

"The obstacles to consolidating the peace in Guatemala are substantial, and success is not guaranteed. At best, the peace process has given Guatemala its last viable chance to create a national agenda for development and democratization."

Guatemala's Long Road to Peace

DAVID HOLIDAY

On December 29, 1996, the longest-running guerrilla war in Central America came to an end with the signing of a peace accord between the Guatemalan government and the guerrilla Guatemalan National Revolutionary Unity (URNG) in Guatemala City. For the government, the URNG, and the international community, the Accord for a Firm and Lasting Peace is the first real opportunity for Guatemalans to come together to define a national governing agenda in terms of development and democratization; it may also be the last time they will be able to do so with substantial international economic support.

For the majority of Guatemalans—and despite the best efforts of the government and URNG—the signing of the peace accord passed without much fanfare. The “war” has not been the defining element of everyday life in Guatemala for at least the last 10 years, and the average Guatemalan does not see that “peace” will bring any radical transformation. Yet it is precisely this sense of alienation by ordinary citizens from the political process that the peace negotiations seek to address.

The especially difficult history of Guatemala should give pause about the real possibilities for change that the peace process might bring. Following the CIA-led overthrow of the democratically elected government of President Jacobo Arbenz in 1954, Guatemala was ruled for three decades by military-dominated governments rife with corruption. When revolutionary movements contested state power throughout Central America in the late

1970s and early 1980s, Guatemala repressed its guerrillas with a brutality unmatched in the region, leaving the country with the notorious distinction of being the Western Hemisphere's worst human rights violator.

Many observers believe that the continued existence of a low-level insurgency after the guerrillas were militarily defeated in the early 1980s served only to allow the military and others in government to retain their power and abuse it. Moreover, an atrophied judicial system, weak and corrupt police force, and a dominant military apparatus have contributed to Guatemala's high level of criminal violence, which has soared in recent years and is more than comparable to the postwar situation in neighboring El Salvador. Drug trafficking has also had an impact on Guatemala. The country is an important production outpost for marijuana and opium, and its vast land area and proximity to Mexico and the United States make it a useful stopover for drug shipments from South America.

The democratic transition initiated in 1986 has been scarcely more promising: coup attempts (by civilians and the military) have been a concern, citizen participation in electoral events has been consistently low, and governments have done little to attack the roots of poverty and racism that profoundly divide this country. According to the 1996 United Nations *Human Development Report*, the wealthiest fifth of the population has an income 30 times greater than the poorest fifth. Skewed patterns can also be seen in land tenure, with 70 percent of the arable land is owned by less than 3 percent of the population. The historic discrimination faced by the majority Indian population, which includes 22 different linguistic groups, has led some observers to comment that Guatemala is actually two countries, one Indian, one Ladino.

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The December 29 peace accord will itself do little to bring about an immediate or radical shift in the status quo, and the worst-case scenario for the peace process—just more of the same—cannot be ruled out. Nevertheless, some degree of optimism about the process that is unfolding may be warranted. Indeed, the peace process has led to important political developments away from the negotiating table and has generated a broad national dialogue on key issues.

The newly elected government of President Alvaro Arzú has undertaken several impressive political initiatives in its first year in office that have been instrumental in moving the peace process forward. Arzú has shown decisive leadership by removing abusive and corrupt military and police officers, launching a frontal attack against one of the most powerful mafias in the country, and swiftly concluding the peace talks that had plodded along through most of the 1990s.

Difficult challenges lie ahead, however, as both government and civil society assume responsibility for the success of the peace process. The government must meet ambitious targets for economic growth and increase spending on health, education, public security, and housing, while decreasing the military budget over the next few years. The price tag for the programs needed to implement the accords themselves comes to \$2.6 billion, much of which is being sought from the international community.

Ultimately, for the peace process to be successful, Guatemalans at every level of society will have to leave behind traditional attitudes of confrontation with state policies (or plain apathy), just as the state will have to prove its effectiveness by undergoing a thorough reform and modernization.

THE FRAGILITY OF CIVILIAN RULE

As the first elected civilian president following the fraudulent elections and military coups of the 1970s and 1980s, Christian Democrat Vinicio Cerezo was elected in December 1985 with a broad popular mandate (over 60 percent of the vote), but his power to govern was limited. While Cerezo was the country's first transition president, he took office accompanied by a military that had strategically defeated the guerrillas in the early 1980s. His power was also limited because he represented the traditional legal opposition, the Christian Democratic Party (DC), and was thus still somewhat suspect by the military. Finally, in the mid-1980s the cold war continued outside Central America and within the region, so the consolidation of an anti-

communist state was an essential aspect of the Guatemalan political landscape.

Cerezo's Christian Democratic government was a disappointing exercise in civilian rule: it became more corrupt with time, and substantial governing authority continued to reside in the hands of the military. As the winds of peace swept Central America in the late 1980s, hard-line military and civilian sectors tried twice to overthrow the government, in 1988 and 1989.

Thus began the DC's electoral decline, first signaled by the surprising electoral success of José Serrano Elías of the upstart Movement of Solidarity Action (MAS) party in 1991. Serrano, a fundamentalist Christian who headed the Council of State during the military government of General Efraín Ríos Montt in 1982–1983, won by the slimmest of margins in a runoff election against newspaper publisher Jorge Carpio of the center-right National Center Union (UCN). Serrano governed with little support in the legislature, requiring him to enter into a strategic alliance with the UCN and DC.

As a conservative who had the trust of the military, Serrano broke new political ground in firing his defense minister shortly after assuming office and arresting other officers accused of criminal activity. But he eventually showed that his leadership derived more from authoritarianism than from a desire to exert civilian control over the military: in May 1993 he carried out, with support from a faction of the military, an *autogolpe* (self-coup), dissolving congress and the Supreme Court and calling for new elections. Serrano claimed to have grown weary of the corruption and shady politicking he had been forced to accept in order to govern. The political practices of all branches of government had indeed been thoroughly corrupted but, as was later discovered, Serrano himself was no innocent. Civil society groups from across the political spectrum quickly mobilized against Serrano's coup attempt, and within days of the *autogolpe* Serrano and his closest advisers were forced to leave the country and a new president was installed by congress.

The 1993 *autogolpe* was a clear sign of the political class's failure to govern effectively in the new era. It was also the death knell for Serrano's MAS as well as the DC and UCN, which had led the transition and opened up space for newer parties to emerge. In the aftermath of the *autogolpe*, the former human rights ombudsman, Ramiro de León Carpio, assumed the presidency and momentum built for a "purge" of congress and the Supreme Court. In

August 1994, early elections were held for congress, which selected a new Supreme Court under revised procedures.

De León Carpio came to office with widespread popular and international support, but much of his domestic backing quickly dissipated as he distanced himself from and clashed with almost all organized elements of society—the private sector, political parties, labor and social activists—because of his handling of the congressional purge, tax reform, and the peace process. His only lasting support came, ironically, from the military, which was only too happy to show the world that it could get along with a human rights president. For some, de León Carpio's weakness was his inability to carry out any relevant state reforms. He saw his as a caretaker government, ruling without an electoral mandate and without a party supporting it in congress, and unwilling to engage in the wheeling and dealing necessary to carry out needed reforms.

In the postautogolpe congressional elections held in 1994, two parties emerged as front-runners: the Guatemalan Republican Front (FRG), led by former military ruler General Ríos Montt, and the Party of National Advancement (PAN), whose chief public figure was former Guatemala City Mayor (and briefly foreign minister under Serrano) Alvaro Arzú. Neither party is tainted by the history of corrupt political governance of the past decade. Both are economically and politically conservative, with the FRG finding more support in rural areas for its populist, law-and-order rhetoric, and PAN receiving support from urban Ladinos and others who favor a more cosmopolitan political leadership.

THE THREE MAJOR POLITICAL PLAYERS

Concurrent with this evolution of political parties and civilian rule, the Guatemalan military—which has dominated political life, directly or indirectly, since the 1954 coup—has also undergone significant changes in the last decade. Having dealt a strategic blow to what it considered international communism's inroads into Guatemala, the military reformulated its doctrine to one of "national stability" and enlarged the democratic opening of the mid-1980s.

The military-sponsored democratic opening led to the gradual resurgence of labor and social opposition movements, renewed military activity by the

erstwhile defeated URNG guerrillas, and constant, albeit more selective, political repression. The Serrano government's initiation of direct talks with the URNG in 1991 was supported by the military leadership as an important gesture to the international community, but it also appeared to further constrain the military's actions and allow for a wider political opening. Since then, fewer political activists have been assassinated, and some captured guerrillas—who in the past would have been killed or forced to collaborate—have been released or put on trial. Thus, the peace process, along with international pressure exerted on the few high-profile cases, such as the assassinations of Myrna Mack, Jorge Carpio, and Efraín Bamaca, and the 1995 slaying of 11 peasants in the refugee settlement of Xamán—have put the military on the defensive. But at the same time, the formal end to the war has provided the military establishment with a final opportunity to rehabilitate its international reputation.

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In many ways, business elites have been even slower than the military to support negotiations with the URNG. Throughout the 1980s, the private sector did not directly suffer financially from the war; if anything, the war's logic kept labor costs down by impeding labor and peasant organizing. The so-called lost decade of the 1980s, used to describe the economic decline of Latin America, would not aptly describe the gains made by business elites. When Vinicio Cerezo took office in January 1986, he said that he held only 30 per-

cent of power, and it was widely assumed that the remainder rested with the military; he has recently clarified that a full 50 percent was in the hands of the private sector. Guatemala may have one of the most conservative business classes in Latin America: for example, although it has the lowest tax revenues in the hemisphere (under 8 percent, compared to the regional norm of 18 percent), the private sector has successfully blocked every attempt at tax reform in the last decade.

In the 1990s, however, two events occurred that made the private sector think more seriously about the possible advantages of ending the war through the peace process. First, the globalization of the world economy has meant that hemispheric free trade will be the future economic model, and the insurgency has been considered a serious barrier to Guatemala's insertion into the world economy. Second, the URNG began to collect "war taxes" from

large landowners and ranchers, in part to make the war—and consequently the peace process—more relevant to them, and in part to finance their cause. Now, big business in Guatemala clearly understands that the peace process is the last and best chance to compete in the international economy by improving Guatemala's international image and attracting greater foreign investment.

The URNG, the third major political player, is the most recent incarnation of a guerrilla movement that dates to the early 1960s. It is comprised of four factions that began in opposition to military rule in the late 1970s and united as the URNG in 1982. Despite its current military weakness (at most, the URNG may have had some 2,000 people in arms), the rebel leadership claims that all the positive changes of the past decade, including the peace process and the democratic transition, would never have occurred without the persistence of the armed struggle. Even though a military victory has long been a remote prospect for the URNG, it has been slower than other Central American revolutionary movements in adapting to the international tides of change. When the militarily stronger Salvadoran guerrillas were reentering civilian life under a negotiated settlement in 1992, for example, many Guatemalan rebel supporters saw them as sellouts and continued to proclaim that Guatemala could do better.

In recent years, the thinking of the URNG leadership has become more pragmatic. Not surprisingly, for the movement's militants and followers inside the country who have struggled and sacrificed for years, the acceptance of anything short of their initial revolutionary goals has been a difficult and sometimes disillusioning process. In recently published internal documents, the guerrilla leadership admitted that its participation in peace talks had been merely tactical, but that with the initiation of UN-moderated talks, a negotiated political solution took on a strategic character.

THE PROCESS OF PEACE

Perhaps the most significant point of departure for the peace process was the initiation of direct talks between the Serrano government and the URNG in 1991. With Bishop Quezada Toruño serving as conciliator, this process produced an agreement on basic democratization principles and an agenda for future discussion, but became bogged down on several items concerning the human rights component of the discussions before being interrupted by the 1993 autogolpe.

In January 1994, during the de León Carpio government, a framework agreement for further talks between the URNG and the government was signed; the agreement named Jean Arnault United Nations moderator of the talks. Four more accords were signed during the de León Carpio administration (dealing with human rights, refugees, a truth commission, and indigenous rights), and five other accords (dealing with socioeconomic and agrarian matters, the strengthening of civilian power and the role of the military, a cease-fire, constitutional reforms, and reintegration of former combatants and reconciliation/amnesty) were signed in 1996 under the Arzú government.

The human rights accord was signed in March 1994. It went into effect immediately and established the United Nations Human Rights Verification Mission (MINUGUA). In November 1994, MINUGUA began setting up 13 regional and subregional offices throughout Guatemala to take complaints on violations of the commitments made by the parties in the accord. The accord establishing a truth commission aroused the greatest controversy among groups in civil society, since it indicated that it would neither be linked to judicial actions nor name names (as did the truth commission in El Salvador); instead, it would only determine the institutional responsibility for violations.

Under the accord on indigenous rights and identity, the government has committed itself to a series of reforms that are to address discrimination against the majority indigenous population. As in several other accords, these reforms are not spelled out in detail. Specifics regarding the official recognition of indigenous languages, political rights, education, indigenous land rights, and spirituality were left to joint commissions comprised of Indian and government representatives.

MOVING FORWARD

Shortly after taking office in January 1996, the newly elected government of Alvaro Arzú announced the resumption of peace talks with the URNG. By late March, an informal cease-fire had been agreed to; this, along with the March 1996 signing of the socioeconomic accord, sent a clear signal to the public that a peace agreement could be signed before the year's end.

The socioeconomic accord had taken a year to negotiate, and was agreed on only after the removal of sections that were unacceptable to the private sector. Some peasant groups criticized the accord, saying it did little to resolve the land question and

appeared to sign off on a neoliberal model of development, but business elites liked the fact that it did not commit the government to tax reform. It did, however, call for the government to raise its tax revenues from 8 percent to 12 percent of gross domestic product while also committing the government to increasing health, education, and housing budgets by 50 percent by 1999 (Arzú's last year in office).

The final substantive accord, signed in September 1996 in Mexico City, calls for reforms to the legislative, judicial, and executive branches, including a redefinition of the role of the military. Most important, the parties agreed to remove the army from public security functions and reduce its personnel and budget by a third, professionalize and transform the current police into a new civilian body, and create a civilian intelligence agency to handle internal security matters. The government also agreed to annul the law that provided for the Civil Defense Patrols (PACs) that were established in highland villages in the early 1980s to fight the guerrillas.

Focusing on the accords themselves does not reveal the full nature and significance of the peace process. The accords do not add up to a restructuring of the Guatemalan state, although they do point in that direction, stimulating further debate and reflection along the way. The clearest sign of this public involvement in the discussion of national issues is the formation of the Civil Society Assembly. For eight months in 1994, representatives from a broad array of social and civic organizations (labor, women, religious, political parties) came together and reached consensus positions on all the items on the peace accords negotiation agenda. While many of their positions (which usually tended toward those of the left) were not included in the final agreements, the process legitimized the need to engage the diverse political forces of civil society in the creation of a national agenda. Furthermore, key sectors of Guatemalan society have supported, rejected, or otherwise spoken out about all of the accords. While not every group supports everything signed, it is important that every sector has participated in a long overdue public debate about the nation's priorities and values.

Another aspect of the process that goes beyond the accords themselves are the political changes and initiatives that have been carried out away from the

negotiating table. On security issues, these changes reflect the military's need to demonstrate its good intentions toward reforms. In this vein, forced military conscription was halted in mid-1994, the system of military commissioners abolished in 1995, and the PACs demobilized in late 1996 before the final peace accord signing. Given the military's self-perception as a victorious army, it would have been difficult for it to hand over at the negotiating table what it felt it had earned militarily on the battlefield. Nevertheless, an important faction within the military also understood the importance of redefining its role and reforming its practices, both for purposes of international legitimacy and for domestic credibility.

THE ARZÚ DIFFERENCE

Apart from the human toll and the psychological scars, the legacy of Guatemala's civil war has been the corruption of public institutions and individual values.

That Arzú has been able to move the peace process forward in ways that his predecessors were not is a testament to the genuine importance of timing, leadership, and the full exercise of the political power accorded duly elected governments. Alvaro Arzú reached the presidency in a runoff election that he won by the slimmest of margins, but his arrival was accompanied by his party's majority representation in congress. Arzú's embrace of the peace accords has also provided him with the most lucid plan for governance yet of any elected president.

Arzú's arrival also coincided with a generational change in the Guatemalan military—and when a self-purge by the military was clearly seen as a smart measure that would preempt further discussion of the issue at the negotiating table. Unlike any previous government, Arzú's administration seemingly has the full (although not unconditional) support of the private sector, which is probably the president's most important political ally. Thus, for the revolutionary left, this government appears to have the legitimacy and the good intentions to be able to negotiate and implement any agreement.

Equally important for the URNG, however, was the relatively good showing of a newly formed democratic left party, the New Guatemala Democratic Front (FDNG), in the 1995 congressional and municipal elections. The FDNG, which was formed largely out of the popular and labor movements, had received the implicit support of the URNG leadership; for the first time since forming the alliance in 1982, the URNG encouraged Guatemalans to par-

ticipate in the elections. With only six months' preparation, little money, and no experience, the FDNG managed to win 6 congressional seats (out of 80) and 4 municipalities.

Before the elections the URNG had believed negotiations (reinforced by military actions) were the way to achieve its goals, working on the assumption that repression would make the electoral option unviable in the short term. But the FDNG's candidates managed to campaign with surprising ease; in fact, there was probably less electoral-related violence in these elections than in any recent contest, even though the left was fielding candidates for the first time. The presence of MINUGUA's human rights monitors was key. While not called upon to verify the fairness of the elections themselves (which have operated without fraud in recent years), MINUGUA's presence throughout the country was a determinant in the political decision to participate taken by most FDNG activists.

The FDNG's success, combined with the measures against military corruption and abuse taken by the Arzú government, apparently convinced the URNG to forego maximalist goals in the negotiations and to think more seriously about its rapid insertion into civilian political life, with an eye toward participating in the 1999 general elections.

ROGUE ELEMENTS

Another action taken by the Arzú government that lent credibility to the peace process was the arrest in September of the head of a powerful mafia based in the customs agency, Alfredo Moreno, and the dismissal of dozens of military and police officers thought to form part of his contraband network. Previous governments had knowledge of Moreno's illegal smuggling empire, which he had created following a stint in military intelligence in the 1980s, but none until Arzú had acted to dismantle it.

As daring and unprecedented as it was, the strike against Moreno was actually an astute political move by the president. First, by continuing to dismiss military officers involved in misdeeds (which in this case included the vice minister of defense), Arzú showed that he could use the powers vested in his office to exert control over the military. Second, the FRG presidential candidate he had narrowly defeated in the January runoff, Alfonso Portillo, turned out to be a close associate and friend of Moreno's, thus politically sinking the credibility of his most recent political rival. Third, the eradication of the customs mafia resulted in an immediate

and dramatic increase in duty revenues at the country's major ports, thus shoring up the government's sagging coffers. Similarly, as Arzú himself later said, the attack on the customs mafia was meant to improve investor confidence.

A different kind of incident involving the URNG led to a temporary suspension of the peace talks in October, when an urban guerrilla cell kidnapped an 86-year-old woman who belonged to one of Guatemala's wealthiest families, one that had been supportive of Arzú. The second-in-command of one of the URNG factions, the Organization of the People in Arms (ORPA), was apprehended in Guatemala City, and security forces then exchanged him for the kidnapped woman. Two weeks later, after the government had announced the details of the case, ORPA commander Rodrigo Asturias accepted political responsibility for what he claimed was an unauthorized action and stepped down from the URNG's negotiating team. The government then returned to the table, but not before passing through what UN moderator Arnault called the most delicate moment of the entire negotiations.

This kidnapping attempt, which most observers believe was carried out with the knowledge of Asturias, temporarily dampened the growing optimism among political elites about the peace process. Yet while many have called for the full prosecution of the guerrilla unit involved (which is still at large), few voiced demands that a full stop be placed on the peace talks. The incident dealt a serious blow to the URNG's moral credibility, debilitating its already weak negotiating position, but it also eliminated the possibility of any final temptations for URNG to backtrack. The URNG proposed the signing of a formal cease-fire agreement even earlier than had been scheduled, and in December the cease-fire and other technical accords were signed in Oslo, Stockholm, and Madrid.

WHOSE INTERESTS WILL BE SERVED?

The peace process has thus far merely reflected the broader dynamics of Guatemalan political life, in which the elite interests of major sectors of Guatemalan society have taken precedence over the demands generated by those on the bottom rungs of the economic and political ladder. For the first time, however, this process provides a point of departure for an agenda that can potentially be truly national—one that looks beyond the short-term interests that typically characterize policymaking in Guatemala. The accords call for the creation of new mechanisms for civic participation in local com-

munity development as well as in the setting of national policy. This will not be an easy road for a country in which many leaders and citizens are still imbued with authoritarian values and practices.

For the changes envisioned by this process to be successful, Guatemalan society—a society still fragmented and traumatized by war—will have to construct new cultural norms in which the idea of social responsibility plays a central role. Apart from the human toll and the psychological scars, the legacy of Guatemala's civil war has been the corruption of public institutions and individual values. Changing these are long-term propositions, but some short-term advances will be essential for forward movement.

The peace process will face four major challenges in the near future. First, the government, along with the private sector, must push through key reforms to modernize the state. A more efficient state would be better able to deliver the social spending promises of the peace accords, and would be better equipped to remedy the government's financial situation. Fulfilling the government's commitments for social spending is predicated on an annual growth rate of 6 percent, yet in 1996 growth was around 3 percent, Guatemala's worst showing during the 1990s. The Arzú government has said that it will issue no new taxes in 1997, but plans to increase revenue by improving its collection capabilities. Most observers believe that the administration's need for increased tax revenue may bring about an important change in its heretofore cozy relationship with the private sector.

A second challenge is improving the dysfunctional judicial system. Guatemala has implemented a progressive new criminal code that, in theory, modernizes outdated procedures and takes into account the multilingual makeup of Guatemalan society, but major resources and transformations are still needed. The credibility of the process lies in part with the government's ability to make good on its promise to combat impunity. Many Guatemalans hope that the dozens of military officers fired this year will eventually be prosecuted, but many cases have yet to be initiated. Human rights activists were discouraged in late December when congress passed a general amnesty law that will apparently leave political crimes and related common crimes

committed by the army and guerrillas exempt from criminal prosecution.

A third challenge is the increase in common crime and the continued role of the military in public security. The accords call for making the National Police a more professional force independent of military control. But this process of reform has been moving so slowly that it is likely the military will continue to be involved in crime-fighting for the foreseeable future. This is especially worrisome in rural areas, where the demobilization of the PACs (which in some areas did have a nonthreatening, public security function) will leave behind a security vacuum that the state is not yet prepared to fill. Furthermore, local conflicts (especially over land) can be expected to continue, if not increase, in the coming months, and the government may be tempted to call on military forces to participate in resolving these conflicts. The military has feared the emergence of organized indigenous groups; the longer military intelligence services assist in the countryside, the greater the potential for repressive actions.

Finally, the international community faces both a challenge and an opportunity in Guatemala. The government is soliciting some \$1.6 billion in international assistance for the financing of the peace accords over the next four years. The international community, especially European countries and international financial institutions such as the Inter-American Development Bank, appear prepared to support the process. The experience of El Salvador, however, arguably illustrates the importance of international donor coordination and conditioning the assistance on compliance with the peace accords. International donors should also be prepared to support United Nations verification of the accords as well as its programs for strengthening key institutions.

The obstacles to consolidating the peace in Guatemala are substantial, and success is not guaranteed. At best, the peace process has given Guatemala its last viable chance to create a national agenda for development and democratization. At worst, the diverse—and often antagonistic—interests at play in Guatemala's political and economic development will fail to unite around a newly defined set of rules and relations that would move the country forward. ■