

El Salvador's Drivers of Poverty: Low Levels of Education, Lack of Access to Water and Sanitation, and Violence and Crime

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Abstract

This article discusses the underlying problems associated with high poverty rates in El Salvador. El Salvador has advanced access to basic public services but fails to ameliorate the threats of poverty that negatively impact social development. This article reviews explanations for why poverty has not improved more substantially and what some of the key drivers are for poverty in El Salvador, focusing on low levels of education, lack of access to water and sanitation, and high rates of violence and crime. It also discusses ethical aspects related to these three drivers of poverty. The article concludes with some brief suggestions on what El Salvador should do in the future to lower poverty rates and increase economic growth.

I. Introduction

Following the end of El Salvador's civil war in 1991, El Salvador has developed a stable democracy and experienced a major turning point in economic, political, and social growth. Other grand turning points have included major improvements in macroeconomic policies, including the dollarization of their economy and trade liberalization, which have paved El Salvador's way into a more globalized economy. Despite many accomplishments, El Salvador still suffers from high poverty rates.

While there are many dimensions and sources of poverty, this article focuses on three main drivers that not only cause but perpetuate poverty in El Salvador: low levels of education, lack of access to safe water and sanitation, and high rates of crime and violence. It applies ethical concepts related to these three key drivers and proposes solutions to address the high concentrations of poverty.

Following this introduction (Section I), the article provides a brief review of the literature (Section II), which is followed by some information on El Salvador's socioeconomic evolution during the last few decades, focusing on the evolution of PPP-adjusted GDP per capita, average life expectancy at birth, and literacy rates (Section III). Section IV examines the evolution of poverty in El Salvador, while Section V discusses three specific drivers of poverty and their related ethical aspects. Section VI provides some conclusions and recommendations.

II. Brief Literature Review

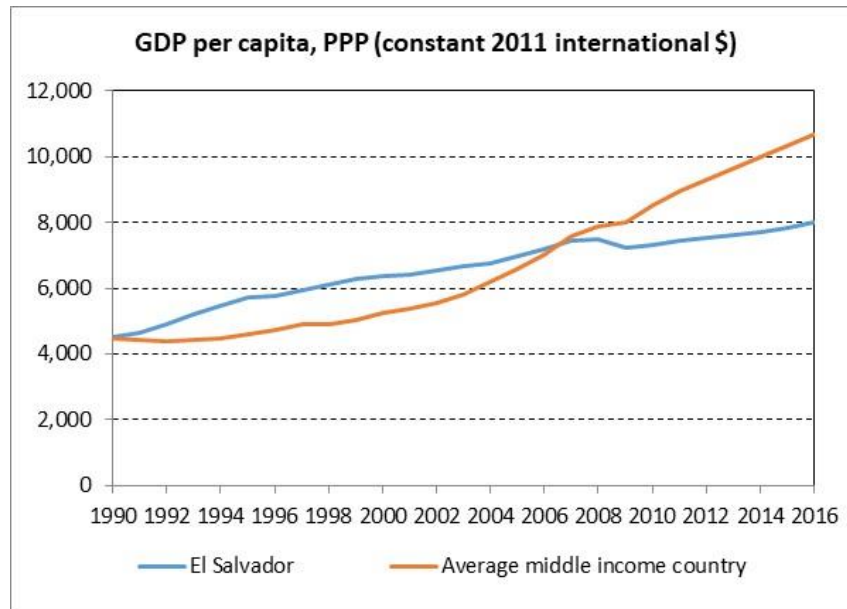
There is a solid amount of literature that covers poverty issues and social development threats within El Salvador. This brief literature review summarizes four very different publications, two of which are reports by international organizations and the other two are reports by civil society organizations. The two reports by international organizations are a very detailed analysis of poverty by the World Bank (2005) and a recent country report by the International Monetary Fund (IMF, 2016). The two articles from civil society organizations are by Voices on the Border (2017) and Craig Frayne (2016), who is writing for a group that calls itself International Socialists.

- A World Bank (2005) poverty assessment discusses El Salvador's past political events that heightened their economic growth achievements, while also touching on areas they need to continue working on. For example, key turning points for economic growth were the culmination of the Civil War in 1991, the implementation of stable macro policies, the dollarization of their economy, and their alliance in the Central America Free Trade Agreement (CAFTA). The article points out their need to ameliorate poverty rates as education rates and access to safe drinking water still pose current threats.
- A report by the International Monetary Fund (IMF, 2016) states that El Salvador greatly differentiates itself from other Central American countries in terms of fiscal sustainability, political ideology, and economic vulnerability. It notes that El Salvador embodies the highest debt ratio, at a staggering 60 percent of their GDP, particularly due to their pension system and high public spending. The report also stresses that despite the end of the Civil War in 1992, there remains a strong divergence between the political opinion that has continued to divide the nation and create spurs of violence and crime. The two dominant political parties, the Nationalist Republican Alliance (ARENA) and the Farabundo Martí National Liberation Front (FMLN), create a heated division that prohibits society from living a peaceful life and therefore ties into hindering social development as a whole.
- Craig Frayne (2016) talks about El Salvador's crime and violence, how it relates to its continuously unequal income distribution, and hence how it inhibits improvements in reducing poverty. He stresses that despite El Salvador's increased economic growth since the Civil War, most of that growth has been compromised by capitalism, leaving little income for the poor. Frayne (2016) specifically states that modernization within the nation became an opportunity for the economic elite to spread its control to new production fields and other activities, resulting in a complete monopoly over agriculture and revenue generated from those activities. Despite that El Salvador is one of the world's largest coffee exporters, most of those revenues are generated by 15 family businesses who occupy 80 percent of the land, leaving less than 1 percent of the land available to low-income farmers.
- Voices on the Border (2017) emphasizes that El Salvador is one of the countries in the world facing a profound water crisis. More than 90 percent of their water sources are contaminated, leaving less than 10 percent safe for consumption. Capitalization leads to major businesses and the rich population occupying the majority of clean water, leaving little water for poor communities. This water issue enhances the current divide between the rich and poor within El Salvador and puts a toll on social development.

III. Socio-economic Background

As Figure 1 shows, El Salvador's GDP per capita (in PPP-adjusted constant 2011\$) increased moderately from \$4,530 in 1990 to \$7,990 in 2016. While it was nearly exactly the same as for the average middle-income country (MIC) in 1990, it then grew faster in the first few years of the 1990s (likely due to some catch-up effect following the end of the civil war in 1991), but then grew less than the average MIC since 1995. By 2016, the gap between El Salvador's GDP per capita and that of the average MIC stood at \$2,683.

Figure 1: GDP per capita (PPP-adjusted, constant 2011 international \$), 1990-2016

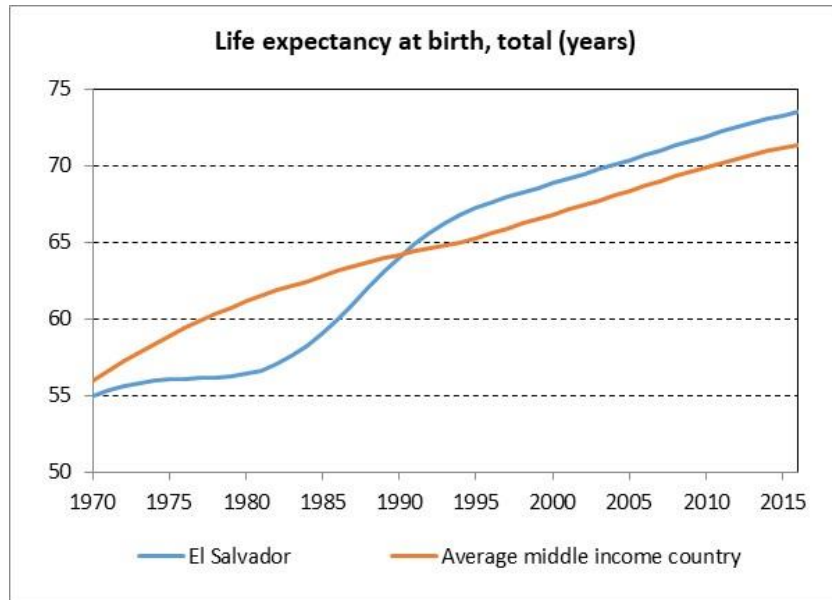


Source: Created by author based on World Bank (2018).

El Salvador's low GDP growth is associated with various internal and external factors. The coffee crisis in 2000 put a hold on growth, hindering farmers from harvesting coffee crops and dropping harvests by 65 percent compared to previous years. According to the Institute for Agriculture and Trade Policies (IATP) (2002), coffee revenues dropped by \$181 million, which constituted nearly 3 percent of the nation's GDP. Earthquakes in 2001 also negatively impacted GDP growth as El Salvador remains vulnerable to shocks in the agricultural sector. The world economic crisis of 2008-2009 resulted in a negative GDP per capita growth of 3.6 percent from 2008 to 2009.

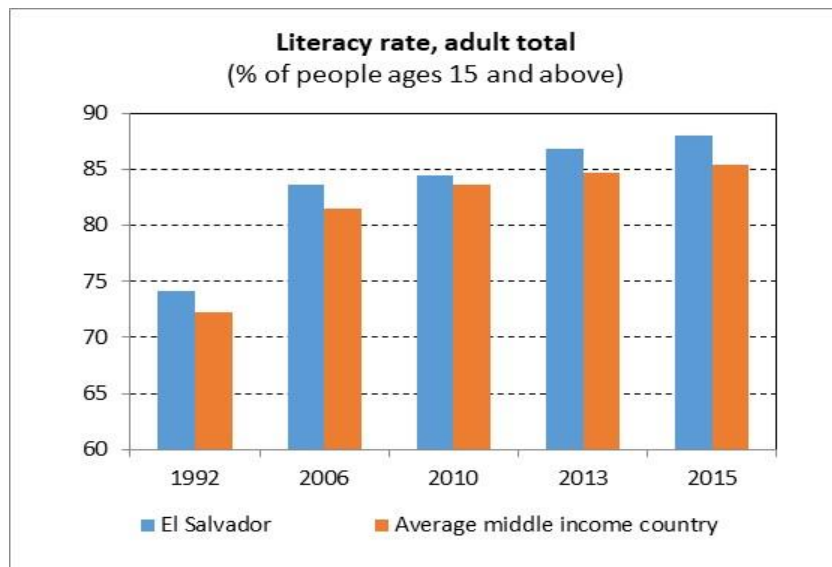
Figure 2 shows life expectancy at birth in years for El Salvador and the average MIC from 1970-2016. While El Salvador's life expectancy stagnated during most of the 1970's, it then accelerated sharply during the 1980s and early 1990s, after which it then grew at a relatively steady rate. Hence, the gap between El Salvador and the average MIC increased from one year in 1970 to nearly five years in the early 1980s. El Salvador's life expectancy caught up with the average MIC in 1991 and then remained consistently two years above the average MIC's life expectancy from 1995-2016.

Figure 2: Life Expectancy at Birth (in years), 1970-2016



Source: Created by author based on World Bank (2018).

Figure 3: Total Adult Literacy (in percent)



Source: Created by author based on World Bank (2018).

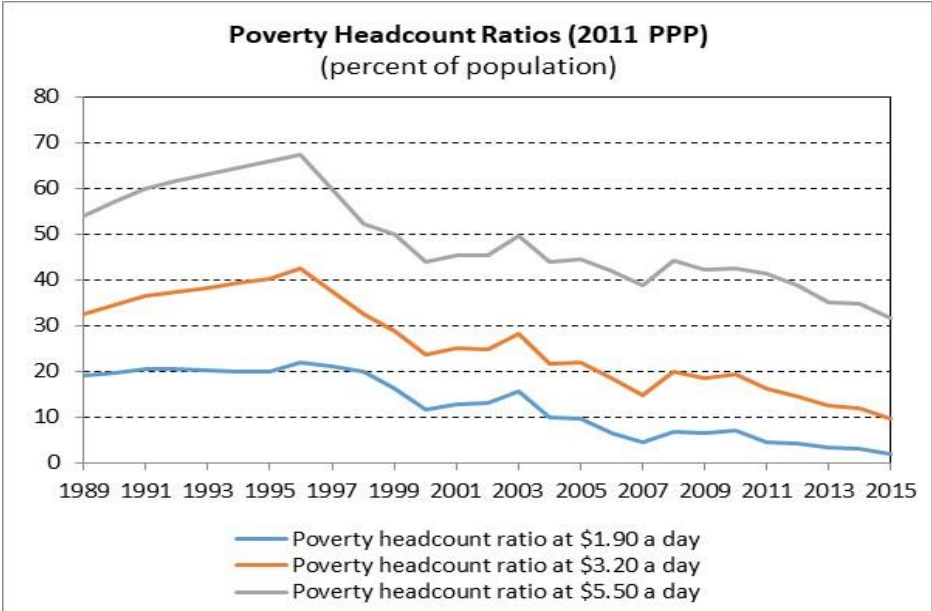
Despite a considerable gap in the availability of data, Figure 3 shows that total adult literacy rates have been above the average MIC. In 1992, which is the first year such data is available for El Salvador and the average MIC, El Salvador's literacy rate stood at 74.1 percent, while that of the average MIC was 72.3 percent (a gap of nearly two percent). While literacy rates increased in both El Salvador and the average MIC, El Salvador's lead was nearly eliminated in 2010. However, El Salvador's literacy rate grew faster in the subsequent years, exceeding that of the average MIC by

2.1 percent in 2013 and 2.6 percent in 2015 (the last year such data is available for both, El Salvador and the average MIC). Comparing the information across Figures 1 to 3, we can see that El Salvador has currently a higher life expectancy and a higher literacy rate than the average MIC, even though El Salvador’s GDP per capita remains below the average MIC.

IV. Evolution of Poverty in El Salvador

Though extreme poverty (defined as living below \$1.90 a day) has been nearly eliminated in El Salvador by 2015, Figure 4 shows that nearly one third (31.6 percent) of the population lived below \$5.50 a day in 2015, and 9.8 percent lived below \$3.20 a day. These are shocking numbers for a country with an average income per capita of \$21.50 in 2015. The explanation for the huge discrepancy between average income and the percentages living in poverty is of course high inequality. Fortunately, after steady increases in poverty from 1989 to 1996, poverty has fallen drastically in the late 1990s. With the exception of the early 2000s and 2008/2009, poverty has continued to decrease during the last two decades, though with very limited progress. For example, 44 percent of El Salvadorians lived below \$5.50 a day in 2000; 15 years later, 31.6 percent still lived below \$5.50 a day. That is an average reduction of slightly less than one percentage point per year.

Figure 4: Evolution of Poverty Headcount Ratio, 1989-2015

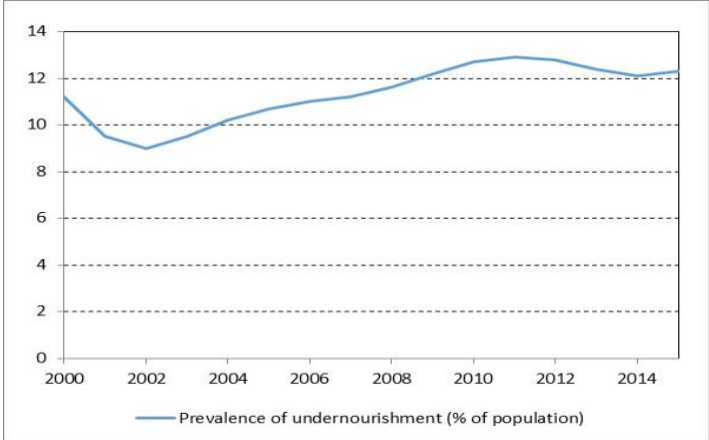


Source: Created by author based on World Bank (2018).

Despite some progress with reducing poverty based on poverty headcount data at international poverty measures as was shown in Figure 4, Figure 5 shows overall no progress in the prevalence of undernourishment from 2000 to 2015, which are all the year’s such data is available. According to the World Bank (2018), undernourishment is defined as the population below minimum level of dietary energy consumption (also referred to as prevalence of undernourishment), the population whose food intake is insufficient to meet dietary energy requirements continuously. According to the World Bank (2018), the prevalence of undernourishment has decreased relatively sharply from

2000 to 2002 but then increased continuously for the next ten years. It then decreased again from 2012 to 2014 but increased again (even though marginally) in 2015.

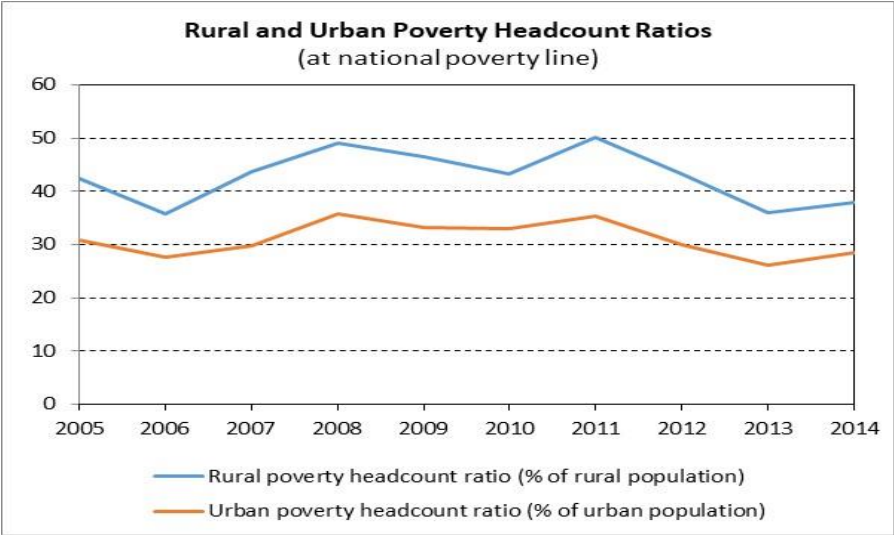
Figure 5: Prevalence of Undernourishment (percent of population), 2000-2015



Source: Created by author based on World Bank (2018).

The overall stable level of undernourishment from 2000 to 2015 is confirmed by looking at the evolution of urban and rural poverty at national poverty lines, for which data is available from 2005 to 2014. As shown in Figure 6, despite some volatility, about 40 percent of the rural population lived below national poverty lines from 2005 to 2014, while urban poverty remained relatively stable at around 30 percent.

Figure 6: Rural and Urban Poverty, 2005-2014



Source: Created by author based on World Bank (2018).

V. Drivers of Poverty and Ethical Aspects

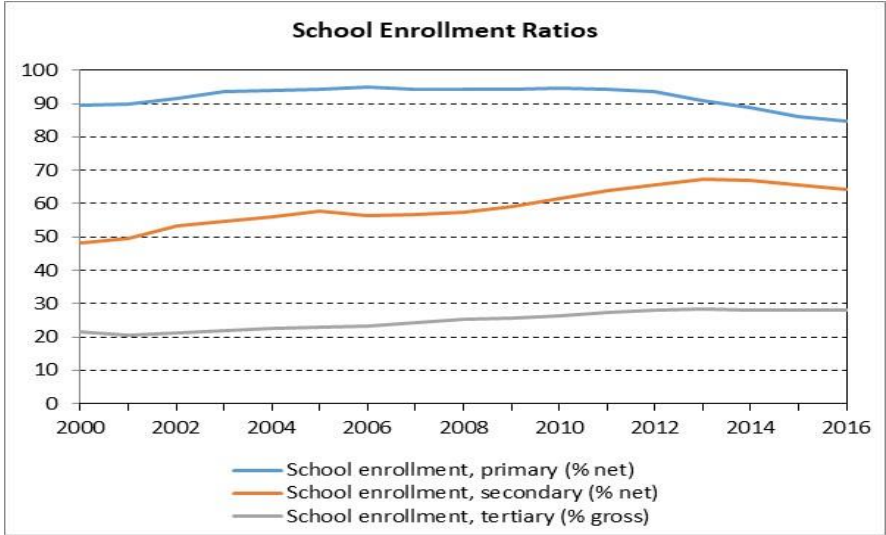
This section now reviews three key drivers of poverty in El Salvador: low levels of education, lack of access to safe water and sanitation, and high rates of crime and violence. This section also provides some ethical discussion related to these three drivers.

V.1. Low Levels of Education

As was shown above in the socio-economic background section, even though adult literacy rates have increased in El Salvador from 74.1 percent in 1992 to 88 percent in 2015, low levels of education beyond literacy continue to contribute to poverty in El Salvador. As Figure 7 shows, as of 2016, only 64 percent of El Salvador’s children are enrolled in secondary education, and the percentage falls below 30 percent for tertiary education.

While Figure 7 shows some improvement for secondary and tertiary school enrollment ratios from 2000 to 2016, there has been a slight decrease in net secondary school enrollment from an all-time high of 67.3 percent in 2013 to 64.3 percent in 2016. With regards to primary education, the net primary school enrollment ratio has actually decreased from 89.5 percent in 2000 to 84.8 percent in 2016, with an all-time high of 94.8 percent in 2006, which is more than ten years ago. Clearly, with more than 15 percent of the children not even attending primary school, it is a kind of obvious why El Salvador has not made more progress with eliminating poverty beyond extreme poverty.

Figure 7: Primary, Secondary and Tertiary School Enrollment Ratios, 2000-2016



Source: Created by author based on World Bank (2018).

As stated in Lötter (2015, p. 158), in 1971, philosopher Peter Singer added a global twist to the centuries-old debate about rich and poor, when he asked: What are the moral obligations of rich people in developed countries to relieve the hardship of poor people suffering from hunger in developing countries? He proposed a principle that if it is in our power to prevent something very bad from happening, without thereby sacrificing anything morally significant, we ought, morally, to do it.

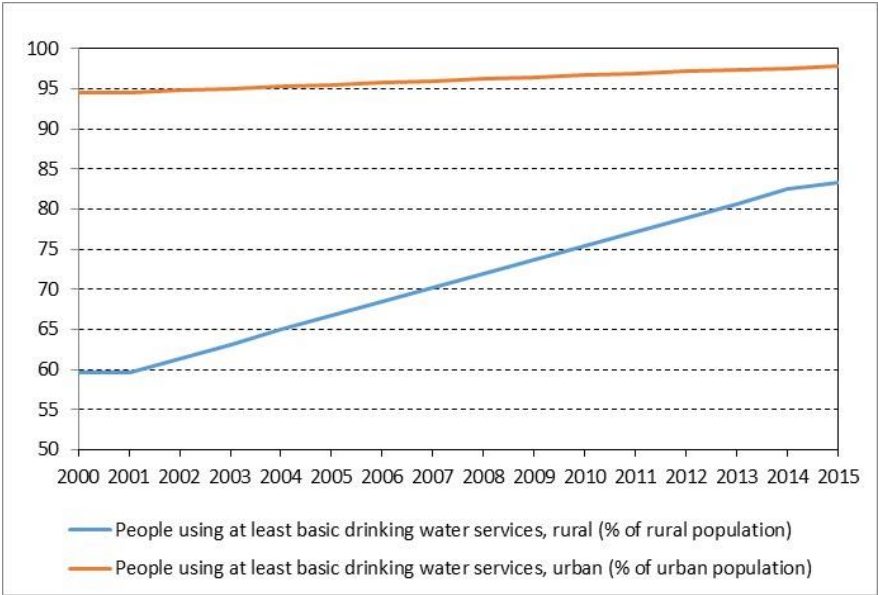
This principle can be applied to most issues that correlate to poverty in El Salvador, especially the lack of access to education. There is a huge discrepancy of education between the poor and wealthy children of the population in El Salvador. As was emphasized by the World Bank (2005, p. xii), “[a]ccess to secondary schooling remains low and the gap between poor and non-poor remains large; secondary enrollment rates are only about 20 percent among the poor (compared with 36 percent among the non-poor).”

This issue poses another ethical problem in El Salvador’s governance. The government of El Salvador prioritizes and provides higher education to the wealthier population while discriminating against poorer segments who deserve the same opportunity. The government's failure to provide equal education distribution, therefore, makes children of poorer population segments less driven to continue attending school—which overall impedes on ameliorating future poverty rates within El Salvador. Providing primary and secondary education to all of El Salvador’s children would not imply that the government or the rich people of El Salvador would have to sacrifice something significant. To the contrary, the positive impact of an educated population on GDP growth would improve not only the situation of the poor but of the rich as well.

V.2. Lack of Access to Safe Water and Sanitation

Another main driver of poverty and inequality is the lack of access to safe water and sanitation (see UNDP, 2006). As Figure 8 shows, while nearly all of the urban population have access to safe water in El Salvador, less than 85 percent of the rural population use at least basic drinking water services in 2015. Fortunately, El Salvador has made considerable progress in providing access to safe water during the last 15 years. In 2000, less than 60 percent of the rural population used at least basic drinking water services. The discrepancy between rural and urban access to safe water is consistent with the discrepancy between rural and urban poverty shown in Figure 6 above.

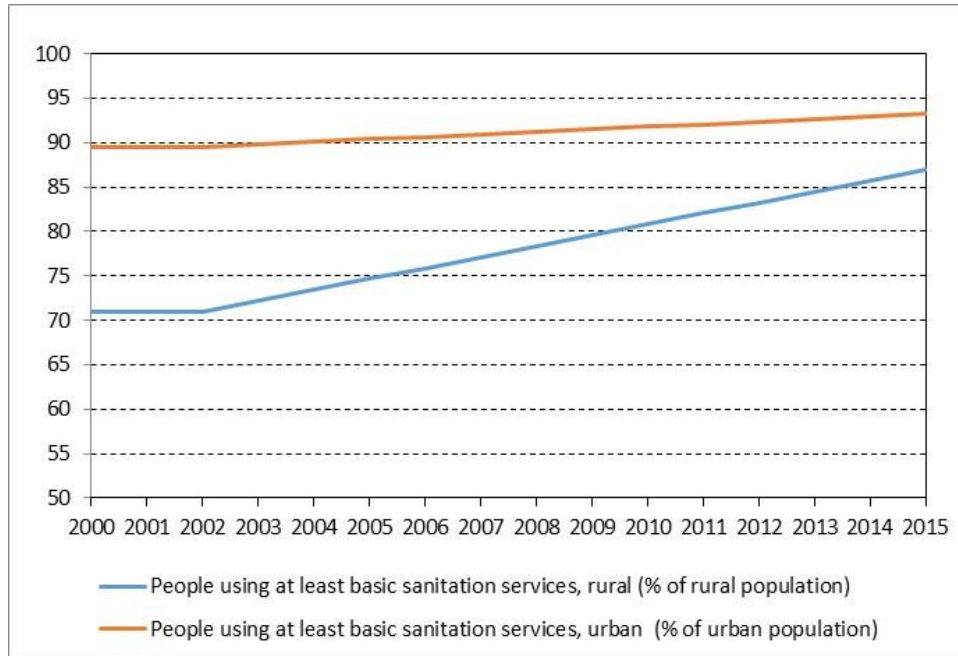
Figure 8: Percentage of People Using at least Basic Drinking Water Services, 2000-2015



Source: Created by author based on World Bank (2018).

With regards to access to sanitation, Figure 9 shows that in 2000, only 71.0 percent of the rural population used at least basic sanitation services, while the percentage stood at 89.5 percent for the urban population. By 2015, the percentage of the population using at least basic sanitation services reached 87.0 percent in rural areas and 93.2 percent in urban areas.

Figure 9: Percentage of People Using at least Basic Sanitation Services, 2000-2015



Source: Created by author based on World Bank (2018).

Comparing Figure 8 with Figure 9 shows that access to sanitation in El Salvador has generally been lower than access to safe water, which is consistent with the experiences of other developing countries, due to a variety of barriers. However, in 2015, the percentage of the rural population using at least basic sanitation services has slightly exceeded the percentage of the rural population using at least basic drinking water services. This is likely due to rapid urbanization, with cities being unable to provide basic services to the sharply increasing population in cities, especially El Salvador’s slums.

Without the proper public investment in water and sanitation, life expectancy will continue to only slightly ameliorate. The lack of access to safe water and sanitation can be discussed based on the Fairness (or Justice) Approach of Ethics, which based on The Markkula Center for Applied Ethics (2009) implies that one should treat people the same unless there are morally relevant differences between them. More specifically, this approach implies that favoritism and discrimination are wrong and unethical. Favoritism entails giving benefits to sought-out people without a relevant reason, while discrimination hampers certain people in society who do not differ from the other people that are not discriminated against.

This approach is ignored when looking at the discrepancy of access to safe water and sanitation in El Salvador and hence contributes to El Salvador’s poverty. Unequal access to clean water forces children within poor communities to spend more time and effort finding clean water sources, which

means they spend less time in school receiving an education and less opportunity to receive a future career. Additionally, lack of clean water causes diarrhea and other diseases which lowers El Salvador's life expectancy.

Schmidt and Peppard (2014) point out that poor governance and unethical distribution perpetuates the lack of freshwater access within a nation--hence emphasizing the important role that ethics plays when determining water access. A government with morals that comply with the Fairness (or Justice) Approach would provide a more equal distribution of water than a government with a more selfish mindset. In El Salvador, following its civil war, the government prioritized water access to a small number of wealthy businesses, ignoring the needs of the people, especially the poor.

Related to poor governance not giving access to water to poor people, high water prices also create an obstacle for obtaining safe water access for the poor. As stated in the Human Development Report 2006 (UNDP, 2006, p. 7): "The poorest 20% of households in El Salvador, Jamaica and Nicaragua spend on average more than 10% of their household income on water." Furthermore, the quality of the water for which poor people spend more than 10 percent of their income is below the quality of water provided in the United States.

V.3. High Rates of Crime and Violence

A detailed report by the International Crisis Group (2017) stresses that after fifteen years of failed security policies, the government of El Salvador is in the middle of an open confrontation with its violent gangs. As the report (2018, p. i) states: "The economic dead-end of El Salvador's urban outskirts (...) and stigma of gang violence combine to block off alternative ways of life for those born into these communities, cutting years of schooling for young people in areas of high gang presence and alienating potential employers. Instead of succumbing to the state's offensive, gangs set up roadblocks in their neighbourhoods and impose their own law."

A subsequent report by the International Crisis Group (2018) states that nearly 20,000 Salvadorans were killed from 2014 to 2017, which are more violent deaths than in several countries that were at war during those years, such as Libya, Somalia, and Ukraine. Even though the murder rate has consistently declined since 2015, El Salvador's murder rate was still with 60 murders per 100,000 still sky-high in 2017.

The culprit in most of these murders is the maras, the country's powerful, pervasive criminal gangs. According to the World Health Organization (WHO, 2016), gang violence is responsible for about 70 percent of the homicides in El Salvador--putting society at risk for early deaths.

The International Crisis Group (2018) points out that the maras, including the infamous MS-13, or Mara Salvatrucha, are active in 94 percent of El Salvador's 262 municipalities and that these gangs are not just a standing danger to public safety but also a de facto authority that exerts tremendous control over of the daily lives of people in El Salvador. The International Crisis Group (2018) also reports that gang-related murder is a topic of everyday conversation among families at home, children at school and patrons in bars and that every Salvadoran knows someone who was shot dead by gang members or someone who pulled the trigger.

The United States Department of State (2018) reported that San Salvador is a critical threat location for crime directed at or affecting official U.S. government interests. Also documenting the recent decline in murder rates, the report points out that there has been a reduction in home invasions/burglaries in 2017. On the other hand, a new phenomenon of armed robberies of

nightclubs and restaurants was reported toward the end of 2017. Furthermore, despite a significant decrease from a peak of more than 4,400 cases in 2009, extortion continues to be a common criminal enterprise in San Salvador with 1,414 cases reported in 2017. Finally, there has been a significant increase in rape cases from 1,520 cases reported nationally in 2016 to 1,850 reported rape cases in 2017.

When looking at these numbers, it is important to keep in mind that most of these crimes are severely under-reported in El Salvador. As the Report of the Bureau of Diplomatic Security states, many murder victims show signs of rape, and survivors of rape may not report the crime for fear of retaliation. Many victims of extortion opt to pay rather than risk their livelihoods or their safety to file a report.

El Salvador's high crime and gang violence is an ethical dilemma that impedes on social development. The government has tended to rely on police intervention but has also considered implementing a gang truce option in order to reduce physical violence. According to past events, the El Salvadoran government has chosen police control as it is a more simplistic option. On the other hand, this option has created a risk of putting lives in danger, for mostly three reasons. First, gang members are unlikely to call the police as it can decrease their status and expose other illegal activities to the government. Second, bystanders are reluctant to call the police as it can hinder their safety, and third, the police normally address the issue with hands-on violence that can potentially harm innocent bystanders (World Health Organization, 2017). The other option, which the government has mostly avoided, involves a more peaceful technique: verbal communication between gangs with the involvement of a neutral third party.

Despite the potential risks, the El Salvadoran government has chosen to rely on physical police intervention, rather than gang truce implementation. This decision ignores the ethical framework of the Utilitarian Approach because the government fails to minimize the risks and maximize the benefits for the betterment of society. Despite that the more ethical solution requires more cooperation and patience, the government should instead focus on this option as it is plausible in terms of inhibiting the cycle of violence within gang culture. Lowering negative impacts on social development through adapting the Utilitarian Approach will spark improvement upon poverty rates. Gang violence perpetuates extreme poverty as it induces drug and gun activities, which prevents people from attending school and obtaining legal jobs in the future. More specifically, if the government focuses on preventing and addressing gang violence through verbal communication, more people within poor communities will have the incentive to work and attend school.

VI. Conclusion

In El Salvador, poverty rates are not only driven by the economic vulnerability but mainly through the country's lack of governance and ethics. The El Salvadoran government prioritizes the rich over the poor, therefore leading to more children of the wealthy attending school and obtaining careers. Lack of verbal communication during gang violence, equal access to clean water, and equal education distribution all come hand in hand when referring to poverty in El Salvador. Each issue prevents children from attending school and obtaining jobs, leading to cycle of a crime and poverty.

In terms of solutions for El Salvador's high poverty rates, the government should implement more hands-on action when dealing with gang violence. This solution will prevent future occurrences

and allow more children, who were initially distracted by such violence, to attend school and make a future living.

To improve access to clean water, the government should distribute more clean water to poorer portions of the population, instead of prioritizing access to wealthy family businesses in the country. To do so, the government should create water wells or provide more accessible sources within poor communities. These areas should be funded through public investments, the government, and/or the United Nations. Therefore, children will not need to make long journeys to obtain water and will be able to spend more time focusing on school--leading to higher job rates and lower poverty rates.

Lastly, the government should educate more children in poor communities on the importance of staying in school and receiving an education. They should implement more public schooling and grant programs that allow children to attend school and afford college educations. This would positively influence El Salvador's future generations, to the extent that the children of these children will be more likely to receive educations and obtain jobs--creating a cycle of education and employment that will overall decrease the number of people living in poverty. Focusing on these three issues and their solutions may not immediately fix El Salvador's high poverty but will slowly improve upon it in the long-term.

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