

# ***MESOAMERICA***

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## **EL SALVADOR**

### **Remittances Ever Increasing**

According to the Central Reserve Bank (BCR), Salvadorans living in the US sent over \$3 billion in remittances to family members in El Salvador in '06. Remittances have been steadily increasing for the past few years (Vol. 21, No. 8 & Vol. 22, No. 6). In '04, \$2.5 billion was sent, in '05 remittances increased to \$2.8 billion, and the BCR predicts that remittances will continue to increase this year.

Banking organizations are responsible for sending about 69% of the remittances from the US to El Salvador, in which are being sent from Salvadorans living in California and Virginia (mainly in the Washington, DC, area) and other 31% are sent by non-banking institutions such as money exchange businesses, official agents, mesajeros, services and individuals.

Remittances increasingly are playing a more important role in the economy. In '81 they were equivalent to less than two percent of gross domestic product (GDP) compared to nearly 17% in '05. Remittances are the equivalent to 83.3% of the '05 Salvadoran trade deficit, and many families depend on the money for their livelihood.

### **Earthquakes Rock El Salvador**

Since 17 Dec, El Salvador has experienced more than 1,000 small tremors and several stronger earthquakes, causing significant damages to homes and buildings in the western departments of the country. One of the strongest occurred on 22 Dec in the department of Libertad, destroying approximately 2,242 houses and leaving an estimated 5,520 people homeless.

On 22 Dec, President Antonio Saca declared a state of emergency in five municipalities: San Lorenzo, Atiquipaya, Túrín, El Refugio and Aguachapán. San Lorenzo was the hardest hit, receiving over 50% of the total damages in the country. Many of the houses destroyed were made of adobe, a mixture of mud and straw.

The government has begun building temporary housing for disaster victims, which are expected to be completed by the end of Jan. Assistance in the building of permanent homes is also scheduled to begin as soon as temporary housing is finished.

El Salvador is located on geological faults where earthquakes are, unfortunately, a common occurrence. In '01 a major earthquake was responsible for more than 1,000 deaths, nearly 100,000 destroyed homes and a new wave of immigrants to the US (Vol. 21, Nos. 1-4 & 6).

## **21 Killed in Prison Riot**

Twenty-one prisoners were killed during a riot on 6 Jan in the Apanteos maximum security prison, located in the western province of Santa Ana.

The riot started when prisoners of the Mara 18 gang attacked other prisoners and tore down walls in order to allow the population to mix. The inmates killed one another with weapons they made from sticks, bed parts and pieces of walls. When guards were able to call for reinforcements, more than 2,000 police, soldiers and security guards were brought into the institution to gain control of the rioting prisoners. When order was finally restored nearly 24 hours later, 40% of the buildings had been destroyed and 21 prisoners were dead.

The sub-director of the National Civil Police (PNC), Luis Tobar Prieto, stated that the riot was a premeditated attack and that victims had been previously selected and that about 500 Mara 18 members had participated. Soon after order was restored, more than 200 prisoners were transferred to the Santa Ana Penal Center. Apanteos is a maximum security prison with a capacity of 1,800 prisoners, but the institution housed over 2,300 inmates at the time of the riot.

Beatrice de Carrillo, the nation's Human Rights Defense Attorney, said it was the worst riot in the last few years and heavily criticized authorities for mixing common criminals with gang members.

The Attorney General announced he had started the investigation process to determine who was involved in the deaths of the 21 prisoners.

## **More Troops to Iraq**

On 11 Dec, the Legislative Assembly's Commission for Defense agreed to extend authorization for El Salvador to keep sending troops to Iraq. The authorization extends until 31 Dec '07. Shortly after the approval, President Funes announced that El Salvador's eighth troop contingent will be sent to Iraq in Feb '07.

Since '03, when troops were first sent, five Salvadorans have been killed and another 24 wounded. Currently, El Salvador is the only Latin American country that maintains troops in Iraq. The only other Latin American countries that have sent troops to Iraq were Honduras, the Dominican Republic and Nicaragua, but their participation ended in late '03.

## **Weapons Law Reformed**

In the final days of '06, the Legislative Assembly approved a legal reform prohibiting the possession of guns in public places in El Salvador. After last month's rejection of a proposal to prohibit the carrying of all guns in El Salvador's most dangerous cities, those who drafted the proposal were asked to create a better solution to the problem (Vol. 25, No. 12).

In Jan, legislators from all political parties agreed to prohibit the carrying of guns in all public institutions, schools, centers, cultural and educational centers, restaurants, hotels, bars, pool halls, parks and gas stations. Legislators are hoping this will help curb the escalation of violence, which resulted in more than 3,000 homicides in the first 10 months of '06.

## **Nine Months After CAFTA Approval**

In a report conducted by the journal *Inforpress*, various economic analysts and small producers stated that the Central American Free Trade Agreement (CAFTA) had done exactly the opposite of what officials claimed it would do: improve El Salvador's economic problems by accelerating economic growth, increasing foreign investment and reducing unemployment.

Interviewees said that, on the contrary, CAFTA has had negative effects on agriculture and many growers declared bankruptcy, causing thousands of jobs to be lost. Since the signing of CAFTA, the traditional staples for consumption and exportation, such as rice, beans, corn and milk, have been imported from the US at lower than they cost to produce locally. This has flooded the Salvadoran market and put many farmers out of business causing the downfall of national products. In Nov '06, 220 pounds of domestic corn cost \$12, but the price has fallen to \$8 because of corn imported from the US. Local agricultural producers cannot compete with US prices; it is estimated that for every ton of corn imported, 8,000 workers lose their jobs; another 15,000 jobs are lost for every ton of rice imported.

CAFTA was supposed to automatically boost economic growth through the exportation of traditional products to the large US market while developing the competitive capacity of the national market. But statistics show different results: imports have risen 15% while exports have fallen 18%.

—Stephanie Lu