authoritarian rule during this period.

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Elite Interests

Some argue that structural change in upper-class interests undermined reactionary despotism.\textsuperscript{13} Elites went from making profits by planting and exporting coffee—or investments in fixed assets—to generating income in commerce and finance—or investing in movable assets. This is a core insight that Carles Boix later developed into the finding that democracy is more likely to exist when wealth is less fixed or specific.\textsuperscript{14} It is an argument consistent with the model of reactionary despotism I have sketched elsewhere, one that emphasizes how coffee exporters prevented public officials from widening the beneficiaries of regime policies.\textsuperscript{15}

Some evidence exists for this claim. The cross-national statistical relationship between economic development and the existence of democracy implies that something like changing

\textsuperscript{13} Paige, \textit{Coffee and Power}.
\textsuperscript{14} See footnote 2.
elite interests could be the mechanism that leads from increasing GDP per capita rates to more democracy. Note that Przeworski’s version of modernization theory recognizes that democracies survive longer at higher rates of development. Boix’s study is, in fact, the most ambitious effort to date to test the elite diversification hypothesis statistically, one that involves using a database of all independent countries between 1850 and 1990.

This claim, however, runs into two obstacles. First, structural change in upper-class interests was neither a necessary nor a sufficient condition for democratization, even if asset mobility facilitates democratization. On the one hand, the Costa Rican political system democratized while the elite’s interests remained concentrated in coffee and coffee exporting, even if landownership may have been more widespread in Costa Rica than in the other Central American republics. A democratically elected government replaced a military dictatorship in Guatemala, even though the landed elite preserved its privileges. On the other hand, the Panamanian elite had invested heavily in commerce and finance, which did not stabilize electoral competition nor prevent the consolidation of a robust dictatorship by 1968.

Second, this claim misreads the sequencing of economic and political change in Central America during the 1980s. Democratization did occur in countries where the coffee oligarchy diversified its investments. A tightly knit elite in El Salvador did shift from investments in agriculture to agro-industry and more mobile investments in commerce and finance during the 1980s and 1990s. These transformations, however, followed rather than preceded armed struggle.

Civil War

It was war that liquidated the old order in Central America. It was civil war that drove the oligarchy from the countryside, an outcome that was the product of what Elisabeth Wood calls an “insurgent route to democracy,” or one in which revolutionaries and popular movements forced a dictatorship to change. Agrarian reform, the occupation of rural estates, and the

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18 Wood, Forging Democracy from Below.
disruption caused by war led the elite to diversify its investments, which may have lessened its preference for authoritarianism.

Armed conflict was itself the result of the failure of reactionary despotism to reform itself. By the 1970s, regimes had hardened in response to openings in prior years. Central Americans had repeatedly gone to the streets and participated in often rigged elections to change dictatorship peacefully.\(^{19}\) In El Salvador, for example, manipulation of the vote tally prevented the opposition Christian Democratic Party (Partido Demócrata Cristiano, PDC) from winning the 1972 elections, thus ending a decade of political liberalization.\(^{20}\) In Guatemala, the 1954 overthrow of President Jacobo Arbenz—with CIA sponsorship—led to the return of hardline governments and, by the early 1960s, the development of a long-term insurgency. In Nicaragua, the assassination of Anastasio Somoza in 1956 was followed by a long period of stable autocratic rule led by his sons, Luis (1956–67) and Anastasio (1967–79). By co-opting opposition politicians and exterminating most Sandinista guerrillas, Somoza established the region’s most stable dictatorship.

It was the weaknesses of these regimes—that their chronic inability to fashion rules of political succession—that furnished openings for reformers, street protesters, and guerrillas to contest tyranny. The Sandinistas exploited a crisis of succession, one triggered by Somoza’s August 1977 heart attack, to isolate the regime from its upper-class allies, who had become increasingly disenchanted with the dictator since the regime’s appropriation of the lion’s share of international aid for the victims of the 1972 earthquake that leveled Managua. US withdrawal of support, as signaled by the Carter administration’s human rights policy, ended the regime’s invulnerability. A bloody civil war forced Somoza to flee in July 1979.

A mid-October 1979 coup in El Salvador provided younger officers and opposition reformers with an opportunity to halt the descent into violence. By early 1980, oligarchs reasserted their authority, as conservative officers increased the slaughter of civilian protesters, all of which the United States implicitly sanctioned. After falling to fifty deaths in January, the monthly death rate climbed until mid-year, despite the dramatic fall in social protests between

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\(^{19}\) In what follows, I offer only a partial list of largely peaceful attempts to rid the isthmus of dictatorship. For more analysis, see my “Does Nonviolence Work?” *Comparative Politics*, forthcoming. In this review essay, I take issue with the recent claim that nonviolence is a more effective way to change political systems than violence.\(^{19}\)

February and April. Officially sponsored violence produced around 150 deaths every month until September, when it more than doubled up to and including December.\textsuperscript{21} As the reactionary coalition wrecked the centrist compromise, opposition to the regime shifted to the countryside, where guerrillas of the Farabundo Martí National Liberation Front (Frente Farabundo Martí para la Liberación Nacional, FMLN) fought the government to a standstill.

A comparison with Guatemala helps to explain why only armed conflict could abolish the older order. Unlike their counterparts in El Salvador, the Guatemalan generals remained united around a strategy of repression. There was no reformist coup, no attempt by regime and opposition moderates to bridge the polarization of society. The generals defiantly ignored suggestions to liberalize their rule. In 1977, they rejected military support from the United States in response to the Carter administration’s critical appraisal of human rights in Guatemala, issued the year before, and the US Congress later suspended military aid to the country.

Like the Nicaraguan National Guard, the Guatemalan army dramatically escalated its attacks on the opposition. It developed a master plan for identifying urban guerrillas, which helped it turn the tide against both the armed left and urban-based political protest. From a high of close to seventy demonstrations in 1978, protesters organized less than half as many marches in 1979. Within two years, strikes and marches disappeared from urban Guatemala.\textsuperscript{22} On the other hand, armed groups stepped up their attacks on the state as urban collective action withered under the unrelenting military assault. The number of armed attacks by the left went from 119 in 1979 to more than 500 in 1980. One year later, they almost doubled to 932 and kept increasing in 1982.\textsuperscript{23}

The Guatemalan state became even more brutal after the 1982 general elections. Weeks after the March election, General Ríos Montt overthrew President Lucas García, preventing General Ángel Aníbal Guevara Rodríguez’s accession to power in what the uprising’s leaders called a fraudulent ballot. On assuming high office, Ríos Montt led a rejuvenated counterinsurgency campaign against the armed left, their rural supporters, and innocent civilians. During the next two years, the army routed the guerrillas in a campaign notable for its ferocity.

\textsuperscript{21} Charles D. Brockett, \textit{Political Movements and Violence in Central America} (New York: Cambridge University Press, 2005), 300.

\textsuperscript{22} Brockett, \textit{Political Movements}, 176.

\textsuperscript{23} Carlos Figueroa Ibarra, \textit{El recurso del miedo: Ensayo sobre el estado y el terror en Guatemala} (San José, Costa Rica: Programa Centroamericano de Investigaciones, 1991), 143.
Before it was over, the Guatemalan army had killed an estimated 150,000, razed and relocated 626 predominately Mayan villages, raped thousands of women, and sent more than 1 million Guatemalans into hiding in neighboring Mexico or in other parts of the country.\textsuperscript{24}

Economic crisis, I want to add, did not cause political conflict. Although some social indicators took a turn for the worse in several countries during the 1970s and everywhere in the 1980s, they were still better than in prior decades, when the region remained largely quiescent. As it turns out, violent conflict preceded the decline in economic growth—a situation that became much worse in 1979, when the price for the region’s exports dropped precipitously, although the dramatic fall in growth and incomes, once underway, no doubt intensified political struggle.\textsuperscript{25}

Several decades earlier, civil war was also a watershed in Costa Rican politics, though one that was the culmination of decades of struggle between presidents and their opponents and that propelled the shift from semi- to full democracy. Although the 1871 constitution (the predecessor of the current constitution, dating from 1949) empowered congress to certify election results, it was the president who was responsible for assembling the electoral registry, for organizing and naming most officials at polling stations, and for tallying the vote—which encouraged the president to pack the legislature with his supporters to minimize opposition checks on the abuse of his powers. Marginalizing the opposition within congress, however, led to rebellion against standing presidents. So, even if three incumbents imposed their successors on the presidency between 1882 and 1949, their efforts provoked twenty-six insurrections, three of which installed a new incumbent in the presidency. Presidents who governed with plural legislatures finished their terms and stepped down after their four-year term was over avoided being topped and, after waiting another four years (because consecutive reelection was not possible), managed to be reelected to high office.

The 1948 elections, the triggering event of the civil war of that year, were the culmination of nearly a decade of struggle between an ambitious president and his often strident opponents. Political competition began to polarize once President Rafael Angel Calderón Guardia (1940–44) of the National Republican Party (Partido Republicano Nacional, PRN) deployed the presidential powers to exclude his opponents from the political system. The


\textsuperscript{25} Lehoucq, \textit{Politics of Modern Central America}, 32–36.
election of Teodoro Picado to the presidency in 1944 was widely perceived as a product of his predecessor’s machinations, even if analysis reveals that officially sponsored fraud was not the reason the opposition lost these elections.\textsuperscript{26} Equally destabilizing was the marginalization of the opposition in congress: Between 1940 and 1944, the PRN and the People’s Vanguard Party (Partido Vanguardia Popular, PVP held approximately three-fourths of all legislative seats. By upsetting the delicate balance of power responsible for maintaining political stability, President Calderón Guardia provoked the formation of groups dedicated to using force to capture state power.

Although armed conflict eliminated the old order in El Salvador, Nicaragua, and even in Costa Rica, it had no such role in shaping the transitions on the rest of the isthmus. There was no civil war in Honduras, and yet the Honduran military negotiated its retreat from power. There was no internal war in Panama, even if the effects of the 1989 US invasion of Panama to overthrow General Antonio Manuel Noriega were similar. The intervention demolished the political system created in the aftermath of the 1968 coup led by Omar Torrijos. Even in Guatemala, it would be misleading to argue that war ended the old order. Opposition to reactionary despotism was crushed, even if the bloody conflict may have put pressure on the Guatemalan government to reform the political system. Moreover, armed conflict played a more limited role in defining the postwar settlements. It was negotiations that determined that new governments had to be elected.

\textbf{Negotiations}

At the core of a strategic perspective on democratization is the notion of compromise, as analysts from Dankwart Rustow to Przeworski suggest.\textsuperscript{27} Democratization is only possible when incumbents and opposition movements can fix upon a bundle of institutions that lets the ballot box select the occupants of executive and legislative power. The exact nature of this solution, of the institutional design of the new democracy, is open for bargaining among those whose consent is necessary for democratization to occur. An electoral resolution of conflicts requires extensive

\textsuperscript{26} Fabrice Lehoucq and Iván Molina, \textit{Stuffing the Ballot Box: Fraud, Electoral Reform, and Democratization in Costa Rica} (New York: Cambridge University Press, 2002), 190.

negotiations, not least because the benefits of compromise typically become evident with time. So, if this perspective is useful, incumbents and opposition movements will find a mix of institutions to protect their core interests before they effect a transition to democracy.

Negotiations involved both domestic interests and those of the United States. For decades, the United States had helped to prop up autocracy in the region. But its failure to prevent an insurrection from becoming a social revolution in Nicaragua illustrates the limits of its power, even as its decision to prevent a replay in El Salvador reveals how Cold War dynamics turned it back into the guarantor of the old order. Settling conflicts in Central America required negotiating with the United States, whose priorities shifted during the 1980s as the Cold War drew to a close.

Nicaragua: Nicaraguans would spend much of the 1980s struggling to define the nature of the post-revolutionary regime. The Sandinista National Liberation Front (Frente Sandinista de Liberación Nacional, FSLN claimed that it was establishing a genuine democracy, one that respected private property and the freedom of the press and allowed the opposition to play a role in policymaking. Businessmen and non-Marxist politicians, in contrast, argued that the FSLN was creating a one-party regime, one based upon control of the armed forces and large swaths of the economy. The two leading moderates on the five-person revolutionary junta—Violeta Barrios de Chamorro and Alfonso Robelo—resigned their positions in April 1980. They protested the lack of an electoral timetable.

Ronald Reagan’s election in 1980 upset the delicate balance of power in Managua. Reagan’s foreign policy team consisted of cold warriors who read the fall of American allies in Iran and Nicaragua as losses in the United States’ struggle with the Soviet Union. On assuming office in January 1981, they turned against the Sandinistas. They supported right-wing regimes in the rest of Central America. The rise of US foreign policy hardliners strengthened the hand of FSLN hardliners, especially as the Reagan administration began covert support for the former members of Somoza’s National Guard assembling in neighboring Honduras and plotting a return to power.²⁸

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The 1984 elections did not bridge these political divides. It made little difference that the Sandinistas had lifted the state of siege months before the election and opened competition to all parties renouncing violence to capture the state. Although many parties did register their candidates for the presidential and legislative races, leading opposition candidates either boycotted the elections or were barred from competing because they had joined either the northern or southern fronts of the counter-revolutionary struggle. So, even though the election was judged honest by international observers, Washington ignored the election won by Daniel Ortega, the FSLN’s candidate, with 67 percent of the vote.29

Elections won by the Sandinistas only fueled a war that was wrecking what was left of the Nicaraguan economy—and would encourage the FSLN to negotiate with the United States and the Contras. The US-sponsored Contra War, along with the Frente’s misguided economic policies, had led to a substantial decline in exports (by 1989 they were slightly more than half of what they were in 1979) and an inflation rate in excess of 43,000 percent by 1988. This translated into a decline of GDP per capita of close to a third with respect to 1980.30 The destruction of the 1980s simply added to the costs of the war against Somoza, which itself had led to a fall of close to a third of GDP per capita from the economy’s all time high rate in 1975. Most disastrously, the Contra War led to the killing of an estimated additional 62,000 Nicaraguans; the war against Somoza had produced 30,000 deaths.

The other reason that led the Contras, the domestic opposition to the Sandinistas, and the FSLN to bargain was the effective end of US support for the Contras. The sale of weapons to Iran (in exchange for the release of American hostages in Tehran), whose profits were turned over to the Contras—the Iran-Contra Scandal—deprived the Reagan administration of support for the Contras on Capitol Hill. By February 1988, the Democratic majority in the US Congress defeated Reagan’s latest effort to fund the Contras. The election of President George H. W. Bush in November 1988 changed Washington’s interest in the Contra War. Gone were officials such as Elliot Abrams, who, along with thirteen other Regan administration appointees, was prosecuted for lying under oath to Congress about the Reagan covert war in Nicaragua. The new administration expressed that it wanted to deemphasize the role Nicaragua and Central America

occupied in American foreign policy, a trend that accelerated with the rapprochement between the United States and the USSR by the end of the 1980s.

The FSLN latched onto Costa Rican President Oscar Arias’s peace proposal, launched in the Guatemalan city of Esquipulas in December 1987. Arias’s peace plan was a comprehensive effort to reduce the size of region’s armed forces and incorporate insurgents into formal political life. It appealed to the Sandinistas because it would force Honduras to close down Contra military bases on its territory. Ending the war, the FSLN reasoned, would not only eliminate the Contras but would also generate a peace dividend that would allow the Sandinistas to resume building a new society in Nicaragua. Not negotiating with the Contras might reactivate the alliance between conservative Democrats and Republicans on Capitol Hill; it was the support of these Democrats that had allowed the congressional Republicans—then a minority in the House of Representatives—to fashion enough votes to pursue their Cold War policies toward Central America. So, over the next eighteen months, the Sandinistas agreed to electoral reforms in exchange for a cease-fire and eventual disarmament of the Contras.

The 1990 elections were an enormous gamble for the government and the opposition. Although each side accepted—at least in theory—the possibility of defeat, each concentrated on the ideal outcome: victory and its rival’s acceptance of its triumph. It was the enormity of this payoff that led the Sandinistas, the Contras, and the domestic political opposition to negotiate, over many months, numerous electoral reforms and agreements. For the Frente, few of these decisions were uncontroversial. The hardliners feared these concessions gave up too much—the possibility of losing control of the state—for the sake of a peace they might win on the battlefield, anyway. Each concession, the more moderate Sandinistas like the Ortega brothers reasoned, made it harder for Washington to ignore a Sandinista victory that would have President Carter’s seal of approval.31

The Sandinistas had an additional reason for submitting their state control to internationally supervised elections. Simply put, they expected to win on February 25. Most polls showed that Daniel Ortega, the FSLN’s presidential candidate, was ahead of Violeta Barrios de Chamorro, the presidential candidate of a coalition of opposition parties known as the Nicaraguan Opposition Union (Unión Nacional Opositora, UNO). Pre-election surveys revealed

31 Stephen Kinzer, Blood of Brothers: Life and War in Nicaragua (Boston, MA: David Rockefeller Center for Latin American Studies, 2007), 349–53.
that most gave Ortega a comfortable lead over his opponent for much of the campaign.\textsuperscript{32} The Sandinistas therefore had good reason to believe that the 1990 elections would replay the 1984 elections, in which a grateful people would reward the Sandinistas for the revolution and standing up to the United States. If the Sandinistas had not believed they could win, a simple thought experiment indicates they would not have agreed to hold an election, an argument that leading members of the Nicaraguan opposition also understood. “It was fortunate for us,” wrote UNO candidate doña Violeta Barrios de Chamorro, that the opinion polls “created an illusion that the Sandinistas would win with 75 percent of the vote because they would never have risked their power if they had thought they would lose.”\textsuperscript{33}

For the Frente’s opponents, each compromise made it more difficult for the Sandinistas to reject the results of the 1990 elections. The Sandinistas had little to lose by participating in elections. Abstaining would continue their political marginalization; continuing the war would, at best, extract concessions from the Sandinistas but not lead to their defeat. Campaigning for executive and legislative offices would allow the opposition unfettered access to Nicaraguans. More importantly, participating in the election held out the possibility of winning. “The people of Nicaragua,” doña Violeta wrote in her autobiography,

\begin{quote}
would not forget who had plunged us into a civil war that lasted a decade, killed so many of our sons and daughters, and lowered the country to a level of such severe economic decay that we might never be able to emerge from it…. Who could thank the Sandinistas for that?
\end{quote}

In an election with an 87 percent turnout rate, doña Violeta trounced the Frente by almost fifteen points (54.7 vs. 40.8 percent of the vote, with 4.4 percent cast for other candidates). Far from rewarding the FSLN for standing up to the United States, Nicaraguans punished the Sandinistas for waging war and devastating the economy.\textsuperscript{34} By early morning on February 16, Ortega conceded victory while the Carter delegation and other international observers worked behind the scenes to ensure a smooth, if wrenching, transition of power.


El Salvador: The effort to fashion a centrist compromise—and thus a democratic transition—in the aftermath of the 1979 coup failed as the reformist junta could not stop the army from slaughtering civilian opponents. By early 1980, the junta (and cabinet) shifted to the right with the departure of its reformers, often to join the Democratic Revolutionary Front (Frente Democrático Revolucionario, FDR), the social democratic civilian exile group that later allied with the FMLN. With US complicity, the alliance between the military and oligarchs reasserted itself.35

But the reactionary coalition did not succeed in reestablishing its hegemony, even though it helped to wreck a reformist experiment. Even the Reagan administration pushed reform as part of a broader counterinsurgency campaign—and to obtain approval for its initiatives from a Democratic-controlled Congress. The administration, much to its ideological dislike, strongly armed the junta into implementing an agrarian reform. It also called for elections for a Constituent Assembly in 1982, one that returned split results between the PDC, ARENA (the anti-communist party of law and order and of the economic elite), and the Party of National Conciliation (Partido de Conciliación Nacional, PCN the long-standing party of the military). Although civilians now participated in the executive and legislative branches of government, the military was responsible for the largest share of public spending and it, along with the United States, was responsible for the war against the FMLN. Even with a new constitution, promulgated in December 1983, the armed forces remained independent of civilian oversight.36

The armed forces, however, were not winning the war. By the mid-1980s, half a billion dollars in US aid had begun to professionalize a military ill-equipped to fight a long-term war against a well-organized insurgency. US advisors retrained entire battalions. The Salvadoran army obtained sophisticated helicopters and other hardware to wage a counterinsurgency war. The military went from having 7,250 soldiers in 1980 to 51,150 by 1985.37 In response, the


36 Williams and Walter, Militarization and Demilitarization in El Salvador’s Transition.

FMLN shifted from deploying large units of guerrillas to battle the army, which the military’s superior technology had begun to detect and destroy. It developed many small units of no more than a half a dozen guerrillas to destroy infrastructure, ambush army units, and maintain a presence throughout as much as the national territory as possible. By 1987, one estimate indicated that the FMLN fielded approximately 6,000 combatants, an almost 50 percent decrease from the 12,000 it had in the early 1980s.\textsuperscript{38}

The military stalemate provided opportunities for a compromise, which centrists from the right and left explored. In a speech before the UN General Assembly in early October that caught the Reagan administration by surprise, President José Napoleón Duarte, who had beaten Roberto D’Aubuisson, 54 to 46 percent in a May 1984 runoff election, called for peace talks with the FDR-FMLN to be held a week later, on the fifth anniversary of the 1979 coup. It was a bold move, especially since the FDR-FMLN had repeatedly called for negotiations to end the war. The rebel alliance had, in fact, called for a “Provisional Government of Broad Participation” in late January, a proposal it had sent Duarte in mid-May. The FMLN accepted Duarte’s offer, and both sides agreed to meet in the town of La Palma (in the Department of Chalatenango) under benefit of a temporary cease-fire.\textsuperscript{39}

There was a huge constituency for peace in El Salvador, which explains why Duarte broke with precedent to meet with the FDR and the FMLN. The war was more than a half a decade old and already had claimed most of the estimated 75,000 Salvadorans killed during the armed conflict (largely by the military and right-wing hit squads). Polls conducted by the Jesuit-run University of Central America in San Salvador revealed that a majority of Salvadorans wanted an end to the war.\textsuperscript{40} FDR politicians, many of whom had left the governing junta because the military would not stop killing civilians, and the FMLN recognized the widespread clamor for peace. Both had an additional incentive for ending the conflict: brokering an end to the war promised an electoral dividend to whomever the voters believed was responsible for peace. It

was a message that infuriated and intrigued ARENA, alarmed the military, and surprised the United States.

A political equilibrium in favor of the war’s continuation was the paradoxical result of Duarte’s initiatives. Neither the La Palma nor meetings held later that year turned into substantive peace talks. The military, ARENA, and the United States demanded that the FDR-FMLN surrender its weapons and join what the governing coalition called the country’s “democratic process.” The FDR-FMLN insisted that both sides form a transitional government to guarantee the life and safety of its members and to plan a democratic opening. Regardless of Duarte’s real intentions, there was little the PDC could do on its own, although it won a majority in the 1985 legislative elections. The military had no interest in peace. It was the recipient of more than half a billion dollars of military aid from the United States and the war also provided it with impunity. The economic interests behind ARENA—which continued to finance death squads and plot with dissident officers to limit Duarte’s power—also opposed talks because they did not want a settlement that involved relinquishing their substantial economic and political power.

That neither side was close to winning softened the preferences of some on the right and left. The newly elected president of El Salvador, Alfredo Cristiani of ARENA (who had won the 1989 presidential election with 53.8 percent of the vote) favored peace talks but could not say so publicly because of widespread opposition within his party and the military. The failure of the FMLN’s final offensive in late 1989, one whereby the army held its ground but the guerrillas fought their way into the capital (into the wealthy neighborhoods of the north), and the slaughter of six Jesuit priests (and their housekeeper and her daughter) on the campus of the University of Central America fueled the search for a compromise in Washington and San Salvador. Under the auspices of the Arias Peace Plan, President Cristiani sent intermediaries to meet with a delegation of FMLN leaders. Between April 1990 and January 1992, government and FMLN representatives met twenty times to bridge the chasm separating them on issues ranging from wealth and income distribution to the nature of transitional authority.41

Three additional trends created a balance of power favorable for peace talks. First, the rapprochement between the United States and the Soviet Union led the newly inaugurated Bush administration to talk with the armed left. No longer was it necessary that the guerrillas unilaterally disarm, a precondition that had worked to the military’s advantage. Second, the oligarchy’s interests had changed. The civil war, along with a partially implemented agrarian reform, had pushed many landowners out of the countryside. Members of the elite began to conclude that business would improve with an end to the war. Third, the right realized that it could organize a successful political party. ARENA’s law-and-order approach to the war, its anti-communist rhetoric, and its free-market policies appealed to important segments of the electorate. Although ARENA lost the 1985 election to the centrist PDC, it won the elections four years later, a triumph helped by D’Aubuisson’s decision to step aside in favor of candidates less linked to death-squads such as Cristiani.

Intensive bargaining under the auspices of the United Nations gradually convinced both sides to negotiate a transition to democracy. At first, both sides agreed on procedures to guide their talks. They then shifted to identifying a timetable for considering the underlying disputes and the steps to implement agreements. In his detailed reconstruction of the peace negotiations, Salvador Samayoa, an FMLN negotiator, credits the UN with playing a vital role. It not only facilitated the dialogue and proposed solutions to protect each side’s core interests but also became the guarantor of the peace process.Deploying hundreds of observers in the country to monitor compliance with the agreement, it resolved the FMLN’s long-standing objection to the government’s demand that it unilaterally disarm. After months of negotiations, the insurgents dropped their demand to become part of a transitional government because the Cristiani government agreed to empower the United Nations Observer Mission for El Salvador (Observadores de las Naciones Unidas en El Salvador, ONUSAL) to verify that the military stayed in its barracks and human rights were respected. It was temporary a encroachment on national sovereignty that met the FMLN’s demands, that the government could accept, and that set the agenda for subsequent peace settlements across the globe.

The FMLN and the government of El Salvador signed a peace agreement on January 16, 1992. If the Salvadoran people were the beneficiaries of the accord, the military was the biggest loser. Although the FMLN lost their 6,000-person army, they gained the legal right to organize a

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42 Samayoa, *El Salvador.*
political party and field candidates in the 1994 elections. Although ARENA and the right were forced to respect the armed left’s exercise of democratic rights, they gained the FMLN’s admission of respect for private property and a market economy. The military was forced to halve its size and dismantle several police agencies and the rural National Guard. The agreement called for establishing a new, professional National Civilian Police outside of the Ministry of Defense and a new State Intelligence Office reporting to the president and the assembly.

**Guatemala, Honduras, and Panama:** By the mid-1980s, the military had routed the armed left in Guatemala, although guerrillas remained active in certain parts of the country and in international forums. There were no guerrillas in Honduras and Panama. Analyzing these experiences demonstrates why civil war is the factor that best explains why transitions were different in Guatemala and Honduras from those in El Salvador and Nicaragua (as well as Costa Rica and Panama)—and raises the question of why the military decided to extricate itself from the political arena.

Severe economic problems and a wish to avoid factional instability prompted military factions in Guatemala to reform their political system. First, an economy debilitated by capital flight, international isolation, and massive corruption led the military to reach agreements with the Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (Comité de Asociaciones Agrícolas, Comerciales, Industriales y Financieras, CACIF), businesses’ peak association. CACIF repeatedly rejected tax and other economic reforms proposed by the generals, especially when standby agreements negotiated with the International Monetary Fund (IMF) required increasing tax revenues. After Ríos Montt was overthrown and replaced by his defense minister, General Óscar Humberto Mejía Victores in early August 1983, the new government conferred with CACIF. Conversations between the generals and CACIF led to special protections for private property, many of which were inserted into the 1984 constitution, including libertarian principles empowering the Constitutional Court to rule that levying many taxes was a violation of property.

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Second, enough armed forces sectors wished to end the factionalism of the officer corps. Defections by junior officers had ignited the insurgency in the early 1960s and, just when the guerrillas were at their strongest, had weakened the state in the late 1970s. Although neither a revenue-poor state nor factionalism forced the military’s withdrawal from politics, regime liberalization could focus the military’s attention on finishing off the guerrillas. These are the reasons that prompted General Héctor Alejandro Gramajo Morales, the country’s defense minister between 1987 and 1990 (during President Vinicio Cerezo’s civilian government, 1986–91), to declare that “keeping a military man in the presidency made the war against the communist insurgency more difficult to conduct.” In interviews with Jennifer Schirmer, General Gramajo made much of the fact that the military had evacuated all civilian institutions without ceding its autonomy to conduct the counterinsurgency as it liked.45 Allowing voters to select the president and members of congress, therefore, did not threaten military or the elite’s prerogatives.

The absence of left-wing insurgents also colored the transition from authoritarian rule in Honduras. After approximately two decades in power, key military factions began to liberalize the regime in 1979 as a way to overcome the factionalism wreaking havoc with institutional discipline. Executive instability was a chronic problem in Honduras; it was the Central American country that experienced the largest number of coups—thirteen—between 1900 and 1980.46 The overthrow of three incumbents in the 1970s—one in 1972, a second in 1975, and the third in 1978—led to forming clearer rules governing presidential succession. In 1975, the military created the Superior Council of the Armed Forces (Consejo Superior de las Fuerzas Armadas, CONSUFFAA), consisting of forty-five top-ranking officers, to reach agreement on key matters before disputes over policy, perks, and promotions split the armed forces. Henceforth, CONSUFFAA would select the armed forces chief and set policy for the military.47

The military, encouraged by the Carter administration, began meeting with civilians by 1979, especially its allies in the Conservative Party, to safeguard the military’s prerogatives and plan a return of civilian government. In April 1980, elections for a Constituent Assembly

unexpectedly returned a majority for the Liberal Party, which won thirty-five of the convention’s seventy-one seats. Talks between the military and the parties led the Liberal and National Party candidates to accept a military veto over cabinet appointments, the military’s primacy in security affairs, and an agreement not to investigate charges of military corruption. In November of the following year, the Liberals won the presidency with 53.9 percent of the vote and obtained forty-four of eighty-two seats in the assembly. In January 1982, the Assembly produced a new constitution, which made the military responsible for maintaining public order. From a list of candidates submitted by the Superior Council of the Armed Forces, the National Congress would select Chief of the Armed Forces. General Policarpo Paz García remained chief of staff.

Panama’s political system was the last one to liberalize, and, like Honduras, it did not witness a guerrilla movement. Although protesters took to the streets of Honduran cities, it was the functional equivalent of an insurgent victory—the 1989 US invasion—that ended the Noriega dictatorship in 1989. Opposition to Noriega and the façade presidency of Delvalle in Panama escalated in 1987 with the formation of the Civic Crusade, an umbrella organization of 200 civic and professional groups. It organized almost daily street protests, which the regime repressed, often bloodily. The Civic Crusade contested the 1989 elections, for which exit polls showed that its candidate, Guillermo Endara, had won by 55.1 percent to 39.5 percent for Noriega’s candidate, Carlos Alberto Duque. On May 9, the government released figures declaring that Duque had won the election with 71.2 percent of the vote, which its own electoral tribunal annulled a day later. Within a week, the government’s bloody crackdown on opposition marches led the Organization of American States to adopt a resolution condemning the regime for its actions. By the end of August, the Noriega-controlled Council of State closed the National Assembly, made Francisco Rodríguez, a former attorney general, provisional president, and announced that it would hold new elections within six months.

The 1989 US invasion surprised the Panamanians and the world. Although the United States was no doubt forewarned about a failed attempt to topple Noriega by 200 Panamanian troops in October, no one expected US forces to become actively involved in replacing Noriega. On December 20, the National Assembly had made Noriega the de jure head of state by adorning

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him with the title of Maximum Leader. Inexplicably, the assembly declared the republic to be in a state of war with the United States. Five days later, US marines had occupied key military installations in Panama, disarmed the Panamanian Defense Forces, and captured Noriega. The general ended up in the Vatican’s diplomatic compound, where he remained until turning himself over to the United States. In the meantime, Endara, who had won the 1989 presidential election, was sworn in as president on a US warship.

*Costa Rica:* Standard comparisons among Central American countries emphasize the violence and transition from authoritarian rule in every country—except Costa Rica. The country did remain peaceful during the 1980s, even as its economy slumped in the early 1980s and it became a large recipient of US foreign aid, allowing it to minimize the effects of economic austerity. Yet, it would be inaccurate not to mention that the democratization of Costa Rica’s political system was also a result of insurgents forcing incumbents to negotiate an end to war and instability in 1948. Like the other civil wars on the isthmus, the 1948 civil war transformed politics in Costa Rica, even if the war lasted only two months and cost fewer than 2,000 lives.

The war was the culmination of decades of conflict over the president’s ability to impose his successor on the presidency. Although the political (and more conservative) and the military (and more progressive) wings of the opposition worked to defeat the government during the 1940s, their divergent aims became manifest during the civil war itself. The opposition National Union Party (Partido Unión Nacional, PUN) wanted to elect Ulate to the presidency. Figueres and his followers wanted an economic transformation of the country. Paradoxically, the PRN’s defeat in the war did not end the strategic impasse between rival political parties; it continued as the political and military wings of the opposition split after the civil war.

Stalemate between the left and right forced rival groups to compromise. In control of the only armed force left in the country, Figueres and the insurgents formed a junta that forced the PUN to wait eighteen months (until December 1949) before Ulate became president. At the end of 1948, however, the junta lost the elections for a National Constituent Assembly. The PUN-dominated Constituent Assembly quickly moved to strip the junta of its legislative powers and restrict its ability to issue emergency decrees. Conservatives stymied progressive forces by

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rejecting the junta’s draft constitution calling for a dramatic expansion of the state’s role in public affairs. In the end, the pro-junta forces in the assembly got many of their proposals incorporated in the revised version of the 1871 constitution because the assembly approved them as part of a broader compromise that included ratifying the revolutionary junta’s decision to ban a standing army. The military’s absence not only liberated additional funds for human development but also eliminated its use to repress the opposition or to overthrow the government. 51

DEMOCRATIZATION AND POSTWAR OUTCOMES: COMPARATIVE NOTES

An important way to assess the validity of my argument—that armed conflict paved the way for negotiated transitions—is to discover whether its conclusions have external or out of sample validity. Here I draw upon a comprehensive database of the political outcomes of civil wars between 1940 and 2000. Its analysis suggests that postwar regimes in Central America have experienced more improvements than comparable cases.

Systematic comparisons suggest that new regimes tend to be more open or at least less autocratic than their predecessors 52 (Gurses and Mason 2008; Toft 2010, 64–65). Of the 118 civil wars between 1940 and 2000, the average political system of a violent society begins and remains a semi-democracy some twenty years after the cessation of hostilities. Data in Figure 3 reveal that the political systems that emerge in the aftermath of rebel victories (28.2 percent of all cases) slightly outperform those of negotiated solutions (19.7 percent of the cases) over the long run. Though the average political system of a negotiated solution is a democracy five years after hostilities come to an end, on average negotiated solutions lead to autocracies some two decades after the conflict is over. Rebel victories remain semi-democratic, suggesting that defeating the ancien regime eliminates threats but also endows rebels with nondemocratic advantages. Wars that governments win also lead to seemingly stable semi-democracies, which is the outcome in 41 percent of the 118 cases.

Figure 3 also discloses that postwar settlements on the isthmus have surpassed the average for other war-torn societies. Negotiated settlements have been the backdrop to uninterrupted democratic rule in El Salvador and the end of civil war in Nicaragua.\(^3\) Opposition-led victories are associated with as much democratization as political settlements, perhaps even more. The country with the most stable and highest quality democracy—Costa Rica—had a brief civil war in 1948, won by part of the opposition. The 1989 US invasion and overthrow of the Noriega dictatorship in Panama, the second most robust democracy on the isthmus, was the functional equivalent of an opposition-led civil war. Guatemala, which Toft classifies as a negotiated settlement, is more accurately an instance of a government victory, in which the peace negotiations were fundamentally about administering the terms of the URNG’s surrender so as to declare a formal cessation of hostilities.

### Figure 3

**POST-CIVIL WAR SETTLEMENTS**

<table>
<thead>
<tr>
<th>Types of Civil War Termination</th>
<th>Number of Years After Civil War Ends</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Average</td>
<td>118</td>
</tr>
<tr>
<td>Government Victory</td>
<td>48</td>
</tr>
<tr>
<td>Guatemala</td>
<td>33</td>
</tr>
<tr>
<td>Rebel Victory</td>
<td>23</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>15</td>
</tr>
<tr>
<td>Nicaragua I</td>
<td>10</td>
</tr>
<tr>
<td>Negotiated Settlement</td>
<td>5</td>
</tr>
<tr>
<td>Nicaragua II</td>
<td>2</td>
</tr>
<tr>
<td>El Salvador</td>
<td></td>
</tr>
</tbody>
</table>


Note: white shading = democracy; gray shading = semi-democracy; black shading = autocracy.

LEGACIES OF WAR

Economic Decline

Civil wars devastate economies. Paul Collier estimates that the average civil war costs a country and its neighbors 64 billion dollars and leaves it 15 percent poorer than it might have been. The effects of armed conflict have magnified the differences between the more and less developed economies of the region, a fact that raises the thorny question of whether lack of growth or impoverishment (or both) undermines support for democracy.

Comparing economic growth rates before and after the 1980s is a useful way to fathom the costs of civil war (see Table 1). Only the economies of Costa Rica and Panama have slightly exceeded global per capita growth rates between 1990 and 2008. Most economies of the isthmus have fallen behind since 1980, with two (Honduras and Nicaragua) seriously underperforming and two (El Salvador and Guatemala) producing below world average growth rates.

This divergence between southern and northern Central America persists even when we control for the effects of the 1980s or the lost decade of development in Latin America. As in its Latin American counterparts, the debt crisis led to a 3 percent decline in GDP per capita growth in Costa Rica during the 1980s; in Panama, the decline was even smaller (2 percent). In most of the isthmus, average annual growth rates fell by more than four to six times the average rate in Latin America (see the rate for the big eight or fifteen small economies of Latin America in Table 1). In Nicaragua and Guatemala, the decline was substantially larger. In Nicaragua, civil war and economic mismanagement shrank per capita income by almost 40 percent during the 1980s. In El Salvador and Guatemala, GDP per capita decreased by a fifth or a total of 20 percent.

### Table 1
Average Annual GDP Per Capita Growth Rates,
In Central America and Select World Regions

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Annual Growth Rates</th>
<th>Years for GDP per Capita to Double, Based on Growth Rates during</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>2.9%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>2.0%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>1.9%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Honduras</td>
<td>1.1%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>3.0%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Panama</td>
<td>2.9%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Averages*</td>
<td>2.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>World</td>
<td>3.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>12 Western European</td>
<td>2.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>8 Big Latin American</td>
<td>2.2%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>15 Small Latin American</td>
<td>1.8%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>57 African States</td>
<td>1.8%</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>


*Weighted averages.

### Regime Decay

Some of these transitions led to notable regime improvements. The political systems of Costa Rica and El Salvador became democratic and have remained so since the end of hostilities. The opposition coalition that won the 1948 civil war in Costa Rica split and redesigned a political system to protect themselves from each other, one that gradually strengthened in ensuing decades when the losers of the civil war were allowed to return from exile. A US-backed government and left-wing guerrillas signed the 1992 peace accords in El Salvador that have permitted a coalition of Marxists and social democrats to elect legislators and, in 2009, their candidate to the presidency.

But, the states of Guatemala, which defeated insurgents, and Honduras, which underwent reforms, are less democratic and each has experienced breakdowns or near breakdowns. Formal democratic rule collapsed in 2009 in Honduras when the armed forces put President Manuel Zelaya on a plane for Costa Rica. It suffered a near breakdown in Guatemala in 1993, when President Jorge Serrano failed in his bid to close congress in 1993 and set up himself as dictator. It also underwent some political turbulence when former dictator General Efraín Ríos Montt
Lehoucq

(1982–83) forced a legal reform in order to run for the presidency in 2003, despite the constitutional ban on de facto heads of state from ever becoming chief executives again. In both cases, weak states and forces from the past did not have to modernize, even if for slightly different reasons. Oligarchs and officers won the war in Guatemala. Rural unions had negotiated enough reforms with officers in Honduras during the 1960s and 1970s to permit the old party system to effect a gradual transition to civilian rule in the 1980s and 1990s.

The 1989 US invasion of Panama did lead to the collapse of the National Guard, perhaps the single greatest threat to democracy in the country. But the anti-Noriega forces were holdovers from an older, elite-dominated political system that the reformist president (and general and dictator) Omar Torrijos had toppled in 1968. In the aftermath of the US invasion, a conservatively oriented party system has maintained democratic institutions, even as it has limited social reform and the accountability of the post-invasion political order.

Political developments in Nicaragua, a country that experienced both social revolution (1979) and a negotiated settlement that ended a decade-long US-sponsored civil war between revolutionary and antirevolutionary forces, reveal the limits of predicting regime trajectories from the way wars end—and remind us that other factors shape the political destinies of nation-states. Though a negotiated transition ended the Contra War and led to the Sandinistas’ defeat at the ballot box in 1990, political polarization, in the context of a separation of powers system, led to repeated clashes between the executive and legislative branches of government and political paralysis. In one of the most creative solutions to the travails of presidentialism, Daniel Ortega’s faction of the Sandinistas colluded with President Arnoldo Alemán (1996–2001) to reform the constitution to restrict third-party access to elected offices and to deactivate the checks and balances on the arbitrary use of executive authority. Democratic forms have deteriorated in quality in each of these countries, with Nicaragua gradually morphing into a mild version of an electoral autocracy by 2012.

**Criminal Violence**

Another legacy of civil war is criminal violence. Central America now includes some of the most violent societies in the world today. In retrospect, we should have expected this to happen. Internal security suffers in the aftermath of civil war. But the Central American cases reveal that civil war is neither a necessary nor a sufficient condition for the outbreak of criminal violence.
Figure 4 contains data on homicide rates, which serve as a proxy for how violent some of these societies have become. It reveals that Honduras, El Salvador, and Guatemala have the highest homicide rates in the region. Each has a homicide rate in excess of 35 deaths per 100,000 inhabitants, with El Salvador’s and Honduras’s exceeding 50 per 100,000 inhabitants. Panama, Nicaragua, and Costa Rica have substantially lower rates of violence. Costa Rica’s and Nicaragua’s homicide rates are an average of 8 and 12 per 100,000 inhabitants, respectively, no more than double or triple the rate in the United States (which ranks as the most violent of the developed countries).

It is not only the collapse of sovereignty, however, that fueled criminal violence in Central America. Civil war did not wrack Honduras in the 1970s and 1980s, but homicide rates have skyrocketed. The inability of the Honduran state to police the national territory became
manifest by the 1990s.\textsuperscript{55} Gangs and drug-related violence have turned a poor but largely peaceful country into a poorer and violent one.

The transition from authoritarian to democratic rule also shaped postwar trajectories on the isthmus. José Miguel Cruz argues that violence is prevalent where prewar and informal networks of violence survived the change in formal political arrangements.\textsuperscript{56} In countries such as Guatemala and Honduras, gang warfare and the illegal transshipment of drugs have simply contributed to the violence carried out by rural networks that officers and economic elites had long used to exterminate union and social movements. While formal police and military units were disbanded as part of the 1992 peace accords in El Salvador, cashiered officers and soldiers as well as members of death squads (which had used assassination against civilians since at least the mid-1970s) refashioned themselves into criminal networks that helped to make El Salvador one of the most violent places on the planet by 2010.

The real surprise is Nicaragua, which has a homicide rate just barely above Costa Rica’s. That it suffered the greatest decline in GDP per capita and the consequences of the bloody overthrow of the Somoza dictatorship in 1979 and then another decade of civil war suggests that it should be experiencing the highest homicide rates. Cruz argues that it was the multifaceted way in which the Sandinista army and the Contras were demobilized that explains why purveyors of violence were domesticated. The Sandinistas agreed to disband domestic intelligence and to depoliticize the army. International pressure (and funding) helped to create a non-corrupt police force, one that retains the support and hence the cooperation of civilians.

CONCLUSION

As the third wave of democratization began in the late 1970s, three of Central America’s political systems—El Salvador, Guatemala, and Nicaragua—were in the throes of civil wars. The isthmus became the site of one of the Cold War’s last conflicts, one that led the Reagan administration to battle the Sandinista government in Nicaragua, support a military-dominated government’s struggle against left-wing guerrillas in El Salvador, and applaud the military’s


defeat of a Marxist insurgency in Guatemala. Yet, the wars turned out to be long and bloody preludes to the democratization of the isthmus. Why?

It was not economic development that led to regime change in Central America. Every country in Central America was short of the GDP per capita associated with transitions to democracy. The fall in economic growth experienced throughout the region further weakened the basis for democracy. Although structural change of the economy—the shift from fixed to mobile investments—helped the cause of democracy, it was not responsible for the transition from autocracy. It was civil war that helped to change Central America. It was the violent attack on privileges that forced elites to abandon their landed estates, which lessened the preference for dictatorship among the upper classes on the isthmus.

Change in the international system contributed to democratization in Central America. While a central characteristic of the global system—the Cold War between the United States and the USSR—had helped prevent regime change, events half a world away, in the Soviet Union, made domestic-level negotiations possible. A change in US administrations—from Reagan to Bush—led to a change in priorities, which included opening negotiations with the Sandinistas in Nicaragua and pressing the Salvadoran military to sign an accord with the FMLN.

War and global change transformed the balance of power in Central America and political outcomes on the isthmus. Where governments and insurgents were unable to defeat each other, as in El Salvador, bargaining over the nature of the transition and democratic institutions became possible. Military standoffs also caused the democratization of the Costa Rican political system, which decades of confrontation between incumbents and opposition movements gradually turned into a more democratic system. Where revolutionaries won power outright, as in Nicaragua, an electoral or competitive autocracy replaced the dictator, an outcome that US foreign policy may have encouraged, even if it did not cause it. The unwillingness to share power, along with the Reagan administration’s active encouragement of counter-revolutionary forces, sent Nicaragua into another destructive civil war. A transition to democracy occurred with the hotly contested 1990 elections, ones that the Sandinistas lost to an opposition coalition. Where insurgents lost, as in Guatemala, autocrats largely dictated the terms of transition. Abandoning formal control of government also was an effort to end the cycle of coups and countercoups that had undermined the unity of the armed forces and thus their ability to wage an effective counterinsurgency.
Violence also was the trigger for regime change in Panama and even in Honduras. In Panama, a US-led invasion overthrew a dictator—Manuel Antonio Noriega—who the opposition had been fighting for years. In the absence of the autocrat, civilians negotiated a transition to democracy. Executive instability, along with the sporadic appearance of guerrillas, encouraged generals in Honduras to negotiate a return to formal democratic rule with civilian politicians. As in Guatemala, retreating generals in Honduras retained important prerogatives that limited the extent of civilian supremacy.

Refusal to democratize imposed enormous costs on these societies. Between the mid-1970s and the early 1990s, war led to the killing of at least 300,000 people, the vast majority of whom were killed by the military and/or right-wing hit squads. It produced between 1.8 and 2.8 million refugees. The passage to modernity was strewn with thousands of victims, most of whom were unwilling recruits in a war to protect the interests of so few.

Economic devastation and a proliferation of criminal violence are other legacies of armed conflict. It was not until the first decade of the twenty-first century that GDP per capita rates regained prewar levels in most of Central America. In Nicaragua, GDP per capita is half of what it was in the mid-1970s. Its economy has fallen into a long-term slump, joining Honduras as one of the two poorest places on the isthmus. In retrospect, we should have not been surprised that criminal violence would spike after the end of civil war on the isthmus. Internal security suffers in the aftermath of civil war. The real surprise is Nicaragua, whose low homicide rate, just barely above Costa Rica’s, seems to be the result of an overhaul of the military and police in the 1990s.

Armed conflict may very well have been necessary to rid the isthmus of archaic dictatorship. Politically, Central America is a different place today, even if democratization remains incomplete in most countries and has suffered reversals in Honduras and Nicaragua. Governments no longer exterminate their opponents, even if drug- and gang-related violence in El Salvador, Guatemala, and Honduras still lead to thousands of deaths. But the immense cost in human life and the legacy of war are testimony to the unwillingness of oligarchs and officers to share power and permit a more humane future for their societies.