"The end of political, armed conflict 15 years ago has not been accompanied by higher levels of social peace. On the contrary, fear and lawlessness today are rampant in the region."

Central America's Predicament

MICHAEL SHIFTER

In retrospect, it was probably naïve to expect that, with the signing of the last of the Central American peace accords (Guatemala, 1996), the heightened civil strife that beset the region for decades would give way to a greater measure of social peace. Although Central America can celebrate the virtual end of political violence over the past 15 years, the five countries of the isthmus that in the 1980s were in the international spotlight on account of instability—Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica—are, to varying degrees, still notably troubled.

That this is true even of Costa Rica—the Central American nation most known for (relative) tranquility, social progress, and democratic performance—speaks to the depth of the problems in the region. Indeed, at the end of 2010 Costa Rica found itself increasingly contending with drug-fueled violence and also experiencing a tense standoff with neighboring Nicaragua over a disputed border area. Yet, despite Costa Rica's difficulties, the country's position remains comparatively advantageous. It is better equipped institutionally than its more vulnerable neighbors to withstand the global pressures and strains that contribute to societal disintegration.

The region has registered, to be sure, some impressive economic, political, and social gains in recent years, including higher levels of political competition within countries. These achievements have mostly been eclipsed, however, by an overall deterioration in security conditions and by continuing economic stagnation. Unfavorable external conditions and internal decay and fragmentation have produced societies with increasingly urgent problems.

Michael Shifter, a Current History contributing editor, is the president of the Inter-American Dialogue and an adjunct professor of Latin American studies at Georgetown University.

Central America has been squeezed by rising energy costs—the region has little choice but to import its oil and gas—and has suffered disproportionately from the financial and economic crisis that originated in the United States in 2008 and continues to be acutely felt. Remittance flows from the United States, which are critical to sustaining the region's economies, have sharply dropped as a result of the economic downturn.

Meanwhile, precarious political institutions and endemic poverty and inequality have rendered governance challenges daunting. The results of the 2010 Latinobarómetro report, a region-wide public opinion survey, reveal that Central Americans are particularly tepid in their support of democracy.

Such ambivalence is understandable in light of the ominous tendencies of both organized and common crime in the subregion. Pervasive fear often corresponds to objective data on violence. According to a study carried out in 2008 by the Latin American Public Opinion Project, high crime levels significantly erode interpersonal trust and tend to fray the social fabric on which democracies are constructed. The study found that, in the five Central American countries, roughly 14 percent to 19 percent of citizens said they had been victims of crime during the preceding 12 months.

Other research has highlighted the explosive growth of private security companies that often outstrip official police forces and typically function without controls or regulation. A 2009 United Nations Development Program report showed that in Guatemala and Honduras private security personnel outnumber police forces by five to ten times. No Central American country has more police than private security officers. Economic costs associated with anti-crime measures absorb an increasing share of national budgets throughout the subregion.

Regrettably, Central America is often overlooked compared with other regions within Latin America. While South America, led by Brazil, has drawn praise for its remarkable ascent, and Mexico has dominated headlines because of its unrelenting and particularly brutal criminality, Central American nations have been off the international radar and are at best treated as an afterthought.

Yet what is taking place both north and south of Central America is contributing to the deepening predicament of the region, which has become a hub for drug trafficking routes. Only recently has concern substantially increased in Washington and elsewhere regarding a set of countries that occupied center stage—and generated moderately high hopes and expectations—just two decades ago.

GUATEMALAN GANGLAND

Recent developments in Guatemala have especially alarmed observers and policy officials. Guatemala is Central America's largest country and also the one where a decades-long civil war took the greatest toll, with 200,000 dead. Longstanding inequities highlighted by sharp ethnic divisions—Guatemala's population is majority indigenous—have posed formidable challenges for governing the country. Guatemala has among the region's lowest tax rates, with notoriously fierce resistance from wealthy sectors to contributing their fair share, and this has made it even more difficult to redress the glaring disparities.

Mexican cartels have penetrated Honduras, as have criminal gangs with readily accessible firearms.

However, while political violence and old-fashioned militarism have subsided, there has been a striking surge in the penetration of organized crime in all spheres of the nation. Analysts often refer to dark forces and parallel structures that engage in illicit activities and operate with nearly assured impunity. Judicial and police institutions are riddled with corruption. The country's governance structures are too weak and ineffective to cope with such powerful pressures. In this context, the International Commission Against Impunity in Guatemala (CICIG) performs a fundamental role. A special judicial body assembled in cooperation with the United Nations, the CICIG began its work in 2007 with the aim of supporting efforts by the country's flawed criminal justice system to root out criminal networks operating inside government bodies.

A succession of murky and complicated incidents in recent years has highlighted disturbing trends in the country. In May 2009, the killing of a Guatemalan lawyer, Rodrigo Rosenberg, became a major political controversy after a video was made public in which Rosenberg, before he died, blamed President Alvaro Colom for his assassination. The CICIG investigated the Rosenberg case and in January 2010 announced detailed findings concluding that Rosenberg staged his own murder in an attempt to call attention to the killing of his son, in which Rosenberg believed Colom had had a hand.

The CICIG investigations also led to the arrest of a former president, Alfonso Portillo, on corruption charges and in response to an extradition request from the United States on money laundering charges. And the commission contributed to the arrest in March 2010 of a former national police chief, Baltazar Gomez, for involvement with drug trafficking and blocking an investigation of corrupt police officers.

In June 2010, however, the head of CICIG, a Spanish lawyer named Carlos Castresana, resigned out of frustration, complaining that the Guatemalan government had not been following the commission's recommendations and that there was an active campaign to discredit the CICIG among groups with an entrenched interest in continued impunity.

The resignation was provoked by the Colom government's appointment of Conrado Reyes as attorney general—after the CICIG had identified Reyes as having ties to drug trafficking and illegal adoption rings. Castresana's decision created a political firestorm, and the country's Constitutional Court ultimately rejected Reyes's appointment on grounds that the selection process may have been influenced by organized crime. The UN then appointed Costa Rican Attorney General Francisco Dall'Anese, a renowned advocate against organized crime, to succeed Castresana as the CICIG's head.

Another illustration of the sort of convoluted intrigue that increasingly characterizes Guatemala occurred in early December 2010, when a Guatemalan court sentenced eight people to prison for lengthy terms for involvement in the February 2007 murders of three Salvadoran members of the Central American Parliament and

their driver. The CICIG had worked closely with Guatemalan prosecutors on the case, and among those sentenced was a former Guatemalan congressman charged with masterminding the killing. The court ruled that the four men had been murdered at the behest of a Salvadoran legislator who had been expelled from his party over allegations of criminal activity. The murders were actually carried out by four Guatemalan police officers, who were slain in a high-security prison just days after being arrested.

And in January 2011, a bomb attack on a bus in Guatemala City claimed seven lives. In recent years, the country's public transport has been increasingly subjected to extortion by organized crime groups (a member of the Mara 18 gang was charged in the January attack). In 2010, according to Guatemalan police, bus drivers paid out over $1.5 million in extortion money. Local rights groups report that 119 of the country's bus drivers and 51 other transport workers were murdered last year.

As if the security situation and the fragility of political institutions were not serious enough, Guatemala has been profoundly affected by the brutal and bloody cartel battles being waged in Mexico. Fighting among Mexican drug cartels and the aggressive response by the government of Felipe Calderón not only have resulted in more than 30,000 deaths since the start of the Calderón administration. They also have pushed the cartels further south, into northern Guatemala, where they increasingly wreak havoc in an already battered nation that has few defenses.

Members of Los Zetas, a Mexican drug trafficking group, and the Sinoloa drug cartel now routinely attack local law enforcement officials and control substantial swaths of territory, according to a US State Department report. As the journalist Steven Dudley has written in *Foreign Policy*, "as Mexico and Colombia cracked down on their own drug trafficking problems, the criminals sought new refuge, and Guatemala fit the bill: a weak government, a strategic location, and a bureaucracy whose allegiance came cheap." At present the homicide rate in Guatemala is four times that in Mexico.

On December 19, 2010, the Guatemalan government, worried that the situation was spiraling out of control, declared a state of siege in the northern province of Alta Verapaz, large areas of which had reportedly been taken over by Mexican drug traffickers. As an Associated Press dispatch observed two days later, "Gangs roamed the streets with assault rifles and armored vehicles, attacking whomever they pleased and abducting women who caught their eye. Shootouts became so common residents couldn't tell gunfire from holiday fireworks." Local leaders from the province, which had become a prime corridor for drug trafficking from Honduras to Mexico, said they had been requesting the intervention of federal authorities for two years.

Undisciplined and fractured political parties aggravate the dire situation in a country that the International Crisis Group has called a "paradise for criminals." Colom's party, for example, holds barely a fifth of the seats in the legislature. This has made promises of greater social inclusion nearly impossible to achieve. According to the World Bank, more than half the population lives in poverty.

While it still may not be accurate (or constructive) to depict Guatemala as a "failed state" or "narco-state," mounting evidence points to conditions of rampant lawlessness that warrant considerable alarm. The real risk is that, with a presidential election scheduled for the fall of 2011, unchecked criminality could trigger reflexes for more authoritarian approaches that evoke what was widely thought to be a bygone era.

HONDURAS IS MURDER

Together with Guatemala and El Salvador, Honduras forms part of the so-called "Northern Triangle," a doorway for cocaine traffic into Mexico. The World Drug Report of 2010, published by the UN Office on Drugs and Crime, documents that this territory has the highest murder rates of any region in the world, with more than 50 homicides each year per 100,000 people. *The Economist* notes that Honduras currently has the highest murder rate in the world, at 67 per 100,000; the murder rate in the United States, by contrast, is 5.4 per 100,000.

According to the UN report, Honduras is the Central American country that is most affected by the drug trade. With dense jungle territories and the longest Caribbean coastline, Honduras is positioned as the first corner of the triangle, leading into trade routes that eventually reach Mexico and the United States. The Mexican cartels have penetrated Honduras, as have expanding criminal gangs with readily accessible firearms. The Sinoloa cartel is reported to have assassinated Honduras's top counter-drug official in December 2009 over

the seizure of a pseudoephedrine shipment. A plot by the Zetas to kill the minister of security was thwarted in early 2010.

Honduras's highly unsettling security situation has been exacerbated by a still-unresolved political crisis that has undermined governance and, in turn, has tended to benefit drug trafficking organizations and criminal gangs. More than a year and a half after Honduras suffered a military coup that dislodged the constitutionally elected government of Manuel Zelaya (who is in exile in the Dominican Republic), the country remains profoundly polarized between Zelaya's supporters and those associated with the de facto government that took control in June 2009, led by Roberto Micheletti.

In accordance with previously scheduled elections, a new government headed by Porfirio Lobo of the National Party took office in January 2010 and has struggled to navigate and overcome the country's sharp divisions. Conciliatory measures to defuse tensions have borne scant fruit. Distrust and bitterness on both sides compound the difficulties of addressing the country's daunting policy agenda, which includes not just expanding criminality but also high levels of unemployment and deepening social and economic distress.

A truth commission directed by Guatemala's former foreign minister and vice president Eduardo Stein has sought to pursue a balanced approach and heal the wounds, but the undertaking has not garnered broad support and has been criticized from both sides. A clear measure of the country's polarization can be seen in the reaction to a July 2009 diplomatic cable by US ambassador Hugo Llorens, which was leaked by Wikileaks, in which Llorens clearly called the ouster of Zelaya unconstitutional. Whereas coup supporters were upset that the United States adopted a critical stance toward a move they regarded as justified, coup opponents were puzzled that Washington failed to respond to such a depiction with more forceful action against the de facto government.

Honduras continues to be a significant source of discord and strain in inter-American relations. The coup caused member states of the Organization of American States (OAS), the hemisphere's chief political body, to expel Honduras—only the second country, after Cuba (1962), to have met such a fate. Despite substantial pressure to recognize the Lobo government that has been exerted by the United States and all but one of Honduras's Central American neighbors (Nicaragua), key players in regional political affairs still deem the government illegitimate—including Venezuela (Zelaya was an ally of Venezuela's president, Hugo Chávez) and, most crucially, Brazil (Zelaya took refuge in Brazil's embassy in Tegucigalpa, the capital of Honduras, before going into exile).

The continued ostracism of the country from regional forums has complicated Honduras's ability to secure needed funds from multilateral financial institutions and has slowed down the government's attempts to ameliorate the nation's acute socioeconomic ills.

Indeed, the economic impact of the political crisis since June 2009 has been quite significant. It is estimated that 200,000 jobs were lost as a direct result of it. Some 36 percent of the workforce was unemployed or underemployed in 2009. Not surprisingly, foreign investment also suffered, with the Honduran central bank reporting a drop of almost 50 percent from 2008 levels, though the global economic downturn surely played a part in that as well. More recently, access to international capital has eased.

One particularly troubling phenomenon in Honduras, which reflects the confluence of security and political crises, has been the killing of journalists (which is also a serious problem in Mexico, though less so in other Central American nations). In 2010, eight journalists in Honduras were murdered. Several of them reported on organized crime, whereas others, according to rights groups, may have been targets of political crimes. In any case, all of the murders have gone unpunished.

In a July 2010 report, the Committee to Protect Journalists accused the Honduran government of "fostering a climate of lawlessness that is allowing criminals to kill with impunity." Buttressing that assessment was a December 2010 report issued by Human Rights Watch, entitled "After the Coup: Ongoing Violence, Intimidation, and Impunity in Honduras." The report documented some 47 attacks or threats against journalists, human rights defenders, and political activists during Lobo's first year in office.

EL SALVADOR TESTED

El Salvador, since the two sides to the country's bitter and bloody civil war signed a peace agreement in 1992, has seen a huge upsurge in gang violence. There are an estimated 30,000 gang members in a country of just over 6 million. This phenomenon, which has become more associ-

ated with El Salvador than with other countries in Central America, has to some degree offset the welcome peace dividends that accompanied the end of political violence. The legacies of the armed conflict—along with a proliferation of firearms, enduring socioeconomic woes, and transnational contacts with US-based gangs (an element of which is increased deportations from the United States back to El Salvador)—have resulted in a toxic mix.

Many observers were hopeful that, with the election of President Mauricio Funes in 2009, El Salvador would be better able to develop the institutional capacity to cope with its monumental security and social problems. After nearly two decades of rule by the rightist Arena party, Funes is El Salvador's first elected president from the FMLN (Farabundo Martí National Liberation Front), the party of the demobilized guerrilla movement that fought in the civil conflict (1979–92). Funes's election carried enormous symbolic significance and heightened expectations for a region seeking to bridge longstanding ideological chasms.

Funes, governing largely as a moderate pragmatist, has tried to model his government after that of Luiz Inácio Lula da Silva, Brazil's hugely successful former president. Operating within significant constraints, Funes has accorded more emphasis to poverty-alleviation strategies than his predecessors, presiding over important advances in education and health care. His administration's foreign policies have been notably centrist. El Salvador's posture toward the United States has been accommodating, and regarding the Honduras controversy the Funes administration has been supportive of President Lobo, strongly urging other Latin American governments to recognize his elected government.

According to public opinion surveys, Funes's political approach has wide appeal in a country weary of partisan rancor. Yet the president faces fierce resistance from his FMLN party, which is pressing for a more radical agenda, as well as from factions of the opposition Arena, and he has yet to build a solid governing structure. To do so will require considerable political skill and a measure of luck, but most importantly concrete results in improving El Salvador's security and economic conditions. This will not be easy, especially in light of declining remittances coming from the United States to a country that relies heavily on such flows.

In confronting the security challenge, Funes has moved to criminalize gang membership and has also tried to appeal to Central American neighbors to pursue more coordinated efforts to reduce the spread of criminality, which poses the greatest threat to rule of law in the region. It is far from clear, however, that such measures, however well intentioned, will succeed in arresting the overall deterioration. The growing presence of Mexican drug trafficking organizations in El Salvador could well overwhelm efforts to deal with the gang phenomenon, which has been around since the 1990s.

NICARAGUA'S STRONG MAN

Beyond and beneath the Northern Triangle, one finds a greater measure of tranquility. With 14 murders per 100,000 citizens, Nicaragua is almost a model of social peace compared to Guatemala, Honduras, and El Salvador. Part of the explanation for this is the country's more consistently professional police force, which has been maintained since the transition from Sandinista revolutionary rule to democratic, elected government in 1990.

Unchecked criminality could trigger reflexes for more authoritarian approaches.

While crime is less rampant, however, the perpetuation in power of Daniel Ortega remains a concern. Ortega, who has led the Sandinista National Liberation Front since 1979 and was president of Nicaragua from 1985 until his defeat at the polls in 1990, was elected president in 2006 after a number of failed runs for the office. Now he is scarcely disguising his intention to stay on as president: He plans to run again in 2011 despite the fact that doing so is unconstitutional. Through shrewd manipulation of institutions (for example, illegally extending the terms of two Sandinista judges); frequent use of decree authority; cynical and convenient political pacts with prominent opposition figures (especially the former president Arnoldo Alemán); and some moderately successful social programs, Ortega appears to be in a strong position to pull it off.

This is particularly so because there is no guarantee the voting process will be free and fair. Local elections in 2008, in which no outside observers were permitted, were widely deemed to be fraudulent. Ortega's brand of strongman rule, marked by

the steady erosion of checks and constraints on executive authority, recalls certain features of the dictatorship of Anastasio Somoza (1967–1979), against which Ortega and his fellow Sandinistas fought in the 1970s. To date, Ortega has been able to proceed with his blatant power grab with little response from the rest of the hemisphere, which is politically fragmented and is not focused on the Nicaraguan situation.

Despite Ortega's alliance with President Chávez, and despite Nicaragua's participation in the Chávez-led regional group ALBA (Bolivarian Alliance for the Americas), ideology has for Ortega clearly taken a back seat to sheer power politics. He appears ready to do whatever is necessary to remain in power. Ortega has, for example, been quite accommodating with international financial institutions and even parts of Nicaragua's private sector. And, occasionally harsh rhetoric notwithstanding, he has been open to dealing with the United States, even fully honoring the 2005 Central American Free Trade Agreement.

In October 2010—in a move few regard as unrelated to Ortega's quest to remain in power—some 50 Nicaraguan troops were sent to a disputed zone on the country's border with Costa Rica, presumably to help dredge the San Juan River. That led Costa Rica to mobilize some of its police force (Costa Rica abolished its military in 1948), resulting in a tense standoff. The OAS has intervened but, despite the adoption of several resolutions, has so far been unable to get Ortega to withdraw the soldiers. The Costa Rican government has also appealed to the International Court of Justice in The Hague for a resolution of the conflict.

Not surprisingly, the dispute has aroused nationalist sentiment in both countries, and has thus boosted Ortega's political standing as he prepares for the 2011 race amid intense controversy over a 2009 Supreme Court ruling that exempted him from the constitutional ban on consecutive reelection. In alliance with Alemán, Ortega also has successfully turned to the national assembly to support legislation that would provide a new framework for the country's defense and security policies, including the formation of an intelligence-gathering network.

Critics warn of further erosion of the rule of law and the prospect of growing militarization of Nicaraguan society. Some observers are also worried about the politicization of the country's police forces, which so far have been an important factor in guarding against the rise and penetration of organized crime that have afflicted Guatemala, Honduras, and El Salvador.

VULNERABLE COSTA RICA

Although Costa Rica on nearly all institutional and social measures is more advanced than its Central American neighbors, it is far from immune to some of the wider phenomena creating security problems in the region. At the end of 2010 the government of President Laura Chinchilla of the center-left National Liberation Party was clearly preoccupied with the tense impasse with Nicaragua.

By resorting to the OAS and the International Court of Justice, Chinchilla, Costa Rica's first woman president and a noted expert on public security matters, was pursuing diplomatic and legal options to keep the situation from getting out of control. Further, as the only Central American country with relations with China (established under the previous administration of Oscar Arias), Costa Rica is focused on attracting investment and boosting trade.

At present the homicide rate in Guatemala is four times that in Mexico.

Chinchilla's professional background and expertise may turn out to be useful in addressing the problem of drug-related violence, which is putting a strain on Costa Rican institutions. Unlike its neighbors, Costa Rica does not have armed forces, so it cannot deploy military units as other countries have done to bolster police presence and combat spreading criminality. Thus, while Costa Rica does not face the risk of "militarizing" what is fundamentally a law enforcement issue, it is vulnerable to a problem that its police forces may not be fully equipped to handle.

As a result, in accordance with a Joint Maritime Agreement, the United States military, with some 46 warships and 7,000 troops off the coast, has been granted permission to enter the country should the need arise. Although the decision has generated some minor controversy in the country, for the most part the bilateral deal has not so far posed a serious political problem. For Costa Ricans, along with other Central Americans, security has become an increasingly salient concern.

CENTRAL AMERICA'S TRAVAILS

Survey after survey point to the same finding: Security is the overriding issue for most Central Americans. Available data tend to bear out the widespread perception: The end of political, armed conflict 15 years ago has not been accompanied by higher levels of social peace. On the contrary, fear and lawlessness today are rampant in the region.

This situation is the product of precarious governance structures, including ineffective judicial institutions and incoherent political parties, along with a far from propitious external environment. High energy costs and the consequences of the severe economic downturn in the United States—particularly in sectors of the economy in which Hispanics are disproportionately active—have hit Central America with unusual force.

Mechanisms of integration, both within the Central American subregion and across the hemisphere, have to date not responded adequately to the worsening problems—particularly the organized crime in Guatemala, Honduras, and El Salvador, and the authoritarianism in Nicaragua. The US-backed Mérida Initiative, started under the George W. Bush administration and extended under President Barack Obama, has essentially sought to assist Mexico, through the provision of various kinds of equipment and training, in its enormously difficult fight against drug-fueled violence and organized crime. Within that package of some $1.6 billion over three years, however, relatively few resources have been directed further south, to Central America, despite the problems aggravated by drug trafficking and the war on drugs.

SHARED RESPONSIBILITY

To its credit, the Obama administration has become increasingly concerned with the deteriorating security situation in Central America. In August 2010, the State Department launched the Central American Regional Security Initiative, which lists a set of laudable aims and proposes to devote $165 million to supporting law enforcement and judicial institutions in the region as well as an array of social and economic programs. In September the administration added Honduras, Nicaragua, and Costa Rica to the United States' list of countries with major drug trafficking or producing problems.

Given the magnitude of the challenge and the high stakes involved, however, it is not clear whether such efforts, however worthwhile, will be sufficient to deal effectively with problems that require sustained, high-level political attention and a more robust and energized multilateral system. For Washington, a broader strategy would, for example, focus seriously on stemming continuing flows of arms and money from the United States to the region; fostering more genuine cooperation among Central American governments and other Latin American countries, particularly Mexico; and rethinking an antidrug policy that has yielded such disappointing results.

Although Central America's crime problem cannot be reduced to drugs—illicit activities flourish in a number of different areas—it is a key factor in the overall situation and, if properly addressed, would help mitigate the worst consequences of criminality.

The urgent need for a comprehensive approach was highlighted in August 2010, when 72 migrants—most of them from Central America—were executed by the Zetas, the Mexican drug trafficking group. In pursuit of profit, the Zetas help migrants from Guatemala, Honduras, and El Salvador cross the border into Mexico on the way to the United States, then hold some of them hostage and force their families to pay ransom or insist that they help with drug smuggling. If they refuse, they are often executed, as happened in this case.

Such extortion practices and human trafficking, in addition to other tragic stories associated with the narcotics trade and gang violence, are all too common among the United States' closest neighbors, whose citizens make up an increasing share of the US population. For reasons of national interest—not to mention out of a sense of shared responsibility—Washington should seek to catalyze a broader hemispheric effort, marshalling both economic and political resources to address a colossal problem, one that shows no signs of abating and indeed threatens to metastasize. ■