

# COFFEE AND POWER IN EL SALVADOR \*

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The existence of a division between what Italo López Vallecillos has termed the “agro-financial” and “agro-industrial-financial” factions of the Salvadoran elite has become what Enrique Baloyra calls “the consensus of scholarly opinion” on elite politics in El Salvador.<sup>1</sup> As López Vallecillos describes the division, the agro-financial faction “opposes any attempt to transform the rigid framework of land concentration and low salaries in its devotion to the plantation economy that is the basis of its income and profits.” The agro-industrial faction, in contrast, “tries to introduce changes in the economic system . . . and opts for less authoritarian political forms, within the framework of liberal democracy, representative but restricted and controlled.”<sup>2</sup> Oscillation between these two elite strategies has long characterized Salvadoran politics, and in the 1920s, the temporary dominance of the more liberal faction gave El Salvador the reputation of being the most progressive country in Central America.<sup>3</sup> During times of crisis

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1. See Italo López Vallecillos, “Fuerzas sociales y cambio social en El Salvador,” *Estudios Centroamericanos* 34, nos. 369–70 (1979):557–90; and Enrique Baloyra, *El Salvador in Transition* (Chapel Hill: University of North Carolina Press, 1982), 28. See also Rafael Guidos Véjar, “La crisis política en El Salvador, 1976–1979,” *Estudios Centroamericanos* 34, nos. 369–70 (1979): 507–26; and Guidos Véjar, *El ascenso del militarismo en El Salvador* (San Salvador: Universidad Centroamericana Editores, 1980), 81–82; Rafael Menjívar, *Acumulación y desarrollo del capitalismo en El Salvador* (San José, Costa Rica: Editorial Universitaria Centroamericana, 1980), 127–30; E. A. Wilson, “The Crisis of National Integration in El Salvador, 1919–1935,” Ph.D. diss., Stanford University, 1970, 132–33; and James Dunkerly, *The Long War: Dictatorship and Revolution in El Salvador* (London: Junction, 1982), 54. For a dissenting view, see Wim Peiupessy, “El sector agroexportador de El Salvador: la base económica de una oligarquía no fraccionada,” *Boletín de Estudios Latinoamericanos y del Caribe* 43 (1987):53–71.

2. López Vallecillos, “Fuerzas sociales,” 558.

3. Ralph Lee Woodward, Jr., *Central America, A Nation Divided*, 2d ed. (Oxford: Oxford University Press, 1985), 171.

like the 1930s and the early 1980s, however, the positions of the two factions converged to support the retrograde policies of the more conservative “agro-financial” faction, which have given El Salvador an international reputation for ferocious authoritarianism.<sup>4</sup>

The persistence of a landed class dependent on agriculture that is labor-repressive has long been recognized as a substantial obstacle to democracy, and defeat of the landlords by a rising industrial bourgeoisie has been considered essential for a successful democratic transition, most notably in the paradigmatic theories of Barrington Moore, Jr.<sup>5</sup> The inability of the agro-industrial faction of the Salvadoran elite to break with its landed, labor-repressive allies in the agro-financial faction has long sustained authoritarianism in El Salvador. But the Salvadoran elite (like elites elsewhere in Latin America) originated in capitalist export agriculture and lacks the clear division between a landed aristocracy and an industrial bourgeoisie implied by Moore’s theories.<sup>6</sup> From the beginning, the Salvadoran elite was both capitalist and agrarian, landholding as well as industrial. Thus democratic developments have been inhibited by the persistence of landed power but also by the close economic and familial ties linking landlords and capitalists. Transition to democracy in El Salvador would therefore require the agro-industrial faction to overcome the resistance of the landed elites of the agro-financial faction but also to overcome its own ties to the agrarian order. In the past, it has done neither.

Despite the continuing importance of these two factions in Salvadoran politics, remarkably little direct evidence exists regarding their

4. William Stanley has demonstrated that competition between factions in the military for patrons in different factions of the elite accounted for waves of what he calls “state terrorism” in the 1980s. See Stanley, “Inter-Elite Conflict and State Terrorism in El Salvador,” paper presented to the Latin American Studies Association, Crystal City, Va., 4–6 Apr. 1991.

5. Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy* (Boston, Mass.: Beacon, 1966). A test of Moore’s thesis based on an encyclopedic review of political trajectories in all modern European, Central and South American, and Caribbean states by Dietrich Rueschemeyer, Evelynne Huber Stephens, and John D. Stephens concluded that “large landlords, particularly those who depended on a large supply of cheap labor, consistently emerged as the most anti-democratic force . . . . [T]his key element of Moore’s pioneering study bore the test of repeated examination across the countries studied.” See Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy* (Chicago, Ill.: University of Chicago Press, 1992), 270.

6. See Maurice Zeitlin and Richard Ratcliff, *Landlords and Capitalists: The Dominant Class of Chile* (Princeton, N.J.: Princeton University Press, 1984), 150–52. Edelberto Torres-Rivas explicitly notes that Moore’s theory does not apply exactly in Central America because the bourgeoisie there developed first in the countryside, not in the city. Torres-Rivas agrees with Moore that large landholdings and labor-repressive agriculture inhibit democratic constitutional government, but he argues that in Central America both are associated with a dependent agrarian bourgeoisie rather than with a traditional landed elite. See “Síntesis histórico del proceso político,” *Centroamérica Hoy*, edited by Edelberto Torres-Rivas, Gert Rosenthal, Eduardo Lizano, Rafael Menjivar, and Sergio Ramírez (Mexico City: Siglo Veintiuno, 1975), 27–29.

political or social views. Eduardo Colindres's monumental studies have mapped in detail the economic and political interests of the elite, and historical works by Rafael Guidos Véjar, Rafael Menjívar, Héctor Lindo-Fuentes, and E. A. Wilson have revealed much about the elite's origins,<sup>7</sup> but direct information on its views is largely lacking. Robert Aubey's excellent 1969 study was based on informant interviews but apparently not on direct interviews with members of the elite.<sup>8</sup> The lack of interviews is hardly surprising given the polarized and authoritarian nature of Salvadoran society and the reluctance of many elite members to call undue attention to themselves. Foreign journalists succeeded in gaining access to some members of the elite in the early 1980s, resulting in informative articles by Craig Pyes and Paul Heath Hoeffel,<sup>9</sup> but no scientific study has been conducted based on direct interviews with either faction of this critical class. This article represents an initial attempt at such a study. It is based on personal interviews with seventeen leading members of the Salvadoran elite from both factions, conducted in 1987 and 1990 and supplemented by analysis of newspaper reports of statements by them and other members of the elite. All those interviewed were important actors in the sector that has been the core of Salvadoran agro-financial and agro-industrial power since the late nineteenth century—coffee growers, processors, and exporters.

#### COFFEE, CLASS, AND CLASS FRACTIONS

The fortunes of the agro-industrial and the agro-financial fractions of the Salvadoran elite have depended on coffee for more than a century. Since coffee overtook indigo as Salvador's leading export in the 1880s, it has been the country's leading source of foreign exchange, government tax revenues, domestic capital formation, rural employment, and economic activity.<sup>10</sup> For most of this period, El Salvador was a virtual monoculture, what Ralph Lee Woodward has termed "a coffee republic."<sup>11</sup> The Salvadoran coffee elite succeeded in integrating all phases of coffee pro-

7. Eduardo Colindres, *Fundamentos económicos de la burguesía salvadoreña* (San Salvador: Universidad Centroamericana Editores, 1977); Guidos Véjar, *El ascenso del militarismo*; Héctor Lindo-Fuentes, "The Nineteenth-Century Economic History of El Salvador," Ph.D. diss., University of Chicago, 1984; and Wilson, "Crisis of National Integration."

8. Robert T. Aubey, "Entrepreneurial Formation in El Salvador," *Explorations in Entrepreneurial History*, 2d ser., vol. 6 (1968–69):268–85.

9. See Craig Pyes, "The Salvadoran Right," *The Central American Crisis Reader*, edited by Robert S. Leiken and Barry Rubin (New York: Summit, 1987), 386–90; and Paul Heath Hoeffel, "The Eclipse of the Oligarchs," *The New York Times Magazine*, 6 Sept. 1981, p. 7.

10. See Fawzi Habib, "The Course and Problems of an Export Economy: The Case of El Salvador," Ph.D. diss., Duke University, 1958; Derek Kerr, "The Role of the Coffee Industry in the History of El Salvador, 1840–1906," M.A. thesis, University of Calgary, 1977; and Menjívar, *Acumulación originaria*.

11. Woodward, *Central America*, 149.

duction, from field to wharf, under its control and carried out a thorough technological and social reorganization of the industry along capitalist lines.<sup>12</sup> By the 1970s, Salvador had become the most efficient coffee producer in the world and the third or fourth leading exporter, competing with giants like Brazil and Colombia.<sup>13</sup>

The Salvadoran elite's success with coffee gave it the economic power to dominate the rest of the economy. The domestic banking industry was entirely based on coffee wealth, and the leading banks were controlled by coffee families until they were nationalized in 1980.<sup>14</sup> Twelve of the fourteen largest cotton producers before 1979 were among the twenty-six largest coffee growers, as were nine of the ten largest sugar growers.<sup>15</sup> Rapidly accumulating wealth in export agriculture enabled the coffee elite to move quickly into real estate, commerce, tourism, and (in the heyday of the Central American Common Market) manufacturing for domestic and regional markets.<sup>16</sup> Thus the Salvadoran coffee elite controlled not only the nation's leading industry but most of the rest of the economy. In the process, the wealth of leading Salvadoran families came to rival industrial fortunes in the developed world.<sup>17</sup>

All this wealth rested ultimately on producing coffee with low-wage manual labor in the countryside. But as the technological and financial sophistication of the industry grew, divisions emerged between the agrarian and industrial fractions of the coffee elite that were rooted in the social organization of coffee production itself. By the 1920s, wealth and power were increasingly held by the mill owners who processed the coffee rather than by the traditional land owners who produced it.<sup>18</sup> Although most mill proprietors also owned coffee lands, many coffee producers did not own mills and sold their coffee to those who did. Hence most coffee passed through the hands of a small number of mill owners, who had also gained control of the lucrative export trade.<sup>19</sup> As the capital requirements of milling increased with growing coffee volume and technological advances, access to capital, foreign-trade connections, and business acumen

12. Baloyra, *El Salvador in Transition*, 25–27; Eduardo Colindres, “La tenencia de la tierra en El Salvador,” *Estudios Centroamericanos* 31 (1976):463–72; and Luis de Sebastián, “El camino hacia la democracia,” *Estudios Centroamericanos* 35 (1979):947–60.

13. United Nations Food and Agriculture Organization, *Production Yearbook*, vol. 14 (Rome: Food and Agricultural Organization, 1960), 129; and Habib, “Course and Problems of an Export Economy,” 101.

14. Dunkerly, *Long War*, 53; and Daniel Slutzky and Ethel Slutzky, *Quién es quién en la caficultura nacional* (San Salvador: Universidad de El Salvador, 1971), 21.

15. Baloyra, *El Salvador in Transition*, 25.

16. Aubey, “Entrepreneurial Formation”; and Colindres, *Fundamentos económicos*, 101–4.

17. Hoeffel, “Eclipse of the Oligarchs,” 7.

18. Menjívar, *Acumulación originaria*, 127–30; Guidos Véjar, *El ascenso del militarismo*, 81–82; and Wilson, “Crisis of National Integration,” 132–33.

19. Menjívar, *Acumulación originaria*, 127–30; Guidos Véjar, *El ascenso del militarismo*, 81–82; and Wilson, “Crisis of National Integration,” 132–33.

became as important as landownership in determining coffee wealth. In the late nineteenth and early twentieth centuries, European immigrants with any or all of these attributes became a substantial fraction of the milling elite, a trend that explains the frequency of foreign surnames like Cristiani, Borgonovo, and Hill among the Salvadoran elite.<sup>20</sup> By the 1930s, most coffee processing was controlled by only twenty-four family groups, seventeen of them immigrants.<sup>21</sup> By 1980–81 just fifteen firms, twelve of them controlled by families of immigrant origin, were processing four-fifths of all Salvadoran coffee.<sup>22</sup>

By 1961 this division of interest in the coffee sector had become sufficiently pronounced to occasion the founding of a new organization that would represent the miller-exporters. The Asociación Salvadoreña de Beneficiadores y Exportadores de Café (ABECAFE) was established as an alternative to the traditional organization of Salvadoran coffee growers, the Asociación Salvadoreña de Café (ASCAFE, often known in El Salvador as simply la Cafetalera).<sup>23</sup> The latter group, founded in 1929, had been the main economic-interest group of the Salvadoran coffee elite, and its early boards of directors read like a “who’s who” of the Salvadoran elite—Alfaro, Hill, Dueñas, Magaña, Alvarez.<sup>24</sup> In the area of economic policy-making, the Cafetalera became a virtual state within a state and after the founding of the Banco Hipotecario in 1934 and the Compañía Salvadoreña del Café in 1942, a major factor in the large-scale management of the coffee economy. The Cafetalera was the major stockholder in both groups, and together the three interlocking organizations brought the coffee economy out of the depression and began the postwar transformation of the industry that fostered its leading role in the world coffee economy in the 1970s.<sup>25</sup>

Leading coffee families, millers and producers alike, continued to serve on the Cafetalera board of directors through the 1950s, but after ABECAFE was founded in 1961, the milling and exporting elite had an organization of its own. By the 1970s, few names of large processors or leading coffee families appeared on the Cafetalera board, and it increas-

20. Guidos Véjar, *Ascenso del militarismo*, 58–59; and Menjívar, *Acumulación originaria*, 129.

21. Menjívar, *Acumulación originaria*, 130.

22. Enrique G. Dubón, “La concentración de la actividad económica en la agroindustria del café,” *Boletín de Ciencias Económicas y Sociales*, no. 8 (24 Aug. 1982), app. 2 (published by the Universidad Centroamericana José Simeón Cañas).

23. Antonio Pérez Bennett, Armando Molina Mena, Edwin Napoleón Lozo, and Ernesto Mauricio Magaña, *Investigación sobre la crisis del café en el año 1974: beneficiadores* (San Salvador: Facultad de Ciencias Económicas, Universidad Centroamericana José Simeón Cañas, 1975), 24.

24. See for example “Junta de Gobierno de la Asociación Cafetalera de El Salvador” in *El Café de El Salvador* 3 (Jan. 1933), facing p. 1.

25. Carmen Candray de Aquino et al., *El Salvador, 1929–1932* (San Salvador: Departamento de Ciencias Políticas y Sociología Universidad Centroamericana José Simeón Cañas, 1977), 44–45, 52; and Pérez Bennett et al., *Investigación sobre la crisis del café*, 29–31.

ingly became an organization dominated by non-elite producers.<sup>26</sup> Nevertheless, ABECAFE represented only a fraction of the leading families, in particular immigrant coffee millers and exporters like the Hills, Daglios, and Borgonovos as well as members of the traditional elite like the Salaverrías and Llaches, who had made the transition to the industrial phase of the industry. Notable coffee-growing families of the republican period such as the Dueñas, Regalado, Quiñónez, and Meléndez clans have been underrepresented in ABECAFE and other institutions of the milling elite.<sup>27</sup> Although the interests of all of these families extend beyond coffee, the divisions in the coffee economy between ABECAFE and the Cafetalera is one manifestation of the division between the agro-financial and agro-industrial factions at the heart of Salvadoran elite politics.

In 1989 Alfredo Cristiani—a descendent of Italian immigrants, past president of ABECAFE, and heir to the Cristiani-Burkard coffee-processing fortune—was elected president of El Salvador as the candidate of the right-wing Alianza Republicana Nacionalista party (ARENA). His election thus represented less a return to the “coffee republic” of the Meléndez-Quiñónez dynasty (1913–1927) and more the emergence of the agro-industrial faction of the coffee elite, the coffee processors belonging to ABECAFE as the leading contender for power in the Salvadoran elite and national society. In 1980–81 Cristiani’s family firm ranked as the tenth-largest coffee processor in El Salvador. The *éminence gris* of the administration, Cristiani’s brother-in-law Roberto Llach Hill, is the proprietor of the Llach Company, the fifth-largest processor. For the critical diplomatic post in Washington, Cristiani chose his friend Miguel Angel Salaverría, then general manager of Prieto, S.A., the eighth-largest processor. These three men and two of their first cousins together controlled five of the fifteen largest coffee-processing firms in El Salvador.<sup>28</sup> All five men belonged to ABECAFE, and Salaverría as well as Cristiani had served as president of the organization. All five were founding members of the Fundación Salvadoreña para el Desarrollo Económico y Social (FUSADES), an influential policy-research center closely tied to the U.S. Agency for International Development (U.S.AID) and the U.S. Embassy, and two served on its critical coffee committee.

From the era of General Gerardo Barrios in the nineteenth century

26. Compare the listings of the Cafetalera boards for the 1970s presented in Colindres, *Fundamentos económicos*, 151–52, with the list of leading processors in Dubón, “La concentración de la actividad económica,” app. 2. The leading processors include such famous names as de Sola, Dáglio, Liebes, Llach, Batle, Prieto, Salaverría, Cristiani, Menéndez, Homberger, and Hill. None of these names appear on the Cafetalera board listings.

27. See the previous note and *Memoria de Labores 1988*, “Miembros de la Fundación,” 46–49 (San Salvador: Fundación Salvadoreña para el Desarrollo Económico y Social, n.d. [1989?]).

28. Rank order in terms of coffee processing taken from Dubón, “Concentración de la actividad económica,” app. 2, “Beneficiadores privados y volumen de café y procesado (1980–81).”

to the overthrow of President Arturo Araujo by General Maximiliano Hernández Martínez in the military coup on 9 December 1931, the coffee elite had ruled El Salvador almost without interruption. For the following sixty years, however, no member of the coffee elite occupied the Salvadoran presidency. Formal state power was held first by a series of military juntas and dictatorships and then by the elite's arch-opponent, Christian Democrat José Napoleón Duarte.

Election of a member of the agro-industrial faction of the coffee elite to the presidency in 1989 did not necessarily imply a major change in political direction. The Salvadoran Army remains a formidable political force and has been an important ally of the coffee elite in the past. The hard line of the agro-financial faction, represented in the ruling ARENA party by the late Roberto D'Aubuisson, retains substantial influence within and beyond the party. Nor is it clear how deep a division really exists between the two factions of the Salvadoran elite or whether the agro-industrial faction is actually seeking a sharp break with the authoritarian past. Although the interviews provided no definitive answers to these questions, they offer insights into elite thinking on these issues at a critical juncture in Salvadoran political life.

The interviews analyzed here reflect the divisions within the Salvadoran elite. Most of those interviewed belonged to the ABECAFE faction of the milling and exporting agro-industrial elite. They included the current president and four past presidents of ABECAFE (including President Cristiani and Ambassador Miguel Angel Salaverría) as well as presidents or representatives of seven of the fifteen leading firms in the coffee-processing industry. A substantial minority of those interviewed were not large processors but growers associated with the Cafetalera. They included two Cafetalera presidents, the widow of a third, a close associate of a deceased past president, and representatives of leading cooperative and governmental coffee organizations.<sup>29</sup> The Cafetalera growers themselves, however, were split into two antagonistic factions, one sharing broad areas of agreement with the ABECAFE elite and a second that dissented, often

29. Interviews were conducted in Spanish and English and averaged one hour and forty minutes in length. Four of the interviews were conducted in July 1987 and the remainder in February, March, and April of 1990. All those interviewed were contacted through personal introductions from individuals well known to them. Efforts were made to reach coffee elite members who were either officers or recent past officers of the principal coffee organizations (including ABECAFE and the Cafetalera) or executives or proprietors of the largest processors and exporters ranked by coffee volume. Some of those interviewed fell into both categories. Additional interviews and informal conversations were conducted with individuals in government and the private sector who were knowledgeable about the industry, some of whom were also from elite families but were neither association officers nor executives in leading firms. Statements by members of the coffee elite in the Salvadoran press were reviewed in the INCAFE collection entitled "Recortes de Periódicos" from 1979 to 1989. This collection of clippings attempts to include all articles on coffee published in the leading San Salvador daily newspapers.

vehemently, from the views of what one of them dismissed as the “Red millionaires” of ABECAFE-FUSADES.

The views of the ABECAFE members and their allies in the Cafetalera may be understood as reflecting the views of the agro-industrial faction of the coffee elite. The dissenting faction in the Cafetalera represents the views of the traditional agro-financial faction of coffee growers. Given the representation of officers of both ABECAFE and the Cafetalera among the interviewees, the views expressed can be taken as reasonably representative of both factions.<sup>30</sup> Understanding the relationship between the apparently hegemonic agro-industrial faction of millers and exporters in ABECAFE and the dissenting agro-financial faction of the Cafetalera is central to understanding the possibilities for authoritarianism or democracy in El Salvador. The views of the agro-industrial ABECAFE elite itself, now formally in political control, are crucial to prospects for democracy and peace in El Salvador.

#### THE VIEW FROM ABECAFE

##### *Coffee, Gift of God*

Whatever the differences of opinion within the coffee elite, none of its members doubt the centrality of coffee to El Salvador’s past, present, and future. Several of those interviewed pointed out that coffee will remain “the backbone” of the Salvadoran economy. Most regarded any questioning of this idea with incredulity. One former ABECAFE president explained, “If coffee is good, the economy is good; if it is bad, the economy is bad.” President Cristiani made it clear in a pre-election interview that reviving the coffee economy was the main plank of his economic and social policy and a key component in his military policy as well. He pointed out that coffee production under the Christian Democrats had totaled less than half its pre-1979 levels and that at late-1970s prices, the earlier level of production could have brought in foreign exchange approaching one billion dollars, more than twice the current level of U.S. aid. According to Cristiani, reviving the coffee economy would make it possible to deprive the guerrillas of their oxygen—social and political discontent—and permit ARENA to pursue a military policy independent of U.S. restraints.

All those interviewed regarded efforts to diversify or reorient the Salvadoran economy as ill-conceived at best, and many found the idea preposterous. Another ABECAFE president scoffed, “What are we going to export—hammocks?” The president of a major coffee co-op quoted a

30. Five ABECAFE members (three of them associated with one firm) and one leader of the dissenting faction of the Cafetalera declined to be interviewed. Two other ABECAFE members whose offices were contacted were out of the country at the time of the interviews.

conversation with former U.S. Vice President and Secretary of Agriculture Henry Wallace, whom he met when Wallace traveled to El Salvador. Wallace told him that those saying “diversify” never told you what to diversify into. They were, according to Wallace, charlatans. The co-op president repeated the word “charlatans” with evident satisfaction. A leading miller noted with some dismay that U.S. AID had emphasized diversifying into ornamental plants, flowers, and fruits, and he decried the lack of research on coffee cultivation. Even one of the main beneficiaries of this diversification, the owner of a multimillion-dollar melon farm, still regarded coffee as the main pillar of the Salvadoran economy in the foreseeable future. Another ABECAFE president provided a sophisticated analysis of the Salvadoran economy emphasizing that even domestic industry like the Phelps Dodge wire factory required imported copper and that such imports could only be purchased with funds generated by coffee exports.

No member of the coffee elite perceived any contradiction between an agricultural economy based on coffee and industrial development. On the contrary, most viewed the former as indispensable for the latter. When asked about coffee’s role in the economy, one member of the ABECAFE board replied, “Are you kidding? The banks—everything—depends on it.” He then used a hand-held calculator to compute the effective demand generated by wages paid during the coffee harvest and pointed out that without those wages, little demand would exist for industrial products. Several growers made identical arguments. None seemed to see any difficulty in a low-wage rural economy providing inadequate internal markets. Those interviewed did not exaggerate rural wage levels but argued that they were generally high when compared with those paid to urban unskilled labor in El Salvador and that without coffee, the rural economy would collapse. Several even claimed that mismanagement under the Duarte regime had caused the rural coffee economy to collapse and that this debacle had played a major role in the Christian Democrat’s defeat.

Those interviewed were certain that, once coffee was freed from the constraints imposed by government intervention in the coffee economy, coffee would lead El Salvador into a balanced industrial development with broad benefits for all Salvadorans, including the poor. None saw any need to change the agrarian export model that has dominated El Salvador for a century and a half without leading to any significant industrial development. Rather, they argued, El Salvador had reached the point of industrial takeoff just when the civil war intervened. One past president of the Cafetalera asserted that Brazilian and Colombian development demonstrated that coffee could lead directly to industrial development. In a series of paid announcements in leading San Salvador newspapers, ABECAFE had claimed during the 1984 election that a decline in coffee production would lead to numerous prejudicial outcomes: a dramatic drop

in foreign-exchange earnings, insufficient tax revenues to pay for public services, increased rural unemployment, bankruptcy for thousands of businesses, difficulty in importing primary materials for manufacturing, difficulty in purchasing imported medicines for the general public, and budget cuts for education and health services.<sup>31</sup>

Whatever the merits of these arguments—and it is far from clear that any other crop is as well adapted to El Salvador's climatic and geological conditions as coffee—the vigor, enthusiasm, and sincerity with which these claims were put forth were striking. All those interviewed would undoubtedly agree with the role assigned to coffee growers in the following excerpt from an ABECAFE position paper entitled "Coffee Culture, Gift of God":

Coffee has made it possible in a tiny densely populated territory, devoid of such natural resources as forests, petroleum, natural gas, metals, and precious stones, to find work and to achieve economic development.

People from various countries journeyed here decades ago to live and work with us. Those who dedicated themselves to coffee experimented with different cultivation methods and new varieties of coffee and shade trees, identified pests and diseases and combated them, improved processing, invented drying equipment, opened markets in the interior, and taught us how to compete. To mention some of the names that were new at first and are now our own and make up a cosmopolitan mosaic representing different nationalities that have fused with ours—Choussy, Alvarez, Hill, Meardi, de Sola, Daglio, Duke, Soundy, Deininger, Llach, Ferreiro, Cristiani, Borgonovo, Ruffatti, Parker, Shonenberg, Dalton.

Coffee cultivation has not been an improvised thing. The ability to produce, wash, dry, classify, and sell coffee has been an undertaking pursued for more than a century. A hardworking people has known how to take advantage of these lessons and has put El Salvador in fourth place among coffee exporting countries.<sup>32</sup>

This comment expresses the sentiments of almost all those interviewed, including members of several of the families it refers to by surname. The members of the ABECAFE elite, many of whom are immigrants, clearly think of themselves as the key to Salvadoran economic development and the best hope for the future for themselves and the "hardworking" Salvadoran people whom they taught to be world-class coffee producers. It would be a serious mistake to dismiss these views as merely the natural enthusiasm of entrepreneurs for their own industry. For them, coffee is all but synonymous with the nation of El Salvador or at least with the economically competitive nation they feel they have created. It is not surprising that those interviewed reject what the ABECAFE posi-

31. See for example ABECAFE's paid announcements in *El Diario de Hoy*: 6 Feb. 1984, p. 45; 9 Feb. 1984, p. 25; 13 Feb. 1984, p. 59; 16 Feb. 1984, p. 35; 3 Mar. 1984, p. 33; 5 Mar. 1984, p. 45; and 19 Mar. 1984, p. 69.

32. "La caficultura, regalo de Dios," in-house document, Asociación Salvadoreña de Beneficiarios y Exportadores del Café, San Salvador, n.d [1989?]. In the personal collection of Miguel Angel Salaverria.

tion paper calls the “black legend” of “exploitation” of agricultural workers. These leaders believe that their efforts have provided meaningful work and hope for development to those who lack the leaders’ special talents for technological and economic innovation.

If coffee is the nation and the fourteen families are the key to coffee, then these families are in essence the nation. Yet virtually all the producers who chose to comment on this issue vehemently denied this implication. As one ABECAFE board member (and a member of the one of the families) said, “You know, it’s not just the fourteen families—there are five million of us Salvadorans.” Most went to great lengths to emphasize the large number of coffee growers, whom they variously estimated to number from thirty-five to forty thousand. In fact, 10 percent of all producers control 80 percent of all Salvadoran production, and most millers individually control the production of hundreds of small growers.<sup>33</sup> The division between processors and workers, between the rural poor and the economic elite, was treated as a fact of nature by all those interviewed. But they clearly regard themselves as the best hope for bringing the rest of the population out of poverty and backwardness through coffee-based economic development. Many named as their great historical hero Gerardo Barrios, who is regarded as having brought coffee to El Salvador.<sup>34</sup> Indeed, their ideas on economic development are virtually identical with the positivist philosophy of Barrios and other nineteenth-century liberal revolutionaries who ushered in the Salvadoran coffee era. As Ralph Lee Woodward has described these positivist dreams in nineteenth-century Central America: “The positivists believed that expanded productivity and exports would spark an industrial revolution which would lead them into the same sort of sophisticated economies enjoyed by western Europe and the United States. With the greater revenues from exports, they expected the general standard of living to rise and secondary industries to spring up to satisfy the needs of the people.”<sup>35</sup> A century and a half after Barrios’s era, no better description could be found of the views of the present-day coffee elite on economic development. Members of this elite have viewed themselves as the heirs of cosmopolitan entrepreneurs who taught the country how to compete, raised the general standard of living, and made possible an industrial future for El Salvador. Thus to this sector, the

33. Cecilia Elizabeth Saade de Saade and Evelyn Rivas de Rosal, “La concentración en la producción de café y las modificaciones inducidas por el proceso de reforma agraria: período 1971–1982,” B.A. thesis, Universidad Centroamericana José Simeón Cañas, 1983, 116.

34. The date of Barrios’s death, 29 August, is celebrated as the Día Nacional de Caficultura in recognition of his role in initiating Salvadoran commercial production. See for example “En Día de la Caficultura destacan valor del café,” *El Diario de Hoy*, 30 Aug. 1986, p. 5; and “El Capitán General Gerardo Barrios impulsó la siembra de café,” *El Diario de Hoy*, 29 Aug. 1988, p. 15.

35. Woodward, *Central America*, 163.

“structural reforms” of 1979–80 represented an unreasonable assault on themselves and their principles.

*“War to the Death against INCAFE”*

On 6 March 1979, the Third Revolutionary Junta issued Agrarian Reform Decrees 153 and 154, and troops moved immediately to occupy estates affected by the first phase of the reform (those larger than five hundred hectares). The next day the junta nationalized banks and savings and loan institutions in El Salvador. In just two days, the junta struck at two key elements of the power base of the agro-financial elite. Less known but at least as important for the fortunes of the coffee elite was an earlier decree, Number 75 promulgated on 20 December 1979, which nationalized the export trade in coffee and established the Instituto Nacional del Café (INCAFE) to manage the resulting government monopoly of El Salvador’s major economic activity. Because most coffee holdings were not affected by the first phase of the agrarian reform and the majority of coffee growers were not bankers (although almost all banks were controlled by coffee capital), export nationalization had a greater immediate economic affect on coffee growers than the other two reforms. A study published in *Estudios Centroamericanos* argued that of the major “structural reforms,” nationalizing the coffee trade had the largest effect on the fortunes of Salvadoran capital in general and the agroexport sector in particular.<sup>36</sup>

The establishment of INCAFE led to a ten-year struggle between the government and coffee growers that one member of the elite called a “war to the death against INCAFE.” As one past president of ABECAFE said in 1987, “The basic position of all coffee producers is the same—get rid of INCAFE!” The struggle was waged in paid advertisements in San Salvador’s leading newspapers, in the national assembly, in petitions and meetings with Christian Democrats, and in an ultimately successful ten-year legal battle to have INCAFE declared unconstitutional. The most outspoken disapproval came from the coffee growers in the Cafetalera, but opposition to INCAFE united all sectors of the coffee industry. In its position papers, ABECAFE argued that INCAFE’s continued existence would cause the “collapse of coffee cultivation,” “reduce our people to new levels of poverty,” and “jeopardize the future of democracy.”<sup>37</sup> Leading members of the Cafetalera charged that the reform was Communist-inspired and at one point even contended that they had conclusive proof

36. “El problema del INCAFE,” *Estudios Centroamericanos* 42, no. 461 (1987):242–45.

37. *El comercio exterior del café y la economía nacional* (San Salvador: Asociación Salvadoreña de Beneficiadores y Exportadores de Café, n.d.), 48.

that the law had been copied directly from the one establishing the Empresa Nicaragüense del Café (ENCAFE) after the Sandinista Revolution.<sup>38</sup>

All those interviewed held INCAFE responsible for what they viewed as the collapse of the coffee industry. The key economic issue for most was price. INCAFE had sold coffee at the international price in dollars while paying producers in local currency a price equal to one-half to one-fourth of the international price. The difference between the international and the local price showed up as a government foreign-exchange surplus.<sup>39</sup>

Those interviewed were well aware of the differential exchange rates and blamed INCAFE for paying low prices and causing the collapse of their industry. One member of the Consejo Salvadoreño del Café (the CSC, which replaced INCAFE after it was declared unconstitutional) explained, "The problem with Duarte was that the price of coffee was a political price. When coffee reached 200 dollars per *quintal*, Duarte said that was too much money. . . . He said we would just spend it on cars." Most of those interviewed believed that the foreign-exchange surplus, which should have gone to them, was wasted on government inefficiency and corruption, particularly in INCAFE. As one of the most outspoken critics said, "What do they do with the money? They steal it. It all goes to private individuals associated with INCAFE. They spend it on houses costing four million *colones*. . . . Nobody knows what happened to the funds." Those interviewed argued that the resulting low domestic price made coffee production unprofitable and that growers consequently stopped applying fertilizer, abandoned replantings, and maintained their groves only minimally in an effort to survive at a loss. One ABECAFE president stated, "Nobody has planted a single tree since 1979." Normally 10 to 20 percent of a grove must be replanted each year, and he therefore estimated that it would take ten to twenty years to recover. Another ABECAFE president said that growers basically had been operating at a loss throughout the period, and he too estimated that it would take ten to twenty years to recover. All attributed the recent low harvest, especially in 1988–89 (the lowest in thirty years), to INCAFE's baleful influence, particularly on prices. Several growers provided illustrative price calculations to demonstrate the differential exchange rate and its effects.

Some of those interviewed also argued that the agrarian reform played a substantial role in the decline in production because it had created an atmosphere of insecurity that discouraged reinvestment. As one leading miller explained, "Government ministers went on television and

38. "Ley sobre INCAFE parecida a la legislación nicaragüense," *El Diario de Hoy*, 4 Jan. 1979, p. 3.

39. Roberto López, *La nacionalización del comercio exterior en El Salvador: mitos y realidades en torno al café*, Latin American and Caribbean Center Occasional Papers no. 16 (Miami: Latin American and Caribbean Center, Florida International University, 1986), 31.

threatened confiscation for the land reform." One co-op president who had lost his lands in the reform said that the primary reason for the decline in production was lack of confidence resulting from the reform, "You can't invest unless you have confidence that you will be able to realize profits from your investment." But most of those who blamed the agrarian reform also cited the monopoly price system, and all opposed INCAFE adamantly. At times it seemed that INCAFE had come to symbolize all the structural reforms of the 1979–80 period.

The specific failures of INCAFE were attributed to politics, corruption, and incompetence stemming from a lack of technical knowledge of the coffee industry. As one member of an elite family with long experience in the industry said, "The coffee growers think they have a monopoly on technical knowledge of the coffee industry just because they are coffee growers. . . . They think Rubén Pineda [head of the Consejo Salvadoreño del Café] is doing a good job just because he grows coffee, not because he is well informed about coffee." An official on the coffee council pointed out that one head of INCAFE had said on television that all he knew about coffee was how to drink it.<sup>40</sup> Those interviewed thought that political influence had determined appointments to INCAFE, leading to widespread incompetence and corruption. One coffee grower commented, "There were too many people who came without shoes and left millionaires." Another asserted that the monetary difference between the international price and the producer price was diverted to other organizations like the military. One ABECAFE president said, "Everything was based on corrupt politics rather than on competence, and the result was disaster. . . . The corruption was terrible—Duarte and the others loaning themselves money."

In a pre-election interview, candidate Cristiani vowed that if elected, he would return coffee to the system that existed before 1979, and with the help of a supreme court decision declaring INCAFE unconstitutional in July 1989, he did. INCAFE lost its export monopoly and a new organization, the Consejo Salvadoreño del Café, was established to manage the government's remaining limited involvement in coffee. The council was to be administered by a joint government–private-sector board.<sup>41</sup> Although the Banco Central and the coffee council retained control over foreign-

40. The statement was actually made by General Adolfo Blandón, Chairman of the Joint Chiefs of Staff of the Salvadoran Armed Forces in a meeting held on 21 Aug. 1986 with representatives of the Cafetalera and other private-sector organizations. See "Pdte. Duarte tiene que rectificar dice Blandón," *El Diario de Hoy*, 22 Aug. 1986, p. 3.

41. See "Asamblea aprueba ley del Consejo Salvadoreño del Café," *El Diario de Hoy*, 19 Oct. 1989, p. 2; "Crean Consejo del Café y se reforma el INCAFE," *La Prensa Gráfica*, 20 Oct. 1989, p. 3; "Asamblea aprobó la venta libre de café al exterior," *Diario Latino*, 20 Oct. 1989, p. 6; and "8 representantes en Consejo del Café," *El Mundo*, 20 Oct. 1989, p. 32. Both ABECAFE and the Cafetalera were represented on the board of the council, along with representatives of the marketing and agrarian reform co-operatives.

exchange and export quotas, the processor-exporters got their businesses back, and producers resumed selling directly to exporters at prices based on the international price. As might be expected, those in the coffee elite, particularly the processor-exporters, were delighted. Most had only good things to say about the Consejo Salvadoreño del Café and its limited regulation. The consensus was that the coffee industry was back in the hands of those who could run it best—the technical leaders who had built the industry in the first place and who continued to offer the best hope for the economic future of El Salvador.

If anything, the INCAFE episode reinforced the elite view that management of the coffee economy should be left to them and to free enterprise. It also reinforced their long-held assumptions that economic development and a rising standard of living for all Salvadorans depended on their economic leadership and that structural change was prejudicial not only to themselves but to Salvadoran society as whole. As one former INCAFE president who belonged to a leading coffee family explained, “The reforms alienated the small growers and the middle sectors of society, and that’s why the last election came out the way it did.”

### *Dictatorship and Democracy*

Barrios and other nineteenth-century liberal coffee growers had shown a marked lack of interest in parliamentary democracy, preferring instead Auguste Comte’s concept of “republican dictatorship.” In fact, the coffee elite in El Salvador tolerated a military dictatorship without evident dissatisfaction for more than fifty years. As one leading processor said, “It wasn’t like the situation in Eastern Europe, where the economy was a shambles. Here people were basically satisfied with the economic situation. So there was no revolt.” Another prominent processor noted, “It wasn’t like the situation in Nicaragua, where Somoza intervened directly in the economy. Here they [the military dictatorships] left the economy strictly alone.” Most members of the coffee elite pronounced pre-1979 economic policy distinctly preferable to that of the Duarte period, although some expressed limited criticisms of past military regimes. Nevertheless, as one past president of ABECAFE explained, “We needed the military to protect us from the left.” The positivistic doctrines of order and progress well describe the Salvadoran system existing prior to 1979, a system supported explicitly or implicitly by members of the coffee elite.

Earlier interviews by journalists found a grudging respect for the hard-line policies of General Hernández Martínez, and one ABECAFE press release even referred approvingly to the “leader of our country who had the wisdom to put the social peace and order of our country above all

else," an obvious reference to the 1932 massacre initiated by Martínez.<sup>42</sup> The general himself was enthusiastically backed by most members of the coffee elite, who financed his bloody vengeance against the rebels of 1932. Among the contemporary coffee elite, the extreme right has been represented by Orlando de Sola, the outspoken conservative member of a relatively liberal Salvadoran family. De Sola openly backed the death squad massacres of the early 1980s and urged a return to a 1932-style *matanza* to settle things. Such views are not uncommon in El Salvador, although de Sola by no means represents elite opinion in general or the ABECAFE perspective in particular.

Support for the hard-line approach was not expressed in the interviews made in 1987 and 1990. Whether this view represents a change from earlier ones (as suggested by some of those interviewed) or many members of the ABECAFE faction of the elite were never as enthusiastic about the hard line as indicated by the public comments of some is difficult to determine. It is nevertheless clear that respect for democracy has replaced "republican dictatorship" as the part line at ABECAFE. It is also evident that elite conceptions of democracy do not correspond to those held by most citizens in industrial democracies like the United States. Although general support now exists for less authoritarian and more democratic political forms, as López Vallecillos noted, it is "within the framework of liberal democracy, representative but restricted and controlled."

Given the intransigent public image of the coffee elite, the views expressed by some of its members are surprising. One of the most liberal of those interviewed, a leading miller and banker, referred to Shafik Handel (head of the Salvadoran Communist party and chief negotiator for the rebels) as "a great democrat." He also described the political role played by Rubén Zamore, leader of the guerrillas' civilian allies (the Frente Democrática Revolucionaria or FDR), as "constructive" and argued that the conflict would be resolved by opening up democratic political space in El Salvador to include both. One past president of the Cafetalera who supported the ABECAFE viewpoint on most issues asserted that complete freedom of speech and electoral freedom were a necessity: "If the people vote for the Communists, then a Communist government it is. It's the people's choice." A member of the ABECAFE board of directors said, "Look, If you're a Communist and I support some other party, the way to do it is fight it out in the election campaign." Another coffee grower said that the rebels "couldn't demand that we replace Cristiani with Shafik Handel, but with reason there has to be give and take on both sides." A co-op president listed three conditions for ending the war: a general amnesty covering all crimes associated with the war, a guarantee of absolutely no

42. ABECAFE paid announcement, *Diario Latino*, 24 Nov. 1977, p. 19, quoted in Dunkerly, *Long War*, 113.

reprisals (against the rebels), and rebel participation in political parties in an election.

Orlando de Sola's harsh stance was thus a distinct minority view among those interviewed, one not shared by any of the ABECAFE faction. One prominent grower dismissed de Sola as "a very angry person" who was paid by his family to stay out of the family business. This interviewee even volunteered that de Sola was said to be involved in death squad activities and that his radical ideas "could get him killed." An ABECAFE president noted that the only real choice for Third World countries was between capitalism and socialism. He then added, "There's fascism—but the cost in human freedom is too high." Although not asked directly about the killing of the Jesuits at the Universidad Centroamericana three months earlier, several of those interviewed took the occasion to condemn it. One member of a prominent miller family even referred to the murderers as "savages," while another pointed out that his cousin had been one of those killed. The same liberal miller who thought Shafik Handel was a democrat was delighted at the arrest of the murderers and seemed incredulous that it could have happened. A prominent grower reacting to charges made by retired colonel and ARENA leader Sigfredo Ochoa implicating members of the army high command in the killings said, "Well, if we are going to have peace, some people [i.e., members of the army high command] will have to go."

Indeed, the ABECAFE elite's relationship to the Salvadoran Armed Forces was considerably more ambivalent than their longtime tacit support might suggest. When queried about the oligarchy's role in running El Salvador, one ABECAFE president asked, "Do you think if we had been running things, we would have been in the kind of mess we are in now?" The same individual who had described his position as "chairman of the board of the oligarchy" went on to say, "but I didn't run El Salvador—the army did." Another miller, reacting to a carelessly worded question from the interviewer said, "You can't tell the army anything. Maybe you can politely make a suggestion." Another grower interviewed claimed that funds had been diverted from the government coffee board (INCAFE) to the army to pay for troops to guard the coffee harvest. President Cristiani went so far as to blame the army for the mass murders of the early 1980s, although he did so to exonerate ARENA from complicity in the slaughter. Another ABECAFE board member asked, "Why do we need such a big army—to protect us from Honduras?"

Yet the concept of democracy held by most of those interviewed was circumscribed, and their willingness to question military lawlessness was limited. Although all said that the rebels should get involved in the electoral process, almost none saw any particular need for special legal provisions or modifications in the judicial or military structure to insure the rebels' safety once they did so. Indeed, the elite's unwillingness to

acknowledge the need for any such changes bordered on the disingenuous. One co-op president claimed, "No one has anything to fear from the army—except Joaquín Villalobos and Shafik Handal." In his view, ordinary supporters of the Frente Farabundo Martí de Liberación Nacional (FMLN) could rejoin society without fear.

When asked if it was realistic to expect rebels to simply lay down their arms without fear, another miller responded, "Sure, we have amnesties all the time. . . . The guerrillas have their representatives, the FMLN-FDR—it's really the same thing. They ran in the election campaign. Anybody can say anything. They go on television and denounce the government. They go into the plaza here" (in the central part of San Salvador). When asked if the rebels might fear retaliation, another co-op president suggested that "they could leave the country. Go to Canada or Australia. Many of them are already in Canada." Asked about reprisals against those who stayed, he allowed that they could occur in some villages where people had lost family members in the civil war. He then added calmly that there were more deaths after the Spanish Civil War than during it, but he did not see that as a problem for the rebels' incorporation into the electoral process. One government official, while pointing out that guerrilla representatives like Rubén Zamora could freely participate in elections, proceeded to describe him as "that Marxist-Leninist" (a characterization that can be tantamount to a death sentence in El Salvador) and linked him to Jennifer Jean Casolo, a U.S. religious worker who had been charged with hiding weapons for the guerrillas during their 1989 offensive. Although the charges were later dismissed, Casolo occupied a special niche in the demonology of the Salvadoran elite as a U.S. citizen who first befriended but later betrayed its members. Another interviewee from an elite family recounted studying with Rubén Zamora at the Universidad Centroamericana and having had some sympathy for his position. Now, however, this interviewee wanted them all locked up. When asked what would happen if the rebels did not accept the electoral terms offered by the government, one miller shrugged and said, "Then our army will simply continue the process of pacification."

Based on these comments, it seems fair to say that members of the elite would not be dismayed if their political opponents ended up in the national assembly or in their graves. The ability to entertain such seemingly contradictory notions can be understood, however, if account is taken of their view of the rebels' social base and the likely outcome of the democratic process. The collapse of Communism in Europe had reached its climax only a month and a half before most of the interviews began, and during the course of the interviewing, the Sandinistas lost the presidential election in neighboring Nicaragua. As might be expected, members of the Salvadoran elite were greatly encouraged by these events, and many took heart from what they saw as not only the defeat of Communism

but the rise of democracy and the decline of revolution as political forms. As one miller joked, "They say there are only 5,001 communists left in the world—one old guy in Cuba and 5,000 in El Salvador."

Most of those interviewed expected that the rebels would never poll more than the 3 percent of the vote they received in the 1989 presidential election, and all regarded the rebels as an unrepresentative minority who could never be a significant electoral force. The defeat of the Sandinistas simply confirmed this view. As one grower said, "Look at the Sandinistas—they found out when they voted that people were supporting them out of fear. The same thing will happen here." When it was pointed out to another miller that the Sandinistas had received more than 40 percent of the vote, he replied, "It only shows that they had ten years to brainwash the population." One government official argued that the rebels were afraid of elections: "Look what they—Zamora—got in the last election, less than 3 percent. They are losing force." A co-op president was optimistic about the prospects for democracy because the collapse of Communism, the Sandinista electoral defeat, and what he called the "loss of force" of Fidel Castro had together deprived the guerrillas of their external support. Without it, he clearly implied, they would have no chance in El Salvador.

In general, the rebels were regarded as a tiny group of terrorists of foreign inspiration if not foreign origin. No one viewed them as part of a mass movement. In fact, the interviewer was indignantly corrected by one ABECAFE president when he referred to the conflict as a civil war: "It's really not a war like the Civil War in the United States. That implies there are two sides, two armies. Here there are just 5,000 terrorists. And they are mostly terrorists supplied by Cuba and Nicaragua." When asked if the problem in El Salvador was not the existence of two armies, presidential candidate Cristiani replied with uncharacteristic coldness, "Yes, but one of them is outside the law." Another elite member disputed the interviewer's suggestion that the rebels might have some wider popular support: "Who ordered the killings of the Americans in the Zona Rosa [four Marines and two businessmen assassinated in 1985 in a popular San Salvador entertainment district]? Shafik Handel, Joaquín Villalobos—they don't need a mass movement for that." Another said that he felt that the idea that the guerrillas have popular support was the greatest U.S. misconception about El Salvador. Another said, "They have a few thousand people with guns. If you travel around the country, you will find most people believe in peace and want the country to move ahead." All those interviewed followed conventional norms of public discourse in El Salvador in using the term *terrorist* for the rebels, often correcting the interviewer's use of the term *rebel*. All thought that the changes in Eastern Europe had weakened the rebels even further. One commented, "they are having a difficult time explaining these changes to their followers."

If the rebels in El Salvador are an unrepresentative minority of foreign-inspired terrorists without a shred of popular support (not an unfair summation of the nearly universal view among those interviewed), then little contradiction exists between elite support for democracy and their relative indifference to the fate of the rebels once the latter join the political process. The civil war is not a civil war or revolution at all—it is a problem in controlling domestic terrorism. According to the elite perspective, the electoral process extends to all Salvadorans “who believe in peace and want the country to move ahead.” Whatever the factual merits of this view, it does represent an advance over uncritical support for military dictatorship. But it does not suggest that notions of democracy have extended to include the Salvadoran left in either its armed or unarmed version. Elections without civil rights, including the right to life, are not meaningful contests, and thus the elite notion of democracy is a limited one. The real (as opposed to the rhetorical) incorporation of the left remains an unresolved contradiction in the ABECAFE elite’s view of a settlement of the war.

These limited notions of democracy do not extend much beyond support for contested elections and free speech. The ideas that the judicial system might require reform or that the army’s record on human rights might be cause for alarm were not prominent themes in elite conversation. Only one elite member mentioned the need for a strengthened judicial system in discussing prerequisites for a settlement with the guerrillas. When human rights were mentioned at all (an extremely sensitive area in the interviews), they were mentioned only in the context of anti-Salvadoran propaganda in the United States. One relatively liberal co-op president, a great admirer of Franklin Roosevelt, complained bitterly about what he perceived as a U.S. double standard in evaluating human rights violations. Why, he asked, was there more outrage at the killings of the Jesuits in El Salvador than at the killing of “your own servicemen,” referring to the U.S. Marines killed in the Zona Rosa. Another complained that in the United States, people always talk about the army when they “make a mistake” and kill someone: “What about all those that the FMLN has killed—assassinated?” A member of a prominent family who denounced the killers of the Jesuits as savages went on to say that the FMLN “is using the killings of the Jesuits for propaganda.” One coffee association official acknowledged that there were problems in the army but allowed that they resulted from what he called “the low cultural level” of the troops: “All we hear about are the problems of human rights of the army.” A prominent miller-banker was pleased to learn of the indictment of army officers in the Jesuit case but immediately added that Salvadoran law made their conviction unlikely. He alone advocated reform of the judicial apparatus.

All those interviewed were committed to a negotiated settlement of the war by incorporating the rebels into the democratic process. But almost

none seemed inclined to demand changes in army behavior or reforms in the judicial system that would make electoral democracy meaningful to rebels and rebel sympathizers after the war ended. Without such changes, the rebels would be unlikely to accept a negotiated settlement, and the lack of military and judicial reform had much to do with the origins of the war. Nevertheless, the importance of the shift in views of this key class toward accepting at least limited democracy should not be underestimated. But it remains to be seen whether the elite will be willing to challenge the traditions of military lawlessness that have dominated El Salvador for most of this century. Without such a change, it is unlikely that elite support for limited democracy and a negotiated settlement will have much practical effect.

*"There's Nothing to Reform"*

The ABECAFE elite's view of social reform fits with its view of agro-exports, free markets, and limited democracy like the final piece in a puzzle. According to the elite's view, the best way to raise the general standard of living, including that of the poor, is via agro-exports. Government-imposed restrictions simply impede the ability of those in the agro-export business to manage the economy effectively in the interest of all. Democracy is open to all those genuinely devoted to peace, and only a minority of foreign-inspired terrorists want war. Thus structural reforms must be a contradiction in terms. There is no reason for social discontent because the proceeds of the coffee economy are widely distributed and are the major source of economic survival in rural areas. Structural reforms of the economy would simply impede economic development. The gifted Salvadorans who have built the economy can rescue the country from backwardness through the agro-export industry that they and their workers have built over long years of struggle. All Salvadorans who genuinely want to see the country progress recognize this truth. So as one elite member concluded, "There's nothing to reform."

Elite opposition to structural reform, however, does not imply that its members oppose social programs that benefit the poor or provide a modicum of education and physical security for their workers. Although the view was not unanimous, a number of those interviewed expressed support for some limited social security and welfare reforms. Many emphasized their own roles in providing health, educational, and income supplements for their own workers even when it was regarded as Communism by less-enlightened sectors of the rural elite. Several had participated actively in forming marketing co-ops that would link large and small growers, and a number of millers had provided credit and agricultural extension advice to their small growers. Millers have come to accept labor unions in their mills, although not on their farms, but they

distinguish between real unions and union “terrorists” who are only interested in politics.<sup>43</sup>

Just as the elite’s notion of democracy does not cover the left, its notion of social welfare does not generally extend to the structural reforms demanded by the left. The agrarian reform of the Third Junta, like the establishment of INCAFE, was regarded as a disaster by most of those interviewed. For most elite members, the failure of the agrarian reform resulted from the peasants’ lack of technical and managerial skills. As one grower pointed out, technical efficiency increases with estate size in coffee. One ABECAFE president said that the governing councils of the agrarian reform co-ops were, “basically PDC [Christian Democrat] party hacks. None of them knew a thing about finances or the coffee business.” One favorite elite story (probably apocryphal) recounts a group of agrarian reform peasants slaughtering a prize breeding bull for steaks worth two thousand dollars each. A former estate owner claimed that he had provided work for five hundred workers on his estate, but the agrarian reform co-op that replaced his ownership had only eighty members. The “evidence” of the faltering agrarian reform co-ops, as perceived by the elite, simply confirmed the justness of its members’ role as technical leaders in the industry.

ARENA succeeded in blocking implementation of the second phase of the agrarian reform, which would have affected many coffee farms. Reforms in the first phase, which established producer co-ops on estates larger than five hundred hectares, were watered down but not reversed under ARENA rule. It seems to be recognized that politically, as one ABECAFE president noted, the agrarian reform has become “a sacred cow.” One high-ranking ARENA government official commented that the point was not to debate whether the reforms are good or bad but to improve the management and technical skills of the co-ops and make them productive. A president of the Cafetalera and founding member of ARENA said that the Cafetalera had excellent relations with the leaders of the agrarian reform co-op organization in coffee. This acceptance of limited agrarian reform, although not shared by all those interviewed, represents a significant policy shift for some sectors of the elite.

Yet structural reforms were generally viewed as a disaster by most members of the elite. None saw any further need for fundamental change in the distribution of income, property, or the organization of the agro-export based economy. When asked about rural living standards and poverty (another extremely sensitive subject in the interviews), they usually

43. This acceptance is limited, at best. The processing plant workers’ union, SICAFE (Sindicato de la Industria del Café), continues to denounce human rights violations against its officers and members during labor disputes. For examples, see SICAFE’s paid announcements in *El Mundo*: 29 Jan. 1986, p. 19; and 13 May 1989, p. 26.

replied by arguing that a healthy coffee economy was the best guarantee of rural social welfare. One miller provided a detailed demographic explanation of poverty but rejected redistributive solutions as “socialism.” He attributed massive unemployment to overpopulation, a situation that could only be remedied by “massive industrialization.” Another explained that in the United States in the 1920s, “you had sweatshop conditions,” but “competition for labor developed and caused conditions to improve.” He and other elite members explained with evident pride the provisions they had made for the health and education of their workers, although always within the framework of nonunionized, low-wage rural labor. One of the most liberal of those interviewed seemed puzzled by a question about solutions to rural poverty, and after some thought, said he thought that improvement in rural administration might help. Another, when asked about the need for structural reforms, replied, “What we need is more work. We need to reform the technology.”

Of all those interviewed, only President Cristiani and one other government official even mentioned the connection between social discontent and the civil war. The ideas that a connection exists between economic inequality and revolution and that organized groups of rural or urban workers or the urban poor might have collective claims on the society’s wealth were almost entirely absent. Such ideas, even when broached cautiously, were rejected as socialist or utopian. Hence the gulf between the ideas of even the moderate Salvadoran left and the coffee elite is immense. The poor were discussed as almost a separate nation or species to be assisted, to be led, to be employed, to be helped toward a higher standard of living in an industrial future but were never regarded as legitimate claimants on societal resources or power. Labor organizations might be accepted in the mills, but only as long as they had no political ambitions. Democracy was accepted but not the notion that democratic power might be used to change the relative balance of social and economic power. The war had touched the lives of many of these men and women and their families, but it was perceived as having little to do with the discrepancies of wealth and power underlying the Salvadoran system of agro-export agriculture. Rather, the war must have been caused by a small group of terrorists because there was no reason for people “who wanted the country to move ahead” to resort to revolutionary war.

Yet it would be erroneous to dismiss the elite’s commitment to a negotiated settlement, its acceptance of at least limited democracy, or its belief in progress. At the least, these attitudes have supported a policy of continued serious negotiation with the rebels and a limited but significant political space in El Salvador that makes it possible for politicians like Rubén Zamora to operate, although at great personal risk, within the country and for opposition spokespersons to denounce the government on television (as one elite member pointed out). Although the contradic-

tions in elite attitudes toward human rights and social citizenship have handicapped them in searching for a solution to the war, these opinions nevertheless represent a considerable shift from the ideas of the traditional Salvadoran right, as expressed by a conservative minority in the interviews.

#### ORLANDO DE SOLA AND THE CAFETALERA

On 30 May 1984, two days before Napoleón Duarte began his first and last term as an elected president of El Salvador, a dissident faction of coffee growers led by Orlando de Sola took control of the board of directors of the Cafetalera in a disputed election.<sup>44</sup> Members of the de Sola faction led an unremitting struggle against Duarte, INCAFE, the reforms of 1979–80, and the U.S. Embassy. This faction advocated a hard line toward the leftist opposition, whether armed or unarmed. De Sola declined to be interviewed for this study, but one of his surviving close associates graciously talked at length about de Sola's positions, and at least two others among those interviewed (neither a member of the ABECAFE elite) shared the same social and political views. Although de Sola himself has probably been quoted more often than any other member of the coffee elite, two of his associates were also quoted widely, Cafetalera board member Carlos Raúl Calvo and a former president of the organization, the late Francisco García Rossi. De Sola and Calvo wrote their own newspaper columns, and the faction's views were widely publicized during a five-year campaign of paid newspaper announcements full of colorful invective and intransigence.<sup>45</sup>

As noted earlier, de Sola's views are atypical of his liberal family.

44. The victorious faction consisted of de Sola, President Francisco García Rossi (who died in 1987), René Domínguez Hernández, Dona María Teresa de Padaoni, Gerardo Escalón Gómez, Andrés Rodríguez Celis, Carlos Raúl Calvo, Jorge Amando Alabí, and Julio Funes Hartmann. The defeated faction, led by Cafetalera President Arturo Simeón Magaña, elected a separate president and board and briefly claimed legitimate control of the association before ceding to the de Sola faction, which had elected its own president and board. See "División entre gremio cafetalera del país," *El Diario de Hoy*, 30 May 1984, p. 2; and "Violenta sesión de los cafetaleros ayer," *Diario Latino*, 30 May 1984, p. 20.

45. De Sola's columns appeared regularly in *El Diario de Hoy*. Examples include "INCAFE defiende lo indefendible," 26 Oct. 1985, p. 4; "Como lograr la paz," 25 July 1986, p. 6; and "El Salvador ante la OIC," 15 June 1989, p. 6. For representative statements by García Rossi, see "Pidan a gobierno parar destrucción caficultura," *El Diario de Hoy*, 15 July 1986, p. 3; and "Desarrollo de los pueblos descansa en libre empresa," *El Diario de Hoy*, 9 Aug. 1986, p. 7. García Rossi was killed in an automobile accident in the United States on 17 June 1987. For representative columns by Calvo, see "¡Entierro socialista para El Salvador!" *Diario Latino*, 11 Apr. 1986, p. 6; "El comunitarismo es totalitario," *El Diario de Hoy*, 15 Aug. 1986, p. 20; and "Las reformas estructurales y la guerra," *El Diario de Hoy*, 23 Sept. 1988, p. 21. Paid announcements referred to the Duarte and INCAFE policies as "irrational and suicidal" and obedient to "a Marxist-Leninist ideology imposed from abroad" that had brought the country to "a blood bath, exodus, unemployment and the destruction of the economy." See *El Diario de Hoy*, 21 Sept. 1987, p. 45; 18 Apr. 1986, p. 22; and 24 Feb. 1987, p. 41.

The one member of the family who consented to be interviewed was among the most liberal of the ABECAFE elite. Nor do the views of the de Sola faction represent the views of all growers affiliated with the Cafetalera. This faction's control of the Cafetalera was vigorously contested in 1984, 1986, and 1988 association elections by a more moderate faction of coffee growers from the war-ravaged eastern departments. The more moderate faction denounced the de Sola faction as "retrograde activists" and "polemicists" who had neglected the association's membership, while the de Sola faction denounced the opposing faction as "servile" and "sell-outs" who would hand the association over to INCAFE and the government. Each group accused the other of dividing the association.<sup>46</sup> The more moderate faction eventually ousted the de Sola board in a controversial unscheduled election in 1989. Nonetheless, the views of the de Sola faction should not be discounted as the views of just one man. This faction was elected to the Cafetalera board with substantial support, especially from growers in Santa Ana and other western departments, and it can therefore be assumed that his positions reflect the views of a substantial proportion of the coffee-growing elite (as opposed to the coffee-milling elite) in El Salvador.<sup>47</sup> Although the de Sola faction shared many of the views of the milling elite, particularly regarding the importance of coffee in the Salvadoran economy and the need to abolish INCAFE, the two groups differed strikingly in two important areas: willingness to compromise with the U.S.-backed Christian Democratic reform program and tolerance for democratic political forms, including human rights. In both areas, the de Sola faction was uncompromisingly opposed to change.

### *Duarte and INCAFE*

Although José Napoleón Duarte, the Christian Democratic party, and the structural reforms they represented (including establishing INCAFE

46. For accounts of the election campaigns, see "División entre gremio," *Diario de Hoy*, 30 May 1984, p. 2; "Violenta sesión," *Diario Latino*, 30 May 1984, p. 20; "Táctica de la D.C. dividir al gremio," *El Diario de Hoy*, 30 May 1986, p. 3; and "Triunfa en la cafetalera planilla del Dr. García Rossi frente a la de 'oposición,'" *El Mundo*, 29 May 1986, p. 2. See also "Alertan por intentos de dividir gremio cafetalero," *El Diario de Hoy*, 27 May 1988, p. 3; and "Denuncia pública: Junta Departamentales de Ahuachapán, Cabañas, Cuscatlán, Marazán, San Miguel, Sonsonante y Usulután," *El Diario de Hoy*, 26 May 1988, p. 43; "Cafetaleros superan situación y eligen nueva junta directiva," *El Mundo*, 26 June 1989, p. 7; "Elección fraudulente denuncian cafetaleros," *El Diario de Hoy*, 22 June 1989, p. 3; "La Asociación Cafetalera de El Salvador aclara," *El Diario de Hoy*, 7 July 1989, p. 35; and "¿Por qué hay dos directivas en Asociación Cafetalera?" *El Diario de Hoy*, 28 Feb. 1990, p. 7. Five of the nine members of the victorious slate in 1989 had been members of slates defeated by the de Sola faction in earlier elections, and four were from the defeated 1984 board. For charges and countercharges, see "Alertan por intentos de dividir gremio cafetalero," *El Diario de Hoy*, 27 May 1988, p. 3; and "Cafetalera sólo es un cascarón dice presidente," *Diario Latino*, 8 Nov. 1989, p. 2.

47. See "Cafetaleras santanecos apoyan directiva central," *El Diario de Hoy*, 12 June 1984, p. 31.

and nationalizing the coffee-export trade) were vehemently opposed by all those interviewed, the tone of the comments differed distinctly in the ABECAFE faction. Millers spoke of Duarte's "stubbornness," his "pride," or his "need for power." One ABECAFE president said (in English) that Duarte had a "psychological thing" about coffee growers, and an anti-de Sola president of the Cafetalera claimed that Duarte believed that "all of us [the coffee growers] are millionaires, and we had all the wealth of the country, and he was going to take it away." Another moderate Cafetalera president complained that Duarte's pride led him to think he could set coffee prices himself on his computer. Although most members of the ABECAFE faction regarded Duarte as a political opponent, most also thought that the best policy was to work with him. At least two members of this faction had served on a coffee advisory commission appointed by Duarte in 1986, and another had been president of INCAFE in the early 1980s. As one coffee grower and member of the coffee commission said, "I felt that you should talk to the government—negotiate—whether you liked it or not." Another coffee commission member complained that the de Sola faction created an atmosphere of constant confrontation with the Duarte government: "There weren't any negotiations, just total conflict." He thought that even with the old [Duarte] government it would have been possible to negotiate something. Another miller and banker said, "When you have been in the industry for five generations, as we have, you take the long view." He reported that he had continued to make money in coffee under Duarte.

In fact, the structural reforms, which all those interviewed associated with Duarte, affected growers much more profoundly than they did processors. The land reform affected millers because most of them were also producers, but it had a major effect on growers, whose only or primary source of income was land. The control of prices and the differential exchange rate affected payments to the primary producers but not to the millers, who were paid a standard fee for processing by the government. Moreover, the greater capital resources of the millers enabled them to take the long view already noted by one miller. The growers could not afford that luxury. For them, the reforms were a matter of immediate economic survival. As one grower and a close associate of de Sola commented, "The ABECAFE millers made big money even with INCAFE because they were paid a fee for milling. The big losers were the producers."

Thus it is not surprising that de Sola's policy of confrontation and vigorous attacks on Duarte and his U.S. backers found support among coffee growers. In a 1981 interview, de Sola denounced Duarte as "a Communist who happens to believe in God."<sup>48</sup> One coffee grower who had

48. Hoeffel, "Eclipse of the Oligarchs," 28.

lost a substantial part of his lands in the agrarian reform said with evident anger, "Duarte destroyed the nation and destroyed the economy." He urged the interviewer to read a recent article on Duarte in *Diario de Hoy*, a consistent defender of extreme right-wing opinion in El Salvador. The article indeed charged that Duarte had destroyed the nation and added that this president had damaged the country more than any other in its entire history. The article also accused Duarte of being "an instrument of the Carter administration" in "destroying the constitutional order" and imposing a regime that "brought the economy to ruin."<sup>49</sup> One coffee grower who was close to de Sola and a frequent contributor to *Diario de Hoy* urged Duarte and his cabinet to resign and take up arms along with their "protégés" in the mountains (the FMLN).<sup>50</sup> In an interview, this same grower called the Duarte administration a "party dictatorship." Total opposition was the strategy pursued by the de Sola faction during the Duarte administration. This strategy, however, was largely rejected by the ABECAFE elite.

### *Democracy and Human Rights*

The most striking difference between the de Sola faction and his colleagues in the ABECAFE elite emerged regarding democracy and human rights. As indicated, the ABECAFE faction's support for democracy and human rights was conditional at best. De Sola, in contrast, called for a 1932-style *matanza* to settle matters and stated in a 1989 interview with *The New York Times* that the seventy-five thousand persons killed by army terrorism in the early 1980s were "Communist stooges" who deserved to die.<sup>51</sup> His close associate wrote in a *Diario de Hoy* column, "to hell with the human rights of the Communists. . . . let our army win the war."<sup>52</sup> In an interview, the de Sola associate explained that the army needed teams of counter-guerrillas who would locate and "neutralize" potential guerrillas. He rejected what he saw as the "low-intensity" war strategy of the United States and called for total victory. The widow of a former president of the Cafetalera explained to the interviewer that the problem in her area was priests who had spread guerrilla thinking among credulous rural people. The army had no choice, she said, but to make up lists of these "subversives" and kill them. Her daughter said she believed in death squads because "killing these people made a better life for those who are living." Although such opinions may seem bizarre to those outside El Salvador, similar views were frequently expressed by middle-class Salvadorans to

49. "Muere Ex Presidente Napoleón Duarte," *El Diario de Hoy*, 24 Feb. 1990, p. 1.

50. "La verdad sobre el troglodismo," *El Diario de Hoy*, 17 June 1987, p. 6.

51. "He's a Rightist (No Doubt about It)," *The New York Times*, 11 Aug. 1989, p. A4.

52. "La verdad sobre el troglodismo," *El Diario de Hoy*, 17 June 1987, p. 6.

the interviewer in casual conversations and thus appear to be widely held in the society. To promote their conservative views, de Sola and a close associate from the Cafetalera founded a controversial organization, the Instituto de Relaciones Internacionales. Clearly, they had become as concerned with political ideology as with the interests of the coffee industry.

It is also evident, however, that such views are embarrassing to the current administration of the Cafetalera and the new Consejo Salvadoreño del Café established after the demise of INCAFE. Shortly after President Cristiani assumed office, a controversial unscheduled election for the Cafetalera presidency and board of directors was held in a San Salvador hotel. The losers, including Cafetalera President René Domínguez, claimed that the election was illegal and challenged it in the courts. The winners, led by Cafetalera President-elect Eduardo Barrientos, defended their claim and were supported by the Ministry of Interior, which certified the election and declared Barrientos the winner. At the time of the interviews, both Domínguez and Barrientos were claiming the Cafetalera presidency but Barrientos had effective control.<sup>53</sup> A neutral observer (a member of an elite coffee-growing family and a longtime student of the industry) said that the conflict represented in part tensions over prices arising between ABECAFE and the Cafetalera after the demise of INCAFE. This interpretation was confirmed by a member of the losing faction. Another neutral observer and past president of the Cafetalera said that the conflict also reflected a struggle over control of the Banco Hipotecario, whose president had traditionally been appointed by the Cafetalera board.

But the most important issue was Orlando de Sola. According to partisans of both factions, Domínguez had been backed by de Sola. As one member of the winning faction said of Domínguez, "He's the kind of person who did what he was told. The real power was Orlando de Sola." Yet a member of the losing faction charged that "Barrientos was put in because he could be counted on to keep his mouth shut and not criticize the [ARENA] government." This individual claimed that the election was pushed by ARENA and what he called the "Red millionaires" of ABECAFE and FUSADES. He further claimed that President Cristiani was allied with ABECAFE as a past president of the organization. Meanwhile, a close associate of Cristiani's and a member of the ABECAFE faction denounced de Sola, charging that his faction represented "a small group that excluded everyone else," and he strongly supported Barrientos as president of the Cafetalera. A leader of the Barrientos faction said he saw no particular problem in the Cafetalera's relationship with ABECAFE. He also stated that the Cafetalera had good relations with the Unión de Cooperativas de la Reforma Agraria de Productores, Beneficiadores y Expor-

53. "Resumen semanal," *Proceso* 10, no. 390 (28 June 1989):9. See also note 46.

tadores de Café (UCRAPROEX), which was anathema to Orlando de Sola. This leader referred to one of de Sola's close associates in the Cafetalera and the Instituto de Relaciones Internacionales as "a crazy rightist in the style of Adolf Hitler." Clearly, the ABECAFE elite considered the de Sola faction of the Cafetalera to be beyond the pale.

At the time of the interviews, de Sola himself was living in exile in Miami after two of his close associates at the Instituto de Relaciones Internacionales were assassinated and his own house was machine-gunned on three occasions by unknown assailants.<sup>54</sup> A de Sola associate strongly suggested that these attacks were linked to the struggle for control of the Cafetalera but provided no evidence to support such a claim (the FMLN denied responsibility). The de Sola faction's candidate for the head of the Banco Hipotecario also became the target of an assassination attempt.<sup>55</sup> Struggle over control of the bank became particularly sensitive because a number of prominent ARENA politicians, including Roberto D'Aubuisson, were revealed to have defaulted on loans with the bank.<sup>56</sup> One analysis made at the Universidad Centroamericana suggested that the assassination attempt reflected tensions surrounding the struggle over the bank presidency between a Cafetalera faction "associated with the figures of Raúl Calvo and Orlando de Sola" and the officially recognized Cafetalera leadership and its ARENA allies.<sup>57</sup> It is clear, however, that the controversial positions of de Sola and his Instituto de Relaciones Internacionales earned his faction numerous enemies outside the coffee industry as well.

While ARENA was out of power and INCAFE was ruling the coffee industry, the interests of the de Sola faction and ABECAFE converged. As one perceptive elite observer remarked, "The producers, who cared most about price, were out in front in newspaper statements, but the big processors were working behind the scenes." Following the election of Cristiani, the demise of INCAFE, and return of the export trade to the miller exporters, the interests of the de Sola faction and ABECAFE increasingly diverged. De Sola wanted to roll back the land reform while ABECAFE regarded a gradual program of privatization as the best way to deal with this particular "sacred cow." Respect for democracy was the party line at ABECAFE. Orlando de Sola and his faction, however, wanted to go back

54. Edgar Chacón, president of the Instituto de Relaciones Internacionales, was assassinated by unknown assailants on 30 June 1989. His colleague Gabriel Payés was killed under similar circumstances on 19 July of the same year. See "Crónica del mes," *Estudios Centroamericanos* 44, nos. 493-94 (1989):1139. The attacks on de Sola's house were reported in an interview with a close associate.

55. "Resumen semanal," *Proceso* 11, no. 474 (22 May 1991):6.

56. The list of delinquent borrowers also included the governor of Ahuachapán and former Cafetalera President Arturo Simeón Magaña, who had led the faction defeated by de Sola and García Rossi in 1984, as well as a number of other members of important coffee families. See "Dan lista de deudores al Banco Hipotecario," *Diario Latino*, 1 Nov. 1989, p. 6.

57. See "Nudo de paradojas en el caso del Banco Hipotecario," *El Mundo*, 3 Nov. 1989, p. 29.

to the old ways. With ABECAFE (or the international market, as the millers would have it) setting prices instead of INCAFE, producers' resentment at the form and level of payment would be directed at either the millers or the ARENA government. Like Duarte and his administration, Cristiani had to deal with concerns beyond those of coffee growers. As one coffee grower and official on the coffee council commented, "We, the government, are representing five million Salvadorans, not just the growers. The growers have to sacrifice to make it possible to import petroleum." But grower sacrifice for the general good was not part of the de Sola program. As one of the surviving members of the de Sola faction ruefully observed, "We had become a thorn in the side of the government."

Although the ABECAFE faction has triumphed in both the coffee sector and the wider political arena, it is too soon to tell whether this victory represents simply another phase in the alternation between authoritarian and more open policies that has long characterized Salvadoran elite politics or a genuine breakthrough for democracy. The agro-financial faction remains a formidable, albeit diminished, force in Salvadoran society, and the military is still an obstacle to democratic change. Defeat of the de Sola faction marked a victory by the agro-industrial elite over a rearguard of the agro-financial elite. This victory did not, however, eliminate the other faction or its policies from Salvadoran political life. Nor did the outcome resolve the internal contradictions of the ABECAFE position.

#### ABECAFE AND THE FUTURE

Shortly after his election, President Cristiani began to meet with Ignacio Ellacuria, rector of the Universidad Centroamericana in San Salvador, and also with the head of the sociology department and the director of its Instituto de Derechos Humanos, Segundo Montes. On 16 November 1989, troops under Cristiani's nominal command entered the university campus and murdered Ellacuria, Montes, four of their colleagues, their housekeeper, and her daughter. Shortly before his death, Montes had written that he found reason for hope in the public pronouncements of President Cristiani on human rights: "If it is not time to sing victory for the observance of human rights in El Salvador, neither is it time for despair."<sup>58</sup>

Montes might well have reached the same conclusion about the views of the other members of the ABECAFE elite. Their public commitment to electoral democracy and a negotiated settlement represents a considerable step forward, particularly when compared with the de Sola faction. But the idea of democracy they adopted did not include transforming the armed forces who murdered President Cristiani's partners in

58. Segundo Montes, "El problema de los derechos humanos en El Salvador," *Estudios Centroamericanos* 44, nos. 493-94 (1989):1095-1108.

dialogue or reorganizing the judicial system required to punish the murderers. Nor did the elite's economic prescription of privatization and agro-export-based economic development include any plan to redistribute economic benefits except through a general rise in living standards. This program will not help the elite in dealing with those who demand such redistribution, including the armed and unarmed left.

These contradictions are inherent in the agro-industrial elite's consciousness of itself and its position in the Salvadoran agro-export economy. If Clifford Geertz is correct that ideologies are "maps of problematic social realities and matrices for the creation of collective conscience" with a shared set of class destinations and preferred routes for reaching them, then the views of the ABECAFE elite constitute an ideology.<sup>59</sup> The destination is social welfare and economic development, not simply for members of the elite and their class but for all Salvadorans. The chosen route has not varied over a hundred and fifty years: export-led economic growth based on coffee. The matrix or frame for their consciousness has four elements defined by their views on the coffee economy, structural reform, revolution, and democracy. At the center of the matrix is the elite members' sense of themselves as the vanguard of industrial and social development in El Salvador. Each element of the matrix interacts with and reinforces the others, and each is directly tied to their central view of themselves as an economic vanguard.

If coffee naturally leads to industrial development (as the elite believes it has in Brazil and Colombia) and if industrial development is the indispensable basis for any improvement in the living standard of all Salvadorans, then structural reforms are not only unnecessary but prejudicial to the future of El Salvador. They are particularly damaging to the poor. According to this perspective, Salvadorans of good will understand this "truth" and want the country to move ahead, hence revolutionary violence must be the work of outside agitators and foreign terrorists. The structural changes they demand are simply a ruse to gain power, not an expression of genuine concern for the lives of most Salvadorans. If the only Salvadorans involved in revolution are "five thousand Communist terrorists," then there is little to lose in denying them democratic rights and at least some justification for the military's actions against them and their allies. Hence a democracy limited to Salvadorans who want a peaceful country that can move ahead is the only reasonable alternative for El Salvador. And such a democracy will permit the coffee economy and El Salvador to develop fully, free from the kind of government control and political interference that so damaged them under the statist vision of Napoleón Duarte.

59. Clifford Geertz, *The Interpretation of Cultures* (New York: Basic Books, 1973), 220.

This summary is not meant to caricature the perspective of those interviewed, nor is their view without any basis in the realities of Salvadoran social and economic history. Ideologies are maps of problematic social realities, but they *are* maps of reality. At the center of the ABECAFE elite's ideology is its view of itself as an economic vanguard that not only can but has delivered technical innovation, economic development, employment, and a higher standard of living to the Salvadoran rural population. The fact that the elite created a successful agro-export economy on which much of the Salvadoran countryside came to depend is a major source of its influence in Salvadoran society as well as a central element in elite members' view of themselves. The fact that the Christian Democrats could not, for whatever reason, manage this economy effectively had much to do with their electoral defeat, just as the collapse of Communist regimes has had much to do with their own economic failures.

Yet after a century of export-led growth, industrial development has not occurred, most Salvadorans are still living in poverty, and the army continues to operate with complete legal immunity. These observations, however, raise issues that fall outside this particular ideological map. The poor as an organized social force demanding their fair share of the nation's wealth simply do not exist in the elite's view of a gradually improving standard of living for all. And the army too lies largely outside elite critical vision despite its continued centrality in Salvadoran society. The silences in the conversations of members of the agro-industrial elite are at least as significant as the opinions they express.

Despite the current acceptance of democracy and negotiations, elite ideology has changed remarkably little since the liberal revolutions that ushered in the coffee era a century and a half ago. This ideology is rooted in the agro-export economy and the agrarian order of late-nineteenth- and early-twentieth-century El Salvador. The agro-financial faction has never broken with "the rigid framework of land concentration and low salaries" that is the basis of its wealth, and it remains wedded to the authoritarian order that has sustained it. Events of the last decade have moved the agro-industrial faction away from its agro-financial allies and toward a kind of liberal democracy that is "representative, but restricted and controlled." It remains to be seen whether recent history has moved the agro-industrial faction far enough to reject completely the agro-financial faction along with the authoritarian order and to accept a broader definition of democracy that would exclude the military and include the left. The outcome is critical for achieving a lasting peace and a democratic transition in El Salvador.

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