

New Actors, Democracy, and Challenges Face Central America on the Threshold of the Twenty-First Century*

JUANY GUZMÁN LEÓN
LUIS GUILLERMO SOLÍS RIVERA

Abstract

Taking as a point of departure the recently achieved (in the 80s and 90s) global, positive balance for Central America, the resolution of armed conflicts and the democratic institutional scene; this essay intends to evaluate the path walked in relation to the transition processes and democratic consolidation, the mechanisms of social inclusion and the difficult conditions that confront Central America's international economic inclusion. In this perspective, the essay intends to report some key actors and moments that have marked the region and that have imparted characteristics of its present behavior, but which also show trends and possibilities for the future.

Introduction

When attempting to analyze the dynamics of Latin American society, scholars look at the institutional transformations, the change of players, and the configuration of political systems as well as the complex dynamics of democratization in Latin America during the last fifteen years. The complexity of the region's recent history makes it necessary to identify turning points that might help explain the contradictory experiences Central America is going through as it aspires to democracy and development.

The writers assume that the ultimate goal is a balance of forces that would be globally beneficial for a region where, in the decades of 1980-1990, conflicts moved from the battlefield to institutional and democratic forums. Thus, an

* *Juany Guzmán León is Coordinadora Académica Regional de la Facultad Latinoamericana de Ciencias Sociales (FLASCO) and Profesora, Catedrática de la Universidad de Costa Rica. E-mail: juany@flacso.org; Luis Guillermo Solís Rivera is Director del Programa de Posgrado Centroamericano en Ciencias Políticas and Profesor Catedrático de la Universidad de Costa Rica; E-mail: cpolitic@sep.ucr.ac.cr. Translated by Andres Unger.*

attempt is made to offer an evaluation of the progress made in the process of democratic transition and consolidation, mechanisms of social inclusion, and the difficult conditions of international economic insertion, crossing with demands raised by economic globalization. The purpose of this essay is to account for some of the players and the key moments in have marked the history of the region and characterized its present behavior, as well as to show future trends and possibilities.

Our essay has been structured in the following way: a first section refers to precise conceptual approaches; a second section attempts to locate the immediate precedents that account for the achievements of Central America and the outstanding debt today, leading us into the following sections, which call attention to some of the challenges within the spheres of institutional democratic development, organizations and other social players, and the limits of economic development. In our closing remarks, we present estimates, identify possible trends and, above all, pose the open-ended questions that Central America will be facing during the next decades.

Institutions and Citizens in Contemporary Democracies

The changes experienced in the relationships between institutions and citizens in Central America during the last decades tell of “a time when electoral campaigns moved from political meetings to television sets, when discussions about doctrine become confrontations of images and ideological persuasion gave way to “marketing” surveys, so, it is consistent to feel called upon as consumers, even if we are summoned to participate as citizens” (Garcia Canclini 1995). According to neo-liberal thought, the market resolves and redefines the limits of the relationship between the public and private spheres and institutions and citizens. However, the experience of globalization has shown that the different ways in which different nations and national sectors are incorporated, and the way local and regional cultures are dealt with, cannot be considered as if the only purpose was to homogenize them.

National differences of many kinds persist under trans-nationalization, as does the mode in which the market re-organizes production and consumption in order to obtain higher profits and concentrate them, which turns these differences into inequalities. Until a few years ago, political institutionalization alone was seen as an alternative. Be it because of the market, or because it betrayed itself, the discredit into which politics have plunged runs parallel in many of these countries to the “commercial” side of the electoral game and holding public office, with their component elements of propaganda, spectacle and corruption. In this context, it seems necessary to go to the nucleus of what social relationships and what the individual exercise of citizenship mean under globalization (Gacia Canclani 1995: 129).

The extent to which access goods and services are gained (supposing people aspire to a higher quality of life) is the extent to which social sense is thought out, chosen and re-elaborated. Therefore, what is desired is the transition of each citizen into a representative of public opinion, in a process that is clearly placed within the limits established by a National State. The political parties, the unions and grassroots organizations act as mediators in this process. The result is that the citizen interested in enjoying a certain quality of life, in the recognition of diversity, and in new frontiers will choose a government that supports openness, diversity, as well as economic prosperity.

From this perspective, the debate over citizens' rights must be reignited. We must not only consider the right to equality, but also the right to differentiation; not only the right to participate in a socio-political system, but the right to participate in re-elaborating the system, that is, the right to define that in which we wish to be included (Bovens 1998). Presently, citizenship is defined by one article in the political Constitution of each country and restricted to one of the truly central rights brought about by the democratic system, namely, the right to elect and to be elected. The long-reaching goal of achieving true democracy in Latin America, however, implies transcending the existing concept of citizenship to include broader citizen rights.

Even if we value the emergence of democratic representation and see it as progress, it is evident that citizenship is nonetheless defined in a restrictive manner which makes invisible the diversity of demands and interests characterizing the population of a democratic system. In times of authoritarianism and violence, such as was experienced by Central America in the 1970's and 1980's, these demands and interests are severely oppressed and, even, negated.

At this point, the conceptualization of citizenship comes in as a demand of democracy and also as one emerging from it. Democracy makes rights visible and, by bringing them to the surface, generates expectations of effective recognition. While the surfacing of new expectations occurs in societies with mature democratic institutions, it also manifests itself in under-developed societies such as those of Central America, which are in a process of transition towards democratic consolidation.

Democracy places demands on itself, therefore exercising citizenship cannot be a static or a-historical process. If exercising citizenship refers to the capacity to influence decision making about issues affecting the populace, within the context of globalization, the inhabitants of a democratic country have the right to demand participation in processes which further their well-being, not only in individual, but also in collective terms. In this sense, the persistence of inequalities and the appropriation of decision-making on the part of some elites (even in countries with the longest democratic tradition) show that we have a far way to go to achieve full exercise of citizenship and effective

recognition of human rights, which are, in effect, the lens through which we see democracy. This is especially true in Central America, with a heritage of multiple efforts and attempts by large majorities to know that they are part of a common destiny of development, inclusion and recognition as citizens, with the consequences of either achieving access to welfare and development, or not.

The Constitutional State has become the warrantor of welfare for the citizen. Democracy has ceased to be just a regular procedure to elect a government, and it is expected to function as a structure of rights and obligations inherent to the condition of being a citizen. In this context, there have been many indicators in recent years, pointing to the fact that political disaffection and disillusion are setting in, as shown by the Citizens' Audit on the Quality of Democracy: *Auditoría Ciudadana sobre la calidad de la Democracia* (2001:24): “[C]itizens harbor important and growing doubts about the usefulness of participating in politics, while many persons think that the way their democracy functions bears less and less relation with their ideas and hopes”.

Following the Cold War, the proliferation of democratic political systems has challenged newly democratic societies in Latin America to find ways to manage the impact of enormous change, combining the possibility of functioning effectively in the present with their viability in the long term (Alcántara 1994:177). In this sense, the concept of foundational democracy soon became insufficient to account for the complex dynamic of relationships between democratic institutions and between these democratic institutions and the citizens, which gave way to the analysis of democracy understood as “the degree to which, within a democratic regime, a political cohabitation approaches the democratic expectations of the citizens” (*Auditoria* 2001:27).

Today, there seems to be an increasing level of agreement that democracy refers more to the mechanisms that monitor the human rights of which the political system is warrantor. Democracy is not only the declaration of a constitutional state (the rights enjoyed by citizens, according to the Constitution and the legal system) but rather, democracy points to the mechanisms through which citizens participate in society and make demands of it. In this sense, as the option for democratic forms of political cohabitation gained ground, other forms of public accountability and transparency began to appear in the new democracies. There is increasing agreement with the perception that corruption does not limit itself to people usually, politicians and their clients helping themselves to the state treasury. Rather, corruption goes beyond the actions of certain individuals: “[C]orruption has to do with the play of fundamental values such as the common good, democracy, solidarity and social justice” (Guell 2000).

The difficulty in achieving true democracy leads to the formulation that, for good reasons, confidence in a democratic system depends increasingly on the level of institutionalization of stable rules and repetitive behavior within a society (Urcuyo 2003:21). Hereby, the importance of creating mechanisms for

the surveillance of the organization in the day-to-day internal application of democracy, but also of political interplay with the other social actors (Guzmán and Jiménez, 2004). Members of the government must comply with the agreements they establish with those they govern through public state policy, which leads to the existence of effective mechanisms of political control, both those available to the citizens as well as institutional ones. The protection of the rights and liberties of citizens from the abuses of public servants has been strengthened in the last years. From the perspective of the citizens, rights assured collectively become conditions within which accountability is possible.

In the case of Central America, the last two decades have witnessed a series of simultaneous demands of unsuspected magnitude. Latin America has faced the challenge to abandon armed confrontation and to implement democratic institutions, starting with the approval of the political Constitution in most countries. At the same time, the international community demanded that these institutions guarantee the effectiveness of the public administration and its efficiency in assigning and making good use of resources in a global context. Unlike most industrialized, democratic countries, Latin America faces the challenges of democratizing, while simultaneously facing the new challenges presented by fostering democracy and meeting the economic needs of its citizens in an increasingly global economy.

That said, it is also necessary to highlight the fact that contemporary Central America, despite its elements of dysfunction and its political and institutional weaknesses, has come a long way since the nefarious years of the civil war and the internal armed conflicts of the 1980's. In this sense, the Central American isthmus, while sharing with the rest of Latin America the pain inherent to truncated democratic transitions, has undoubtedly advanced significantly in establishing political systems which both formally and in respect to their political culture are, today, much more legitimate and stable than they were in other periods of the region's history. It is imperative, concerning the subject matter which we discuss in this essay, to rescue the specificities of the Central American process, which simultaneously show the challenges of countries undergoing development in a context of globalization, as well as the advances which, while limited, have been made from 1987 through the present (Nowalski, 2003; Estado de la Region 2002).

The Historical Context of the Last Fifteen Years

The signing of the Tegucigalpa Protocol in 1991 signaled the resurrection of Central American goal of integration and reflected the spirit of a new era for the isthmus. More than thirty years after signing the General Treaty of Economic Integration and almost two decades after the end of the last military conflict between states of the region, the political leaders of the area turned once again

to the communitarian way, considered essential to convert Central America into a region of peace, democracy and development (Herrera 1996).

The new integrationist determination emerged within an extraordinary regional and international framework. On one hand, the Cold War had ended, and all the countries of the world could, for the first time in almost half a century, fully develop their ties without the ideological constraints of bipolar confrontation. On the other hand, in the case of Central America, this was done within an unprecedented context of generalized electoral democracy. Democracy, while still very imperfect, offered all the people of the isthmus a unique opportunity. For the first time in its history, Latin America succeeded in neutralizing the military diktat and emerged from free and clean elections, monitored by international observers, with new democratically- elected civilian representatives as leaders (Fonseca 1996).

Achieving peace and gaining access to this democracy was neither easy nor inexpensive. The armed conflict that had divided Central America internally for over a decade cost 200,000 lives in Guatemala, most of which were lost as a direct result of operations directed and executed by the Armed Forces (Truth Commission 1997). The crisis, on the other hand, converted Honduras into the regional platform of the USA in its counterrevolutionary strategy (“roll back”), and brought all of Central America dangerously close to a generalized regional conflict. Over two million Salvadorans were driven away from their homes, half of them forced out by violence and poverty, seeking refuge outside the national frontiers, and Honduras and Nicaragua became two of the poorest countries of the Hemisphere.

The signing of the *Procedimiento para Establecer la Paz Firme y Duradera en Centroamérica* (Procedure to Establish a Solid and Lasting Peace in Central America) resulting from the presidential summit of Esquipulas II (Guatemala, August 7th, 1987), allowed the negotiation of a gradual solution to that regional crisis. The “spirit of Esquipulas” made possible the end of the war in Nicaragua, and the negotiation of successful peace agreements in El Salvador (1992) and Guatemala (1996). The peace agreements coincided with the end of the Cold War, which brought about a substantial reduction in military intervention from outside the region and produced a significant reduction in the size of the Armed Forces within the region. The decrease in military presence in Latin America created fertile ground in which to adopt a new growth model based on sustainable development.

Almost twenty years after the signing of the Peace Treaty, one can verify at least six tendencies that have developed: pacification, democratization, institutionalization, economic modernization, rationalization of the public common ground and regional integration. This last trend, integration, constitutes perhaps one of the most important and ignored signs of the new Central America, whose entry into the twenty-first century is difficult to imagine without higher and higher levels of political and economic rationalization.

The Binomial: Economy/Exclusion

Despite such progress, the Latin American situation is not exempt from great limitations and asymmetries. Poverty and social exclusion in Central America, far from having improved, are still dramatic, according to regional indicators. More than 70% of the inhabitants of the isthmus live below the poverty line; average regional illiteracy rates exceed 50% and levels of infant and maternal mortality have not improved substantially in the last fifteen years. Four of seven Central American countries (El Salvador, Guatemala, Honduras and Nicaragua) are amongst the poorest in the Hemisphere, which explains the strong migratory flux, a trend which intensified during the 1990's and even today is one of the most perverse and worrying symptoms of the regional context (PNUD 2002).

Central America is far from reaching satisfactory levels of democratic manageability based on truly open and pluralistic political systems. On the contrary, the political systems mentioned above are still characterized by institutional weakness and ethnic and gender discrimination (PNUD/AECI 1998 and Rodriguez et al.1999). Both organized crime and common delinquency have increased as violence moves from battlefields to domestic spaces, and private and public corruption has become enthroned in almost all the countries as one of the most perverse characteristics of the post Cold War era (Rico and Salas 1998 and IIDH 1999). Social problems breed doubt about the solidity of the Democratic State and about the depth of democratic change, which expresses itself in formal aspects, but has not taken root in decision-making processes in the countries of this area.

Unfortunately, conditions are not more promising in other spheres. The reluctance of Central American governments to agree on the reform of the Sistema de la Integración Centroamericana (SICA) (Central American Integration System) highlights the existence of ongoing debates about the model of integration that the isthmus should follow in years to come (FUNPADEM 2004). This process must engage local and regional civil society, whose limited participation has been one of the main obstacles to the creation of a modern and vigorous society (Penas 1997).

Regarding commercial and economic matters, Central America has not been able to adapt fast enough to the new circumstances of a global economy, where it is still denied access to many markets (Lopez 2004). The signing of a Free Trade Agreement with the USA, in 2004, marked the beginning of an era full of promise for all of the countries in the region. Unfortunately, many of the grave doubts, which the signing of this treaty has generated, will, in all likelihood, be confirmed. It is clear that benefits will not be distributed fairly amongst all isthmus countries, nor will they reach all social and productive sectors within those countries. In this sense, it is probable that the FTA, if not backed by quality complementary legislation, will end up having a more negative impact on

Central American economies than expected. In effect, while potentially positive, as a chance to improve existing links between Central American exporters and the USA market, an FTA without balancing features could lead to a “virtual annexation” of Central America and to a permanent setting of the dominant position of the USA in the region. This relationship would contribute little to the consolidation of a more autonomous political model and a more diversified economic and commercial model.

Why is it that, the more things change, the more they seem to remain the same, in Central America? Which factors make the dominance structures in the region so resistant to change and to the processes of democratic transformation that have taken place since 1987? In which way have they influenced social organizations and how can they modify these structures? The next section attempts to answer some of these questions.

The Challenges of the Institutional Realm

A first explanation of the notorious weakness of Central American democracy lies in political factors that are entrenched in the administration and distribution of power within each one of the countries in this area. In fact, the advent of electoral democracy in the whole region, in spite of being of the first order of importance in the isthmus' history, has not brought with it a re-configuration of traditional structures of dominance. Until recently, with the possible exception of Costa Rica – where a representative and pluralistic political system developed long before the military and political crises of the 1980's – the other countries lack a political culture grounded on strong and viable public institutions. Without these institutions, as shown by the European example, it is impossible to start a successful process of political and economic integration and to build a quality democratic state (Achard and Gonzalez 2004).

The difficulty in finding a foundation for successful transition, coupled with a generalized exclusion of many social sectors from decision making processes, has much reduced the representative value of the changes introduced since the end of the Cold War and has progressively undermined their legitimacy. It is not fortuitous that Central American governments have resisted consolidating the institutions upon which a stable democracy could be built. There has been a notorious lack of interest on the part of those in government to achieve regional integration perhaps, in part, because integration would necessitate economic and social symmetry amongst all member states of SICA. This resistance to achieve equality amongst the states for the purposes, even, of Central American unity could have its roots in deeply embedded aspects of the governments, which would be worth further investigation.

In his enlightened studies on elites and political power in Central America, Samuel Stone (1973; 1995) showed that dominant classes in this area, with the

exception of Costa Rica, have, since colonial times, used the military to govern the National States, while the upper classes devoted their time to other activities that were economically more profitable. This phenomenon of “delegating command” was equivalent to bringing into modern-day politics the age-old colonial practice of absentee ownership. This anachronism explains the differentiated levels in the factors of production in the whole of the isthmus. The relationship between the military and political elites produced a mutually beneficial understanding: it allowed military groups to get rich by using the State apparatus practically without restriction, while the elites enjoyed domestic peace, sometimes achieved only by using the army in a despotic and autocratic manner.

Evidently, this relationship between the military and the elites also benefited the hegemonic power, the USA, which used it with extraordinary ability during all of the twentieth century. In fact, dominating Central America since 1906, the USA imposed its predominance not only by the force of its uncontested military power, but also thanks to the support of the elites of the region and their military allies. This non-virtuous alliance deepened during the Cold War, and was responsible for many major violations of human rights in this century (Marz 1995, Shoulz 1998). The hegemonic domination of the US also consolidated because of the absence of credible democracies capable of building a common front – similar to the one constituted by the military within the Council on Latin American Defense (CONDECA) – in the event of exogenous impositions. With the exception of a brief interlude during the Kennedy administration (which was instrumental in beginning the process of integration between 1960 and 1964), over and over again, the USA did everything in its power to fragment Central America as a historical community project in order to maintain its own control over Central American resources.

The limits of the “understanding” between the military and the civilian elites were made evident by the profound political and military crisis of the 1980’s, when social forces finally broke down the structure of military domination. Unable to hold back the advance of Marxist insurgents seriously weakened because of their massive violation of human rights during this decade, the Central American armed forces were unable to maintain their historical alliance with the region’s elites. The latter’s interests were seriously threatened by the crisis and by the fact that by this time the military had developed their own economic base, achieving, a considerable degree of political and economic autonomy with respect to their masters.

With the end of the Cold War and the negotiation of peace treaties, the Central American elites managed to regain control of the military, since they were easy to pinpoint as the main culprits for the events of the decade. Although with national variations, this was a two-way process: army budgets were reduced and, more importantly, members of traditional groups took over the highest public offices through direct popular elections. In unprecedented moves, the oligarchs founded or appropriated “democratic” political parties, formulated

renewed electoral platforms, put the armed forces in the subordinate position they typically occupy in traditional republican regimes, and won clean and free elections, under international scrutiny. Out of this process a legitimate opposition also emerged, including, in many cases, their old enemies of the insurrectional left or right.

In this way, what were fleeting, militarized political systems acquired democratic “identity papers” which, without substantially altering the internal balance of power (it remained in the hands of a minority of politically and economically conservative businessmen), expanded their social base of support and, in this way, became legitimate beyond any reasonable doubt. The most visible consequence of this new power line-up was the adoption of republican and democratic government profiles; policies, nevertheless, still favored the historical elites and their new social allies, to the detriment of popular sectors whose needs were, again, left unfulfilled.

This is the paradox of a Central America: political systems have clearly evolved in a democratic direction while traditional power structures remain almost intact. This paradox has characterized even Nicaragua, a country where the liberal and conservative elites were completely marginalized from power for over a decade, and where the somocista armed forces were totally defeated, giving way first to a popular army controlled by the *Dirección Nacional del Frente Sandinista de Liberación Nacional*, and then to a non-partisan, professional army.

The net result of this process, in spite of everything, is still positive, in many ways. First, the democratization has qualitatively changed the premises, concepts and agendas on which political existence in Central America was based during a century and a half: from being a class monopoly they became collective patrimony, and it cannot ignore the aspirations, opinions and demands of society as whole. Second, it is undeniable that, contrary to what occurred less than fifteen years ago, there is, today, much more diversity amongst the parties and social sectors wielding power at all levels of the public sector. Who would have imagined, for example, that representatives of the *Frente Farabundo Martí para la Liberación Nacional* would control most of the townships of El Salvador, including the capital? Third, the political system is, gradually but progressively becoming more transparent, and it is likely that, in time, the necessary conditions to produce structural change that have not occurred yet will arise.

The Role of Organized Civil Society

Another impediment, however, to the process of democracy and integration is the fragmentation of civil society, at both the national and regional level. This fragmentation paradoxically, comes about at a time when both the power and the organizational level of the social movement in the whole region has increased significantly. Unfortunately, the lack of unity among the popular sectors has

prevented their initiatives and demands from having sufficient incidence on the formulation and execution of public policies (Solis 1997).

It is undeniable that so called “popular sectors” have had a great impact and made significant contributions to the culture of the region from 1990 until today. However, the challenges of a recently acquired democracy in Central America demanded abilities and proposals that were totally different from what civil society demanded under brutal repression. Ironically, the removal of legal limitations created new problems for citizens unaccustomed to having a voice in any aspect of their government. The task of national reconstruction and economic recovery required action networks and supporting institutions to which civil society had limited access due to decades of underground activity and exclusion. The natural distrust of democratic institutions, coupled with the profound differences between the different proposals, methodologies and leaders of civil society, has made it almost impossible to build coherent and lasting fronts to function as a counterweight to the traditional elites in a more or less permanent way and not only under particular circumstances.

Two factors were decisive in giving Central American society a stronger profile in regional politics. The first was the important contribution of international aid and cooperation communities. Throughout the crisis, and during the years that followed, both government agencies and non-government organizations opted for civil society rather than for civil governments perceived as weak, corrupt and elitist. The second factor was the capacity of civil society itself to take advantage of the weaknesses of political institutions and position itself in a privileged place as the representative of the citizens who were increasingly disillusioned with traditional political parties.

This is the reason why the elements that explain the renewed importance gained by civil society organizations in Central America are still, fundamentally, internal to each country, and for the most part, political rather than economic in nature (even in the case of organizations of business leaders). In all cases, the particular handicaps of each country involve the weakness of the state apparatus, poverty and the dysfunctional nature of democratic institutions. These vulnerabilities explain the growing levels of coincidence between ideologically dissimilar groups who find a common nemesis in governments unwilling to meet society’s demands.

Two examples of this phenomenon illustrate cases where organizations and groups with dissimilar agendas associate and create a common front, sharing strategies. The first one is the case of the labor union and social movement in Guatemala, which, together with CACIF, the business association, staged a surprising strike against the government of Alfonso Portillo (1999-2003), whose administration had proposed a non-regressive fiscal reform without precedents in contemporary Guatemalan history. The second case is the *Movimiento Libertario en Costa Rica* (Libertarian Movement in Costa Rica), whose doctrine purports a minimalist State and the absolute liberalization of the economy, taking up

the struggle of popular sectors clearly identified with the Left against the fiscal reform plan and the technical inspection of vehicles (2003-2004).

An increase in popular movements has generated the proliferation of all types of community organizations, such as support, religious and protest groups. These new organizations have taken advantage of the poor reputation and fragility of traditional party entities to gain momentum. They have entered the new spaces opened up by democracy and consolidated themselves as alternative and effective forms of organization, especially in the sphere of local politics.

Recent experiences of civil participation in both the regional integration process and at the national level (participating in electoral platforms or in wide protest coalitions, as has been the case in Guatemala or in the Foro Ciudadano in Honduras) show a great potential for the construction of possible political agreements. Solidarity, is nevertheless, often squandered, because, in Central America, a culture of dialogue and negotiation is still lacking outside certain relatively closed groups where, frequently, fossilized dogmatism is the rule.

There are, numerous proposals for economic development which, having the potential of generating adequate conditions for growth and distribution of wealth. These proposals generally fail because the political will is lacking or because of sectarian reasons. A regrettable example of this incapacity to build ample fronts or a well articulated social platform is provided by the exercises in "harmonization." As the name implies, these programs seek political conformity rather than support a process of debating political differences, which would take longer but result in a more permanent and solid foundation for democratic dialogue.

Evidently, civil society in Central America has been able, in the fifteen years that have passed since the signature of the peace treaties, to find and articulate growing social sectors. However, the region has not found its identity as political protagonist, since within Latin America problems inherited from the distortions of the past compound the challenges of the global economy today. Therefore, to undertake these tasks consistently, it is necessary to delve deep into the practices of institutional culture and inside social movements where transparent decision-making processes and effective participation of women together mark the end of old "caudillismos" and days gone-by. Only by bringing democracy to the local level, will Latin American society give new leaders a chance and strengthen political participation at both the national and international level.

Conclusion: the Mid- and Long-Term Challenges

In the twenty-first century, Central America will develop within an international and regional context dominated by two great geopolitical factors: economic globalization and the opening of markets due to the recent hegemonic repositioning of the USA. These powerful factors reflect the persistence of long standing historical trends in the relationship of Central America with its neighbors. Paradoxically, globalization intensifies a double relationship of economic and political dependency that does not break but, rather, consolidates, with the advent of democracy.

A nodal element affected by this circumstance is the national state and its institutions, which would seem particularly necessary in this context, but has suffered considerable degradation in practically two decades of “structural adjustment”. In fact, promoting the market to the detriment of the state has had, as the most visible consequence, a weakening of public spaces together with an accelerated process of concentration of wealth, the net political effect of which contradicts democratic consolidation, something that a market economy also needs in order to develop. This is not the place to discuss whether capitalism can exist without democracy. The examples of China and Chile are usually quoted as evidence that this is possible at both ends of the ideological spectrum. However, what is perfectly clear is that capitalism without democracy, even if it were capable of facing the economic challenges, is not capable of producing the conditions that strengthen the necessary social networks to guarantee a development model based on solidarity. Few examples are so clear in this respect as the case of the social security and pension systems of every Latin American country (Hujo, Mesa-Lago and Nitsch 2004).

It is necessary to highlight the fact that the process of democratic transition in Central America did not strengthen the institutions necessary to manage a democracy. This is largely due to the simultaneity of this democratizing process with politics of stabilization and structural adjustment and with the advent of globalization as a global economic phenomenon. This coexistence of forces would explain the vacuum generated in the region during the 90’s between formally democratic states and the organizations within civil society that had to assume the new agenda of development. Governments in the process of democratizing were unable to create communication channels that would fulfill the role historically played by political parties in other consolidated Western democracies fast enough to keep up with globalization’s demands (Sobrado and Rojas 2004).

Another element that produces political disenchantment in Central America is the ethical and moral crisis of political organizations and especially of the parties, the government and public servants, who have been repeatedly associated with systematic acts of corruption. The perception that there is no punishment which this crisis generates, the weakness of the institutions and of

the instruments of justice necessary to neutralize it, the arrogance of dominant groups which do not assume responsibility and the lack of capacity for self criticism necessary to end the abuses when they are detected, together with the magnitude of illicit business; all these elements conjugate with a generalized mistrust which has, as its first victim, inevitably, the political domain itself and its agents. It is true that this type of phenomenon has been observed in Central America since the nineteenth century. However, the advent of democracy is the main factor generating expectations in citizens who, tired of the abuses of authoritarian and repressive regimes, see in the new conditions the hope of building a new political culture.

Surely, Central America has experienced noteworthy development of normative frameworks that preserve and protect human rights. A new, more rigorous culture demands transparent mechanisms and accountability in spheres usually hidden from public scrutiny. These phenomena show that there is advance and a certain collective will to perfect the constitutional state as the necessary basis for coexistence within a mature democracy (*Programa Estado de la Nación* 2004).

It is no coincidence that international cooperation has devoted a significant amount of money to strengthening judicial institutions in practically every country in the region during the last six years. Nor is it surprising that international financial institutions have recognized, however late, the limits of structural adjustment and the need to strengthen governments and political parties as axes that articulate new forms of Central American citizenship. These trends signal a turning point in recent times and inaugurate interesting spaces for public activity, such as those seen after the fruitful debate on international public goods (Kaul et al. 1999; Ferroni and Mody 2004).

It is evident that Central America must solve, in a creative and urgent manner, the challenges posed by active citizens who demand from democracy much more than periodical, free and clean elections. This is particularly true because, even if prosperity could not have been a pre-condition for the transition to democracy (as the old Latin American Left suggested) neither can democracy be preserved under conditions of constant inequality and exclusion, which constitutes an inherent contradiction and the results of which are well known in Central American experience of the 1970's.

The Central American equation would seem to lead to a formula whereby higher levels of economic prosperity are attained along with growing levels of well-being and equity. The success of managed economic prosperity is not possible without an institutional network that regulates and controls the economic markets and a state that works to ensure a healthy economy and equitable distribution of resources. The brick and mortar of this construction is the body of active citizens with access to growing opportunities of education and quality employment and who assume the challenges of politics as a natural consequence of their right to be the main actors in a democratic society. Because,

in twenty-first century Central America, it will be necessary to transcend from the state in which countries qualify as democratic into democratic societies that recognize themselves as such.

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