

Security and Trade

IN CENTRAL AMERICA

Special Trip Report | Issue No. 1

Congressional Study Trip to El Salvador and Guatemala

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS
APRIL 13-18, 2009

INTRODUCTION

The Woodrow Wilson International Center for Scholars (Wilson Center) sponsored a congressional study trip to El Salvador and Guatemala from April 13 through April 18, 2009. It was organized by the *Wilson Center on the Hill* Program and the Latin American Program at the Wilson Center.

The trip focused on two issues that are critical for the United States' relationships with countries across Central America – security and economic development. On the security front, the delegation examined how security challenges have constrained opportunities for economic growth and development in El Salvador and Guatemala, as well as the impact of gangs and organized crime on local communities in Central America and in the United States. Additionally, it reviewed the implementation of the Mérida



THE CONGRESSIONAL DELEGATION INCLUDED:

Congressman F. James Sensenbrenner, Jr. (WI), a member and former Chairman of the Judiciary Committee and Science and Technology Committee, and current Ranking Minority Member of the Committee on Energy Independence and Global Warming.

Congressman Devin Nunes (CA), a member of the Committee on Ways and Means and Budget Committee.

Congressman Peter Roskam (IL), a member of the Committee on Ways and Means.

Johnny Amaral, Chief of Staff to Congressman Devin Nunes.

David Stewart, Policy Advisor to House Republican Leader John Boehner, with responsibility for international trade, tax, and other issues.

Maureen Taft-Morales, Specialist for the Congressional Research Service in Latin American Affairs.

Initiative, as well as other bilateral and multilateral programs to combat drug trafficking and gang violence.

On the economic front, a series of meetings and visits to key economic facilities provided the participants with the opportunity to assess the effects of the security situation and the global financial crisis on the economies of both countries. The delegation also examined the impact of the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR), including the potential avenues it has opened for the United States to support sustainable development and economic growth in agriculture and other key sectors of the economy

and the opportunities that it has provided for U.S. investment in the region. Finally, the delegation explored the effect that remittances from the United States have had on these countries; remittances represent approximately 18 percent of El Salvador's GDP and 12 percent of Guatemala's GDP, but have fallen significantly during the global financial crisis.

The delegation's visit to El Salvador was particularly timely – it came less than a month after the country's March presidential election. The victory of Mauricio Funes, candidate of the Farabundo Martí National Liberation Front (FMLN), the party of the former guerilla movement, is significant: the right-wing Nationalist Republican Alliance (ARENA) Party has now stepped down from the presidency for the first time since 1989. On this trip, the delegation had extended discussions with Funes in his capacity as President-elect and several officials who are likely to assume key senior positions in the new government.

The visit to Guatemala also came at a key moment. As drug trafficking and related violence have spilled over the border from Mexico, deteriorating economic conditions are worsening the living conditions of the Guatemalan population and making trade and domestic growth more difficult.

The recently enacted Mérida Initiative, through which the United States provides \$465 million in support to Central America to fight drug trafficking and crime, offers a new opportunity for security cooperation.

The recently enacted Mérida Initiative, through which the United States provides \$465 million in support to Mexico and Central America (the vast majority of which goes to Mexico) to fight drug trafficking and crime, offers a new opportunity for security cooperation. The delegation examined the priorities of the Mérida Initiative and whether it provides adequate support for both Guatemala and El Salvador. Additionally, the delegation gained an increased understanding of the evolving economic and trade relationship with Guatemala and the region of Central America under CAFTA-DR, which will provide a useful background against which they can evaluate the several other Free Trade Agreements now pending before the Congress.

The delegation was accompanied by Maureen Taft-Morales, a specialist in Latin American affairs with the Congressional Research Service,

as well as staff from the Wilson Center's Latin American Program,¹ *Wilson Center on the Hill* Program,² and the Program on Science, Technology, America, and the Global Economy.³ The trip was funded by a grant from the William and Flora Hewlett Foundation.⁴

BACKGROUND

EL SALVADOR

El Salvador is a democratic republic of 5.7 million people with a growing economy and a close relationship with the United States. Much has been achieved since the end of the country's 12-year-long civil war and the signing of the 1992 peace accords, including significant progress in the transition to democracy and the transition from war to peace, the opening of the economy, and increasing trade. Yet, the country still faces many challenges – establishing an adequate level of security, developing an effective judicial system, and combating high levels of poverty and inequality. El Salvador's ability to fight gang violence, minimize drug trafficking in the region, and improve the quality of life for its citizens are of particular significance for the United States and the region. More than 2 million Salvadorans have immigrated to the United

El Salvador's homicide rate is one of the highest in the world, at 63 people per 100,000, which is more than 10 times the U.S. rate of 5.6 per 100,000.

TRIP OBJECTIVES

- Examine how security challenges have constrained opportunities for economic growth and development in Guatemala and El Salvador.
- Review the impact of gangs and organized crime on local communities in Central America and the United States.
- Review the implementation of the Mérida Initiative, as well as other bilateral and multilateral programs to combat drug trafficking and gang violence.
- Assess the effects of the security situation and the global financial crisis on the economies of both countries.
- Examine the impact of the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR).
- Explore the effect that the drop in remittances from the United States have had on these countries.



CONGRESSMEN ROSKAM, SENSENBRENNER, AND NUNES MEET WITH EL SALVADOR'S NEWLY ELECTED PRESIDENT, MAURICIO FUNES, SECOND FROM RIGHT.

States seeking better economic opportunities and safety and more immigrate every year.

At the time of the delegation's visit, the country was in the midst of an unprecedented political change. With Mauricio Funes' victory in the March 15, 2009 elections, the left-wing FMLN party won the presidency, defeating the right-wing Nationalist Republican Alliance (ARENA) that has ruled the country since 1989. Although the FMLN party's roots are in the guerrilla movement, it has been part of the country's democratic architecture over the past two decades, with a strong presence in the legislature and in municipal governments throughout the country. President Funes campaigned as a moderate with a goal to unify the nation, and, since winning the election, has expressed his interest in strengthening relations with the United States and U.S. President Barack Obama. The peaceful transition of presidential leadership has been a great success for the country and a demonstration of the strength of Salvadoran democracy.

President Funes will, however, face a number of complex challenges while in office. Although El

Salvador's GDP grew by over 4 percent in 2006 and 2007, the figure was down to 2.5 percent in 2008 and 0.5 percent growth is considered an optimistic projection for 2009. The global economic crisis has threatened the country's income from exports and remittances, putting the population at risk of slipping into poverty, reversing the recent trend that brought the poverty level down to 35 percent. The country's police force is understaffed and underfunded, and parts of the judicial system suffer from poor training and corruption. The country's homicide rate is one of the highest in the world, at 63 people per 100,000, which is more than 10 times the U.S. rate of 5.6 per 100,000. Further, the country's conviction rate is just 4 percent.

The political and economic situation in El Salvador is important to the United States for a number of reasons. Though President Funes has extended a hand both across party lines and across borders, the coming months will demonstrate the direction of his government and the nature of its relationship with the United States. El Salvador not only sent troops to assist the U.S. mission in Iraq, but also jointly operates a Transnational Anti-Gang unit with the U.S. government and has agreed to the operation of a U.S. Forward Operating Location (FOL) out of Comalapa International Airport to monitor drug trafficking activity in the Pacific. The strength of the relationship between the United

Guatemala's exports

to the rest of the world currently amount to over \$7 billion annually and imports from the United States amount to more than \$4 billion each year, a number that has risen since the passage of CAFTA-DR.

States and El Salvador will affect not only the gains they each reap from CAFTA-DR, but also the progress they are able to make in combating drug trafficking and gang violence in the region and in reducing the number of Salvadorans that migrate to the United States each year.

GUATEMALA

Bordering El Salvador to the north is Guatemala, the country in Central America with the largest population, at 13 million, and the highest GDP, at \$68 billion (purchasing power parity in 2008). Its democratic government has pursued macro-economic stabilization and has sought to attract foreign investment since the signing of a 1996 peace agreement to end a 36-year-long civil war. Guatemala's exports to the rest of the world currently amount to over \$7 billion annually and imports from the United States amount to more than \$4 billion each year, a number that has risen since the passage of CAFTA-DR.

Still, Guatemala faces significant challenges. These mirror those of El Salvador but in many respects are much more profound. The global economic crisis adversely affects the country's population due to falling remittances and declining exports to the United States, down 8 percent and 30 percent respectively in the first quarter of 2009. Guatemala also has a weak rule of law, with an impunity rate estimated at 93-98 percent. Its homicide rate is 48 people per 100,000, and the nature of the murders and violence make it one of the most dangerous places in the world. Moreover, the security situation in Guatemala has worsened recently as the Mexican government's crack-down on drug trafficking has caused drug gangs to move their operations across the border into neighboring Guatemala. Because its police force is among the least trusted institutions in the country, Guatemala will continue to have difficulty in lessening the prevalence of crime and violence.⁵

More than 1 million

Guatemalan immigrants now live in the United States⁶, largely in response to the economic hardship and insecurity they suffered in Guatemala.

On the other hand, some of the problems that Guatemala must address are unique. Income inequality is among the worst in Central America. Furthermore, despite significant pressure from the international community, its tax revenue (at just 10 percent of GDP) remains low even by Central American standards. That lack of revenue gives the government little opportunity to address vast economic and social problems in the country. Over 50 percent of the population lives in poverty, while the wealthiest 10 percent of the population receives almost half of the country's income. Further, over 50 percent of all children under age five experience stunted growth due to malnutrition. These hardships are even more acute for the large numbers of indigenous peoples, who make up a high percentage of the country's total population (estimates range from 43 to 63 percent).

More than 1 million Guatemalan immigrants now live in the United States,⁶ largely in response to the economic hardship and insecurity they suffered in Guatemala. Thus, the United States has vital interests in working with Guatemala on improving its domestic economic situation and minimizing public security issues such as drug trafficking. Because Guatemala shares a border with Mexico, 300 metric tons of cocaine worth \$6 billion moved through the country in 2008, according to U.S. government sources. In response, the United States has recently included Guatemala in the Mérida



CAFTA-DR HAS HAD A SIGNIFICANT, POSITIVE IMPACT ON THE EXPORT OF ETHNIC FOOD PRODUCTS TO THE U.S.

Initiative, through which Guatemala will receive \$3.6 million in the first year to combat gangs and the trafficking of narcotics and firearms. Many criticize the Mérida Initiative for devoting too few resources to Guatemala and Central America in general.

TRIP REPORT

EL SALVADOR

The delegation traveled to El Salvador at a unique moment in the country's history. Few would have predicted a peaceful transfer of power between the ARENA and FMLN parties through a national election within just two decades of the signing of the peace accords in 1992. The transition signi-

fies a deepening of democracy and reaffirms El Salvador's political path for the future.

Yet, this transition could produce other changes as well. As the United States grapples with issues such as immigration, combating drugs, and pursuing trade with the region, it will be evermore important for the U.S. Congress and for President Obama to understand Salvadoran President Funes' plans for the political, economic, and security direction of his country.

Upon arrival in the country, the delegation was briefed by officials from the U.S. Embassy in San Salvador. The briefing was led by Charge d'Affaires Robert Blau, and focused on the overall status of the country's government, crime level, and economy. Embassy representatives also discussed key elements of the U.S. relationship with El Salvador, including the Mérida

Initiative, which aims to combat transnational crime, USAID programs addressing youth health and education, the CAFTA-DR, and the Millennium Challenge Corporation compact focused on developing the northern region of the country.

Economic Challenges and Prospects in a Time of Transition

The delegation began its program with a series of briefings by independent experts regarding the recent elections and the Salvadoran economy. Carlos Dada and Jorge Simán, the co-founders and directors of *El Faro* (The Lighthouse), Latin America's first online newspaper, provided an analysis of the factors that led to the change of political power in El Salvador. From their perspective as representatives of the independent media, they explained that years of public corruption and a lack of progress on three main problems – poverty, lack of public security, and impunity – are the primary factors that led to the election of Mauricio Funes, who promised pragmatic change. According to Dada and Simán, the people who live in the “real country” of El Salvador, who have not seen the benefits of economic growth under the leadership of the ARENA party, are struggling. They noted that only one in five Salvadorans has “decent” employment and only three out of ten young people envision a future in El Salvador. The rest hope to move to the United States for a brighter future.

A more in-depth look at the economy was provided by Héctor Dada, a distinguished scholar and Secretary General of the Democratic Party for Change, and Luis Membreño, a Board Member of the Salvadoran Foundation for Economic and Social Development (FUSADES), an independent think tank. Dada explained to the delegation that the country faces simultaneous crises: the global economic crisis, years of bad

management, and political transition. Both Membreño and Dada pointed to the country's growing deficit and declining exports as substantial hurdles to managing the situation. Dada emphasized that dollarization, whether positive or negative for the country at the time it was established, now limits the government's monetary policy options. The government can no longer print money to finance the national debt, but must instead turn to the International Monetary Fund and other multilateral institutions for financial support.

From a more positive angle, the delegation had a first-hand look at the benefits the country has received through its open trade relationship with the United States since the passage of CAFTA-DR. They visited Pahnas, a frozen-food company that stands as an example of the great potential of small, family-owned businesses to grow by exporting goods to the United States. In its start-up days, Pahnas received advice and equipment from USAID and has grown steadily since then, largely due to its attention to strict quality standards, which allow its goods to be competitive for export. The company produces 12,000 pupusas and 15,000 tamales each day for the export market and its profit grows every year.

In El Salvador, post-war challenges, including drug trafficking, organized crime, and common crime, have overwhelmed the new civilian police force, which has endangered the development of democratic institutions.

Security Issues and the Growth of Transnational Gangs

The delegation met with Ricardo Córdova Macías, Executive Director of the think tank FUNDAUNGO, for an overview of security issues in El Salvador. He explained that, since the signing of the peace accords, the security focus has shifted from national defense to public safety. Post-war challenges, including drug trafficking, organized crime, and common crime, have overwhelmed the new civilian police force, which has endangered the development of democratic institutions. Córdova asserted the need for stronger municipal governments, safer public areas, and better youth programs.

Oscar Bonilla, President of the National Public Security Council and a respected scholar who many expect to be deeply involved in developing the Funes Administration's approach to security issues, spoke further with the delegation about the crisis of public security. Since the signing of the peace accords, the country has enacted measures

to improve the protection of human rights, but its institutions lack the capacity to deal with the high levels of violence and homicide. Gangs in El Salvador communicate across borders, between the United States, Europe, and Central America, making them transnational entities. The complexity of gang networks occurs across generations as well – parents pass on a tendency toward gang involvement to their children. Bonilla's recommendations for the future included stricter arms control, which he suggested could reduce the homicide rate by as much as 47 percent, along with stronger preventative measures and enhanced cooperation between the United States and El Salvador.

The delegation developed a fuller view of the intertwined issues of gangs, drug trafficking, and public safety through site visits to a non-profit organization called Homies Unidos, to the International Law Enforcement Academy, and to the U.S. Forward Operation Location (FOL).

Homies Unidos was started by former gang members to address the problems of gangs and to help ex-gang members transition back



THE DELEGATION MET WITH LEADERS OF HOMIES UNIDOS, AN ANTI-GANG GROUP COMPRISED OF FORMER GANG MEMBERS.

into society. At the delegation's site visit, Luis Ernesto Romero Gavidia and Edgar Ramírez described their own experiences in a gang and the importance of the organization's work. Romero estimated that as many as 90 percent of gang members want to come out of them – and Homies Unidos is there as a resource to help them in that process. The organization connects the people that walk through its door to services such as tattoo removal, employment services, health care, and skills development. It also works towards prevention, by reaching out to over 5,000 young students to discourage them from joining gangs. According to Romero, the organization's biggest challenge is acquiring funding, especially since U.S. non-profit contributions have dropped off considerably.

The delegation also visited the International Law Enforcement Academy (ILEA) in San Salvador and was briefed on its operations by director Javier Jaquez. The ILEA is run by several U.S. government agencies with the objective of providing training and education to improve civilian police capacity in El Salvador. Jaquez explained that it has graduated over 23,000 police officers and justice officials in 72 countries, having trained them on issues such as gangs, violent crimes, and human trafficking.

Finally, the delegation toured the U.S. Forward Operating Location (FOL) at the Comalapa Airport. As the only FOL in Central America, it serves as the main airbase for U.S. counter-narcot-

ics operations in the region. Its primary objective is to monitor maritime and air traffic in the Pacific and over Central America to alert local authorities to drug trafficking and human trafficking situations. According to FOL staff, a very large portion of the targeted cases have resulted in arrest and the operation has been highly effective, though it receives a small budget of just \$2 million per year.

As the delegation arrived in El Salvador, the continued operation of the FOL was in question, as the agreement governing its use of the airport was set to expire. Whether the Funes Administration would support a renewal of the lease agreement was unclear. However, the delegation learned during its time at the FOL that President Saca had recently re-signed the agreement with the United States and that this was done with the knowledge of newly-elected Funes. Its continuation is widely seen as a positive sign for ongoing U.S.-El Salvador cooperation in combating drug trafficking.

President Funes and the El Salvador-U.S. Relationship

After gaining a more thorough understanding of El Salvador's economic and security challenges, the delegation had the opportunity to meet with Mauricio Funes in his capacity as President-elect. He was accompanied by Hugo Martinez, a legislator and member of the transition team who is widely seen as a likely choice for a senior position in the Funes Administration. Although Funes has been in contact with President Obama and several Democratic Members of the U.S. Congress since the election, this was his first face-to-face meeting as President-elect with U.S. Members. Thus, it was a significant opportunity for both Funes and the members of the delegation to gain a better understanding of their respective views on the challenges that El Salvador faces and their hopes for progress on issues of common interest, especially security, the economy, and immigration.

ILEA has graduated over 23,000 police officers and justice officials in 72 countries, having trained them on issues such as gangs, violent crimes, and human trafficking.



THE DELEGATION DISCUSSES THE U.S.-EL SALVADOR RELATIONSHIP WITH PRESIDENT-ELECT FUNES AND HIS TRANSITION TEAM.

The group discussed several priorities for the country, including combating transnational gangs, improving public safety, strengthening the agricultural sector, and restructuring public debt. These goals, if achieved, would attract further investment, allow for economic growth, and, perhaps most importantly, minimize the desire of large numbers of Salvadorans to immigrate to the United States. All parties agreed to the complexity of factors contributing to immigration and the substantial problems this trend causes in El Salvador, especially through the separation of families and a growing dependency on remittances.

President-elect Funes emphasized his desire to lead the country through a moderate and prag-

matic approach. Further, he reiterated his hopes of strengthening his relationship with the United States, President Obama, and the U.S. Congress – a message welcomed and appreciated by the U.S. Members. All three Congressmen at the meeting extended an open hand to Funes, emphasizing that Members of both political parties in the U.S. Congress are interested in working with him to address issues of common concern to both countries.

Ultimately, the group agreed that El Salvador's greatest challenges transcend political party and will require that ideology be adjusted to the real situation in the country. The country's future prosperity and the well-being of its people will be most possible through strong cooperation and partnership between the United States and El Salvador.

GUATEMALA

The delegation's meetings in Guatemala focused on the potential for the country to address the interrelated problems of inadequate security (particularly the growing threat of organized crime), a declining economy, social inequality, and the migration of a large portion of its population to the United States – problems that have reinforced each other and left the country particularly vulnerable. The delegation also examined recent developments that have exacerbated the hardships that the Guatemalan population endures: the global economic crisis and the movement of drug traffickers from Mexico across the border.

The first meeting in Guatemala was at the U.S. Embassy, where members of the delegation received a comprehensive briefing from Ambassador Stephen G. McFarland and embassy officials. The briefing focused on economic, security, and political developments in Guatemala, including Guatemala's relationship with the International Monetary Fund and the World Bank, and the challenges it faces in estab-

El Salvador's greatest challenges transcend political party and will require that ideology be adjusted to the real situation in the country.

lishing a rule of law, combating drug trafficking, and improving the quality of life of its people. The briefing highlighted the country's pressing need to improve its investigative capacity, transform subsistence farming into opportunities in the market economy, and mitigate the impacts of the global economic crisis.

Economic Development and Agricultural Capacity

The delegation was briefed on economic and social developments by several independent experts. Raquel Zelaya, Executive Director of the Asociación de Investigación y Estudios Sociales (ASIES), focused on the current global economic crisis that has caused significant decreases in remittances from the United States, exports, and tourism. Remittances are critical, as they are one of the primary sources of income in Guatemala. Studies show that they are allocated mainly to

necessities such as education, housing, and food, which the government is unable to provide. As exports and tourism fall, unemployment rises. Still, the main challenge of the country is the high impunity rate and the lack of consequences for criminal behavior. Zelaya explained that, while the monetary support from the U.S. government and the international community since the signing of the peace accords has been very helpful, the country still needs significant technical support and training to build a law enforcement and judicial system that can provide security for Guatemala's population and establish a climate for economic growth and development.

José Andrés Botrán Briz, President of Edifica S.A. (a real estate development company) and member of the Central American Leadership Initiative, provided the perspective of a business leader and social activist to the economic discussion. He discussed the gains from CAFTA-DR, citing as an example the agricultural cooperative Cuatro Pinos, and suggested that the U.S. and



CUATRO PINOS IS ONE OF THE LARGEST AGRICULTURE COOPERATIVES IN CENTRAL AMERICA.

Guatemalan governments should focus on projects and programs that expand economic opportunities. Yet, Botrán also emphasized that it will be impossible to achieve significant development gains in Guatemala as long as 50 percent of the children under age five suffer from malnutrition. Further, he described the importance of public security; although migrating to the United States is very dangerous, many Guatemalans feel that they are less safe in their own country and are thus compelled to make the trip.

The delegation then had the opportunity to visit two economic facilities that have benefitted greatly from trade with the United States. Cuatro Pinos is an agricultural cooperative that was started 30 years ago as a social economic project and now serves about 6,000 farmers, most of whom own small or medium-sized plots. The cooperative focuses on making the agricultural products of its members exportable to an international market; 80 percent of these exports end up in the United States. The director of the cooperative explained that the farmers involved make 30-40 percent more than they would if their products were sold in the local market. In addition, the cooperative provides its members with access to medical, dental, and educational services that would be otherwise unavailable or too expensive to obtain. The delegation was briefed on the procedures the cooperative uses to train its member farmers in food safety and toured the cooperatives own on-site labs that constantly measure and assure the quality of its products. In order to sell their goods globally, the cooperative's processing facilities and farms must meet high international safety standards. Cuatro Pinos is an impressive model of the positive impact that access to U.S. markets and strong U.S. training and support can have on the lives of even the poorest members of the population.

The Filadelfia coffee plantation is another example of a Guatemalan agricultural enterprise that mostly sells its product in the export market. Filadelfia is a family-owned and managed

Cuatro Pinos focuses

on making the agricultural products of its members exportable to an international market; 80 percent of these exports end up in the United States.

company that is the largest coffee grower in the Antigua region. Robbie Dalton, the owner, pointed out that coffee requires specific growing conditions and, as such, will not be able to benefit the entire population or transform agriculture for the country as a whole. Still, Guatemalan coffee production represents an important economic sector; it accounts for \$675 million of the country's income. About 50,000 pounds of coffee are produced in the region of Antigua alone. The impressive growth of the Guatemalan coffee industry over the past several years cannot, however, be attributed to CAFTA-DR, because the agreement did not reduce U.S. tariffs on imported coffee or otherwise provide new opportunities for access to the U.S. market. Dalton suggested that the increase in Guatemalan coffee exports is driven by the strength of global demand and will likely continue into the future.

Security and the Work of International Organizations

The delegation held several meetings and briefings focused on the problems of impunity in Guatemala – a country where the conviction rate is estimated at just 2 percent. The delegation examined the work that international organizations and civil society are undertaking to address this issue.

One of these meetings was with representatives of the UN International Commission



GUATEMALAN VICE PRESIDENT ESPADA DISCUSSED THE U.S.-GUATEMALA RELATIONSHIP WITH THE DELEGATION AND U.S. AMBASSADOR STEPHEN MCFARLAND.

Against Impunity in Guatemala (CICIG). Ana Isabel Garita, the Chief of Staff of CICIG, and Aníbal Gutiérrez, a political advisor at CICIG, explained the low investigative and judicial capacity of the country and the Commission's mandate to improve the situation. Under a 2-year agreement between the government of Guatemala and the UN Secretary General, the Commission acts as a third party in criminal and administrative cases and also works for legal reforms and sustainable policies within the state for improving its judicial capacity. Specifically, the Commission focuses its efforts on those cases that involve organized crime and acts as an independent, complementary prosecutor after the Prosecutor General has presented a case. Garita described past successes in the country, aided by the work of the Commission, including the passage of a package of legal reforms to increase the penalty for arms trafficking. Finally, she explained the importance of empowering police officers and justice officials, giving them better protection, autonomy, and insurance, so that they will have the necessary support to be effective.

The delegation also was briefed by Carmen Rosa de León, an Advisor to Interpeace, regarding the organization's efforts to build an increased capacity for civilian security, develop a more open and democratic government, and achieve higher effectiveness in criminal investigations. Interpeace is an international organization that has been working since 1994 to manage post-conflict situations in Latin America, Africa, Asia, and the Middle East. In each region, it seeks to bridge the efforts of local political parties, academics, and other organizations.

Guatemala's Future and Its Partnership with the United States

The delegation had the opportunity to meet with Guatemalan Vice President José Rafael Espada to discuss the priorities in the country and its relationship with the United States. All agreed that one issue of utmost importance is transparency in the government and the creation of a strong institutional base. They also

Members of the delegation stressed that security problems and economic inequalities, especially in rural and indigenous areas, make Guatemala particularly vulnerable to transnational gangs.

discussed Guatemala's economy and the high potential of the agricultural sector to improve the economic well-being of the majority of the population, especially with improved infrastructure and the use of new technologies. In responding to the economic crisis, education, healthcare, and financial assistance, especially for women, will also be very important. Espada and the members of the delegation emphasized the historical friendship of Guatemala and the United States and the openness of the two governments in working together.

CONCLUSIONS

The delegation traveled to El Salvador and Guatemala from April 13-18, 2009 to examine the complex challenges facing the two countries and much of Central America – a public security crisis, high economic inequality, undeveloped and ineffective judicial systems, and the pressures of transnational gangs and drug trafficking. The ability of these countries to meet these challenges will determine the future of their populations and will also be of increasing importance for the United States. The direction of the Funes government in El Salvador and the economic and security situation in both countries will directly affect the consolidation of democratic governance, the development of strong political and trade relationships,

and the potential for cooperation in minimizing immigration pressures.

The Members of Congress agreed that the security crisis in Guatemala, combined with the devastating effect of the global economic recession, seriously hinders development. While Cuatro Pinos has been extremely successful, in part because of support from USAID programs, the potential for broadening that success hinges on the creation of an adequate judicial system and the enforcement of contracts. Members of the delegation stressed that security problems and economic inequalities, especially in rural and indigenous areas, make Guatemala particularly vulnerable to transnational gangs. As anti-drug policies pursued by the Mexican government of President Felipe Calderón push drug traffickers out of Mexico, the situation in Guatemala will only get worse. Although it is clear that the Mérida Initiative provides needed and important support to Mexico, the members of the delegation concluded that, in order to effectively address the threats and growth of transnational gangs in Guatemala, additional funds from the Mérida Initiative and other sources must be directed to Guatemala and the other Central American countries facing similar difficulties.

El Salvador is entrenched in some of the same problems. As in Guatemala, impunity pervades the entire legal system. The members of the delegation stressed that, for businesses to be able to prosper, the country will need to develop stronger long-term security. To achieve this goal, U.S. assistance and involvement in training police officers, prosecutors, judges, and officials will be crucial. Optimistically, President Funes' interest in finding a middle ground domestically and his sincerity in working with the U.S. government demonstrate the possibility of progress and growth in El Salvador.

The delegation concluded that fostering a strong relationship between the United States

and both El Salvador and Guatemala should be an important focus of both the Obama Administration and the U.S. Congress. Issues of security, development, trade, and immigration bind the United States tightly with its Central American neighbors. Such interdependence requires cooperative approaches to protect common interests.

NOTES

- 1 Dr. Cynthia J. Arnson, Director, and José Raúl Perales, Senior Program Associate.
- 2 David M. Klaus, Consulting Director, and Elizabeth Byers, Program Assistant.
- 3 Jacqueline Nader, Program Assistant, accompanied the delegation and was primarily responsible for the preparation of this report. Yoon-hee Rho and Andrew McNamara, interns with the STAGE program, provided research support.
- 4 The William and Flora Hewlett Foundation has provided a two-year grant to the Woodrow Wilson International Center for Scholars to fund the establishment of *Wilson Center on the Hill* program. It does not specify the destinations or agendas for the congressional study trips.
- 5 Recently, Guatemala has been thrown into a deep political and institutional crisis. A prominent lawyer, Rodrigo Rosenberg, was murdered and a videotape that he had made shortly before his death was released. In the video, he accused Guatemalan President Álvaro Colom and his wife of murder and corruption. The video has prompted calls for Colom's resignation as well as popular demonstrations in his support. The current scandal has brought into sharp relief broader issues of corruption, impunity, and public insecurity in the country.
- 6 Estimate of the Embassy of Guatemala to the United States of Guatemalans currently living in the U.S., including documented and undocumented individuals

ABOUT THE WOODROW WILSON CENTER

The Center is the living memorial of the United States of America to the nation's twenty-eighth president, Woodrow Wilson. Congress established the Woodrow Wilson Center in 1968 as an international institute for advanced study, "symbolizing and strengthening the fruitful relationship between the world of learning and the world of public affairs." The Center opened in 1970 under its own board of trustees.

In all its activities the Woodrow Wilson Center is a nonprofit, nonpartisan organization, supported financially by annual appropriations from Congress, and by the contributions of foundations, corporations, and individuals. Conclusions or opinions expressed in Center publications and programs are those of the authors and speakers and do not necessarily reflect the views of the Center staff, fellows, trustees, advisory groups, or any individuals or organizations that provide financial support to the Center.



Woodrow Wilson
International
Center
for Scholars

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Lee H. Hamilton, President and Director

BOARD OF TRUSTEES

Joseph B. Gildenhorn, Chair

Sander R. Gerber, Vice Chair

Public Members: James H. Billington, The Librarian of Congress; Hillary R. Clinton, The Secretary, U.S. Department of State; G. Wayne Clough, The Secretary, Smithsonian Institution; Arne Duncan, The Secretary, U.S. Department of Education; Kathleen Sebelius, Secretary, U.S. Department of Health and Human Services; Adrienne Thomas, Acting Archivist of the United States; James Leach, Chairman, National Endowment for the Humanities

Private Citizen Members: Charles E. Cobb, Jr., Robin Cook, Charles L. Glazer, Carlos M. Gutierrez, Susan Hutchison, Barry S. Jackson, Ignacio E. Sanchez

Woodrow Wilson International Center for Scholars

One Woodrow Wilson Plaza

1300 Pennsylvania Avenue, NW

Washington, D.C. 20004-3027

THE LATIN AMERICAN PROGRAM

lap@wilsoncenter.org

www.wilsoncenter.org/lap

WILSON CENTER ON THE HILL

onthehill@wilsoncenter.org

www.wilsoncenter.org/onthehill

SCIENCE, TECHNOLOGY, AMERICA, AND THE GLOBAL ECONOMY

stage@wilsoncenter.org

www.wilsoncenter.org/stage

COVER PHOTOS:

© Elizabeth Byers

© David Klaus (consulting director, WCOH)

© David Stewart (trip participant)

This trip was funded by the William and Flora Hewlett Foundation