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**PROGRAM OPTIONS FOR
REINTEGRATING EX-COMBATANTS
INTO CIVILIAN LIFE**

FINAL REPORT

Creative Associates International, Inc.

Submitted to USAID/El Salvador,

**San Salvador
April 26, 1991**

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ACRONYMS

AID	Agency for International Development
AIFLD	American Institute for Free Labor Development
AMDO	Associate Mission Director for Operations (USAID)
BID/IDB	Banco Interamericano de Desarrollo/ Interamerican Development Bank
CDB	Ciudadela Don Bosco
CEE	Comunidad Economica Europea
CENA	Centro Educativo de Nutricion y Asistencia
CESAD	Comite Evangelico de Salud y Ayuda para el Desarrollo
DFP	Displaced Family Project
COMURES	Corporacion de Municipalidades de la Republica de El Salvador
CONADES	Comision Nacional de Asistencia para Desplazados
CONADES/AR	Asistencia a Repatriados
CONARA	Comision Nacional de Restauracion de Areas
CREA	Creative Associates International, Inc.
DAO	Defense Attache Office
DPP	Development Planning and Programming Office (USAID)
ECON	Economic Office (USAID)
ESAF	El Salvador Armed Forces
FAO	Food and Agricultural Organization

FEDECCREDITO	Federacion de Cajas de Credito
FEPADE	Fundación Empresarial para el Desarrollo Educativo
FINCA	Foundation for International Assistance
FMLN	Frente Farabundo Martí para la Liberación Nacional
GOES	Government of El Salvador
IMI	International Masonry Institute
INSAFORP	Instituto Salvadoreño de Formacion Profesional
IOM	International Organization for Migration
IRC	International Rescue Committee
IRD	Infrastructure and Regional Development Office (USAID)
IRD/CDD	Community Development Division (USAID)
IRD/RUD	Rural and Urban Development Division (USAID)
ISDEM	Instituto Salvadoreño de Desarrollo Municipal
ISTA	Instituto Salvadoreño de Transformacion Agraria
ITCA	Instituto Tecnologico Centro Americano
ITE	Instituto Tecnico Emiliani
ITEXSAL	Instituto Tecnico de Exalumnos Salecianos
ITME	Instituto Tecnico Metropolitano
ITR	Instituto Tecnico Ricaldone
MEA	Municipalidades en Accion

MIPLAN	Ministry of Planning for Economic and Social Development
MILGP	Military Group
MOE	Ministry of Education
MOH	Ministry of Health
OAS	Organization of American States
OEF	Overseas Educational Fund
OET	Office of Education and Training (USAID)
PDF	Panama Defense Forces
PH	Project Hope
POL	Political Section (U.S. Embassy)
PROCINCO	Proyecto de Capacitacion para la Industria de la Construcción
PROPEMI	Programa para Educacion de Micro Empresarios
PVO	Private Voluntary Organization
UNDP	United Nations Development Program
UNHCR	United Nations High Commission for Refugees
USIS	United States Information Service
WR	World Relief
ZANU	Zimbabwe African National Union
ZAPU	Zimbabwe African Peoples Union

INTRODUCTION

The main objective of this paper is to provide USAID/El Salvador with program alternatives for reintegrating ex-combatants from the ranks of the military and insurgents. We have addressed this objective by:

- (1) examining the present social, economic, and political conditions in El Salvador as the context for reintegration;
- (2) collecting data on the background of future ex-combatants and constructing a profile of possible eligible participants;
- (3) reviewing other countries' experiences in reintegrating ex-combatants;
- (4) surveying existing programs that can be expanded to include ex-combatants in income-generating activities, training, and credit;
- (5) describing a number of program options;
- (6) suggesting constraints to implementation; and
- (7) offering recommendations for USAID assistance.

Organization of the Report

Our report focuses on program options that will facilitate economic re-entry into civilian life. We also address the constraints to reintegration and suggest possible strategies for USAID.

Chapter I: Background, provides an analysis of current economic, social and political conditions in El Salvador with a particular focus on progress achieved over the last ten years in improving life conditions for the poor and marginalized. We selected this focus because the majority of ex-combatants will be reintegrating into the marginalized sector where the social and economic conditions that gave impetus to the conflict will continue to be paramount. Implications for reintegration are also reviewed.

Chapter II: Ex-combatants, provides a profile of the ex-combatants based on an informal survey. Data includes age, gender, background, education level and reintegration potential of ex-combatants. The data suggest which groups of ex-combatants might be eligible for reintegration programs. Constraints on determining eligibility are discussed in terms of the larger aggregate of membership in the FMLN and military forces.

Chapter III: Other Country Experiences, reviews reintegration programs in Nicaragua,

Zimbabwe, Colombia, the United States as well as the assimilation of military into the security forces of Panama. Lessons learned from these experiences are described to highlight knowledge gained from program development and implementation. Unfortunately, most of the written information available on this subject is restricted to classified documents. The information presented here has been gathered largely through interviews and the review of journals and periodicals. The information on Nicaragua is the richest because it is so recent and many people who are directly involved in the program are accessible for interview.

Chapter IV: Relevant Programs in El Salvador, presents programs with potential for being expanded by USAID for reintegration. We assessed programs that would support economic self-sufficiency in one or any combination of four areas: job creation/income generation, training, credit and land entitlement.

Chapter V: Program Options, reviews constraints on reintegration planning and programming, rationale for recommendations and description of programs that can be adapted or adopted by USAID. We focused on current programs because they would be easiest and quickest to adapt, and currently serve the population groups the ex-combatants would be returning to. This is an important consideration because of the potential for resentment by the general population of ex-combatants receiving special programs.

Chapter VI: Conclusions and Recommendations, summarizes our key findings and suggests recommendations for USAID's planning and programming strategy for reintegration.

CHAPTER I: BACKGROUND

I. Introduction

The return of insurgents and soldiers to civilian life under a negotiated peace agreement brings great hope for the resolution of the costly ten year war and return to stability. The present economic, social and political conditions are examined in this section to highlight what barriers might exist to successful reintegration and to suggest elements for the United States Agency for International Development's (USAID) strategy of assistance.

The focus of analysis is on conditions that most likely will affect assimilation of returning ex-combatants into society. Since the majority of ex-combatants come from rural areas and are poorly schooled and untrained vocationally, they will be returning to the marginalized sector of society and will face the same social and economic limitations experienced by this sector.

Although the outlook for the marginalized sector has looked grim over much of the past decade, recent analyses and indicators show that the GOES' economic reforms are beginning to take hold. It is still too early, however, to predict with precision when these macroeconomic successes will impact upon the marginalized sector, but conditions should, by all recent indications, materially improve over the next ten years.

Accomplishments during the civilian conflict. The government has been able to maintain relative stability during a time when its resources were increasingly redirected to support a war effort against the insurgents. The first democratically held elections in 52 years took place in 1984 and continued progress is being made toward broadening the base of participation in a system that traditionally favored the rich and powerful.

The stabilizing effects of USAID assistance has allowed the government to consolidate its base and continue with reforms to address the many social and economic ills of the country. USAID support was critical in:

- guiding economic reforms;
- stabilizing the economy through its balance of payments program;
- directing resources to the social sector to continue delivery of basic services in light of declining budgets;
- rebuilding war and earthquake damaged infrastructure;
- providing humanitarian assistance to the war displaced through food and job

programs, and community assistance; and

- guiding reform of democratic institutions and processes.

Democratic process at the municipal level. USAID's interventions in regional development projects through the Municipalities in Action program (MEA) are particularly noteworthy in relation to democratic development and efforts of GOES to decentralize the government. The MEA model's success and results are the fruit of democratic reforms and processes at the municipal level. MEA's purpose, strategies and implementation procedures have proven highly effective in changing attitudes of the beneficiaries.

Through the use of the cabildo abierto (town meeting), participative grassroots democracy has taken hold of the decision-making process. Rapidly increasing levels of community participation in municipal affairs is evident in the program's target communities. Decentralization and delegation of real responsibility to special programs regional offices has been substantive.

The infrastructure subprojects have produced high output for a relatively small input: project investment amounts to 3 to 4 percent of total public sector investment in the project departments. The high output is in number of subprojects implemented and the subsequent impact in terms of number of beneficiaries. It should be mentioned that while these subprojects have not had as great an impact on employment, the special projects have promoted coordination between ministries, national service agencies and municipalities. In addition, the MEA model is laying solid foundations for a more managerial local government (Impact Evaluation, Special Programs in Chalatenango and the Eastern Region, Research Triangle Institute, August, 1990).

2. Current economic conditions

The civil war has taken a terrible toll on the economy in the last decade. Public and private sector losses due to guerilla activity between 1979 and 1988 have been high: economic losses are estimated at 1.7 billion dollars for this period. The earthquake of 1986 was another calamitous blow, costing an estimated 1 billion dollars in damages and losses.

Macroeconomics: Real GDP growth was sluggish (averaging 1.5% per annum) during the period between 1985-88. This was due to the continued armed conflict, the devastating earthquake of 1986 and adverse external developments. In addition, GOES policy responses to these events were inadequate and ineffective (Review Under Stand-by Arrangement, International Monetary Fund, 1991).

In 1989, the Cristiani government began implementing an ambitious and far reaching economic readjustment program. The immediate objective of the reforms was to halt the

deteriorating economic situation through a reliance on market forces and set the basis for a comprehensive adjustment program in 1990-1991. The program addressed the most serious internal and external imbalances in the economy while also including social programs designed to mitigate the impact of these reforms on the poor (1991 Balance of Payments Program, Concept Paper, USAID). The program aimed, at a minimum, to liberalize the exchange rate, reduce customs and tariff barriers, stimulate investment and export-led growth, and control inflation. USAID supported the GOES program and hopes to continue the recent significant economic performance by 1994 as measured by:

- growth in real GDP (around 2 percent in GDP per capita) with improved performance in the coffee sector and nontraditional exports;
- reduction in annual inflation rate to about 10 percent;
- reduced deficit of nonfinancial public sector to 2 percent of GDP;
- more constant trade deficit, equivalent to 9-10 percent of GDP, with improvements in incoming private capital and increases in donor assistance;
- reduction in price controls to five narrow categories;
- increase in private sector investment to 14 percent of GDP; and
- increase in gross domestic savings to 13 percent of GDP (Source: USAID/EI Salvador, Country Development Strategy Statement (CDSS), June 1989).

Recent analyses and indicators show that the reforms are taking effect, and the macroeconomic outlook is as bright as it has been since the start of the civil conflict. Real GDP is estimated to have grown by 3.4 percent in 1990, compared with 1 percent in 1989. The economic program for 1991 is on track with the quantitative performance criteria projected from the last two quarters of 1990, while the rate of inflation came down (despite the increase in world oil prices in the last quarter of 1990).

These successes should result in increased opportunities for employment and income over the long term. To help counteract the negative effects of structural adjustment, USAID is supporting labor intensive infrastructure projects that offer possibilities for short-term employment while improving the country's infrastructure (e.g., construction and maintenance of roads, schools, urban markets, water systems, and electrical grid). It is also providing continued support to social programs in education and health to increase services to marginalized populations. USAID's strategy and that of other donors (World Bank, International Development Bank) has helped provide some cushion during the implementation of reforms.

Current status of the workforce. According to the February 1990 Foreign Economic Trends (U.S. Department of Commerce), the largest portion (34 percent) of El Salvador's employed labor force of 1.4 million workers in 1988 was engaged in agricultural sector, followed by services (21 percent), commerce (18 percent), manufacturing (17 percent), and construction (4 percent).

Urban areas. According to MIPLAN's multipurpose household survey, the Working Age Population (Poblacion en Edad de Trabajar: PET), comprising all individuals ten years and older, rose 7.9% (to 1.8 million people) in the urban areas between 1988 and the first trimester of 1990. The Economically Active Population (Poblacion Economicamente Activa: PEA), comprised of those individuals who either have employment or are actively seeking it, rose 24.3 %, also during this period.

The GAES/MIPLAN trimester report for the last three months in 1990 claims that the greatest relative growth in the PEA centers around the 10-19 year-olds and the over-60 year-olds. The report states that a possible cause for this concentration might be they have incorporated or want to incorporate into the labor force. The greatest absolute (that is, in sheer numbers) growth in the urban PEA was in the 20-29 year-old group. The reason cited is the high increase in women (a 34.6% growth rate from 1988 to the first trimester of 1990). Males either working or actively seeking work, on the other hand, grew 17.1% in the same period.

In the last two years, the informal sector grew markedly. In 1988, the formal sector's PEA was 62.5% of the total, while the informal sector was 37.5%. By contrast, these portions changed by 1990 to 47.6% formal and 52.4% informal. The PEA in agriculture, construction and transport/communications fell 17, 12, and 13.8 percent respectively; in industry, gas and water, financial establishments and commercial services, the PEA increased very slightly.

The PEA increased in all spheres of the informal sector. The highest increases were in commerce (an increase of 67,978 individuals), followed by industry (42,627 individuals) and services (24,619 individuals).

While the economically active population increased over the last two years, more than half of the individuals incorporated did so as underemployed. While the rate of underemployment has dropped from 50 to 48.9% over the last two years, this is still too high, and is attributed to the accelerated growth in the informal sector and the decline of the formal sector.

Rural areas. Comparable household survey statistics for rural areas are not available. The USAID-sponsored 1987 Resurvey of the 1978 El Salvador Non-Metropolitan Household Study conducted in June 1987 by the National Cooperative Business Association does provide

a picture of the level of unemployment in the rural areas in 1986, as well as some insight into the standard of living (to be reviewed in the next section on social conditions). As the authors note, however, it is not possible to generalize the findings of the study at a national level. The employment data, for example, matched households not individuals; furthermore, the resurvey took place in 1986, which was a disastrous year due to devaluation, inflation and drought.

The 1987 study examines employment patterns for 2,745 individuals over 14 years of age in sample households. Four activity periods over the course of 12 months were examined and recorded as government or private employment (full or part-time), self-employment (including maintenance of a finca or a plot of land), and non-employment activities (e.g., housewives, students, unemployed, ill).

The most dramatic change between 1978 and 1987 was in the number of individuals maintaining employment on a year-around-basis, down 16 percent from 1978 levels. In 1978, 81.9 percent were engaged in current activities on a twelve month basis; by 1987 the number had dropped to 66.5 percent. The majority of the decline occurred in the category of full-time government and private sector employment, changing from 83.6 percent to 47.3 percent. While some compensation for reduced levels of full time employment occurred in part-time employment and in levels of self-employment, it was not appreciably greater. Generally, the data reflected a growing, less stable employment situation in the rural areas.

The authors conclude that the availability of employment in rural areas declined between 1978 and 1987, particularly in agriculture. Reasons for the changes in employment figures were not cited, however the authors conclude the study by saying that despite efforts of the GOES to improve the socio-economic status of the rural poor through the land reform program, that a majority of the respondents "have been unable to make meaningful improvements in their lives" (National Cooperative Business Association, 1987, p. 90). Most of the respondents felt that the quality of life was the same if not better in 1978, prior to implementation of reforms.

Notwithstanding the negative findings, and keeping in mind the particularly poor year the resurvey was done, recent data show a steady improvement in agriculture sector performance, both for the local and export markets. The macroeconomic structural reforms initiated by the Cristiani government favor an increase in real agricultural prices relative to other prices in the economy ("An Assessment of the Recent Agricultural Policy Reforms in El Salvador", July, 1990).

The program of agricultural reform emphasizes pricing policies, land tenure issues, institutional reforms in the parastatal organizations and the agricultural financial sector. These reforms have, to date, had a perceptible impact on prices, outputs and exports. The real producer price of corn, for example, rose 11% in 1989, and a further increase is anticipated

for 1990. The 1989/90 corn crop was the second best in history, and the 1990/91 crop is expected to be almost 5% higher than 1989/90. Similar trends in real prices and production have also been noted in other major crops. There has been significant increase in crop lending (up to June 1990; data for later is unavailable at this time). Traditional agricultural exports (coffee, sugar, shrimp, cotton and beef) were up by 22.5% in 1990, over the comparable period in 1989. For non-traditional agricultural exports the increase was 61.4%. ("An Assessment of the Recent Agricultural Policy Reforms in El Salvador", July, 1990).

In short, the government reforms have had a positive impact on agricultural production and prices, which translates into increased confidence and more income for the farmers.

Implications for reintegration. The economic conditions of the country are the most stable and promising of the past ten years signalling a greater readiness for peace than ever before. Policy reforms have been initiated and are showing results. There are increased job opportunities for the poor, particularly in the urban informal sector. Initiation of structural reforms should continue to improve economic opportunities for all citizens, although the impact on the rural work force is difficult to anticipate in the absence of hard data. The encouraging results of the agricultural sectorial reforms, however, brighten future prospects for economic activity in rural areas.

The economy would benefit in other ways should peace occur. Conflictive areas of the country currently abandoned would be reactivated. Population centers would be reestablished and local economies stimulated. The country's resources would be redirected from war efforts and anti-sabotage upkeep to longer-term works and productivity.

Opportunities for employment of ex-combatants after demobilization are more promising now than in the past. With this added hopefulness about the future, however, we caution that the reintegration program does not set unrealistically high expectations for sustained employability of ex-combatants, even after training, keeping in mind that underemployment continues to exist in El Salvador and that a majority of the ex-combatants will be reintegrating into the marginalized sector in rural areas. Although employability is a desirable result of the reintegration process, we need to keep in mind the current economic picture when measuring program outcomes in the future.

3. Current social conditions

Levels of poverty. The number of households in "extreme poverty" (income less than 614.2 colones per month, unable to purchase the basic food basket) has declined slightly over 1988. In 1989, 16,047 households surveyed by MIPLAN were categorized as in "extreme poverty" in the urban areas. On the other hand, the number of "households in poverty" (income of less than 1228.4 colones a month, able to purchase the basic food basket but not enough to cover all housing, health, education and clothing needs) rose slightly above 1988

levels. The number of households was 158,600 for 1989, around 3,000 more than in 1988. While the number of households in "extreme poverty" declined slightly, the increase in "households in poverty" indicates that a significant number of households have not moved out of the poverty level over the course of the year.

By far, the greatest number of persons living in conditions of poverty are in the rural areas. Estimates for 1989 show that 82 percent of the rural population and 18 percent of the urban population are considered poor (Sigma One Corporation, September 1989). In both the rural and urban areas, the majority of poor work in agriculture (80 percent for rural, 65 percent for urban areas). Sigma One estimated that without structural economic reform, the number of poor in rural and urban areas would increase substantially by 1994.

The high levels of invisible underemployment and continued levels of poverty reported for the last year signal that economic access and equity continue to be limited for the poor. Social and economic support programs for the poor, as planned by USAID, are needed to redress inequities and to sustain the poor during the economic structural reform period and afterwards.

Standard of living in rural areas. Living conditions in the rural areas continue to be marginal. The results of the National Cooperative Business Association survey, limited to El Salvador and thus not allowing comparisons with other Central American countries, show that between 1978 and 1987:

- 50 percent of the households still had dirt floors, were without electricity, and residents had to walk further to get water than in 1978;
- 30 percent of respondents were unable to make improvements in their homes;
- 70 percent continue to be functionally illiterate;
- migration rates doubled;
- child labor on fincas and small businesses increased (although it is unclear what this might indicate; perhaps schools were destroyed, or educational services became unavailable); and
- quality of life and incomes were perceived to be better in 1978.

Social programs/Education. USAID has supported the programs of the Ministry of Education, particularly those extending services to the rural areas. These programs have assisted in the rehabilitation of 3,000 classrooms, reopening of over 300 schools and provision of critically needed desks, textbooks and teaching materials.

The enrollment and retention rates in primary schools of El Salvador continue to be low particularly when compared to other Central American countries (AED, Improvements in Educational Efficiency in Basic Education, September 1988). Enrollment rates in 1988 are about the same as in 1980 with about one-half of students in first grade continuing to the second grade. Repetition rates decline by the second and third grades to approximately 30 percent. In 1980, it took an average of 10.2 years for a student to complete the sixth grade as compared to 10.1 years in 1988. Compared to other Central American countries, these rates are among the highest with Guatemala exceeding El Salvador by only four months.

Recently published statistics from the Ministry of Planning (December, 1990) indicate that out of every 100 children entering first grade, only 32 graduate at the sixth grade in urban areas and only 6 graduate in rural areas. Reasons suggested for the high rural drop out rates is children helping their parents with farm labor, and frequent family migration because of violence.

Some of the reasons given for the low rates of internal efficiency are the war, managerial weakness of the Ministry of Education, migration, insufficient number of schools particularly in rural areas, and restricted access. Over 90 percent of the Ministry of Education's budget is assigned to salaries with 25 percent dedicated to salaries of administrative personnel. Teacher turnover is the highest of any Central American country especially in the rural areas where 13 percent of the teachers either leave or change assignments monthly, according to figures published in 1988.

Social programs/Health. In 1980, the MOH received 10.6 percent of the total central government budget, but by 1986 the total fell to 7.1 percent. Between 1980 and 1985 the MOH's level of real expenditure fell by 50 percent as a result of inflation. The MOH is presently only able to meet personnel costs and limited operations. The majority of the MOH operations costs are funded by external donors.

The MOH and Salvadoran medical profession have an urban/curative bias. Between 35 and 55 percent of the population of El Salvador lacks access to preventive public health services. Financial constraints have severely hampered effective delivery of basic health services by the government. While some important improvements have occurred during the past ten years (in such areas as reduction of infectious diseases), diarrhea, undernutrition, acute respiratory infections, prenatal mortality and vaccine preventable illnesses continue to be major health problems in El Salvador, particularly among women and children in rural areas. The continuation of these health problems is attributable to poverty, decline in the country's health care delivery system, and limited access to potable water (HPN Briefing Papers, 1990).

In spite of the conflict and resulting population displacement and economic havoc, the 1988 National Health Survey (FESAL 88) indicates that the health status of Salvadorans is

generally improving. Infant mortality was reduced from 75/1000 in 1930 to 48/1000 in 1990; malnutrition in children under the age of five dropped from 18% in 1977 to 15.4% in 1988; 95% of MOH's 390 health facilities are open and functioning; and the population growth rate has dropped from 3% to 2.5% in the last decade (HPN Briefing Papers, 1991).

Implications for ex-combatants. While it is hoped that the promising economic trends will ease many of the current problems of Salvador's urban and rural poor, there is no guarantee of this, especially in the short-term. Of particular concern are continued limited employment opportunities, low levels of income, restricted land availability, and inequities in access to education and health services.

As the results of the profiles of ex-combatants indicate (see Chapter III), a majority are from rural areas and have not completed formal schooling. While they necessarily may not be from the poorest families or communities, given their backgrounds, they most likely will enter the marginalized sector of the population and face similar problems of social and economic access and equity. As returning members of this sector, they will be forced to compete with the scarce resources available to the poor and potentially create resentment particularly if special status or privileges are afforded to them.

4. Political conditions

Conditions leading to civilian conflict. Conditions which gave impetus to the current conflict were the concentration of wealth and ownership of land in the upper classes, marginalization of the poor, growing political power of the military and increased polarization of the politics of the right and left.

The pattern of unequal distribution of land that has characterized El Salvadoran society for the past century has roots in the land entitlement practices of the Spanish colonial system which gave the elite almost exclusive access to land. Their wealth grew considerably in an export agriculture economy and exacerbated further the sharp contrast between the rich and the poor. A majority of the Salvadoran population lived at subsistence levels of income and depended largely on the cash economy.

Attempts to improve conditions of the marginalized through basic social, economic and political reforms historically have been opposed by the elite who, since the 1930s, increasingly used the military to preserve and defend their dominance. Despite attempted reforms and growing political strength of the middle class and moderates, by the early 1980s the elite continued to dominate the economic and political system -- two percent of the elite owned 60 percent of the nation's productive land and accounted for one-third of the national income.

Frustration stemming from lack of change, continued dominance of the military and elite,

and growing repression of dissent, created the conditions for the left in Salvadoran politics. During the 1960s the left sought to abandon capitalism in favor of communism; by the mid-1970s, popular support for radical leftist groups rapidly expanded. Public demonstrations, strikes, and seizures of buildings increased.

The right political wing reacted with attacks on the left. Between 1972 and 1979, there was a "tenfold increase in political assassinations, tripling in prosecution of subversives and doubling of disappeared" (Haggerty, 1988). By late 1979, the government abandoned its attempts at reform and focused on controlling the left. Politically motivated violence rose precipitously. The left wing stepped up violence in retaliation against government forces and called for armed insurrection, pushing the country toward political anarchy.

While the fall of Somoza in Nicaragua increased the nervousness of the right and the military, the Sandinista-led revolution inspired the factionalized guerilla groups of El Salvador to unite as the FMLN-FDR and to push harder for change through violence and mass organization. On January 10, 1981, the FMLN mounted an offensive that was to lead to country-wide insurrection and overthrow of the government. The FMLN were beaten back successfully by the military, but they established military strongholds around the country, especially in the Chalatenango Department, and drew the attention of the world on the political crisis of El Salvador.

Effects of the war. The war has extracted a heavy social and economic cost in all ways imaginable. Increasing numbers of the country's resources have been channeled away from social services to support the war effort. The military increased to current levels, estimated at 57,000. Repair of damaged infrastructure had to be financed at even higher levels. The real GDP fell by 32 percent between 1978-1982 at the height of the fighting. Businesses shut down and foreign investors left. Between lost production and destroyed infrastructure, due to the war and earthquake of 1986, the cost to the government was about \$2.6 billion (CDSS, June 1989).

Over 500,000 persons were initially displaced from their homes and communities because of armed conflict in their region. Around 2 million El Salvadorans emigrated to the United States during the war years and are responsible for sending approximately between U.S. \$812 - \$1,302 million in remittances annually (CFPAL, 1990).

The disruption of life patterns, threat to life and property, uncertainty of income, and relocation contribute to the continued instability of the poor who prior to the years of the conflict were already marginalized and the victims of a skewed distribution of land and wealth. While the government has made surprising progress in institutionalizing democracy under conditions of war, as noted by the democratically-held elections of 1984 and 1988 and modest reforms in the legislative and judicial branches of government, its efficiency continues to be hampered by the effects of the war.

USAID has played a tremendous role in protecting the government of El Salvador from total decline and deterioration while supporting economic and democratic reforms. USAID's strategy has been to redress inequities, focus on poor to promote growth and stability and reduce the appeal of the FMLN (CDSS, 1989). Under the circumstances, El Salvador has achieved relative stability and made progress on some important fronts. Consequently, the government is in a more stable position to maintain control and lead the country toward progress in a time of peace.

Implications for reintegration. Peace negotiations between the government and FMLN continue with renewed hopefulness about prospects for real peace. The government is working on a plan to support reintegration of ex-combatants into civilian life should peace occur.

Many of the social and economic conditions that gave rise to the civilian conflict continue to afflict the country even though there have been modest gains in the redistribution of land and restoration of the democratic process. The willingness of ex-FMLN combatants to accept government programs and to trust the government is still unknown. There is untold hate between the factions of the military and FMLN that is bound to affect reintegration efforts. Furthermore, the problems of the poor will continue in spite of what reintegration programs offer in the way of improving economic and social access.

Even though one might question the feasibility of the government and FMLN working together to resolve past differences and hostilities in the name of peace, the process needs to be fully honored and supported. USAID can support the process through a package of programs that can improve opportunities for productive livelihood of returning combatants and cushion the initial period of adjustment into civilian life.

CHAPTER II: EX-COMBATANTS PROFILE

1. Introduction

This chapter presents a basic profile of the combatants on both sides. It also includes a section on eligibility issues along with some observations on repatriate communities.

2. Profile methodology

It should be noted that there exists great sensitivity on both sides regarding information on current combatants. Hard data was impossible to access.

Given the difficulty of collecting accurate and reliable information, the team distributed a survey questionnaire to qualified respondents, in order to develop as accurate a picture of the ex-combatant population as possible. The survey entitled "Opinion Survey Regarding Combatants to be Separated from Service" examines eleven characteristics (referred to as "factors") of the combatant population. It centers around elementary background demographics and also includes an inquiry into the estimated numbers of combatants perceived to need assistance upon terminating their service as opposed to those considered capable of self-integration.

Respondents. The questionnaires were distributed to twenty individuals working for the GOES, United States Government or private institutions, all Salvadoran or U.S. citizens directly involved in projects concerned with humanitarian assistance, infrastructure development, training, logistics and/or operations. All have some knowledge of the combatant situation, either through personal experience with combatants, involvement in reporting on El Salvador, or access to information and data.

Results. Nine of those asked to participate in the survey responded. The respondents provided their opinions only on factors pertinent to their experience and knowledge. Percentages based on actual numbers reported by most knowledgeable respondents are presented in the following tables.

3. Analysis

The percentages stated for each factor were calculated based on the estimated group strengths reported for factor number one. Observations on factors two through eleven follow:

Age. The opinions given identify the majority of both the ESAF and FMLN combatants as youth under the age of twenty. The major portion of those surviving combatants will be involved in the reintegration process.

Sex. The percentage of females among the ranks of the ESAF is low--only 1% of officers, 3% of NCO's and 10% of soldiers--with the large majority being male. Among the FMLN, the percentage of females appears to be much higher, showing 14% of leaders, 15% of sub-leaders and 28% of combatants.

Literacy skills. Literacy skills reported for officers/leaders and NCO's/sub-leaders are most likely accurate since they indicate the literacy skills indispensable to the performance of higher level duties. The low literacy rates stated for the young soldier/combatants appears equally reliable, as it is comparable to the rate found in the general rural population of El Salvador.

Education. Except for a small percentage, ESAF officers are all graduates of the Escuela Militar, a post-secondary education institute, thus reconfirming the high percentage shown in the survey. Among the FMLN leaders, many have also received university-level instruction. Again, the low percentage of formal education of the soldiers/combatants reflects the overall rural background of this group.

Working skills. The survey reveals that most soldiers/combatants have agricultural skills, with ESAF soldiers at 75% and insurgent combatants at 63%. Few have any industrial or trade skills, and many have no marketable skills at all.

Marital status. Opinions signal the majority of officers/leaders and NCO's/sub-leaders as married with families, as opposed to the low percentage found within the soldier/combatant ranks.

Strong ties to family and community. The overwhelming majority of all ranks on both sides have strong ties to family and community.

Self-integration. Among the officers/leaders and NCO's/sub-leaders, most are identified as self-integrating.

Will require assistance. Respondents considered most soldiers/combatants as needing assistance in the reintegration process.

Origin. The survey results show the majority of officers/leaders coming from urban areas, with NCO's/sub-leaders and soldiers/combatants from rural areas.

4. Summary of survey results

The general profile of officers/leaders revealed by the survey shows them as older, male, well-educated, skilled, married with families, with strong ties to family and community. They are considered self-integrating and to need little or no assistance in fitting back into their

urban home communities. The NCO's/sub-leaders are also older, mostly males, with a minimum of a primary school education. Some have benefitted from secondary and even university studies in addition to agricultural and/or industrial skills training. Many are married, have families and possess strong ties in the rural communities they originate from. For the most part, they too are classified by respondents as self-integrating.

The soldiers/combatants are the youngest of all the groups, most between the ages of fifteen and twenty, but some under fifteen years old. The group is made up mostly of single males who lack literacy, agricultural and trade skills. In their rural home communities they still have strong family and community ties. Even so, the soldiers/combatants will likely require much assistance in reintegrating into their communities because of their low skill level.

5. Eligibility

Eligibility for reintegration programs must be carefully assessed when examined against the aggregate membership of the organizations to which the combatants belong. Under strict standards, only the ex-combatants would be eligible for programs. However, this becomes more complicated when one considers the potential resentment that could be created by other members of the organizations and the general population who might not benefit from a combatant-specific program.

According to a recent analysis by John Page (Assessment: Democratic Reincorporation in the 1990s, draft, November 1990), the aggregate of the FMLN and military (ESAF) includes:

FMLN

- Regular guerilla combatants belonging to the five factions estimated to be around 5,000-7,000 persons (this differs from the opinion survey used for this document). Veterans in this group are more experienced and committed to the ideology than new recruits who suffer from chronic morale problems. Included in this group are members of the urban commando units who operate under different conditions from combatants based in the countryside.
- Civilian militias and clandestine guerrillas, around 800-1000 persons who support the regular insurgent cadre.
- Civilian supporters of the FMLN live in FMLN controlled or contested areas. This includes residents of repatriate settlements and some displaced persons communities, members of "front groups" or other "mass organizations."

- Members of FMLN "front groups" that are part of the labor, campesino, educational, and religious sectors.
- Residents of FMLN-controlled displaced persons, repatriate and refugee communities.

ESAF

- Military, approximately 57,000 persons in the Salvadoran Army, Navy and Air Force.
- Security Forces (CUSEP), around 12,600 persons who belong to:
 - National Guard: 4200 persons responsible for rural security
 - National Police: 6000 persons, responsible for urban security
 - Treasury Police: 2400 persons, responsible for customs, border control and smuggling, alcohol control, and tax enforcement.
- Civil Defense (numbers unspecified).
- Other related categories including veterans, disabled and dependents of soldiers killed in action.

Decisions on eligibility will depend in large measure on the terms of the peace agreement and willingness of GOES to fund programs for ex-combatants. Even with the criterion of "ex-combatant", just who bore arms is difficult if not impossible to determine, particularly among the insurgents. The Organization of American States has had difficulty verifying true Nicaraguan Resistance fighters among the rural populations in Chontales, Zelaya and La Mosquitia. Since special status is conferred upon the fighters, abuse of the system through fraud is probably inevitable.

On the ESAF side, accountability is probably less of an issue than policy decisions. Factors that will influence these policies are just how broad and what the criteria for eligibility will be: Will there be a service cut-off date for ESAF candidacy, will years of service in the military count, or having seen hostile action? Will lack of skills, socio-economic status, or educational level matter?

Careful consideration will have to be given for establishing implementation guidelines to avoid abuses, resentment and potential for renewed hostility against ex-combatants by the civilian population or other members of the aggregate organizations.

It should be added that ex-combatants per se are not the only potential candidates for

programs for ex-combatant reintegration. The nature of the combatants and the conflict itself deeply involves family members, as indicated in the opinion survey. There are also special segments of related populations who might be eligible for benefits: orphans, widows, and the handicapped veterans. A consistent policy for members of both sides of the conflict should be considered.

6. Repatriate communities

We feel it is important to include some observations on several repatriate communities (Sta Marta, Valle Nuevo, Gualcho, Segundo Montes, Teozinte, Las Vueltas, Guarjilla, Copapayo and San Antonio Los kanchos) in this section. This is because socio-politically and economically, the populations of these areas are representative of attitudes and conditions that might be expected with insurgents if a negotiated peace were to be reached soon. As such, we consider them to be indicators of what socio-political barriers need to be overcome for reintegration.

Interviews with members of the Repatriation Office/CONADES (AR) and written reports indicate that these communities vary greatly in organization, infrastructure, resources and morale. They are all consistent in their fear of the military and lack of confidence in the GOES' ability to curb ESAF hostilities. The reports indicate that the majority of communities lacked basic public services such as health clinics, schools, sewage, adequate water systems, or access roads. Out of the nine communities surveyed by the AR, four said they would accept GOES assistance, in four it was not mentioned, and one (Segundo Montes) rejected the thought outright (save for documentation facilitation). Copapayo participates in the MEA program's cabildo abierto.

It seems that if the distrust toward the government and the fear of the military can be overcome, real possibilities for integrating these communities into the mainstream exist. The AR is very optimistic about the possibilities; they too, however, lack confidence in the GOES ability and commitment to deliver basic services to these populations. If confidence and participation in the mainstream cannot be achieved by both sides, these communities will continue to live in self-imposed isolation, fear and poverty.

RESULTS OF SURVEY

OPINION SURVEY REGARDING COMBATANTS TO BE SEPARATED FROM SERVICE

Profile Factors:	Officers	ESAF NCO's	Soldiers	Leaders	INSURGENTS Sub-Leaders	Combatants
1. Estimate actual strength of Forces	2200	5000	50000	350	850	5000
2. Age groups in %						
a. under 15 years of age	-	-	9%-	-	-	20%-
b. 15 to 20 years	-	-	60%-	-	25%-	44%-
c. 21 to 24 years	33%-	37%-	20%-	22%-	35%-	29%-
d. 25 years or more	67%-	63%-	11%-	88%-	40%-	7%-
3. Sex %						
a. Male	99%-	97%-	90%-	86%-	85%-	72%-
b. Female	1%-	3%-	10%-	15%-	15%-	28%-
4. Literacy Skills						
a. Literate	100%-	98%-	30%-	98%-	85%-	38%-
b. Illiterate	-	2%-	70%-	2%-	15%-	62%-
5. Education % completed						
a. Primary School	100%-	45%-	20%-	91%-	53%-	18%-
b. Secondary School	100%-	10%-	-	57%-	35%-	7.5%-
c. Univer. level Education	93%-	-	-	29%-	15%-	-
6. Working Skills						
a. Agriculture	N/A	60%-	75%-	25%-	30%-	63%-
b. Industrial	N/A	20%-	8%-	60%-	60%-	25%-
c. Unskilled	N/A	20%-	17%-	15%-	10%-	12%-

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RESULTS OF SURVEY

OPINION SURVEY REGARDING
COMBATANTS TO BE SEPARATED FROM SERVICE

Profile Factors:	Officers	ESAF NCO's	Soldiers	Leaders	INSURGENTS Sub-Leaders	Combatants
7. Marital Status %						
a. Married	75%-	61%-	37%-	65%-	70%-	37%-
b. Married with Family	76%-	68%-	43%-	78%-	63%-	64%-
c. Single	25%-	39%-	63%-	35%-	30%-	63%-
8. With Strong Ties to %						
a. Family	87%-	96%-	97%-	70%-	79%-	90%-
b. Community	76%-	64%-	82%-	75%-	62%-	75%-
9. Self-Integrating	80%-	65%-	15%-	65%-	60%-	24%-
10. Will require assistance	20%-	35%-	85%-	35%-	40%-	76%-
11. Origin						
a. Urban	69%-	36%-	29%-	65%-	44%-	41%-
b. Rural	31%-	64%-	71%-	35%-	56%-	59%-

CHAPTER III: OTHER COUNTRY EXPERIENCES

I. Introduction

The purpose of this section is to examine the experiences of other countries concerning the reintegration of ex-combatants into civilian life. The examination of reintegration strategies employed by other countries could prove to be a valuable exercise as GOES approaches the task of preparing for a post war El Salvador. Reviewing the varied experiences of countries that have already undergone the process of developing and implementing demobilization and reintegration strategies serve to alert GOES to effective and ineffective approaches to this undertaking.

While conducting the research, the team discovered that specific details of reintegration strategies are not very accessible. The information is considered highly sensitive and is largely restricted to classified documents by U.S. government agencies. The information that follows was collected from a variety of sources. Interviews were conducted with individuals at the Organization of American States, the Department of Veterans Affairs, and the embassy of Zimbabwe. Although the embassies of Colombia, Argentina and Guatemala were contacted, representatives were unable to meet with team members. Information was also obtained from various country desks at the State Department as well as professional journals and periodicals.

2. Nicaragua

Key Components. The negotiations between the Nicaraguan government and the Resistance forces concerning demobilization and reintegration was a constantly evolving and dynamic process. Prior to President Violeta Chamorro's taking office, the Resistance, the Sandinista government and representatives of the president-elect had signed an agreement setting up security zones in which an estimated 20,000 Resistance forces would gather and begin handing over their weapons to United Nations Peace Keeping forces. The process was to have begun April 25, 1990, inauguration day, and was to have been completed by a June 10th deadline. Because of their disagreement with President Chamorro's decision to retain General Humberto Ortega, the Sandinista defense minister, as armed forces chief, the Resistance suspended the process. (Facts on File, June 1990). Before the Resistance would agree to disarm, they also demanded that several other key negotiating issues be addressed by the Chamorro government. Concerned about their physical security, the Resistance wanted a guarantee that they could disarm without any retributions for past activities. (Berlin, 1989).

In terms of economic assistance, the Resistance wanted to be eligible to receive land and government aid for community development. On May 15, 1990, an accord known as the Declaration of Managua was reached. President Chamorro pledged to grant the Resistance

land in Nicaragua that would be a permanently demilitarized territory. The government also promised economic assistance for community development. In regards to the armed forces, President Chamorro pledged to begin reducing the size of the military. (Facts on File, June 1990). Despite several suspensions of the process by the Resistance forces, the demobilization process continued through June when it officially ended.

"Security Zones" were established. The demobilization process, conducted by the United Nations Peace Keeping Forces, took place at nine sites that were chosen by the Resistance and were divorced from any military sites. Interviews with the Organization of American States (OAS) officials revealed that by June 1990, 19,000 ex-combatants had been registered.

OAS was responsible for coordinating the reintegration process. Once the ex-combatants entered the security zones, they were given medical exams by the Pan American Medical Organization. Each person was then registered and given identification cards for the purposes of acquiring government assistance. After distributing clothing and food rations, OAS provided transportation for the ex-combatants to the location of their choice. OAS also established distribution centers throughout Nicaragua to make distribution of monthly food supplies more accessible to recipients. Food rations were to be distributed for six months.

"Development Zones" were promised to the ex-combatants. Some of the twenty new development centers promised to the ex-combatants are now in the process of being established. The Nicaraguan government promised to provide housing, schools, hospitals, and other facilities. In addition, the government said that the ex-combatants would have priority in recovering farmland confiscated under the Sandinistas. Those who settled in the Zones would be given titles to farmland and other aid to set up cooperative enterprises. The Resistance was also promised a role in local government and in the rural police force that would be trained by foreign advisers. OAS is coordinating the construction of houses for this second phase of the reintegration process. Although the process is moving slowly, many ex-combatants who have the appropriate skills are involved in the efforts. The Nicaraguan government is also exploring other options for distributing land to the Resistance and Sandinista ex-combatants.

Lessons Learned. The agreements reached after many months of negotiations in Nicaragua demonstrate that constant dialogue throughout the process of demobilization and reintegration is essential. Dialogue between the Nicaraguan government and the Resistance allowed both sides to air concerns, analyze problems, identify shared interests, and search for common strategies.

Political power and control is critical to expedite the process of demobilization and reintegration. The demobilization process is only delayed and hampered when the national government declares policies without having the power within the administration to implement them. One reason for the delay in the Nicaraguan demobilization process, OAS

officials commented, was the reluctance of the Resistance to make a full commitment to the agreements. Throughout the process, the Resistance lacked confidence in the ability of the Chamorro government to carry out agreements reached as a result of the continuing political conflicts they perceived between the Chamorro government and the Sandinistas.

The involvement of the guerilla command structure was an important element in program implementation. Officials of OAS concluded that the demobilization and reintegration process would not have succeeded without the support and assistance of the *Comandantes* in Nicaragua. These officials in the Resistance have the support and respect of the ex-combatants and know how their organization is structured and how it functions best.

A thorough demographic study is necessary in the development of assistance programs and in the registration of ex-combatants. Such a study reveals the important characteristics about the population to be served. In Nicaragua, OAS found it important, for example, to identify the number of family heads within the Resistance forces.

Transportation can be a major logistical problem. A physical road study should be commissioned prior to initiating the programs. OAS officials found that the terrible road conditions in Nicaragua delayed the arrival of supplies. In addition, the impact of seasonal weather patterns on the transportation systems should be considered. The rainy season washed out many of the roads that OAS officials depended on to transport supplies.

Promises of land distribution from the government must be guaranteed by valid land titles. Although the government granted a specific amount of land to the ex-combatants, there still were barriers faced by entitled persons claiming the land. On some properties, there were squatters occupying the land as well as persons with titles to the land that were not registered with the government. This problem has slowed down the process of developing the new communities on the land guaranteed to the ex-combatants.

Verification of government assistance recipients can be problematic. According to interviews, approximately 8 percent of the ex-combatants abused the system of identification established to receive government assistance by allowing unauthorized individuals to use their identification cards. Food was also distributed to ex-combatants centrally through Resistance *Comandantes*. Yet OAS had no system to verify the numbers claimed by the Resistance officials.

3. Zimbabwe

Key Components. After Zimbabwe achieved independence on April 18, 1980, the new government was faced with the challenge of creating a new national security force. During the five year war, there were two insurgents forces, the Zimbabwe African National Union (ZANU) and the Zimbabwe African Peoples Union (ZAPU) that fought the Rhodesian Front,

the armed forces of the previous government.

The three armies were integrated into one national armed forces. Approximately 20,000-30,000 combatants comprised the two liberation armies. The Rhodesian Front had an estimated total of 40,000 troops. The government decided to scale down the size of the military from an estimated 60,000 to 40,000 soldiers. A director of demobilization was appointed within the Ministry of Social Welfare to oversee the process.

Those combatants that were demobilized were offered a lump sum of money as compensation. There were no food supplementation, land distribution, training or other compensation programs initiated for ex-combatants. (USAID, 1982). Although an exact amount could not be obtained, the compensation funds were supposed to have been substantial enough to buy a house and provide initial economic support. Embassy officials commented that these compensation funds were to be used at the ex-combatants discretion for resettlement and reintegration into civilian life.

The government of Zimbabwe encouraged ex-combatants to pool their compensation funds and form agricultural cooperatives. While this was not an official policy of the government, the forming of cooperatives was strongly encouraged. With few alternatives for employment, many ex-combatants chose this option.

Lessons Learned. This compensation program did not provide enough support or structure to assist in the reintegration of the ex-combatants into civilian life. Embassy officials commented that many of the ex-combatants did not invest their money wisely. Thus when ex-combatants found their compensation funds depleted, they had few or no other economic resources. Specific programs targeted to the various social and economic problems faced by the ex-combatants are necessary to address the concerns appropriately and effectively.

Compensation programs for ex-combatants should include training programs that provide marketable skills. This compensation program did not attempt to assist the ex-combatants in gaining marketable skills in order to become economically productive. Approximately 20 percent of the ex-combatants had at least some level of educational achievement and were absorbed into the civil service after the war. But many ex-combatants did not have the qualification or skills to be absorbed into the labor force. Training programs were needed for these individuals.

4. Panama

Instead of being demobilized, the former Panama Defense Forces (PDF) is being converted into a civilian police organization, the Public Force of the State by the Panamanian government. The Public Force will be fully accountable to civilian authority under the

Minister of Government and Justice. The centralized command structure of the PDF has been divided into four independent units: the Panamanian National Police; the National Maritime Service (a coast guard); the National Air Service (official transportation); and the Institutional Protective Service (VIP protection). The size of the personnel has been cut from 16,000 to 13,000. (State Department, July 1990). As the Panamanian government is not demobilizing their armed forces, Panama does not provide a good case study of demobilization and reintegration strategies.

5. Colombia

Key Components. After more than a decade of armed struggle, the Colombian M-19 guerilla movement, once one of the most violent and feared armed groups in Latin America, agreed to demobilize in March 1990 and assume a role in civilian political life. Determined to widen Colombia's two party political arena, the ex-combatants formed a new political party after demobilizing, named the M-19 Democratic Alliance. Only months after turning over their weapons, the M-19 group is experiencing tremendous electoral success and has emerged as Colombia's third largest political force.

On March 8, 1990, 800 M-19 members turned over their guns to representatives of the Socialist International and received freshly supplied civilian clothes before boarding buses to begin life as civilians. Negotiations for demobilization began in earnest in March 1989 after a decade of unsuccessful peace initiatives between the government of Colombia and the guerrillas. The M-19 had declared a cease fire in July 1988 and had moved many of its troops to the town of Santo Domingo, seeking official sanctuary. Their negotiation platform included: demands for the elimination of antiterrorism laws; changes in the judiciary; a new state economic plan, including distribution of food and housing for the poor; and constitutional changes intended to emphasize popular plebiscites and increased efforts to break the electoral dominance of the country's two traditional parties. (New York Times, June 1989).

In exchange for returning to civilian life, the M-19 ex-combatants received several concessions from the government. The ex-combatants were granted amnesty for their violence. The government also promised to write a constitutional amendment granting the group special treatment in the next elections. Each former M-19 guerilla was also promised training in small business management and a transition allowance of about 100 dollars a month for six months. (New York Times, April 1990).

Lessons Learned. The peace agreement that the government of Colombia and the M-19 reached in March 1989 was the culmination of a long and dynamic negotiations process. The government of ex-president Virgilio Barco Vargas had invested in a four-year effort to arrange peace with Colombia's guerrillas. After the M-19 declared a cease fire in July 1988, the M-19 held four meetings with the government in Colombia and Mexico that ultimately

led to the final peace accord in March 1989.

The M-19 case is a rare example that demonstrates the potential of a guerilla organization to successfully enter mainstream politics. This transformation certainly would have been more difficult if the Colombian government had not been open to agreeing to a constitutional amendment granting the group special treatment in the next elections. This tangible concession illustrates the earnest efforts of the government to create an inclusive political environment in Colombia. This part of the agreement also demonstrates the mutual trust and respect of both parties: in conceding to such a political gamble, the Colombian government must have felt secure that the M-19 group was sincere about their desire to participate in the democratic political process and would not utilize this opportunity to undermine the same democratic processes; likewise, in accepting this offer, the M-19 must have felt confident that the Colombian government would keep their promise.

The M-19's emergence into national politics arose as a response to an incredible increase of political violence in Colombia. Three presidential candidates were assassinated in what was one of the most violent campaigns in Colombian history. The presidential elections in June 1990 produced an unprecedented support for the left, which may for the first time become a powerful force in this country's politics and an overwhelming vote for reforming Colombia's constitution. The M-19 candidate, Antonio Navarro, obtained a surprising 11 percent of the vote, finishing third ahead of the traditionally strong Social Conservatives. After the elections, President Gaviria named Navarro Minister of Health, a further indicator of the acceptance of the M-19 into main stream politics. (Washington Post, June 1990).

In December 1990, the M-19 won the largest bloc of delegates in the elections for an assembly charged with rewriting Colombia's constitution. With 75 percent of the votes counted, the M-19 Democratic Alliance had received 28 percent of the votes and about 23 seats in the 70 seat assembly. When the assembly begins its six months session in February, it will have unlimited power to change the constitution. It will face issues from revising the Congress to transforming the judicial system. Debate is also expected to deal with drug trafficking and violence. (Washington Post, December 1990).

The M-19 integration into politics may have positive repercussions for negotiations with the five other guerilla groups that exist in Colombia. Navarro is currently mediating talks with three of the five active guerilla groups. Colombia's two largest guerilla groups, the National Liberation Army and the Colombian Revolutionary Armed Forces, have thus far rejected peace talks with the government. The Marxist Popular Liberation Army is the only group that has begun negotiations with the government and halted offensive activities. (Washington Post, June 1990).

6. The United States

Key Components. On March 15, 1989, the Department of Veterans Affairs absorbed the activities of the Veterans Administration, created in 1930 to administer benefits to American war veterans. Today 27.3 million veterans and their 47.1 million dependents and survivors are potentially eligible for VA benefits. Honorable and general discharges qualify veterans as eligible for benefits. (Department of Veteran Affairs, January 1990).

The VA provides its vast benefit system through three major offices- the Veterans Benefits Administration, the National Cemetery System, and the Veterans Health Services and Research Administration. Facilities are operated in all 50 states, D.C. Puerto Rico and the Philippines. This agency employees more than 245,000, making it the federal government's second largest civilian workforce. Fiscal year 1990 provided \$28.6 billion of which more than 95 percent goes for direct benefits and services. (Department of Veteran Affairs, January 1990).

The VA benefits system itself is defined differently than most other veteran compensation programs in the world. While other countries refer to ex-combatants as one group, the United States makes a distinction between veterans who were disabled by injury incurred during active service and those war time veterans who are permanently or totally disabled for reasons not traceable to service. Other countries thus use only the one term "pension" to refer to the benefits that an ex-combatant receives.

The U.S. has created a dual benefit system to meet the needs of the veterans within each designated group. The U.S. appropriated the term "pension" to describe benefits for wartime veterans with limited income who are permanently or totally disabled for reasons not traceable to service. "Compensation" benefits, on the other hand, are allocated for veterans who have been disabled by injury or disease incurred during active service in the line of duty during wartime or peace time service. (Department of Veteran Affairs, January 1990). Almost 2.8 million veterans receive disability compensation or pension payments and nearly 900,000 surviving spouses and other dependents receive other forms of compensation or pension benefits amounting to some \$15.3 billion annually. (Department of Veteran Affairs, January 1990).

The Department of Veteran Affairs provides a wide range of benefits to American veterans and their families. In regards to health care, the Va operates the nation's largest medical system with 172 hospitals, 233 outpatient clinics, 119 nursing homes and 28 domiciliaries. In fact, more than 90 percent of VA employees are associated with medical care. Other benefit programs include: direct monetary compensation benefits to service-disabled veterans; pensions for low-income veterans and survivors; and educational assistance and vocational rehabilitation. VA also provides eight different life insurance programs for service members, veterans and reservists. The VA loan guaranty program has assisted over

12 million veterans and dependents to purchase homes. VA also operates and maintains 113 national cemeteries and provides headstones, markers and awards matching funds grants to States to expand or improve State veterans cemeteries. (Department of Veteran Affairs, January 1990). Appendix 1 presents a comprehensive timetable of these benefits.

Lessons Learned. The expansive nature of the U.S. benefits system is not cost-effective. Since VA provides compensation for injuries not directly related to active duty, VA must finance an incredible range of claims unrelated to service-related injuries. Furthermore some benefit programs are extremely expensive to finance. The GI loans, for example, help a home-buying veteran obtain a mortgage featuring: no downpayment; a lower interest rate; and a long repayment period.

The VA system has not been adequately adapted to compensate for disabilities developed in today's service-oriented and technologically advanced industries. The disability rating scale developed to determine how much compensation a veteran should receive for a service-connected disability was developed in 1945 and has not been effectively modernized.

When asked to define the qualities of a successful program for war veterans, the VA representative, Dr. Wyant, elaborated on his experiences working to improve vocational rehabilitation services in El Salvador and Colombia. Dr. Wyant stated that it is imperative to develop clearly defined policies that then are implemented from the leadership down through the chain of command and through a clear organizational structure. In Colombia, Dr. Wyant recommended that a task force be formed with a balanced representation of those with medical expertise and those knowledgeable in the field of vocational rehabilitation and employment programs. This task force would define its mission and associated goals and objectives. Such a statement would provide direction for the task force to effectively organize and implement a plan of action to create and administer programs for ex-combatants. Moreover, in order to ensure that these policies are effectively implemented, employees must be held accountable for their efforts. Performance standards must be developed by policy makers and adhered to by staff.

Accurate information about the war veterans is also essential in the development of effective programs. Collecting information on age, education, severity of disability and work experience, will help build a statistical database that can identify the needs of the population. Moreover, a statistical database that keeps track of all individuals receiving services, their disabilities, and the types of training and assistance they receive in obtaining employment will: facilitate the tracking of individuals; provide information to analyze if program objectives are being met; and assist in identifying program areas that need improvement.

Incentives should be created to promote the hiring of ex-combatants. For example, a tax credit can be offered to employers who hire veterans. In Colombia, Dr. Wyant recommended producing various public events that would recognize employers who hire war

veterans. Special recognition, such as a trophy, could be awarded annually by the government to an employer that has taken a special interest in hiring ex-combatants. This could be a media events to recognize the employer's efforts and encourage other employers to do the same. In addition to annual events, the general public should be kept informed as to the progress of the programs run by the government and how they are enabling young men and women to participate as productive members of their society. Newspapers could initiate an "employer of the month" series to bring to the attention of other employers excellent examples of what is being accomplished by and for the veterans, the employer and the country.

CHAPTER IV: RELEVANT PROGRAMS IN EL SALVADOR

Interviews, project documentation and field visits provided the team with background information on fifteen on-going USAID or other donor-supported programs in El Salvador that might be expanded or adapted to include mustered-out troops. Reintegration options that build on the programs described here are presented in Chapter V.

We selected on-going programs that enhance opportunities for economic reintegration and productive growth, viewing this as the greatest challenge for successful reintegration and quick implementation. Programs reviewed fall into one or a combination of four categories: job creation/placement, training/education, credit and land entitlement. Information from evaluations of programs is included in the descriptions whenever possible, although only a few of the programs have been formally evaluated.

Considerations for implementing programs are discussed below in terms of what experience shows works best in a development context and how relevant programs can be adapted for reintegration purposes. These relevant programs are described in detail at the end of the chapter with information on implementing agency, participation rate, population served, activities supported, location, duration and cost. Table 1 below lists the specific programs reviewed under each category.

Table i

Job creation/placement:

1. CONARA/MEA Social Stabilization and Municipal Government Strengthening
2. Health and Jobs for Displaced Families

Training/education:

3. Poligono Industrial Don Bosco
4. Trade and Technical Training - Ministry of Labor (INSAFORP and mobile units).
5. AIFLD, International Masonry Institute
6. World Bank Program for Basic Skills Training
7. Fundacion Empresarial para el Desarrollo Educativo (FEPADE)
8. CONARA/Social Program for Urban Communal Development

Credit:

9. Comprehensive Credit and Investment Plan for 1991
10. Microenterprise Development Project
11. Small Microentrepreneurs Program
12. UNDP/Credit for small business
13. Forestry Demonstration Program/Credit for Small Farmers

Land:

14. Instituto Salvadoreno de Transformacion Agraria (ISTA)
 15. ARGOZ, S.A.
-

I. Job creation/placement

Rationale. Ideally, jobs exist because of an active economy and growing private sector. In such an environment, there is a demand for labor. Incentives attracting businesses to depressed areas would offer the best long-term solution to the ex-combatant needs for employment and economic survival. However, in the absence of private sector investments in marginalized areas where ex-combatants are most likely to return, subsidized job programs are a strong alternative for providing immediate employment opportunities in a stagnant local economy.

Job programs can cushion the effects of job loss, transition, or recent entry into the labor force, and can be targeted for certain economically depressed communities or individuals with low levels of skills and work experience. They are usually preferable to grants (severance pay, welfare) because the individual is engaged in productive activity, learns work responsibility and gains skills. Communities benefit because programs increase the purchasing power of its members and stimulate the local economy. Job programs work best when they incorporate the needs of the community and are managed by the community.

On the other hand, job creation programs are usually temporary, require low level skills, can create dependency, and tend to leave a large gap after they are finished, particularly if the local private sector is undeveloped. To overcome dependency, the individual must be able to transfer skills and experience to other jobs, providing other jobs are available. This might best be done through combined training and work programs, as well as community support programs that assist in job placement and the individual's and family's access to basic social services.

Relevant Programs. The CONARA/MEA program is a good example of a program with a job creation component that is driven by community needs and can be expanded to include jobs for ex-combatants in municipalities burdened by a large returning population. It is also noteworthy because of the participative, democratic decision-making process communities must engage in before applying for project funds (which is the primary purpose of the project). It is not heavily burdened by centralized administration; funds can be made available quickly to municipalities through CONARA. The community is responsible for executing projects.

The Health and Jobs for Displaced Families Project can also be expanded easily to include payments for families to work on community improvement projects. This was done previously under the FEDECCREDITO program targeted for displaced persons, and can be reincorporated under the current project.

2. Education and Training

Rationale. Job training programs are only effective when they respond to demand in the labor market. They should also be flexible and responsive to the changing needs of employers. Most employers prefer to hire less-expensive inexperienced or unqualified workers during times of business expansion. Among these workers, employers prefer to hire those who are trainable -- those with basic cognitive skills and appropriate "workplace" attitude. Of necessity, firms will provide these inexperienced or unqualified workers with company-specific skills, whether they do this in a structured program or informally, on the job.

The majority of vocational and technical skills training takes place during employment rather than prior to employment. Therefore, the provision of occupation-specific skills to unemployed individuals will not provide them with employment if there are no jobs available. This is why programs that stimulate employment in combination with job-related training are necessary in economically depressed areas.

The most effective long range solution to a stymied economy is macroeconomic reforms that address the causes for stagnation and eventually can re-stimulate the private sector and employment. The GOES is committed to major structural reforms, the effects of which, although currently making macroeconomic impact, will not be felt at a local level until the mid-1990's. However, in the current absence of an active private sector in the rural areas, job programs may be the most immediately viable but temporary solution to the lack of employment opportunities.

Relevant Programs. Training programs that tend to be most successful combine classroom training with on-the-job training and can guarantee employment after training. These programs usually have strong linkages to the community and employers, and offer trainees either a training stipend or partial income paid by the employer. Some excellent examples of such programs are the Poligono Industrial Don Bosco and International Masonry Institute (AIFLD).

Unfortunately, the International Masonry Institute limits enrollment to individuals recommended by the workers union, SUTC; however, it can be replicated for training in other construction trades. The Poligono Industrial Don Bosco can be expanded to include ex-combatants, new sites built or program elements incorporated under other training programs offered by GOES. INSAFORP under the Ministry of Labor offers a variety of training programs which might be extended to ex-combatants and uses mobile training units that can reach areas where access to fixed training sites is limited. The Ministry of Labor will be responsible for implementing a recently signed agreement with the World Bank to train persons in basic construction trade skills. To ensure that the training is job-related, ex-combatants should be given job counseling prior to enrollment in a training program. Technical-vocational training programs and schools are also available through FEPADE.

Training costs can be covered by providing stipends or training vouchers to ex-combatants. The CONARA Social Program for Urban Communal Development includes 4000 scholarships for training and can be expanded or replicated to include ex-combatants. The risk of allowing ex-combatants with little work or life experience to select training programs without job-counseling is they may select a trade that they perceive is prestigious but has limited job prospects. Programs that are already well linked to the private sector and provide on the job training, such as the Don Bosco program, overcome this problem naturally.

3. Credit Programs

Rationale. Many ex-combatants may choose to start their own businesses rather than work for other employers. Traditionally, micro-entrepreneurs do not use formal forms of credit since many formal financial institutions do not finance loans for small enterprises. Loans sizes are typically small and the cost of processing tends to be high relative to loan amounts. In fact, small entrepreneurs worldwide tend to finance the start-up of their operations with their own savings, support from family members, short-term credit provided by suppliers, advances offered by buyers or loans from informal community-based financial intermediaries. Thus, it is important to link interested entrepreneurs with programs especially designed to provide credit to small business owners.

The basic structure of small and micro-enterprises is the family unit with the entrepreneur as the driving force. While the entrepreneurial spirit may be abundant, the entrepreneur lacks the training and expertise to efficiently organize, operate, and develop a business. Successful micro-entrepreneurial programs combine credit access with training and on-site technical assistance in basic business start-up; financial management; business plan development; organizational management; and marketing. To be successful, training must be on-the-job, production-specific and enterprise-based.

Relevant Programs. There are a number of credit programs for micro-entrepreneurs that can cover initial capitalization costs and support recipients through training and technical assistance. FEDECCREDITO, PROPEMI and the new UNDP credit program makes loans to micro-entrepreneurs; FINCA provides loans, training and technical assistance. The FAO also gives credit to small, marginal farmers.

Ex-combatants interested in starting businesses should be linked to these programs and advised on how to take advantage of their services.

4. Land Programs

Rationale. One of the most attractive but least likely alternatives for ex-combatant reintegration is the provision of land. Limited access to land was a primary factor in the civilian conflict, and the profile shows the overall majority of the combatants to be of rural origin. Redressing the land tenancy issue, if successful, would strengthen GOES' credibility while attempting to ease a fundamental condition that fostered the insurgency. Land distribution could, if combined with support programs, greatly benefit ex-combatants, indeed, the entire marginalized population, across the board.

Unfortunately, interviews and research indicate that ISTA has not facilitated equal land distribution to all sectors of the population. Reasons given for this vary, from the highly political nature of the institution to ISTA's infrastructure. Several persons indicated that

mid-level ISTA officials are obstructing the Plan Vincular distribution because they are profiting personally from renting the land. Plan Vincular beneficiaries (those in the Health and Jobs for Displaced Families Project) are only receiving lands either in the most conflictive regions, or else land of poor quality and/or in inaccessible, remote areas. This despite the enormous need and professed availability, by high-level ISTA officials, of lands. Another reason given is ISTA's inadequate infrastructure for the gargantuan task of dividing up and processing so many individuals and land rights. Still another reason given for faulty distribution is that ARENA hardliners are keeping all the good, accessible land for political cronies, future votes, and/or mustered-out ESAF soldiers. There is also much public debate on the issue of whether ISTA has legal jurisdiction over the land and whether, as an institutional entity, it can legally entitle the land to beneficiaries.

Regardless of the reasons, the land issue has historically been highly political and inefficient, and a quick response in distribution seems unlikely even in peacetime, and therefore not much of an option.

Relevant Programs. There are some possibilities in distribution of municipal and private lands, but the funding mechanisms and long-term effects would have to be explored in much greater detail. Although they provide some alternatives, the bulk of the productive land is in the hands of ISTA. The legality and feasibility of expanding the ARGOZ-style scheme merits further study. ARGOZ has proven that private land can be divided and sold profitably at reasonable rates with low payment delinquencies. The size and numbers of communities (120,000 families in 382 communities) is a testament to the need for easy access to housing credit.

5. Program Descriptions

Fifteen programs were selected and are described in the following profiles. Options for reintegration presented in the next chapter build on the programs reviewed here.

Description No. 1

Project Title:	Social Stabilization and Municipal Government Strengthening
Implementing Agencies:	CONARA, ISDEM, COMURES
Participation Rate:	Expected municipal development projects: 2,500 per year
Population Served:	<p><u>CONARA-Urban MEA:</u> Employment generated by municipal development projects will be approximately 16 million person days</p> <p><u>Regional Development Projects:</u> The number of beneficiaries of municipal development projects is expected to be around 1.8 million persons. Approximately 75,000 community members are expected to attend the open town meetings.</p> <p><u>ISDEM:</u> Local leaders and officials that will receive training: 2,400 per year. Five-day food rations will be distributed to 206,530 persons from November to December.</p>
Location:	A total of 261 municipalities in the 14 Departments of El Salvador
Activities Supported:	Social Action Plan-provision of food, shelter, medical and dental care, etc. The Municipalities in Action program (MEA) provides basic infrastructure improvements in 261 municipalities, revitalization of economy through projects funded by CONARA, ISDEM, and OPAMSSO, for reconstruction of schools, hospitals, and marginal housing areas.
Duration of Project:	On-going
Cost:	The total cost for FY 1990 was approximately 265 million colones. Expected cost for FY 1991 of 185 million colones. A total of 13 million colones were provided from (CONARA, ISDEM, OPAMSSO) for logistical support, and reconstruction of public buildings.

Program Description

The project attempts to strengthen functional democratic governmental institutions in the 262 municipalities in the Republic of El Salvador through:

1. Training and direct technical assistance for a wide variety municipal level infrastructure projects, including: road construction and repair, bridge building, electric and water projects, etc.
2. Administrative and financial assistance to stimulate the generation of local revenue.

Description No. 2

Project Title:	Health and Jobs for Displaced Families
Project Goal:	To achieve appropriate level of social stabilization among the displaced by integrating them into the main stream of El Salvador socio-economic system
Implementing Agency:	Ministry of Interior through CONADES, the International Rescue Committee (IRC), Creative Associates (CREA), and two National PVO's (to be selected).
Participation Rate:	120,000 to 400,000 displaced persons
Population Served:	Displaced families in all 14 Departments of El Salvador
Location:	Project established in all 14 Departments with emphasis placed in Oriente and Northern sectors
Activities Supported:	Reintegration and Resettlement, Food distribution, Community, Infrastructure (water, roads, sanitation), Productive Projects, Housing, along with other secondary activities such as Health, Education, Temporary Employment.
Duration:	The project's completion date is May 1993
Cost:	137 million dollars

Program Description

The Health and Jobs for Displaced Families (DFP) was initiated in May, 1982, to provide emergency assistance to families displaced by civil strife. Projects included resettlement schemes, health care and nutrition services, infrastructure projects and agriculture packages. The focus of activities has been modified over the past eight years to respond to the changing needs of the displaced. Permanent resettlement and economic integration/self-sufficiency have become the long-term goals of the program.

Through the Plan Vincular, a working agreement program with CONADES and ISTA, abandoned or under-utilized state land is identified and made available for voluntary

relocation. Participating families receive a residential and agricultural plot from two to five manzanas (3.4 to 8.5 acres), depending on land quality. Individual title is given on a purchase loan at low interest rates with repayment period of fifteen years.

Assistance is provided for a period of two months to two years. Assistance includes financial support through two agricultural cycles, health care, education on nutrition, food assistance and feeding centers, infrastructure development, credit schemes and technical assistance in microenterprise development, agriculture, and education.

FEDECCREDITO (Federation of Credit Unions), a component of the displaced Persons program, terminated in 1987 and included job training for displaced persons in basic skill area related to infrastructure improvement. Trainees often worked for wages on community development projects operated under the DFP. Evaluations cited FEDECCREDITO's training program as effective, but the job placement record for graduating trainees as weak; and therefore very expensive when measured on the basis of per graduate cost.

Description No. 3

Program Title:	Poligono Industrial Don Bosco
Implementing Agency:	The Federation of Cooperatives, of El Poligono Industrial Don Bosco
Participation Rate:	See Program Description
Population Served:	Members of specific urban marginal areas (see Program Description)
Location:	Comunidad Iberia, San Salvador
Activities Supported:	Training in various trades, cooperatives, micro-businesses, income generation
Duration:	Varies
Cost:	To replicate the present Poligono, an estimated \$500,000 for physical structure, tools, equipment and supplies.

Program Description

The Poligono Industrial Don Bosco is a unique institution located in Comunidad Iberia, a marginalized area of San Salvador. It serves the marginalized communities of Concepcion, Terreno Puente, Iberia 1, Iberia 2, and Don Bosco. The institution was founded by Padre Jose Morataya, a Salesian Priest interested in assisting those who lived in marginal areas to make a better life for themselves, their families and community. The concept the Poligono Industrial Don Bosco was developed in 1985 and two years later the Poligono Industrial was built. Funds for the building, equipment, and training of some of the members of the Poligono Industrial were raised through donations. The initial construction cost an estimated \$250,000, with equipment and supplies estimated at an additional \$250,000.00. The location used for construction of the Poligono Industrial was land that had been a municipal garbage dump prior to the construction.

The philosophy of the Poligono Industrial is to serve the community by training workers on a learning-by-doing basis and to create a micro-industry which provides work and income for members of the marginalized communities. Also basic to this philosophy is the desire to serve and share with the members of the community, helping them to better their living conditions and enabling many to make new lives for themselves.

The Poligono Industrial consists of a federation of cooperatives, each of which has a workshop that manufactures products. The cooperatives serve as micro-industrial operations as well as cooperatives. At present, there are 12 micro-industrial cooperatives located in the Poligono Industrial Don Bosco, providing the following services and products:

1. Aluminum Spinning (making pots and pans)
2. Foundry
3. Silk Screen Printing
4. Printing
5. Upholstery
6. Carpentry
7. Machine Shop
8. Bakery
9. Sewing (clothing)
10. Plastic Induction
11. Shoe Making
12. Milk products

The federation operates at several levels. The sewing cooperative, for example, receives materials from the U.S. pre-cut and ready to be sewn to make jackets, pants and other items of clothing. The cooperative sews the goods then ships the finished product to the U.S. on a wholesale basis. It also makes clothing for retail sales in the local markets. Separate cooperatives often collaborate in the manufacturing of a single product. For example, wooden chairs are made in the carpentry shop and are then sent to be upholstered and finished in the upholstery shop. Plastic bags are made in the plastic shop and labels in the printing shop for packaging other products manufactured in the Poligono. Cooperatives with production capacity enter into competitive bids for work. The carpentry cooperative was awarded a contract on a competitive bid basis for furniture construction for the Hospital Bloom which is under reconstruction. Through the collaboration of federation cooperatives, the cooperatives are able to cut their costs. The silk screen cooperative required a processing table as well as a fixing and drying machine. The imported cost of these two items was estimated at \$20,000. Both were built in the machine shop at a fraction of the cost. Other equipment is built, maintained and repaired in the Federation's shops, the cooperatives charging one another for services provided.

Within each cooperative, individuals perform specific tasks. The various cooperative members manage shop, sell products, buy materials, teach students, design products, and manage property and money generated from sales. Non-cooperative workers are paid on a piece work basis, expanding production capacities.

The cooperatives train students in the workshops. The training is open solely to members

of the marginal communities as is cooperative membership. The students work in the cooperative shops for four hours a day, starting with low-skill assignments and working their way up to higher skilled responsibilities. In this way, the cooperatives not only provide the communities with skilled workers, but also ensure the continued quality of their own business through the skilled workers they produce.

In addition to the cooperative shops, the Poligono Industrial contains a central office for the cooperatives, a cafeteria and a general purpose room "Salon Don Bosco". The Salon Don Bosco is available for classes, meetings, seminars, social affairs, and other events. The cooperative members frequently attend lectures on production techniques, administration, buying and selling, cooperative management as well as human services and community development promotion.

Each cooperative manages its own sales and income. After a one-year grace period, the cooperatives are required to allocate 70% of their income to a reinvestment fund, paying back the initial construction and equipment costs. There is no time set for the repayment, as payments are made on the basis of income earned. This reinvestment fund will be used to start a new Poligono in another marginal area. Each cooperative also allocates members, 5% for the maintenance of the Poligono, 5% in social projects in the community, and 10% is divided among the cooperative members.

The Poligono Industrial Don Bosco is an exceptional model of an integrated community development project where production, sales, technical training and social programs are all paramount. The concept of the Poligono could be successfully replicated in another marginal area, given there were sufficient interest and dedication to the basic philosophy behind the center.

Description No. 4

Program Title:	Trade and Technical Training (Fixed installations and mobile units)
Implementing Agency:	Ministry of Labor, INSAFORP
Participant Rate:	Varies
Population Served:	Students in urban and rural areas
Location:	Fixed installation in San Salvador, mobile units where required
Activities Supported:	Training of persons to enter into the labor force, up-grading skills of present labor force, and training instructors for teaching technical/vocational programs.
Duration:	Varies according to program: pre-service and in-service programs lasting from 10 weeks to 10 months or longer, according to the degree of skill desired.
Costs:	Varies according to program. (See program description for estimated costs of mobile units).

Program Description

Fixed Installation. The Ministry of Labor training center INSAFORP, is located outside of the city of San Salvador on the Pan American Highway. The installation is comprised of 18 technical/vocational shops. The center offers programs of 6 months to 1 year in duration for professional development in the following trades:

Carpentry	Plumbing
Radio and TV Repair	Watch Repair
Electrical Installation	Welding
Electrical Appliance Repair	Upholstering
Shoe Making	Machine Shop
Poultry Breeding	Tailoring
Industrial Sewing	Refrigeration

Auto Electricity
Auto Mechanic

Baking

The number of students in each individual vocational/technical training program rarely exceeds 20 participants. Students must be 16 to 40 years old with the minimum of a sixth grade education. Prospective students receive orientation and must apply for admission.

Upon successful completion of the program, students receive a certificate of training, qualifying them to work in an industry or set up their own shops or micro-businesses. There is no charge to the student for training received.

Mobile Shops. In addition to the installation in San Salvador, INSAFORP has a number of mobile shops which are sent to various parts of the country to facilitate training to persons in remote areas. The shops are periodically relocated in order to meet the needs of the people in different regions. Along with the equipment, materials, tools and other teaching supplies, a training instructor is also provided with the mobile unit. Generally, the participating municipality provides space in a house, shed or other available location to accommodate the mobile shop(s). Most of the programs that are taught at the Center in San Salvador can be taught in the mobile shop program, except those which require very heavy and/or expensive equipment and machinery, such as in the machine shop.

INSAFORP collaborates with CONARA in a training program using the INSAFORP mobile shops in the following trades:

Bread Making
Carpentry
Poultry Breeding

Tailoring
Cosmetology

Training programs are 6 to 9 months in duration. The 6 month course includes 960 hours of training and the 9 month 1440 hours. Estimated cost for mobile shop training program:

1. Operational cost per month (estimated by the INSAFORP director):

Materials	¢1500-2000 according to shop
Instructor	¢1500
Maintenance of tools and equipment	¢ 500
Supervision/administration	¢1000
Total estimated costs	<hr/> ¢4500-5000

2. Per student cost based on 20 students per program ¢225 to ¢250 per month.
3. Capital costs including tools, equipment, and teaching materials (estimated by the INSAFORP director): ¢20,000 and up, depending on the shop.
4. Transportation cost for each mobile unit relocation: estimated at ¢1000 to ¢2000.

As of this writing, INSAFORP has a total of 21 mobile units, all however are committed.

Instructor training for vocational/technical programs. In addition to the vocational/technical skills training at the fixed INSAFORP installation in San Salvador and the mobile unit program, INSAFORP also trains instructors. The on-going program lasts ten weeks with instruction four hours a day, five days a week, totaling 200 hours per program. Two groups of twenty students each receive training daily, one in the morning and the other in the afternoon. As a prerequisite, the students must already be highly skilled in the trade or vocation that they desire to teach, as this is an instructor training program focusing strictly on training techniques. By the end of February 1991, INSAFORP expects to graduate 100 new instructors through this program.

Description No. 5

Program Title:	AIFLD, International Masonry Institute (IMI)
Implementing Agency:	IMI and the Sindicato Union de Trabajadores de la Construccion (SUTC)
Participation Rates:	90 students, 3 cycles per year, 270 students total
Population Served:	Students recommended by the Sindicato de Trabajadores de la Construccion (SUTC)
Location:	San Salvador, on the Blvd. del Ejercito Nacional
Activities Supported:	Basic skills training in the masonry trades
Duration:	16 weeks per training period
Costs:	\$400.00 instruction cost per student, including stipend

Program Description

The International Masonry Institute started a small program in San Salvador in 1987. At that time, IMI did not have a formal school setting. Training took place on actual construction sites during the reconstruction process after the 1986 San Salvador earthquake, with students constructing economical housing for residents whose homes had been destroyed.

Based on a November 1990 evaluation of the program, USAID/El Salvador provided new funding for the Institute through the AIFLD program. The Institute now has workshops and administrative offices, and students continue the construction of new buildings as part of the training program.

At the present time, IMI teaches four skills basic to the masonry trade: brick work, cement block work, plastering, and tile work. Each student receives training in all four areas. IMI also instructs carpentry students in concrete construction-related carpentry, focusing on form construction techniques for concrete columns, sills, beams, and other poured concrete structures. IMI presently is in the process of developing a program for electricians.

Students interested in participating in the IMI programs must first be recommended by the Sindicato Union de Trabajadores de la Construccion (SUTC) in order to be accepted into any training program. Each program consists of 16 weeks of training, the first 12 weeks taking place at the school and the last 4 weeks on construction sites with union workers. During the 12 week segment, students receive a ¢15.00 daily stipend and, during the 4 weeks of on-the-job training, each student receives pay equivalent to that of a starting union worker. Half of the daily wage during the last 4 weeks is paid by IMI and half by the respective construction company. Most students are hired as union workers by the company where they completed their on-the-job training.

Prospective students must be 16 years of age or older, the average age being 20. Students participating in the program come from all areas of El Salvador. Because the Institute's training model is based on a two week training unit, new students are able to begin training every two weeks.

The present program could be replicated in other parts of the country in order to facilitate further training of novice masons. However, being that the central goal of the program is to train union labor and that the SUTC is strongest in San Salvador and the Port of Acajutla, it is doubtful that any additional school under their auspices would be feasible in other urban areas of the country. Furthermore, the IMI personnel feel confident that they can fulfill all union construction labor needs through the existing program.

A similar program under different auspices could be initiated to provide other areas of El Salvador with qualified construction workers. The training module of 12 weeks basic skill training plus the additional 4 weeks on-the-job training paired with the stipend program creates an excellent learning opportunity, and other training programs should consider the incorporation of this approach into their present programs.

Description No. 6

Program Title:	World Bank Program for Basic Skills Training for Construction Trades
Implementing Agency:	Ministry of Labor, INSAFORP (PROCINCO)
Participation Rate:	1500 per year for four years, total 6000 trainees
Population Served:	Persons interested in learning basic construction trade skills and/or upgrading their skills in the construction trades
Location:	San Salvador (see list in Program description)
Activities Supported:	Training in basic construction trades skills and in construction foreman skills (see list in Program Description)
Duration:	240 hours of training for basic construction trades skills and 180 hours or construction foreman training
Cost:	Approximately \$500 per trainee

Program Description

The World Bank has provided a loan of ¢14,750,000.00 to the GOES for training construction workers. In August 1990 a contract was signed by the Ministry of Labor with the Fundacion Empresarial para el Desarrollo Educativ , (FEPADE) to manage the program (PROCINCO) and with the Camara Salvadoreña de la Industria Construccin (CASALCO) to provide advisory services.

FEPADE has contracted the following institutions in San Salvador to provide the training:

1. Instituto Tecnologico Centroamericano (ITCA)
2. Instituto Tecnico Emiliani (ITE)
3. Instituto Tecnico Ricaldone (ITR)
4. Instituto Tecnico de Exalumnos Salecianos (ITEXSAL)
5. Instituto Tecnologico Metropolitano (ITME)
6. Ciudadela Don Bosco (CDB)

Areas of training being offered at the technical institutes:

Training of: & No. of Hours	ITCA	ITE	ITR	ETEXSAL	ITME *	CDB *
Construction						
Foreman (180 Hrs)	X	X				
Masonry (240 Hrs)	X	X				
Electrical (240 Hrs.)		X	X	X		
Sheet Metal (240 Hrs.)				X		
Welding (240 Hrs)	X	X	X	X		
Carpentry (240 Hrs)	X	X	X	X		
Plumbing (240 Hrs)	X	X				
Reinforced Rod Assembly (240 Hrs.)	X	X				

* Not functioning, in planning stage

The program is designed to provide basic skills training to future construction workers. Students receive training 4 hours a day 5 days a week, providing 20 hours of theory and practice weekly. The program runs for 12 weeks (total 240 hours). The Construction Foreman Program totals 180 hours.

Some of the institutes give two sessions daily, and others also have courses in the evening for students who cannot attend during the day. Night students receive only 2 hours of training at night. Two institutes have classes on Saturdays for those who cannot attend the program during the week.

The areas of training most in demand by students are welding and electricity. The least in demand are sheet metal and plumbing.

Students are not charged for instruction and training. Even so, the number of graduates falls far below the set goal. It might therefore be available for an immediate start-up of ex-combatants. This program might also be a good model for future programs and could be replicated in other areas of the country.

Description No. 7

Program Title:	Fundacion Empresarial para el Desarrollo Educativo (FEPADE)
Implementing Agency:	FEPADE
Participation Rates:	Varies with the curriculum offered.
Population Served:	Varies with the curriculum offered, from basic skills training to management development
Location:	San Salvador
Activities Supported:	Technical-vocational training, management development, higher education, scholarships, and student loans, textbook distribution and teacher training
Duration:	Varies with curriculum
Costs:	Varies with curriculum

Program Description

FEPADE, is a non-profit organization founded by Salvadoran private industry in July, 1986. Its purpose is to promote, facilitate and, where necessary, provide job training and to serve as a liaison between business/industry sectors and education resources in El Salvador.

Its goal is to promote the educational, professional and technical development of the citizens of El Salvador so each may contribute to the cultural, economic and social betterment of El Salvador. The objective of FEPADE is to develop or upgrade the human resources needed by the Salvadoran private sector for increasing production, productivity, and competitiveness in the national and internal markets, with special emphasis on exports.

FEPADE's activities are financed through contributions received from its members, interested individuals, private enterprise, and national and international institutions. In 1987, FEPADE received a five year grant from USAID/El Salvador in which the Foundation is provided a 2 to 1 match; i.e., for each dollar provided by FEPADE, two dollars are received from USAID/El Salvador.

Description No. 8

Program Title:	Social Program for Urban Communal Development
Implementing Agency:	CONARA
Participation Rate:	Approximately 6,000 children, age six months to six years, to benefit from the program. Hydroponic projects to support education centers in 200 communities, with an additional 200 for individual participants to work on. An average of 2,000 youth ages 13 to 18 years to be given vocational training. Two hundred communal banks expected to benefit 12,500 individuals.
Population Served:	200 marginal communities and 16 municipalities.
Location of Program:	16 municipalities: Apopa, Ilopango, Ayutuxtepeque, Ciudad Delgado, Cuscatancingo, Mejicanos, San Marcos, San Salvador, Soyapango, Panchimalco, Antiguo Cuscatlan, La Libertad, Nueva San Salvador, San Miguel, and Santa Ana.
Activities Supported	Communal Homes and Informal Education Centers, Vocational Training, Communal Banks, Productive Projects.
Duration:	Pilot Project termination date July 1991.
Cost:	Approximately 25 million colones.

Program Description

With the goal of urban communal development, CONARA has implemented a social program with the assistance of the participating municipalities, striving to improve the productivity and stimulate the participation of the labor force within the communities. The social program covers four core areas:

1. **Communal Homes and Informal Education Centers:**
These facilities are operated by mothers in the participating communities. They consist of centers run either in a local education center or in the home of the mother.

The mother operating the center provides care to fifteen children ranging in ages between six months and six years, receiving food, materials for the center, and a monthly income of 450 colones and 200 colones for her assistant. The funds used to pay the monthly incomes are taken from the ¢0.50 fee collected from each parent benefitting from the centers, with the donation of program money making up the difference. In addition to the materials and funding, mothers are eligible for up to 5,000 colones in financial credit towards the improvement of her home.

2. Vocational Training:

This area of the program provides vocational training for youth between 13 and 18 years of age who have completed the minimum of a fourth grade education. The program is supported by the central government, the municipalities and the private sector. The goal is to provide vocational training in the 16 municipalities and 200 surrounding communities in the following skills: masonry, carpentry, plumbing, domestic refrigeration, tailoring, bakery and auto mechanics.

3. Communal Banks:

Through communal banks initiated by the CONARA project, microentrepreneurs have access to credit with short term repayment cycles. This program works towards the goals of revitalizing small business and providing incentives for savings plans. The program expects to create 200 communal banks whose partners will be the beneficiaries of small rotating loans for further microenterprise investment.

4. Productive Projects:

Financial assistance is provided by FEDECCREDITO to enable the creation of small business pursuits. A line of credit for up to 10 million colones is available through this program.

Description No. 9

Program Title:	Comprehensive Credit and Investment Plan for 1991.
Implementing Agency:	FEDECCREDITO with financial support from Banco Central de Reserva de El Salvador, and other institutions such as: Banco Interamericano de Desarrollo (BID), USAID, the Economic European Community (CEE), and the World Bank (Banco Mundial)
Participation Rate:	Approximately 99,544 beneficiaries
Population Served:	All informal sector of micro, small and medium entrepreneurs
Location:	Main office located in San Salvador with 8 of the 63 credit agencies, participating in the municipalities in action Urban Program. They are located in the following areas: Tonacatepeque, San Martin, San Salvador, Santa Ana, Soyapango, Colon, San Miguel, and La Libertad
Activities Supported:	Credit for urban community development, development of infrastructure and improvements, industry, local craftsmanship, development of microenterprises and public services, agriculture and cattle-raising
Duration:	Credit and investment plan for FY 1991
Cost:	Approximately 215 million colones

Program Description

This credit and investment plan has been designed to reactivate the economy by financing micro, small, and medium enterprises in different sectors of the country. The credit will be distributed in the following programs:

- a) Cattle-raising and agriculture---credit allocated will be 50 million colones. 42,000 people will benefit directly and indirectly. Cultivation of grains, apples, poultry and cattle-raising encouraged.
- b) Micro, small, and medium commercial and industrial business including local

craftsmen and public service enterprises can obtain credit for the acquisition of equipment, construction and improvement of commercial public services, and industrial installations. Credit allocated for this program will be 15.8 million colones. It will benefit approximately 1,611 families.

- c) **Development of Urban Communities:** financing will be available to micro and small entrepreneurs in the urban areas surrounding the municipality of San Salvador and other municipalities around the metropolitan area. Financing will be available for working capital, equipment and machinery, local construction and improvements of business installations. Investment for this project: 10 million colones, benefitting 2,680 individuals.
- d) **Financial assistance** will be provided to microentrepreneurs located in the market sectors and the surrounding areas all over the country through the central cooperative and the credit agencies affiliated to the rural credit system. Short-term credit of 60 days repayment cycles will be provided, which in turn will allow the beneficiaries to obtain credit 4.5 times a year. Funds allocated for this program---12.2 million colones, benefitting 80,400 individuals. There will also be credit provided to employees in the public and private sector to pay for medical expenses, home improvement, and to pay for other outstanding loans.

Other Special Programs.

- **Programa Chalatenango-88:** Main objective to strengthen and reactivate micro and small enterprises in the northern sector of the country. Funds from USAID, projected cost of 4.1 million colones for 1991.
- **Programa Oriente-89:** Same objective as in Chalatenango. Program cover the following departments: La Union, Morazan, San Miguel, and Usulután. Program financed by USAID. The financial assistance for phase II of this program for 1991 has been projected based on the reflux of funds. A proposed 4.3 million colones may be allocated for 1991.
- **Municipalities in Action-URBAN MEA:** The principal objective is to provide credit to support and strengthen the initiation and development of microenterprises that in turn would generate employment opportunities and income to the people in the developing communities. An investment of 10 million colones is projected, benefitting 4,000 families. The credit services will be provided by the Central Cooperative and the 9 credit agencies located in Tonacatepeque, San Martín, Santiago Texacuángos, Santa Ana, Soyapango, Colón, San Miguel, and La Libertad.

Availability of fertilizers and other agricultural products: The credit agencies are projecting an investment of 28.3 million colones to provide credit to farmers for the purpose of buying fertilizer at the appropriate time and at reasonable prices.

Description No. 10

Project Title:	Microenterprise Development Project
Implementing Agency:	Foundation for International Assistance (FINCA)
Participation Rate:	Program is projected to benefit 2,400 individual microentrepreneurs and 44,000 in communal banks
Population Served:	All informal sector of microentrepreneurs in all 14 departments of El Salvador
Location of Project:	Nationwide
Activities Supported:	Technical assistance, administrative training, and credit by Village Banks
Length of Project:	Project scheduled from 1991 to 1997
Cost:	10 million dollars, supported by AID

Project Description

The Microenterprise Development Project will provide El Salvador's rural and urban microentrepreneurs with financial and non-financial services through the assistance of the Microenterprise Support Centers. The Credit system under the MSC is divided in two sections:

A. Village Bank provides loan to individual microentrepreneurs.

The borrower is entitled to receive an initial loan of \$50, repayable in four months. After payment of each previous loan, the borrower is entitled to eight subsequent loans of increasing value up to a maximum of \$300. The size of each loan is equal to the value of the previous loan plus a match for 20% accumulated savings. After three years or nine consecutive loans, the beneficiary terminates a dependency cycle on external loans. At this point the village bank member could withdraw his/her savings and finance on his/her own further investments or make use of a formal financing system.

B. Short term loans, training, and technical assistance to groups.

In this case, the supporting organization provides a loan to the communal bank based on 22% interest rate for a period of four months or 16 weeks. Each associate makes a financial investment in a productive project such as: poultry farming, ironing, clothes salesman, seamstress, fruit and vegetable salesman, ceramics, etc. The beneficiaries are then able to deposit weekly savings in an account in the communal bank. According to the credit agreement, each associate would make partial payments on their loans plus interest with ease. The lending institution is paid by the communal bank when the individual members cancel their loans. The communal bank can then receive a new loan for up to \$300 dollars. The loans are given for a period of up to three years, plus 20% accumulated savings.

* This program is targeted for both women and men. It is expected that at least 50% of the beneficiaries of the project will be women. In addition to the financial assistance, basic training on accounting, bookkeeping, and marketing is provided. No involvement in agriculture is projected.

Description No.11

Project Title:	Small Microentrepreneurs Program (PROPEMI)
Implementing Agency:	FUSADES
Participation Rate:	Program will benefit 20,000 individuals, it will open 2,375 job opportunities
Population Served:	All informal sector of small micro-entrepreneurs
Location:	Santa Ana, San Miguel, Sonsonate, and San Salvador
Activities Supported:	Credit, technical assistance, and training
Length of Project:	Projected to continue until 1992
Cost:	3 million dollars

Program Description

Founded in 1985 by USAID to provide technical assistance, credit, and training to small microentrepreneurs. The goal is to improve and promote growth of small microenterprises, thereby generating employment and fostering economic expansion. Microenterprises with total assets of up to 100,000 colones can receive credit for up to 50,000 colones by PROPEMI, at an interest rate of 22%, and a repayment scheduling plan of up to eight years. Small enterprises, on the other hand, with total assets of up to 500,000 colones can be allocated credit for up to 125,000 colones at the same interest rate and with the same repayment options.

* The type of loan requested determines the length of credit. Loans are available for working capital, equipment, commerce, or improvement on existing operating facilities.

* Training is provided in the following areas: accounting, bookkeeping, financing, and marketing. These courses are not required in order to receive credit. Length of each course--one week

Description No. 12

Project Title:	United Nations Development Program
Implementing Agency:	UNDP
Participation Rate:	Unknown at this time
Population Served:	Low income groups interested in establishing small businesses
Location:	San Salvador
Activities Supported:	Credit for small business
Duration:	Five year program
Cost:	Initial capital \$1,000,000 plus \$300,000 for administration

Program Description

The concept of this program is to deposit capital in two or more banks in San Salvador which will then use this money in establishing a loan program benefitting low income groups interested in developing small businesses. The money deposited will draw interest, of which one half will be retained by the bank for services and of which the other half will be added to the deposited funds. The planners of this project calculate that the one half interest earned will cover any losses from non-payments of the loans. Loans will be approved with a preferential rate for those in the low income level. Follow-up and advisory services will also be offered to the persons borrowing the money.

The Government of Holland will fund this program, with the UNDP responsible for all administration.

NOTE: This program is in the final planning phase at this time. It should be approved for implementation in the first quarter of 1991.

Description No. 13

Project Title:	Forestry Demonstration Program/Credit for Small Marginal Farmers
Implementing Agency:	FAO
Participation Rate:	3500 families
Population Served	Families who are working with FAO on a Basic Grains Program for the small marginal farmer
Location:	Administered in San Salvador by FAO. Working with families in they Department of Cabañas, northern Usulután, and southern Morazan. In these sites there are 9 community tree nurseries.
Activities Supported:	Provision of trees to the eligible farmers, technical assistance, and preferential credit.
Duration:	On an annual cycle beginning with the planting season and ending when the crops are harvested and sold
Cost:	Budget for 1990: \$ 200,000 provided by UNDP \$ 100,000 administered by FAO for loans \$1,800,000 counterpart from the GOES

Program Description

Since there is no large scale reforestation program in El Salvador, FAO is involved in tree planting with the small farmers who are working with FAO's supervised credit program. In this project, FAO reaches 3500 families in the departments of Cabañas, northern Usulután, and southern Morazan.

In these departments, 9 community tree nurseries have been established. FAO provides nursery managers with seeds and all other necessary materials. The nursery sells the trees to the farmers for ¢0.40. Half goes to the nursery and the other half towards the cost of the supplies and materials needed to grow the trees.

FAO's supervised credit program has a preferential rate for the small farmer. Usually money is borrowed for seeds, fertilizer, and insecticide in May. Crops are harvested in October. If the farmer pays his loan in October, he pays 6% interest. If he pays between November 1 to January 31, he pays 8%. If he pays after January 31, he pays 12%. If he does not pay before May of the next planting season, he receives no further credit. Buying and planting trees is a condition of the loans. With this system of preferential credit rates, FAO has had an 80% repayment rate.

In the promotional phase of the program, selected families are brought in to see a successful nursery as well as a farmer who has participated in the program. In this manner, they can see the results of tree planting/basic grains program. This promotion technique has contributed greatly to FAO's success.

FAO has experienced a successful acceptance in this program. The program and its results have been disseminated throughout Central America, with a seminar planned for January 1991 to develop the program for the entire Central American region.

Description No. 14

Program Title:	The Federation of Credit Unions-FEDECCREDITO
Implementing Agency:	The Agency for International Development (USAID)
Participation Rate:	An average of 35 projects per each of the ten credit agencies, and created 10 to 12 thousand jobs per month.
Population Served:	The projects were intended to benefit all displaced persons and any other member of the community regardless of political, social, and religious status. The mayors were actively involved in the evaluation and approval of each project.
Location:	The project was implemented in the following Departments: La Paz, La Union, Chalatenango, Cuscatlan, Caganas, San Vicente, Usulután, San Miguel, Morazan, y La Libertad.
Activities Supported:	Humanitarian assistance for payments, emergency program focusing on health projects and jobs for displaced families, construction of infrastructure, and social assistance and development.
Duration:	Project terminated in 1987.
Cost:	5,528,325 dollars

Program Description

The project was intended to create employment opportunities and provide technical assistance through control centers located in ten different departments (see locations above). The following types of training were provided: carpentry, plumbing, masonry, electrical installation. Trainees received tool kits during training; at completion of training they paid for the kits once they started working. The administrative and technical personnel hired to assist employees at the control centers were selected and screened by USAID. The credit procedures and records for accountability of funds were managed by FEDECCREDITO and its ten credit agencies in conjunction with the Banco Salvadoreño.

In addition, FEDECCREDITO was responsible for the implementation of subprojects that complemented: 1) the health and employment emergency plan established for displaced families, and 2) construction and repair of community infrastructure. Dispensaries and

Centers for Nutrition Education and Assistance (CENAS) provided overall health and nutrition care to the displaced population in sites selected by Project Hope and the Evangelical Committee for Social Assistance and Development (CESAD).

Description No. 15

Project Title:	Instituto Salvadoreño de Transformacion Agraria
Type of Project:	Land Distribution and Entitlement
Implementing Agency:	ISTA
Participation Rate:	<u>Phase I:</u> redistributed 220,000 acres to 30,000 farm families. <u>Phase III:</u> 100,000 hectares to 45,000 families.
Population Served:	Former rural laborers, renters and share croppers
Location:	Nationwide
Activities Supported:	Credit for land purchases
Duration:	Indefinite
Cost:	

Program Description

The new government in 1979 started the agrarian reform act which has to date redistributed about twenty-five per cent of Salvadoran farm land. Phase I was begun in 1980 and targeted haciendas over 500 hectares in size. The average lot was 7.3 hectares per beneficiary, largely worked cooperatively with GOES technical and management assistance. Phase II targeted land holdings between 100 and 500 hectares, while Phase III ("land for the tiller") expropriated and redistributed all land then being rented or share cropped. Average plot size for this phase was 1.8 hectares. The difference in plot size, distribution and subsequent productivity between the two phases is worth nothing. Phase III beneficiaries farm individually with little or no government assistance, but are only slightly less well off than the Phase I beneficiaries.

Presently, land distribution through ISTA is a slow process. Opinions from those interviewed believe that the agency, with its sister organization FINATA, is highly politicized, biased in conferring entitlement and dragging its feet in the face of an agrarian reform law that focuses on beneficiaries rights and responsibilities. This legislation would

permit reorganization of cooperatives to allow for higher efficiency with less government control. Cooperatives that have been targeted for parceling into individual plots remain unattended by the agency, despite urgent need by the displaced and other marginalized populations.

Description No. 16

Project Title:	ARGOZ, S.A.
Type of Project:	Land Entitlement
Implementing Agency:	Private land developer
Participation Rate:	120,000 families in 382 communities since 1978
Population Served:	Any individual who is interested and can afford a down payment of ₱50.00 -₱100.00
Location:	Nationwide
Activities Supported:	Credit for land purchases; credit and donations for infrastructure development
Duration:	Indefinite
Cost:	No cost. The land sold covers ARGOZ' past and future purchases

Program Description

ARGOZ identifies large properties around the country that have become nonproductive to their owners, usually due to their location in conflictive areas. There are several options open to the owner once he decides to sell his land to ARGOZ. If the lands is mortgaged to the bank (as is generally the case), ARGOZ forms a partnership with the owner and assumes payments; once the mortgage is paid off, ARGOZ pays the owners in full and the partnership is nullified. If the owner has title to the land, then ARGOZ pays off the debt over a fixed period. Due to the undesirability of the land, prices and terms are usually very favorable to ARGOZ.

Once a partnership is defined, ARGOZ divides the land into plots and sells the land at a price that includes cost, inflation, profit, and some infrastructure development costs. Plots sell for less than ISTA prices, with lower monthly quotas and no interest over a ten year period. Once enough plots are sold in an hacienda, ARGOZ will invest some of the profit for roads, water and electricity, if public services are unavailable in the area and the community cannot afford them. If the community can pay, ARGOZ has made loans to

directivas for infrastructure development, at soft interest rates. ARGOZ insists that is private enterprise with a social conscience. It gives credit access to those who do not qualify for the Fondo Social de la Vivienda, and places no controls on the type of house they build. By building communities in the country, and supporting infrastructure development. ARGOZ argues it is stopping urban migration. It has contracted out extensive market surveys and analyses so as to start up local industries that respond to local need. It also plans to open a private bank, and has secured a five million dollar loan from a U.S. firm to do so. The purpose of this bank would be credit for the urban and rural poor who have no access to the formal banking system.

CHAPTER V: OPTIONS FOR REINTEGRATION

Incorporation of ex-combatants into civilian lifestyles should encourage their participation in mainstream socio-political and economic activities. Attracting and reinforcing participation should be the cornerstone of the proposed reintegration effort. Participation vis-a-vis a reintegration policy would depend on:

- short and long-term attractiveness of involvement,
- availability and ease of access of reintegration programs,
- beneficiary confidence in implementing agencies.

1. Constraints to implementation

Lack of information. There are a number of crucial unknowns which will constrain reintegration planning activities until a negotiated peace is reached. Although we have estimates, we do not know for certain the numbers of possible beneficiaries and the rate of reintegration; the education, age, gender percentages, skills levels of beneficiaries; their provenance and desired destination for reintegration; political acceptability by recipient organizations (military, FMLN and GOES) of options being considered; interests, needs, desires and concerns of beneficiaries.

Confidence in GOES. Constraints to successful GOES intervention include the lack of a unified front or consensus on reintegration process at all levels: policy, procedures, priorities, commitment to implementation.

Despite the success of programs such as MEA, on the whole GOES institutions are managerially weak in implementing policy and are considered inefficient and limited in their ability to deliver basic services to the rural poor and marginalized populations. The consequence of this record is general mistrust and lack of confidence by these populations toward the GOES.

Lack of progress. The concentration of power in the landed elite and limited access of the poor to social and economic opportunities and land were among the causes that propelled the country to war. As noted, the government has initiated important reforms to rectify social and economic ills. While economically at least, these reforms are beginning to show results and create a more positive environment for peace, ideological exploitation by the FMLN coupled with perceived insufficient attention to the needs of the poor by the government and effects of the war in rural areas distances the target population from the government and creates a potential barrier to successful reintegration.

Potential for resentment. The majority of ex-combatants will be returning to communities where resources are already stretched and economic opportunities limited. They will be competing with other community members for those scarce resources. Also, special benefits for ex-combatants may alienate them further from other members of their aggregate organization. There is a strong potential for resentment that can negatively impact on the success of a reintegration program.

Fear of repression. Possible military attacks on civilian populations raise fears about reintegration and the role of the military. Repatriate and isolated rural communities lack confidence in the GOES ability to curb these hostilities. A successful reintegration program will need to address directly the role of the military as well as the self-imposed isolation of FMLN-controlled communities instigated in great measure by their own fears and past experiences.

2. Possible solutions to constraints on implementation

Commission a survey on combatant skill and education levels, places of origin and desired relocation sites, special concerns toward reintegration and peace.

The team's experience with the combatant profile shows that the beneficiaries' population make-up is considered extremely sensitive and access to either side heavily protected. An initial recommendation would be to elicit assistance from international humanitarian organizations, such as the United Nations, Lutheran or Jesuit organizations, to perform a general skills and attitude survey of FMLN combatants and sympathetic communities.

Information probably exists on the ESAF members, but for purposes of planning, relevant data will probably not be forthcoming soon enough to have an impact.

Assign a GOES policy group or agency to coordinate all reintegration activities. It is highly recommended that an AID employee be identified and assigned to this coordination group. However, it is important that the implementing organizations have legitimacy and strong track records in development projects and delivery of basic social services to the rural and urban poor. Possible implementers might include PVOs, CONARA/MEA, and the Salesian fathers program.

Putting the decision-making process of development projects and their implementation at the grass-roots, municipal level with appropriate financial and administrative support ensures success and would also shore up confidence in the government. The attitudinal changes in Chalatenango and the eastern Region through the MEA program testify to this. Well-publicized information campaigns on the government's goals and objectives and progress reports on the meeting of these objectives would also help.

Build on the broad range of social benefits programs that USAID already supports to prevent potential resentment. Eligibility for those programs could be expanded to include ex-combatants. Capacity to expand these programs and necessary funding levels would have to be investigated. Once eligibility criteria is defined, USAID will have to determine which beneficiaries will qualify for their programs.

Publicize government goals and demobilization ceremonies. Experience in Nicaragua has shown that fear on the part of the demobilized toward the Sandinista army, while not completely overcome, was eased by presence of international observers (United Nations, the International Red Cross and Organization of American States/OAS). The desire to return home to live has also won out over fear, and the majority of ex-combatants have left the security zones.

3. Considerations for design and implementation of reintegration programs

Reintegration programs should support economic self-sufficiency and match beneficiary needs and desires with local needs. A successful program would:

- recognize that ex-combatant reintegration is only a portion of a larger reconciliation effort that includes all other sectors of the population,
- be designed according to economic and socio-political realities,
- be flexible, varied and responsive to the needs and desires of the beneficiaries (needs driven),
- attempt to incorporate the beneficiaries to the level of their fellow citizens,
- reduce social, political and economic barriers to mainstream activities,
- offer opportunities for participation and involvement of beneficiaries in decision making,
- reward participation in the reintegration policy.

The options reviewed in this section build on several economic intervention programs currently operating in El Salvador, the majority of which receive USAID funds. It is preferable to adopt existing programs because they have a track record, fit the context of El Salvador, and allow for a quick response. In addition, they place the program within USAID's strategy of development assistance.

Any one or more of these options can be implemented by USAID to support reintegration

efforts for ex-combatants. We suggest that the selected programs be,

- coordinated through a single counterpart agency and implemented through a variety of organizations,
- supervised by an USAID employee,
- incorporated as part of ongoing programs with eligibility expanded to ex-combatants,
- community-based and de-centralized,
- based on clear eligibility standards with appropriate documentation/identification provided to eligible participants,
- well publicized at community level and in ex-combatant processing centers with clear administrative guidelines for implementing agencies,
- coordinated at local level by community liaison officials who could be employees of coordinating agency or municipality,
- implemented with well organized information services and job/credit counseling for eligible ex-combatants.

4. Description of Options

The sixteen program options are described in terms of population served, objective, key components, rationale, approach, implementing agency and constraints. They are:

1. Jobs to support municipal public works
2. Jobs to support community development in displaced persons communities
3. Work study -- Combined public works and training program
4. On the job training/apprenticeship program
5. Training scholarships
6. Credit support to micro-entrepreneurs
7. Subsidy to support crop production
8. Land entitlement
9. Short-term trade and literacy skills training for members of ESAF
10. Emigration
11. Expanded training in Salesian schools
12. U.S.-sponsored scholarships
13. In-country university scholarship program
14. Municipal public safety force

15. Information services
16. Training in farming

Cost Considerations. Cost projections for implementing these suggested programs are risky without knowing the size of population to be served, what interventions will be implemented, beneficiary education, skill level, and destination sites. Therefore, we suggest that for the purpose of making estimates at this stage, USAID should decide on a per beneficiary amount it considers reasonable (i.e., \$5,000) and multiply it by the number of beneficiaries estimated to be eligible for reintegration program benefits.

The amount can be disbursed as training vouchers to eligible institutions, salaries for municipal public works, subsidies for first cycle crops, credit, or for whatever benefit USAID decides is reasonable under the terms of the program. An administrative budget should also be included to cover such costs as salary of USAID employee assigned to oversee program, information services, community liaison workers assigned to publicize program offerings, steering committee, and administrative costs of coordinating agency. Again, items included in budget would depend on actual activities USAID is committed to implementing.

No. 1	Title	Jobs to Support Municipal Public Works
Type of Project		Enhancement of employment opportunities at local level
Population Served		Ex-ESAF, Ex-FMLN
Objective		<p>To provide ex-combatants with job opportunities and income.</p> <p>To strengthen role of municipalities in managing needs of communities.</p> <p>To reinforce democratic decision-making process using CONARA's Municipalities in Action (MEA) model.</p> <p>To enhance potential for reintegration at local level.</p>
Key Components		<ol style="list-style-type: none"> 1. Democracy building: The municipalities will agree through a highly participative decision-making process on municipal projects that respond to community needs. Level of need will vary by municipality according to number of ex-combatants settling in community. Funding will be responsive to need. 2. Job-creation: Labor-intensive public works projects will generate employment and provide ex-combatant opportunities for economic participation. Two options for implementation might be considered: a set percentage of jobs be set-aside for ex-combatant, but with caution to avoid an exclusive focus on ex-combatants under the MEA project; and a fixed percentage of project budgets be dedicated to labor, such as 60% that was required under the FEDECCREDITO model. 3. Opportunities for training to enhance job skills given through stipends or vouchers at institution of ex-combatants' choice. This choice will be conditioned by ex-combatant' interest and evaluation of job opportunities in local market.

No. 1	Title	Jobs to Support Municipal Public Works	Page 2
Type of Project	Enhancement of employment opportunities at local level		
Rationale	<p>The MEA model used in the CONARA project establishes a precedent for democracy-building and decentralization at the municipal level. Municipalities will be the most affected by reintegration. Local resources will be strained the most and demand for services will be greatest at the local level.</p> <p>The MEA model allows municipalities to respond to needs and to control disbursement of resources. Ex-combatants are given the opportunity to participate in local decision-making process and to benefit economically through jobs.</p>		
Approach	Extension of CONARA project with funds earmarked for municipalities most affected by resettlement of ex-combatants. Additional funds provided for training scholarships/vouchers.		
Implementing Agency	CONARA, municipalities		
Constraints	Turn around time between assessed need and funding may be too long to provide immediate support/jobs, thus reduce impact. Special focus on ex-combatants might create resentment in communities. Efforts should be made to continue same level of funds and support to permanent community members and to not place their welfare at the expense of newly integrated members.		

No. 2	Title	Jobs to Support Community Development in Displaced Persons Communities
Type of Project		Enhancement of employment opportunities at community level
Population Served		Ex-FMLN integrated under displaced persons project
Objective		To provide Ex-FMLN with short-term job opportunities and income. To enhance potential for reintegration at local level.
Key Components		Community members receive a salary for infrastructure development efforts (e.g. housing construction, road building/maintenance, water systems) at below the minimum wage so as not to compete with local market wages.
Rationale		The Displaced Persons Project is a logical vehicle to support resettlement of ex-combatants into communities. The Displaced Persons project could operate in coordination with CONARA project, as is now the case, but with added attention to ex-combatants. Under previous FEDECCREDITO program for the displaced, payment was given to community members of below minimum wage (special permission granted by GOES) for work on project activities. This was done to provide an economic boost to residents during initial resettlement period. Payment for work provides immediate cash and provides a bridge to longer term solutions. Participants receive job experience that can be marketed later.
Approach		Funds would be added to existing project contracts to pay salaries of beneficiaries. Contracting mechanism exists for implementation. Contractors would be responsible for supervision and accountability.
Implementing Agencies		International Rescue Committee, Creative Associates International, host-country agency
Constraints		Eligibility for pay should not be limited to ex-combatants to avoid tension or resentment in community. Payment does not resolve long-term need for permanent job/employment secured in regular job market.

No. 3	Title	Work Study--Combined Public Works and Training Program												
Type of Project	Job creation with basic literacy and employability training													
Population Served	Ex-ESAF, Ex-FMLN													
Objective	<p>To create job opportunities for combatants returning to former home or new resettlement site.</p> <p>To provide literacy and trades training to enhance employability.</p>													
Key Components	<p>1. Public Works: Local public works projects started in communities most affected by resettlement of ex-combatants. Types of projects might include reforestation, conservation, construction/maintenance of access roads, public parks, recreation areas, and road repair. Municipality selects projects needed in local area. GOES provides technical assistance (i.e., project design) to municipality; GOES funds project, and municipality implements (e.g. manages funds, distributes materials).</p> <p>2. Training: Participants work part of the week and study the other part. A split could be four hours of work/four hours of study a day, or three days of work/three days of study a week.</p> <p>Training program would consist of basic literacy, where required, and trade skills training areas might include:</p> <table border="0" data-bbox="630 1299 1365 1452"> <tr> <td>Agri.Equip.Mech.</td> <td>Barbering</td> <td>Bread Making</td> </tr> <tr> <td>Carpentry</td> <td>Cooking</td> <td>Electricity</td> </tr> <tr> <td>Masonry</td> <td>Municipal</td> <td>Plumbing</td> </tr> <tr> <td>Police</td> <td>Shoe-Making</td> <td>Tailoring</td> </tr> </table>		Agri.Equip.Mech.	Barbering	Bread Making	Carpentry	Cooking	Electricity	Masonry	Municipal	Plumbing	Police	Shoe-Making	Tailoring
Agri.Equip.Mech.	Barbering	Bread Making												
Carpentry	Cooking	Electricity												
Masonry	Municipal	Plumbing												
Police	Shoe-Making	Tailoring												
Rationale	<p>Public works program would provide immediate financial support and participation in local government to ex-combatants. Communities would be enhanced through municipal involvement. Municipalities support reintegration process and benefit directly through project funds and public works improvement.</p> <p>Public works program could complement CONARA and Displaced Persons project, particularly in communities currently not part of either project.</p>													

No. 3	Title	Work Study--Combined Public Works and Training Program	Page 2
Type of Project:		Job creation with basic literacy and employability training	
Rationale (cont'd)		<p>Employment program carries participants through readjustment period and time needed for training. Participants choose training program based on interest and needs after counseling on training options. Local training institutions used or mobile units brought in for duration of training, depending on access. Training vouchers or stipends provided.</p>	
Approach		<p>ISDEM and CONADES may be most viable institutions to collaborate in design and implementation process. Once municipalities agree on project, municipality controls implementation through selection process, supervision, project management, and payment of participants.</p> <p>Where highly technical experts are needed but cannot be recruited locally, GOES provides staffing support, with GOES staff reporting directly to municipality. Local training institutions are pre-selected to provide training in certain trade areas and enhance skills for future employment.</p> <p>Participants are counseled in employment prospects after training and are encouraged to survey local market prior to committing to any training program. Literacy training is promoted as means to increase employability. During and after training, training institution provides job counseling, and supports job placement.</p>	
Implementing Agencies		GOES institution (e.g., CONADES), ISDEM, municipalities, training institutions, mobile units.	
Constraints		<p>Focus on ex-combatants may create tensions in local communities where unemployment levels are high. Creates special status for ex-combatants. CONADES capability to organize project needs to be evaluated as does municipalities' ability to manage and implement project. Not enough mobile units may be available to match number of communities lacking easy access to qualified training institutions. Jobs may not be available locally. Training may not be demand-driven by employment sector needs, but participants are at least provided with opportunity to expand skills and increase chances for employment if and when new jobs become available. Too much centralized control of project may limit municipalities' vested interest in successful outcomes. Early involvement of municipalities is critical.</p>	

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No. 4	Title	On the Job Training/Apprenticeship Program
Type of Project	Training	
Population Served	Ex-ESAF, Ex-FMLN	
Objective	To provide job-related training to individuals with employable skills and/or work experience as well as strong interest in a particular trade to enhance job placement.	
Key Components	<p>Participating business must agree to take on trainee; interview, pre-screen and select trainee; assign trainee to journeyman; and agree to visits of program supervisors.</p> <p>Incentives for businesses include: personnel eventually trained in specific needs of business; inexpensive labor during training period; stipend for journeymen assigned to trainee; potential for improved work technology in field through connection with training institution.</p> <p>Trainee receives temporary salary (scholarship) during training. Enterprise pays half the salary while on the job.</p> <p>Half time spent in classroom instruction, other half in enterprise-based setting.</p> <p>Career counseling provided to trainees.</p> <p>Journeymen/employees assigned to trainees receive stipend to encourage patience and perseverance.</p>	
Rationale	Training should be job-related and demand-driven by needs of employment sector. On-the-job training with promise of employment justifies training costs as well as increases training effectiveness and responsiveness to demand. Trainees more invested in training process and chances for employment enhanced.	
Implementing Agencies	Local training institutions with on-the-job training programs. Other training institutions interested (e.g. Don Bosco) in using model.	

No. 4	Title	On the Job Training/Apprenticeship Program	Page 2
Type of Project		Training	
Constraints		Apprenticeship programs are not currently operating at national level under sponsorship of national training institutions. They may be difficult to implement. However, on-the-job training models are currently being used by some training institutions. Support to training institutions interested in implementing model for ex-combatants needs to be evaluated. Financial assistance may be necessary to support cost of training stipends.	

No. 5	Title	Training Scholarships
Type of Project		Training and retraining at several technical levels
Population Served		Ex-FSAF, Ex-FMLN
Objective		<p>To support training costs (tuition and maintenance) through scholarships in trade areas and at professional level.</p> <p>To enhance employability through skills training.</p> <p>To allow trainees to choose training programs after career counseling and job market analysis.</p>
Key Components		<p>Training institutions capable of delivering training in areas ranging from trade entry-level to professional entry-level are identified. Ex-combatants are informed of scholarships at recognized training institutions. Those interested in training apply to training institution after counseling in areas most relevant to interests and employment opportunities. Training institutions agree to assist in job placement after training.</p> <p>Training voucher systems where vouchers are given to ex-combatants may be considered as an alternative to scholarships. Scholarships would be managed by each individual institution under recognized program with GOES.</p>
Rationale		<p>Efforts should be made to tie training to employment.</p> <p>Career counseling and job placement programs should enhance relevance of training and chances for employment. Under present conditions of demobilization, training might be considered more of a compensation package aimed to provide ex-combatants with new opportunities for employment rather than training for a specific job in the market place. If viewed primarily as a compensation, then the effectiveness of program should not be judged solely by the number of trained individuals able to enter job market unless a special effort is made to connect training to the job market. With high underemployment rates, it is difficult to predict number of individuals who could realistically find jobs in areas of training.</p> <p>Ex-combatants are given the chance to choose areas of training and institutions, thereby increasing their involvement in training. Also, training needs and interests are not known at present or are areas of settlement.</p>

No. 5	Title	Training Scholarships	Page 2
Type of Project		Training and retraining at several technical levels	
Rationale (cont'd)		Need to maintain flexibility to ensure responsiveness. Many trainees will likely assess the job market on their own prior to selection, also enhancing sense of control.	
Approach		GOES institution administers scholarship program and pays participant through support grants administered by training institution. Vouchers would add flexibility to training program. Vouchers would be given to ex-combatants after career counseling, redeemable for any training opportunity in the future.	
Implementing Agencies		GOES institutions, such as vocational schools at the secondary education level technical institutes at the higher education level; training facilities of the Ministry of Labor; private sector vocational/technical schools, such as religious orders and groups operating in different parts of the country; and Fundacion Empresarial para el Desarrollo Educativo (FEPADE).	
Constraints		<p>Effort must be made to inform ex-combatants of training opportunities and to involve training institutions in program. Simple procedures should be established to ease administration costs and to speed turn-around scholarships.</p> <p>Delays would postpone interest in the program and devalue training as part of compensation program.</p> <p>Training vouchers might be traded, abused and/or lost. Administration necessary to verify vouchers when presented to avoid duplication might be cumbersome.</p> <p>Success of program depends on quality of career counseling and job placement efforts. If inadequate, trainees will enroll in programs unsuitable for employment or irrelevant to interests/needs.</p>	

No. 6	Title	Credit Support to Micro-Entrepreneurs
Type of Project		Credit
Population Served		Ex-ESAF, Ex-FMLN
Objective		To provide credit assistance to ex-combatants interested in starting micro-enterprises. To supplement credit with training in small business administration and follow-up supervision.
Key Components		Ex-combatants with entrepreneurial interest or prior experience would be eligible for credit assistance through on-going programs. Current market credit rates would apply. Recipients would be supported with training program in business management as well as on-site supervision and technical assistance.
Rationale		Micro-enterprise ownership would provide an alternative to employment in existing enterprises.
Approach		Interested individuals would be counseled to apply to existing credit programs.
Implementing Agency		FEDECCREDITO, FINCA.
Constraints		Availability of credit through existing credit institutions. Risk of failure may be high if recipient has not had prior experience in operating a business. Program could be supplemented with training to ensure greater chance of success.

No. 7	Title	Subsidy to Support Crop Production
Type of Project		Credit
Population Served		Ex-ESAF, Ex-FMLN involved in agriculture
Objective		To provide financial support and training skills to newly started farmers. To facilitate credit access. To reduce financial risk for debtors. To encourage nontraditional crop production.
Key Components		Participants would be sold cash crop packages on credit. These crops would have a guaranteed market for a minimum price; this price would be regulated/subsidized to cover the loan.
Rationale		By reducing start-up risks through guaranteeing a market and a minimum price, the formal credit system is accessed and the recipient learns the rights and responsibilities of a debtor. Nontraditional agricultural products would be encouraged; enhancing individual incomes and increase the agriculture sector's foreign exchange contribution to the economy.
Approach		By guaranteeing a market with a minimum price, the project would involve farmers in the credit system while providing a financial safety net for the first three cycles.
Implementing Agencies		MAG, FEDECCREDITO
Constraints		Conferral of special benefits or status might exacerbate tensions arising from competition between ex-combatants and other marginalized segments of the population.

No. 8	Title	Land Entitlement
Type of Project		Land
Population Served		Ex-ESAF, Ex-FMLN
Objective		To provide ex-combatants with land.
Key Components		Individual plot purchase credit with low interest rates. Three year grace period necessary.
Rationale		Land tenure is critical to reintegration and confidence in GOES. Many reintegrating ex-combatants no longer hold title to land. Without land, opportunity for economic participation is greatly reduced particularly for the anticipated large majority of returnees who historically have strong ties to agriculture.
Approach		Options for available land need to be examined and used under this program. In addition to ISTA, options with municipal and private lands should be explored.
Implementing Agencies		ISTA, FINATA, municipalities, private land holders.
Constraints		ISTA given past experience, responds slowly to demands for land. Pending legislation and land re-negotiation complications with cooperatives reduces quick availability of land. However, ISTA has expressed interest in providing land to ex-combatants. Risk may be that ex-combatants may not want to settle on assigned lands instead returning to original places of settlement or areas considered more friendly to returnees.

No. 9	Title	Short-Term Trade and Literacy Skills Training for Members of ESAF
Type of Project		Education and Training
Population Served		ESAF Members
Objective		To provide soldiers with basic trade and literacy skills prior to leaving the service.
Key Components		<ol style="list-style-type: none"> 1. Career counseling should be given prior to the last quarter of the soldiers' obligatory period of services. 2. Literacy training could be provided during the soldier's entire period of service or in an intensive program during the last three months of obligatory service. 3. Short-term basic trade skills training could be provided during the last three months of obligatory service.
Rationale		<p>Estimates are that over 75% of the ESAF soldiers are from rural areas, illiterate, and with little or no basic skills. Most have had some experience in agriculture and those from the urban areas in menial jobs.</p> <p>An opportune time to provide literacy skills is during the soldiers' obligatory period of service, on off-duty hours. However, if conditions do not permit this then literacy skills could be taught in an intensive period during the last three months of service.</p> <p>Many trade skills are required in communities soldiers will be returning to or starting. Soldiers could receive basic skills training during their last three months of training in various trades and agriculture to equip them with new or improved skills.</p> <p>Career counseling would help guide the soldiers to choose the trade training they feel is most needed to better their life and that of their families.</p>
Approach		Assist the Ministry of Defense in designing a plan to rotate the soldiers through a training program prior to return to civilian status thus enabling them to take an active role in the socio-economic development of El Slavador through democratic processes. Assistance would also be given to designing the various training program options (i.e., literacy, agriculture, and trades) and the career counseling program.

No. 9	Title	Short-Term Trade and Literacy Skills Training for Members of ESAF	Page 2
Type of Project		Education and Training	
Implementing Agency		Ministry of Defense at the various military bases located throughout the country.	
Constraints		Lack of on-site training facilities and programs for large-scale training programs; human resources to teach literacy, agriculture, and basic trade skills; tools, equipment and materials; and financial resources required to carry out a program for the preparation of soldiers soon reintegrating into civilian life. A policy decision would be required from the Minister of Defense to provide this type of training prior to a soldiers separation from the service, since some high-level officers in ESAF believe re-entry training is unnecessary once a soldier completes military service.	

No. 10	Title	Emmigration
Type of Project		Emmigration
Population Served		Ex-ESAF, Ex-FMLN
Objective		To provide the ex-combatant the opportunity to migrate to a country of his/her choice.
Key Components		<ol style="list-style-type: none"> 1. International Agency(ies) involved with Migration: The only international agency dealing with migration is the Intergovernmental Committee for Migration (ICM) which has an office in El Salvador. 2. Countries accepting immigrants through ICM: Canada, Australia, and Sweden. 3. Procedures for emmigration: Applicants make their request to emmigrate through ICM. Applications and a letter are placed in a sealed envelope addressed to the representative of the country where the applicant desires to emmigrate. The sealed envelope is received by ICM then sent, unopened, to the appropriate country representative for processing. 4. Location of representatives: Canada, San Salvador, Sweden, Guatemala City, Australia, and Mexico City. 5. Length of processing time: From the first visit to ICM to notification of acceptance or rejection is approximately two months; from acceptance to departure from El Salvador, approximately six months for a total processing time of approximately eight months. 6. Assistance with approved applications: ICM controls all immigration procedures for the countries they represent; processes work permits; assists persons upon arrival in country until they are settled; and makes all travel arrangements including purchase of airline tickets, meeting at stop-overs for connecting flights, and assistance upon arrival in country.
Rationale		The conflict in El Salvador has been long and hard, giving reason for combatants on either side to seek a new place where they can live in peace and without the stigma that may be associated with ex-combatants.

No. 10	Title	Emmigration	Page 2
Type of Project	Emmigration		
Approach	The Ministry of Foreign Affairs of El Salvador can be asked to involve more countries in the emmigration program for ex-combatants and their families as well as increased participation of the countries already within their program.		
Implementing Agency	The Intergovernmental Committee for Migration (ICM) and/or other countries which may become involved in the emmigration program.		
Constraints	<p>Only 3 countries are presently involved in the program.</p> <p>Canada is the only country with a representative in San Salvador.</p> <p>The U.S. is not a viable alternative since present legislation does not allow ex-FMLN members to migrate to the U.S. New legislation would be time-consuming and possibly not obtained.</p>		

No. 11	Title	Expanded Training in Salesian Schools
Type of Project		Education and Training
Population Served		Ex-ESAF, and possibly Ex-FMLN
Objective		To provide basic skills training to ex-combatants in the trade of their choice in or near their communities. Include orientation on starting a small business in their trade area, access to credit, and follow-up assistance.
Key Components		<ol style="list-style-type: none"> 1. Basic skills training in a trade of the ex-combatants interest. 2. Deliver training in or near trainees' communities, using mobile training units. 3. Orientation of trainees on how to start a small business selling the services or products the trainees have to offer as a result of the training program. 4. Assist in obtaining credit to establish a small business. 5. Provide follow-up advisory services.
Rationale		<p>Opinions indicate that the majority of the ex-combatants of the lower ranks are from rural areas, that they have little or no skills and that their work experience has been principally in menial agricultural jobs. Training in agriculture or in a trade would enhance their opportunities for a better living.</p> <p>The major source of training opportunities are in San Salvador and therefore, if the majority of ex-combatants opt for trade training, they would most likely have to obtain it in San Salvador. This could become a social problem as many may desire to stay in San Salvador to seek employment.</p> <p>Possible unemployment could force them to drift to the already crowded marginal areas of the city. A feasible solution to the ex-combatants in or near their homes. This could be best achieved through the use of mobile training units.</p> <p>Also, by providing training in a number of different trades including agriculture, the ex-combatant would have a choice and be more receptive to the training offered, especially if the training included financial assistance to start a small business.</p>

No. 11	Title	Expanded Training in Salesian Schools	Page 2
Type of Project	Education and Training		
Approach	<p>The Salesian Schools with their formal education programs form pre-school level to the University, have been considering the development of mobile units. They have extensive experience in non-formal education programs in five of their eight established schools as well as in small business development. They also have the capability to train instructors for the mobile units, using graduates of their schools and/or tradesmen from the areas where the mobile units would operate.</p> <p>Don Bosco University could train instructors. Presently, they do not have any mobile units operating and, if there were a need for the development of mobile units, they would welcome the opportunity.</p>		
Implementing Agency	The Salesian School system, which includes Don Bosco University.		
Constraints	<p>Since this would be a new program for the Salesian School system, it would be necessary to adapt training programs that are now being offered at their schools to best accommodate the specific needs of a mobile program.</p> <p>Instructors would have to be trained; tools, equipment and materials would have to be purchased; and the system would have to be perfected. Time would be the greatest constraint for this program. However, the Salesian School system clearly sees the need of such a program not only for the ex-combatants, but also those who have had little access to agriculture and trade skills training.</p> <p>Funding for this type of project might also be a constraint. Estimated costs can be obtained from the INSAFORP program for mobile units. Much can also be learned from INSAFORP's experience.</p>		

No. 12	Title	United States Sponsored Scholarships
Type of Project	Education	
Population Served	Ex-ESAF and possible Ex-FMLN	
Objective	To provide ex-combatants the opportunity to study in the United States under one of the scholarship programs sponsored by the Government of the United States.	
Key Components	The United States Government offers scholarships through the U.S. Agency for International Development (USAID) and the United States Information and Cultural Services (USIS) to Salvadorans to contribute to the social and economic development of El Salvador.	
Rationale	<p>The United States Government offers scholarships through the Agency for International Development (USAID) and the United States Information and Cultural Service (USIS) to Salvadorans to contribute to the social and economic development of El Salvador.</p> <p>USAID Programs</p> <ol style="list-style-type: none"> 1. Program related to bi-lateral agreements. This program provides scholarships to persons who are working in bi-lateral projects. The objective is to improve the technical capacity and knowledge of the individuals in these projects, and to contribute to the development of the country. These scholarships have been a major part of the USAID program for institutional development and have been recognized as an excellent method to train and educate key government and private sector leaders. 2. Central American Peace Scholarships (CAPS). The objective of the CAPS program is to promote a pluralistic democratic development in Central America. This program was designed as a response to recommendations of the Kissinger Commission on Central America of 1984. <p>The program for 1991-1992 follows:</p> <p>Long-term one-year certificate program (conducted in English):</p> <ul style="list-style-type: none"> 20 Boy Scout and Girls Scout leaders; 25 possibly in the radio communications field; and 25 possibly in the cultural and mass communications field. <p style="text-align: right;">Total 65 persons</p>	

No. 12	Title	United States Sponsored Scholarships	Page 2
Type of Project		Education	
Key Components (cont'd)		<p data-bbox="574 410 1310 449">Short-Term Program, 12 weeks (conducted in Spanish):</p> <ul style="list-style-type: none"> <li data-bbox="634 489 1314 559">50 Red cross members, Youth Rotarians and other service clubs; <li data-bbox="634 563 1191 602">25 Environmental promoters and leaders; <li data-bbox="634 607 1273 646">25 Representatives of professional associations; <li data-bbox="634 650 1323 690">50 Municipal and community development leaders; <li data-bbox="634 694 1367 755">50 Representatives of employee associations and labor unions; and <li data-bbox="634 760 905 799">20 To be identified. <p data-bbox="935 794 1174 834" style="text-align: center;">Total 245 persons</p> <p data-bbox="574 869 1372 974">3. Central American Scholarship Program and of the scholarship program of the Association of Cooperatives of the United States.</p> <p data-bbox="629 1022 1392 1367">These scholarships are financed by USAID and are administered by Georgetown University. They are offered to young Central Americans to study for 24 months in community colleges for training and education in various fields, such as marketing, food processing, hotel and restaurant management, quality control, and small business administration. The scholarship also includes English language instruction. Approximately 50 scholarships a year are awarded to young Salvadorans.</p> <p data-bbox="563 1406 1245 1476">4. Central American Program of Scholarships for Journalism.</p> <p data-bbox="624 1524 1384 1830">This program is designed for professional journalists and professors of journalism who desire to upgrade and expand their knowledge in this field. The program is managed by Florida International University in coordination with USAID. Candidates must be working in the field of journalism to be eligible. Every six months, Florida International University announces the scholarships and the pre-requisites for acceptance.</p>	

No. 12	Title	United States Sponsored Scholarships	Page 3
Type of Project		Education	
Key Components (cont'd)	<p data-bbox="574 323 1023 362">5. Scholarships in El Salvador.</p> <p data-bbox="636 401 1399 628">USAID/El Salvador through the Fundacion Empresarial para el Desarrollo Educativo (FEPADE), provides partial or full scholarships for studies in El Salvador. These programs are designed to improve the capacity of employees and administrators in the private sector to carry, focusing on free enterprise principles.</p> <p data-bbox="636 668 1347 816">FEPADE offers short-term training, seminars and other methods of training, both at their own facilities and in other contracted institutions. Training is also offered in the technical/vocational fields.</p> <p data-bbox="574 856 792 895">USIS Programs</p> <p data-bbox="574 934 1351 974">USIS offers several scholarship programs for Salvadorans:</p> <ol data-bbox="574 1013 1399 1926" style="list-style-type: none"> <li data-bbox="574 1013 1399 1087">1. Fulbright Graduate, a post-graduate program in the fields of social science, humanities, and the arts. <li data-bbox="574 1126 1399 1240">2. Fulbright LASPAU, exclusively for university professors to obtain a Masters degree in the U.S. in the field of social science or humanities. <li data-bbox="574 1279 1399 1472">3. Fulbright Research, a program for research directed at professionals who have a Masters or Doctorate degree and who desire to conduct advanced research in a university in the U.S. Priority is given to research in the social sciences, humanities or the arts. <li data-bbox="574 1511 1399 1624">4. Fulbright Scholar in Residence, invites Salvadoran University Professors to teach in a U.S. University as visiting professors. <li data-bbox="574 1664 1399 1926">5. Hubert H. Humphrey program for professional leaders from developing countries who are employed in the public or private sectors to further develop their leadership capacity. Fields of study include agriculture, health and nutrition, planning, managerial resources and public administration. Length of study is approximately one year. 		

No. 12	Title	United States Sponsored Scholarships	Page 4
Type of Project	Education		
Key Components (cont'd)	<p>6. Campus offers young exceptionally high academic achievers from low-income families an opportunity to study up to 30 months in the U.S. The fields of study are generally humanities or social science.</p> <p>All program of the USIS require the participant to be a citizen of the country where the application is processed; have an outstanding academic record; have a personal interview; and promise to return to El Salvador.</p>		
Rationale	<p>Providing scholarships to those qualified is an excellent vehicle for improving the educational level and capabilities of Salvadorans for the continued democratic and socio-economic development of El Salvador. It also would serve as a transition from a combatant life to civilian life.</p>		
Approach	<p>Additional funding would be required to increase the amount of participants in the scholarship programs, especially for those being managed by FEPADE at the local level.</p>		
Implementing Agency	<p>Additional funding would be required to increase the amount of participants in the scholarship programs, especially for those being managed by FEPADE at the local level.</p>		
Constraints	<p>The programs for 1991 are already planned, future participants are being identified, and in some cases, have been selected. Additional funding would be required to include ex-combatants.</p> <p>According to the U.S. Counsel in El Salvador, present U.S. legislation does not authorize visas to be given to present or past members of an organization which is or has been attempting to overthrow a duly-elected government. Therefore, unless a waiver were granted, members of the insurgent organizations would not be eligible for a scholarship to study in the United States.</p> <p>Because of the educational requirements for the one-year USAID scholarship, there would be a limited amount of ex-combatants who qualify for a scholarship. However, there would be some who could qualify for the 12 week programs.</p> <p>Few ex-combatants would be eligible for the USIS scholarships because of the educational and/or professional requirements.</p>		

No. 13	Title	In-country University Scholarship Program
Type of Project	University Education	
Population Served	Ex-ESAF and Ex-FLMN	
Objective	To provide qualified and interested ex-combatants an opportunity to study at the University level through grants to cover cost of studies and living expenses.	
Key Components	Financial support for books, fees, tuition and living allowances while studying for a professional degree at one of the universities in El Salvador.	
Rationale	There is a small percentage of ex-combatants on both sides who have the necessary educational requirements to enter a University in El Salvador. An opportunity should be given to these ex-combatants to study for a professional degree which will equip them to better serve the social and economic development of their country. One preventative factor in entering the University is the cost of studies and maintenance of the ex-combatant and his/her family. Financial assistance would remedy their problem.	
Approach	Funds would be provided to ex-combatants who are enrolled on a full-time basis at one of the Universities in El Salvador. Payments would be made directly to the university, based on signed documents from the student and the university verifying that the student is a full-time student. Living allowances would be paid directly to the student. Instead of creating a new institution to administer the program, it may be possible to use an existing Salvadoran institution, such as Social Security.	
Implementing Agencies	Universities in El Salvador	
Constraints	Acceptance of using an existing institution like Social Security instead of creating a new institution to administer the program.	

No. 14	Title	Municipal Public Safety Force
Type of Project		Public Safety
Population Served		Ex-ESAF and Ex-FMLN Combatants
Objective		To create jobs for ex-combatants returning to their homes.
Key Components		<p>Conditional employment as a public safety officer, until the ex-combatant successfully completes the minimum of a one-month training program in a departmental or regional public safety academy.</p> <p>Training and orientation in public safety at the municipal level to include, among other subjects concept, role, operation, use of small arms, responsibilities of a peace officer, and conduct and ethics of a peace officer.</p> <p>Organization of a public safety office at the municipal level.</p>
Rationale		<p>Municipalities are authorized under Decreto No. 274 of the Legislative Assembly of El Salvador Municipal Code, the following functions relative to municipal police: Tide III, Article 48.8 to organize and direct the municipal police.</p> <p>The municipalities have authority to work with other municipalities on a common problem to organize and contract services. (Article. 30. 11, 70, 89, 207 of Decreto No. 274).</p> <p>In many parts of the world, former military personnel are sought to fill the ranks of public safety forces. Former military personnel have knowledge in the use of arms, discipline, physical training and other skills that are useful to public safety departments.</p> <p>Utilizing these skills for peace would build on many useful skills which, with a minimum of pre-service training, would enable the ex-combatant to serve a very useful role in a municipal public safety department.</p> <p>The municipality of San Salvador has started a municipal public safety department which could serve as a model in the municipalities outside of San Salvador. The mayor of San Salvador could be a key resource in promoting the development of municipal public safety departments.</p>
Implementing Agencies		Municipalities, CONARA through the MEA program

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No. 14	Title	Municipal Public Safety Force	Page 2
Type of Project		Public Safety	
Constraints		Municipalities may not have the financial reserves to start a new public safety program. The development of a departmental or regional public safety academy would require some financial support that would have to be raised from the participating municipalities.	

No. 15	Title	Information Services and Job Counseling
Type of Project		Job placement/counseling
Population Served		Ex-ESAF, Ex-FMLN
Objective		To provide ex-combatants with information concerning training, education, and employment opportunities. To enhance economic and social integration of ex-combatants.
Key Components		Information offices at the municipal level and other implementing agencies would be staffed with job counselors who have knowledge of community projects, training programs, social services, and job markets that might benefit the ex-combatant. An information service that would include names and skills of beneficiaries, upcoming programs and possible future jobs.
Rationale		To integrate services in existing programs to the fullest extent possible, the need for "entry" points into the civilian mainstream are needed. Counseling and job placement at the local level would facilitate training, skills and job opportunity match-ups. The liaison between job creation programs and beneficiaries would strengthen GOES credibility and encourage interaction with municipal governments and implementing agencies.
Approach		Information packages, seminars, and skills needs assessments would be prepared and delivered to individuals and groups. Beneficiary rights, responsibilities and possible self-help activities would be emphasized. Radio and television announcements might also assist in information dissemination.
Implementing Agency		To be determined.
Constraints		By opening offices or offering special benefits, tensions arising from competition between ex-ESAF, ex-FMLN, displaced persons and repatriates might be exacerbated.

No. 16	Title	Training in Hydroponic Farming
Type of Project	Training	
Population Served	Ex-ESAF and Ex-FMLN	
Objective	To provide training in an alternative low-expense/high production farming method and to assist in developing small business.	
Key Components	<p>Training in hydroponic farming.</p> <p>Assistance in development of small business selling products grown using hydroponic farming methods.</p> <p>Access to low cost credit.</p>	
Rationale	<p>One of the options that the GOES is offering to FMLN members through the ISTA program is land in exchange for arms. There are serious doubts that sufficient land will be available to satisfy the number of ex-combatants wanting to participate in this program. Therefore, hydroponic farming must be promoted in order to meet the demands of the agriculture-oriented combatants.</p> <p>Training for this type of farming is minimal. Materials, equipment, and supplies are inexpensive. The resulting gain is relatively high. For example, it is reported that in a space of 100 square meters a hydroponic farmer can raise sufficient product to earn a monthly profit of from 2,000 cents to 2,300 cents. This is higher than the average monthly wage of most mid-management professionals.</p>	
Approach	<p>CONARA basing this on a successful pilot project carried out in Columbia. CONARA has the technical knowledge, means for training, and credit through their programs such as FEDECCREDITO and the Communal Banks. Training for this type of program would be efficiently accomplished through a mobile training unit.</p> <p>The individual costs for the program including the supplies, materials, and equipment for working a 10 square meter hydroponic garden would be approximately \$500. The major cost would be a subsistence allowance for the ex-combatant and his family and for the rental of space for his hydroponic garden. The fastest growing product is radishes--approximately 40 days and the longest growing products are tomatoes (approximately 190 days). A subsistence allowance would therefore be required for four to seven months.</p>	

No. 16	Title	Training in Hydroponic Farming	Page 2
Type of Project		Training	
Implementing Agencies		CONARA and credit agencies of CONARA	
Constraints		Some of those interested in hydroponic farming might not live within CONARA's zone of action. If this is so, they could be trained by CONARA and obtain credit through another program where they live.	

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CHAPTER VI: CONCLUSIONS AND RECOMMENDATIONS

I. Conclusions

Chapter 1: Social, economic and political conditions. While USAID assistance has been essential in the socio-economic stabilization of El Salvador, prospects for the marginalized sector, despite encouraging macroeconomic and health indicators, do not appear favorable in the short term. It is difficult to project when any trickledown benefits from the turnaround in the economy will impact on the urban and rural poor.

The majority of ex-combatants will be returning to rural communities. While the agricultural sector's revitalization is having positive and productive results, faith in the centralized government's ability to improve living conditions of the poor needs to be strengthened. Mistrust of government and fear of repression exist in the studied repatriate communities. Underemployment rates are high, jobs scarce, access to land, education and health services unreliable, thus offering few prospects for social and economic security for returning ex-combatants.

In the context of limited economic opportunities in the short term, USAID will need to implement a program which provides some initial support while ex-combatants return to civilian life and attempt to reach self-sufficiency. Most ex-combatants will be entering the marginalized sector of the population and face similar problems of social/economic access and equity. As returning members of this sector, they will be competing with others for the same scarce resources, potentially creating resentment within their own communities if special status or privileges are afforded to them.

USAID's reintegration plan for ex-combatants should be seen as a part of its general plan of support to GOES to address the social and economic conditions of the marginalized sector. However, in view of the present economic conditions, special interventions such as job creation programs may need to be adopted to compensate for lack of jobs for returning ex-combatants. The cornerstone of USAID's strategy should be economic self-sufficiency and support for productivity. Economic security enhances prospects for achieving eventual social and political stability.

Chapter 2: Profile of ex-combatants. The informal survey on the combatant profile indicates that they are mostly male, under the age of twenty, poorly educated, with few industrial or trade skills. Even though the combatants have strong ties to their family and community, they will need assistance in reintegration. The major difference, however, between the officers and leaders of both sides and the troops is that the former are older, better educated, trained, come from urban areas, and are considered self-integrating. Therefore USAID should consider different program responses for the different ranks. For example, scholarships for training programs in the US or third-countries might be reserved

for officers with higher levels of education.

USAID needs to define eligibility criteria for reintegration programs with a clear understanding of the issues surrounding the aggregate membership of the different groups. Eligibility and/or special status for only ex-combatants might create and prolong tensions arising from the exclusion of other populations in need (i.e., repatriates, displaced persons). Special segments of related populations (families, orphans, widows, the handicapped) might also be eligible for benefits. A policy consistent for both sides is essential for stability. It will be driven largely by the terms of the negotiated peace agreement in cooperation with GOES officials.

The repatriation communities can be seen as indicators of what the GOES might expect were peace to be reached soon. Fear of repression, self-isolation, distrust and lack of confidence in government offices characterize the attitudes amongst these people. This in spite of the fact that the disparate repatriation communities vary widely in organization, infrastructure, resources and morale. These attitudes constitute a major barrier and perhaps the greatest challenge to a successful reintegration effort. USAID may find that the best approach to overcoming these barriers is through economic interventions that enhance the individual's capacity to achieve self-sufficiency through jobs, training, credit or land.

Chapter 3: Other country experiences. Although unclassified literature on other countries' experiences reintegrating demobilized troops is sparse, there are lessons to be learned from the available information. Both the Nicaraguan and Colombian experiences illustrate the need for a sincere commitment to the negotiation and demobilization process that the government and ex-combatants must have in order to complete the process successfully. This might involve the collaboration or dependence on the insurgent command structure to support the effort, as in the case of Nicaragua. The prospects for this appear to be much less promising in El Salvador than in Nicaragua, where the insurgents felt they were major contributors to the government's assumption of power. Furthermore, the presence of an independent international organization, such as the OAS, with a reputation for neutrality for initial implementation of demobilization and reintegration policies (transportation, identification, documentation, delivering food and logistical support) is invaluable.

The success of these reintegration programs also depends on the ability of the government to deliver the promises and agreements negotiated at the time of settlement. Examining the experiences of the U.S. reveals a vast benefits system that may be too expensive to apply to the case of El Salvador. Yet discussions with VA administrators did reveal that any successful reintegration program needs to develop clearly defined policies that are implemented through a clear organizational structure and are developed by a diverse team of experts who can address the varied needs of ex-combatants. A well-planned reintegration effort that includes training and other reentry support to civilian life is also key, as Zimbabwe's experience shows.

Chapter 4: Relevant programs in El Salvador. USAID and other donor-supported programs that enhance economic integration and productive growth already exist in El Salvador. The most successful of these programs combine classroom and on-the-job training, generate employment in the context of community needs with a participatory, decision-making platform, and support credit to microentrepreneurs with technical assistance and training. Examples of such programs are reviewed with CONARA/MEA, FINCA, and the Salesian Mission Poligono Industrial Don Bosco standing out as models of programs that work. In all, fifteen programs are reviewed and incorporated into options for reintegration presented in Chapter 5.

Job creation programs are suggested to compensate for lack of jobs in local economies. They are usually preferable to grants to ex-combatants because the individual is engaged in productive activity, learns work responsibility and gains skills. Communities benefit because programs stimulate the local economy. The CONARA/MEA program and Displaced Family Project can be expanded easily to include ex-combatants while maintaining existing program eligibility for other community members. A certain percentage of jobs might be reserved for ex-combatants to qualify under the program and requirements made for labor-intensive project expenditures.

The majority of vocational and technical skills training takes place during employment rather than prior to employment. Therefore, the provision of occupation-specific skills to unemployed individuals will not provide them with employment if there are no jobs available. This is why programs that stimulate employment in combination with job-related training are necessary in economically depressed areas. Training programs that combine classroom training with on-the-job training and guarantee employment after training tend to be most successful. The Don Bosco school and AIFLD's apprenticeship program are the best example of successful training of this type and might be replicated in training programs designed for ex-combatants. The Ministry of Labor's vocational training programs offer a complete array of entry level courses and can be strengthened by adding an on-the-job component. The mobile training units offer an ideal alternative to fixed-site training centers for individuals living in hard-to-reach marginalized areas with serious transportation difficulties.

Successful micro-entrepreneurial programs combine credit access with training and on-site technical assistance in business start up, financial management, business plan development, organizational management and marketing. Since many ex-combatants might chose to start their own businesses, linking them with programs that offer credit and training is important. A number of credit programs for small enterprises are available in El Salvador. FINCA is one example of a program that provides loans, training and technical assistance.

Limited access to land was a primary factor in the civilian conflict, and the profile shows the overall majority of the combatants to be of rural origin. Redressing the land tenancy

issue, if successful, would strengthen GOES' credibility while easing a fundamental condition that fostered the insurgency. Although land provision might be the most attractive initial solution to socio-economic reintegration, given the highly political nature and history behind distribution this option seems unrealistic at this time, particularly through ISTA.

There are some possibilities in distribution of municipal and private lands, but funding mechanisms are uncertain and would need to be explored further. Although they offer some alternatives, the majority of productive land is in the hands of ISTA which to date has proven to be highly political, inefficient and incapable of quick response.

Chapter 5: Options for reintegration. Sixteen options are presented that build on programs reviewed in chapter 4. These programs are easily adaptable for ex-combatant inclusion and can be expanded to broaden existing services. Options suggest program alternatives in areas of job creation, training, credit and land. Since all of these programs fit within USAID's general strategy of development assistance and are based on current projects, USAID can implement one or more to support reintegration efforts of the GOES within a short period of time. New programs such as information services and job counseling are proposed and will require designing and new funding.

These programs, however, need to be considered in relation to some general constraints on implementation which presents the real challenge in managing a reintegration program. These constraints are: lack of information, confidence in GOES, lack of progress in social advancement, potential for rivalry and resentment among the populations, and fear of repression. Suggested solutions are reviewed under Recommended Strategies for USAID.

2. Recommended Strategies for USAID

- a) As a first step, USAID should clearly define what role it is to play in the reintegration effort, from policy to implementation. Once this is defined, the nature of its program support should be articulated and communicated clearly to agency programming staff, GOES and other donors.
- b) USAID should focus its strategy on interventions that increase opportunities for self-sufficiency and productivity.
- c) USAID should support programs already in its portfolio that enhance productivity through job-creation, education/training and credit by expanding eligibility to ex-combatants. Existing programs can be accessed more quickly to meet immediate, short-term needs of ex-combatants.
- d) Reintegration programs should have a strong participation component at the community level to allow for local control. Municipalities will be most affected by

returning ex-combatants and should have the flexibility and authority to respond to most critically felt needs.

- e) USAID should utilize many implementing organizations to avoid bureaucratic build-up within a single centralized government agency. Implementers with solid, on-going programs that are successful and have the capacity to expand services should be supported.
- f) USAID should identify a single administrative agency within GOES that will coordinate efforts of implementing organizations and serve as the counterpart agency.
- g) USAID should encourage the formation of a broad-based, politically diverse steering committee or policy group that will advise the counterpart agency on reintegration issues. While this may not be a politically attractive alternative to GOES, all concerned political groups need to be represented at some level for true reconciliation to occur, as the experiences of Nicaragua and Colombia illustrate so well.
 - A first task of this policy group might be to undertake an information survey on ex-combatants to determine size of group, needs, desired destination, age, education and skill levels. This information would be critical for planning programs.
- h) USAID should encourage participation of a neutral, international organization such as the Organization of American States, the United Nations, or the International Red Cross, in the initial phase of reintegration. A possible role for this organization might include initial documentation, demobilization, assignment to relocation sites, housing and feeding of ex-combatants.
- i) USAID should assign an individual to coordinate program implementation and communicate with the corresponding GOES agency and implementing organization. Potential for failure due to lack of coordination of effort was evident in Nicaragua, particularly during the initial reintegration process.
- j) USAID should design and fund an information and job counseling service that would serve communication channels at the implementing agencies level, at the policy level, and in the communities where ex-combatants are located.

APPENDICES

Veterans Benefits Timetable

Timetable

Benefits

10 years	<p>Montgomery G.I. Bill-Active Duty: If veteran entered the service after June 30, 1985, and agreed to the reduction of military pay while on active duty, VA will pay you benefits while an approved program of education was pursued. Maximum is 36 months. Course must begin in time to finish in 10 years from the date of discharge from active duty or 10 years from the date that 4 years service in the Selected Reserve is completed, whichever is appropriate.</p>
10 years	<p>Servicepersons eligible for post-Korean Conflict G.I. Bill benefits on December 31, 1989, who served 3 years of continuous active duty after June 30, 1985, as well as those who served 2 years on active duty followed by 4 years in the Selected Reserve, may be eligible under the Montgomery G.I. Bill. You must have been on active duty on October 19, 1984, and continued without a break through your qualifying period. Generally, you must begin your course in time to finish before January 1, 2000 or in 10 years from the date of discharge, whichever is later.</p>
10 years	<p>Montgomery G.I. Bill-Selected Reserve:- If you are a member of the Selected Reserve, including the National Guard, after June 30, 1985, who enlisted, reenlisted, or extended an enlistment for 6 or more years or an officer who has agreed to serve 6 years beyond any other obligated service. VA may pay you benefits while you pursue approved training. Maximum is 36 months. You must complete your course within 10 years from the date eligibility began or the date of separation from the Selected Reserve, whichever is later.</p>
10 years	<p>Vocational Rehabilitation: If veteran has a disability which either arose or worsened during active duty, the individual may be eligible for vocational rehabilitation services to assist in overcoming employment handicap and better handle day-to-day living activities. As part of a rehabilitation program, VA will pay tuition, fees, books, tools and other expenses as well as provide a monthly living allowance. Once veteran takes part in a vocational rehabilitation program, VA will assist you to get a job.</p>

Veterans Benefits Timetable

Timetable

Benefits

12 Years	Disability Compensation: VA pays compensation for disabilities incurred in or aggravated by military service. Payments are made from the date of separation if claim is filed within one year.
10 years	GI Loans: VA will guarantee a loan for the purchase of a home, farm, manufactured home or condominium.
1 year from date of notice of VA disability rating	GI Insurance: Low cost life insurance (up to \$10,000) is available for veterans with service-connected disabilities. Veterans who are totally disabled may apply for a waiver of premiums on these policies.
120 days or up to 1 year if totally disabled	SGLI: Servicemen's Group Life Insurance may be converted to VGLI (Veterans Group Life Insurance) a five-year nonrenewable term policy. At the end of the 5-year, VGLI may be converted to an individual policy with any participating insurance company. VA will forward more information.
No time limit	Employment: Assistance is available in finding employment in private industry, in Federal Service, and local government.
Limited time	Unemployment Compensation: The amount of benefits and payment vary between states. Apply soon after separation.
No time limit	Medical Care: VA provides a wide range of medical care benefits including help for alcoholism and other drug dependency to service-connected veterans and to nonservice-connected veterans, who meet certain eligibility criteria. Readjustment counseling benefits are also available at VA Centers for eligible Vietnam veterans.

Veterans Benefits Timetable

Timetable

Benefits

90 days	Dental Treatment: VA provides necessary dental care for veterans who were not provided dental examination and treatment within 90 days of discharge or separation from service. The time limit does not apply to veterans with dental disabilities resulting from combat wounds or service injuries.
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Institution/Person	Title
15. Thomas Hawk	Chief, IRD/RUD
16. Eduardo Hipsley	RDO
17. Donald Bryan	IRD/RUD
18. Tibor Nagy	Chief Engineer, IRD
19. Ernesto Palomo	Engineer, IRD/CDD
20. Charles Moseley	Deputy Director, IRD/CDD
21. James E. Stephenson	Private Sector Officer
22. Roberto Gavidia	FEPADE Project Manager, OET
23. Patsy Layne	Director, OET
24. Jaleh de Torres	Training Officer, OET
25. Francisco Molina	Economic Section
26. Thomas McKee	Program Officer, DPP
27. Ernesto Funes	DPP
28. Rosa Marfa Guirola	Private Enterprise Office
29. Berta Castillo	DPP
30. Yolanda Herrera	Community Development Division

U.S. Embassy

31. Kevin Johnson	Second Secretary
32. Art Tuten	Political Section
33. Major Ron Mac Cammon	Defense Attache
34. Leslie Ann Gerson	Consul
35. Jorge Piche	USIS

United Nations

36. Claudio Caldarone	Deputy Resident Representative, UNDP
37. Raul Huevo	Programs Officer, UNDP
38. Leila Lima	Mission Director, UNHCR

International Organization for Migration (previously Intergovernmental Committee for Migration)

39. Irma de Vilanova	Executive Assistant
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Food and Agricultural Organization

40. Manuel Ponce	Principal Technical Advisor
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Institution/Person**Title**

Military Institutions

U.S. Military Group

- | | | |
|-----|---------------------|-----------------------------|
| 41. | Dr. John Page | TDY Fort Bragg |
| 42. | Sgt. Maj. Mike | Training |
| 43. | Col. Calvin Seybold | (C-5) |
| 44. | Col. Gabriel Acosta | (C-2) |
| 45. | Major Oscar Davis | Liason Officer AID/Milgroup |
| 46. | Major Jack Rail | (C-1) |

El Salvador Armed Forces

- | | | |
|-----|---------------------|---------------------|
| 47. | Col. Gilberto Rubio | Chief of Staff |
| 48. | Col. Rene Ponce | Minister of Defense |
-

PVOs/NGOs

FEPADE: Fundacion Empresarial para el Desarrollo Educativo

- | | | |
|-----|-------------------|--|
| 49. | Eduardo Castaneda | Executive Director |
| 50. | Adalberto Diaz | Manager, Technical Vocational Department |
| 51. | Olivier Smith | International Executive
Service Corps |

AIFLD: American Institute for Free Labor Development

- | | | |
|-----|----------------|--------------------------|
| 52. | Edwin Palanque | Country Program Director |
|-----|----------------|--------------------------|
-

Training Institutions

Poligono Industrial Don Bosco

- | | | |
|-----|---------------|----------|
| 53. | Jose Morataya | Director |
|-----|---------------|----------|

Institution/Person

Title

Instituto Tecnico Emiliani

54. Miguel de Marchi Director

Instituto Tecnico Ricaldone

55. Mario Martel Coordinator

ITCA: Instituto Tecnologico Centro Americano

56. Gilberto Bazan Sub-Director

ITEXSAL: Instituto Tecnico de Exalumnos Salecianos

57. Francisco Flores Director of Planning

IMI: Instituto Obrero Patronal de la Construccion

58. Floyd D. Craig Assistant Director

Others

59. Salvador Fonseca

Retired, former General Director of Education

60. Julio Rosa

Retired, former Vice-Minister of Education

61. Luis Hector Rodriguez

General Manager DIDEMO S.A.

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