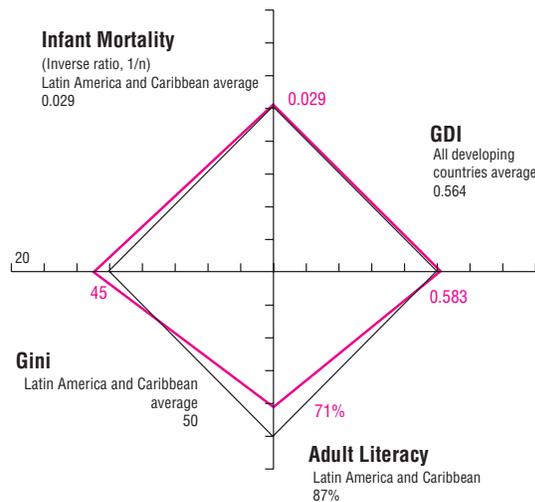


# E L S A L V A D O R

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## TRANSITION AND PARTICIPATION



*The Equity Diamond: National values in terracotta compared to regional ones in blue.*  
Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*; **Adult literacy:** UNICEF, *The State of the World's Children, 1998*; **GDI** (Gender Development index): UNDP, *Human Development Report 1998*; **GINI:** World Bank, *World Development indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).

*Armed conflict in the eighties prevented short and medium term development in El Salvador. The impact of war on the economy and on social conditions has been alarming.*

*The peace agreements promoted pluralist political expression and launched the transition toward institutionalization of the rule of law. Moderate*

*democratic changes, such as establishment of new institutions (eg, the government attorney's office for the defense of human rights and the national civil police force) were introduced.*

*The main treaties on economic, social and cultural rights were ratified, but they were not taken into account in the peace agreements and little progress has been made toward their fulfilment. Half the population lives in poverty, and almost half lacks drinking water; there is a deficit of 470 thousand dwellings and the minimum wage does not cover basic needs. These conditions do not constitute a favourable environment for social development.*

A key element of the post-war period—because of its contribution to democracy—building and coordination of efforts—is the growing **participation of organized civil society**. The potential of non-governmental organizations (NGOs) was curtailed, however, following approval (in November 1996) of the Law for Non-Profit Associations and Foundations. Proposed to «provide order to NGOs» and to «prevent them from carrying out actions in support of a given political party»,<sup>1</sup> this law limits the constitutional right to free association and was much questioned by various sectors.

With few exceptions, there are still no regulations ensuring citizen participation in the design, implementation and assessment of public policies and programmes. Local development has been partially strengthened through decentralization in health and education, and **local governments recently obtained approval of a measure that will channel 6% of the national general budget to the country's 262 municipalities**. However, well-defined policies and, above all, political will are still lacking.

Corruption in public and private sectors continues to cause distrust in the private management of funds. The public is demanding greater government participation in these transactions, eg, in

<sup>1</sup> Chapultepec: Five Years Later. Hemisphere Initiatives, Cambridge, Massachusetts, January 1997.

the new Pension Savings Law.<sup>2</sup> A recent indictment for financial fraud<sup>3</sup> has shown that powerful people in this sector can be brought to trial if the political will exists.

In late October and early November 1998, hurricane Mitch caused severe damage. Preliminary statistics report about 300 deaths, 60 thousand victims, over 100 missing, and losses amounting to millions in crops and infrastructure, reflecting a weak social structure and inefficient attention to these problems by the responsible authorities.

**Strengthening of democratic institutions, citizen participation and proper application of justice are some of the factors positively affecting transition towards a new Salvadorian society.** Conditions must be established for human development, overcoming de masses' present lack of economic and social development.

## MACROECONOMIC STABILITY AND SOCIAL INSTABILITY

Social and economic micro-indicators, which show poverty and low social development, conflict with macroeconomic indicators that show stability and growth. El Salvador is one of the poorest countries in the region, with per capita income of 1,002.50 colones (USD 115.74).<sup>4</sup> Various governmental and private bodies and individuals<sup>5</sup> believe it will take several years before economic stability and recovery affect levels of employment and poverty indexes. According to the Minister of Economy, it will take at least 18 to 20 years to eliminate extreme poverty and 35 years to double per capita income.<sup>6</sup>

Economic Stabilization Programmes (PEE) and structural adjustment loans (PEA) promoted through the IMF and the World Bank respectively, have helped keep the rate of inflation low, the balance of payments viable and the level of economic growth high (forecasts of 4% for 1998 may be lower due to hurricane Mitch).<sup>7</sup> Domestic savings have grown significantly, from 8.6% of GDP in 1991 to 14.8% (forecast) for 1998.<sup>8</sup> Family remittances from abroad, spent mainly

for consumption rather than investment, affect macroeconomic stability. Data show a high rate of consumption (95.8% of the GDP in 1997) in relation to real investment (14.7%).<sup>9</sup> To avoid a fiscal deficit, public expenditure is controlled and taxes are being increased through regressive policies such as raising indirect taxes, which supply 75% of tax income, and lowering direct taxes (wealth, export and income taxes).

Despite a government offer to raise public spending to 50% of the general budget, the preliminary version reflects an allocation of 26.6%. The budget allocation for fighting violence and crime has increased from 19.7% to 22.5%, a 2.8% rise compared with the 1.7% rise for social services. El Salvador has been classified as «the most violent country in Latin America.» The main causes are unemployment and poverty,<sup>10</sup> and these are getting worse as a result of the government's economic policy. The small increase in social spending does not reflect a preventive strategy.

**Social objectives remain a second-rate priority in adjustments and macroeconomic policies. A reorientation is essential to generate quality employment and significantly lower poverty.**

Despite the small drop in the poverty figures, there are no policies aimed at poverty eradication and half the population is poor. In 1997, 48% lived in poverty, of which 18.5% were in absolute poverty (33.7% in rural areas)<sup>11</sup> and 29.6% in relative poverty.

The minimum wage (1,260 colones or USD 144.50 per month) has lost 22% of purchasing power as compared with 1988.<sup>12</sup> It presently amounts to 11 colones (USD 1.27) more than the cost of the basic urban food basket and one-half the cost of the extended basket.<sup>13</sup> Last year, a USD 6.55 increase in the monthly minimum wage was requested «to enable the working population to cover payment of the new 3% for the pension system.»<sup>14</sup> This did not reflect the 2% inflation in 1997 (and 4% in 1998).

38% of the population was economically active in 1997 (63% men and 37% women). 92% of the economically active population (EAP) are employed and 8% are unemployed (0.3% more than in 1996).<sup>15</sup> An estimated 60% of the population is either under-employed, unemployed or working in the informal sector.<sup>16</sup> Most of the employed population (82%) goes without the benefits foreseen by law.

2 Affiliation is obligatory for people under 36 years of age and it covers old age and disabilities.

3 FINSEPRO-INSEPRO: Private financing institutions closed because of public fraud (1997).

4 Banco Central de Reserva, Quarterly Magazine, April–May–June, 1998. San Salvador, El Salvador.

5 Among these, FUSADES (Foundation for Economic and Social Development) and UCA («José Simeón Cañas» Central American University).

6 Co Latino, 22–9–98, p. 5.

7 Family remittances, privatization and foreign loans contribute to this economic growth.

8 Banco Central de Reserva, *op. cit.*

9 Banco Central de Reserva, data from the «Income Account and National Product at Current Prices.»

10 El Salvador, El Proceso No 817, 12–8–98. «Delinquency in Salvadorean society».

11 Multiple Purpose Household Survey (1997). DYGESTIC.

12 Co Latino, *op. cit.*

13 Multiple Purpose Household Survey (1997). DYGESTIC. The basic food shopping basket covers money necessary to purchase basic food products; below this means extreme poverty. The extended shopping basket is twice the basic shopping basket; below this means relative poverty.

14 Co Latino, 3–4–98. Taken from El Proceso No 801, 1–4–98.

15 Multiple Purpose Household Survey (1997). DYGESTIC.

16 Co Latino, 10–9–98.

No policies or programmes exist for employment retraining, despite the decline in the agricultural sector. Diversification of the economy is taking place in manufacturing, financial and insurance industries (which grew by 140% during this decade)<sup>17</sup> and also in the building sector. **Assembly plants (*maquila industry*) are the primary generator of employment** and exports increased from 18.3% (1991) to 43% (1997). Meanwhile, exports of traditional products fell from 37.8% to 23%, while non-traditional products fell from 43.8% to 34%.<sup>18</sup> This trend was further strengthened with the passing of the Free Zone and Bonded Warehouse Law, which allows these businesses to sell their products nationally. An estimated «15% of the small industries will have to close down.»<sup>19</sup> Thus, instead of an improvement in the employment situation, unsustainable and low quality employment is being generated.

**Labour Code violations occur mainly in the garment industry (textile *maquiladoras*).** Furthermore, the government and the private sector are interested in weakening the union movement, as seen from the privatization of the National Telecommunications Administration (ANTEL), which will be handed over without a union.<sup>20</sup> Only 4.3% of the urban population belong to unions although Article 47 of the Political Constitution and Article 204 of the Labour Code establish union membership as a worker's right. Despite the creation in 1994 of a consultative body of the executive on economic and social matters, there is scant labour participation in passing bills and measures.

Salvadorean unions claim that enterprises are not complying with legislation that protects pregnant women from being fired (Article 113 of the Labour Code) and «prohibits employers from assigning pregnant women jobs requiring physical efforts that are incompatible with their condition» (Article 110). The Ministry of Labour provides only relative follow-up and monitoring when unions, women's or human rights organizations make claims.

## HEALTH CONTINUES TO BE SICK

The current health sector reform is intended to improve equity, efficiency and quality of the care provided, making it possible to use private groups of suppliers. This action, modestly known as «modernization of the sector», considered to be necessary before

a reform, has not shown concrete achievements in the four years since it was launched. Silence has blanketed the «decentralization» process, which includes sale of services, cost recovery and administrative reforms.

In 1997, health care coverage was 68% in urban areas and 45% in rural areas,<sup>21</sup> reflecting inequality in provision of services in the most unprotected districts. With the exception of reproductive health services, where coverage widened (21% for cervical-vaginal cytology, 10% for family planning and 45% for childbirth in hospital), health indicators show no significant progress in most areas.<sup>22</sup>

Cases of HIV and AIDS have increased since the first one was reported in 1994, and the accumulated total is 2,279.<sup>23</sup> There are no legal anti-discrimination measures to protect people with AIDS from being subject to different treatment. Monthly anti-retroviral treatment costs approximately the equivalent of 5.6 minimum salaries (USD 800.20), which underscores the need for more support and resources to face this epidemic. Only 30% of the health budget (8% of the 1998 general budget) goes to primary health care. 70% goes to hospitals, and 70% of this is used for crime victims.<sup>24</sup>

In 1998, the medical association denounced serious problems in the health care system and went on strike. The most significant achievement of this movement was to put health on the national agenda. Indeed, in a speech after four years in office, the president mentioned «the recent commitment by the country's medical community and the government», and stated that «a national health plan will be structured for El Salvador as it embarks on the twenty-first century.»<sup>25</sup> This reform will require a large dose of political will, as this is the only way the national health system can be improved.

Civil society organizations promoting the rational use of medicines are preparing a National Drug Policy bill. The Supreme Council of Public Health has registered 23,235 medicinal drugs of which only 400 are recommended by the World Health Organization (WHO). With international support, NGOs provide health care services to populations that are neglected by the government. To comply with its commitment of universal access to primary medical care, the government will have to take NGOs into account as it decentralizes services, increase the budget for this item, and widen the reform.

## EDUCATION: COVERAGE VS. QUALITY

17 Banco Central de Reserva, data from the «Income Account and National Product at Current Prices.»

18 Evolution of exports during the nineties, *El Proceso* No 819, 26–8–98.

19 *El Diario de Hoy*, 24–9–98.

20 Jorge Portillo, advisor to the union movement.

21 Ministry of Public Health and Social Assistance.

22 *Idem*.

23 Card notifying cases of AIDS, Epidemics Unit, 1984–June 1998.

24 Ministry of Public Health and Social Assistance, Office of Care to Persons, 1997.

25 *Co Latino*, 2–6–98, p. 13.

Progress has been made in basic education coverage in rural areas as well as in literacy. Progress in terms of quality and institutional modernization is considerably slower. The effectiveness and quality of education geared towards promotion of true «organized participation» and teaching that stimulates people to be «actors and builders of their learning»,<sup>26</sup> as set out in curricular objectives, is questionable. Funds for education have increased to 16.4% of the general 1998 budget and 2.4% of the GDP. By 1999, USD 202.1 million<sup>27</sup> (over half the education budget) will come from foreign loans, which makes sustainability of the system doubtful.

**The illiteracy rate (for persons over age 10) was reported to be 22.6% in 1994 and 20.1%<sup>28</sup> in 1997. This shows a 2.5% fall over three years, or an annual decrease of 0.83%.** The Ministry of Education reports that «the number of illiterates fell by three points this year (1998) reaching a rate of 15%»,<sup>29</sup> which led to a prize being awarded by UNESCO. The adult education programme,<sup>30</sup> however, lacks monitoring and evaluation to assess its quality, and the budgetary allocation for non-formal education (0.5% of the amount allocated to education in 1998)<sup>31</sup> limits possibilities for improvement. There is still a lack of legal framework and coordination among the civil society organizations and the Ministry of Education making it possible to jointly prepare, analyze and assess educational proposals and policies. Presently subcontracted NGOs (covering 34% of the population involved) have the function of «promoting, setting up and managing educational groups»,<sup>32</sup> but their participation has been limited to the execution of curricula provided by the government.

**Contrary to the commitment at Beijing to lower women's illiteracy rates, the gap has widened. In 1994 women's illiteracy rate was 5.3% higher than the men's rate and it was 5.8% higher in 1997. The Ministry of Education has not developed specific mechanisms aimed at women.** Half of Salvadorean women and 46% of men have three years or less of successful schooling. The rate of schooling, 4.95%, has risen little over the past few years. Only 6.3% of women and 7% of men have completed their high-school studies (13 years). Enrollment in 1997 was reported to be 40.2% at pre-school level, 97.8% at primary level and 37% at secondary level,<sup>33</sup> but less than half the children reach sixth grade<sup>34</sup> because they have to work or lack resources, highlighting the need

for comprehensive policies.

Citizen participation proposed by the EDUCO<sup>35</sup> programme would allow parents to monitor teachers (by deciding on hiring), but does not provide for their participation in the design and execution of the educational process. The programme does not promote professional teacher training because teachers' have only one-year contracts. The quality of education has not improved in spite of fewer teacher absences.<sup>36</sup> Although there has been some modernization of the curricula and more texts have been provided to meet educational needs, changes in practice have been at a formal level and teachers have not taken up the new approaches (such as gender and human rights). Learning «continues to be memorization-oriented», and traditional and non-democratic structures and practices persist, such as parents tending to leave decisions to headmasters/mistresses and teachers, reflecting the fact that civil society participation has not yet been institutionalized.

The commitment of achieving universal access to education is nearing fulfilment at the level of basic education, but access still has to be provided at other levels, quality must be improved and sound education provided for adult persons.

## UNDERPRIVILEGED CHILDREN

By 1998 reports, 31% of the children are victims of sexual abuse, 67% are psychologically abused, and 26.7% are neglected by their parents.<sup>37</sup> Six thousand children live in the streets and, in the absence of an official institution defining a specific programme to work with them, NGOs attempt to cover this need. Although at governmental and private level there are initiatives to avoid high-risk labour, forced labour and exploitation, there are no policies to eradicate child labour and, **according to the ILO, El Salvador has over 270,000 child workers (65% boys, 35% girls), excluding domestic work. New legislation protecting children from prostitution is not being enforced.**

In general, few policies have been defined to lower poverty indexes or address child abuse, economic exploitation of children, street children and prostitution. El Salvador has ratified the Con-

26 Curricular Bases of National Education, 1994–1999. Ministry of Education, National Education Office. San Salvador, El Salvador.

27 Weinberg, S. y Ruthrauff, J. «Strategies and projects of the World Bank and the Interamerican Development Bank in El Salvador». Democratic Education Centre (CED), 1998.

28 «Confidence intervals» established by the Multiple Purpose Household Survey estimate a margin of error that may vary between 18.7% and 21.5%.

29 El Diario de Hoy, 7–9–98, p. 10.

30 Programme for Literacy and Basic Adult Education in El Salvador (PAEBA, Programa de Alfabetización y Educación Básica de Adultos de El Salvador), was initially supported by the government of Spain (1994–1998).

31 General Budget of the Nation, 1995–1998.

32 PAEBA cover in 1997. Programme for Basic Adult Education in El Salvador.

33 Ministry of Education, Unit for the Production of Educational Indicators.

34 *Idem.*

35 Education with Community Participation, EDUCO, launched in 1991 with support of the World Bank.

36 «Do Community-Managed Schools Work? An Evaluation of El Salvador's EDUCO Program». Development Research Group, The World Bank. Sawada, Y, Jimenez, J. February 1998.

37 Radda Barnen, Swedish Cooperation Agency working for children.

vention on the Rights of Children (1990), however, and has made changes in the national legal framework and set up mechanisms for achieving the rights recognized in that document.

Crime and violence affect children as much as the armed conflict itself. In 1997, 31 cases were reported of children entering the Children's Hospital due to injuries from firearms. During the first six months of 1998, 21 cases were reported, while in 1988, during the armed conflict, there were 42 cases.<sup>38</sup> During this period of transition, new relationships and policies are needed, in which recovery of historical memory, treatment of extreme traumas and reeducation in a democratic, tolerant and pacific culture will become the pillars of social development.

## TOWARDS GENDER EQUITY

One positive result of the Beijing Action Plan is the establishment of the Salvadorean Institute for Women's Development (IS-DEMU). Another is the formulation of a National Women's Policy for 1997–2000, comprising 10 areas and involving approximately 31 state institutions. These government measures have been the scenario for women's organizations to submit proposals, negotiate and exert pressure in order to implement policies and obtain concrete results. However, coordination on specific actions is maintained with great difficulty with intermediary officials (in the professional training system, the legal system, the National Civil Police force and ministries of Public Security, Labour and Health), but not for policy-formulation. At local level fora have been established for discussions between women's organizations and municipal governments. **The establishment of a Central Consultative Gender Board in the Municipality of San Salvador warrants special mention. Over the past year it has achieved an equity policy and strengthened women's participation in political life and local development.**

In November 1996, at the initiative of women's organizations, paternal responsibility (and alimony requirements) was set out in decree 880. This decree facilitates retention of 30% by public and private institutions of the bonus they receive as economic compensation.<sup>39</sup> No mechanisms have yet been implemented to increase women's participation in political parties and the State. Farabundo Martí National Liberation Front (FMLN, the opposition)

is the only political party so far to establish a minimum 35% quota for women in leadership bodies and on their ballots.

The Constitution establishes equality between men and women in employment, but no other legal provisions prevent gender discrimination in access to and payment for work. **Women's salaries average 69.1% of the average men's salary, reflecting a lack of equity in the economic context.** In trade and services (where most women are employed), women's salaries were 51.7% and 58.2% respectively of men's salaries in 1995.<sup>40</sup> Likewise, opportunities to acquire property are restricted by economic and cultural conditions. Women's organizations have prepared a bill that would establish a finance company and guarantee fund for women to enable access to credit, strengthen and/or extend women's enterprises, accumulate wealth and improve their quality of life.<sup>41</sup>

Over the past few years, violence against women has become more «visible» due to the fact that there is more information and awareness of the subject and more efforts are made to struggle against it. The number of cases reported in 1996 was 18.40% higher than those reported in 1995, and in 1997, reported cases of violence against women increased by 36.81% over 1996. A programme set up to deal with reports of abuse of women, coordinated by ISDEMU and the National Civil Police, does not cover most women in rural districts. NGOs cover part of this population, but there is no mechanism for coordination between them and the government. This coordination is essential to improve services, as well as to achieve compliance with the commitments taken on in the context of gender equity.

- Women for Dignity and Life (Mujeres para la Dignidad y la Vida – Las DIGNAS), Inter-Sectoral Association for Economic Development and Social Progress (Asociación Intersectorial para el Desarrollo Económico y el Progreso Social – CIDEP), Maquilishuatl Foundation (Fundación Maquilishuatl – FUMA).

<sup>38</sup> La Prensa Gráfica, 14–7–98, p. 4.

<sup>39</sup> Report on verification of decree 880. Procurator's Office for Defense of Human Rights. July 1997.

<sup>40</sup> Minutes of the Seminar «Gender and economy: an international overview». IMU, 1997.

<sup>41</sup> Mélida Anaya Montes Movement. Mime, 1998.