

## **PART 9: INCREASING MILITARIZATION AND ITS EFFECT ON HUMAN RIGHTS**

### **THE PRODERE<sup>17</sup> PROCESS IN CENTRAL AMERICA**

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#### *Background*

Most countries in Central America have, at one point or another, suffered from civil conflict. Social inequity and a lack of democracy are usually seen as the causes of these conflicts. The issue of land ownership is particularly important in this respect. The heavily skewed land distribution had the effect of excluding large parts of the rural population from sharing in the economic benefits of agriculture. Account also needs to be taken of the fact that industrial development in many regions is limited to a few urban areas and thus has benefited only a small percentage of the population. In addition, socio-economic differences have traditionally been exacerbated by violence on the part of mostly military governments, making peaceful change almost impossible. This situation eventually led to armed conflict when opposition groups began to organize themselves as guerrilla movements in various regions.

#### **NICARAGUA**

In 1979 the Frente Sandinista de Liberacion Nacional in Nicaragua, which enjoyed wide popular support, overthrew the dictatorship of the Somoza family, seeking social and economic reform...

#### **EL SALVADOR**

The 1970s saw the birth of a guerrilla movement after it became clear that peaceful protest against the lack of democracy did not have any results...

#### **GUATEMALA**

Violent confrontations between the armed forces and indigenous groups started in the 1960s, even earlier than in Nicaragua and El Salvador...

## HONDURAS

Although guerrilla activities never turned into a civil war, large numbers of people suffered from violent repression on the part of military-controlled governments...

The peace process in Central America took off in 1987 with a peace treaty proposed by the president of Costa Rica, Oscar Arias. It was signed by the leaders of the five Central American republics whose governments committed themselves to start a dialogue with the guerrilla groups to initiate a process of democratization. The process received wide backing from the international community and in May 1988, the United Nations General Assembly approved the Special Economic Cooperation Plan for Central America.

## P R O D E R E

In the context of the Special Economic Cooperation Plan for Central America, the United Nations launched two major initiatives:

*The International Conference on Central American Refugees (CIREFCA), for which UNHCR took responsibility.*

*The Development Program for Displaced Persons, Refugees and Returnees in Central America (PRODERE).*

The Government of Italy decided to fund PRODERE through UNDP to the tune of \$115 million to facilitate the reintegration of those who had been forced to seek refuge in neighboring countries or more stable areas of their own country. In view of its innovative and multi-disciplinary approach, UNDP charged UNOPS with the execution of PRODERE. UNOPS in turn subcontracted ILO, UNHCR and WHO for specific components of PRODERE. The program, approved in 1989, started operations in 1990. It was mainly active in El Salvador, Guatemala, and Nicaragua but also undertook some activities in Belize, Costa Rica and Honduras, countries which had offered asylum to those fleeing conflict.

PRODERE concentrated its activities in regions averaging 250,000 inhabitants. These were either areas hard hit by violent conflict or those hosting great numbers of refugees. For the most part, the areas covered followed departmental borders and included municipalities, villages and hamlets and were characterized by high rates of social and economic exclusion.

People who fled their homes because of ongoing conflicts were often held in transit camps and then forced to resettle in communities controlled by the military. At the same time, central governments were undergoing a process of restructuring and reduction, thus weakening even more the government's capacity to be a partner in the implementation of programs for returnees.

**Central government institutions were mostly unrepresented**

**Most basic infrastructure facilities had been destroyed**

**The areas were under military control**

## THE POST-CONFLICT SITUATION

Most people in the areas covered by PRODERE used to rely mainly on self-employment in small, family farms and to a lesser extent in non-agricultural micro-enterprises. They faced the usual obstacles: lack of finance for investment, difficult market access, lack of information, lack of technical and basic management skills, resulting in low productivity and competitiveness and inhibiting their effectively linking up with the modern sector.

They had also been negatively affected by the conflict itself. Returnees and ex-combatants faced tremendous difficulties to restart their productive activities as a result of the destruction of resources and infrastructure, the loss of perennial crops and the disappearance of village markets.

In addition, the land property question had become more complicated because of numerous disputes over smallholdings between returning refugees and new settlers.

This in turn resulted in a subsistence agriculture less diverse than before the conflict, leaving the farmers even less room for maneuver than before.

Displaced persons who settled in urban areas flooded the urban informal sector thus reducing even further the already meager income of existing informal sector operators.

Salaried employment in the private sector was practically non-existent.

Social coherence was also affected since almost every family counted one or more deceased, disappeared or refugees amongst its members. Widows, orphans and war victims of all ages were highly visible in many villages.

## OUR OBJECTIVES

- *To promote human rights*
- *To build a consensus around development issues*
- *To facilitate the reintegration of returnees*
- *To restore basic services in such areas as health, education and housing*
- *To reactivate the local economy.*

## OUR STRATEGIES

Instead of intervening at the central government level or targeting one or more specific groups, PRODERE adopted a local development strategy based on a decentralized, integrated and bottom-up approach to development in limited geographical areas. This decision was based on the consideration that the civil strife in Central America affected particularly those regions that were poorest as a result of their neglect by national governments in the pre-conflict period. In fact, this neglect was one of the main reasons for the outbreak of the conflict in the first place.

In addition it was felt that the transition towards a more democratic and participatory society should start at the community or municipality level since it is at this level that government policies and interventions have an immediate impact on the daily life of citizens and that citizen participation in decision making can be more easily achieved. The community level also offered PRODERE a chance to build a consensus of the local population around common interests following a period of conflict which had often pitted neighbor against neighbor.

the governments of Honduras had just decided to implement decentralization PRODERE could

*A guiding principal behind our work was the practical application of the Universal Declaration of Human Rights*

Furthermore of Guatemala and decided to implement policies, which build upon.

An important program was its

consequence of this non-discriminatory

approach, not favoring one group over another. For example, PRODERE activities for returnees would also include the population that had stayed behind during the conflict, while in the municipal technical committees promoted by PRODERE in Nicaragua, ex-combatants from both sides joined mayors and producer associations to determine who would benefit from PRODERE investments and define a development plan.

A key principle of this approach is that the planning of resource utilization is done by the population itself through its own institutions

## THE DEVELOPMENT PLAN

- *helping providing individuals to get proper documentation and property titles*
- *promoting the organization of local branches of human-rights offices*
- *facilitating the local administration of justice*
- *promoting local health systems*
- *promoting departmental planning councils that dealt with all local development issues in the area covered and aimed at a more integrated planning of local development. These councils considerably facilitated establishing the necessary links between the different subject areas covered by PRODERE such as health, education, local economic development, human rights and regional planning. The planning councils thus managed the complex relation between different sectoral investments, introducing consultation processes involving all concerned. They coordinated the plans formulated at municipal, departmental, regional and national levels, defined minimum development objectives and decided on the projects to be financed from national and international resources.*

### *Problems*

Initially, PRODERE had to overcome considerable mistrust on both sides. Each party in the conflict considered that the program was supporting the other side. In El Salvador, Guatemala and Nicaragua the opposition considered the program a government instrument to counter insurrection, while the military considered it as supporting the opposition. As a result PRODERE activities in each area were defined following a careful needs assessment, trying to ensure that they covered the needs of the population as a whole. In many cases this meant that considerable time was spent to gain credibility as a neutral operation and to achieve at least a minimum consensus on what were considered the most urgent needs.

### *Solutions*

The most effective way for PRODERE to gain the confidence of both sides was to show concrete results. This often meant concentrating in the beginning on restoring basic services and infrastructure. In Nicaragua for instance, the program organized various meetings with the local population with whom an emergency plan was designed. The plan focused on basic food production and with financial and technical assistance returnees could start to cultivate maize and beans again as well as recuperate abandoned coffee plantations in several municipalities. Access roads to the production zones were urgently repaired, provisional health care was provided and schools were rebuilt.

### ***Local Economic Development***

In this post-conflict context PRODERE introduced a local economic development (LED) strategy. LED aims at employment creation and income generation through an optimal use of human and other resources in a determined geographical area, the so-called economic catchment area. An important aspect of LED is that groups traditionally excluded from the economic development process have a chance to become active members and beneficiaries of the local economy.

#### **Consensus**

----- CAN ONLY BE ACHIEVED THROUGH AN EFFECTIVE PARTICIPATION OF THE LOCAL SOCIO-ECONOMIC ACTORS CONCERNED. THIS MEANS THAT A PROCESS NEEDS TO BE UNDERTAKEN THAT BRINGS TOGETHER AND LINKS LOCAL ACTORS ACROSS POLITICAL LINES AND ENSURES A CONSTRUCTIVE EXCHANGE OF IDEAS AND OPINIONS WITH THE AIM OF DESIGNING POLICIES FOR SUSTAINABLE ECONOMIC DEVELOPMENT IN THE AREA. THIS PROCESS IS IN ITSELF AN IMPORTANT PART OF THE RECONCILIATION AND PEACE BUILDING PROCESS.

#### **Capacity building**

----- IS ESSENTIAL IN ORDER TO GUARANTEE THE TECHNICAL SUSTAINABILITY OF THE INITIATIVES TO BE DEVELOPED. A BOTTOM-UP AND PARTICIPATORY APPROACH IS REQUIRED TO MOBILIZE TO THE FULLEST POSSIBLE EXTENT THE LOCAL HUMAN POTENTIAL, THUS ENSURING LOCAL OWNERSHIP OF THE LED PROCESS. IN ORDER TO ACHIEVE THIS IT IS IMPORTANT THAT CONCRETE AND VISIBLE RESULTS ARE ACHIEVED IN A SHORT PERIOD. SUCH RESULTS CONTRIBUTE TO RAISING THE LEVEL OF MOTIVATION AND AWARENESS OF THE TARGET POPULATION.

#### **Synergy**

----- IS AN IMPORTANT WAY OF ENSURING QUICK RESULTS WITH OTHER DEVELOPMENT EFFORTS IN THE AREA. TO ENSURE THEIR LONGER TERM VIABILITY, LOCAL INITIATIVES ALSO NEED TO BE LINKED AT THE NATIONAL AND GLOBAL LEVELS. IT IS THEREFORE NECESSARY TO ESTABLISH A DIALOGUE WITH THE RELEVANT INSTITUTIONS AT THE NATIONAL AND INTERNATIONAL LEVELS AND INFORM THEM ABOUT LOCAL LEVEL INITIATIVES. PUBLIC AWARENESS RAISING HELPS TO SHOW THE IMPORTANCE OF ENTREPRENEURIAL INITIATIVES FOR THE LOCAL ECONOMY.

## LOCAL ECONOMIC DEVELOPMENT AGENCIES

In the case of PRODERE, LEDAs were also key instruments in promoting consensus building, conciliation, democracy and popular participation. Many of the LEDAs set up in the framework of PRODERE, operate in geographical backward areas characterized by an institutional vacuum. They were often one of the few, or even the only active institution in the area. Also, as compared with the Church or the local administration, LEDAs more easily gained acceptance as a neutral entity.

Moreover, since some of the actors who were involved in the LEDAs also played an active role in health issues, education or general community development initiatives, some LEDAs found themselves involved in and functioned as catalysts for many other activities and events with a more social character. The main focus of the LEDAs however remained on economic development.

The LEDAs supported by PRODERE were designed as membership organizations, made up of representatives of the public sector, including local administration and decentralized national government agencies, as well as of civil society, including peasant associations, cooperatives, private sector employers, workers' organizations and other non-governmental organizations. In this context, the role of PRODERE was limited to promoting the constitution of LEDAs and providing technical assistance. For the LEDAs to function properly, they had to be independent bodies, with a proper legal structure. It was therefore important that the local actors assume responsibility for the process of creating LEDAs right from the start. In order to ensure that the local community would not consider a LEDA as an institution imposed from the outside, but rather assume ownership, the LEDAs were constituted only after an intensive, participatory process of promotion and preparation, involving ad-hoc committees on which most of the institutions mentioned above were represented. Ideally, LEDA membership should reflect the whole range of organizations and agencies active in the area, including local authorities, decentralized central government agencies and organized civil society. In practice however different LEDAs establish different membership criteria.

In 1994, 15 LEDAs created the Central American LEDA Network. This network has enabled the LEDAs to be represented at international meetings, exchange experiences, exploit trading opportunities, develop joint services, realize economies of scale, undertake joint training activities and mobilize external resources. National networks have also been set up in Guatemala, Honduras and El Salvador for similar purposes.

## ***LEDA ACTIVITIES***

### **ONE**

To assess the area's potential in terms of the available natural, economic, human and financial resources and institutional presence. The outcome of this assessment then serves as a basis for strategy planning and coordination of activities. All LEDA members should be involved in assessment of SWOT -

Strengths Weaknesses Opportunities Threats

### **TWO**

To perform an investment opportunity study for the promotion of micro-and small enterprises. PRODERE developed a special method for this, the so-called *diagnostico preliminar de oportunidades de inversion* (preliminary investment opportunity analysis). This method is participatory and involves all sectors of the community concerned in the identification of economic needs and in the possibilities to satisfy them through entrepreneurial activities.

### **THREE**

Both the SWOT analysis and the investment opportunity study are used to design an economic development plan. This is essential since the strategic planning concept is essential to the LED methodology. Local development should not be incidental or accidental. Spontaneous and natural evolution processes are important but it is even more important to ensure that local and external players focus their attention and energy on an analysis of the situation and then jointly develop a strategy and undertake the activities necessary to implement the strategy. LEDA activities are also guided by an overall economic development for the area which defines the long term strategic direction of the development of the local community, practical projects to be implemented, financial, material and technical support required to achieve the goals set and the involvement of individual LEDA members and others in its implementation.

### **FOUR**

LEDAs aim at achieving synergy and complementing other ongoing activities in order to make an effective use of the limited resources available. This means that LEDA staff often work together with the staff of government agencies, NGOs and existing local institutions. For example, commercial banks are actively involved in the implementation of credit schemes for small farmers and entrepreneurs, instead of the LEDA itself carrying out credit operations. In one case PRODERE was able to persuade a commercial bank to open a branch office in an area where the LEDA was involved in credit operations and where no bank was present. In another case, the bank which had custody over the LEDA guarantee fund, while financing all credits from its own resources, detached one of its employees to the LEDA so that the LEDA and the bank together could follow up on the credit portfolio.

## **DIRECT SUPPORT PROVIDED BY LEDAS**

Entrepreneurship promotion and business development services, technology, markets, basic business management, vocational training, counseling.

## **INDIRECT SUPPORT PROVIDED BY LEDA**

Promoting a more favorable climate for the creation and growth of small enterprises.

## **CREDIT**

Since in many of the areas covered by the LEDAs commercial credit was (hardly) available, PRODERE also dedicated considerable efforts to facilitating access to credit and introducing new credit mechanisms as appropriate. The credit programs provided small farmers and entrepreneurs an opportunity to access credit at market rates and establish a credit record that would eventually enable them to become regular customers of commercial financial institutions. Individual farmers and groups of farmers used the loans to introduce non-traditional crops and invest in processing technologies that helped improve added value. The introduction of such new technologies could eventually transform the production system of the areas covered and bring about a qualitative improvement in living standards.

The credit funds made available through PRODERE also enabled the LEDAs to establish themselves as serious partners for development efforts funded by others, such as Canada, the European Union, Germany, the Netherlands, USAID (Peace Corps), a number of UN funds and agencies and a wide range of NGOs. Additional funds for credit activities were provided by the IDB's Multilateral Investment Fund, the Central American Bank for Economic Integration and the World Bank. In the case of El Salvador the LEDAS became partners in financial institutions created especially with the aim of providing credit to small and medium-sized enterprises.

## **WHAT WE HAVE LEARNED**

From the outset PRODERE aimed at ensuring the sustainability of the LEDAs it helped establish. Experience has shown that to achieve sustainability attention needs to be paid to social, political, technical and financial aspects.

### ***Social sustainability***

To achieve social acceptance public awareness raising turned out to be essential. The regions where the LEDAs were introduced were not only the least developed economically but had also been the most affected by violent conflict.

As a result PRODERE needed to gain acceptance and achieve a change of mentality before even being able to introduce the local economic development concept. The small farmers and entrepreneurs who were the direct beneficiaries of the program as well as local policy makers had to be made aware that in the post-conflict situation *they themselves were responsible for getting the local economy on track.*

In this context it was necessary to create faith in their own capacities and to demonstrate that by using their own local resources more effectively they could attract outside resources without waiting for support from the central government.

The program also had to work on policymakers at the central government level, especially since it was operating in politically conflictive areas. At the national level, decision makers had to understand that *the activities carried out at the local level were by no means subversive but rather were in line with national policy* and that some of the local level initiatives could become elements of national policies.

The key to ensuring social acceptance and sustainability of the LEDAs was the identification of needs by the local population. Although a time-consuming process, it was essential to ensure local ownership of the LEDA and arrive at a consensus on priorities. It is only in this way that the LEDA will be perceived as a legitimate organization and receive the necessary support as witnessed by growth in membership, active participation by members in LEDA activities and the effective provision of services.

### *Technical sustainability*

Technical sustainability refers to the capacity of the LEDA staff and member organizations to handle effectively most of the day-to-day services the LEDA provides. The key to technical sustainability of the LEDAs has been local capacity building. To this end most LEDAs set up technical committees to advise and guide LEDA staff. Training LEDA staff in technical areas, instead of relying on outside organizations for the provision of services, contributed significantly to the independence of the LEDAs. In addition, the fact that most services were provided by local staff was much appreciated by the members of the local community. Often, local staff is able to solve technical matters in a more appropriate (and understandable) way than external consultants, who do not necessarily speak the local language and may be unfamiliar with local customs. Technical sustainability was also strengthened through a process of networking with similar institutions inside and outside Latin America. For instance, it was only after a study tour to Europe in 1992 that the methodology and the principles of local economic development were fully accepted and became the basis for PRODERE's later interventions. In this respect it is significant to note that even after the end of the program the network of LEDAs in Central America continued to function and at the time of writing this paper had just set up its own website, including a detailed profile of each LEDA.

### ***Financial sustainability***

Financial sustainability was a fundamental objective of the program since it was the only way to ensure that the LEDAs would continue to function after the end of the program. LEDAS, given their membership structure, their participatory character and their comprehensive range of services, are relatively expensive to operate.

Even in industrialized countries similar agencies often receive considerable external subsidies since it is not realistic to expect that LEDA members and clients can finance all operations. The PRODERE experience has shown that during a period of at least two to three years external support is necessary to guarantee a minimum of services and work towards full financial sustainability.



