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INTERNATIONAL ASPECTS OF THE CRISIS IN CENTRAL AMERICA:

A Rapporteur's Report

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Introduction

To observers unfamiliar with the region, Central America seems to have exploded on the international scene with breathtaking suddenness in the last few years. Turmoil enveloped a region that had seemed for generations to be nothing more than a quiet backwater of the United States. The Nicaraguan revolution united virtually the entire population against a regime that had grown rich during decades of repression, but the future course of that revolution is still uncertain. El Salvador has had three governments in an 18-month period during which nearly 15,000 people have died in political violence, violence which none of the governments has seemed capable of controlling. Guatemala is expected by many observers to be the site of the next explosion, having already suffered several thousands of deaths from political violence in recent years. The commitment of Honduras to a transition from military to civilian rule seems increasingly fragile in the face of the waves of violence buffeting the surrounding countries. Even stable, democratic Costa Rica is threatened with upheaval as its economic problems become more severe, and tiny Belize, preparing for independence from Britain, fears that Guatemala may invade when British troops are pulled out.

Although this turmoil has its roots in a history of political and economic injustice within Central America, it also affects, and is affected by, actors external to the region. Central America (particularly El Salvador) currently is a point of confrontation between the superpowers, with the United States accusing the Soviet Union of fomenting trouble through Cuba in an area that has traditionally been a secure and tranquil U.S. neighbor. Western Europe, seeing this confrontation as unnecessary for U.S. interests and destabilizing to global security, finds itself once again in disagreement with the leader of the Western alliance. Mexico and Venezuela, whose oil reserves have made them regional powers to be reckoned with, would like to see peace return to the region, but do not agree on how to achieve long-term stability. Several transnational actors, notably the Social and Christian Democratic parties, the Socialist International, and the Roman Catholic Church, are involved and influential in Central America.

In response to the international attention that has recently focused on Central America, a group of scholars gathered in Washington, D.C. in April 1981 for a workshop on the "International Aspects of the Crisis in Central America." The workshop brought together Central

American and Latin American specialists and experts on broader foreign-policy and national-security affairs to discuss Central America's role in the world today and in the near future. Given the international controversy which Central America has provoked in recent months, it is perhaps not surprising that there was frequent disagreement on most of the points raised at the workshop. This paper attempts to summarize the themes of the workshop and to highlight the major opposing points of view. Where possible, arguments and observations are identified with their proponents.

At the beginning of the workshop, Richard Feinberg set out the questions to be discussed, focusing on the relevant actors and their strategies toward the region. The sheer number and diversity of actors, both internal and external, now playing a role in the Central American drama have created confusion among observers and analysts, and among the actors themselves. Who are these actors and what are their perceptions of the causes of the breakdown of the old order in Central America? What do they think is likely to happen as a result of that breakdown? What do they think of the possible need for change? How do nation-state actors define their military, political, economic, and other interests? What are their views of other actors?

Each nation-state actor presumably has some type of strategy, based on its interests and perceptions, for dealing with present and potential change in Central America. In each case, what is that strategy and how likely is it to be successful? What means of influence are available and how are these means limited or determined by external and internal actors? Do these strategies allow coalitions to form, or are most actors working at cross-purposes? How much flexibility do these external actors, especially the superpowers, have in their policies, and to what extent are they bound by ideology or bureaucratic rigidity?

The Internal Actors

For a century preceding the 1960s and 1970s, several elements supported the existing social structure in Central America, among them the army, the Church, private foreign capital, and the traditional agricultural elite. The history of Central America was, until recently, in large part the story of struggles among these elements, leaving the majority of the people with no say in their own destiny. The traditional liberal/conservative political distinction meant little to the Central American masses, for the "liberals" were no less elitist than the "conservatives."

In the 1950s and 1960s, however, several economic and social changes weakened the existing power structure. The reformist decade in Guatemala, from 1944 to 1954, set an example. The Alliance for Progress of the 1960s made talk of reform commonplace. Some sectors of the Church, which had previously supported the traditional structure, underwent a profound change of attitude. A group of intellectual reformists, many of them educated in the United States, returned to Central America from exile in various parts of the hemisphere in the late 1950s and early 1960s. (Sol)

The exiles returned to a Central America that seemed firmly in the grip of the large landowners and the military. The political leadership of the region had believed that commercial and industrial groups were displacing the traditional agricultural elite as the economic power center, but it soon became clear that the large landowners had maintained their power and had linked themselves more closely with the military. Because land gives status and power in Latin America, the military wanted land, and the traditional agricultural elite made it easy for officers to acquire it. (Villagrán) This is not to say that the landowners and the military have necessarily seen their interests as being inextricably intertwined. The overriding concern of the military is the preservation of the military, while the interest of the large landowners is the preservation of the status quo.

Despite appearances, significant changes were underway. Since the end of World War II, rapid and dramatic economic growth has taken place in Central America. This growth stemmed from a remarkable increase in total exports and from economic diversification by means of import-substitution-based industrialization, which resulted from the creation of the Central American Common Market. (Cohen)

The leadership of the political parties was influenced by the economic-integration movements of the 1950s and 1960s. In an effort to gain a margin of independence from the dominant U.S. agricultural interests without upsetting the United States, this political leadership wanted to diversify the Central American economies using a functionalist approach. (Villagrán) The formation of the Central American Common Market was a successful case of a functionalist separation of politics and economics. (Cohen) As a result, the region's economies have diversified away from their former total dependence on one or two export crops, infrastructure has been developed, and a small but significant public sector has emerged. (Cohen) The benefits of this economic boom have been inequitably distributed, however, and it is this inequitable distribution of wealth, an inevitable consequence of the existing social structure, which is the root cause of the present turmoil.

Various groups within the Central American elite have reacted quite differently to these changes, which have created new layers in society without fundamentally altering the existing structure. One such layer is the middle class, whose values were formed by the model of the United States. The emergence of a middle class in Central America with U.S. values both encouraged economic diversification and accelerated the urban/rural clash. Although this group was reformist in the 1950s and 1960s, it is now sharply divided, and much of the middle class moved rightward during the 1970s, in fear of losing its recent economic and political gains. (Millett, Feinberg)

One classification divides the elite into three categories, replacing the traditional former division between liberales and conservadores. These new categories are: the paternalistas (at the top of the traditional elite and at the center of political power), the vanguardistas (middle-class believers in the necessity of socialist revolution imposed from above), and the social engineers (mostly public servants hoping for evolutionary change through reform,

and the weakest and most vulnerable of the three). The vanguardistas are subdivided into an orthodox group, which wishes to await the advent of objectively appropriate conditions for social revolution, and the foquistas, who wish to hasten the arrival of those revolutionary conditions by means of armed struggle. (Cohen) These are, of course, broad and inexact categories. Paternalism can be defined as the handing out of favors by an ascendant group in order to maintain its ascendancy (Whitehead), or it can include the use of violence, generally as a last resort, to repress challenges to a group's position--which seems to be more frequently the case in Central America. (Cohen) The foquista grouping may be out of date, given the changes in the nature of guerrillas and guerrilla strategy since the 1960s. (Heine)

Guerrilla groups have been able to broaden their bases of support in recent years, in part because the electoral path has been tried and found wanting by so many in Central America. One persistent trend in the area, at least until 1979, was the strong tendency of Central Americans to follow the electoral path, despite the realization that election results often failed to reflect the will of the people. Competing with this electoral commitment, the radical left claimed that the electoral route would not lead to true revolutionary change. Reformists, however, did not follow the radical lead. Likewise, if the doors to the electoral process remain open, the trade-union proletariat will use them, and will join forces with the guerrillas only if the electoral process is not available. Dedication to the electoral path has been shaken, however, and the percentage of people voting among those eligible to vote is decreasing. (Villagrán) As a result, the leftist groups have developed a broad political base.

Most revolutionary groups in Central America, operating under the same basic organizational and philosophical principles, draw a smaller number of combatants from these broad bases. The revolutionary groups accept the concept of prolonged war (guerra popular prolongada), and agree on the necessity of simultaneous or nearly simultaneous revolution in all of Central America. Well before the Nicaraguan revolution in 1979, Central America's radical left had agreed that revolution in Central America could not take place in just one country. Thus, Salvadoran and Guatemalan guerrillas contributed to the Sandinista effort to overthrow the Somoza regime. Likewise, the extreme right believes that all of Central America must be right-wing at the same time if the right is to be secure in any one country.

Given the increasing polarization in much of Central America, it is important to know who will lead the new alliance in opposition to the traditional order. When the society is highly polarized, as is the case in El Salvador today, the alliance leaders will be the guerrillas who risk their lives. (Cohen)

The External Actors

Although the internal actors within Central America play a far more important role than do external actors in explaining the current crisis, they do not operate in an international vacuum. External involvement need not be very great to be influential if the internal

situation is highly polarized, as in El Salvador today, or very one-sided, as in Nicaragua before July 1979.

The United States has traditionally played a major, perhaps hegemonic, role in Central America. If this role has indeed been hegemonic, the United States may have sown the seeds of the destruction of its own hegemonic system. According to one theory, the very existence of a hegemonic system creates dynamics in the client state which will eventually force the hegemonic power to change its policies. This effect of hegemony is causative, not controlling--more like the sorcerer's apprentice who loses control than like a puppet show. The assumption underlying this view is that a hegemonic system is an inherently unstable equilibrium. (Kurth)

More recently, the Social Democratic and Christian Democratic parties of Europe have become interested in Central America, the United States has accused the Soviet Union and Cuba of fomenting trouble in the area, and Venezuela and Mexico have emerged as major regional powers in their own right.

Six sources of influence are available in varying degrees to the external actors. The first, and ultimate, instrument is the threat or use of force. This may or may not be decisive. It is always costly, and indeed has become so costly in recent years that it may be counterproductive in that it may weaken or alienate potential internal allies. (Pastor) This kind of intervention generally does not take place if: (1) intervention would be very costly, as would be the case for the USSR in Yugoslavia or the United States in Cuba; (2) it is not known what kind of regime the proposed target of intervention is likely to develop; or (3) there is great geographical separation. (Bienen)

Two other tangible sources of influence are available in the form of economic/military aid, and training and technology. (Pastor) These tangible forms of involvement usually are utilized after some element in the target country has asked for assistance. Such requests may come from long-standing clients, including governments, or from new actors. It is useless to consider the prospects of this kind of involvement unless the would-be intervenor first specifies its own interests. The U.S. failure to do this concretely has been the major problem in its Central American policy. The split between globalist and regionalist perspectives is a reflection of the failure to evaluate interests in terms of a cost/benefit framework. (Bienen)

Other sources of influence are less tangible but still significant. An external actor can, by its political support, confer legitimacy on various groups, as the Socialist International has done with the revolutionary front in El Salvador. It can also deny or threaten to deny aid, trade, or relations, as the United States has done with Cuba--an example which must certainly affect the behavior of revolutionary Nicaragua. Lastly, perceptions and misperceptions can be a source of influence for an external power. For example, the belief held by many Central Americans that the fate of Central America is in the hands of the United States gives U.S. officials more influence than they would otherwise have. Similarly, Castro's influence has been enormously

enhanced throughout the Third World by his long defiance of the United States.

The United States is the most influential of the various external actors, in part because it is able to use all six of these sources of influence. The next most influential are Cuba (which, except in Nicaragua, is supporting dependent and non-incumbent actors) and the current government of Venezuela (which has oil, money, and the clear objective of supporting Christian-Democratic parties). Next are the Central American nations themselves, which have a long history of mutual interference. Last are Mexico and the Socialist International, which have only limited impact because they are not unified in their policy and signals from them are not clear (Pastor)

The United States

Because of its overwhelming military and economic strength, its geographical proximity, and its tendency to view Central America as its backyard and thus rightfully within its sphere of influence, the United States has long been the most important and influential external actor in Central America. The United States has set the limits to change in the region. It introduced the communist/non-communist rationalization in whose terms much of the political debate has been waged. Nationalist sentiment, although growing, is not yet strong enough to counteract U.S. influence. (Cohen) Historically, and to some extent to the present day, the United States has been seen by many Central Americans as the final arbiter of their destiny. Even though U.S. policymakers have, at least recently, held a less extreme view of the U.S. role, there is little doubt that the Central Americans' perception of virtual U.S. omnipotence has increased U.S. power in the area.

The true nature and extent of that power and the uses to which it has been put have been the subject of some debate. According to one interpretation, the United States has not had a dominant or directive role in Central America. Rather, it has had episodic influence. The United States certainly could play a hegemonic role if it chose to do so, but it has not done so, in part because the United States cannot always marshal its private domestic economic and other groups in support of U.S. foreign policy. On the other hand, it is relatively easy to marshal a coalition of forces in the United States in support of the reassertion of U.S. hegemony. It is less clear what groups would constitute a non-interventionist coalition, or what influence such a coalition would have.

Panama and Nicaragua are historical examples of the lack of U.S. hegemonic control in Central America. The United States brought Panama into being by detaching it from Colombia via a treaty. In subsequent renegotiations of the treaty terms, Panama negotiated aggressively with the United States. Particularly in the post-World War II period, Panama took the initiative on this and other issues, and usually got its way. Even during the opening years of World War II, Panama required the United States to negotiate terms for U.S. bases in Panama for several years, until as late as 1942.

At the beginning of this century, Nicaragua was of interest to the United States as a potential canal zone. The first U.S. intervention, in 1913, took place at the invitation of the president of Nicaragua. In 1927, the United States intervened in support of constitutional stability. Finally, in 1936, when Anastasio Somoza Garcia took power, the United States refused to intervene because its previous interventions, rather than stabilizing Nicaragua, had merely involved the United States more deeply in Nicaraguan affairs.

Comparing the U.S.-Latin American relationship with the clearly hegemonic relationship between the Soviet Union and Eastern Europe brings to light several differences. There is no de facto military alliance between the United States and Central America, unlike that between the Soviet Union and Eastern Europe. Eastern Europe is economically dependent on the USSR, while economic relations between the United States and Latin America have been based on consensual negotiations. U.S. military interventions in Latin America have been episodic and not generally successful, while Soviet interventions in Eastern Europe have been consistent and successful. Lastly, if the issue is defined as whether the great power can determine transnational group activities and relations, the USSR can be said to play a hegemonic role in Eastern Europe, while the United States does not have a hegemonic position in Latin America. (Menges)

From a different perspective, the episodic nature of U.S. intervention appears as a testament to the strength of U.S. domination rather than evidence of a lack of hegemony. An obedient dog which knows it will be punished if it misbehaves will act so as to avoid punishment. U.S. intervention in Central America has only been episodic because Central America is well trained. (Lowenthal)

It may be that the United States is a "reluctant imperialist" with limits to its hegemony. (Millett) For example, while Panama could hold out in negotiating the terms for U.S. bases in World War II, it would not have been able to prevent the eventual establishment of those bases. Hegemony involves partial dependence, like a glass of water that can be called half-full or half-empty, rather than total dependence. (Kurth)

If there are limits to U.S. hegemony, what are U.S. goals, and how much erosion of its hegemonic position is the United States likely to be willing to tolerate? What impels the United States to act in Latin America? The United States used to be driven by economic imperialism; now, it is national security which is the focus of concern. (Bienen) National security includes several factors: defense of national borders, the opportunity to engage in productive economic activity, the opportunity to pursue one's desired political system, and the opportunity to pursue and maintain one's values. Only the first of these involves the military. The issue of national security usually, and appropriately, focuses on the East-West conflict. Little attention was paid to Central America and the Caribbean before the Cuban revolution, an event which drastically changed the U.S. perception of U.S. security in the hemisphere. (Hayes)

At present, does the United States have real national-security interests in Central America? Certainly, the United States would find intolerable the establishment of hostile military bases in the region, although there is no consensus on whether this threat is a serious possibility. Beyond this, a range of views holds that the U.S. national-security interest in Central America is either major, non-existent, or somewhere in between.

According to the view that the United States has a significant security stake in Central America, the United States should aim to prevent the creation of governments that would ally themselves with hostile foreign powers. (Menges) Indeed, the region must be denied to any forces that are or might be hostile to the United States. This perspective assumes that stability can be secured by the present regimes in Central America or by similar ones, that civilians are too weak to rule, and that no ties with Cuba are acceptable. (Feinberg) This view also assumes that both the domestic U.S. political costs and the damage to national security that would be the result of a "loss" in Central America would be very high.

In the gloomiest of scenarios, the consequences of a "communist" victory in El Salvador would be disastrous even if enemy bases were not established. Nicaragua would move even farther to the left, Guatemala would be adversely affected, and eventually Mexico's extreme left would receive "fraternal assistance." The resulting revolutionary war would dump millions of refugees in the United States. (Menges)

Others find the "domino" scenario less than convincing. If the United States does have real national-security interests, they may be more dependent on intangibles, or on political and economic factors, than on military factors or the domino theory. Once again, perception becomes very important. The perception of hemispheric solidarity is significant in the world. The United States would appear more politically isolated in the world were hostile governments to come to power in Central America--which would be important because this perception could lead to an atmosphere in which other nations would be more likely to test the United States.

Although it is true that the costs to the United States of having to deal with a credible Soviet presence in the Caribbean would be extremely high, higher than the amounts the Reagan administration is now requesting, this is an unlikely prospect. A "the Russians are coming" syndrome has led the United States to overreact to political instability in its backyard. The worst-case scenario, in this view, would be the establishment of "listening posts" in Central America by the Soviet Union. Even this is unlikely, but the United States should still plan for the worst-case possibility. (Hayes)

A third view sees even less cause for U.S. concern over events in Central America. The "global containment of communism" philosophy is back in full force at the moment, but must not be allowed to do too much damage and must be considered ideological, based on a gut feeling that it is good for the United States to have other nations be like the United States. In reality, Central America is not a very important

area. Unlike Iran, where the political turnaround was inherently important, a turnaround in Central America would only be significant if more important countries, such as Mexico, were affected. Militarily, the establishment of Soviet bases in Central America similar to the Soviet bases in Cuba would be only a marginal improvement for the USSR. Proximity only matters in a conventional conflict, and a purely conventional conflict between the United States and the Soviet Union is an unlikely prospect. Moreover, proximity is not contiguity. (Betts) Central America is a close neighbor to the United States, but it does not present the cause for concern that a border state would.

This perspective may explain why U.S. policy toward Central America has changed so often and so rapidly in the last few years. Since most external actors have recognized that Central America is not of vital importance to anyone except Central Americans, the United States can easily use Central America as a cheap place to show off new policies without affecting anything vital. (Lowenthal)

At least until 1979, much of the U.S. national-security establishment seems to have shared the belief that Central America was of low priority as a U.S. concern. The number of U.S. security advisors shrank from over 800 to less than 70 during the last 15 years. The U.S. military, which must obey the law of "economy of force," must do the best it can to protect U.S. security interests with limited resources, and Central America has not been seen as an area in which it was necessary to invest much effort. This has presented something of a dilemma for the military in recent months. As the higher levels of the Reagan administration have loudly and publicly "drawn the line" in El Salvador, lower levels have tried to emphasize other priorities. (Sereseres)

The United States currently faces four options in El Salvador: support elections, provide economic aid, provide military aid, or intervene. The likely Salvadorean responses to any of these options are not promising. Elections would be considered useless by the majority in a country which has no freedoms of press or assembly and in which all opposition leaders are dead or in exile. Economic aid is not sufficient to overcome the leftist strategy of destroying the economy. Military aid would drive the guerrillas into a strategy of "prolonged war." Direct military intervention would lead to an internationalization of the conflict, involving Cuba and Nicaragua on the side of the guerrillas and the governments of Honduras and Guatemala on the side of the Salvadorean junta. (Sol)

Policymakers in the United States and in the other external actors can be divided into two broad groups: those who believe that the internal causes of events in Central America are the most important, and those who argue that policymakers should focus on the international dynamic. In the United States, the former tend to favor accommodation over intervention, while the latter, presently more numerous and more powerful, are more interventionist.

Why does this distinction still exist, particularly in the United States--which has repeatedly been brought to grief by its failure to be attuned to the internal dynamics of countries in which it was involved? The United States might find it much more effective to have some concept of the true interests of those it rules and cast its own interests in those terms, but altruistic hegemony is far from the thoughts of most U.S. policymakers. Just as the attitude of the Central American bourgeoisie has changed from confidence to fear in the face of growing economic and political difficulties, the generous spirit of the U.S. middle class has constricted and the windows of intellectual understanding have been shuttered. As the United States loses its principles, it will become more and more desperate, adopting policies of cultural despair. Only two paths will remain, as Central Americans realize that they have less and less to learn from the United States. If they take the bright road, they will turn back to the Latin Europe of their heritage, adopting a Social-Catholic or neo-Marxist path. If they take the road that is dark from the U.S. perspective, they will simply wait for the United States to do itself in by the folly of its own policies. (Kurth)

Carter Administration Policy. The Carter administration rejected the argument that U.S. interests in Central America could best be protected by preserving the existing regimes. It was believed that these anciens regimes were crumbling from within, as a result of internal changes. The Carter administration, adopting the "controlled evolution" approach from mid-1978 to mid-1979, tried to indirectly influence the evolution of events. This approach was taken because it was believed that change in Central America was inevitable, and had to be channeled in order to avoid the emergence of hostile leftist governments. Although the civilian "social engineers" were preferred, the United States was willing to deal with the right-wing militaries because the left was unacceptable. (Feinberg)

It is not clear why the left has been and continues to be anathema to U.S. policymakers. The U.S. tradition of trying to isolate leftist groups puts the United States in an awkward position when, as in Nicaragua, those leftist groups come to power after the United States has made a concerted non-military, but still interventionist, effort to keep them out. (Farnsworth, Grabendorff) It may be that the aversion to leftist groups stems from a fear of the domestic political consequences if the United States appears to "lose" a country. (Lowenthal) In terms of the real national-security interest, however, this policy does more harm than good, driving leftist leaders into the arms of the Soviet Union and Cuba. If, for example, the United States were to adopt a hard-line security perspective with regard to Nicaragua, even the moderate Sandinistas would be unacceptable, and the United States would throw its support behind opposition leader Robelo. This would strengthen the radicals in the FSLN, who would turn to the Soviet Union.

"Controlled evolution" failed in Nicaragua, El Salvador, and Guatemala, and succeeded only partially in Honduras, because the Carter administration was unable to implement such a difficult and sophisticated strategy. (Feinberg) Fine-tuning of social change is very difficult for the United States, or for any government. Bludgeoning can

work, influence can be influential, but fine-tuning is virtually impossible. (Bienen) In all four countries, the internal situations were either too polarized or not polarized enough for the United States to be able to control the situation. Even in Honduras, where internal conditions were the most favorable, the United States was able to influence the balance, but unable to direct events. (Feinberg) The "controlled evolution" approach may be doomed to failure, because it is based on the assumption that decisions controlling the fate of Central America should be made in Washington, a view which is accepted by neither the right nor the left in Central America. Moreover, controlled evolution only works when there is a center to be strengthened. It was unrealistic to believe that new Costa Ricas could be developed from Nicaraguan and Salvadoran situations. (Grabendorff)

The 1979 Sandinista victory in Nicaragua forced the Carter administration to adopt a new policy. In an attempt to avoid regional conflict and/or anarchy in Central America, the Carter administration took an accommodationist tack, based on the belief that the FSLN victory need not be an unmitigated disaster for the United States. The accommodationist approach required several assumptions: that the Sandinista revolutionaries would be pragmatic; that the United States could define its interests to accept the new regime; that U.S. economic interests could and would accommodate the new government; that U.S. security did not require a complete denial of influence to other powers; and that other countries, especially Mexico, Venezuela, and some West European states, would be useful in substituting for U.S. hegemony.

The path of accommodation with the left is not without problems. Not all revolutionaries are pragmatic, although the Sandinistas generally were, and the costs in terms of U.S. domestic politics can be high. Even so, the accommodationist approach might still be viable, although at present accommodation with Nicaragua would require that the United States support a negotiated solution in El Salvador, because Nicaragua sees the Salvadoran military as a threat. However, the Reagan administration seems inclined toward a reassertion of the traditional "security" perspective. (Feinberg)

These three approaches, the security-oriented hegemonic-reassertionist approach, the controlled-evolution approach, and the accommodationist approach, can all be seen as merely various means to the single end of avoiding an alliance between Central American countries and the Soviet Union and Cuba. (Menges) However, to view them this way may ignore the richness and complexity of U.S. policymaking. These different approaches demonstrate different limits to the extent of U.S. tolerance and capabilities. (Feinberg)

A different perspective suggests that security remained an important consideration for U.S. policymakers during the Carter years, along with a commitment to human rights and a preference for more balanced relationships--a less hegemonic relationship, if you will. According to this view, the United States never sought to control the evolution of events by fine-tuning social change. Whatever shifts in policy emphasis that occurred reflected the changing weight of interests over time and the changing situation in Central America. (Pastor)

U.S. Business Interests. The U.S. government is not the only American actor with interests in Central America. In particular, the U.S. private sector is involved through banking and business investments. Private-sector and government goals may not always coincide. Firms want stability, predictability, and profitability in the countries where they do business. In contrast to the perceived security interests of the "free world," firms may want to do business in countries that are allied with U.S. opponents, as in Angola, or they may choose not to do business with U.S. allies, such as Somoza's Nicaragua. (Whitehead) The private sector generally believes that business can be done with all types of regimes, and sees this as a good thing for all concerned. (Purcell)

The strategies that business firms have adopted toward Central America can be used to infer their interests and their perceptions of events in the region. The U.S. private sector has adopted a wait-and-see attitude, expecting to be able to do business with whichever element eventually emerges from the chaos, but prepared to withdraw for a time if necessary until Central America stabilizes. (Purcell) This cautious attitude may seem excessively predictable (Pastor), but given the changes in multinational corporations' and banks' understanding of the Third World, and in Latin American perceptions of multinationals and banks over the last twenty years, it is worthwhile to examine the extent and effects of these changes. (Purcell)

The firms that do business in Central America are characterized by four traits. They are adaptable, but their adaptability is restricted by bureaucratic inertia. Institutional perceptions tend to be pragmatic because individual differences, particularly the differences between middle-level and upper-level management, are smoothed over in the decision-making process. Finally, the U.S. firms are no longer taking the initiative in molding the environment because situations in Central America are no longer stable and predictable. As Central America grows increasingly chaotic, U.S. firms are likely to withdraw more and more. Even the banana companies are trying to diversify and withdraw from Central America.

The policies of both the Carter and Reagan administrations have left firms with a feeling of bemused concern and a negative attitude toward the actions of the U.S. government. These firms will not support an interventionist coalition in the United States. Some private-sector groups, particularly the Chamber of Commerce, have a more hard-line view, but business caution will make these groups irrelevant. On the other hand, business will not join a non-interventionist coalition. (Purcell)

The U.S. private sector is not, of course, a monolith. There is great variation in opinion from firm to firm, within firms at different levels of management, and between managers responsible for different countries, with regard to how firms should respond to change in Central America. Over the past twenty years, corporations have become more flexible as they have learned how to do business with Third World countries. (Purcell) Even the left in Latin America is willing to do business with multinational corporations under certain circumstances. The Sandinistas, for example, are eager for foreign investment in some

areas of the Nicaraguan economy. (Farnsworth) Nicaragua, however, is in many ways an unusual case for U.S. firms. Because the opposition to Somoza included the Nicaraguan private sector, and because U.S. business deserted the dictatorship long before the revolution, U.S. firms had little cause for ideological hostility toward the new regime. Sympathetic feelings were reinforced when the Sandinistas proved to be highly pragmatic in the renegotiation of the Nicaraguan debt. Because of Somoza's monopolization of so much of the productive capacity, the revolution may have actually increased opportunities for U.S. firms. The "flexibility" of U.S. businesses vis-a-vis the new government may not be the sign of a new attitude towards leftist revolutions but rather the only response possible given the unique nature of the revolution and until the situation is clarified. (Farnsworth) The Guatemalan government, which has been less than kind over the past eight years in its dealings with some U.S. firms, may actually be worse for U.S. business than is the present Nicaraguan government. (Sereseres)

On the other hand, U.S. business interests and exposure in Guatemala are far more substantial than was the case in Nicaragua. Would firms be willing to deal with a revolution in Guatemala? The answer is most probably yes. Such a revolution would hardly be welcomed, but if a revolution is to come, U.S. businesses would like to see it over and done with as quickly as possible so that business as usual could resume. (Purcell) Alternatively, a U.S. interventionist lobby including U.S. business could develop, and the resulting scenario might look more like Chile in 1970-73 than Nicaragua in 1979-81. (Farnsworth)

In general, the upper levels of management are more prone to favor the hard line adopted by the Reagan administration than are the middle-level people who are constantly examining the situation in Central America and have far more detailed knowledge of the region. When it comes to making business decisions, however, those decisions are made in pragmatic business terms, and the advice of knowledgeable middle-level people is carefully considered. (Purcell)

The Soviet Union and Cuba

The Reagan administration has made the role of the Soviet Union and Cuba in Central America the subject of heated public and international debate. Soviet and Cuban activities in the region are of concern to the United States not only because of whatever inherent importance Central America may have for the United States, but also because such actions may reflect Soviet strategy throughout the Third World.

There are at least two general views of Soviet interests in and policies toward Central America. One school of thought believes that the Soviet Union has a coherent strategy toward the Third World in general and Central America in particular, with identifiable ideological, political, security, and economic components. Ideology plays a role in this strategy, although most likely a lesser one than the Reagan administration has claimed. The USSR usually refers to radical regimes other than Cuba as progressive; only Cuba is called a truly Marxist and socialist system. The Soviet motivation for supporting such regimes is pragmatic rather than ideological.

According to this school of thought, the political aspect is the most important part of Soviet strategy in Central America. The political goal of the Soviet strategy toward the Third World in general is the furtherance of the aims of anti-U.S. and anti-Chinese regimes, employing criteria of progressivity in foreign-policy orientation to determine which regimes to support. In Central America, the security and economic components of Soviet strategy are relatively unimportant except insofar as they support the political component. The USSR would like to provide greater quantities of arms to Central America, but must be careful not to provoke the United States in the U.S. backyard.

It is possible that Central America is mainly of interest to the USSR as a bargaining chip, to be used in Soviet-U.S. relations. The Soviets, who believe that the United States has been arming the Afghan rebels, may be hoping to trade Soviet withdrawal of support for leftist and anti-U.S. forces in Central America for tacit American acceptance of Soviet intervention in Afghanistan. (Valenta) On the other hand, it may be that the Soviet policy in Central America is offensive, not defensive, part of an imperialist offensive with geopolitical objectives and no plans for a tacit deal. (Leiken) In either case, this view accepts the evidence of the Reagan administration's White Paper, which claims to prove that eastern bloc countries have already given substantial military aid to the guerrillas in El Salvador as part of the overall Soviet strategy. (Valenta)

Cuba, whose interests are much more directly involved, can do little on its own without Soviet approval and support, although it is more than a Soviet proxy. The United States failed to take advantage of its opportunity in the 1960s to keep Cuba out of the Soviet orbit, and it may now be too late. There are, however, still differences between Cuban and Soviet interests. Cuba is a regional power, while the USSR is a global one, and Cuba is more radical, more dedicated to the Third World and more consistent in its support of radical regimes than is the Soviet Union. (Valenta)

A second school of thought believes Soviet strategy to be ad hoc and reactive, rather than planned and coherent, and Cuban action to be relatively autonomous in the 1970s with regard to Latin America. Central America has historically been an area of marginal importance for the Soviet Union. Although the USSR would not be reluctant to see regimes hostile to the United States emerge in Central America, it is unwilling to take on the expense of supporting other Marxist-Leninist regimes as it now supports Cuba. It has been estimated that Soviet support of Cuba now costs the Soviet Union about $7 million a day.

Cuban interests and strategy are not identical with those of the Soviet Union, although there is considerable complementarity of interests. Differences of views between the Soviet Union and Cuba with respect to Latin America were sharp in the 1960s. Cuba at that time was unsure of the depth of the Soviet commitment to Cuba in the face of U.S. hostility, and was much more aggressive than the Soviet Union in supporting revolutionary groups in Latin America. Now, because Cuba is so much more directly involved with Latin America

than is the USSR, Cuba has considerable input into Soviet foreign policy toward Latin America, despite Cuban dependence on the Soviet Union. (LeoGrande, Villagrán)

What then has been Cuban policy? In Central America, it has been the non-Communist-Party left that has received aid from Cuba. The Communist parties have historically been of little importance in the region. They began to seek admittance into the guerrilla movements in late 1979, offering their organization of Communist-Party youth as their admission ticket. (Villagrán) In Nicaragua, Castro has been advising the Sandinistas to stay on good terms with their domestic middle class and with the United States, to avoid the hemispheric isolation from which Cuba has suffered. The Communist Party of El Salvador was advised by Castro, as were all the guerrillas, to support the junta of October 15, 1979. Only after the collapse of that junta in January 1980 was there a resort to the armed alternative. (Simons)

Soviet and Cuban involvement in El Salvador has not made a qualitative difference in the Salvadorean struggle. The conflict has been underway at a high level for several years, and the U.S. State Department's assertions that massive amounts of arms have flowed from eastern bloc countries to the left in El Salvador only dates those arms flows from the end of 1980. Even the validity of this claim is open to question, according to this point of view. If the alleged captured documents are genuine, they prove nothing more in terms of direct Soviet involvement than a vague promise of support.

Regardless of whether the Soviet Union and Cuba presently have a coherent strategy toward Central America, there is clearly a complementarity of interests. There may be limits to that complementarity, however, which the United States may choose to try to exploit. For example, if the United States takes a very hard-line position on Nicaragua that drives the Sandinistas into the Soviet camp, the USSR will not want to bear the considerable expense of supporting Nicaragua as it now supports Cuba, but it will be extremely important for Cuba that the Soviet Union pick up the tab. Cuba, having a national interest in reducing its dependence on the Soviet Union, would like to improve relations with the United States. There may be a long-term possibility for weaning Cuba from the Soviet bloc, even if a complete break is unlikely. (LeoGrande)

Soviet scholars see several dilemmas with regard to Soviet policy toward the Third World. Communist regimes are being established in deeply underdeveloped countries rather than in the newly industrializing nations (NICs) which would seem to be more appropriate. Autarky is considered impossible and undesirable. Development should not be financed by the peasantry, but rather from outside, which means that Western investment is necessary. Unfortunately for Marxist theory, socialism may lead to capitalism in underdeveloped countries, and a mixed economy is needed. (Hough) It is not clear, however, how much influence Soviet scholars have on Soviet policy toward the Third World.

Western Europe

Europe is far from united in its views on the current crisis in Central America. Some European actors share the official U.S. interpretation that much of the trouble is due to Soviet and Cuban meddling. Many others, however, have a less bi-polar view of the world and of the situation in Central America. This latter view is notable for its differences from the position taken by the United States.

This view holds that change in Central America is inevitable in the near future as well as in the long run. When looking to establish long-run stability, short-run and medium-term instability must be taken into account. Any effort now to preserve the status quo will lead to more, not less, bloodshed, and will force the Central American left into the Soviet sphere. Europe, believing that there is no advantage to be found in trying to police the Third World because such action would enhance Soviet influence everywhere, sees Central America as a test case for the United States, and for the West's willingness not merely to tolerate change but to aid it.

The polarization that now exists in Central America is the result of previous Western policies, which have damaged chances for the development of pluralistic societies by working to isolate the left. Because "democratic processes" in Central America have so often been fraudulent, it is no longer possible for the West to tell Central Americans that they must work for Western-style democracy.

Western Europe believes that it is in a better position to understand and deal with the left in Central America than is the United States because Europe has had to be more adaptable in the past. Unlike Europe, the United States has never dealt with a strong internal left, and has never found it necessary to compromise with neighbors who do not share its values. Because the United States has never before been confronted with strong leftist movements either at home or in its neighbors, it does not now know how to act.

European interests in Central America are not always identical with U.S. interests. The first and overriding European concern is to prevent internal Third World struggles from becoming East-West conflicts, and to keep the USSR from having an excuse for its intervention in Afghanistan. Second, due to economic dependence on the Third World, Western Europe would like to avoid a decline in long-term relations with the Third World. Third, Europe would like to avoid aggravating tensions within the Atlantic alliance. Lastly, Europe has an interest in building good long-term relations with all of the political actors in Central America.

For Western Europe, transnational relations, especially between parties and between trade unions, are often more effective instruments than are state-to-state relations. These party-to-party and trade-union ties imply a possibility of conflict with the United States because these transnational actors must look at the national interests of Central America. In the Social Democrat party in particular, there is much solidarity felt with Central American Social Democrats who have

been persecuted for political reasons, rather than for terrorist acts. Germans who suffered under the Nazis feel a strong emotional bond with Social Democrats who have been persecuted. European transnational groups have worked with counter-elites in Central America, especially those that have been repressed, because only by working against the Central American military can autocracy be replaced by democracy.

The European strategies reflect the European emphasis on the importance of North-South as opposed to East-West concerns. These strategies include several elements. No country should try to export strategies that have worked domestically, because they probably will not work in the very different conditions of Central America. Military aid should be kept out of the region at all costs, because history has shown that strengthening the military will always work against civilian interests. Economic aid should be channeled through regional organizations, so that the superpowers will not become tied to a particular Central American regime. Even better, multilateral aid channels should be used in preference to bilateral aid.

Europe's outlook for El Salvador does not believe that a military settlement is possible. A negotiated settlement is inevitable, but it will take much time and will not be able to accommodate the extremes of left and right. The extremes will have to go into exile, the left probably to Cuba, and the right most likely to Miami. New political models have to be sought. Since the United States will not look for such new solutions, the regional powers should, perhaps considering a one-party system such as Mexico's as one solution. With the removal of the political extremes and the diminution of the U.S. role, a Christian Democrat-Social Democrat political debate may eventually replace the virulent communist/anti-communist altercation. (Grabendorff)

The Regional Powers

Oil and the resulting wealth have made Mexico and Venezuela major regional powers in the hemisphere--powers whose opinions and concerns cannot be ignored by the other external actors involved in Central America. They are much closer to Central America politically, economically, and culturally than are the other external actors (except Cuba), and are more aware of the complexity of the Central American situation, as shown by the extensive in-depth press coverage of events in the region by the Mexican and Venezuelan media. Mexico and Venezuela may have less leverage than the United States in Central America, but they are undoubtedly more concerned. (Whitehead)

Venezuela has pursued a more active foreign policy than has Mexico with respect to the Caribbean and Central America. Mexico could compete for influence if it chose to do so, having more effective foreign-policy institutions than Venezuela, but Mexico has an aversion to involving itself in foreign conflicts. Such involvement might lead to changes in the traditional decision-making structure, changes which could include a greater role for the military in what has been the civilian-dominated government, it is contrary to Mexico's long-standing tradition of non-intervention, and it diverts resources which are badly needed for domestic development. (Ronfeldt)

Mexico's policy toward both the United States and Central America has been quite consistent in recent years, and is not likely to change dramatically in the near future. Mexico will continue to pursue a policy of non-intervention, to use its influence to try to bring about a negotiated settlement in El Salvador, and to try to keep regional questions from affecting bilateral ties with the United States. None of this is new. What is new is oil, which has brought with it political influence. Because of its vast oil reserves, Mexico is now able to pursue a more active foreign policy.

There are, however, limits to the influence that even oil can bestow. In much of Central America, Mexico is seen as an imperialist power. It has no influence with the Duarte government in El Salvador, where it has been aiding the opposition front (FDR), and is much disliked by the Guatemalan government, to which it is hostile. Mexico is more popular with the more left-wing governments of the region, having long been friendly with Cuba and having supported the Sandinistas in their struggle against Somoza. The Mexican role in Nicaragua was the result of special circumstances. At first, it was Venezuela that enthusiastically backed the FSLN, but then a Venezuelan election led to a change of presidential administration and of policy. By tacit agreement in the region, Mexico stepped in to keep the United States and Cuba from trying to fill the void. Now, Mexico competes with Cuba for influence in Nicaragua. It would prefer to see a Social Democratic government in Nicaragua, and sees itself as a moderating influence, but it does not disapprove of the presence of Marxist-Leninists. If the United States continues its cut-off of aid to Nicaragua, Mexico will probably step in to help fill the gap. (Ojeda)

Mexico has pursued especially warm relations with Cuba, in opposition to U.S. hysteria, because Mexico wants to prevent Cuba from meddling in Mexico. (Simons) This kind of opposition to U.S. policy is nothing new for Mexico. In most cases, when the United States has sought Mexican support for a U.S. intervention in Latin America, Mexico has refused. Mexico's dissent is tolerated by the United States on issues that are fundamental to Mexico but not of overwhelming importance to the United States. The one case in which Mexico did support U.S. policy was the Cuban missile crisis, which involved a vital U.S. interest.

To Mexico, it seems that the present hard-line U.S. policy toward Central America is an effort to regain stature in the world, and to prove something to the U.S. people, the Soviet Union, and the European allies. This seems unwise to Mexico, which sees the Persian Gulf as a more valid concern of U.S. foreign policy and a more proper arena of East-West confrontation. Conflict in the Persian Gulf presents greater risks for the United States, however, so El Salvador is being used as the U.S. proving ground. (Ojeda)

Venezuela's role in Central America must be examined with several facts in mind. First, Venezuela and its political power are inextricably linked with oil and the massive Venezuelan reserves. Second, domestic political and economic development objectives have priority over any foreign-policy goal. Third, Venezuelan foreign policy is clearly dominated by the president in a highly personalistic policy-making system.

There is little bureaucracy and only a small group of advisors, which can lead to contradictions whenever there is a change of president. Fourth, Venezuela prefers to deal with foreign-policy issues through multilateral organizations, rather than by bilateral negotiations.

Venezuela views the whole Caribbean basin as its area of interest. Until 1969, its policy toward the Caribbean was defensive and reactive, focusing on the Dominican Republic and Cuba, both of whom tried to overthrow the Venezuelan government. In 1969, when a change of president led to a change of policy, Venezuela extended its influence throughout the Caribbean basin for several reasons. Venezuela saw the opportunity to expand its role at that time because: (1) under Nixon's policy of "benign neglect," the United States was withdrawing; (2) in geopolitical terms, the economically backward countries of the region appeared to be politically unstable; and (3) Venezuela wanted to act to counter what it believed to be Brazilian expansionism.

In the 1970s, under a Social Democrat president, Venezuela was an early and important backer of the FSLN against the Somoza regime in Nicaragua, providing support militarily and in many other ways. In 1979, however, the election of a new president led to another shift in foreign policy, including a lessening of support for the Sandinistas and a deterioration of relations with Cuba.

Venezuela is now one of the supporters of the military-Christian Democrat junta in El Salvador. Despite unease among some members of the ruling COPEI party about the junta's brutality, this support is likely to continue, as Calvani, the top Venezuelan advisor on foreign policy, is a close personal friend of Duarte, the president of the Salvadorean junta, and both COPEI and Duarte are Christian Democrat.

There are a number of contradictions, however, which make support for the Duarte government a controversial issue with COPEI. Venezuela is a democratic nation supporting a military/civilian junta. There is special discomfort in being identified with the U.S. position, which also supports the Duarte government. Other nations, particularly Mexico, support the opposition, although this problem may have been solved now that Mexico and Venezuela have declared a common interest in supporting a negotiated solution. In the short run, Venezuela will probably continue to support the junta in El Salvador unless Duarte leaves the junta or there is a massive increase in U.S. military aid. In the longer term, Venezuela is likely to withdraw strategically and let events play themselves out. (Bond)

A Theoretical Approach

The sheer number of interconnected actors involved in Central America has led some observers to fear that the situation is so hopelessly complex that it may defy rational analysis. (LeoGrande) Others with more faith in the power of political science have tried to apply theories to the Central American case in an effort to bring some order out of the bewildering variety of variables. One such effort is the theory of national adaptation. (Rosenau)

The theory of national adaptation, here modified to examine factional as well as nation-state actors, focuses on the dynamics of change. The essential structures within a society fluctuate in response to the demands placed on them from within and without. A social system works if these fluctuations can be kept within desired limits.

There are four ways in which actors can orient themselves in response to the tug-of-war between internally and externally imposed demands. They may allow external demands to take precedence over internal ones, which is acquiescent adaptation. They may do just the opposite, placing internal priorities ahead of external ones, as South Africa does, in what is called intransigent adaptation. Actors may ignore both internal and external demands, as appears to be the case in Libya, preferring promotive adaptation. Or, as is the case for most states, they may be responsive to both internal and external demands, in the preservative adaptation mode. (Rosenau) This theory assumes that each actor has only one basic adaptive orientation. If the adaptive strategy of a given actor can vary from situation to situation, the theory might not be sufficiently complex. (LeoGrande)

El Salvador, Nicaragua, and Guatemala are all currently undergoing adaptative transformation, in which the actors are rethinking the relationship of self to environment. If the major variables that affect these actors' actions were all to be identified and their adaptive orientations determined, the theory of national and factional adaptation would make it possible for policy-makers to predict the actors' behavior.

The problem, however, is that the number of variables and actors is so large. One impressionistic look at Central America came up with 61 variables, a change in any one of which could well affect all the rest. (Rosenau) This may explain why virtually no actor seems to feel that it controls the pattern of events in Central America. So many actors, both internal and external, are having some effect that each one feels powerless. (LeoGrande)

WORKSHOP

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