

**“The Guatemalan peace process will ultimately be considered successful if it contributes to reconciliation among the many participants in the armed conflict. . . . While international human rights norms and institutions clearly support uncovering the truth about Guatemala’s bloody past, such inquiries call into question the fundamental structures of military, political, and economic power in Guatemala.”**

## Guatemala’s Precarious Peace

DAVID HOLIDAY

Guatemalans elected a new president late last year for the first time since the signing of the December 1996 peace accords that ended more than three decades of war. But in a vote that also filled municipal and congressional seats, the majority of candidates selected in these seminal transition elections did not belong to the two parties that had signed the accords. In a choice that speaks volumes about Guatemala’s troubled peace process, voters turned to the right-wing Guatemalan Republican Front (FRG), which took the presidency and a majority of seats in Congress. After three years of peace, why would Guatemalan voters reject the two parties that had brought an end to conflict? Answering this question requires an understanding of how one of the most participatory peace processes in recent history went awry when it became hostage to partisan interests with limited tolerance for broadly sharing the spoils of peace.

### THE DYNAMICS OF PEACE

The Guatemalan peace accords provided a national agenda for development and democratization, but were not constructed to resolve the fundamental problems that led to the war. Guatemala suffers from deeply rooted racism (more than half its 12 million people are indigenous) as well as one of the most inequitable economic structures in the hemisphere. Since 1954, when a United States-sponsored coup led to the overthrow of a democratically elected government, Guatemala had been ruled by a long series of mil-

itary dictators and fraudulently elected presidents. In the early 1980s, the military responded brutally to a guerrilla insurgency, leaving an estimated 200,000 people dead and hundreds of thousands more displaced or as refugees. In 1985 the country entered a process of political liberalization and democratization when it held its first relatively free elections in more than three decades. The leftist insurgency that had begun in the early 1960s was effectively defeated by the mid-1980s, although it continued to carry out sporadic raids in some parts of the country.

Only with the thawing of the cold war, and the resolution of conflicts in Nicaragua and El Salvador, did international attention turn to Guatemala. Because its political isolation from the world community contrasted sharply with the need for greater economic integration, political and economic elites gradually acceded to international pressure to settle the conflict. Direct talks were held with the leftist guerrillas, the Guatemalan National Revolutionary Unity (URNG), beginning in 1991, and by 1994 the United Nations was brought in to moderate discussions around an ambitious agenda. In December 1996 the newly elected government of President Álvaro Enrique Arzú Irigoyen signed a final peace accord.

The often-overlooked key to understanding the Guatemalan peace process is that the two parties to the peace agreement—the ruling National Advancement Party (PAN) and the URNG guerrillas—were relatively weak actors with minority support within society. Ironically, the breadth and scope of the Guatemalan peace accords—which includes socioeconomic issues, ethnic rights, resettlement of refugees and the displaced population, and electoral and constitutional reforms—derive more from this weakness than from any inherent strengths.

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This was even more true for Ramiro de León Carpio's government, which initiated talks under UN auspices in 1994 and signed several agreements between 1993 and 1996. A former human rights ombudsman, de León Carpio was appointed to the presidency by Congress following President Jorge Serrano Elías's unsuccessful attempt in 1993 to seize extraconstitutional powers through a self-coup. De León Carpio thus governed precariously, since he had no political party support of his own, and his oversight of new elections for Congress and the renovation of the Supreme Court (both victims of and complicit in the self-coup) alienated him from the major political parties. Meanwhile, the bulk of his political support derived from the military's desire to reshape its image as respectful of a "human rights" president as well as from the international community, whose disapproval of the self-coup attempt had proved key to its reversal.

At first glance the government of Álvaro Arzú, which was elected in 1996, might not be seen as intrinsically weak. After signing a final peace accord within one year of taking office, Arzú enjoyed the full support of the international community, which pledged nearly \$2 billion to support this process. The PAN government also held a simple majority of congressional seats and was seen as having widespread support from the military and the private sector. Despite this favorable set of circumstances, Arzú barely squeaked into office, winning by a mere 37,000 votes in a runoff election, and this solely because of his good showing in the capital, where he had been mayor. The opposition FRG won in 18 of the country's 22 departments or states in the presidential runoff, and became the largest single opposition bloc in Congress.

The militarily weak URNG guerrillas lacked the kind of leverage exerted by revolutionaries in neighboring El Salvador, where a military stalemate—and the Salvadoran rebels' formidable ability to sabotage the economy—had pushed the government toward a peaceful settlement. The rebels' real level of popular support was also unknown, since leftist parties had been excluded from open political participation since the mid-1950s. However, the URNG was encouraged by the election of six members of Congress in 1995 from a new party, the New Guatemalan Democratic Front, that it had tacitly supported. The guerrilla leadership certainly gambled on the possibilities for greater electoral gains under more peaceful circumstances.

Precisely because the Guatemalan guerrillas were in no position to wrest concessions from the mili-

tary, by 1990 attention turned to the broader, more complex problems of democratization in a multi-ethnic and highly inequitable society. This agenda was promoted by diverse sectors of civil society and became the focus of the peace talks. PAN then capitalized on these issues and adopted them as fundamental to its own project of modernization. Recognizing their lack of representation of greater societal forces, however, URNG and PAN could do little more in negotiating the accords than provide a framework for further discussion about key national issues. Unfortunately, during the implementation of the accords, the broadening of this agenda was not accompanied by the creation of a wider ownership of the process or of mechanisms for transparency and accountability. By failing to facilitate such democratic shifts, PAN not only jeopardized the peace process but also may have sown the seeds of its own undoing.

### PANNING THE PROCESS

The achievements of the PAN government since the signing of the peace accord were not negligible. The police force tripled, the miles of paved highways increased by 75 percent, the number of people with access to electricity grew by about half, and investments in health and education more than doubled over a four-year period, as did the number of telephone lines. At the same time, indigenous issues and (to a lesser extent) women's issues have found a place on the national public agenda, and political participation by these two groups has increased. Most important, 2,000 rebel combatants were peacefully demobilized, and no murders of former guerrillas occurred to derail the process. All this should point to the PAN government as perhaps the most efficacious among the singularly undistinguished Guatemalan governments in recent history.

Indeed, PAN seemed to have enormous economic advantages for the implementation of any peace agreement. Arzú took office as an increase from 7 to 10 percent in the value-added tax (VAT), which makes up the bulk of the state's revenues, took effect. With the approval of the private sector—which has traditionally exercised *de facto* control of economic policy—the parties signed a socioeconomic accord in early 1996 that also committed the government to raising tax revenues from 8 to 12 percent of GDP by 2000 (a deadline later extended to 2002). This commitment was seen as essential to ensure international donor support as well to sustain the peace process's increased social expenditures.

From the start, however, the PAN government tried to use the material benefits of peace to shore up its otherwise shaky electoral prospects. All public works carried out by the increase in state revenues from the new VAT—which had been passed as part of the peace process—were publicized as the work of PAN. Roads, schools, and health clinics were often heralded by the yellow-and-blue PAN party colors, and public investment clearly fit an electoral design.

By attributing all progress to the PAN government—instead of to the fruits of peace—the process gradually narrowed in scope from being an inclusive national project to one that was merely the results of one party's efforts. As the 1999 elections approached, support for the process appeared to be reduced even further to only segments of the governing party.

Another characteristic of PAN's peace project was its limited conception of the level of participation of civic organizations and political parties. The opposition FRG was not even invited to the signing of the final peace accord in 1996, and the Follow-up Commission, established as part of the agreement to monitor and assist the process, included only representatives of PAN and the URNG, as well as several civic leaders. In addition, PAN saw as destabilizing any civic effort to influence the political process that was outside the nearly 20 participatory structures set up by the accords.

Yet the peace accords had been sold to the citizenry as a "point of departure" for further dialogue. They had to be presented in this fashion, since they could offer nothing more. Nevertheless, the society-wide dialogue that this process was intended to spark never materialized. Instead, while the most meaningful participation was usually reduced to the several hundred actual members of commissions, legal initiatives were rammed through Congress, often with little pretense of trying to seek a greater consensus. To be fair, the FRG opposition rarely played a constructive role in legislative debates either, acting instead to score short-term political points by naysaying any initiative brought up by PAN.

## SETBACKS TO RECONCILIATION

The Guatemalan peace process will ultimately be considered successful if it contributes to reconciliation among the many participants in the armed

conflict. The history of that conflict remains contested, however, even more so given the defeat of the leftist guerrillas. While international human rights norms and institutions clearly support uncovering the truth about Guatemala's bloody past, such inquiries call into question the fundamental structures of military, political, and economic power in Guatemala.

The volatility of this task became apparent in April 1998 when, after several years of recording grassroots testimony, the Roman Catholic Church's Recovery of Historical Memory Project published a four-volume study called "Guatemala: Never Again" that detailed the impact of the war's violence. Just two days following the report's release, the bishop who oversaw the project, Juan Gerardi, was brutally murdered as he entered his Guatemala City residence. This case has become a key test of impunity and has advanced only because of valiant efforts by the church, the press, and a few key witnesses and prosecutors (most of whom have fled into exile).

The church sees military complicity in this murder, which remained unsolved at the end of the Arzú administration.

Following the Historical Memory report, the peace accord-mandated Historical

Clarification Commission, referred to as the Truth Commission, issued a 12-volume report in February 1999 on the war and its effects. The government response to the commission—to reject key recommendations, while implying it was already implementing others—also inspired little confidence that the government had the political will to deal constructively with Guatemala's dark past. While state responsibility for human rights violations has decreased since the peace accords (a continuation of a trend already underway when the peace talks began in 1991), the impunity surrounding the most important cases—and nearly all minor ones—continues to cast a shadow over the prospects for real change.

Another event that highlighted the difficult road to reconciliation was the failure of the May 1999 referendum on constitutional reforms, an event that would have ratified and institutionalized the changes sought by the peace process. The referendum would have modified the role of the military (limiting its security role to purely external matters) and revised the constitution to reflect the multicultural and multiethnic nature of the state. These

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changes were originally to have been implemented within the first year of the peace accords in the belief that, with Guatemala in the international spotlight, opposition would have been difficult. The reforms, however, went through a tortuous two-year process of discussion and revision in Congress and among civil society sectors and political parties. By the time they were approved by Congress in October 1998 (just days before an international donor meeting), the number of proposed reforms had risen from 12 to 50. While most were within the spirit of the accords, several involved unsatisfying compromises or controversial additions.

The reform package required approval by a majority of voters in a referendum, and the campaign settled on the simple strategy of promoting support for the reforms as a vote in favor of the peace accords; a vote against would be seen as antipeace. Perhaps for this reason none of the major political parties offered significant opposition. But their support was largely duplicitous (with the striking exception of FRG), because few risked investing too much political (or financial) capital just months before elections. In the final two weeks, well-funded attacks from rightist opinion-makers—many arousing latent racist fears and prejudices and prognosticating an eventual balkanization—played into middle-class concerns. In other quarters, the increased cost to citizens for implementation of such policies as multilingual access to justice and education was reason enough for rejection. In the end, the vote in which the reforms were rejected attracted an overall turnout of only 20 percent of registered voters, although most indigenous areas supported the reforms with higher levels of political participation. As in most elections, the urban voters of Guatemala City were key: subtracting those voters from the total would have resulted in approval of the half of the reform articles dealing with multicultural issues and judicial reform.

### THE RISE AND FALL OF PAN

The ruling party's four years of control over the Congress and the presidency, accompanied by enormous international financial and political support and the political dividends of securing a peaceful settlement, should have been enough to buy it another term in office. What went wrong? In part, PAN's appropriation of the peace accords—rather than the expansion of ownership over them—proved a poor electoral strategy, but only in light of other structural characteristics of contemporary political life.

First, a crippling lack of trust has developed among citizens and between citizens and the state: the government is rarely given the benefit of the doubt. President Arzú's defensive attitude toward any criticism only served to intensify the distrust. As the press played an increasingly vigilant role in questioning and monitoring state policies, Arzú often took it personally. Eventually, he gave up and ignored the press. At the same time, three political parties since the 1985 transition have run as incumbents, and none has yet to be reelected to executive office. Thus all three major political parties now in Congress—the FRG, PAN, and the URNG—are essentially political manifestations of the 1990s (although their roots date to the 1980s), while the parties that engineered the mid-1980s transition have all but disappeared.

Second, civilian governments have not ruled with the degree of transparency expected by citizens, and the Arzú government was no exception. This became especially acute as the government's peace-accord expenditures increased over time. Roads, schools, and health clinics were often built by what was perceived as a patronage network of subcontractors. Most hotly debated was the privatization of the telephone company, TELGUA, the sale of which appeared to have been made to presidential friends and advisers. Regardless of whether this perception is accurate, the government was unable to shake a reputation for large-scale corruption. PAN probably also paid a high price for this failure, since it arrived in office with pledges to combat corruption and promote "good government." It also suffered at the ballot box because of the flagging economy. Although the party increased social investments and put more police on the streets, the economy did not produce more jobs and the security situation was not perceived as having improved, the two issues at the top of every citizen poll.

### A MOVE TO THE RIGHT?

The FRG did more than just capitalize on the punishment vote against PAN. The FRG had risen to prominence under the singular leadership of former military ruler Efraín Ríos Montt, the scourge of the human rights movement (and who, according to the Truth Commission, presided over acts of genocide during his rule in the early 1980s). Indeed, among key personalities and grassroots supporters of the FRG are both hard-line former military officers and former local paramilitaries. But many Guatemalans, rural and urban, see Ríos Montt as someone who ushered in law and order following the seemingly

random terror that existed before he took office. In addition, “El General”—as he is commonly called—holds great appeal as an unabashed, born-again Christian in a country that has become increasingly evangelical over the last two decades.

Constitutionally prohibited from running for presidential office because of his tenure as Guatemala’s military dictator, Ríos Montt and the party hierarchy wooed Alfonso Portillo from the ranks of the Christian Democrats in 1995 to become the FRG presidential candidate. (In the 1980s, Portillo had also sympathized with the revolutionary movement.) After a respectable showing, Portillo then spent the next four years campaigning extensively throughout the country, bringing in new party supporters and building his own base of support. An eloquent populist, Portillo has played heavily on the elitist, exclusionary, and corrupt charges leveled at the PAN government and has promised to fulfill the unfinished tasks of the peace accords. The original deal with Ríos Montt under which Portillo became the FRG candidate appeared to include leaving Congress to Ríos Montt’s party faithful and allowing Portillo to bring his own loyalists to the executive branch.

A telling episode during the 1999 political campaign came when charges surfaced that Portillo had killed two people in a 1982 gun battle in Mexico and had then evaded the Mexican justice system. Portillo publicly confessed to the killings, characterizing them as an act of self-defense (it was later confirmed that the case had been conveniently closed just before his 1995 presidential bid). While PAN might have hoped to put a dent in his presidential aspirations, opinion polls registered an important insight into the political values and priorities held by most Guatemalans when his ratings did not fall. The FRG even used it to its advantage in the campaign with the slogan: “Portillo: If he can defend himself, he can defend you and your family.”

### THE PROSTHETIC LEFT

The former URNG rebels joined two other smaller political formations to create the New Nation Alliance (ANN) for the 1999 elections. A fourth group, the New Guatemalan Democratic Front, which included several prominent Mayan leaders and had elected several deputies with support from the URNG in the 1995 elections, eventually split from this alliance, charging ANN with discriminatory and undemocratic political maneuverings. This split and the ensuing publicity could not have helped an already underfunded campaign. Although ANN

acquired 3 additional seats in Congress (increasing its presence from 6 to 9 members), the increase as a proportion of the total votes was negligible; given the overwhelming FRG majority (it took 63 of 113 seats), the opportunities for exercising real political leverage will be scarce.

The left stood to gain a great deal from the peace process, which had arguably propelled the URNG guerrillas into a position of unearned parity with the government. For the past three years, the URNG participated as a somewhat equal partner with the government in the institutions set up by the peace accords. Yet the URNG leadership could not extricate itself from its own tradition of hierarchy and vanguard politics and alienated its traditional grassroots supporters by becoming complicit in PAN’s arrogation of the peace process.

The left’s showing in the elections, while making it the third political force in Congress and offering an important venue for participation, nevertheless essentially translated its military defeat into political defeat. It did win some important municipalities in the indigenous highlands, giving it the chance to prove its capacity to govern, at least at the local level. But leftist supporters may be unreasonably sanguine about their future prospects. A more likely scenario is the continuation of their status as a prosthetic left: serving a useful function, but ultimately hollow.

### ENCOURAGING SIGNS

Given the relative gains of the peace process, it is easy to feel discouraged about Guatemala’s future political prospects. At a minimum, following the defeat of the constitutional reforms in May 1999, one might have expected the peace process to be scratched from the political parties’ campaigns. Yet while Guatemala clearly faces serious challenges in the short-term, some advances should be noted.

The lack of trust at all levels continues to be an important political deficit in Guatemalan society, but the public expression of mistrust may in the short-term lead to calls for greater accountability and pressures for government transparency. In the last half of 1999, citizen groups successfully pressured for the more transparent election by Congress of Supreme Court justices and engaged in wide-scale information campaigns to commit political party candidates to the premises of the peace accords. Civic organizations appear to have found a new role for themselves as monitors of government ethics and behavior.

In another striking example of civic engagement, media and civic leaders reacted strongly when the

military produced what it considered the final draft of its new doctrine, arguing that they had not been consulted. Indeed, the media—especially daily newspapers—have increasingly understood their role of checking and balancing public abuses of power. While such vigilance often relies on the rumor and innuendo that is so prevalent in Guatemalan society, public knowledge about government actions has gradually improved with the globalization of information sources.

## AN UNCERTAIN FUTURE

In a December 26 runoff, the FRG's Portillo won, taking 68 percent of the vote after successfully portraying himself as a friend of the poor while accusing the PAN candidate of being a friend of the rich. The challenges facing Portillo's new government are considerable. First, the FRG comes into office facing severe economic difficulties that must be tackled immediately. In 1999, export earnings fell dramatically (mostly because of a drop in sugar and coffee prices), the local currency weakened significantly against the dollar, the banking system was in crisis (with several banks on the brink of collapse), and the budget deficit was unsustainable. As has frequently been the case, the outgoing government would turn over a depleted treasury.

Against this background, Portillo—an economist and lawyer—has promised not to raise taxes in the short-term, but rather to find ways to improve tax collection and prosecute evasion. Like presidents before him, he will likely have to call on the private sector to make early tax payments, but this will not be done without some political tradeoffs. Quick, short-term solutions to the immediate budget deficit, such as raising the VAT, would likely meet with destabilizing popular resistance.

The other likely scenario is that the government will seek a financial cushion through a standby agreement with the International Monetary Fund. But the IMF has been clear that it cannot support such an arrangement unless the government complies with the peace accords, in particular by increasing domestic tax revenues to 12 percent of GDP by 2002. (Compliance with the peace accords means continued and increased social expenditures, making Guatemala exempt from the traditional IMF and World Bank conditionality that results in decreased social spending.)

The international community, including not only the international financial institutions but also the UN system, the United States, and the European Union, has joined in pressing the government on this issue. The preferred solution is through a process begun last year known as a "fiscal pact." Drawing from the recent failures of the peace process (including unsuccessful tax reform efforts), the fiscal pact implies building consensus among all important social sectors, the business community, and the government on measures needed to overhaul the tax system. This would be no small feat: Guatemala has one of the lowest tax burdens in the hemisphere and an antistate political culture supporting that situation—where people of all classes are loathe to contribute to a dysfunctional state—that would need to be profoundly revamped.

A second challenge facing the Portillo government is compliance with the peace process—a compliance that must be verified by international donors, which have arguably driven this process

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more than did the war itself. Hanging in the balance is the carrot of more than half of the \$2 billion promised but not disbursed by international donors. Unlike the PAN government, the next government will

have no honeymoon period. The FRG must prove quickly that its rhetorical support for peace was more than that by setting forth a clear timeline and unambiguous goals for following through with implementation of the peace accords. Whereas the PAN government was given greater leeway because its domestic position was seen as precarious in the face of opposition forces like the FRG, the FRG will find itself subject to greater scrutiny.

Ironically, the political flexibility exercised during the first years of the process by the international community—which was often charged by domestic critics as being too cozy with the PAN government—may have evaporated with the failure of the constitutional reforms. Without those reforms, the international community has no choice but to focus greater attention on the shortcomings of the process. In particular, the role of the United Nations Verification Mission in Guatemala (MINUGUA), which was set up in 1994 and charged with verifying compliance with the peace accords as well as offering its good offices and technical support, may take on a higher profile than in the past. In December 1999, just before the presidential runoff,

MINUGUA issued a sweeping report in which it noted that, despite the attainment of many of the quantitative goals of the accords, the quality and sustainability of this process left much to be desired. The strength and clarity of the report can best be judged by the outgoing government's unusually fierce rejection of its conclusions.

Because he is the leading political figure in Ríos Montt's party, Portillo will also have to continue to engage in damage control in the international human rights arena. He has already pledged to implement the recommendations of the Truth Commission and resolve the murder of Bishop Gerardi, two issues on which PAN was unable or unwilling to move forward. Now he will also face a protracted legal battle in Spanish courts, which have accepted a Pinochet-style case from Nobel peace laureate Rigoberta Menchú against Ríos Montt and his predecessor, Lucas García.

Clearly, the first year of the Portillo government will set the tone for the future, if only because what is not accomplished in the first year will be much more difficult later. Portillo's relationship with Ríos

Montt, to whom the majority of FRG deputies are loyal, will largely determine what is possible. Yet he may be able to build support in other quarters by exercising presidential leadership and initiative. A question put to citizens in December revealed that approximately 70 percent of those polled thought Portillo should not have to consult with Ríos Montt on key issues.

The ultimate fate of the new FRG government will depend on whether it can improve the daily life of ordinary citizens in economic and security terms. But the key lesson from the previous government should be clear: unless advances are carried out enhancing transparency and accountability, they could backfire politically. In the short-term, the FRG is unlikely to be immune to criticism from the newly invigorated civil society and media watchdogs or from the international community. When it was part of the opposition, the FRG was PAN's most vociferous critic, accusing it of appropriating the peace process for personal gain and excluding other political forces. For the next four years, the PAN opposition bloc is likely to return the favor. ■