The Politics of Modern Central America

This book analyzes the origins and consequences of civil war in Central America. Fabrice Lehoucq argues that the inability of autocracies to reform themselves led to protest and rebellion throughout the twentieth century and that civil war triggered unexpected transitions to nonmilitary rule by the 1990s. He explains how armed conflict led to economic stagnation and why weak states limit democratization – outcomes that unaccountable party systems have done little to change. This book also uses comparisons among Central American cases – and between them and other parts of the developing world – to shed light on core debates in comparative politics and comparative political economy. It suggests that the most progress has been made in understanding the persistence of inequality and the nature of political market failures; it draws lessons from the Central American cases to improve explanations of regime change and the outbreak of civil war.

Fabrice Lehoucq is Associate Professor in the Department of Political Science at the University of North Carolina, Greensboro. He is the author of articles that have appeared in Comparative Political Studies, Comparative Politics, and the Journal of Democracy, among others, and he has published several books, including (with Iván Molina) Stuffing the Ballot Box: Fraud, Democratization, and Electoral Reform in Costa Rica.
The Politics of Modern Central America

Civil War, Democratization, and
Underdevelopment

FABRICE LEHOUCQ

University of North Carolina, Greensboro
To Mariana and Aida
Contents

List of Figures page viii
List of Tables x

Introduction 1
1. Central America on the Eve of the 1980s 11
2. Civil War, Revolution, and Economic Collapse 30
3. Stalemates, Peace Negotiations, and Democratization 66
5. Democratization, State Capacity, and Redistribution 118
Conclusion 152

Bibliography 167
Index 193
Figures

1.1 Value added by agriculture and manufacturing to GDP, 1950–84
1.2 Levels of globalization, 1950–80
1.3 Regime types, 1900–80
1.4 Development levels, circa 1975
2.1 GDP per capita, 1950–80
2.2 Income distribution, 1970–80
2.3 Index of real working-class wages, 1963–84
2.4 Shocks, opposition activities, and real working-class wages in Nicaragua, 1963–84
2.5 Repression, protest, and real working-class wages in El Salvador, 1963–84
2.6 Repression, protest, and real working-class wages in Guatemala, 1963–84
3.1 Regime types, 1980–2000
3.2 GDP per capita, 1970–2006
4.2 Fiscal deficits, 1970–2006
4.3 Inflation, 1976–2009
4.4 External public debt, 1980–2008
4.5 State revenues per capita, 1990–2006
4.8 Remittances, 1990–2005
5.1 Regime types, 1990–2010
| Figures |  
|-----------------------------------|---|
| 5.2 Share of population in poverty, 1980–2008 | 128 |
| 5.3 Top quintile’s share of national income, 1970–2008 | 128 |
| 5.4 Social expenditures per capita, 1990–2008 | 130 |
| 5.5 The impact of taxes and transfers on income inequality, mid-2000s | 132 |
| 5.6 Rankings on democracy indicators, 2010 | 139 |
| 5.7 Effective number of legislative parties, 1990–2010 | 140 |
| 5.8 Voter turnout rates, 1990–2010 | 144 |
| 5.9 Public-sector expenditures, 1990–2005 | 145 |
Tables

1.1 Populations of Central America, 1960–80  
1.2 Dictatorship and instability, 1900–80  
1.3 Leading Social Indicators, 1960–80  
4.1 Average annual GDP per capita growth rates, Central America and select world regions, 1950–2008  
4.2 Populations in Central America, 1990–2010  
5.1 Leading social indicators, 1990–2010  
5.2 Regression model of social expenditures in Latin America, 2005