
THE DIVIDENDS OF U.S. DEMOCRACY AND GOVERNANCE ASSISTANCE TO EL SALVADOR, GUATEMALA AND HONDURAS

The Dividends of U.S. Democracy and Governance Assistance to El Salvador,
Guatemala and Honduras

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INTRODUCTION

On June 24, 2020, U.S. Secretary of State Michael Pompeo announced that the United States would soon expand foreign assistance to El Salvador, Guatemala and Honduras.¹ This welcome news comes after the April 13, 2020, announcement that foreign-assistance funding to the three countries would resume, one year after it was placed on hold pending review of those governments' compliance with migration-curbing measures.²

Quickly restoring and maintaining access to U.S. democracy and governance assistance is critical to supporting these neighboring governments in their efforts to address the root causes of migration: corruption, violent crime and unaccountable governance. This assistance is also important because unstable countries are vulnerable to malign foreign influence. U.S. democracy and governance assistance to these Central American countries thus helps protect U.S. borders and strengthens U.S. national security. With these fragile governments struggling economically, socially and politically in the context of the ongoing COVID-19 pandemic, this support has never been more critical.

The basis for this assistance is outlined in the current U.S. National Security Strategy's goals of "advancing American principles;" working to "dismantle transnational criminal organizations;" supporting "local efforts and encourage cultures of lawfulness to reduce crime and corruption;" and helping to build "a stable and peaceful hemisphere that increases economic opportunities for all, improves governance, reduces the power of criminal organizations, and limits the malign influence of non-hemispheric forces."³

The International Republican Institute (IRI) has worked with government, political-party, private-sector and civil-society partners in El Salvador (since 2008), Guatemala (since 1993) and Honduras (since 2012) to improve the ability of local and national governments to respond to the needs of their citizens, strengthen democratic processes and bolster the U.S. relationship with allies in Central America.

¹ Pompeo, Michael R. "United States Provides Additional U.S. Foreign Assistance for El Salvador, Guatemala, and Honduras." *U.S. Department of State*, 24 June 2020, www.state.gov/united-states-provides-additional-u-s-foreign-assistance-for-el-salvador-guatemala-and-honduras/.

² Ibid.; Brennan, Margaret, and Grace Segers. "Trump Directs State Department to Cut Off Aid to El Salvador, Guatemala and Honduras." *CBS News*, 30 Mar. 2020, www.cbsnews.com/news/state-department-cuts-off-aid-to-el-salvador-guatemala-and-honduras/.

³ Trump, Donald J. "National Security Strategy of the United States of America." *White House*, Dec. 2017, 55, www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf.

SLOWING MIGRATION AT THE SOURCE

El Salvador, Guatemala and Honduras transitioned from dictatorship to democracy in the mid- to late-1980s. Although each has made strides in consolidating democratic processes, poor governance — including corruption, organized crime and lack of economic opportunity — makes life extremely difficult for many citizens in these countries.⁴

During the civil conflicts of the 1980s, many Central Americans fled to the United States seeking safety from guerrillas and dictators. Today, families undertake treacherous journeys north fleeing poverty, violent gangs and drug-trafficking organizations that corrupt local and national governments alike. These gangs and transnational crime groups now have influence in U.S. cities and deep into the American heartland. While there have been strong efforts to prevent illegal migration by reinforcing America's southwest border, the number of asylum-seeking families in 2019 numbered more than four times as many as in 2018, with the vast majority coming from El Salvador, Guatemala and Honduras.⁵

Democracy and Governance Assistance Helps Reduce Drivers of Migration

Improving the quality of life so that citizens can stay in their countries, earn a decent living, invest in small businesses and educate their children requires better governance, rule of law and a population that participates in a vibrant civic space. Improving the skills and abilities of government officials to govern effectively and create good policies at the local

and national levels is an important means of improving security and economic outcomes for citizens. Strengthening civil-society watchdog organizations to help identify problems and solutions, as well as oversee government performance, is another important component of ensuring that government works for the people. Programs to improve the quality of politicians and their parties are still another part of an organic approach to help citizens armor their society against chaos and crime.

IRI's Response

From 2013 to 2015, IRI worked with the mayor of Puerto Cortés, a city in northern Honduras, as he sought to bring crime under control and implement a series of best practices in municipal governance to make his community safer and more prosperous. IRI programs successfully helped the municipality establish a community citizen-security commission made up of citizens and local officials, implement a crime-monitoring and response-command center monitored by citizens, and use better communications strategies and technologies to improve outreach to citizens and create more inclusive security policies.

IRI-led exchanges between the mayor and other Central and South American municipal governments — such as an exchange with Central American mayors and council representatives in Buenos Aires, Argentina, in January 2016 and IRI's Safe Cities conference in Panama during April 2016 — also provided him a platform to share his insights into how he was able to halve the crime rate in his city in a little less than five years.⁶

Recommendation

When citizens feel safe and secure at home, they are more likely to remain in place and contribute to building a more stable and prosperous future for their country. Scaling up successful programs that support local actors working to improve

⁴ Isaacs, Anita. "Migration in Central America: An Analysis of Migration Trends, Drivers, Policy and Actors." *Seattle International Foundation (SEALF)*, 2019, sealif.org/wp-content/uploads/2019/05/Central-America-Migration-Report.pdf.

⁵ Gonzalez, Daniel. "The 2019 Migrant Surge is Unlike Any We've Seen Before. This is Why." *USA Today*, 23 Sept. 2019, www.usatoday.com/in-depth/news/nation/2019/09/23/immigration-issues-migrants-mexico-central-america-caravans-smuggling/2026215001/.

⁶ Johnson, Stephen. Personal interview with Mayor Alan Ramos of Puerto Cortés, Honduras, 31 Jan. 2016.

democracy and governance is key. Thus far, IRI has conducted such programming in four or five communities per country per year. Each of these Central American countries has about 300 municipalities. Although IRI also works with associations of mayors to extend its reach, expanding individual community work to more communities and including training for national officials and legislatures to ensure steady progress in building resilience in local governance are key to improving hometown environments that will help reduce drivers of migration.

COUNTERING CORRUPTION

Corruption has long been a challenge for Honduras, Guatemala and El Salvador, and has had a detrimental effect on economic growth, as well as political stability and security, in the region. In 2019, some 20 percent of Guatemalans and Hondurans admitted to paying bribes for social services.⁷ In fact, corruption costs the economies of Central American countries some \$13 billion annually and fuels illicit economic activity across South America and in the United States.⁸

Corruption at the Highest Levels of Government Undermines Trust

In all three countries, the political commitment needed to address corruption is tenuous at best, resulting in low public confidence in democratic institutions and wariness of international business to invest in these countries. One example of the region's stop-and-start efforts to address corruption is Guatemala's Commission against Corruption and Impunity. The commission supported judges and prosecutors on more

than 400 convictions, improved Guatemalan authorities' investigative methods, and helped the country cut its homicide rate by more than half between 2009 and 2019.⁹ However, Guatemalan President Jimmy Morales (who is now under investigation for corruption) disbanded the commission in 2019.

On the heels of a government scandal in which \$300 million was embezzled from the social-security fund, Honduran President Juan Orlando Hernández opted to permit a weak advisory commission to oversee corruption investigations, then declined to renew its mandate in February 2020. Hernández himself has been implicated in a drug-trafficking scandal involving his brother. In 2019, President Nayib Bukele created El Salvador's International Commission against Impunity, which has yet to be tested in handling important corruption cases.

IRI's Response

Democracy and governance programs like those implemented by IRI promote democratic values and best practices, including transparency and anti-corruption. These programs help governments mitigate opportunities for corruption in two ways.

First, they work directly with government officials at all levels to strengthen anti-corruption laws and mechanisms.

Second, they empower civil-society watchdogs, investigative journalists and citizens themselves to take on oversight responsibilities, expose corruption and create public pressure for prosecutions.

- In Guatemala, IRI worked with the Congress to create and pass critical reforms to the country's access-to-information law in 2018 and 2019, to improve transparency and reduce opportunities for corruption.

⁷ Angelo, Paul J. "Why Can't Central America Curb Corruption?" *Council on Foreign Relations*, 6 Feb. 2020, www.cfr.org/in-brief/why-cant-central-america-curb-corruption.

⁸ Ibid.

⁹ "Fact Sheet: the CICIG's Legacy in Fighting Corruption in Guatemala." *Washington Office on Latin America (WOLA)*, 27 Aug. 2019, www.wola.org/analysis/cicigs-legacy-fighting-corruption-guatemala/.

IRI and its partners supported the congressional Transparency and Probity Committee to solicit and incorporate recommendations from citizens and experts across Guatemala to improve compliance measures in the law.

- IRI programming with local governments in Chalchuapa, El Salvador, and La Esperanza, Guatemala, emphasizes the importance of transparency and good communications with citizens to build trust and confidence in democratic institutions. After participating in a recent IRI program, citizens reported that they were encouraged by watching local officials listen to their opinions and consider them in new policies. Before these IRI programs began, many citizens said they previously felt forgotten by the municipality, but now felt included. When citizens trust their governments, they are less likely to turn to non-state actors such as criminal groups for community development, economic opportunities and security.

Recommendation

To protect and promote strong democratic allies in Central America — and to help strengthen rule of law, citizen safety and economic prospects — the U.S. government should support governance programs that make democratic institutions more resilient to graft and strengthen laws that tackle corruption in the private sector. This support should include programs that increase transparency and promote citizen oversight.

CONFRONTING TRANSNATIONAL CRIME AND INSECURITY

Corruption fuels both domestic and transnational crime throughout Central America and the Western Hemisphere. When transnational drug and human traffickers can buy off government officials from senior national figures to mayors and council representatives, the rule of law breaks down and insecurity abounds.

El Salvador, Guatemala and Honduras were just beginning to recover from a period of internal conflict in the 1990s when Colombian drug-trafficking organizations took advantage of weak governments and moved into their countrysides to establish cocaine routes into the United States. These countries have struggled to establish civilian police forces that can effectively deal with transnational criminal organizations and do not give in to bribes or extortion. As of 2019, these three countries were among the most violent in the region.¹⁰ Ninety percent of Hondurans polled said they felt insecure.¹¹ El Salvador and Guatemala have lower crime rates but, like Honduras, are plagued by drug traffickers and gangs such as the MS-13 and Barrio 18.¹² Crime, violence and insecurity hinder economic development and are the major drivers of migration in the region.

¹⁰ Asmann, Parker and Eimhin O'Reilly. "InSight Crime's 2019 Homicide Round-Up." *InSight Crime*, 28 Jan. 2020, www.insightcrime.org/news/analysis/insight-crime-2019-homicide-round-up/.

¹¹ Asmann, Parker, "Honduras Drop in Homicides One Part of Complex Security Situation." *InSight Crime*, 27 June 2019. www.insightcrime.org/news/analysis/honduras-homicide-dip-one-part-complex-security-situation/.

¹² "MS13." *InSight Crime*, 11 Mar. 2019, www.insightcrime.org/el-salvador-organized-crime-news/mara-salvatrucha-ms-13-profile/; "Barrio 18." *InSight Crime*, 11 Mar. 2019, www.insightcrime.org/el-salvador-organized-crime-news/barrio-18-profile/.

Good Governance Helps Prevent Crime and Violence

Democracy and governance programs provide technical assistance that enables government officials to improve their security strategies, involving citizen and civil-society oversight at every level of planning to ensure strategies are focused on the crime and violence patterns that most affect citizens in different districts and municipalities. With access to the right tools and information, security plans and citizen involvement help governments build the trust of citizens and focus strategies on the most relevant problems to deny territory and opportunities to criminal actors, including transnational criminal organizations. Transparency, strong democratic institutions and community-centered policing can also limit opportunities for criminals to take advantage of political and social unrest and fill the void created by a lack of state presence in some communities.¹³

IRI's Response

In El Salvador, Guatemala and Honduras, IRI has worked closely with municipal governments to make their citizen security-planning processes more inclusive of and responsive to citizens' needs and concerns, including by establishing neighborhood municipal-security councils comprising local citizens and government officials, to help guide municipal officials and police and ensure that citizens' needs are foremost in security responses.

- In 2015, IRI-sponsored citizen security-capacity exchanges in all three countries enabled mayors and council members to learn from municipalities across Latin America with exemplary security programs, facilitate regional policy discussion on violence and crime prevention, and apply these lessons learned in their own communities.

- A 2016 program in El Salvador challenged 15 rural municipalities to develop ways to improve citizen security and governance practices. Representatives of the five winning municipalities came to Washington to present results and discuss best practices in citizen security with local U.S. officials as well as members of Congress, increasing understanding about shared security challenges like transnational gangs.
- IRI's Panama-based Toward Safer Cities exchanges (which recently completed their third iteration) have brought together public officials from Central and South America to discuss best practices in citizen security, which they could take back and integrate into planning for their own countries or municipalities.

Recommendation

Democracy and governance programs have a crucial role to play in strengthening security cooperation between the United States and its Central American allies, so that the transnational crime that plagues our shared hemisphere can be tackled at the root. Too often in the past, U.S. security assistance has focused on providing equipment and training police forces without considering governance aspects. Involving citizens and training officials at all levels of government in best practices moves security assistance beyond dealing with the end results of crime and violence and toward dealing with sources of insecurity comprehensively.

¹³ Dudley, Steven, and Jeremy McDermott. "GameChangers 2019: 10 Predictions for Organized Crime in 2020." *InSight Crime*, 24 Jan. 2020, www.insightcrime.org/news/analysis/gamechangers-2019-predictions-2020/.

COUNTERING FOREIGN MALIGN INFLUENCE AND ADVANCING AMERICAN INFLUENCE

China is becoming an increasingly influential economic and diplomatic actor in Central America, having virtually replaced Taiwan as the Asian partner of choice in the last 20 years. As the experiences of a variety of other countries around the world have shown, China's long-term approach to creating trade and investment dependencies favorable to its own interests eventually comes with a heavy repayment cost to its "beneficiary" countries.¹⁴ China deals state to state and seeks agreements that are not subject to legislative or citizen scrutiny. This approach encourages heads of state to avoid oversight and circumvent the rule of law in favor of corrupt methods, and ultimately allows democratic institutions to be co-opted and corrupted.¹⁵ China's growing economic clout weakens U.S. influence in the region, as well as the checks on corruption that U.S. assistance carries.¹⁶

Democracy and Governance Assistance Advances American Influence

Democracy and governance programs are crucial to pushing back on China's authoritarian model of investment and trade, while advancing Western models of transparent, citizen-centered government in the region. Any prolonged absence of U.S. democracy and governance programs could create a vacuum for China to fill with cultural, political and security assistance. U.S. democracy assistance programming provides an opportunity to advance American values and to build trust in democratic processes where citizens, not party elites, are in control — thus creating a better environment for American interests to flourish and for the people of Central America to determine their own destinies.

IRI's Response

IRI's BRIDGE program counters authoritarian influence by helping local, regional and international actors to better understand China's growing power in their home countries and around the world.¹⁷ Expanding Chinese influence in economic and information spaces in Central America — in conjunction with China's support for illiberal partners and efforts to export its authoritarian model — has the potential to draw fragile democracies into China's orbit and away from the United States and the world's democracies.

Through the engagement of stakeholders across sectors, including government officials, political parties, media and civil society, IRI is helping actors understand and counter foreign authoritarian influence and interference by

¹⁴ Shullman, David, ed. "Malign Influence and the Corrosion of Democracy: An Assessment of Chinese Interference in Thirteen Key Countries." *International Republican Institute*, 2019, www.iri.org/sites/default/files/chinese_malign_influence_report.pdf.

¹⁵ Ibid.

¹⁶ Roa, Carlos. "The United States Is Losing Latin America to China." *National Interest*, 15 Aug. 2019, nationalinterest.org/feature/united-states-losing-latin-america-china-73906; Ellis, R. Evan. "The Future of Latin America and the Caribbean in the Context of the Rise of China." *Center for Strategic & International Studies (CSIS)*, 21 Nov. 2018, www.csis.org/analysis/future-latin-america-and-caribbean-context-rise-china; Gonzalez, Anabel. "Latin America-China Trade and Investment Amid Global Tensions: A Need to Upgrade and Diversify." *Atlantic Council*, Dec. 2018, www.atlanticcouncil.org/in-depth-research-reports/report/latin-america-china-trade-and-investment-amid-global-tensions/; Canuto, Otaviano. "How Chinese Investment in Latin America Is Changing." *Americas Quarterly*, 12 Mar. 2019, www.americasquarterly.org/article/how-chinese-investment-in-latin-america-is-changing/; He, Lucia. "How China Is Closing the Soft Power Gap in Latin America." *Americas Quarterly*, 12 Apr. 2019, www.americasquarterly.org/article/how-china-is-closing-the-soft-power-gap-in-latin-america/.

¹⁷ Shullman. "Malign Influence and the Corrosion of Democracy: An Assessment of Chinese Interference in Thirteen Key Countries."

promoting awareness of authoritarian tactics and bolstering the resilience of democratic institutions. By supporting legislative skills building, anti-corruption programming, investigative journalist projects and civil-society organizations, IRI has been able to transmit and reinforce democratic values, enabling Central American democrats to stand up to authoritarian unaccountable influences within their own societies, as well as those that come from abroad.

Recommendation

To reduce opportunities for foreign malign influences to hold sway, the United States must boost its engagement and leadership on democracy, governance and overall development initiatives in the Central American region. Sustained support to government and civil-society partners at all levels is critical to maintaining U.S. influence in these countries.

CONCLUSION

Resuming U.S. government investment in democracy and governance programming in Central America comes at a critical time, as these countries grapple with the consequences of the COVID-19 pandemic crisis on top of existing systemic challenges. El Salvador, Guatemala and Honduras have suffered from the disruption of critical supply chains impacting growing industries — especially small and medium enterprises — and sources of income for millions. The pandemic has also put an incredible strain on the already struggling public health systems. These neighboring countries need consistent support in finding a path forward in ways that will preserve individual freedoms and help deliver needed services to communities, in concert with public demand.

This is a critical juncture for Central America, as this already-fragile region struggles to cope with the strain of a pandemic. There is a danger that corrupt officials and private individuals, criminal groups, gangs and foreign influencers such as China will take advantage of the fragile state of democratic governance to consolidate their hold on the fortunes of many, to enrich the few and turn hometowns into wastelands that citizens will want to abandon for safer environments. By providing consistent, reliable democracy and governance support to democratic societies in El Salvador, Guatemala and Honduras, the United States can help counter the entrenched problems of illegal migration, instability and transnational crime at their source. Investing in shoring up democratic institutions in these neighboring countries will also help reduce opportunities for foreign authoritarian powers to exert influence in the Central American region.

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