

Local Business, Local Peace:
the Peacebuilding Potential of the
Domestic Private Sector

Case study
El Salvador*

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El Salvador

El Salvador: a firm grip on the peace process

Angelika Rettberg

In January 1992, a peace agreement between the government of El Salvador and the *Frente Farabundo Martí para la Liberación Nacional* (Farabundo Martí Front for National Liberation, FMLN) put an end to 12 years of civil war. An important part of the Salvadoran private sector acted as a crucial interlocutor in this process, shaping the design of negotiations and the implementation of the final agreement. Many private sector leaders participated, both formally and informally, in negotiations and government advisory teams and business as a whole threw its weight behind Alfredo Cristiani, the president who led the peace talks. They actively promoted and were involved in conflict-related research and dedicated resources to support former FMLN combatants' attendance at Central American graduate schools to foster the development of their managerial and other skills.

Previous attempts at negotiating an end to the Salvadoran conflict had encountered business resistance. For example, José Napoleón Duarte, president from 1984-89, shocked the business community with a reform package aimed at redistributing wealth.¹ However, by the end of the 1980s a convergence of factors produced a favourable climate for private sector support to peace negotiations.

On the one hand, changes in the structure of the business community led to the consolidation of a 'modernising' elite, with ties to commerce, agro-business and financial services, and the weakening of the traditional elites linked to land and agriculture.² Much of this transformation was due to the US-funded *Fundación Salvadoreña para el Desarrollo* (Salvadoran Foundation for Development, or FUSADES), which dispensed credit and supported activities in new sectors of the economy. In addition, FUSADES produced information on the costs of the

conflict to the local business community, as well as the opportunities a more globally integrated economy would enjoy in the absence of conflict, thereby disseminating the idea of a peace dividend. FUSADES was instrumental in rearing a young generation of business leaders who began to occupy leadership roles in business associations and government, effectively displacing the traditional, land-based economic elite.

Among them was Alfredo Cristiani, who in 1984 became a leader of the *Alianza Republicana Nacional* (ARENA), the pro-business political party, and led it to presidential victory five years later. A disciple of FUSADES, who surrounded himself with other private sector background individuals as part of his advisory team, Cristiani pursued a twin agenda on becoming president: economic reform and ending conflict. Both were closely connected. The Salvadoran Ministry of Planning had estimated that the direct and indirect costs of the conflict from 1980-90 amounted to around \$1 billion.³ The business community was a prime target of kidnapping and extortion. The destruction of infrastructure and lost investments compounded these difficulties. The 1980s debt crisis revealed profound structural problems in the import-substitution-industrialisation model, and caused the Salvadoran GDP to fall by 25 percent.⁴ Exports to the Central American Common Market, the country's largest regional trading partner, also dropped, and rampant capital flight reduced investment.⁵ At the end of the 1980s it became clear to many in the private sector that the conflict was too high a price to pay and that the necessary economic reforms would require a minimisation of the diversion of resources by conflict-related factors. Peace became an economic necessity.

As a result, most of the Salvadoran private sector supported Cristiani's decision to convene meetings with the FMLN immediately after winning the presidency. In return, the government guaranteed access to the decision-making process, as well as protection and promotion of interests. Cristiani's private sector background was matched by his close advisory team – with individuals from FUSADES, ANEP (the main business association) and ARENA maintaining close relations with the negotiating team through periodic briefings and consultation. As a result, the Salvadoran private sector maintained a firm grip, both formal and informal, over the negotiations and peace agenda.

The strong business-government connection during peace talks explains the absence of ambitious socio-economic provisions in the peace agenda: the purpose was to end the conflict and to prepare the stage for a new, FUSADES-designed economic model. FMLN leaders, while commanding an organisation that had inflicted severe damage on the private sector during the conflict, abandoned more profound socio-economic demands in exchange for political and judicial changes (compensated by enabling FMLN's stunning performance

in national and local elections in post-accord El Salvador, compared with other rebel groups).⁶ The private sector closely oversaw the implementation of peace agreements reached through negotiations, pushing for profound military and judicial reform, and obstructing attempts by labour unions and other organisations to introduce significant concessions on labour issues.⁷ Until today, ARENA has been able to keep its hold on the presidential office, providing for continued business inclusion in – and widespread support of – the implementation process.

In return for its intensive participation, the private sector earned stability and a business-friendly investment climate, as well as new economic rules that enabled it to participate in the contemporary international macro-economic environment. Despite increasing crime levels and continued poverty, the Salvadoran economy grew by 6.2 percent on average between 1990 and 1995,⁸ much of it nurtured by domestic investment (as well as by remittances from Salvadorans abroad).⁹ Gains accrued specifically to commerce, finance and non-traditional goods, confirming expectations that the post-accord economic model would reward the ‘modern’ elite that supported talks in the first place.

The degree of closeness between government and the private sector in pursuing peace talks in El Salvador is uncommon and provides a useful example of the convergence of several factors that make participation in peace talks attractive for the private sector: a steep increase in the cost of conflict; documented expectations of a peace dividend; political and economic leadership to provide for private sector unity faced with its participation in talks; and the openness of all negotiating sides to private sector participation.

Endnotes

- 1 Dijkstra, G. (1993) 'The Limits of Economic Policy in El Salvador' in Pelupessy, W. and Weeks, J. (eds.) *Economic Maladjustment in Central America* (New York, US: St. Martin's Press).
- 2 Wood, E. J. (2000) *Forging Democracy from Below: Insurgent Transitions in South Africa and El Salvador* (London, UK: Cambridge University Press).
- 3 Ministerio de Planificación y Coordinación del Desarrollo Económico y Social (MIPLAN) (1992) *Plan de reconstrucción nacional* Vol. I (San Salvador, El Salvador: MIPLAN).
- 4 Interview with Juan Héctor Vidal, former executive director of ANEP, San Salvador, 25 June 2001.
- 5 Johnson, K. (1998) 'Between Revolution and Democracy: Business Associations and Political Change in El Salvador' in Durand, F. and Silva, E. (eds.) *Organized Business, Economic Change, Democracy in Latin America* (Miami, US: North-South Center Press).
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Goods for Guns: business involvement in a voluntary weapons collection programme in El Salvador

Edward J. Laurance and William Godnick

As armed violence reached a critical stage in El Salvador in 1995, it became clear that the excessive availability of the tools of violence had to be addressed, as well as the root causes. Immediately after the Peace Accords the government developed a weapons collection effort, asking citizens to turn in arms to designated army posts, with little response. Since the formal Disarmament, Demobilisation and Reintegration (DDR) process had been completed, it was not possible to have the UN reinstitute weapons collection.

In November 1995 a citizens group that included leaders of the business community alarmed by the impact of armed violence on the economy formed the Patriotic Movement Against Crime (Movimiento Patriótico Contra la Delincuencia, or MPCD). By April 1996 the MPCD had decided to conduct a weapons collection programme.¹

The organisation was formed for three key reasons. First, members of the Association of Distributors of El Salvador (ADES) were continually having their delivery trucks assaulted by men armed with military weapons. Second, ADES members were increasingly concerned about the security of their employees in transit between work and home. Third, ADES was looking to collaborate with government and civil society to reverse the growing violence affecting all Salvadorans.² It should be noted that this was not a grassroots programme. No attempt was made to be inclusive of all levels of society. Had the opposition parties, especially the FMLN, been involved in the planning and implementation, the outcome would have been different, certainly spreading beyond the urban areas.³

The 'Goods for Guns' programme

MPCD agreed on the following course and sequence of actions for the weapons collection programme:

- Develop a strategic plan
- Seek the support of the Rotary Club of El Salvador, the Catholic Church, legislative assembly, public security and defence authorities
- Designate a funding committee

- Design paperwork, forms, publicity, campaign materials and logistical details
- Seek the participation of the National Media Advertisers Association (AMSP) and of other modes of national mass communications
- Contract the services of a respected auditing firm
- Design a system for the storage, transport and elimination of armaments
- Estimate the quantity, and designate the final destination, of the weapons to be collected and destroyed
- Erect a peace monument (location, design and construction).

It was decided that the programme would not be a 'buy-back' in the sense that the MPCD would be purchasing weapons. Rather, citizens would be compensated for contributing to the development of a peaceful and secure future for El Salvador. The act of turning in weapons was the most important objective, and as long as citizens continued to turn in weapons, the programme would be deemed a success.

Coordination with government

The MPCD programme was closely coordinated with the government from the beginning. One reason for this was the fact that the organisations involved were those that reflected the interests of El Salvador's middle and upper classes, which were key supporters of the ruling ARENA party of then president Armando Calderon Sol. Secondly, the MPCD decided to focus on military-style weapons.

This clashed with the recent passage of a law on firearms, ammunition and explosives, which prohibited civilians from possessing weapons exclusive to the military. Since this law would be an obstacle to the implementation of any Goods for Guns programme, it was necessary to attain a temporary decree that allowed citizens to bear illegally-held, military-style arms, strictly for the purpose of turning them in on established dates at designated collection sites. After extensive lobbying by the MPCD, the Legislative Assembly issued Decree 819, which allowed the MPCD to implement, in strict keeping with the law, the Goods for Guns programme.

At the first collection session on 21-22 September 1996, citizens turned in not only firearms, but also ammunition, grenades, explosives and other articles not envisaged in the decree. For that reason, MPCD initiated new discussions with the legislature to amend the original decree. This facilitated collection of the previously authorised firearms, ammunition, explosives and similar devices exclusively to the military and any other type of weapon not prohibited by law and permitted for civilian use.

Weapons collection as part of a broader strategy to fight crime

The Goods for Guns programme organisers shared a wider concern with crime and the initiative took place within the context of other projects designed to deal with armed violence. The development of the National Civilian Police (PNC) was a major part of this, as was UNDP assistance in programmes designed to develop expertise in weapons tracing, seizure, collection and destruction. By January 1997, the PNC had succeeded in improving security in the two major areas where weapons, especially hand grenades, were being used – urban market places and public transportation.⁴

There is no evidence that the MPCD programme was formally linked with larger social and economic development programmes funded by external assistance. It was conceived and implemented by the business community and designed to create a climate more conducive to the development of the private sector economy in El Salvador, mainly in San Salvador, the capital. Although some funding was secured from Canada, Norway, Mexico, Sweden, Luxembourg and the Organization of American States, half the total came from the government and the national private sector.

Timing and duration

Goods for Guns was designed as a multi-phased programme, fitting with longer-term objectives of raising awareness and fostering citizen participation in combating crime. It was designed around collection weekends preceded by extensive publicity. In all, 23 collection weekends took place between September 1996 and June 1999. The philosophy of the MPCD leadership was ‘build it and they will come’. Several collection weekends were conducted with deficit financing. While the MPCD did make several marginally successful efforts to collect weapons in the country’s interior, almost all the collection efforts took place in the capital. The Catholic Church consistently provided the Cathedral in the heart of San Salvador and Christ the Redeemer Church on the outskirts as weapons collection sites.

Storage and destruction

Given the sensitivity of collecting military weapons whose possession was against the law, the government developed extensive procedures to receive, store and destroy them. The Logistics Division of the Ministry of Defence (MOD) developed a set of procedures that called for the public destruction of all arms collected. These procedures were more than technical procedures. Objectives listed in the decree included:

- Effectively cutting the flow of weapons into the black market through collection and destruction

- Influencing public opinion in favour of the programme's continuity
- Publicising the primary aim of the MPCD's Goods for Guns programme as facilitating and providing incentives for the civilian population to exchange firearms and explosives exclusive to the military.

In addition to the military, the PNC participated in this phase of the operation. A detailed set of procedures for the transportation and destruction of explosive materials collected by MPCD were developed by the PNC Weapons and Explosives Division, which was charged with implementing them. These procedures also recognised the programme's larger goals.

Collection and destruction procedures

Due to the failure of a previous government programme that had used army bases as collection sites, the Goods for Guns programme used churches. Each collection site was staffed by a minimum of nine people from the PNC, the MOD and civil society.

The sites operated simultaneously from 8 am to 4 pm. Procedures for turning in a weapon included a welcome, an evaluation of the weapon by the military, the distribution by the MPCD of a voucher for supermarkets, drug stores or clothing, and the recording of serial numbers. Weapons were stored and on the Monday following each weekend collection, the MPCD gave a press conference in the PNC storeroom. After the conference, the PNC transferred control of all weaponry to the MOD for destruction.

Documentation, transparency and publicity

Each weapon received was documented individually, with every form signed by representatives from the MPCD, Rotary Club, PNC and the MOD. The forms and paperwork provided a paper trail that ensured the transparency and legitimacy of the programme. Since the exchange was anonymous, no prosecution of persons surrendering weapons could take place. However, all weapons that were once part of government inventory were noted and reconciled with the government accounting of property.

The collaboration of the AMSP allowed for a strong publicity campaign throughout the 23 rounds of weapons collection. In the week running up to the collection, the MPCD advertised daily news of the upcoming event in the country's two largest newspapers, *El Diario de Hoy* and *La Prensa Gráfica*. In rural areas the message was disseminated by radio at lunchtime when many people listen to the national news. In all the Goods for Guns weekends, peasants arrived from faraway to turn in weapons after hearing the radio announcement. Television was also used, mostly on the day preceding the collection.

Incentives

The incentives for turning in weapons were vouchers for supermarkets, pharmacies and shoe stores, according to fixed exchange values. During the first rounds of Goods for Guns, \$15 was given for grenades and mines, but the large quantities of these weapons made it impossible to sustain this level of reward. MPCD received ammunition but did not provide compensation. It is important to note that the MPCD did not 'purchase' weapons, but rather 'compensated' the person turning in a weapon for his or her gesture of goodwill.

Scope of collection

A wide variety of citizens participated in the 23 rounds. It should be noted that weapons were not turned in as part of the disarmament of militias or similar groups. By and large, such groups had ceased to exist as the result of the DDR process. Rather, in the case of El Salvador, weapons had proliferated so widely among the citizenry that many people had them in their possession for any number of reasons. Because the surrender of weapons took place on anonymous terms, very little testimony and information was gathered from the programme's participants.

Results and evaluation

Thousands of pistols, assault rifles and grenades had been turned in by the end of the 23rd round on 19-20 June 1999.

No systematic polling of the population took place with regard to the efficacy of the Goods for Guns programme. The only evidence available was the steady stream of citizens that continued to turn in weapons during the 1996-99 period. By far the most impressive aspect of the programme was the camaraderie between the different collaborators and the expressions of goodwill (albeit undocumented) by those turning in arms.

In its report on the MPCD program, the British American Security Information Council (BASIC) concluded: 'Private and state initiatives similar to that sponsored by the MPCD have had a psychological as well as practical impact in El Salvador; the perception that a weapon is necessary for protection and self-defence has diminished. In a recent survey around 15 percent of San Salvador's citizens polled supported the view that owning a gun might be necessary for self-protection. Nevertheless, there is still a widespread concern over the levels of gun ownership, especially in the capital where 52,270 people carry weapons.'⁵

The *Tutela Legal del Arzobispado de San Salvador* (Archbishop's Office for Human Rights) qualified the Goods for Guns programme as a positive experience in that citizens were persuaded to surrender instruments of death and violence. However, the *Tutela Legal* did not think the programme was efficient and that the money spent on administration and incentives could have been better spent elsewhere. It pointed out that El Salvador was not less armed now than it was at the end of the conflict. Rather, 48,620 more new firearms were legally imported into the country during the Goods for Guns collection period. These figures do not take grenades and other military equipment into account.

It can be argued that most of these weapons were not designed to military specifications, and are bought and sold legally. However, add to this the unknown quantity of weapons in the black market and it is easy to see that El Salvador is still a society that is armed to the teeth. If the MPCD's original and only goals were to remove a specific percentage of weapons from circulation in El Salvador, then the programme could be considered a failure – though this was not the case. Nevertheless, the legal availability of weapons casts doubt over the value of continuing with the Goods for Guns programme without any restraint on the legal arms market.

The lack of reliable statistics on firearm-related crime, injury and death within El Salvador, especially outside the capital, makes it difficult to evaluate the impact of Goods for Guns on violent crime. From a public health standpoint, the 9,527 weapons and more than 100,000 rounds of ammunition collected represent thousands of accidents that did not happen. It is important to note that, beyond the weapons collected, there were significant, intangible benefits of the Goods for Guns programme in the area of civil society, private sector and governmental collaboration toward the common goal of reducing crime and violence.

In conclusion, the MPCD Goods for Guns programme:

- Removed thousands of military-style weapons from circulation, comparable in quantity to those collected during the 1992 UN peace operation, thus preventing their continued circulation in an already saturated black market
- Demonstrated its autonomy and ability to mobilise resources from the public and private sectors within El Salvador
- Provided a systematic and well-documented set of procedures that provide a model for programmes to be developed in other countries
- Fostered relationships built over time between the private sector, civil society, media, government, police and military
- Demonstrated the possibility of conducting a public relations campaign on a national scale with the support of the media
- Demonstrated that it is possible to collect highly lethal and operating weapons from civil society concerned with their misuse in criminal activities.

Shortcomings of the Goods for Guns programme:

- Funding, especially by donor states, was uncoordinated due to the issue of small arms and light weapons being new to the international agenda. Those states and international organisations that supported the programme did so mainly because of the global paucity of programmes addressing the small arms problem.
- The organisers were concerned primarily with the impact of small arms and light weapons on crime involving the middle and upper classes. As a result there was only a limited range of publicised negative effects from these weapons. For example, the use of such weapons to violate the human rights of citizens was not part of the programme. This resulted in there being no link between this programme and the country's overall economic development. This was seen in the failure of Goods for Guns to move outside of the capital.
- There was no attempt to use the collection programme to foster the development of other types of violence prevention programmes (e.g. gang violence reduction, firearms surveillance systems, etc)
- While useful linkages developed between the private sector and the government, the programme was not used as part of community building *per se*
- Other than having citizens continue to turn in weapons, there were few programmatic objectives that could be used in evaluating the programme. In addition, no attempt was made to interview participants as to their motives and experiences, a technique used successfully in other collection programmes.
- The programme was not linked to policies designed to limit the re-supply or restocking of weapons into the country during the programme period. This was critical to donors who discontinued their support.

Adapted from Laurance, E.J. and Godnick, W. (2003) Goods for Guns in El Salvador: An Assessment of a Voluntary Weapons Collection Programme, paper prepared for the UN Office for Coordination of Humanitarian Affairs (Geneva, Switzerland: OCHA).

Endnotes

- 1 At the time, a new concept to address the tools of violence had emerged in other parts of the region. UN peace operations in Nicaragua (1992) and Haiti (1994) had begun to use a 'gun buy-back' approach, in which citizens were asked to turn in weapons in their possession in exchange for rewards of some kind. In the Dominican Republic (1995) this approach was used in a country suffering from gun violence that was not part of a civil war but rather apolitical crime.
- 2 Interview with MPCD staff, July 1998.
- 3 The UN weapons collection proposal of 1995 was inclusive, with the FMLN due to play a major role.
- 4 Interviews with PNC officials, January 1997.
- 5 British American Security Information Council (1997) 'Breaking the Cycle of Violence: Light Weapons Destruction in Central America' BASIC Occasional Paper No. 24 (London, UK: BASIC).