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Guatemala: Diversification, Decentralization and Equity in the Western Highlands

by

Judith A. Moe

A thesis submitted to the Faculty of Graduate Studies and Research in partial fulfilment of the requirements for the degree of

Master of Arts

Norman Paterson School of International Affairs

Carleton University
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Abstract

The Guatemalan government has promoted diversification and decentralization as a means of democratizing opportunities in the primarily indigenous Western Highlands. The thesis argues that for these development policies to benefit marginalized sectors, effective grassroots, farmer and labour organization must be supported.

Drawing upon neo-marxist perspectives of the state, the study traces the development of diversification and decentralization in Guatemala in order to demonstrate that the government's policies cannot be understood outside the context of the relations between the state and society nor outside developments which preceded the government's arrival.

The thesis concludes that the government had remained controlled by the dominant ladino minority, was absorbed with stabilizing a bruised economy and had emerged from a decade of violence in which most moderate influences had been crushed. In this context, vested interests and a divided military proved powerful blocks to the state's capacity to benefit the marginalized population through diversification and decentralization.
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Table of Contents

Chapter I: Introduction .............................................................. 1

A. Geography and Development .................................................. 7

B. Ethnicity and Unequal Social Relations in Guatemala ................... 11

Chapter II: The Policy-Making Process in the Dependent State ............... 16

A. Instrumentalist Views of State Policy Formation ......................... 17
   1. The State as Instrument of the Metropole ............................. 17
   2. State Action Determined by Dominant Intra-class Struggles .......... 19

B. The State from a Structuralist Perspective ............................... 24

C. Autonomy, Relative Autonomy and State Capacity ....................... 25
   1. Bureaucratic-Authoritarianism and Autonomous State Actions ....... 25
   2. Relative Autonomy ..................................................... 29
   3. Differential State Capacities ......................................... 32

D. Conclusion ............................................................................ 33

Chapter III: From Counter Coup to Atrocity, 1954-1982 ....................... 35

A. Economic Expansion and Narrowed Growth ............................... 38

B. Political Change and Development .......................................... 42

C. Social Conditions, Growth and Resistance ............................... 45

D. 1978-1980: The Panzos and Spanish Embassy Massacres and the Sugar Workers Strike .................................................. 49

E. Conclusion ............................................................................ 54

IV. Chapter IV: The Outcomes of Violence: Development Poles, Civil Patrols, Interinstitutional Coordinators and Diversification .................. 56

A. Rios Montt, the National Plan for Security and Development, and Mije Victors .................................................. 56

B. The Development Poles .......................................................... 60
   1. Freedom of Movement and Settlement Patterns ....................... 63
   2. Counterinsurgency and Control .......................................... 65
      a. The Interinstitutional Coordinating Committees ................... 65
      b. Civil Patrols .............................................................. 66
      c. "Ideologically New Communities" ................................... 67
   3. Construction and Financing of the Development Poles ............... 68
C. Diversification to Non-Traditional Agricultural Products .......................... 71
   1. The Guatemalan Economy and Incentives to Diversify ......................... 73
   2. Diversification and Land Relations ............................................. 79
   3. Diversification and Regionalization ........................................... 81
   4. USAID Agribusiness Development Project S20-0276 ............................. 81
      a. Contract Farmers and Effective Organization .............................. 83
      b. A Lobbying Group for Exporters of Non-Traditional Products ........ 89

D. Conclusion ................................................................................... 92

Chapter V: The Democratic Opening and Access to Policy Formation ............... 95

A. Elections: Indigenous Participation and the Municipios .......................... 95

B. The Relation Between the Military and Civil Political Parties ................. 100

C. The Christian Democrats and the Military ......................................... 105

D. The Christian Democrats and the Private Sector .................................. 109

E. Conclusion ................................................................................... 114

Chapter VI: The Development of Policy, 1986 - 1988 ................................. 116

A. The First Two Years: Major Economic, Political and Human Rights Developments, 1986-1987 ................................................................. 116
   1. Economic Policy .......................................................................... 116
   2. Human Rights ............................................................................. 121
   3. Guerillas and Military Offensives ................................................. 125
   4. Land, Unions and Popular Protest ............................................... 126

B. Decentralization and Diversification .................................................. 128
   1. Interinstitutional Coordinators and Integrated Regional Development .... 129
      a. National Development Versus a Base for Development .................. 131
      b. The New Urban and Rural Councils .......................................... 133
      c. Discussion ............................................................................. 136
   2. Civil Patrols ................................................................................. 137
   3. Development Poles ...................................................................... 139
      a. External Pressure and Refugee Landholdings .............................. 139
      b. Internal Refugees and Military Reaction .................................... 143
      c. Continuance of the Development Pole Concept .......................... 144
   4. Diversification ............................................................................. 147

C. Conclusion ................................................................................... 151

Chapter VII: Conclusions ....................................................................... 154
List of Appendices:

Appendix A.         Tables
Appendix B.         Maps
Appendix C.         Development Pole Conditions, 1984-1985
Appendix D.         National Reorganization Plan
Appendix E.         Glossary and List of Acronyms
Chapter I: Introduction

Between 1978-1985, in a period marked by severe economic decline and political upheaval, a civil war broke out in Guatemala. An estimated 50 to 100 thousand Guatemalans were killed, a quarter million sought refuge outside the country, and up to one million were internally displaced in what is now commonly referred to as "the violence."\(^1\) Labour union, cooperative and church leaders, academics and students were targeted. However, the indigenous peoples of the Western Highlands were so affected that the State has been charged with genocide by human rights monitors and church groups.\(^2\)

During this period the course of Guatemalan State policy making was often unclear as control of the State changed hands several times. Thus contributed to policies which were often radically contradictory even within administrations. The mechanisms which brought political change began with blatantly fraudulent elections involving military candidates (1978, 1982), passed through two successive military coups (1982, 1983), and concluded with an electoral process, considered 'clean,' which delivered civilian Vinicio Cerezo to the presidency (1986) -- and to the centre of continued economic crisis and political turmoil. Hailed by the Guatemalan military as a "democratic opening," the elections broke close to twenty years of overt military control.

Guatemala’s return to elected civil government followed the pattern of a majority of

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\(^1\) All figures connected to the number of lives lost or peoples displaced are estimates. Some indication of the enormity and uncertainty of the situation comes from the Juvenile Division of the Guatemalan Supreme Court. This agency released preliminary results in 1984 indicating that between 100,000 to 200,000 children had lost at least one parent since 1980 (cited in Krueger and Enge, 1985: vi). Black (1986a: 4) argues that this accounting is immediately biased on the low side, for it does not account for the lives of children lost during the period. See also ICCHRLA (1986: 24-30).

Latin American states since the late 1970s. The underlying dynamics and implications of the return to elected civil government for Latin American societies, and in particular for the marginalized sectors of these diverse societies, are not as yet fully understood. Complicating state responses to these sectors, however, are a complex of factors including the fact that many of the new civil governments have inherited economies bruised and shattered by the debt crisis which emerged in the early 1980s and for which repayment now requires substantial allocations of scarce resources.

A study of the Guatemalan State policies of diversification and decentralization offers the opportunity to examine how Guatemala's newly elected civilian regime has responded to marginalized sectors under circumstances of continued political and economic instability. The civilian administration has promoted these policies as means of democratizing political and economic opportunities in the Western Highlands, the heart of Indian Guatemala and the site of the state's brutal military campaigns during 'the violence.' I argue that in order for the state to insure such opportunities it must support effective grassroots initiatives and organization of smallholders and labour.

As will be developed in the case study, it is clear that the State also recognized in these policies a potential source of needed foreign exchange as well as a means of developing the Highlands and relieving pressure on Guatemala City. The conflict between these differing goals, coupled with the military's continued concern for securing control of rural areas, was reflected in the State's implementation of diversification and decentralization. State actions

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3/ According to Nef (1986: 44): In the mid-1970s fifteen out of twenty [Latin American] countries, representing way over 65 per cent of the population were under military rule. Since the late 70's however, it appears that this pattern has been steadily and drastically reversed. In 1985 there were scarcely 4 countries that would fit this category, and by the beginning of 1986, one more country, Guatemala had joined this 'democratic trend'.

4/ Decentralization refers to the diffusion of state and industry away from the capital through a program of regional development. Within this program, diversified agricultural production -- or more properly the production, processing, and export of non-traditional agricultural crops -- is to serve as a motor of development in the Highlands region.
tended not towards increasing grassroots participation but rather towards increasing and tightening state control of production and of populaces in the Highlands region.

Clearly, the civilian state’s actions cannot be understood in isolation of the relation between the state and civil society nor outside the context of events which have their origins prior to the ‘democratic opening.’ These include the political, social and economic conditions which contributed to the state’s promotion and modification of its development policies through differing administrations. The case study will thus compare the civilian state’s goals for the policies with those of previous regimes, and analyze the civilian state’s capacity to realize its goals. Through this study of the state policy formation process, I hope to contribute to a fuller understanding of Guatemala’s ‘democratic opening’ while ascertaining the limits which the civil government offered for the incorporation of the marginalized indigenous population.

This thesis is divided into seven chapters. Following the discussion of theoretical perspectives in Chapter II, chapters are arranged in chronological order in order to trace the emergence of diversification and decentralization through a series of administrations and changing social, economic and political conditions.

Chapter II examines selected issues and problems in neo-marxist perspectives of the state which can help to elucidate the state policy making process. The chapter begins by examining instrumentalist perspectives which emphasize the role of dominant economic class interests in the shaping of dependent state policies. Structuralist perspectives offer a more complex view of the state through their focus upon the underlying structural forces in capitalist society which shape state actions. Structuralism sees a disjunction, or relative autonomy, between political and economic power in a society. The state organizes both dominant and dominated economic classes within the political sphere, at times countering the short term interests of capital in order to guarantee its continuing political power. Lastly I examine the work of Rueschemeyer and Evans (1985) who argue that a source of state
autonomy arises as well in recognition of the state as an organization with interests of its own. Autonomy is not seen as absolute but relative, such that differing administrations, issues and policies may influence the ability of the state to act independently from dominant class interests. The scope for autonomy is situated within the tensions that exist between the state's roles as the protector of dominant class interests and as the protector of the general interests of the capitalist political economy. The latter are defined to include the provision of social and economic infrastructure commensurate with the functioning of the economy. The chapter concludes by examining the nature of state capacities required to effectively realize differing policies.

Chapter III traces the rapid economic, political, and social changes that Guatemala underwent between the mid-1950s to the late 1970s. It examines changes in Guatemala's productive structure, the growth of the economy and the nature of foreign investment before the world recession and ensuing regional debt crisis. It discusses the country's increasing political instability, the development of the military, and the growing repression with which the State met demands for justice. The purpose is to establish the significance of the State's development and counterinsurgency policies of the early 1980s within the context of the rapid changes that this society has undergone.

Chapter IV covers the period 1978-1985 and introduces four counterinsurgency and relief projects which preceded the current State's development policies. Three of the projects contributed to the control and fracturing of indigenous communities: a Civil Patrol system which required communities to monitor individual movements; Development Poles which centralized scattered settlements and brought them under military control; and a system of coordinating committees which impinged upon traditional municipal administrative structures. The fourth, labour intensive agricultural diversification, was promoted as a motor of development for the Poles. To understand the nature of agricultural diversification in Guatemala, I examine a major United States development project accepted by the State for the benefit of
the indigenous in the Highlands.

Chapter V focuses on three issues arising from the elections which brought the Christian Democrats to power in 1986: the fact that the indigenous population continued to have little input into State policies which affected their lives and culture; the interrelation of military and civil political party fractions that predates the period of violence; and lastly, the makeup of the Christian Democrat administration which would favour continuing capitalization in the Highlands.

Chapter VI examines the significance of these characteristics to the formation of post-1986 development policies and the modification of the projects examined in Chapter IV into the policies of diversification and decentralization. It will be shown that the newly elected civilian government continued to follow the precedent set by previous military regimes, in that it continued to control, through militarization, the social, political, and economic fabric of the Western Highlands. In addition, the policies of diversification continued to be directed towards ensuring national political and economic stability rather than towards the benefit of the predominantly indigenous population of the Western Highlands.

Chapter VII concludes the thesis. It will assess the contribution this study has made to an understanding of the significance of the ‘democratic opening’ for the marginalized indigenous population in Guatemala through its focus upon the state policy making process. In addition, because diversification and decentralization will remain a focus of Guatemalan State attention for quite some time to come, this chapter will also suggest further areas for study.

The balance of this introductory chapter will briefly introduce the role that geography
has played in Guatemala's development and the nature of ethnicity in this society. The former will situate the significance of State initiatives in the Highlands within the context of agricultural development and land relations. The latter describes the ethnic composition of Guatemala's population and the nature of racism in this society.

A. Geography and Development

Guatemala is the northernmost of the Central American nations, lying directly beneath Mexico and bordering both the Pacific and Atlantic Oceans (Appendix B, Map 1a, 1b). Its 108,889 square kilometres encompass a number of distinct climatic zones which have contributed to the nation's interwoven history of settlement and economic development.\(^5\)

The Central American mountain system which dominates the country is a continuation of Mexico's Sierra de San Cristobal. The system crosses the north of Guatemala before descending into the Caribbean; the Rio Chixoy divides the system east into the Verapaz highlands and west into the Cuchumatanes. With irrigation, the eastern highlands will support the production of tropical fruit and livestock. The heart of Indian Guatemala is the Western Highlands, in the Cuchumatanes to the northwest and in the mid-western Highlands in the area of Lake Atitlan (Lovell, 1985: 22; Appendix B, Maps 1a, 1b, 2).

The Cuchumatanes reach elevations of up to 3,000 meters. In tropical highlands such as these, altitude variations are accompanied by extreme variations in climate which lead to great diversity in agricultural potential (Lovell, 1985: 20-21). From base to height, the Cuchumatanes produce both domestic staples and export crops: bananas and cacao, coffee and sugar cane, wheat, fruits and vegetables, corn -- the staff of indigenous life, and nearing their height, grazing pastures.

Much of the land in the Highlands is broken with high valleys and peaks. The terrain

\(^5\) This section has been compiled from: Lovell (1985: 17-25); Handy (1984: 16-18); Guatemala. INE (1987: 19-36); and the World Bank (1978: 2-3).
has contributed to Guatemala's widely dispersed settlement pattern: two-thirds of the populace live in communities of less than 2,500 people in some 19,500 locales. The Highlands are also broken into minifundia, or small subsistence plots. According to the United States Agency for International Development (USAID, 1982a: 7) Guatemala's land distribution system is among the worst in Latin America:

... 88 percent of all Guatemala's farms in 1979 were of sub-family size ... These farms possessed only 26 percent of the land in farms. At the other extreme, farms of 450 hectares and larger [latifundia], amounting to less than one percent of the farms, contained 34 percent of the land in farms.

Reflective of Guatemala's harshly skewed pattern of land ownership, the western Altiplano is the most depressed region in the country. While the worst incidence of poverty is found here (90% across rural and urban areas), the Inter-American Development Bank (IDB, 1986: 39) has also estimated that 70% of all of Guatemala's population live in poverty, 40% in extreme poverty.

Until the past century, when a boom in coffee exports suddenly made the Pacific slopes attractive, these primarily indigenous Highlands have not provided the national economy incentives for development. In the past decade the Highlands' potential to produce high value fruits and vegetables has become increasingly recognized. Moreover, the beauty of the land and the attraction of Guatemala's indigenous culture is also leading to the promotion of the Highlands as a site for tourism.

The Pacific littoral, south and west of the Highlands, reaches widths of 80 kilometres and has favoured corn, cotton and sugarcane as well as cattle ranching. Since the 1960s the latter three activities grew in importance as exports, and the littoral has been predominantly exploited for such. Unlike the Highlands, latifundia, or large holdings, predominate in this fertile area. According to USAID (1982: 7):

The pattern of land concentration is exacerbated by greater skewing of the distribution in areas of the country in which the best farmland is located.

During the past decade sugar and cotton exports have decreased in value while
valuable coastal lands have been destroyed due to unsound agricultural practices. These tendencies have provided further incentives for the State and capital to consider the potential of the Highlands to provide new sources of income.

The area to the east and north of the Highlands comprises the Atlantic Coastal Plain, the Peten and the Coban. The former is dominated by foreign, largely American owned, banana plantations. The Peten is densely covered by tropical rainforest and it is the country's least densely populated region. In the past two decades, oil exploration became a focus for development in the Peten as it has in the Franza Transversaal del Norte (FTN) which crosses the Coban.

The FTN runs the mid-girth of Guatemala, following the border of Mexico through the departments of Huehuetenango and Quiche as it extends eastward. Since the 1970s it has been the site of large scale development efforts which have included nickel mining and hydroelectric projects as well as oil. Neither oil nor nickel deposits have proven to offer as much potential as initially perceived. Both the FTN and the Peten have also been recent sites of somewhat unsuccessful attempts at colonization. There is now also dispute as to the agricultural potential of these areas and thus their viability for agricultural based colonization.

The metropolitan zone of the capital, Guatemala City, holds 20% of the nation's populace and almost all of the nation's industry which is largely concentrated in food processing, chemicals, textiles and leathers, and metalmechanics (IDB, 1986: 83). Located in the centre of the country, Guatemala City has been growing quickly since the 1950s. At an average annual growth rate of 4.5% per annum, it has far overstepped the nation's average of 2.8% per annum during the past three decades (IDB, 1986: 35). While the majority of Guatemala's limited social infrastructure is located in the capital, the Guatemalan State, as

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6/ In 1981, the population of Guatemala City was fourteen times that of the second largest city, Quezaltenango (Guatemala, SEGEPLAN, 1986: 37). See Smith (1978: 583-584) on the primacy of Guatemala City.
many other Latin American states, has not been able to provide social services and housing commensurate with the rapid pace of urban growth (IDB, 1986: 1).

Concerns for overpressure on resources in the Guatemala City area have fuelled interest in decentralizing industry. Where decentralization should be focused has also raised concerns, for Guatemala is located in a very active seismic zone (WB, 1978: 2). The last major earthquake in 1976 resulted in over 22,000 deaths, 77,000 injuries and more than one million homeless across 16 of Guatemala's 22 departments (Plant, 1978: 1, 5). In Guatemala City, which is located on a well-known fault line, the slums were particularly affected as they were precariously situated on the slopes and ravines surrounding the city. Wealthier, better built and better located residential and commercial areas were relatively unharmed. Increasing State emphasis upon reducing pressures on Guatemala City is also contributing to encroachment upon the Indian Highlands.

In summary, the primarily indigenous Western Highlands are now becoming the focus of State development initiatives for a variety of reasons including their agricultural potential, the growth of tourism, and concern for the rapid growth of Guatemala City. The last section of this chapter will briefly describe the indigenous populace and the nature of the racism which pervades Guatemalan society in order to provide a clearer picture of the constraints upon indigenous participation in the State's development initiatives.

B. Ethnicity and Unequal Social Relations in Guatemala

Guatemala's 1981 Census claimed that 41.9% of the 6,054,227 populace was Indian, primarily of Mayan descent (Guatemala. INE, 1985: Table 1). Indian linguist Gloria Tujab (1987) argues that 70% of the populace is Indian. Those that claim the figure is higher than that presented by the State assert that disparities arise from the lack of an adequate defini-

\[\text{7}^\text{7} / \text{ The Guatemalan State has projected that the population approached 8,000,000 by 1985, and would reach 9,200,000 by 1990. (Guatemala. INE: 1985).} \]
tion for the indigenous and the fact that individual census takers -- in more than 320 municipios spread out across Guatemala's twenty-two departments -- are permitted final decision as to ethnicity⁸ (Bossen, 1984: 351).

The presence of disparities is reflective of a major complexity of ethnic distinction in Guatemala. Outside the indigenous, the rest of the population is ladino, of mixed Spanish and Indian heritage, or anyone not defined as Indian (Frank and Wheaton, 1984: 109). While clothing and language can set one group physically apart from the other, the line is not neatly drawn. Indigenous men, and women increasingly so since the onset of the violence, often no longer wear their traje, or native dress, yet they remain Indian. However, within this society it is also possible for the indigenous, not only to assimilate, but to become ladino simply by adopting more westernized ladino clothing and customs.

Within the past century, the State has attempted, although ambivalently at times, to acculturate the indigenous. While the scope of this thesis does not permit detailed examination, the State is currently acting in a variety of ways to both encourage and suppress characteristics associated with the indigenous culture. The alteration of settlement patterns and the encouragement of Indian weaving for a tourist trade built upon 'colourful natives' represent opposing ends of this spectrum. That the indigenous have not ladinoized en masse given recent State persecution is a testament to the integrity of the culture, yet their non-assimilation has only reinforced discrimination within Guatemala for it "...bolsters the notion that nonladinoized Indians are socially, culturally, politically, and racially retrograde, and can be blamed for their own exploitation" (Smith, 1984b: 38).

Smith's comments explicitly recognize the presence of discrimination which has been

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⁸/ Because this section deals with the state's treatment of indigenous peoples, I am using the term "ethnicity" as it is used by the Guatemalan State in reference to its indigenous citizens. The State recognizes that "Guatemala is formed by diverse ethnic groups among which figure indigenous groups of Mayan descendence" (my translation, Guatemala, 1986: Article 66).
based in the racialization of ethnicity. Clearly, the isolation of the indigenous population in Guatemala is not based, as for example in South Africa, on categories physiologically distinguishable as 'races.' The dominant minority in Guatemala -- ladinos -- are by definition partially indigenous themselves. Distinguishing categories have clearly been socially constructed, the result of which has been captured by Stasiulis' (1980: 464) definition of racial discrimination as a "...type of social relations whereby one group subordinates and exploits another."

If these unequal relations are systematically reproduced, they may be supported by a racist ideology "articulated by state and economic apparatuses" and manifested in prejudicial attitudes by the exploiting group (Stasiulis, 1980: 464). Stasiulis (1980: 465) has further noted that "... a racist ideology can be actualized in a number of alternative ways." As described throughout this introduction, racial discrimination in Guatemala has reached the extent of crude attempts to exterminate the indigenous and their culture.

Discrimination has also long been manifest in an ethnically divided labour force. The majority of Guatemala's Indians are agricultural workers and Indians comprise the bulk of the agricultural labour force. While few Indians participate in professional, managerial, white collar and transport employment, they are fairly well represented in the artisan and skilled trades. Smith (1978, 1984a, 1984b) has argued that Indian directed petty commodity production and trade have become central to the material bases of indigenous culture.10

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10/ This thesis uses Smith's definition (1984a: 138) of petty commodity production in which workers "... produce goods and services with means of production they control; but they produce in order to sell, engaging in free and competitive markets for subsistence goods, for their commodities, and for their factors of production, in addition, petty commodity producers are free to change place or occupation."
Central to understanding how these unequal relations have evolved is recognition of the State's long-standing role in shaping relations of production. From the colonial period onwards, the Guatemalan State has sought to control the Indian populace through control of township administration, settlement patterns, land relations and agricultural production. State actions assumed the form of 'control,' not only to ensure labour and production, but because these factors had also contributed to the maintenance and integrity of the Indigenous culture. For example, by the late 19th century, many researchers argue that the municipio had become

...the most significant cultural [unit] in highland Guatemala, for it was around the municipio that the classic form of what Eric Wolf has termed the "closed corporate peasant community" gradually evolved. Evidence from anthropological field-work indicates that the Indian people of a municipio generally regard themselves to be ethnically distinct, differing even from the inhabitants of a neighbouring municipio, who may speak the same native language\(^\text{12}\) (Lovell, 1985: 22-24).

In the late 19th century when the coffee boom began, State control of lands, the municipio, and a racist ideology were instrumental in insuring the migrant labour system which has supported traditional agro-export production during much of the past century. The results of this organization of labour were noted by Paige (1987: 176) who compared the development of coffee production across Central America before World War II:\(^\text{13}\)

The failure to rationalize the industry [in Guatemala] is clearly related to the temptations of forced labour and and [sic] a racist legal structure. With labor virtually free for the taking, thanks to state-enforced debt servitude, and the Indian

\(^{11}\) Known as municipios, these township divisions contain a major town centre, often of the same name as the municipio, as well as other smaller villages and settlements. All underlined terms in the text are defined in Appendix E: Glossary.

\(^{12}\) Within Guatemala's borders, indigenous peoples speak 23 differing predominantly Mayan languages (Tujab, 1987: 1).

\(^{13}\) Paige (1987: 144) compared the structure of coffee production on the basis of "(1) acquisition and control over of land, (2) organization and rationalization of production, (3) mechanization and finance of processing, and (4) finance and control over exports." While some steps in coffee production have resisted mechanization, such as harvesting, other steps such as processing can be more or less mechanized -- and, in the differing economies, have been.
population with almost no protection from planter land grabs, there was little incentive to rationalize production. Land costs remained vastly lower in Guatemala than in Costa Rica...and wage levels were the lowest in Central America.

Alternative views as to the reasons for narrow capitalist development have been posited. Smith (1978, 1984a, 1984b), for example, has argued that as ladinos moved to opportunities opened by coffee and international trade they left gaps in petty commodity production in the rural areas. These gaps were often filled by Indians. While the trade's expansion or contraction remained tied to the growth of the plantation economy, Smith argues that it also provided a material basis for the indigenous to maintain their cultural integrity and ties to the Highlands, an option which was not enforced by the State. This development would subsequently come to narrow and compete with opportunities for expanded capitalist production and markets in the countryside.14

Since the 1950s, the Guatemalan State has attempted to broaden Guatemala's economy but traditional export crops dependent on migrant labour have remained the nation's mainstay. Now the Guatemalan State's development policies of diversification and decentralization are directed primarily towards the Highlands. These policies imply changes -- including the promotion of small farmer contract production, industrial labour, and the decentralization of industry and state -- to the political, social and economic fabric of the Highlands.

In light of the role that the State has traditionally played in ensuring a labour force for capital accumulation, a major focus in the following analysis will be examination of how the state has addressed the issue of racism and the unequal social relations it supports. I will argue that the State is again attempting to forcibly control the municipios, ideology, relations of production, agricultural production and labour in order to promote agricultural

14/ Smith (1984a: 151) has also developed an argument that the State's actions prior to and during 'the violence' were directed to breaking down indigenous resistance to the 'modern capitalist economy' in order to support the expansion of capitalist class interests.
diversification and decentralization in the Western Highlands.

The following chapter explores perspectives which will be used to analyze the formation of Guatemalan State development policies.
II. Chapter II: The Policy-Making Process in the Dependent State

This thesis explores the evolution and impact of two policies begun by military regimes and then continued by a newly elected civilian government. This study hopes to contribute to a greater understanding of the dynamics involved in the processes of ‘democratization’ which have occurred during the last decade across Latin America. More particularly I wish to explore the possibilities which ‘democratization’ offers for the greater well-being of marginalized classes in Guatemala.

An analysis of the Guatemalan State’s policies of diversification and decentralization offers the means to explore this issue for the civilian administration has promoted the policies as a means to democratize political and economic opportunities in the Western Highlands. The analysis will thus focus on the state’s capacity to ensure the conditions necessary to achieve this end. As the case study argues, these conditions include support for the effective organization of smallholders and labour.

The following theoretical discussion does not present a comprehensive examination of theories of the state. Instead the concern has been to highlight problems and issues within class perspectives which will help to demonstrate that the new civilian government’s policies cannot be understood outside the context of the relations between the state and society nor outside the context of developments which preceded the arrival of the civilian state. In the case of decentralization and diversification, the relevant areas of concern involve study of the indigenous population targeted by the policies, the relation between this population and the state, the interplay between national and local levels of government, and the political, social and economic conditions which contributed to the state’s promotion of these policies.

In analyzing these issues the central questions I wish to address are: What are the dominant interests which have promoted diversification and decentralization? How have these interests shaped the evolution of policies, prior to and during the civilian regime? Are the current state’s goals for these policies different than those of previous regimes? And lastly, what are the barriers that the civilian government faces in realizing its goals?

The discussion begins by examining the strengths and weakness of instrumentalist
 perspectives which perceive the state as acting as the handmaiden of dominant economic class interests. It then proceeds to an examination of structuralism which sees a disjuncture, or relative autonomy, between political and economic power in capitalist society which permits states to act against the interests of dominant economic classes in order to insure their continued political power. The discussion concludes by examining in greater detail the conditions under which states can act autonomously from dominant economic class interests, the limits and conditions under which this autonomy may vary, and the nature of state capacities required to successfully reach differing policy objectives.

A. Instrumentalist Views of State Policy Formation

This section reviews perspectives which regard the state as an instrument of dominant economic class interests which are internal or external to a given society. According the Osztak (1981: 5) the state is to be recognized at base as a "social relationship, a political medium through which a system of social domination is articulated." The state is thus considered as

... more than the "government." It is the continuous administrative, legal, bureaucratic and coercive systems that attempt not only to structure relationships between civil society and public authority in a polity but also to structure many crucial relationships within civil society as well.¹⁵

Dependent states, have not, for the most part, acted in the manner of parliamentary democracies, which purport to represent the interests of all constituents within the territories they hold jurisdiction (Carnoy, 1984: 173). Instead dependent states are recognized to have represented and served dominant capitalist class interests, and to have used sheer and brutal force in order to insure the benefit of these classes. Perspectives have emerged to capture this relation, depicting states as 'instruments' of dominant classes.

1. The State as Instrument of the Metropole

The dependent state has been perceived to act as an instrument of the metropole. A major

impetus for this assertion came of the unexpected outcomes of development policies entrusted to states following World War II. In Latin America, the United Nations Economic Commission on Latin America played an enormous role in this development when it assumed "...state intervention was required in order to overcome production bottlenecks, mobilise resources, undertake necessary social reforms, and negotiate better terms with foreign enterprises" (Fitzgerald, 1976: 1).

The general failure of state interventions to supersede these problems brought an outpouring of research determined to demonstrate that Latin American nations were not merely undeveloped but underdeveloped. Unifying what became divergent "...macro-theoretic [neo-marxist] models...[was the perception] that Latin American underdevelopment is rooted in the system of international trade and the long-run specialization in primary export products" (Goodman and Redclift, 1981: 25).

These views derived from the logic displayed by such world systems theorists as Wallerstein (1974) who perceived of a single world capitalist system in which an international division of labour could encompass both capitalist and non-capitalist modes of production. This division of labour has been recognized as unequal, with metropoles draining peripheral or dependent states of valued resources, both natural and human. Through the fostering of unequal relations, the growth of the dependent nation becomes dependent on the metropole (Dos Santos, 1970: 68).

Dependent states are argued to act on behalf of metropoles rather than on behalf of the societies they control. A central manner in which the state is said to serve these interests is through repression of subordinate classes. Repression is 'required' in order to insure cheap labour and promote conditions for capital accumulation directed towards the metropole (Carnoy, 1984: 190-191).

Cardoso (1979: 52-53), however, has criticized ascribing omniscient and deterministic power to metropoles by demonstrating that Latin American states -- albeit to greater or lesser degrees -- have modified heterogenous metropole influences.16 Cardoso did not deny the power of

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16/ Canak (1984: 9). By the heterogeneity of the metropole, I mean, for example, that a state derives differing benefits and faces differing pressures when it seeks assistance from (continued...)
international capital, but argued that the world capitalist system and its division of labour presented "... a series of alternatives .... based on local sociopolitical conditions" (Carnoy, 1984: 192). He argued, therefore, that to pursue how metropole influences were mediated and translated into actions affecting internal social structure, it was necessary to examine the internal structure. To begin pursuing this line of enquiry, the following section examines instrumentalist views of the state which have developed from analyses of the internal structure of dependent nations.

2. **State Action Determined by Dominant Intra-class Struggles**

Arising from the same debate which fostered research into the role of the metropole in shaping the policies of peripheral states, Fitzgerald, Fotto and Lehmann (1976: 1) argued that 'production bottlenecks' could not be overcome because the Latin American state did not develop ...as a 'neutral' force capable of taking economic initiatives unhindered by the interests of the existing dominant forces. It has expanded and fortified itself as the expression of balances in class forces, taking the form either of attempts to break with the predominant pattern of capitalist development...or of reinforced domination by traditional oligarchies in an attempt to sustain existing paths of capitalist development.

This perspective defines the state as a balance of class forces, its actions determined by dominant intra-class struggles. A dichotomized view of 'new' versus 'old' dominant class interests has held much appeal in explaining constraints which dependent states faced in attempting to 'modernize' their economies. Since World War II, and in some instances before this period, Latin American states have promoted industrialization strategies in order to rise above the limits of vulnerable agro-based economies. These internationally backed strategies brought into play new dominant class industrial and financial interests aligned with international capital.

Rosenberg (1987), however, presents a more complex view of the nature of interests and

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16(...continued)

bi- or multi-lateral aid agencies rather than from private international capital markets (Gillis et al., 1983: 364-377). Through the former, states may receive outright grants or low interest loans repayable over long periods of time. Assistance, however, can be contingent upon serving donour nation interests, such as required purchases of goods and services, or the agreement of the grantee to the alteration of domestic policies. When states seek financing through commercial banks they may face less policy interference, but they will also be faced with loans at higher interest rates repayable over shorter periods of time.
their influence upon states in Central America. The analyst draws attention to the significance of
the limited size of the Central American nations, in terms of their economies, as well as in terms
of their physical size and populations. Apart from economic class interests, Rosenberg (1987: 197)
contends that

...politics ultimately entails inevitable personalistic features. Family, clique, and regional
factors may be just as important as ideological and partisan explanations. Sex, business
deals...and other idiosyncratic phenomena may be the only valid explanations of why some
things get done and others do not...What matters is keeping the particular clientele interests
dependent on one's access to power and largesse.

Also of concern in understanding state responses to dominant economic class demands in
Central America is the role of business interest associations. Umbrella organizations, representing
associations involved in a diverse range of economic sectors, have grown in importance since the
mid-1950s as states became increasingly less responsive to societal demands. Operating outside the
formal structure of the government, these organizations have come to serve as effective mechanisms
for the national and regional political expression of economic elites.17

A rigid interpretation of intra-class division is also contested by Zeitlin18 and associates
who have determined that there can be considerable overlap between supposed class fractions in
Latin America. They found little evidence to suggest a split between agrarian and internationally
aligned industrial interests in pre-Allende Chile. Instead they found that elites who had combined
both agrarian and industrial interests appeared strongest and were rising to political prominence.

17/ Edelberto Torres Rivas has recently undertaken a study of major business groups in
Central America. This examination, supported by Canada's International Development Research
Centre, should shed new light on the emergence of these organizations as political actors. In
Guatemala, major business chambers are gathered together in the Co-ordinating Committee
of Agricultural, Commercial, Industrial and Financial Associations (CACIF). While division
within this association indicates the existence of differing power blocs and interests, CACIF
member associations have collectively banded together to block State infringements on the
freedom of business interests.

In a similar vein, Torres Rivas\(^{19}\) has called the Central American elite a "three footed beast" with one foot in export agriculture, one in finance, and one in industry.

An appreciation of the ability of traditional class fractions to adapt to changing opportunities and the nature of overlapping interests is becoming more important to present day analyses of Latin America. Post-World War II development strategies have not opened the doors once thought possible, while since the late 1970s traditional primary exports have declined. Both these developments are forcing reassessments of investment strategies in primary export nations - and, subsequently, reassessments of the categorical contours once used to approach analysis of Latin American elites.

Another reason to reassess the makeup of Latin American dominant classes rests in the fact that more recent development strategies have focused on approaches which encompass differing economic sectors. Integrated development, for example, requires both public and private sector participation, while agricultural diversification promotes a variety of cross-sectoral interests including agriculture, industry, finance and transport. Given these changing circumstances, it becomes difficult to determine the motives for state action solely on the bases of rigidly defined economic class fractions.

A second problem exists with this instrumentalist perspective of the dependent state. In differing Latin American societies, increasing industrialization did permit the growth of a larger middle class. Instrumentalist perspectives claimed that the state terror unleashed during the post war years was directed towards preventing the incorporation of larger sectors of society in order to protect the "...upper fractions of a highly oligopolized and transnationalized bourgeoisie" (Carnoy, 1984: 200). The state acted to limit the political access of these sectors by controlling labour and mass movement while directing spending away from social expenditures towards the infrastructure required for promoting transnational interests and towards the military (Cardoso, 1984: 200-201)

Yet instrumentalists were soon faced with explaining why some states had also begun to

threaten dominant class interests. Instead of serving as the handmaiden of dominant economic classes -- whether internal or external -- political power was becoming distinctly separate from economic power (Ham and Hill, 1984: 35). For example, in late 1960s Peru, the military government of Juan Velasco instituted an agrarian reform which threatened the interests of agricultural capital. Again, as in the discussion of dependent state challenges to metropole interests, instrumentalist views cannot account for why or with what result states could counter the classes they were supposed to be serving.

A third problem with instrumentalist accounts is that after having established a function and a deterministic path of action for the state, their analysis ends. There is little examination of the state's capacity to undertake policies, or the effect of this capacity on the outcome of policies (Rueschemeyer and Evans, 1985: 46). Therefore instrumentalist perspectives are not able to explain why states have failed to effectively implement development strategies, supposedly built on dominant class objectives, or what the effect of this failure has meant in terms of the distorted development of policies (Cardoso, 1979).

In summary, instrumentalist views are important in determining major external and internal constraints upon dependent states. Yet they lack the power to fully account for state actions on a number of levels. That is, they fail to account for how, why and under what conditions states have been able to counter dominant economic interests. Secondly, they do not provide a means for explaining state actions in cases where class interests overlap or, conversely, where policies cross cut differing sectors. Lastly, instrumentalist views take emphasis away from examination of the capacity of states to implement policies, and thus also away from their capacity to actually realize the interests of the dominant elites they are said to serve.

In the next section I examine another neo-marxist perspective -- structuralism -- which calls for a more complex understanding of the dynamics of the state than that posited by instrumentalists and which offers a rationale for why states may act contrary to the interests of dominant economic elites.
B. The State from a Structuralist Perspective

In the Latin American context there are strong grounds for examining the role of dominant economic classes in the formation of state policies. At the same time, however, it is difficult to overcome the limits of instrumentalist approaches while perceiving the state solely as the instrument of class. Not all neo-marxist approaches view the state as the instrument of the dominant class. Structuralism, for example, focuses upon the underlying structural forces in capitalist society which shape state actions.

Nicos Poulantzas, the first to apply a structuralist approach to the analysis of the State, argued that class structure and the class struggle "are the fundamental definers of relations in a society" (Carnoy, 1984: 112). In his view, the state, contrary to the view of instrumentalists, is itself constituted of class contradictions. The state serves to shape and define class conflict while reproducing the social division of labour (Carnoy, 1984: 97, 115, 123). The state limits economic class unity in subordinate classes in order to diffuse class struggle, and at the same time reconciles fractions of the dominant economic class within the political sphere in order to ensure their continuing political and economic domination (Carnoy, 1984: 114). The key to the state's capacity to perform these two contradictory tasks rests in the disjunction, or relative autonomy, between economics and politics in capitalist society.

Through such means as the democratic voting system, the state isolates and individualizes workers, thus preventing recognition of economic class relations while unifying them within the nation-state (Carnoy, 1984: 99). The submission of workers to the dominant ideology is central to their acceptance of the voting system as the means to deciding political power. More, Poulantzas sees ideology as integral to the control of subordinate classes:

Ideology, by hiding the class relationship and subsequent exploitation implicit in the ideology of individualization and reunification of the nation-State, therefore enables the dominant class to reproduce social relations in such a way that it remains dominant. In other words, ideology LEGITIMATES the existence and functioning of a class State (Carnoy, 1984: 012).

The dominant liberal democratic ideology, which emphasizes the state as the protector of mass

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20/ This section draws extensively from Stasiulis (1986: 228-232).
interests, is incorporated into and transmitted through the state apparatuses, both ideological and repressive, both private and public -- that is, in the bureaucracy, the legal-political system, the schools, churches, media, cultural institutions, and the military (Carnoy, 1984: 110).

Poulantzas' analysis of the state, however, was based on study of European democracies and as such does not account for the reality of many Latin American societies. Rather than fomenting the individualization and isolation of workers, authoritarian states have used brute force to depoliticize the masses and to forestall the rise of subordinate class agitation. As stated earlier in this chapter, there has not been a tradition of parliamentary democracy in Latin America. Large sectors of society have not been franchised until recently, while the past decade has only begun to see the vote employed as a sustained means of securing state administrations.

Moreover, the transmission of ideology cannot be said to follow the same lines as in Europe. For example, in Latin America, education has not been readily accessible to the majority of the region's populace. As such the educational system cannot be seen as a base for transmission of the dominant ideology in the same broad sense which Poulantzas argued for Europe. While, as I have earlier discussed, the Guatemalan State's use of racist ideology has been instrumental in the fomenting of unequal relations, it cannot be forgotten that the State has had to use excessive and terrifying force in order to cement and reproduce these relations. It is clear that the Latin American state, like the European state, has acted to organize subordinate classes and relations of production, but just as clearly, Latin American states have not pursued the same means to this end.

Poulantzas also claimed that the state allows for the political unity of individualized or competing dominant capitalists. Again, the theorist argued that it is the relative autonomy between economic and political power which

...allows the state to intervene not only in order to arrange compromises vis-a-vis the dominated classes, which, in the long run are useful for the actual economic interests of the dominant classes or factions...21

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These compromises may be in the form of the provision of services such as education and public health or in the establishment of minimum wage and labour standards. Such concessions, structuralists argue, are necessary to guarantee the continued political power of the dominant classes as well to reproduce the labour force. Stasiulis (1988: 230) has criticized structuralists for not taking into account labour's long and arduous struggles for more equitable conditions in western society. In Latin America, where terror runs supreme and workers' needs are more often ignored than not, these struggles can be all the more bitter and bloody, and the gains secured small.

Despite the problems which this issue raises for accounting for the motivation for state actions, it is from a structuralist perspective, rather than from an instrumentalist perspective, that it is possible to conceive of the state as countering the short-term interests of dominant economic classes. While the concept of relative autonomy does provide a means towards understanding why states may act in opposition to powerful economic class interests, Poulantzas has been criticized for not extending his analysis towards an understanding of how and under what conditions states can operate autonomously (Ham and Hill, 1984: 36).

As has been shown, structuralism itself poses problems for the study of the policy formation process in Latin American societies, vis-a-vis its assumptions of how states attempt to organize their societies and the role of subordinate classes in the formation of state policies. Yet this approach does raise issues which allow for a more complex analysis of the formation of state policies than that put forward by instrumentalists. In the next section I examine the works of theorists -- primarily Rueschemeyer and Evans (1985) -- who have dealt further with the issue of relative autonomy and who have attempted to reconcile the seeming contradiction between the state as an instrument of the dominant class and as the unifier of competing capitalists.

C. Autonomy, Relative Autonomy and State Capacity

1. Bureaucratic-Authoritarianism and Autonomous State Actions

The concept of autonomy has often been discussed from outside the framework of class analyses. Skocpol (1985: 5), for example, has criticized analyses which contend that states have
been entirely and "... inherently shaped by classes or class struggles and function to preserve and expand modes of production." It is Skocpol's contention that this focus most often does not acknowledge that states take actions that counteract the will of classes or actions that are not the result of class struggles. In exploring the capacity of states to form independent or autonomous policies, Skocpol (1985: 9) explains that

[states conceived as organizations claiming control over territories and people may formulate and pursue goals that are not simply reflective of the demands or interests of social groups, classes, or society. This is usually what is meant by state autonomy.

As discussed in the previous section, structuralism does acknowledge that a class state takes actions which counter dominant economic class interests. However, I also argued that this perspective does not provide sufficient means to account for the impact of autonomy on the formation of state policies. Cardoso (1979: 51) provides a major key towards a further understanding of autonomy in a class state through his contention that the state cannot be seen

...just as the expression of class interest, without recognizing that such an expression required an ORGANIZATION which, since it cannot be other than a social network of people, exists in its own right and possesses interests of its own.

This 'organization' tends to a perspective and interests which are "distinct from that of private members of the dominant class" (Rueschemeyer and Evans, 1985: 53). For example, states may be removed from the short-run profit considerations to which the private sector is subject. The potential for the State to act as a corporate actor -- or autonomously from dominant interests -- is argued to be enhanced by identity with the perspectives of the organization. Bureaucrats, for example, may share technocratic training which can lead to a differing perspective of ways in which issues can be resolved and to the strengthening of an identity with these perspectives.

The bureaucratic-authoritarianism models which developed with the rise of post World War II Latin American military regimes provide a basic guideline to the institutional changes which contributed to the building of corporate images across the region's militaries.³ As Cardoso (1979: 35) notes

³/ Malloy and Seligson (1987); Canak (1984); Cardoso (1979); Collier (1979); and O'Donnell (1979).
...social scientists who first tried to characterize the new South American militarism added another adjective: "bureaucratic." It has been argued that the characteristic feature of the types of regimes implanted in Latin America in more recent years has been precisely the fact that in these regimes it is not a single general or a colonel who, like the caudillos of the nineteenth century, imposes a personal order by decrees. Rather it is the military institution as such which assumes the power in order to restructure society and the state.

Moreover, Skocpol (1985: 10) notes how Stepan (1978) has traced the emergence of "new military officials" in Peru and Brazil in this bureaucratic-authoritarian institution:

These were career military officers who, together, passed through training schools that taught techniques and ideas of national economic planning and counterinsurgency, along with more traditional military skills. Subsequently, such new military professional installed corporatist regimes in response to perceived crises of political order and of national economic development. The military professionals used state power to stave off or deflect threats to national order from nondominant classes or groups. They also used state power to implement socioeconomic reforms or plans for further national industrialization, something they saw as a basic requisite for improved international standing in the modern world.4

As suggested by Skocpol and Cardoso, the acquisition of extra military skills and knowledge led to military institutions which developed goals for national development which were different than those of dominant economic classes.

State capitalist theorists focused on slightly differing incentives for which states would become divorced from dominant economic class interests (Canak, 1984: 200). They argued that increasing state interventions during the postwar period led to the creation of a

State bourgeoisie -- a new class whose interests are connected with POWER over resources rather than their direct ownership. The model tries to show how this bourgeoisie has interests in the State as the State itself rather than as a bureaucratic representative of class interests in civil society (Carnoy, 1984: 200).

Both bureaucratic-authoritarianism and state capitalist models have not, however, been able to account for why national goals have not developed homogenously across or within militaries (Ames, 1986: 161).5 A problem with perceptions of the dependent state as a corporate actor is that division does occur on substantive goals (Rueschemeyer and Evans, 1985: 46-47). The sources of

4/ Lehmann (1976) presents a similar image of the Latin American military in general following World War II.

5/ A comparison of the nationalist and reformist policies of Peru's Velasco in the late 1960s with the policies of Chile's Pinochet which emphasize privatization, a free market economy and the reduction of State involvement in welfare issues provides a case in point.
this division can be related to questions of legitimization and social control. Skocpol (1985: 15) comments that

... autonomous state actions will regularly take forms that attempt to reinforce the authority, political longevity, and social control of the state organizations whose incumbents generated the relevant policies or ideas.

As Bialer (1983: 418) notes, "the question of legitimization, its formation, persistence, or possible disintegration is central to the long-run fate of any political regime." The state is not a self-sustaining island. Authoritarian regimes have maintained power during inordinately long periods with the aid of force. Yet without the support of international or domestic capital -- or their financing -- to support state policies, these states have not lasted indefinitely.

With a surge of elected civilian regimes throughout Latin America since the late 1970s, claims for the absolute autonomy of military states have been challenged. While many observers have rightfully questioned how far Latin American militaries have retreated from power, their questions have often failed to address what relation the new civilian leaders, or their parties, have with the "retreating militaries." Handy (1986: 384) has questioned this relation: "...the often-cited dichotomy between civilian and military rule is not a particularly useful concept when applied to Guatemala in particular and Latin America in general." More useful are inquiries which recognize that historically there has been

...no such thing as pure "civilian" or even "pure military" government in Latin America. Latin American governments have always been, to some degree, civilian/military coalitions.6

Attempting to account for the initiation of state policies by recognizing the relation, rather than the division, between military and civil authorities allows for a far richer analysis of the motives and complexity of policy formation than if it were to be assumed that civil administrations are but puppets of the military.

The questions of legitimization and social control and their resultant limits on political power also bring the discussion back to the problem of constraints upon state actions posed by instrumentalists. Rueschemeyer and Evans (1985) argue that even within these constraints there

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is room to posit a role for state autonomy.

2. Relative Autonomy

Rueschemeyer and Evans (1985) continue to perceive that state actions are rooted in class struggle, but they argue the necessity of some form of autonomous state intervention for effective economic transformation, or capital accumulation. State involvement in national development, Rueschemeyer and Evans (1985: 61) argue, is derived from the fact that the state is in the unique position of serving "...the systemic needs of the capitalist political economy."

The state's role in providing for these needs revolve around a core number of issues, including the state's claims of protecting the universal interests of the nation. Universal interests are defined as maintaining sovereignty, defense, and insuring institutional infrastructure to secure internal peace and facilitate individual and group activities. Rueschemeyer and Evans assert that the State requires a minimum degree of autonomy in order to carry out these tasks because they may conflict with the shorter term interests of capital.

In fact, Rueschemeyer and Evans (1985: 48) see the state as facing not just this one contradiction but a series of contradictions which hinder its ability to operate as a corporate actor:

... across a range of historical circumstances -- in ways that vary substantially -- the state tends to be an expression of pacts of domination, to act coherently as a corporate unit, to become an arena of social conflict, and to present itself as the guardian of universal interest. Clearly, these tendencies stand in contradiction to each other and cannot all at once come into their own. Our preoccupation with effective intervention naturally focuses attention on the state as a corporate actor and for precisely this reason tends to highlight the ways in which this role is problematic.

Rueschemeyer and Evans thus consider that the relation between the state and civil society is dynamic rather than static. In their view the state can be both the instrument of the dominant class and the site of class struggle. Their concern was to determine the patterns and conditions through which these contradictory tendencies were combined to permit the state, "both in its internal structure and in its relation to the social structure as a whole" to effectively intervene in economic transformation (Rueschemeyer and Evans, 1985: 48).

Rueschemeyer and Evans consider that the nature of the policies that a state may be
attempting to implement is important to determining the scope for relative autonomy. They make the point that distributive policies will be more difficult to implement than policies which offer incentives to dominant economic classes. It is a simple point, and clearly evident in the Latin American region where at times even the hint of reform measures has caused censure of state actions. Yet recognition of this difference between policies can be important in determining the inability of a state to implement complex programs such as decentralization or diversification which involve a mixture of incentives and distributive measures.

Secondly, Rueschemeyer and Evans contend that the conditions brought on by increasing diversification and crisis can strengthen the relative autonomy of the state. Through diversification of the economy, division can occur within dominant classes, such that the state has room to increase its involvement in and control of civil society (Rueschemeyer and Evans, 1985: 63). They also see room for increased state interventions in situations of socioeconomic crisis. In this case the source for the state’s relative autonomy rests in its position as the unique organization concerned with protecting the ‘systemic needs of the political economy.’ This position can increase the state’s ability to act autonomously from vested dominant class interests (Rueschemeyer and Evans, 1985: 64).

Lastly, increasing pressure from subordinate classes is also considered a factor in strengthening a state’s autonomy from dominant economic classes. However, Rueschemeyer and Evans argue that ethnic divisions within a society can complicate this process. If the state is controlled by the dominant ethnic group, the tendency for the state to champion dominant classes and resist pressure from subordinate classes may also tend to be reinforced (Rueschemeyer and Evans, 1985: 63). Attention to this barrier to increasing state autonomy will be a concern in the following analysis, given the nature of racial discrimination existent in Guatemala and the fact that the Guatemalan State is largely comprised of the economically and politically dominant ladino minority.

The difficulties states may encounter in implementing distributive policies, together with their perceptions of the conditions under which states may gain greater autonomy, led Rueschemeyer and Evans (1985:66) to question a state’s motives for claiming to champion
subordinate class interests:

What this suggests in terms of future research is a closer analysis of the dynamics of class relations in cases of redistribution. Are they cases best understood in terms of the state as an arena of social conflict, examples of increasingly organized and militant subordinate groups forcing the state to be more responsive (and consequently more autonomous from the dominant class)? Or are they cases in which the logic of accumulation happened to offer certain redistributive possibilities and the state, while remaining thoroughly wedded to the interests of the dominant class, was able to use its capacity as a corporate actor to take advantage of them?

These questions firmly situate the study of the state’s promotion of distributive policies within the dynamics of class relations. They also present questions about the nature of a state’s claims to respond to the demands of subordinate classes as was first discussed in relation to structuralism. This is an important line of enquiry because the policies under study in this thesis, diversification and decentralization, by their nature entail investments in economic and social infrastructure in order to develop isolated regions, promote marketing and transport, and stimulate growth in isolated areas. The state’s provision of this infrastructure, while of potential benefit to marginalized classes, may not necessarily result from the demands of these classes, but from the state’s perspective of what is required to stimulate national development and dominant class interests.

If marginalized sectors were to truly participate in, rather than be subjected to, diversification and decentralization, the state would also have to support policies which would ensure their participation. For example, effective smallholder participation requires state support for organizational and negotiating capacity as well as the assurance of adequate access to land, credit and technical training. Encouraging effective grass-roots participation in programs of decentralization entails support for local levels of government and community participation. As will be discussed in the case study, both these instances signal infringements upon dominant political and economic interests which the state must counter if it is to benefit the indigenous population through diversification and decentralization.

In examining the conditions under which the state’s relative autonomy can grow and the tensions in which it evolves, Rueschemeyer and Evans surpass structuralist analyses which have not ventured beyond arguing that relative autonomy is necessary for states to form policies
independently of dominant economic classes. In addition, it is important to note that Rueschemeyer and Evans’ study was directed towards determining the scope for “effective” state interventions. As discussed earlier in this chapter, one major problem with instrumentalist perspectives was that they did not investigate the capacity of states to realize policy goals. The last section of this chapter will examine the question of state capacities and their relation to effective state interventions.

3. Differential State Capacities

While Rueschemeyer and Evans (1985) believed that the state as an organization possessed a distinct knowledge and understanding of national development, they did not necessarily perceive that states would have superior knowledge. Ineffective channels of information and the often incomplete and outdated knowledge to which peripheral states have access have, in fact, been the subject for study in determining the inability of states to carry out differing policies.

Rueschemeyer and Evans (1985: 50) argue that “[t]he existence of an extensive, internally coherent bureaucratic machinery is the first prerequisite for effective state action.” Skocpol (1985: 17) emphasizes a state’s financial capacities influence both the types of policies it chooses and its ability to effectively execute policies. Trained and capable manpower, well directed agencies, and freedom from graft are also necessary for state directives to be carried out effectively (see also Oszlak, 1981).

According to Skocpol (1985: 17), state capacities vary across differing policy areas: “...one of the most important facts about the power of a state may be its UNEVENNESS across policy areas.” Public health infrastructure, for example, requires differing capacities to generate than does the development of transport links or commercial bank systems.

Cardoso raises a salient point vis-a-vis bureaucratic-authoritarianism in Latin America and the nature of differing state capacities. While some military regimes have succeeded in terrorizing the citizenry, they have not silenced resistance, nor have they been successful in restructuring their nation’s economies:

It is simplistic to imagine that a dependent capitalist process of industrialization can take place only through authoritarianism. A military junta may not even open new roads to economic growth as recent events in Chile or Uruguay demonstrate (Cardoso, 1979: 55).
The essential point is that states may not be capable of realizing policy goals despite
dominant economic class support for their policies -- or despite having sufficient autonomy to form
policies independently from the dominant economic class.

D. Conclusion

This thesis will attempt to better understand the promotion of diversification and
decentralization in Guatemala and their significance for the indigenous peoples of the Western
Highlands. Through examination of the policy formation process in Guatemala, this study should
also contribute to an understanding of the diversity of the ‘democratization’ experiences across
Latin America.

Key to analyzing the policy formation process will be examination of the political, economic
and social conditions which led to the Guatemalan State’s promotion of diversification and
decentralization. Additionally, in order to understand the impact of these policies upon the Western
Highlands populace, the case study will focus upon this populace, on the relation between the state
and this populace, and on the interplay between national and local levels of government. Through
this study, the central questions to be addressed involve 1) the identification of the dominant
interests which have promoted diversification and decentralization; 2) the impact of these interests
on the evolution of state policy; 3) an accounting of the differences between the civilian
government’s goals for these policies and those of previous regimes; and 4) the civilian state’s
capacity to achieve its policy goals.

The first section of this chapter examined why instrumentalist perspectives are inadequate
to fully account for the actions of dependent states. Briefly, they do not acknowledge room for the
state to form policies independently of dominant economic interests. Their view of intra-class
fractions are too limited for the study of diversification and decentralization. And lastly, in their
emphasis upon the formation of policies, they neglect examination of the state’s capacity to
implement policies.

Structuralism moved beyond these limitations by positing a disjuncture between political
and economic realms which permitted the state to counter dominant economic elites. This
perspective views the state not simply as the instrument of class but as an active organizer of society. By contrasting the means by which Latin American states have sought to organize their societies with the means by which western liberal democracies have so attempted to do, the following analysis can also be more sensitive to the limits within which subordinate classes have strived for equity.

Rueschemeyer and Evans, in turn, permitted a deeper examination of relative autonomy and state capacities. Firstly, they recognize the State as a corporate actor in itself and as a source of action. Secondly, in examining the conditions through which a state may gain greater autonomy from dominant classes, Rueschemeyer and Evans place emphasis on the types of policies a state is attempting to implement. Through this focus, it may be possible to more clearly discern dominant class support, or resistance to differing state initiatives in instances where state actions encompass a number of differing sectors, or in which there may be some overlap between supposed class fractions. Lastly, Rueschemeyer and Evans place emphasis on the capacities states require to effectively implement policies thus expanding the scope for analysis of the policy making process.

The insights gained from this review will be applied to the analysis of the Guatemalan State’s development of diversification and decentralization in the remaining chapters of this thesis.
III. Chapter III: From Counter-Coup to Atrocity, 1954-1982

This chapter briefly reviews the expansion of Guatemala's economy since the 1950s and the manner in which the State supported this growth through the repression of rising social demands. These developments contributed to economic decline and violence in the 1980s. As such this chapter provides the context for understanding the nature of State counterinsurgency measures and development policies during this period.

In order to understand economic and political developments since the mid-1950s, it is first necessary to review the changes wrought during a brief ten year period, known as the Ten Years of Spring, in which Guatemala was run by two reform minded governments. Prior to this period, from the mid-1870s to the early 1940s, Guatemala had been ruled by a series of liberal caudillos, or military chiefs. The coffee industry had been run largely by German interests, while the banana industry as well as utilities, shipping and transport had been developed by American interests, in the form of the United Fruit Co.

By the 1940s frustrations were mounting in response to the lack of opportunities, increasing impoverishment and the increasing influence of US investment (Woodward, 1985: 230; Handy, 1984: 104-107). In early 1944, spurred by the success of a similar movement in El Salvador, an alliance of students, professionals, military cadets and members of the Honour Guard7 forced the resignation of Jorge Ubico, the last of the liberal era's caudillos. Later that year, in the October Revolution, they succeeded in securing the State. While this revolution was essentially ladino and urban based, it had been paralleled by mounting Indian unrest. An uprising at Patzicia reflected the indigenous population's protest of increasing State control in the countryside during the Ubico regime.

It is clear that the two reform governments of the 'Ten Years of Spring' were intent on changing the direction of the nation's development. Jacobo Arbenz' inauguration speech

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7/ The Honor Guard is one of five military brigades in Guatemala (EIU, 1988: 12).
expressed the State's intent to move:

...the country from a dependent nation with a semi-colonial economy to an economically independent country; to convert Guatemala from a backward country with a predominantly feudal economy into a modern capitalist state; and to make this transformation in a way that will raise the standard of living of the great mass of our people to the highest level... Our economic policy must necessarily be based on strengthening private initiative and developing Guatemalan capital, in whose hands rest the fundamental economic activity of the country.\(^8\)

Recommendations made by the Canadian economist George Britnell in a 1951 World Bank study on Guatemala had seen land redistribution and diversification as necessary to increase the living standard of the Indigenous population through which he believed the expansion of the internal market depended.\(^9\) Drawing partially upon these recommendations, the Guatemalan State directed itself to changing the conditions which barred the realization of these goals.

Wide ranging social, political and economic reforms were set in place under Juan Jose Arévalo. The State abolished forced labour laws, attempted to democratize municipal administration, expanded civil rights, and encouraged campesino unions. Under Jacobo Arbenz, the reforms picked up steam. On June 17, 1952, Arbenz promulgated Decree 900, the Agrarian Reform Law. Decree 900 was quite mild in scope, addressed only to a proportion of idle lands held by large land holders for the benefit of smallholders, the landless and colonos, or resident workers. When the State began to expropriate the lands of the American owned United Fruit Company (UFCo), the revolution had reached a climax.

UFCo was already disturbed with the State's attempts to develop national energy and transport capacities which it recognized as threatening its monopolies on utilities, shipping and rail transport (Handy, 1984: 137). Moreover, UFCo, as well as many employers and potential investors, bitterly opposed the revolution's support for labour. Following

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expropriation of UFCo lands, the Arbenz government fell in 1954 to a CIA backed coup spurred by the fruit company. Although land reform had instigated the coup, it was clear that there were other mounting tensions. These were most loudly voiced by dominant business and religious elites and the military (Handy, 1984: 124-147).

The Catholic Church, for example, which had suffered under Liberal rule but had regained favour with the State during the 1930s, now openly sided with conservative economic and political elites, calling Arbenz’s Agrarian Reform Law ‘communistic’ (Frank and Wheaton, 1984: 27). Despite claims that the reform movement was communist inspired -- actively promoted by UFCo in the cold war climate of the United States, the communist movement never played a large role in the Guatemalan State or in the growing labour movement (Handy, 1984: 118). Arbenz ‘communistic’ agrarian reform was consistent, in fact, with Britnell’s World Bank recommendations for the expansion of the Guatemalan economy.

Military support for the overthrow, though a decisive factor in Arbenz’s fall, was not unilateral. Jacobo Arbenz was himself a respected military professional who had had a strong following. Yet some steps taken to secure the military’s allegiance left weak gaps in Arbenz’s support system as he attempted to implement social reforms which threatened the status quo. In addition, a major problem had developed over control of the countryside. The reform State, in its desire to democratize and strengthen popular organizations, was dismantling the influence that the military had enjoyed in the rural areas during Ubico’s regime. As a result, many were beginning to fear for the military’s future role in Guatemala (Handy, 1986: 389-391).

The reforms of the Ten Years of Spring also failed the Indian population because they assumed a homogeneity which did not exist (Wasserstrom, 1975: 470). The reforms,

10/ The state acted to expropriate 387,000 of UFCo’s 550,000 acres (of which UFCo cultivated only 15%). Compensation of US$1 million was offered based on UFCo’s declared value for tax purposes. The company then claimed that the lands were worth US$16 million (Frank and Wheaton, 1984: 25).
intended to support the indigenous, had instead agitated the divisions which had grown with the development of the coffee economy. During the Liberal Era many principales, or village elders, had become relatively prosperous landholders, enjoying considerable power within their villages. Their base of power had been weakened during the Ubico regime when the State reinstated forced labour laws which usurped their control over migrant workers. Now, in attempting to modernize the Guatemalan economy, the State was further dismantling the conditions which had established the migrant labour system and upheld the coffee industry. Many principales resisted these reforms, tending to the preservation of the system which had empowered and enriched them.

The interests supporting retention of the status quo were thus complex, not only involving industry and finca, or plantation, owners, but also international capital, the Catholic Church, the military and members of the indigenous communities themselves. The cost of the counter-coup for the majority of Guatemalans was the crushing of labour unions and democratic organizations, while the changes and divisions wrought have had far-reaching consequences for the development of Guatemala with many of the central actors of the period still influential.

A. Economic Expansion and Narrowed Growth

Since the 1954 counter-coup, Guatemala’s economy has increasingly diversified (Torres Rivas, 1980: 270). As in most Latin American countries, import substitution industrialization policies were adopted -- although in Guatemala these were primarily directed towards expanding intra-regional rather than national markets. Through the Central American Common Market (MCCA), Guatemala’s industrial sector expanded rapidly during the 1960s to become the largest in the region. Tourism became a focus for investment. Traditional exports expanded, as in all of Central America, to include cotton and livestock. Larger areas of Guatemala were brought into production. During the 1970s the Franja Transversal del
Norte (FTN) became a focus for oil and mineral exploration and hydroelectric development (Aguilera Peralta, 1979: 18-19; Winson, 1978: 40). Despite this expansion, by the mid-1980s the agricultural sector still employed 52% of the workforce and generated one quarter of GNP and 70% of all exports (IDB, 1986: 58; see also Appendix A, Tables 2 & 7).

According to Smith (1984a: 143), the pattern of Guatemala's class structure was narrowly set in the fall of the Arbenz administration:

Because traditional groups won, trends established in the late nineteenth century intensified rather than changed. Plantation agriculture expanded and diversified (into cotton, cattle, and sugar, as well as coffee), but changed neither its market nor its ownership. Traditional oligarchs and multinationals invested in capital-intensive industry in Guatemala City, but they did not form a new industrial class in Guatemala that could represent distinct progressive interests.

Wealth, then would be expected to be concentrated within a small proportion of the populace. A run through of the structure of ownership in a few of the major exports confirms strong patterns of concentration:

Coffee: In 1980 "...coffee was grown on about 12,000 plantations covering approximately 340,000 acres, but 80 per cent of the crop comes from 1,500 large farms which employ 420,000 workers (EIU, 1980: 12)

Cotton: Fifteen families are responsible for 45% of cotton production (Barry and Preusch, 1986: 153). In 1978/79 the average size of a cotton finca in Guatemala was 912 manzanas, in Nicaragua it was 56 manzanas (IDB, 1986: 61).


Sugar: In 1979, 91 fincas controlled 41% of the sugar crop, while in 1983, 4 of the 20 family-owned sugar mills in Guatemala controlled one-half of production (Painter, 1987: 41-42).

Meat: 70% of the cattle stock is owned by only 7% of cattle farms. According to Jonas and Tobis (1974: 113), there has been considerable US investment in Guatemalan and Central American cattle and meat processing.

To reduce pressure for land reform, the State launched expensive colonization projects
in the underinhabited Peten and FTN rather than redistributing idle lands.\textsuperscript{11} However, substantial lands grants went to already large landholders and military officials, such that the net result of colonization was the intensification of inequitable land relations (USAID, 1982a: 49). The General Secretariat of the Economic Planning Council (SEGEPLAN: 1986: 87) noted that in the primarily indigenous Altiplano\textsuperscript{12} smaller plots had been subjected to continuous division between 1950 and 1979 with the average size of the smallest holding dropping from 1 manzana (0.7 hectares) to 0.8 manzanas. During the same period the average larger agroindustrial finca had grown from an average of 314 manzanas to 430 manzanas (Guatemala. SEGEPLAN, 1986: 87).

Foreign investment expanded greatly during this period. While American interests still controlled the banana industry, they had now also deepened considerably. Between 1950-1954 there were 8 US firms operating in Guatemala, by 1964 there were 28.\textsuperscript{13} By 1985

...483 branches, affiliates or subsidiaries of US transnational were operating in Guatemala, including 99 of the top 500 US companies... Transnational investment far outweighs national industrial capital, and in the early 1980s represented 27% of total investment, the highest percentage in Latin America (Painter, 1987: 53).

Some analysts have distinguished two major types of monopole investors in

\textsuperscript{11} According to USAID (1982a: 51) there were an estimated 1.77 million hectares of idle lands in the hands of the Guatemalan private sector in 1970. While colonization efforts undertaken by Maryknoll Fathers in the Northwest Ixcan were successful, the indigenous resisted State efforts to move them from the Highlands to the lesser populated and humid Peten and FTN. A major USAID sponsored colonization project in the FTN initiated in 1976, was designed to absorb the landless indigenous of the Highlands. But by 1980, it had had to look elsewhere for colonizers for "...the highlands were not producing the desired or necessary number of applicants" (Fledderjohn and Thompson, 1982: 22).

\textsuperscript{12} According to SEGEPLAN (1986: 16) the Altiplano comprises the departments of Quezaltenango, San Marcos, Huehuetenango, Totonicapan, Quiche and Solola.

\textsuperscript{13} Adams (1970: 139) citing USAID, Industry Division, US Business Directory for Guatemala, April 1, 1964. These figures do not include individual operators of farms or non-commercial enterprises.
Guatemala. Aguilera Peralta (1980: 100) notes that US Sunbelt\(^{14}\) investment, using Cubans from the exile community as intermediaries, were concentrated in "...new sectors of the economy, particularly tourism, or into secondary agro-industrial enterprises like the production of flowers, vegetables and meat for export...." Large international mining monopolies, including US interests, the Dutch Shell and the Canadian based INCO, have dominated the Guatemalan mining sector (Hernandez, 1986; Aguilera Peralta, 1980: 100).

Development aid from industrialized nations and multilateral agencies also became an influence in the economy. Between 1962-1979, the United States, the largest bi-lateral source of this aid, invested $294.5 million in non-military economic aid in Guatemala, while the Inter-American Development Bank, the largest multi-lateral source, directed $384.7 million to the country (Davis, 1983b: 32; EIU, 1988: 27).

While an extensive literature exists on US involvement and influence in Guatemala,\(^{15}\) less attention has been paid to the role and dynamics of other foreign investors and aid donors who have established a presence in Guatemala. By the 1980s, Guatemala’s major trading partners included the Federal Republic of Germany and Italy, as well as Japan and Taiwan, and other Latin American nations (Appendix A, Table 5). Moreover, such multinational firms as the Swiss owned Nestles in food processing, the British Lloyds Bank in commerce, and the West German Bayer in pharmaceuticals and chemicals, operate in the country (Barry and Preusch, 1986). The increasing role of Israel in providing arms, military training and technical advice, as well as agricultural training, has begun to be investigated.\(^{16}\)

By the late 1960s intra-regional trade began to decrease and by the late 1970s MCCA

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\(^{14}\) Jonas and Tobis (1974: 65) define Sunbelt investors as those primarily located in Florida, Texas and California who have risen to prominence since World War II.

\(^{15}\) See the landmark work of Jonas and Tobis (1974), as well as Burbach and Flynn (1980); Barry (1986b); Barry and Preusch (1987, 1986); and McClintock (1985).

\(^{16}\) See Hunter (1987) and Jamail and Gutierrez (1987).
contraction was seriously affecting Guatemalan industrial trading (USAID, 1984: 2). Meanwhile, other potential possibilities for growth were being seriously abused. Cotton production, for example, was being developed by a small number of producers in a highly speculative manner (Adams, 1970: 353-380). Indiscriminate insecticide practices were wreaking havoc with the health of workers and seriously damaging the environment. Moreover, the State did little to foster programs which could have strengthened both cotton production and domestic industries as had originally been envisioned during the Ten Years of Spring.

B. Political Change and Development

Throughout this period the military dominated the State (Appendix A, Table 6). They formed their own party, the Institutional Democratic Party (PID), which long worked with the self-professed fascist National Liberation Party (MLN). Faith in elections diminished as fraud became increasingly apparent. The 1974 election was a watershed event in the recent political history of Guatemala; Chapters V and VI discuss its influence in the outcome of the 1985 electoral race.

Aguilera (1980, 1982) has extensively documented changes in the development of the Guatemalan military from 1954 onward. They opened up the northern part of the country, promoted national programs of development, and created new agencies to accommodate the expansion of the economy. They were in control of the State when the financial infrastructure of the economy expanded, with 13 of 16 Guatemala's public and private banks coming into existence (Europa, 1987: 1264).

Military training, while still grounded in the Escuela Politecica established in the 19th century, was increasingly influenced by American counterinsurgency and development programs (See also Adams, 1970). Following US restrictions on military aid due to human rights violations in 1977, training has come from Israel, which has also provided Guatemala
with the means towards arms self-sufficiency through aid in the erection of a munitions factory (Hunter, 1987; Jamail and Gutierrez, 1987).  

During the post-1954 period the military also became directly involved in capital accumulation, both privately and institutionally -- through, for example, the establishment of its own bank, El Banco del Ejercito (Aguilera, 1979; Woodward, 1985). According to Adams (1970: 240-242), despite benefits such as low cost housing and duty free luxury imports, low entrance salaries contributed to inducing military participation in commercial and political endeavours (Painter, 1987: 48). Military corruption also increased, becoming particular when, through the development of the FTN and the Peten, a large proportion of land grants went to military officials themselves (Painter, 1987; Aguilera Peralta, 1980, 1982; Black, 1984; USAID, 1982).

The development of Guatemala’s military has not been paralleled by the growth of unity within its elites. Division following the 1954 counter-coup led to numerous coup attempts, one successful coup (in 1963) and expropriation of the power of the State during the only civilian regime which existed during this period (1966-1970). Adams (1970: 248) distinguished several sources of conflict during this period, the principal divisions being between "... army-airforce, line officer-Politecnica graduate, young-old, liberal-conservative, and vertical division or loyalty coupled with specific ties of common graduating class and the centenario" relation." A further division, which spawned the Thirteenth of November 1960

17/ Arms have also come from France, Switzerland, Taiwan, Italy, Belgium and Yugoslavia (Fried et al., 1983: 133).

18/ Hoy and Belisle (1984) similarly note how low salaries contributed to corruption among civil state employees.

19/ Line officers progressed through the ranks to achieve their position. With the rise in the role of education in the military, this was becoming less a source of conflict at the time of Adams' writing.

20/ A buddy system between younger and older cadets.
coup attempt, was nationalistic in nature. Younger officers rebelled against the American military's use of Guatemalan soil to train officers for the Bay of Pigs. (Adams, 1970: 243, 261). When the coup attempt failed, the junior officers responsible went into exile and formed Guatemala's first guerilla front (Black, 1984: 66). According to Handy (1986:399), what fissures there were prior to 1970, began to deepen particularly after the fraudulent 1974 elections. The exact nature of fractionning today requires further study since the army has resisted outside investigation.

The military also became a terrifyingly brutal instrument to restrict access to initially high economic growth. Increased social demands, growing from many quarters, were met more and more by institutionalized "terror and violence."21 State repression has been both open and clandestine. In the 1960s, counterinsurgency drives in the predominantly ladino smallholder east earned Arana Osorio, military director of operations and future president, the name of the 'Butcher of Zacapa,' (Handy, 1984: 161). Black (1984: 22) says the guerillas were...virtually wiped out...in a two-year campaign. In the process, as many as 8,000 peasants would die. Victims of aerial bombing, napalm and death-squad killings they were the price of eradicating a guerilla movement which never numbered more than 500 regular combatants.

The State routinely disclaimed knowledge of secret paramilitary groups, but did little to curb their rise. The civilian MLN party, in fact, openly boasted of its ties with the death squads, calling itself the 'party of organized violence.' The squads began to appear in 1960 and within the decade were reaching plague proportions -- 17 new ones were recognized in 1967 and 1968 alone (Black, 1984: 46, 47; Jonas and Tobis, 1974: 118). The savagery wrought by these groups reached a peak in the late 1970s in the onset of 'the violence' when they directed their force against the growing mass movement (Black, 1984: 47).

As the political party system became more and more alienated from the populace and

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21/ This quote is taken from the title of Aguilera Peralta's (1980) article, "Terror and Violence as Weapons of Counterinsurgency in Guatemala."
Increasingly subject to fraud, private sector lobbying groups rose in prominence as channels for influencing the State. Juan Jose Arevalo, the first of the two leaders of the Ten Years of Spring, encouraged the growth of national business associations to stimulate development and foster technological modernization. According to Wasserstrom (1975: 450), these associations had instead "...quickly assumed the role of conservative lobbying groups which sought preferential treatment for their members and opposed all but the mildest social reforms." Since the 1954 counter-coup, these groups have grown in prominence. While attempting at various times to curtail the organizations, the State has ultimately acted to bring them to the National Palace on policies affecting economic and development issues while members sit on the nation's Monetary Board. Two such associations formed after 1954 are the highly influential umbrella private sector organization CACIF, and ANACAFE, the National Coffee Growers Association (Adams, 1970: 321). US investors have recognized the import of this system, there is for example, an active American Chamber of Commerce in Guatemala.

C. Social Conditions, Growth and Resistance

The period between 1954 and the late 1970s witnessed a great deal of change in the nature of resistance to the State. During the 1960s, resistance followed a preestablished formula -- ladino inspired, ladino controlled, and almost exclusively ladino, though newly articulated in a guerilla movement. Yet change was in air, for there was some marginal involvement in one of the fronts by a group of Indians under the leadership of an Indian protestant pastor (Black, 1984: 71, 76; Frank and Wheaton, 1984: 35). By the latter 1970s and early 1980s, Indians would be in the forefront of the rising mass movement which incorporated both indigenous and ladinos. These changes were influenced by several develop-

— Edelberto Torres Rivas of the Facultad Latinamericana de Ciencias Sociales in Costa Rica has recently undertaken a study of the political influence of business associations in Central America. He is examining the growth of groups in Guatemala, El Salvador, Nicaragua, Honduras and Costa Rica since World War II. The national groups belong, in turn, to the influential regional association, the Federacion de Entidades Privadas de Centroamerica y Panama.
ments.

Prime among these were changes in the Catholic Church in Guatemala.\textsuperscript{23} Although the church hierarchy remained essentially conservative, external and internal events wrought changes in its structure. Fundamental to external influences was the rise of the theology of liberation which legitimized social involvement and organization (Painter, 1987: 66; Dodson, 1988: 232). Internally, the Liberal Era had so weakened the Catholic Church that in its reinstatement following the counter-coup it had to supplement its ranks with foreign orders and missionaries. Shocked by conditions in the Highlands, many of them began to work to overcome the situation.

At the same time, US inspired development plans complemented the efforts of church members who were using the conservative church vehicle of Catholic Action to launch education and development projects (Davis, 1983a: 8; Handy, 1984: 241). In the death of unions and peasant leagues following the 1954 counter-coup, some indigenous communities had begun to entreat Catholic Action in order to continue the revolution's spirit of democratization which had permitted them to form alternatives to the existent village hierarchy of principales, and the traditional religious order.

US Alliance for Progress initiatives in the early 1960s also led to the sanctioning of a cooperative movement which promoted credit, agricultural and marketing activities.\textsuperscript{24} While cooperative legislation existed in Guatemala as early as the 1900s, it was only during the Ten Years of Spring that the movement began to receive significant State support. With the fall of Arbenz, the movement was virtually extinguished because of its association with the deposed administration and its perceived potential for campesino mobilization (CEIG, 1986: 79-82). While US promotion served to endorse the movement, Guatemalan S...te


support remained ambivalent. The State sanctioned their growth only under the control of the military and the Catholic Church. In addition the Christian Democrat party, which had begun as a conservative force in the 1950s, was also permitted to play a role in the development of the cooperatives.

By the February 1976 earthquake, 132,000 Guatemalans were organized in 510 cooperatives. Fifty-seven percent of these were in indigenous Highlands departments (Davis, 1983a: 8-9; see also Riding: 1975). While local newspapers recorded international endorsements and regional growth in the cooperative movement, Guatemalan State support of the cooperatives was eroding, and by the onset of the violence cooperative leaders had become particular targets for repression.

A third major factor influencing increases in indigenous resistance was the increasing participation, communication and discontent of both indigenous and ladino workers in the migrant labour force (Appendix A, Table 3). Following the Ten Years of Spring, forced labour laws were not reinstated. However, coffee, which still dominated agro-exports, and the newer export crops of cotton and sugar all relied to some degree upon seasonal labour for harvests. In August 1976, the Anti-Slavery Society of the United Kingdom presented a paper to the United Nations Human Rights Committee comparing the Guatemalan migrant labour situation to a system of slavery (Plant, 1978: 76).

Population increases -- averaging 2.8% per annum since 1950 -- and shrinking and degenerating land holdings contributed to the need to search outside the land for survival. Political unrest and economic turmoil throughout the Central American region was even

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26/ In the mid-1960s, Schmid (1967) estimated there were between 118,000 to 150,000 migrant cotton workers, with colonos numbering less than 5,000 (cited in Adams, 1970: 369). During this same period, a survey conducted by the National Service for the Eradication of Malaria indicated that 78% of 33,802 cotton migrants had come from indigenous Highlands departments (see also Appendix A, Table 3).
resulting in an influx of Salvadorians to some plantation areas by the late 1970s (Pansini (1983: 17, 19). While the initial use of pesticides and fertilizers had begun to curb land pressure for small farmers, price increases following the 1973 oil crisis and overuse or misuse contributed to the increasing destruction of smallholder lands (Frank and Wheaton, 1984: 38). Reductions in basic grain production, from 75% to 60% of all agricultural production between 1970 and 1978, also contributed to pressure for employment off the land. The reductions had occurred because of "... shift from corn to sugarcane and cotton in the Pacific Coast area induced by high world market prices for these products" (WB, 1978: 74). At that time, the World Bank (1978: 76) saw that given extant population growth, "[t]he lagging production of grains has been identified as one of Guatemala's most serious economic problems over the next 5-10 years."

Plantation owners appeared to have ignored the salient changes that had occurred in the conditions guaranteeing the reproduction of the migrant labour force since the 1950s. The myth of the indigenous as a homogenous entity was being perpetuated by employers who relied on labour under slavery conditions. Roberto Alejos Arzu, whose family rose from the coffee era to broadly diversify its holdings, is a past director of ANACAFE -- the national coffee growers' association, and now a potential contender in the upcoming presidential elections. His comments in a 1984 BBC TV documentary typify these attitudes:27

I'd like to see those Indians who are complaining that they are poor. I don't think there is a freer element in Guatemalan society than the Indians. They're not permanent employees to anyone. They come down to the coast to work for a time, to make some extra wages, then they go back to their own land where they have their own rights and their own freedoms (cited in Painter, 1987: 44).

By the late 1970s a climax of terror and resistance had developed while Guatemala's economy was entering a serious decline. Rising discontentment and the eventual organization

27/ Painter (1987: 44); Jonas and Tobis (1974: 217). Alejos has also been Honorary chairman of the US Fidelity National Bank of South Miami; his finca was used for US training for the Bay of Pigs. More recently, an attempt to unionize on his sugar finca was broken -- following the killings of 12 union members.
of the indigenous into labour and guerilla movements came from extremely unfair working conditions, increasing poverty, demands for land, increasing organization in the cooperatives and support from international development and church workers. As Torres Rivas (1986: 50) has noted with respect to Central American growth in general from World War II up to the late 1970s:

...the model for economic growth exacerbated the inequalities inherent in an agricultural society; once again, diversification and modernization of export agriculture were based on the gap between the sector based on vast land holdings and capital investments, which responded to international demands, and the internal market sector, which had been reduced to a "minifundia" comprised of impoverished rural masses living below minimum subsistence levels.

Three well documented events signalled the onset and manner of the Guatemalan State's offensive of terror against the increasing resistance it was facing: the Panzos massacre in 1978, and the Spanish Embassy massacre and the Sugar Workers Strike, both in 1980. They stand, as well, as symbols of the rising involvement of indigenous peoples and of the contradictions and tensions inherent in Guatemala with regards to land, labour and control of development.

D. 1978-1980: The Panzos and Spanish Embassy Massacres and the Sugar Workers Strike

The Panzos massacre took place in the town of Panzos, in the municipality of that name in Alta Verapaz, on May 29, 1978. The town and its surrounds were seen as important to the development of the FTN -- and to the wealth of military elites. The FTN was becoming known as the "Land of the Generals" because military officials including General Fernando Romeo Lucas Garcia, incoming president and former head of FTN development, had become major landowners in the area.28

On the morning of May 29 over 600 Kekchi Indians gathered peacefully in Panzos

to protest the impending expropriation of their lands. Their attempts to gain legal title to their holdings through INTA (the National Institute of Agrarian Transformation) had been largely unsuccessful (Peckenh, 1983: 203). The army responded by firing upon the crowd and killing over 100 unarmed men, women and children who were headed by an elder known as Mama Maquim, a Catholic catechist and community leader (Frank and Wheaton, 1984: 55). Panzos has been recognized as signalling a turning point for many Indians and religious leaders, Catholic as well as Protestant, who had not previously attempted to challenge the status quo (Frank and Wheaton, 1984: 55; Peckenh, 1983: 204). Other reportedly unprovoked incidents would soon work in the same manner to radicalize the indigenous peoples of the south and central Highlands (Carmack, 1983a: 52).^29^

^The second incident took place January 30, 1980 at the Spanish Embassy in Guatemala City, but its origins were in the Ixil Triangle of El Quiche. The army had established a presence in the area in response to the growing Highlands support for the Ladino based Guerilla Army of the Poor which had been established in 1975.^30^ Because of the murders of 168 cooperative leaders in the Ixil and Ixcan regions between 1976-1977, many believe the onset of the current wave of violence began here rather than with the later Panzos massacre (Lovell, 1988: 36; Shelton, 1982: 15, 47). Through 1979 massive disappearances, torture, murders, and bombings had "...become the norm in Northern Quiche" (Frank and Wheaton, 1984: 59).

The Indian delegation which came down to Guatemala City in January 1980 was one of a series of such attempts by indigenous men and women of the isolated Ixil to publicize the violence and gain support among the capital's unions and the politically active of the

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^29^: See also Smith (1984b: 33) who asserts that the State was acting to "[unify] mainly the Indian communities which they have attacked." Yet in doing so it was creating "...a possibility that never existed before: unifying all Indians as a class in revolutionary struggle."

University of San Carlos. Failing to receive access to Congress, the United States Embassy and President Lucas García himself, close to thirty male and female campesinos, catechists, and a few Ladino workers, students and others peacefully occupied the Spanish Embassy (Frank and Wheaton, 1984: 59). Despite the Spanish ambassador’s pleas for restraint, the Guatemalan army attacked the embassy. By most accounts close to forty protestors, embassy staff and visitors were burned alive. Only the ambassador himself and one protester, Gregorio Yuja Xona, survived. Within a day Yuja was kidnapped from his hospital bed, his tortured corpse later dumped on the grounds of the University of San Carlos (Black, 1984: 99).

The Spanish Government severed diplomatic relations with Guatemala over the incident (Frank and Wheaton, 1984: 57) and on February 14, members of Guatemalan indigenous peoples issued the Declaration of Iximche which committed its authors and the people they represented

To end all these evils perpetuated by the descendants of the rich invaders and their government, we must fight allied with workers, poor ladino peasants, committed students, poor townspeople, and other popular and democratic sectors, to strengthen the union and solidarity among the Indians and poor ladinos, since the solidarity of the popular movements with the Indian struggle was sealed with blood at the Spanish Embassy. The sacrifice of these lives now brings us closer than ever to a new society and the dawn of Indian liberty (Frank and Wheaton, 1984: 59).

The third incident, the Sugar Workers Strike of late February and early March, 1980, demonstrates how far the commitment to unity could be carried under prevailing conditions. The Indian led Committee for Campesino Unity, which had publicly announced its presence in the 1978 Labour Day parade and whose members had participated in the ill-fated Spanish Embassy occupation, played a large role in the strike as did the Guatemalan Sugar Workers Confederation. The Committee for Campesino Unity had successfully organized workers by operating on the coast as well as in Highland homes of migrant workers. The strike started with 750 workers in one plant but soon spread to some 70 plantations involving 75,000 workers: women and men, full-time labourers and migrant workers, Indians and Ladinos. Despite the fact that the strike was illegal, taking place as it did during the harvest season, it
resulted in the State's near doubling of the agricultural minimum wage to Q.3.20\textsuperscript{31} per day in early March (ICCHRRA, 1983: 5; Guatemala, 1987: Article 243). Workers, however, had been trying to have the wage, frozen since the early 1970s, raised to Q.5.00 which even then was 31 cents short of the daily amount required to feed a typical family of six (Black, 1984: 100).

Even this moderate success was shortlived: by mid March the El Salto sugar refinery, owned by Roberto Alejos Arzu, had laid off 400 workers; killings of union leaders soon followed (NCICCR, 1983: 6). As the USAID funded American Institute of Free Labor Development (AIFLD) concluded:

...in the wake of this betterment of the workers' living standards, labor leaders were sought out by rightist gangs and threatened, killed or driven into exile. Thus labor peace was bought [by the State] at a high price. Trying to develop an education program which calls for moderation and democratic practice under conditions such as these is, to say the least, difficult (USAID, 1980: 2).

From 1981 onward, union leaders, guerillas, political moderates, church and Committee for Campesino Unity members would find themselves ill prepared for the strong backlash of State retaliation (Frank and Wheaton, 1984: 58, 100). For example, the 1981 May 1st Labour Day parade would be the last for several years as "...dozens of demonstrators [were] kidnapped during the course of the march [in Guatemala City]" (Fried et al., 1983: 328). By the end of the year, the four major guerilla operations -- the Guerilla Army of the Poor, the Rebel Armed Forces, the Organization of People in Arms, and a faction of the Communist Party (the Guatemalan Labour Party) -- had begun negotiations to band together under the National Guatemalan Revolutionary Unity (URNG) in order to rationalize their actions (see URNG, 1983: 287-291). Meanwhile, the urban based politically moderate coalition, the Democratic Front Against Repression, was suffering division as the alliance of "...different classes and sectors -- middle-class social democrats, professionals, urban workers,

\textsuperscript{31} Q = Quetzal. Until 1984 the Quetzal was on par with the US dollar.
Indian campesinos, Christian groups and slum dwellers" began to pursue different avenues of action in the face of mounting persecution (Frank and Wheaton, 1984: 62). As State repression mounted in the Highlands and increasingly turned against populations who had not been at the centre of resistance efforts, the Committee for Campesino Unity was driven underground. Moreover, increasing attacks upon the Catholic Church had led to the exile of many leaders and catechists and the closing of the diocese in Quiche (Frank and Wheaton, 1984: 63).

The three events took place largely under the leadership of Romeo Lucas Garcia who had been in power since July 1978. Terror under his regime was generally unsystematic and less than successful in stopping protest. By the autumn of 1981 the army was admitting to severe losses and a need to improve efficiency while blaming communist supported insurgents for destabilizing the economy (Diaz Lopez, 1981: 61, 66; Black, 1984: 134). According to army estimates, the Guerilla Army of the Poor alone had 1,200 armed in the Ixil area during 1980-1981, with as much as one half of the indigenous population of 50,000 supporting them (Black, 1986a: 3).

When Anibal Guevara was entered in the fraudulent election race as the 'lead' candidate and the president's brother replaced him as Defense Minister, the pace of counterinsurgency stepped up (Black, 1984: 134; Handy, 1984: 256). Still, amid military concerns for loss of State control, retired army General/Evangelical Minister Efrain Rios Montt with two others -- backed by a contingent of junior officers -- formed a triumvirate and took control of the State in a coup on March 23, 1982.

E. Conclusion

This chapter has shown how the military's involvement in the economy and the state broadened as Guatemala's economy diversified since the 1950s. Control of the bureaucracy gave the military control over the development of the economy as well as substantial
opportunities for graft. From the 1954 counter-coup to the late 1970s, terror had become an effective tool with which the State increased its autonomy from civil society. By the early 1980s the military had successfully excluded moderate forces from the political arena and alienated itself from international backing.

Yet it was also a period in which for virtually the first time in Guatemala’s post-contact history Indians and ladinos united in protest of an unjust State. The ideology of racism was breaking from the bottom up, leading to unity across both ethnic and class cleavages in a number of differing forums -- in labour, in the guerilla, and in the mass movement. The State’s blatant disregard for human life and dignity, as reflected in the Sugar Workers’ Strike and the Panzos and Spanish Embassy Massacres demonstrated, served as a cruel motivation for this unity (Smith, 1984b: 33). State repression, aimed at quelling resistance, had fuelled it instead, although the payment for resistance was becoming increasingly high.

While unity had seemingly occurred overnight, the foundations for widespread resistance had developed over decades of changes in Guatemala. These were changes in which population growth and decreasing land availability brought indians and ladinos closer together; changes in which sectors of the Catholic church and international donors had promoted cooperative development in indigenous communities; changes in which the economy had begun to open opportunities for increasing numbers in society; and changes by way of the increasing alienation and fraudulence of the State.

The next chapter examines how the battle for control of the State remained confined within the military as 'the violence' continued and the relief and counterinsurgency measures which preceded the future civilian state's development policies took form.
IV. **Chapter IV: The Outcomes of Violence: Development Poles, Civil Patrols, Inter-institutional Coordinators and Diversification**

This chapter focuses on the Guatemalan State's relief measures for the internally displaced in the Highlands as well as counterinsurgency measures which were established throughout much of the country. The majority of these projects, emerging in the midst of the 'violence,' are shown in Chapter VI to have evolved into the Cerezo's State's policies of decentralization and diversification. They were: 1) a system of Development Poles encompassing reconstructed or new communities known as 'model villages;' 2) a Civil Patrol system; 3) interinstitutional coordinating committees which were to channel relief and development aid; and 4) the promotion of labour intensive agricultural diversification as a motor of development in the Poles. Analysis will focus upon the relation of these projects to differing economic and political issues faced by the State and to the conditions which have long contributed to shaping relations of production in the Highlands -- most notably, control of the municipio, settlement, production and ideology. With respect to the State's plans for agricultural diversification, this chapter analyzes a major USAID agribusiness development project directed towards smallholders in the predominantly indigenous Highlands. The following section will examine the counterinsurgency developments which led to the need for 'relief measures.'

A. **Rios Montt, the National Plan for Security and Development, and Mepa Victores**

Following the March 1982 coup, Efrain Rios Montt declared a state of siege, suspended the Constitution, announced the first of a periodic series of amnesties, closed the congress and outlawed political activity. By July he had dismissed the nation's more than 320 mayors, replaced them with appointees and extended a promise of forthcoming elections (Black, 1984: 126-127, Handy, 1984: 261). By July as well, the retired army officer/evangelical minister headed the nation alone. Under Rios Montt counterinsurgency efforts became more systematic, effective, and terrifying. The National Plan for Security and Development, as presented by the army Special General Staff in April 1982, comprised four annual military strategies: Victory '82, Firmness '83, Constitutional Reencounter '84, and National Stability '85 (Berganza, 1987: 9; Handy, 1984: 260).

Victory '82 sought to recover guerilla territory and to separate the guerilla from its base -
- by the end of 1982. To the State this meant that the base had to be both physically and psychologically destroyed. Three phases were developed under the working name of the Plan of Assistance to Areas in Conflict (PAAC). In the initial phase survivors of Victory '82 would be won over by the State through the provision of life sustaining relief; a pre-development phase would set the survivors to work to rebuild destroyed infrastructure; and lastly, a development phase would focus on increasing agricultural production in the Highlands. In this phase, a system of 'strategic hamlets,' envisioned by Lucas Garcia in an Integral Plan of Rural Communities, were to play a central role (Black, 1984: 141, 157; Aguilera Peralta, 1982: 69). Through them the State could retain control of the indigenous populace while also controlling development (Guatemalan Church in Exile, 1986: 26-33). The strategies for 1984 and 1985 would concentrate on creating a favourable climate for a return to elected government.

The counterinsurgency phase was brutal with sweeps even made into Mexican border areas in order to completely eradicate the guerilla and its supporters. The well documented massacre at the Finca San Francisco in northern Huehuetenango is most painfully typical of survivors' accounts of the period.32 The 180 hectare finca, owned by Colonel Victor Manuel Bolanos, housed several hundred predominantly indigenous people. On July 17, 1982, 600 foot soldiers and a helicopter entered the village-estate. When residents assembled as requested, they were forcibly separated - the men into the courthouse, the women and children into the church about 20 metres away. After a short period the army began to shoot the women, taking the survivors back to their homes and killing them by machete while looting the premises. The army then returned to the church for the children:

They killed them by slitting open their stomachs and smashing them against hard wooden poles. Witnesses saw the horrifying spectacle through holes in the courthouse windows and for a moment when the soldier standing guard opened the courthouse door (Falla, 1983: 43).

The army then killed the men, the elderly, and the village authorities (the sheriff, mayor, and police) and concluded by throwing grenades into the courthouse. No one is certain of the

32/ The following information has been taken from Falla (1983).
reasons for the attack, although it is suspected that the army was angered become some of the residents had collaborated, whether willingly or unwillingly, with the guerilla. It is certain that over 300 men, women, and children died that day. The story received international attention when the few survivors who made it to Mexico began to recount the atrocity.

By September 1982 the most concentrated series of incursions -- employing scorched earth tactics -- were over, although attacks would continue on a lesser scale (Handy, 1984: 263). As late as December 1985, in fact, Canada sponsored a UN resolution condemning the continuation of gross human rights violations in Guatemala, attributing them to

...the failure of the military and security forces to conduct their activities with the necessary respect for protecting the human rights of all Guatemalans (Draimn, 1986: 5).

Appendix B, Map 3 indicates the sites of known massacres between 1981-1985. This map demonstrates that most massacres took place in the rugged and isolated Indian Highlands. The army has noted the destruction of some 440 villages during this period (Krueger and Enge, 1985: v; RCE, 1985: 21); and as indicated in Chapter I: 50,000 to 100,000 Guatemalans are estimated to have been killed, one half million fled the country and up to 1,000,000 were internally displaced.

During the 1982 campaigns the State also developed its Civil Patrol system which had its beginnings under Lucas Garcia. Widely condemned by human rights monitors, this system would increase army surveillance by demanding that civilians -- often poorly if at all equipped -- police their villages and surrounds (AW, 1986). As well, PAAC was implemented. The State euphemistically labelled its PAAC programs ‘Beans and Bullets,’ and ‘Roofs, Tortillas, and Work,’ signifying State willingness to provide food only to those willing to carry rifles for the nation, or to rebuild it.

Rios Montt’s National Plan for Security and Development also contained an ideological component. A nationalist philosophy emerged that would be espoused in the Development Poles, on street banners, in Civil Patrol pledges, everywhere. According to then Defense Minister Oscar Humberto Mejía Victores

...we must do away with the words ‘indigenous’ and ‘Indian.’ Our mission requires the integration of all Guatemalans (cited in Black, 1984: 131).

Manz (1988: 1720) indicates that by 1982 the military had access to fairly sophisticated perceptions...
of the great sources of discontent which had led the Ixiles to join the guerrilla movement. In the military's journal, the *Revista Militar*, Captain Juan Fernando Cifuentes discussed three potential courses of action: forcibly eradicating the indigenous culture; respecting the indigenous culture; or ignoring the question of ethnicity and simply usurping the role of the guerrilla in improving life in the Highlands.\(^\text{33}\) While Cifuentes favoured the second action, Manz (1988: 20) asserts that:

> Nonetheless, there was not an adherence to an approach that would respect the Ixil or other Indian cultures. Instead, the military pursued a coherent strategy of quick and total domination over the Indian population, after which elements of the discussed plan could presumably be introduced.

Aguilera Peralta (1988: 154) has argued that the Guatemalan military's employ of political, military and socio-psychological means to control insurgency, including control of populaces, is reflective of ‘modern counterinsurgency principles’ developed since World War II. As highlighted by bureaucratic-authoritarian models, the Guatemalan military developed its grasp of these tactics through American and Israeli training.

Rios Montt would be in power only 17 months, when in August 1983 General Oscar Mejía Victores -- who wished to eliminate the word ‘Indian’ from the national consciousness -- assumed power in another coup. The reasons for Rios Montt's failure have been linked to a surplus of internal conflicts. His evangelism\(^\text{34}\) irked many in and outside Guatemala who recognized the hypocrisy between his piety and counterinsurgency actions. His failure to deal with the rising economic crisis upset the business sectors while expropriation and redistribution of lands owned by associates of the discredited Lucas García regime prompted fears of full-scale land reforms.

Rios Montt was also dividing the military over the brutality of his counterinsurgency efforts.

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\(^{34}\) Evangelical fundamentalist protestant sects claimed to have the support of 22% of all Guatemalans in 1984 (Black, 1984: 133; Woodward, 1985: 246). Profiting from State censure of the Catholic Church, divisions within this church, and approval of such figures as Rios Montt, membership has grown since the 1960s and is adding to the changing face of the Highlands. As almost the antithesis of Catholic liberation theology, many of the newer sects promote respect for authority while promising individual salvation.
Supported by the Christian Democrats during the 1974 election, in 1982 Rios Montt had been supported by junior officers with links to this party who were willing to implement mild reforms. By 1983 however, the brutality of Rios Montt’s counterinsurgency program led one military commander in El Quiche to commence a ‘strike’ by refusing to carry out counterinsurgency orders and he was rapidly supported by other commanders in Quiche, Huehuetenango and San Marcos (Handy, 1984: 274). Earlier in the year junior officers had also been angered when a fellow officer was charged for the murder of a USAID worker. They felt their peer had been railroaded to satisfy US demands for immediate action. All of these pressures would lead to the take-over by Mejia Victores, who was supported by most of the military’s high command who were seeking to reestablish order within the military (Barry and Preusch, 1986: 235; Handy, 1984: 274).

When the first strategic hamlets were inaugurated, Mejia Victores had already assumed power. Under him they were redefined as "model villages" within 'Development Poles' and associated with relief for the internally displaced of the Highlands.

B. The Development Poles

On June 27 1984, Decree 65-84 was passed by Oscar Mejia Victores (RCE, 1985: 23-26). This Maximum Priority Plan of Action sought to address the urgent needs of the displaced in Huehuetenango, El Quiche, and Alta Verapaz through the establishment of four Development Poles (see Appendix C, Map 1):

1. Ixil Triangle in El Quiche
2. Playa Grande, jurisdiction: Playa Grande, El Quiche and Alta Verapaz
3. Chisec in Alta Verapaz
4. Chacaj in Huehuetenango

Government Accord 801-84 defined the scope of the basic assistance to be extended\(^{35}\) and called

\(^{35}\)/This assistance included (RCE, 1985: 27-29):

A. Census, identification and grouping by ethnicity, dialect, place of origin and family groups
B. Distribution of food, household and cooking equipment
C. Medical assistance, preventative and curative
D. Community organization
E. Social service to widows and orphans

(continued...)
into participation all State and parastatal entities. All were to operate under the express direction of the Chief of Staff of National Defense, thus placing the Development Poles under direct military control.

By January 1985 Mejia Victores announced the establishment of communities within the four Development Poles as well as two smaller projects -- Yalihux in Alta Verapaz and Yaníhi in Peten. Now, said Mejia Victores, the thousands of Guatemalans, whose populations, homes and means of production had been destroyed, enjoyed "...better conditions than before, with electricity, potable water and latrines for more than 90 communities and 70,000 people." He continued to name only 35 reconstructed communities which when completed would house only 15,804 persons. These communities were discussed in a military publication issued the following month.

The February 1985 issue of the Revista Cultural del Ejercito was dedicated to a "celebration" of the Development Poles. Throughout the text, reference is made to upcoming elections and the need of the military to change its "unearned" negative world image (RCE, 1985: 12). Reflective, thus, of the military strategies Constitutional Reencounter '84 and Stability '85, the journal also emphasized the country's need for foreign exchange and publicized the fact that the United States and Taiwan had supported the Development Poles with financing and technical assistance.

The Development Poles were presented as a positive step for the future of Guatemala, a development in which the military would be intimately involved. The military's new "philosophy of development" was also revealed (RCE, 1985: 3). This philosophy echoed Rios Montt's National Plan for Security and Development: Security and Development were concepts enjoined. In the case of the Development Poles, the Poles would be the development base, voluntary Civil Patrols would provide security and a newly strengthened system of Interinstitutional Coordinators would animate development. The military proclaimed that its involvement in the nation's development

35(...continued)
F. Construction of provisional shelters
G. Service infrastructure.

36/ Author's translation, RCE (1985: 15).
was 'natural.' The rationale given exemplifies the increasing involvement of Latin American militaries in national development which models of the bureaucratic-authoritarian state have sought to characterize: Guatemala’s military would undertake development, said Mejía Victores, because the army's function was "...not only to defend the sovereignty of the nation but to help build it."37

The military further emphasized that Development Pole residents were willing participants in the development process. For example, the State asserted that the indigenous populations were free to come and go from the model villages, that social services were being delivered, and that the communities "were flourishing" (RCE, 1985: 15, 49). Appendix C contrasts the State’s assessment of Development Pole conditions with those of two external fact finding missions conducted in 1984 and 1985. The Guatemalan based non-governmental organization, Programa de Ayuda para los Vecinos del Altiplano (PAVA), conducted a displaced persons needs survey in Huehuetenango, El Quiche, Western Peten and Playa Grande in March 1984. The agency, which received USAID funding for the survey, has been criticized by some human rights observers for having collaborated with the army who permitted them access to the conflict areas. In this light, their criticisms regarding the State's delivery of relief and the Civil Patrol system appear all the more noteworthy. The second mission was carried out by anthropologists Chris Krueger and Kjell Enge for the Washington Office on Latin America one year later in March 1985. Appendix C focuses on the following aspects: the State’s delivery of social services; military control; and the agricultural and employment potential of the Development Poles.

These assessments demonstrate that while conditions varied both within and across the Development Poles, but nowhere were observers greeted by "flourishing communities." There was not a clear and consistent development rationale for the location of the Poles. Land access and agricultural and employment opportunities differed substantially. The Ixil Triangle was located in an area where the State had received strong resistance. Two of the projects, Playa Grande and Yanahí, were located on the sites of previous colonization projects. In the case of the former, advisors had strongly counselled that an agricultural feasibility study be conducted before there

37/ Author's translation, cited in RCE (1985: 4).
was any further development of the area (see Appendix C). Moreover, observers were consistent in refuting the State’s claims regarding the availability of services; more often they reported a restrictive military or Civil Patrol presence. In general, the observers remarked upon a seeming emphasis upon the construction of infrastructure over the provision of basic services, and a slowdown in all activities by 1985.

In the following section I will place these observations within three interrelated policies. These are military control of the Highlands, the decentralization of State administration, and agricultural diversification. A discussion of these policies will add depth to an assessment of the State’s interest in promoting the Development Poles and their potential impact upon the Highlands’ population.

1. Freedom of Movement and Settlement Patterns

Freedom of movement varied between communities and Poles (see Appendix C). Acamal and Saraxoch serve as strong counter-examples of the State’s assurance that residence within the Poles was voluntary. Clearly these camps were serving to facilitate military control rather than providing a base for development. The physical structure of the Poles in general also tends towards the centralization and control of populations.

Municipios throughout the Cuchumatán Highlands in Huehuetenango and El Quiche, where much of the violence was centred and where the Ixil Triangle Pole is now situated, have typically contained two major settlement types. These are determined by the town centre and its surrounds: clustered or “town nucleus” municipios; and dispersed or “vacant-town” settlements (Lovel, 1985: 24). The former is based on in-town habitation, where residents leave to tend fields outside the town centre. Although this pattern exists, as in Santiago Chimaltenango, Huehuetenango (Lovel, 1985: 24, Watanabe, 1981: 21-22), the most prevalent pattern is the latter where

...families living in “vacant town” municipios are rural based, residing and working in the countryside and having occasion to visit the cabecera [the principal town] only infrequently (Lovel, 1985: 24-25).

This type of settlement pattern has been traced back to the colonial period and has been posited to have existed in pre-contact Mesoamerica. The logic of the pattern in the Yucatan was
noted by Farris:

...the Maya, like most people who practise labor-efficient forms of extensive agriculture, found (and still find) dispersed settlement most convenient for farming.\textsuperscript{38}

The settlement pattern that the Guatemalan State was imposing in the Development Poles and which Mejia Victores considered as typifying "better conditions than before" was the more alien clustered pattern. Such concentrated settlements little respected the norms of the Highlands, but they would allow for closer State surveillance of the displaced populace. The strict grid pattern observed in many of the model villages recalled that of the USAID sponsored Playa Grande colonization project that had been undertaken in the mid-1970s. In one of the Playa Grande communities, colonizers were persuaded to build their village in a more 'logical fashion,' only after a USAID worker arrived with plainclothes military personnel (Fledderjohn and Thompson, 1982: 141, 43). Enforced and regimented settlement heralds back further to the congregacion, which had similarly facilitated population control as well as the extraction of labour in the early colonial period. In the congregacion system, towns were also structured around a preestablished design, according to Lovell (1988: 7)

The order inherent in congregacion, to Spanish eyes, stood in marked contrast to the random and scattered domestic arrangements soldiers and missionaries first encountered.

While the Development Poles contributed to the control of the displaced populace, movement and settlement throughout the Highlands were further being controlled by the State through its delivery of needed assistance. By 1983 the military's CRN had assumed full control of food distribution in conflict areas, although some private agencies were still involved in distribution (PAVA, 1984, Krueger and Enge, 1985). As noted in Appendix C, agricultural production in some areas was far below normal, aggravated both by "the violence" and poor climatic conditions, as such, this assistance was necessary for survival. PAVA indicated that in El Quiche assistance was being channelled to urban centres and larger villages while little aid was directed to smaller centres. Without resources to survive or rebuild in these smaller communities, populations were thus further

coerced by the State to relocate in larger, more easily controlled centres (PAVA, 1984: 81).

2. Counterinsurgency and Control

a. The Interinstitutional Coordinating Committees

Overt signs of control in the form of a strong military presence or Civil Patrols were readily apparent to all observers of the Development Poles, but they were only symptomatic of more encompassing forms of control being instituted by the State. In 1983 the State increased the number of its military zones from nine to twenty-two -- one for each department of the nation (CEIG, 1986: 39).\(^{39}\) Before the end of 1984, Decree 111-84 was passed amending an earlier Accord (772-83) which had created a system of Interinstitutional Coordinators (RCE, 1985: 31-38). The purpose of the new National System of Interinstitutional Coordination for Development and Reconstruction (IICCs) was to integrate governmental and non-governmental organizations, the military, local authorities and, at the lower levels, citizens, in a series of coordinating committees operating at national, departmental, municipal, and local levels. These were to participate in national development and reconstruction projects.

Policy planning was to be undertaken by the Secretary General of National Economic Planning (SEGEPLAN). The CRN, created in the wake of the February 1976 earthquake, was charged with channelling aid from international and national sources (CEIG, 1984: 70; Krueger and Enge, 1985: 60). As had occurred with the Development Poles, the military assumed responsibility for the IICCs. In this case the vehicle for military control was the newly updated military Civilian Affairs Branch, which itself had evolved from a unit created in 1961 to implement US Alliance for Progress initiatives (Barry and Preusch, 1986: 24; Black, 1984: 24). Mejía Victores now gave the Civilian Affairs Branch high-level Section (S5) status which placed it on equal footing with Administration (S1), Intelligence (S2 or G2), Operations (S3) and Logistics (S4) (CAR, 2517, 1986, 219).

In January 1985, Mejía Victores credited the IICCs for their quick and efficient response

\(^{39}\) The zones were again decreased in 1986 (Inforpress, 1987: 5, 17).
to the needs of the displaced during the construction of the Development Poles. However, the effectiveness of the IICCs is difficult to confirm. Krueger and Enge (1985: 56-57) cite USAID Guatemalan Audit Report NO. 1-520-84-5, 23/05/1984 which concludes:

There in the declared area of priorities [of the Development Poles], the [IICC] system has not yet demonstrated capacity to complete even the first stage -- basic assistance to displaced persons -- which consists largely in the installation of infrastructure.

Krueger and Enge also conducted a series of a dozen or so interviews with mayors, assistant mayors, and outreach workers in unspecified locations and concluded that citizen participation in the IICCs had been less than comprehensive with the military perceived as "...the real source of power in the system" (Krueger and Enge, 1985: 55). Paternalistic and discriminatory attitudes have been cited as bolstering this unequal relation, as reflected in the following testimony of an IICC coordinator from Coban:

In small towns, the auxiliary mayor can barely read and write. Along comes an Army officer, with technical skills and an education. That's the way you get things done (cited in Black, 1986b: 4).

Regardless of the effectiveness of the IICC system, the largely indigenous Highland populace was subject to its mandate and authority. This system thus represented another rupture with village administrative structures. Rather than relying upon the existent civil-political hierarchy, the military was superimposing its own structures onto communities, thus strengthening its control of community initiative and development.

b. Civil Patrols

The Civil Patrols, under the control of the military's new Civilian Affairs Branch, grew from 40,000 in late 1982 to encompass some 900,000 persons by the end of 1984 (Black, 1984: 139; Krueger and Enge, 1985: 34). Contrary to the State's assertion that participation was voluntary and that citizens were 'spontaneously' forming Civil Patrols, testimony gathered by the PAVA and Washington Office on Latin America fact finding missions indicates that participation was in most cases unwanted because of its interference with both agricultural duties and migratory labour (see Appendix C). Moreover, 'voluntary' participation was being ensured under extremes of intimida-
tion, with annihilation of entire villages threatened if compliance was not forthcoming (Jonas et al., 1984: 104, 237-238). The Civil Patrol system has affected indigenous more than ladino males, while indigenous women are also known to have been incorporated. Widows have participated as an alternative to either paying for a replacement for their deceased husbands or substituting their sons (AW, 1986: 28).

The effectiveness of the Civil Patrol system as a counterinsurgency measure arises from the fact that surveillance duties are divisionary, exploiting rivalries within and among communities (Jonas et al., 1984: 226). As with the other relief and counterinsurgency measure discussed, the Civil Patrols were also directed to the community and have affected political and religious structures. For example, the British Parliamentary Human Rights Group America's Watch (1986: 34-37) reported testimony from residents in Yalahutz (in Nenton, Huehuetenango) and Xabillaguach (in Chichicastenango, El Quiche) which indicated that individuals, especially those not incorporated into the existent village hierarchy, were benefitting from the Civil Patrols. Participation in the Patrols signified for some a new found source of power -- guaranteed by the military. The Civil Patrols have also acted to reinforce divisions between Indians and ladinos. Reports from the municipios of Chichicastenango and Todos Santos (Huehuetenango) indicate clashes between ladino and Indian Patrols. In the former, this 'rivalry' resulted in the deaths of 25 indigenous patrolers (Handy, 1984: 262).

c. "Ideologically New Communities"

During the 1970s Indians and ladinos had begun to breach a chasm of racism in order to demand equity.\(^{40}\) During the midst of "the violence" the State, through its philosophy of nationalism, was now attempting to instill a homogenizing ideology to direct the course of this

\(^{40}\) This union found formal recognition in the Declaration of Iximche following the Spanish Embassy Massacre. See the introduction of this Declaration in Chapter 3, a portion of which commits its authors and those they represented "... to strengthen the union and solidarity among the Indians and poor ladinos since the solidarity of the popular movements with the Indian struggle was sealed with blood at the Spanish Embassy [massacre] ..." (Frank and Wheaton, 1984: 59).
union. The experiences of Krueger and Enge at the 'model villages' of Saraxoch and Acamal confirm that the State was actively promoting the national ideology of Rios Montt's National Plan for Security and Development (see Appendix C). From signs which welcomed visitors -- if permitted -- to the "ideologically new" communities, to daily meetings, to thrice daily registration, to Spanish literacy programs, the activities in these camps have led human rights observers to call them "reeducation" camps.

Spanish as Second Language programs were also noted by observers in other Pole communities. In 1982 the State undertook a Spanish literacy campaign directed to children in the conflict areas (Handy, 1984: 260). The illiteracy rate in the Highlands is higher than in the rest of the country, the result of the neglect of public investment (IDB, 1986: 50). While increased investment in education is required, the sudden imposition of Spanish training in the height of counterinsurgency measures that had devastated the lives of hundreds of thousands of Indians supports the argument that the State's intent was to degenerate the basis of indigenous life rather than to respect the indigenous culture.

One of the reasons for the State's emphasis upon literacy, although not its means of doing so, can be related to its efforts to 'modernize' the economy. In 1979, for example, the military recognized illiteracy as an impediment to the social, cultural, economic, and political development of the nation (Cabrera Padilla, 1979: 18). It was a view shared by the World Bank (1978: 11) which had just recently submitted a report to the Guatemalan State which noted:

The weight of customs and linguistic differences [of the indigenous peoples in Guatemala] impedes rapid social mobility and slows down the spread of education and improvement of agricultural techniques.

3. Construction and Financing of the Development Poles

As the descriptions of the Development Poles suggest, more attention was being paid to the construction of infrastructure than to the provision of basic relief assistance (see Appendix C). Much of the labour for this construction was supplied by the internees themselves and was partially financed by internationally funded Food for Work (FFW) programs.

US food entitlements have typically been channelled through USAID and non-governmental
organizations such as the Catholic Relief Services and CARE (CEIG, 1986: 74). Guatemala received a reported US$73,000,000 in food aid from the US from 1980 to the end of 1985 (Barry and Preusch, 1986: 77). The United Nations World Food Program has also provided Guatemala with assistance for FFW projects, with this aid growing from US$20,000 in 1977 to US$189,000 in 1981 (CEIG, 1986: 76). Donations have also come from other nations. The Guatemala-Germany Coordinator for Food For Work, for example, has directed its efforts to Highlands development projects (CEIG, 1986: 77).

Some food resources were directed to the general populace in the Poles and throughout the Highlands. For example, the Comite Central de Accion Social, a semi-autonomous branch of the State's Social Welfare Department was distributing United Nations maternal/child food in nine of the municipalities surveyed by PAVA, while CARE was providing food for pre-school children and lactating mothers in southern Quiche and Huehuetenango.41 However, it appears that much of the limited food assistance supported the construction of infrastructure at the expense of the most needy. According to PAVA (1984: 12-13):

Public Works/Army food-for-work projects are sparsely scattered throughout the southern Quiche region but here too, the food needs are far greater than can be satisfied. Only a small percentage of the region's men are served by these projects due to shortage [sic] of food. Also, since all food-for-work programs involve construction or road building, the most desperate element of the displaced society, widows and orphans cannot be included.

By January 1985, the major focus of FFW programs was still upon male labour. The State asserted that their Food for Work program "...benefits the worker and four members of his family -- his wife and three children" (RCE, 1985: 18). At about the same time Mejia announced that FFW projects had benefitted 500,000 workers during the previous year (Black, 1986b: 6).

"Benefit" must be understood as euphemistic in a system such as the Development Poles where little other opportunity for subsistence existed. Residents were desperate for work for short periods and for wages in food payments alone. At the same time, not only were State costs for

41/ PAVA (1984: 21, 85) indicated that 600 beneficiaries in Chichicastenango were refused CARE rations after some families had been caught selling their rations. However, PAVA argued that the rations were not typical of the indigenous diet, and their sales in other areas were partially undertaken to purchase acceptable food.
national infrastructure reduced by its capacity to pay for construction in food, but costs were even further reduced because this food was donated by external donors (Black, 1984: 140-141).

As indicated in Appendix C, financing for infrastructure came from differing international sources. In 1984 the Inter-American Development Bank had authorized loans and grants for US$18 million to help with municipal start-up costs in the Highlands. The US had several development projects in the Highlands during the early 1980s, among them labour intensive road building and maintenance projects. In 1983, the US approved a US$3 million extension to a long running small farmer development project (USAID, 1983). The extension supported wages for the labour intensive construction of 130 kilometres of road primarily in the Highlands supplementing US$8 million budgeted by the Guatemalan State for 400 kilometres of new roads. Goals established for this construction included the "...social integration of isolated communities with the rest of the country" and the prevention of immigration to the capital by providing farmers with easier access to markets (USAID, 1983: 44-45). It has been recognized however, that the roads would also permit ease of access into isolated and rugged rural areas which were the site of high resistance to the State.

To this point the State's relief measures have been demonstrated to have been directed towards control of village structures and populations and the promotion of an ideology proposing to unite all Guatemalans. The simultaneous imposition of counterinsurgency measures and the IICGs and the continued imposition of appointed mayors limits belief that the State was encouraging the active participation of the Highlands populations in its development plans. Instead the State was diffusing its authority into the Highlands and further enlarging its role in national development. Further, it was also able to use vulnerable indigenous labour to construct infrastructure at reduced costs.

In the next section one of the 'development motors' for the Development Poles is analyzed (Handy, 1984: 263; Black, 1984: 140). While review of the conditions at the differing Poles and analysis of the military's promotion of the Development Poles indicate that the State did not have a well-formulated plan to guide development, it is clear that non-traditional agricultural export diversification was to play a large role (RCE, 1985.18). Colonel Eduardo Wohlers, head of PAAC, foresaw
...the definitive transformation of the face of the Guatemalan Highlands. We foresee huge plantations of fruit and vegetables, with storage and processing facilities and refrigeration plants. We aim to put in the entire infrastructure for exporting frozen broccoli, Chinese cabbage, watermelons -- a total of fifteen new crops.42

C. **Diversification to Non-Traditional Agricultural Products**

This section examines the implications of State promoted agricultural diversification for both the Development Poles and the Highland’s indigenous population in general. Non-traditional agricultural exports capitalize on Guatemala’s differing growing climates and are primarily high value temperate fruits and vegetables.43 While the Guatemalan economy in general has diversified since the 1950s, efforts to diversify agriculture production and processing began to be promoted by the US in the early 1970s with the decline of the Central American Common Market (Jonas, 1974: 110-117). Since then, their growth has increased dramatically. According to USAID (1984: 5):

Between 1975 and 1981, fruit (including preparations or processed fruit) and vegetables grew at annual compounded rates of 39 and 37 percent respectively. This high increase reflects the low base at which Guatemala began in 1975 -- only Q.86 million in [these] exports compared to Q.52.4 million in 1982.

Contrary to Wohler’s visions of ‘huge plantations’ in the Highlands, fruit and vegetable exports are being largely promoted in connection with contracted smallholder production. Contracted smallholder production represents a change in relations of production from that typical of plantation agriculture where large holders control lands and produce crops with the aid of resident and seasonal workers. The system encourages the growth of small holders whose scale and labour intensive methods of production favour the production of some fruits and vegetables, but it differs from smallholder production which is geared to the demands of regional markets.

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42/ Black (1984: 141) citing “Transforming the Indian Highlands,” Latin American Regional Reports Mexico and Central America, 06/05/1983; see also Hunter (1987: 42). Wohlers, who visited Israel and studied agricultural collectives based on the kibbutz model, was involved in the startup of Yalihux which was to be a cooperative based community.

43/ Others include rubber, cocoa, flowers, plants, seeds, fish, oils, spices, sesame and cardamon. Guatemala is now the world’s leading producer of cardamon.
Instead produce is contracted, usually before plantings, for sale to one or more specified buyers. While contracting arrangements vary considerably, they have been described as combining "...some of the advantages of the plantation system (strict quality control, close coordination of interdependent stages of production and marketing) with those of smallholder production (superior incentives, equity considerations)" (Glover, 1987: 442).

Economist David Glover (1987, 1986, 1984) has examined the potential of contract farming to benefit smallholders in developing economies and in Canada. To him the arrangement has the potential to meet the interests of the state, the firm -- usually a food processor and commonly transnational, and the small producer. The potential profits of high value non-traditionals can make them financially attractive to states while the emphasis upon smallholder production lends itself to considerable popular appeal. Food processors can benefit by reducing their investments in labour and land (although in some cases processors do retain their own lands), as well as their role in directly managing production. Lastly, smallholders can be assured secure markets and better access to credit and services.

Glover, however, has also recognized that this range of conflicting interests among unequal players can jeopardize the distribution of benefits to small farmers. State intervention can be required to improve the position of smallholders, but such intervention could be compromised by the State’s conflicting interests in promoting non-traditional agricultural exports and the complex nature of the contracting system which can involve a range of differing national and international actors and which cross cuts differing sectors -- agriculture, industry, finance and transport (Glover, 1987: 445).

While contracting arrangements are not new, their recent increase in the Third World has prompted Glover (1984: 1144) to call for further study, with such studies recognizing that political as well as economic factors are of crucial importance in determining the distribution of benefits resulting from the system. A study of the contract farming system which attempts to assess its potential as a tool in rural development strategies and its

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44/ See also Barry and Preusch (1986: 15). Handy (1984: 83) indicates that the United Fruit Co. began to contract production out to banana growers in Guatemala in the 1920s in order to limit potential competition.
impact on smallholders should therefore include two elements: an analysis of the economic logic of contract farming and an assessment of its political aspects.

When, as in Guatemala, the State is distinctly removed from subordinate class demands and has a long history of intervention on behalf of capital to ensure labour and production, an analysis focused upon mere 'unequal players' could be considered somewhat optimistic. Nevertheless, Glover's careful analysis of the scope of unequal relations which can develop through contracting arrangements offer strong guidelines for study of the Guatemalan case. Moreover, his attention to the diverse nature of the contracting process demonstrates that there may be a wealth of differing dominant economic and political class interests involved in the promotion of diversified contract crop production to which the analysis must be sensitive.

In this study the "economic logic" of the contracting scheme is examined from the perspective of the role that diversified agricultural production was beginning to play in the Guatemalan economy during the years of violence. Another interest of the State in diversified agricultural production is linked to its desire to reduce pressures on Guatemala City. The potential of smallholders and labour to benefit from the contracting arrangement is examined in relation to the terms of a major USAID agribusiness development project directed towards the Western Highlands.

1. The Guatemalan Economy and Incentives to Diversify

The appeal of diversification for the Guatemalan State and for capital can be located within the deepening financial crisis which accompanied Guatemala's entrance into the 1980s. This crisis was precipitated by long standing structural problems, the world recession and political upheaval throughout Central America. Despite the increasing limitations of the Central American Common Market, as late as 1978 Guatemala's prospects had been considered good on the basis of predicted high coffee prices (WB, 1978: iii). By 1980, however, it was said that "...the greatest boom in prices for coffee, sugar, cotton and even bananas appears to be over" (EIU, 1980: 12).

Since that year, through and past the ensuing world recession, non-oil primary producing
economies like Guatemala have been badly affected by weakened world demand for their products (Westlake, 1987(84): 39). Between 1980-1982 the value of Guatemala’s traditional crops decreased by Q.168,162.6 thousand.\textsuperscript{45} Oil and nickel exploration also slowed. Tourism, which was becoming an important source of foreign exchange, decreased dramatically in response to the escalating violence in Guatemala and across Central America. Between 1970 and 1980 Guatemala’s GNP had been growing at an average annual rate of 5.2%. In 1981 it decreased to 0.7% and then turned negative in 1982.

The behaviour of capital complicated a reversal of the crisis. Between 1980-1981 short-term capital flight is estimated to have amounted to US$400 million, or one quarter of the total national income from the export of goods and services (IDB, 1986: 4). Capital flight was aggravated as the Quetzal, strong until the late 1970s, reached four times the official exchange rate. Export earnings were routinely under-reported or exchanged on the parallel market (IDB, 1986: 5; CAH, 1987: 4). In November 1984, a three tiered exchange rate system was instituted with the hope of countering these developments, but by 1985 over US$1.1 billion in foreign exchange had been lost to the United States alone.\textsuperscript{46}

According to the Inter-American Development Bank (1986: 4) what really disturbed the Guatemalan financial equilibrium was the State’s spending priorities and its handling of the growing crisis. Under Lucas García a substantial portion of the budget was absorbed by large infrastructure investments such as the Chixoy and Aguacapa hydroelectric projects. In 1981, the former alone represented 60% of public investment (IDB, 1986: 11). As the crisis progressed the State budget was increasingly directed towards the military (the Carter Administration had suspended military aid to Guatemala in 1977 because of the country’s human rights record). In 1985 defense expenditures increased by 10%, while public spending on social services deteriorated badly. For example, health expenditures in 1984 were 0.8% of GNP, one half that of 1980, the lowest in

\textsuperscript{45} US$1 = Q.1. See Appendix A, Table 7.

\textsuperscript{46} Barry and Preusch (1986: 243) citing the Minister of the Economy, Enfoprensa, 19/04/1985.
Central America, and with Bolivia and Paraguay, the lowest in Latin America (IDB, 1986: 40). Between 1981-1984, 27% of expenses went towards defense, and between this and administrative costs, 42% of the total budget was absorbed (IDB, 1986: 11).

The State found it difficult to finance its budget as revenues from depressed exports and imports decreased. The Guatemalan tax structure has been repeatedly cited as one of the most regressive in Latin America. Because it does little to tax land concentrations or penalize for idle land -- despite having the legislative means to do so -- the tax base has been abysmally narrow (WB, 1978: 13-14; USAID, 1982a: 58-59). Funding from international sources was also becoming difficult as Guatemala's human rights record achieved notoriety. Moreover, poor administration and corruption in the Lucas García regime had resulted in an increase of the budget deficit "...from Q35 mn [million] in 1977 to Q638 mn in...1981" (EIU, 1988: 23). One of the most overwhelming issues for the State during this period thus concerned the struggle to obtain foreign exchange.

To overcome its handicaps the State began to borrow and run an expansionary monetary policy. The latter however encouraged inflation, which from an annual growth of 3.6% shot up to 31.5% between the Decembers of 1984 and 1985 (IDB, 1986: 5). The external public debt service ratio was 5.7% of exports in 1980 (Inforpress, 1987: 34). Short-term borrowing, largely through the commercial banking system, increased that ratio to 44.4% in 1985, while Bank of Guatemala debt rose from US$212.5 million in 1980 to US$1,320 million in 1985 (Inforpress, 1987: 23, 34). By 1982, when international monetary reserves were exhausted, the State opted for an austerity program which included import restrictions (IDB, 1986: 1). This action placed a further strain on industry which is still quite dependent on external inputs. Further, the measures proved quite ineffective -- by year end monetary reserves were a negative $295 million (IDB, 1986: 5).

In 1983 the State with IMF support began a stabilization program which included the selling of bonds. By 1984 the agreement between the two entities was cancelled because of Guatemala's failure to meet some of the terms including the reduction of its deficit (IDB, 1986: 30; EIU,

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The cancellation further cut off sources of external funding while income from bond sales proved insufficient to offset the growing crisis. In August 1983, Mejia Victores attempted to implement tributary reforms in order to raise revenues. More than 300 taxes were abolished and an internal value added tax substituted. But in a myriad of problems including continued poor administration, the State ended by actually collecting less in revenues by the end of the year (IDB, 1986: 24).

In April 1985 Mejia Victores again tried to implement fiscal reforms including a reintroduction of taxes on traditional exports. Reaction from the umbrella group CACIF was so strong that Mejia Victores rescinded some measures, removed both the Ministers of Economy and Finance and then undertook a dialogue with business so as to arrive at some consensus for dealing with the crisis (Infopress, 1987: 17; Rabine, 1986: 63). At the same time, the State's attempts to increase some basic consumer good prices and bus fares led to rioting in Guatemala City which forced the State to rescind the increases (IDB, 1986: 24). Fuelling popular unrest was the fact that unemployment was on the rise. Open unemployment rose from 2.7% in 1981 to an estimated 10.8% in 1984, and underemployment from 29.9% to 34.8%, bringing the total affected by some form of unemployment to 45.6% of the population.

Given a conjunction of circumstances -- the need for foreign exchange, the decline of traditional exports, the slow down in industry, and foreign incentives -- diversification would become a focus for economic recovery. Non-traditional agricultural exports married both troubled export agriculture producers and processors by promising quick growth to both and to the national economy. USAID (1984: 1, 4) indicates both the reasons for a high degree of interest in diversification and who the interested were:

Although traditional exports can be expected to continue to provide the bulk of export earning during the next decade, non-traditional products clearly provide the greatest potential for future growth ... Guatemalan agribusiness entrepreneurs and small farmer cooperatives have already begun to increase their investment in the processing and export of fruit and vegetables. Many entrepreneurs are looking to agribusinesses as a particularly attractive investment given the cyclical swings in world demand for Guatemala's traditional exports and the success of Hanover Brands' subsidiary in Guatemala.
(ALCOSA⁶⁸) in exporting Highland vegetables to the U.S. market. ALCOSA, like most other processors, relies heavily on small farmers for its supply of fruit and vegetables for processing by ALCOSA.

The United States, besides being one of the major supporters of diversification in Guatemala, provided the major source of direct foreign investment as well. Not only had the US State begun to encourage diversification since the first stirrings of decline in the Central American Common Market, it was currently financing agricultural and agribusiness development in the Highlands, and it had included Guatemala within its 1984 Caribbean Basin Recovery Act (Public Law 98-67). This act, commonly known as the Caribbean Basin Initiative (CBI), encouraged the production of non-traditional agricultural products, the food-processing or agroindustrial sector, and export-oriented manufacturing industries (Pantojas-Garcia, 1987: 113). Important as an inducement to diversified crop processing and export, given Guatemalan dependence on imported industrial inputs, the CBI also allowed for duty-free imports for agribusiness activities (USAID, 1984: 55).

According to Pantojas-Garcia (1987: 105) the CBI provides economic incentives to "...foster closer economic relations among the United States and the Caribbean Basin countries." Eligibility for duty-free preferential provisions, which continue until 1995, depend upon a number of criteria. These include specification that the nation was not communist, had not nationalized or otherwise expropriated property owned by US nationals, and that it would provide the US with reasonable access to its markets and resources. Nicaragua and Cuba were therefore excluded from the CBI, but also excluded were Mexico, Guatemala's major regional competitor for fresh and frozen temperate climate fruits and vegetables (USAID, 1984: Annex 6, p. 5).

USAID also channel financing for non-traditional agricultural products to Guatemala and elsewhere through the Latin American Agribusiness Development Corporation (LAAD), a major consortium of transnational corporations.⁶⁹ LAAD provided financing to ALCOSA in its start up

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⁶⁸ Alimentos Congelados Monte Bello, S.A.

⁶⁹ Organized by Bank America, LAAD corporate shareholders in 1984 were: Adela Investment, BankAmerica Int'l. Finance Corp., Borden, Cargill, Castle & Cooke, Caterpillar (continued...)
as a Guatemalan operation in 1971 and continued its financing after it was purchased by Hanover in 1975 (Kusterer, 1981: 12). The American ALCOSA is the largest processor of non-traditional agricultural products in Guatemala, but there are many other American food processors in the country as well. Of the 164 US manufacturers operating there in 1985, one quarter were involved in food processing, another 22 were involved in agricultural production, and 16 in restaurants and hotels (Barry and Preusch, 1986: 17).

The Guatemalan military was also interested in the growth of non-traditional opportunities. In 1982, its bank, the Banco de Ejercito, was offering to purchase shares in a Quichean finca which was in the process of diversifying its produce base (USAID, 1982a: 98). Perera has further documented that military elites have invested in food processing equipment and warehousing.

The logic of stabilizing the Guatemalan economy, or benefiting small farmers, through diversification to high-value agricultural products must be called into question when it is realized that as USAID (Appendix 8, p. 5) assesses, "[u]nfortunately, agribusiness sales place the most risk at the producer level closely followed by the exporter." Analysts involved in preparing a USAID project which is subsequently discussed refused to

...calculate a specific dollar value of exports expected to be generated by each agribusiness under the project. Such a projection is difficult if not impossible given the often volatile nature of prices and quantities of fruits and vegetables demanded by international markets (USAID, 1984: 64).

Given the volatile nature of prices and markets and the instability of the Guatemalan economy, it is clear that State policy interventions would have to be particularly sensitive to the position of smallholders if it were concerned to benefit this group. Moreover, given the immediate need for foreign exchange, the State would also have to insure conditions for steady growth in order to avoid the speculative growth which has typified the development of other export crops, such as

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49 (...continued)


cotton, in recent decades.

2. **Diversification and Land Relations**

The State's promotion of fruit and vegetable production in the Highlands is based on the fact that prime areas for temperate crops are in the departments of Chimaltenango, Quezaltenango, and the Aguacatan valley in El Quiche (USAID, 1984: 49). The potential for expansion is large: of the 18,000 hectares suitable for fruit and vegetable crops across ten Highlands departments (discounting for subsistence and marginal lands), only 22% (4,000 ha.) were being put to that use in the mid-1980s.

State promotion of non-traditional exports also appears directed to relief for the presumed fact that Guatemala "...has arrived at the limit of land available for sustainable agriculture...." The Inter-American Development Bank (1986: 63-64), USAID and SEGEPLAN (1986: ii) agree that the South Coast, where the majority of the traditional agricultural exports are grown, has reached limits for physical expansion, although changes in agricultural techniques could improve production. Further, the Peten's potential for agriculture based colonization has been argued to be limited by poor soil conditions.

Yet Guatemala's land availability requires further study. Handy (1984: 216-217) claims that there is room for legitimate doubt about the Peten's capacity to sustain production. He explores the possibility that the State's statements to the contrary legitimized the establishment of a small nucleus of large fincas. This position is also maintained by Father Andres Giron who heads the 150,000 member strong Pro-Land movement (AP, VII(358), 1987: 3). Their arguments are supported, firstly, by the State's refusal to contemplate land reform measures commensurate with requirements to alleviate inequalities and its land distribution efforts since 1954 which have often benefitted large holders or military elites. The World Bank (1977: 73) confirms that:

The area under cultivation in Guatemala is equal to about 80 percent of the land known to be suitable for crop production. This figure, however, disguises the fact that broad areas of good crop land within large-scale holdings in the Peten and along the Atlantic and

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51/ Authors translation, IDB (1986: 63-64).
Pacific Coasts are not being utilized to full potential, while at the same time crops are being grown in the Western Highlands on land which is unsuitable for such use.

Their argument is also supported by the uncertain state of soil science in Guatemala. In 1978 the Tropical Agronomic Centre for Investigation and Teaching in Costa Rica noted a basic need for a modern soil survey given the "complicated and confusing" soils situation in the country (Newton and Duisberg, 1978: 3). Outdated materials, inexperience, and lack of State interest in overcoming these basic obstacles were cited as compounding the problem. During the preparation of USAID's 1982 study, Land and Labor in Guatemala: An Assessment, the situation had little changed. The basic reference tool of soil scientists studying the Peten was a soil classification and mapping study carried out in 1959 (USAID, 1982a: 19, 154).

Whether or not limits to agricultural expansion have been reached, claims to that effect, coupled with the declining prospects of traditional agricultural products, lend legitimization and urgency to full scale exploitation and development of the Highlands. And if opportunities for elite growth are elsewhere limited, it raises questions as to whether the State can ensure adequate land access and conditions so as to ensure equitable smallholder participation in the rise of diversified crop production. According to the Guatemalan State, in six Highlands departments which were producing agroindustrial crops and fruits in the late 1970s, it was not only -- or primarily -- smallholders who were involved in their production:

<table>
<thead>
<tr>
<th>Size of Finca</th>
<th>Total Area %</th>
<th>Type of Production - %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic Grains</td>
<td>Agroindustrial</td>
</tr>
<tr>
<td>&lt; 2 manzanas</td>
<td>19.9 (100.0)</td>
<td>25.1 (93.7)</td>
</tr>
<tr>
<td>2 - 5 manzanas</td>
<td>22.9 (100.0)</td>
<td>28.2 (91.3)</td>
</tr>
<tr>
<td>5 - 64 manzanas</td>
<td>34.5 (100.0)</td>
<td>36.0 (77.4)</td>
</tr>
<tr>
<td>&gt; 64 manzanas</td>
<td>22.7 (100.0)</td>
<td>10.7 (35.2)</td>
</tr>
</tbody>
</table>
Agricultural diversification addresses at least one other concern of the State: stemming the increasing growth of Guatemala City. While the population of the nation has been growing on an average 2.8% since the 1950s, the population of Guatemala City has been growing at 4.5%. Municipal services such as sanitation, transit, and housing have not kept pace (IDB, 1986: 47). This, together with increasing unemployment has fuelled urban discontent, which, as the reversal of bus fare increases in 1985 demonstrates, the State has not able to completely contain despite its repressive measures. Diversification, as envisioned by the State, entailed the foment of industry in the Highlands, away from the capital and was thus also in line with its Development Pole concept.

4. **USAID Agribusiness Development Project 520-0276**

USAID Agribusiness Development Project Number 520-0276 was presented in 1984 as conforming with Washington guidelines that Economic Support Funds "be made available only for development activities aimed directly at improving the lives of the poor, especially the indigenous [sic] population in the Highlands (USAID, 1984: iii)."

The project's stated purpose was to increase and broaden market outlets for small farmer vegetable and fruit production in the Highlands. This would be accomplished through the expansion of agribusiness enterprises in rural areas; through the development of secure external markets; and through attention to five major areas of perceived constraints: "...investor uncertainty, lack of market information, managerial inexperience, inadequate credit, and poor rural infrastructure [most particularly transport]" (USAID, 1984: 5). The project was conceived as part of a package of integrated projects which focused upon diversifying and increasing
agricultural production in the Highlands.\textsuperscript{52} On December 31, 1984 USAID approved loans and grants totalling US$12.5 million to the Government of Guatemala for the five year project with the expectation that a further US$8,380,60 would be forthcoming largely from Guatemalan private capital and to a considerably lesser extent, from the State (USAID, 1984: iii v, 29).

The project comprised three components (USAID, 1984: iii-iv). For the largest, the Bank of Guatemala component, USAID provided US$10,300,000 in loans and grants to finance fixed assets, working capital and feasibility studies for private and cooperative agribusinesses, as well as related technical assistance and training. The Cooperative Improvement Component provided US$1,450,000 in technical assistance and training to cooperatives and to small farmer groups.\textsuperscript{53} The third component of US$750,000 supported activities of the recently formed Non-Traditional Products Exporters Guild (Gremial de Exportadores de Productos no Tradicionales).

Direct beneficiaries of the project were to be approximately 15,000 Highlands small farmers with one hectare or less of land.\textsuperscript{54} The project also saw the strengthening of 20 private enterprises with the goal of sustaining 1850 jobs and creating 850 new positions. Indirect beneficiaries were to be landless labourers who would profit from new employment opportunities in processing, transport, marketing and production related services (USAID).

\textsuperscript{52} These included: Rural Enterprises Development (520-0245); Small Farmer Diversification Systems (520-0274); Highlands Agricultural Development (520-0274), and Small Farmer Marketing (520-0238) (USAID, 1984: i).

\textsuperscript{53} The latter were not defined by USAID but may be related to a system of Campesino Associated Companies created by Mejia Victores in July 1984 (Decree 67-84).

\textsuperscript{54} According to SEGEPLAN (1986: Table 12) there were 144,338 farms of less than 2 manzanas (1.4 hectares) in the Altiplano in 1979. The minimum land required for the self sufficiency of an average Highlands family of five to seven persons is roughly 3.5 - 3.9 hectares (USAID: 1982).

a. **Contract Farmers and Effective Organization**

USAID based the viability of the project's reliance on small producers on established patterns of practice. Their research was based on a survey of 61 agribusiness firms which indicated that 15% relied exclusively on small farmers. However, 20% of the firms did not respond to the question, 11% relied exclusively on either medium or large farmers, and the rest -- 43% -- bought from some combination of the three categories. After the proposal was reviewed in Washington, it was amended to include larger cultivators on the basis that:

Frequently...participation of larger cultivators as suppliers to agro-producers is necessary to achieve stable or sufficiently large inputs to guarantee balanced plant operation, and thus protect small farmer markets (USAID, 1984: Appendix 2, p. 2).

The existence of a heterogenous group of producers who will hold differing perceptions and encounter differing problems with the contracting arrangement has been noted to complicate the formation of effective producer organizations (Glover, 1987: 443). Other factors which have hindered organization include the inherently competitive nature of contracting arrangements, the degree to which processors can rely upon alternative sources of production, and conversely, the degree to which producers are dependent upon a limited or larger number of markets (Glover, 1987: 444, 446).

The importance and complexity of these factors in influencing smallholder organization was demonstrated in a 1980 USAID sponsored social impact study of three Guatemalan communities where ALCOSA, the US food processing subsidiary, had established buying

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55/ The Landless population is defined as the agricultural labour force...which does not own or manage land and is employed in farming activities. Two alternative calculations of the size of the landless population are made: one with all farm labourers and one which excludes those with permanent employment (USAID, 1982: 9-10). This thesis uses calculations based on all farm labourers; on that basis Guatemala's landless was estimated to be 419,620 in 1980.
stations in the mid-1970s, and a fourth community in which ALCOSA's processing plant was located. Conducted by Kenneth Kusterer (1981), the study focused upon social impacts at the levels of the community, family and individual. Kusterer (1981: 4, 7-8, 22) noted that diversified agricultural production had led to increased incomes in all of the communities studied, but he also graphically demonstrated why small farmer organization is required in Guatemala and what problems block such organization.

On the one hand, farmers had just learned how vulnerable their relations with ALCOSA could be. As it had established itself, ALCOSA had bought generously from farmers in order to stimulate production. In 1980 it found itself unable to purchase bumper crops of broccoli and cauliflower -- and, further, refused to do so. Farmers suddenly found that their contracts, which had obligated delivery of all produce from contracted plantings, did not bind ALCOSA to buy all of this produce (Kusterer, 1981: 17). On the other hand, some ALCOSA representatives were defrauding small farmers by skimming off a percentage of purchases. As well, the company's chief agronomist had been inducing farmers to buy far more than required amounts of fertilizers and insecticides (Kusterer, 1981: 6, 30). These actions differentially affected farmers both within and across the differing communities.

Chimachoy is an isolated indigenous village of 100 families, about 75 kilometres from Guatemala City in Chimaltenango. At an altitude of 7,600 to 8,000 feet, the village produces newly prized crops which its neighbours at only slightly lower altitudes cannot grow. With its isolated position and poor roads, Chimachoy in the early 1980s had little market options except for ALCOSA. In 1980, Kusterer (1981: 31) assessed that relations between ALCOSA field employees and farmers was "...an extreme variant, almost a caricature, of inter-ethnic interactions within traditional Ladino-Indian relations in Guatemala." Chimachoy farmers had been particularly the targets of ALCOSA's fraudulent employees, while its isolated buying station was the only one which was closed a second time during the 1980 season. The

56/ See Appendix B, Map 2, for the departmental location of the communities.
closures devastated most of Chimachoy’s growers because since ALCOSA’s appearance (and against outside warnings) they had dedicated nearly all their resources to produce for the firm. Moreover, the farmers were unable to plan a cohesive plan of action. On the one hand, the increasing climate of violence, much of it directed towards the cooperative movement, had frightened many farmers from banding together (Kusterer’s study was conducted just six months after the Spanish Embassy massacre). On the other hand, while all farmers in Chimachoy were smallholders, they were stratified within the community, a fact which Kusterer (1981: 7, 37) attributed in part to Chimachoy’s dealings with ALCOSA over the past three years, and which, because of the differing effects of the buying freeze, hindered the formation of collective action.

Patzicia is located at 50 miles from Guatemala City and is characterized by ladino-Indian tensions popularly attributed to the 1944 indigenous uprising. Its farmers, a mix of ladinos and Indians from differing areas of the municipio, were less dependent on ALCOSA than those of Chimachoy. This was partially because Patzicia’s major centre was situated by one of Guatemala’s major highways such that farmers had easy access to a broad range of markets including CECOMERCA, the marketing federation of Guatemalan cooperatives, and regular buyers from El Salvador. The minority of farmers who did deal with ALCOSA were from the poorer strata of the area’s farmers. Kusterer (1981: 53) perceived that because of the firm’s reliance upon small farmers, ALCOSA had “...prevented the agricultural concentration [which] might possibly have occurred otherwise with the growth of larger-scale commercial vegetable farming in the area for the national and Salvadorian market.” Two other groups also dealt with ALCOSA: farmers related to the firm’s ladino subcontractor; and a number of larger (relative to Patzicia) holders, with ladinos forming a slight majority, who had other markets as well. ALCOSA’s choice of a ladino sub-contractor had “...exacerbated the strong Ladino-Chakchiquel tensions in the town” (Kusterer, 1981: 7). Effective organization in Patzicia, despite the presence of other markets, was complicated because farmers were
"[d]ivided ethnically into two groups and geographically into more than a dozen" (Kusterer, 1981: 48).

Santiago Sacatepequez is located 20 kilometres west of Guatemala City. Similar to Patzicia the majority Indian smallholders in this community had easier access to differing markets. Sacatepequez had suffered considerable damage during the 1976 earthquake, one outcome having been a long term reconstruction and development project sponsored by the Swiss government which had left behind a group of advisors (Kusterer, 1981: 59). Their aid was credited with improving agricultural techniques and the organization of a cooperative with which to negotiate sales of the community's produce. During 1980, Santiago Suchitepequez with its presence of international observers, was the only community in which ALCOSA did not suspend its purchases. Kusterer (1981: 62) perceived that the cooperative demonstrated

...the potential clout of collective bargaining...[which] is enhanced by the vegetable-growing skills of its members and by the considerable independent clout of its Swiss advisors, but these are supplementary to the more basic source of its influence, the size of this membership and the discipline of its organization.

Four years after the Kusterer study, USAID Agribusiness Development Project 520-0276 would encourage the promotion of cooperatives as a mechanism to improve the bargaining position of smallholders and to increase their role in the processing and exporting of non-traditional agricultural exports. It based its argument on the examples of Quatro Pinos in Santiago Sacatepequez and two other cooperatives in Chimaltenango and Quezaltenango. These cooperatives had at varying levels undertaken ventures in semi-processing, improved storage and warehousing for perishable products, and direct exports. The project would provide incentives to farmers forming cooperatives by way of special loan initiatives and technical support, contingent upon a number of terms including the cooperative's willingness to hire "...a local professional manager and accountant...with AID funds or their own resources" (USAID, 1984: 24).
This last provision, tending to the standardization and control of cooperatives, signals that the rationale for encouraging cooperatives in contracting arrangements cannot simply be seen from the perspective of strengthening small holders. They can also benefit firms in terms of coordinating plantings, contracts, payments, and deliveries (Glover, 1987: 444). In fact ALCOSA's problems with dealing with large numbers of individual farmers in Chimachoy and Patzicia was leading it to consider terminating its purchases in these communities (Kusterer, 1981: 23). USAID (1984: 56) also supported the encouragement of cooperatives on the basis that they could aid agribusiness to rationalize their sales.

The USAID project also empowered processors and final exporters on a number of differing levels including control of credit and technical extension. The value of these services to smallholders is reflected in the fact that Chimachoy's farmers decided to recontract with ALCOSA in order to receive credit and access to technical assistance, despite the firm's abuses of the community. Most of the credit allocated to small farmers in the 1984 project was to be channelled through the State managed BANDESA, which would receive training assistance from USAID in order to improve its credit delivery performance. Because of the unwillingness of private banks to deal with smallholders, BANDESA was the major, if less than effective, formal channel for smallholder credits in Guatemala. However, USAID (1984: 11) also indicated that up to 25% of the loans directed to processors of fresh and frozen fruits and vegetables

...may be used to finance small-farmer production credit and inputs. These entrepreneurs would then advance funds to small farmers contingent on the latter supplying the agribusiness with the resulting produce under a contract arrangement. Also entrepreneurs may use their own resources to guarantee small-farmer production credit obtained from BANDESA, a practice presently common among agribusinesses in the eastern region.

This proposal would thus institute control of credit into the private sector and lessen the demands on the State to control and develop adequate credit services for the poor. As it was BANDESA received one-half of its funds for smallholder credits from foreign sources, most
particularly from USAID and IDB (USAID, 1984: 69, 16). The small farmer -- the Highlands indigenous farmer -- the most vulnerable in the export chain, given the project's terms of reference -- would be in an even more vulnerable position vis-a-vis food processors and exporters for crops not yet harvested. According to the project paper, these food processors and exporters were "Ladino entrepreneurs" (USAID, 1984: 56). The credit arrangements seem to reinstate the early 20th century debt peonage system which was controlled by ladino and foreign plantation owners in order to ensure indigenous seasonal labour. Instead of labour, production would now be the campesino's payment.

While farmers' organizations can benefit firms, their potential for mass mobilization can be seen as threatening by the state. As demonstrated in Chapter III, the Guatemalan State has long associated cooperatives with agitation, particularly targeting leaders as 'the violence' increased. During the late 1970s the State's desire to control cooperative activities was demonstrated by Lucas Garcia's Nueva Ley General de Cooperativas. This decree defined permissible commercial and productive activities of cooperatives which were already restricted from using these organizations for political or religious purposes (CEIG, 1986: 82).

In the mid-1980s, the small farmer's voluntary capacity to adopt or reject the joint Guatemalan State-American promoted cooperative structure -- at the time ill-running and ill-managed in the country -- was severely compromised by the violent events of the past decade. While the Guatemalan State was embarking upon a cooperative strengthening program through the National Institute of Cooperatives (INACOP), even USAID (1984: 24,74) would admit that coops wanted for good management and lack of access to markets. According to INACOP, by December 1984, of 875 cooperatives registered in Guatemala (of which 415 were related to agriculture), only 338 were functioning regularly (CEIG, 1986: 84).

According to Glover (1987: 44), the inconsistent interests of the State and firm are often reflected in the farmer organization. For example, when the State discourages the organization because of its potential for mobilization and the firm encourages it for the
purpose of simplified administration, the result can be an organization

...that is either fragile and beset with internal splits or one that is under the control of the company or the government and which serves mainly to enhance communication with growers.

No sensitivity to these issues were evident in the 1984 USAID project paper. Nor did USAID take into account the diverse nature of farmers, locations, market conditions and ethnic tensions, let alone the climate of repression, graft and corruption in which cooperatives were expected to develop; all of which were succinctly detailed in Kusterer's USAID supported study. Instead USAID's project paper supported blanket recommendations based on the success of cooperatives such as Quatros Pinos, with its favourable location and international backers.

Given the complex dynamics of contracted farming and cooperatives, and the conditions required to ensure smallholder protection and benefit, the Guatemalan State's promotion of diversification within the confines of the Development Poles appears a mockery. The potential for the development of community or farmer based cooperatives seems inconceivable given the strictures of military control and the changes being wrought in community level government. Moreover, the State was proving incapable of providing needed basic services let alone access to the training and resources required to produce non-traditional crops -- provided the agricultural conditions of the Poles permitted such growth in the first place.

Additional analysis of the USAID agribusiness development project proposal further demonstrates the manner in which unequal relations were being established in the development of diversification under military rule during this period.

b. A Lobbying Group for Exporters of Non-Traditional Products

The Agribusiness Development Project also supported the newly formed Non-Traditional Exporters Guild (see also IDB, 1986: 95). USAID supported activities included the establishment of a statistical data system and documentation centre, investment promotion and
policy studies. With the benefit of this support, the guild was expected to liaise with differing State bureaus, providing them with trends forecasts and other indicators on non-traditional exports. The Guild has been headed by the former head of the defunct Government Export promotion office, GUATEXPO, and is a private branch of the Guatemalan Chamber of Industry. This chamber is affiliated with CACIF which has vehemently opposed land reform measures and increased taxation (Brown, 1987: 16; Knox, 1987a).

In fact, the new guild was explicitly recognized as functioning within the interest group system (USAID, 1984: 68). It was attributed by USAID to successfully lobbying the State in 1984 for reductions in export taxes and for the promotion of maquila,\(^57\) which was also rapidly becoming a focus for business sector investment. It would appear that only business sector interests with sufficient capital to pay the annual membership fees could gain access to this important organization (which would be providing State planners and policymakers information on agribusiness from the perspective of largely ‘ladino entrepreneurs’). Certainly general campesino access would be limited, given that the annual fees were US$360 (USAID, 1984: 25, 68). In 1982 the average Highlands income per capita was less than US$480 per year, while for more than half that population, it was less than US$250 (USAID, 1984: 3).

c. Labour and Stability

USAID Project 520-0276 had promoted certain non-traditional products on the basis of comparative advantage (Appendix A, Table 9). This comparative advantage was based on the country’s ability to produce temperate climate agricultural crops during the American and European off-seasons (USAID, 1984: Annex III, p.10; ILB (1986: 75). It was also based on an

\(^{57}\) *Maquila* refers to draw-back manufacturing industry which are often developed in conjunction with free trade zones. An investor, usually foreign, receives concessions to set up a plant in which raw or semi-produced materials are imported into the country, assembled by indigenous labour, and then exported.
abundance of 'cheap' Guatemalan labour:

The cost of labor in Guatemala for instance is on average $3.00 per day compared to a minimum of $5.00 per hour in California (USAID, 1984: Appendix VI, p:2).\footnote{58}

The project determined as one of its priorities sustaining 1850 full time equivalent positions and creating another 863 more in food processing and packaging. Because USAID converted the positions into full-time equivalents it is difficult to assess how many people would actually be affected or how temporary or seasonally focused the positions were. It is known that USAID expected that 63% of the positions would go to women; in fact Guatemala's largest food processor, ALCOSA, "as a matter of deliberate company policy, ...prefers to hire women for its in-plant positions" (Kusterer, 1981: 14; USAID, 1984: 62). Coincidently in 1984, the Guatemalan Ministry of Labour was encouraging Highland women to participate in this type of labour -- on the basis that it was acting to support women's participation in the labour market.\footnote{59} Kusterer (1981: 69-83) examined labour relations and community conditions at San Jose Pinula, 20 kilometres southwest of Guatemala City, where ALCOSA's processing plant is located. The firm's establishment in San Jose had resulted in a large immigration of women, changes in respect to rental housing and population density, and problems including a lack of adequate childcare arrangements. Kusterer argued that women's satisfaction with working at ALCOSA had to be seen in the context of the relative absence of other employment opportunities. Speaking in general of women in like situations across the developing world, Kusterer (1981: 81) concluded that, unfortunately "...the living conditions of most women of the Third World are still such that the appearance of an ALCOSA in their town would be a

\footnote{58} The official minimum wage in 1984 was Q.3.20 (US$3.20).

\footnote{59} Guatemala. Ministry of Labour, undated memo, author's translation: "National strategies for increasing women's access to the employment sector contained in the National Plan for Development 1984-1985 of which include the following: Strategies of production and investment in agriculture and rural industry."
positive rather than a retrogressive force in their lives."

The agribusiness project did not include any provisions to "...directly strengthen free labour unions" (USAID, 1984: Appendix 3, p.16); instead it was anticipated that labour would benefit from

Increased employment opportunities in the immediate vicinity of the agricultural processing plants [which] is expected to cause wages in other employment sectors to rise to compete for resultant scarcer labor (USAID, 1984: 58).

Ignored in this optimistic pronouncement was acknowledgement of Guatemala's hostile labour environment. Without sufficient inquiry into this issue and by turning its back on supporting the unionization of female labour, the USAID agribusiness project was irresponsibly encouraging women's participation in non-traditional export processing.

This USAID project was authorized December 31, 1984, just days prior to Mejia Victores' announcement of the establishment of the Development Poles. At this time Canada was still suspending aid to Guatemala because of human rights violations, but USAID's (1984: Appendix 3, p. 6) project paper noted that "[n]o determination has been made of gross violations of human rights." In addition the potential for growth of the agribusiness project was based upon the "important" assumption that the "[p]olitical situation in the Highlands will not deteriorate" (USAID, 1984: Appendix 1, p.1).

D. Conclusion

This chapter has shown that following the defeat of Romeo Lucas García, control of the Guatemalan State remained in military hands. While most elements of society continued to be excluded from access to the State, the changes in military leaders had led to increased support from international backers and from domestic capital. This can be recognized by the US government's condoning of the human rights situation in Guatemala despite much evidence of the military's blatant disregard for life and dignity. It can also be recognized in Mejia Victores' responsiveness to domestic private sector demands for changes in the State's
economic policies. Yet domestic and international support for the state remained tenuous. For example, USAID strongly promoted the development of diversification through the private sector rather than through the State.

The State's counterinsurgency and relief measures were examined within the context of political upheaval, continuing violence, and a new emphasis upon the Highlands as a site for development. It was demonstrated that the IICCs, the Civil Patrols, and the Development Poles sought to destroy the relative autonomy of the municipios and the settlement and production patterns of the Highlands which have long been a focus for State control in the shaping of an indigenous workforce. Further, the State's promotion of an ideology which emphasized the joining together of Guatemalans and the destruction of subversive forces -- at a time when Indians were being wantonly slaughtered by the State -- was consistent with the State's attack upon the ethnic allegiances and communities it perceived as supporting the guerilla movement. The States actions with respect to this combination of ideology backed by brute force is also sadly consistent with the means by which many Latin American states have attempted to maintain political power and protect economic class interests.

It was further assessed that State's promotion of agricultural diversification was largely based on the short-term priority of overcoming the economic crisis. The decline of traditional exports in a time of financial crisis made the non-traditional's potential inflow of foreign exchange particularly attractive to both the state and capital from agricultural, financial and industrial sectors. Moreover, the potential of diversification to open up the Western Highlands for development also offered hope to the state that it could relieve pressure on Guatemala City.

In examining the US implemented agribusiness development project, it was clear that the indigenous small producer was to be understood as the most vulnerable player in a situation which requires the production of crops whose prices are highly volatile and markets unsure. Under the militarized conditions of the Highlands, it is difficult to believe that the
State envisioned that diversification would benefit the internal refugees of the Development Poles and the Highlands populace in general. Rather the State appears to have envisioned that the indigenous populace would ensure production and labour for diversification.

While the Guatemalan State was able to contain insurgency during this period, it did not appear successful in coordinating relief despite its reliance upon state offices which had long been involved in relief and community development. Nor was the State able to stimulate development across the Poles. Development initiatives appeared scattered and poorly formulated. Without the military's capacity to coordinate relief or stimulate development, the prospects of the Development Pole residents and the Highlands population in general were bleak. The following two chapters trace the development of the State's counterinsurgency and relief projects through the aftermath of the violence and the election of a civilian administration.
Chapter V: The Democratic Opening and Access to Policy Formation

The preceding chapter demonstrated that the state's counterinsurgency and relief projects were designed to control the social, political, and economic fabric of the Western Highlands. The following two chapters will demonstrate that this strategy continued under the Christian Democratic administration while the State continued its focus upon development in the Highlands.

This chapter focuses upon the process and outcome of the elections which brought civilian Marco Vinicio Cerezo Arevalo to the presidency on January 14, 1986. The purpose is, firstly, to demonstrate that the indigenous peoples affected by the State's development projects remain marginalized from the policy making process. Secondly, this chapter examines the significance for national development of the Christian Democratic electoral success given the combination of a) the current military hierarchy; and b) the other party choices available. Although the military still hold the reigns of power in Guatemala, this chapter argues that a full understanding of the tensions involved in the policy making process cannot be understood unless the relation between the military and civil parties is clarified. The subsequent chapter will examine the significance of these characteristics to the civilian administration's development policies and the post-1986 status of the Interinstitutional Coordinating Committees, the Civil Patrols, the Development Poles and the promotion of non-traditional agricultural exports.

A. Elections: Indigenous Participation and the Municipios

Elections had been on the military's agenda since the 1982 Rios Montt coup. However, election plans were not formalized until after the subsequent coup of Oscar Mejia Victores in August 1983. As a preliminary step to the military's 'democratic opening,' national level

60/ Cerezo stated as much during his inauguration, "I remind you that I have received the government, but not the power" (Inforpress, 1987: 1).
constituent assembly elections were held July 1, 1984. The constituent assembly would not form the State's administration; its mandate was substantially limited to the drafting of a constitution. Notably the military did not permit a return to elected mayoralities at this stage in the 'democratic opening.' Handy (1986: 408), assessing the potential of the elections for increasing democratization, argues that the municipal elections were largely ignored by analysts, but that

There was never a time in Guatemalan history when unese municipal governments were less representative than before the 1985 elections. The military campaign with its model villages and civil patrols totally destroyed the basis of municipal government in Guatemala. If we see these municipalities as the true building blocks of effective democracy in the country, then it is clear that the prospects of democratic decision-making on issues that concern the bulk of the population were never bleaker.

From the manner in which the 1984 constituent elections progressed, it became quite clear that the 'democratic opening' would indeed be quite narrow: participation within the nation's political, planning and administrative processes was limited to a narrow ladino stewardship.

Participation in the 1984 race was curtailed by requirements of the Electoral law that registering parties, outlawed since 1983, present 4000 witnessed signatures from literate signatories. This would theoretically permit for a greater number of political parties than the previous 1966 constitution which demanded lists of 50,000 supporters (Handy, 1986: 393). Yet by State admission in 1987, more than 50% of Guatemala's populace was illiterate, thus immediately lessening the scope for participation in political party choice (PL, 10/08/87: 14-15). Given the differential between the illiteracy rates of Guatemala's Indians and ladinos, however, the electoral law disproportionately disenfranchised the indigenous. In 1978, 70% of the predominantly ladino urban populace was considered literate, while only 30% of the predominantly indigenous rural populace was considered so. Within rural areas, according to a 1978 study conducted by the University of San Carlos, only 18% of the indigenous rural populace over the age of seven was literate in comparison with 37% of the Ladino rural populace (WB, 1978: 20).
Participation within the race can be shown as further narrowed through cursory examination of the participating political parties (Appendix A, Table 10). Those to the left did not participate. Mejia Victores forbade the communist Guatemalan Labour Party to run because of its connection to the umbrella guerilla front, the National Revolutionary Unity (URNG); the Social Democratic Party (PSD) refused to run, fearing for the safety of both its possible candidates and signatories. These fears, borne in the memory of recent electoral terror, were not unfounded. The months leading up to the 1984 elections were shadowed by violence. By mid-March the average weekly rate of political killings reached 145, while more than 50 people a week were being disappeared (Europa, 1986: 1253).

Democratic participation in the voting is harder to document. However, several facts stand out which reveal biases. Literacy appeared again as an exclusionary device, for the Law on Elections to the Constituent Assembly did not require compulsory voting for "...reasons of infirmity, age, illiteracy, or absence from the country." Extraordinary measures were taken at times by both state and capital to ensure registration. Hopkins (1986: 508) reports plantation workers having to register or face loss of their positions. As well, proof of registration was required in order to obtain official documents ranging from passports to income-tax payment receipts. Further, the Episcopal Conference of Guatemala criticized procedures which coerced registration from the Nation's 800 to 900 thousand largely indigenous Civil Patrol members (Hopkins, 1986: 508). Despite evidence of coercion and discrimination, candidates spoke favourably of the electoral process. Christian Democrat Vinicio Cerezo, for example, focused upon improvements in electoral day procedures:

It seems almost impossible. For the first time in the history of Guatemala, not a single

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61/ (my emphasis). Hopkins (1986: 508) citing Keesing's Contemporary Archives, 30 (July 1984), p. 32972. Across Latin America, illiteracy has been commonly used to disenfranchise sectors of populations. For example, it was not until 1979 that illiterate adults were granted civil rights and the vote in Peru (Hurtado, 1987: 149).
soldier was seen at the polling places. The returns were reported immediately.\textsuperscript{62}

Appendix A, Table 10 details the results of this race which favoured the centre right parties of the Christian Democrats and the Union of the National Centre (UCN). Not reflected is the fact that only 8 of the 88 assembly seats were filled by indigenous persons.

While still under the control of the military, the assembly fulfilled its limited mandate to draft a new constitution (Woodward, 1985: 246; Guatemala, 1986: 111). The document addressed the structure and organization of the State, as well as human and social rights. It also set out the State's obligations with respect to the national economy which are discussed in Chapter VI. As well, it provided for a transition to civil rule through general elections in 1985 for a President and Vice President, Congressional Deputies and municipal mayors, after which the new constitution would come into effect.

The United States, which underwrote the 1985 electoral process down to the cost of the ballots and actively disseminated briefing papers to international journalists and observers, declared the first of what would be two elections "...the final step in the re-establishment of democracy in Guatemala."\textsuperscript{63} The elections were indeed declared clean by international observers, but the context within which they were held led many to doubt that they could symbolize a return to democracy, so declared by the United States and the Guatemalan military.\textsuperscript{64} As the Inter-Church Committee on Human Rights in Latin America (1986: 28) commented:

At a more fundamental level still one must ask how a society in which all forms of popular organization and leadership have been destroyed can produce a true democratic choice.

\textsuperscript{62} Cited in Hopkins (1986: 507).


\textsuperscript{64} See comments of the observer mission organized by the International Human Rights Law Group and the Washington Office on Latin America reported in ICCHRLA (1986: 29).
Indeed, the lack of party plurality was as pronounced as it was during the 1984 elections (ICCHRLA, 1986: 28). One analyst signified that the major parties ranged only from the extreme right (the National Liberation Movement (MLN), the Institutional Democratic Party (PID) and the Authentic Nationalist Central (CAN)) to the centre right (the Christian Democrats, the Union of the National Center (UCN), the Democratic Party of National Cooperation (PDCN) and the Revolutionary Party (PR)). The sole exception to this pattern were the left of centre Social Democrats (PSD). According to popular wisdom the military permitted their presence only to add legitimacy to the race; in the end they received only 3.41% of the vote (Handy, 1986: 407).

There is also evidence which suggests that voter participation was less than even throughout the country. Anthropologist Beatriz Manz (1988: 244), while not using electoral information, points out that "[t]he census in [the largely indigenous] Ixcan reports 17,000 adults, but only about 3,000 voted." Manz's field study involved a team of four researchers who spent a total of 14 months in Guatemala between June and December of 1985, primarily in El Quiche and Huehuetenango -- although a total of 13 departments were visited. The team visited four Development Poles, as well as areas lesser affected by the violence. In reviewing the electoral process from this perspective her observations substantiate Handy's comments on the continuing centrality of the municipios:

Unlike the national election, residents appeared more involved in mayoral campaigns. Many looked forward to once again choosing their immediate leaders, as appointed officials had often misused their power. The mayors we elect know we put them in power and can take them out again. They also have to live right here with us and don't want to make us mad' (Manz, 1988: 58).

Manz feared, however, that the institutionalization of the IICCs and the Civil Patrol system

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65/ Barry and Preusch (1986: 239-241) and Rosenberg (1987: 202). Barry's categorization did not include the PR. I have included it with the PDCN because the two formed an alliance during the 1985 elections. Two years later, a major Guatemalan newspaper confirmed the general pattern. The El Grafico (29/08/87) listed the PDCN as centrist while categorizing opposition parties as either rightist (MLN, PID, CAN, MAS, MEC, FUN) or centrist (PDCN, PR, UCN, PSD, PNR).
would result in far more limited autonomy in the municipios then was realized. As Chapter VI demonstrates, her fears appear to have had a substantial basis.

Appendix A, Table 11 details the election results which gave the centre right Christian Democrats an absolute majority. Unnoted is the fact that the process also resulted in a Christian Democrat majority win in the mayoral races and the fact that indigenous representation was even less than it was following the 1984 elections. Only 7 indigenous persons held seats in the 100 member assembly (Hurtado, 1987: 149).

The discussion to this point has shown that the electoral process was funded by the nation's largest foreign investor and trading partner, that the electoral field was narrowed through annihilation and exile, the electorate was narrow and regionalized, and that the result was a less than representative assembly. The following sections will attempt to show what the election of the Christian Democrat party, in lieu of its leading contenders, could signify for the indigenous of the Highlands. Examination will first focus on the relationship between the military and civil parties, as the former's support for the latter is crucial to continuing tenure.

B. The Relation Between the Military and Civil Political Parties

In order to understand the rationale for present military support of the Christian Democrats, it is necessary to recall that the army has long worked with civilian parties, and that there has been substantial fractionning within the military. It appears that the current dominant fraction's ties with the Cerezo administration go back more than a decade and that they have been assessed as modern elements of the military known for their 'developmentalist' views (Inforpress, 1987: 1).

The "Self-Amnesty Law" (Decree 8-86), passed by the Mejia Victores regimé four days prior to the Cerezo inauguration, clearly delineated a major division. This law established amnesty for both political and common crimes committed between March 23, 1982 and January 14, 1986. The prior date is that of the Rios Montt coup. The decree's exclusion of
the previous Lucas Garcia regime reflects the military's desire to divorce itself from the inherent corruption and incompetence that had led to the 1982 coup spearheaded by junior officers (Aguilera Peralta, 1982: 24; Figueroa Ibarra, 1982). The inclusion of the Rios Montt regime supports the view that the 1983 coup represented a return to the military hierarchy such as is written into the 1985 constitution. It did not, however, signify a break with the regime in which the military's counterinsurgency campaign had reached genocidal proportions, and in which the State projects under study in this thesis were either initiated or strongly promoted (Handy, 1986: 402-405).

Distancing from those surrounding Lucas Garcia has continued. The military convened a conference on August 13, 1987 with the business sector entitled "27 anos de lucha por la libertad." The timing of the conference signalled support for Cerezo's campaigns to institute a series of tax bills and to promote the payment of a "Social Debt," destined for the improvement of social conditions. It also served to publicize a more general overview of the military's alliances and its ongoing commitment to defending the nation against communism. High military officials justified the March 1982 coup staged by junior officers on the grounds that the Lucas regime had been "...corrupt, unpopular, inefficient and without internal political

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66/ See also Article 244 of the 1985 Constitution approved by the Mejia Victores regime which reads in part: "[The army's] organization is hierarchical and based in the principles of discipline and obedience," Author's translation, Guatemala (1986).

67/ This interpretation is supported by Lehmann's (1976: 171) perceptions of the nature of military coups in Latin America:
   Thus a takeover of government by the military can be seen as a change in the relationships between the institutions of the state but not necessarily as, in itself, constituting a change in the overall structure of the state machine, or in the relationship between it and the class structure.

68/ These were: the Minister of National Defense, General Hector Alejandro Gramajo; the Chief of Staff, General Manuel Antonio Callejas; Under-Chief of Staff, General Juan Leonel Bolanos; Director of Operations (G2), Colonel Mario Rolando Terraza Pinott; and the Director of Civil Affairs (S5), Colonel Mario Rene Enriquez Morales.
support.\textsuperscript{69}

Through these actions, the military was publicly distancing itself from an administration which favoured large scale internationally financed and/or constructed public works projects\textsuperscript{70} and whose members were known to have profited greatly in the FTN (Aguilera Peralta, 1982: 24; 1979: 20; Painter, 1987: 49). At the same time, the military was also divorcing itself from the political parties supporting both Lucas (the Broad Front: PID/PR/CAO) and the unseated winner of the fraudulent 1982 elections (the Popular Democratic Front: PID/PR/FUN) (Handy, 1984: 284).

This argument is supported by the fact that during the conference the military identified itself as representing a 'new development current.' The origins of this new 'development current' were dated to the aftermath of the 1976 earthquake when the National Reconstruction Committee (CRN) was created (Berganza, 1987: 8). The CRN, which in the 1980s served to channel international aid into the Highlands, was formed to perform similar relief duties in 1976 (Handy, 1984: 173; Plant, 1978: 9-12). To situate the implications of this allegiance for present day development policies, it is necessary to review political developments leading up to the earthquake.

Since his 1974 inauguration, General Kjell Eugenio Laugerud Garcia had distanced himself from his predecessor and mentor, Colonel Carlos Arana Osorio -- the 'Butcher of Zacapa,' and the military's PID party from the MLN party of Vice-President Mario Sandoval Alarcon,\textsuperscript{71} which represented extremely conservative landholder interests. The two parties

\textsuperscript{69}/ Authors translation of Berganza (1987: 9). See also Aguilera Peralta (1982) and Figueroa Ibarra (1982: 60, Note 35). The 1983 army code implemented under Mejía Victores took steps to reduce personal corruption by demanding that officers involved in outside employment retire within two years, in "...an attempt to reduce tension within the military from officer involvement in business deals" (Handy, 1984: 275).

\textsuperscript{70}/ One such project was the Chixoy hydro-electric plant built in part by the Italian firm Cogefar and the German Hochtief.

\textsuperscript{71}/ Sandoval still heads the MLN.
had worked closely for more than a decade. However, as the MLNs open resort to terror tactics and backing of death squads were proving an embarrassment (among other reasons), they had increasingly lost favour during the Arana tenure (1970-1974). According to Handy (1984: 173)

The biggest struggle in congress occurred with the earthquake of February, 1976. The MLN, Arana and Laugerud fought for control of the...CRN. The prospect of directing the allocation of vast sums of foreign aid and government financing was particularly tempting for Arana, who controlled a large construction company...Laugerud, with the help of the Christian Democrats and PR members in congress, was able to appoint a moderate committee of deputies headed by Colonel Peralta Mendez who was linked to the Christian Democrats

The present military hierarchy, in emphasizing its roots with the CRN, was thus also reemphasizing its lack of support for the parties representing the interests of the traditional oligarchic landholders and the Aranists who had supported Lucas Garcia. This is significant for as Handy (1984: 276) indicates:

The military hierarchy that reasserted itself after the August 1983 coup was predominantly composed of conservative senior officers with links to the MLN and the traditional rural elite, the most violent and rabidly anti-communist of Guatemala's officers.

Despite these overwhelmingly powerful conservative forces, it appears that during the electoral process more moderate or centrist parties gained support.

The 1984 election results demonstrated the relative influence of the MLN and Arana's CAN. Referring again to Appendix A, Table 10, it should be noted that electoral laws relied on a system of proportional representation. This ended by favouring a coalition comprised of the MLN and the CAN (later the CAO). Bettered with respect to voting by both the more centrist Christian Democrats and El Grafico newspaper owner Carpio Nicolle's new party, the

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72/ Dr. Rene de Leon Schlotter, founder and then president of the Christian Democrats, addressing the Subcommittee on International Organisations of the House Committee on International Relations, US Congress, Hearings on Human Rights in Central America, June 1976. Plant (1978: 13-14) stated that the waves of violence then sweeping Guatemala began with the arrival of the MLN in 1954. The MLN openly supported the Mano Blanca, the National Organized Anti-Communist Movement, the most notorious of the right wing death squads then operating in the country.
Union of the National Center (UCN), the MLN/CAN coalition received a larger share of the seats than either of these individually. Yet together the Christian Democrats and the UCN formed a larger bloc and by the 1985 elections growing support had insured a Christian Democratic Party victory.\footnote{See also Castellanos (1974: 46-51) and Berganza (1987: 9).}

During the 1985 elections the MLN and the PID reunited in an alliance, but won only 12.6% of vote, translating into just 12 seats in the 100 member Congress (see Appendix A, Table 11). Arana’s CAN party obtained only slightly more than 6% of the vote, while the National Unity Front, running with two other anti-communist parties, received less than 2% of the vote. Despite these results, it would not be correct to consider these extreme right parties without influence. In early 1987, for example, the Guatemalan Analysis Politico (VIII(342), 15/01/87: 3) assessed that the principal opposition parties included both the MLN and CAN.

The election results and their aftermath tend to corroborate the view that the traditional power blocs in Guatemala suffered a weakening, though not complete decline, in political influence. This decline in support was formally recognized by the 1986 Self-Amnesty Law which effectively cut off the conservative supporters of the Lucas regime. Yet, the Self-Amnesty still protected military leaders which led the country between 1982 and 1986, thus suggesting support for the counterinsurgency and relief measures -- the brutal military campaigns, the Civil Patrols and the IICCs -- promoted since 1982. There is also evidence of a conscious alignment with a particular view of development formed prior to the Lucas period which will be now explored in fuller detail with respect to the Christian Democrats’ relations with the military.
C. The Christian Democrats and the Military

The Christian Democratic Party was founded in 1955 by conservative rural interests. During the early 1960s, the Christian Democrats shifted gradually to the left when US Alliance for Progress efforts led to increasing sanction of the cooperative movement. The Christian Democrats became prominent along with progressive members of the Catholic Church in organizing cooperatives in the Highlands, and in doing so gained considerable grassroots support (Frank and Wheaton, 1984: 31-32). Rosenberg (1987: 204) states that this was a fairly general pattern in post World War II Central America and is consistent with the desires of these parties to change established patterns in order to ‘modernize’ the region’s economies:

Many of the region’s Christian and Social Democratic leaders were originally members of more traditional parties. They believed that these parties could not or would not expand beyond their own more narrow and traditional interests to accommodate the newly emerging middle class created by post-World War II economic expansion.

During the 1974 elections a coalition organized around the Christian Democrats ran General Efrain Rios Montt as its presidential candidate. The election results were decried as fraudulent when the military’s choice, Laugerud, was declared the winner (Frank and Wheaton, 1984: 46; Plant, 1978: 23). The election also signalled a turning point in Christian Democratic Party strategy.

Both Vinicio Cerezo and then Christian Democrat Danilo Barillas wrote position papers on the role that the army could play in the development of the nation. Barillas called for more ‘modern’ officers to stage a coup and rule in a coalition with civilians (Handy, 1986: 400). The coup did not materialize and Rios Montt left for exile in Spain. However, ever since this event a core group of Christian Democrats began to work towards securing the support of officers sympathetic to their ‘developmentalist’ views (Inforpress, 1987: 17; Frank and Wheaton, 1984: 46; Handy, 1986: 400).

When Laugerud began to distance himself from the MLN and the PID, the Christian Democrats -- from within the State and with the National Reconstruction Committee (CRN) -- began working with military figures who would later be declared the 'new development current.' The CRN was in fact declared at the time to be in the "hands of more progressive officers and civilians" (Plant, 1978: 30). Despite the fact that CRN members received death threats from right wing extremist groups, it held together and worked towards securing State policies favourable to the poor, such as low-interest loans and building materials at cost through the National Agricultural Development Bank and the National Housing Bank (Plant, 1978: 10-11, 29).

However, there remains questions as to the degree of grassroots participation permitted through the CRN. Plant (1978:11), for example, assessed that while the CRN was supporting cooperatives, it was not encouraging spontaneous initiative. Similarly, Frank and Wheaton (1934: 34) argue that the Christian Democrats support for the indigenous began to wane as early as the late 1960s when their emphasis turned more towards the urban middle classes. Disillusionment with the cooperative movement had thus already begun to be felt in the early 1970s, before their encouragement during the Laugurud years. During the latter years of Laugurud's regime, incipient reform movements were brushed aside in increasing violent repression that only grew under the tenure of the PID officers under Lucas Garcia.

During the fraudulent 1978 and 1982 elections, the Christian Democratic Party was considered by many to again be leaning to the right, while parties to its left were increasingly sidelined from the political process (Handy, 1986: 394). Parties to the left, organized around the Social Democrats and the United Revolutionary Front, particularly suffered. Both of these parties' leaders were killed in 1979 on their way to register their parties. According to Vinicio Cerezo, who himself survived several assassination attempts, more than 150 Christian Democrats were murdered between 1980 and the fraudulent 1982 elections.

When Rios Montt assumed power in 1982, then, the traditional parties had been
discredited, and those to the left of the Christian Democratic Party were shattered. The
Christian Democrats had continued to cultivate military support, and had also focused increas-
ingly on gaining support within the business sectors. Further they still had considerable sup-
port in rural areas. This combination of events opened the door for the Christian Democrats

The military has remained divided during Cerezo’s administration (ROG, 1987, 8(2),
May/June). In late 1987 a series of coup attempts began which have continued past the time
limits of this study. The attempts were instigated by conservative elements of the military
aligned with conservative civil elites. They were apparently enraged by the Cerezo
government’s willingness to open talks with the Guatemalan National Revolutionary Unity
(URNG), in line with the Arias accord75 and increasing agitation with the civilian State’s
social reform measures.

In late 1987, when the coup attempts began, however, the military’s High Command
was taking pains to publicly minimize division within the military. For example, during a
heightened counterinsurgency offensive in the Nebaj area in November 1987, Latin America
Weekly Report (12/11/87, WR-87-44) reported Defence Minister Hector Alejandro Gramajo
Morales as stating that "...there had been attempts to arouse discontent in the army, but [he] denied there was divisions within the ranks." Later, after reports of a right wing plot to
assassinate Cerezo had begun to circulate, Gramajo admitted that several officers had recently
been disciplined "...but not for being linked with the plot; simply for not following orders,"
(LAWR, 24/12/87, WR-87-50). There is ample evidence that early placements in Cerezo’s
administration reflected attempts to strengthen the administration with Christian
Democrat/CRN aligned military officers.

In 1986, the heads of three strategic police agencies were replaced. Colonel Julio

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75/ The Arias Accord, which sought to secure peace in Central America, was signed during
the August 1987 Esquipulas II meeting of the region’s presidents.
Enrique Caballeros Seigne was named to the head of the National Police in mid-1986 (AW, 1987: 12; ANI, 1986: 64). Stepan's (1973) profile of the "new military professionals," whose careers have encompassed counterinsurgency training and the expansion of their country's economies, reflects what is known of Caballeros. He graduated as a second lieutenant in 1960, received counterinsurgency training in Zacapa and worked under Arana (ANI, 1986: 22). Caballeros is also "...known for his active participation in the 1974 DC [Christian Democrats] electoral campaign" (Infopress, 1987: 17). He worked in the CRN. Latterly, he was with the S5, the military's civilian affairs branch created during the Mejia Victores regime to work primarily in the conflict ridden Highlands.

Caballeros has also worked with two other military officers now in prominent positions, Defence Minister Gramajo, and Colonel Roberto Enrique Matta Galvez, the military's Presidential Chief of Staff. Matta had been battalion commander in Santa Cruz del Quiche and had worked during the year of the military's Plan Victoria '82 in departments troubled by conflict -- El Quiche, San Marcos, and Suchitepequez. He also attended the inauguration of the 'model village' Ojo de Agua (Infopress, 1987: 17; ANI, 1986: 22; RCE, 1985: 29). Vice-presidential chief of staff, Mario Paiz Bolanos, also worked with the CRN and the S5 (Infopress, 1987: 17).

Retired Army General Guillermo Echeverria Vielman was placed in charge of the Treasury Police (AW, 1987: 12). He had lost favour during the Rios Montt regime for favouring a speedy return to elected government (Black, 1984: 174). During the military's

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76/ Shortly after Cerezo's inauguration, a civilian lawyer was named to head the National Police. With the changeover to civilian rule, much attention has been focused on civilian placements, particularly with respect to police forces and development agencies, and there was much disappointment when the lawyer was replaced by Caballeros. Yet the 'civilian lawyer' was himself a retired army official. There has long been a tradition of training retiring military officials for public administrative posts in Guatemala (Adams, 1970: 245). The identification of high profile 'civilians' as former military personnel should present a clearer picture of emerging power blocs than a simple dichotomy between civilian and military placements.
August 1987 conference, Echeverria, who had been a director of the CRN during the Laugerud years, was honoured as one of the founders of the new 'development current' (Berganza, 1987: 8; ANI, 1986: 21).

The foregoing discussion has shown that the current military hierarchy has long had links with the Christian Democratic Party and that there have been placements in accord with solidifying this relationship. The 'development current' and the Christian Democrats favour aspects of a development strategy which would modernize agricultural relations and support the expansion of cooperatives. Yet given the profiles of figures such as Caballeros and Matta, the presence of a "modern" or "progressive" view of development on the part of the Guatemalan military cannot be taken outside of the context of the military's ongoing concerns for security in the Highlands. Notably in this respect, the Self-Amnesty Law protected the regime under which 440 Indian villages were destroyed, more than 1,000,000 persons were internally displaced, and tens of thousands of persons were murdered.

D. The Christian Democrats and the Private Sector

The number of active political parties in Guatemala has varied considerably over the past five years. During the 1984 constituent assembly elections, 30 groups attempted to register while 17 parties, nine of them new, vied for positions (Woodward, 1985: 247). A year after Cerezo's inauguration, 18 political organizations were legally registered, though eight were in danger of losing their legal status for non-specified non-compliance with new Electoral and Political Party Laws. Outside of this group, nine other political groups had their registration cancelled (ANI, 1986: 8-9). From one perspective, this is reflective of a recognized tendency towards party factionalism in Central America and in Latin America in general, which Rosenberg (1987:204) argues has led to state energy being focused more on internal competition "than on purpose and problem solving." From another perspective, this divergence must also be recognized to have been conditioned by the past decade of violence and fraud.
which instigated division and devastated the leadership of parties to the left.\textsuperscript{77}

Given this fractionning of the military and civil parties, it is important to demonstrate that policy formation within the present administration is being shaped by its need to consolidate support. Rosenberg's (1987: 197) thesis that Central American political organization be understood in terms of clients, patronage networks and personal connections is instructive to the Guatemalan case.

It is, for example, possible to trace consolidation of power in familial terms, for many senior posts have been filled by Cerezo family members:

\begin{center}
Table V.1
Cerezo Family Members: Known Positions
\end{center}

\begin{tabular}{lll}
Name & Relation to Vinicio Cerezo & Position \\
Dr. Edwin Blandon & Brother-in-Law & Ambassador to London \\
Francisco Javier Cerezo Calderon & Cousin & DC Assembly Member for Chiquimula \\
Milton David Cerezo Garcia & Half-brother & Director General of Migration \\
Raul Antonio Chicas Hernandez & Wife's uncle & Minister of Labour and Social Provision \\
\end{tabular}

Position considered sensitive, given recent resumption of diplomatic relations with Great Britain (TW, 24/08/87: 254).


Suspended August 1987 and facing prosecution due to allegations of previous director, retired air force captain Cleodoveo Dominguez de Leon (PL, 05/08/87). Acquitted and resumed duties (TW, X(30), 10/08/87: 240).

Was Vice-minister until August 1987 when named to replace Ana Catalina Soberanis Reyes as Minister (PL, 13/08/87: 2; 15/08/87: 6).

\textsuperscript{77/} Division within the Christian Democrats has resulted in new political parties: Danilo Barillas, president of the party in 1974, was by 1986 Secretary General of the Frente Civico Democratico which did, however, support the Christian Democrats during the 1985 elections (Europa, 1986: 1215; ANI, 1986: 9). UCN Roberto Carpio was also at one time a prominent Christian Democrat (Europa, 1987: 1261; Plant, 1978: 24). Other parties have also suffered from division. For example during the summer of 1987, infighting over the leadership of the Revolutionary Party (PR) led to a protest petition signed by the majority of its departmental secretaries (see PL, 16/08/87: 4-5).
Cerezo family members have not been the only ones incorporated into the administration. The daughter of the founder of the Christian Democratic Party (Rene De Leon Schlotter, now Minister for Urban and Rural Development) heads the new Special Commission to Aid Refugees which was established to liaise with the United Nations and Mexican officials for the return of Guatemalan refugees.

The Cerezo Christian Democrats have also placed private sector leaders in prominent positions. At one level these represent a wooing of the "...new leadership [of the private sector] holding a more modern view of how to run the national economy" (Inforpress, 1987: 1). Moreover, it can also be seen as a tactical move to recapture US State confidence. In 1984, previous to the elections, USAID (1984: i) was favouring the private sector to implement its agribusiness agenda:

Marketing has long been a key problem for the small farmer in Guatemala....Unfortunately, small farmers and the public sector organizations which serve them lack the capital, know-how and entrepreneurial agility to expand processing and marketing outlets for non-traditional crops. The Guatemalan private sector, however, does possess these resources...

Business sector interests represented in Cerezo’s administration cover construction, commerce, agriculture, and finance. For example, Minister of Economics Lizardo Arturo Sosa Lopez "...presented to Mejia Víctores a detailed economic stabilization program, which the general rejected, but was applauded by the business sector" (Inforpress, 1987: 17). Cerezo's Communications Minister was past president of the Chamber of Construction.

Prime among those linked to agribusiness interests in general, and marketing in particular, is Cerezo’s Finance Minister Rodolfo Paiz Andrade who, representing the private sector group, FUNDAP, promoted Christian Democrat positions favourable to the business sectors in 1985 (Inforpress, 1987: 17). The Paiz family, whose holdings include transport
and warehousing services, own the largest chain of department/grocery stores in Guatemala. The Almacenes Paiz supermarket chain has operated since 1982 in the United States under the name of Carben. Carben exports US products to Guatemala while importing Latin American fruits, vegetables, seafood and other non-comestibles (CAR, XIV(37), 25/09/87: 296).

Also significant was Cerezo's choice of Federico Linares as Central Bank manager (Inforpress, 1987: 17). Linares was manager of Financiera Industrial and Agropecuria (FIASA), the largest of four private financieras, or financial houses, in Guatemala. The financieras began operating in the 1960s following US promotion and have served the interests of agribusiness development. USAID Agribusiness Development Project Number 520-0276, discussed in Chapter IV, favoured credit extension through the financieras because unlike the commercial banks they 1) "...specialize[d] in medium-term agricultural and industrial financing" and 2) they were seen to be less committed than the banks to traditional agricultural and industrial interests and borrowing practises (USAID, 1984: 11).

FIASA stood to benefit from the US$7 million to be sub-loaned through the USAID project examined in Chapter IV (USAID, 1984: 10-11). USAID had "...played a large role in supporting the financiera's [FIASA's] growth by giving it two loans for $5 million each in 1967 and 1972 for agroindustrial sub-lending" (USAID, 1984: 66). Jonas and Tobis (1974: 148) report that most of FIASA's early lending was directed to an extremely narrow clientele who were prominently represented on FIASA's board. USAID (1984: 11) tends to confirm this assessment for financieras in general, finding that credits have

...largely been confined to expansion of existing businesses rather than funding of new ventures, in part due to lack of internal resources to finance such undertakings. The financieras assessment of credit-worthiness is also heavily biased toward provision of suitable security or guarantees by credit applicants as opposed to a cash flow or profitability analysis.

The family of Jorge Castillo Love, president of FIASA, also has an interest in
agribusiness financing (Europa, 1987: 1264). The Castillo family, along with the Herreras who are discussed in Chapter Vi, were considered by Jonas and Tobis (1974: 145) to be

...the heart of the old bourgeois in Guatemala. They are the two most diversified, extended families, whose wealth originates deep within the 1800s.

The Castillos are particularly linked with US capital and have been involved with FIASA since its inception. They have also been linked with anti-union sentiments. In 1984, a union leader, Francisco Garcia, at one of the Castillo family holdings, CAVISA, was abducted by armed men, never to be seen again. This action spurred his wife, Nineth de Garcia, to form the Group of Mutual Support (GAM) with 50 other wives and mothers of the disappeared. The group which has itself now lost members to the violence, is currently the only human rights organization operating in Guatemala (See Frundt, 1987: 384-385). By 1974 the Castillo family holdings, directorships, and US joint ventures ranged from coffee, to beer, soft drink concessions, cattle, perfumeries and food manufactures.

Castillo Love's brother for example, was in 1968 president of an agroindustrial company, Industrias Agricolas Centroamericanas, and is presently president of Guatemala's largest bank, Banco Industrial, SA (Europa, 1987: 1264; Jonas and Tobis, 1974: 226). This bank was one of the very few banks that USAID expected to deal with its agribusiness credits, while its subsidiary, FINSA -- the smallest of the financieras, was the only one of the financial houses to express interest in financing cooperatives (USAID, 1984: 68). The other banks expected to deal in agribusiness credits included the Banco del Cafe and Banco de Granai Townson, whose representatives have also sat on FIASA's board.

Three other Castillos, whose ties to the Castillo family I have not been able to

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78/ See Jonas and Tobis (1974: 143-150) for the relation between FIASA and the Castillo family; for discussion of other Castillo interests and those of other prominent families in Guatemala, see Jonas and Tobis (1974: 213-251). Jonas and Tobis remarked on the need to examine the nature of Guatemala's elite. Given the changes which have occurred in the country during the past decade, such a study would now be an enormous contribution to understanding the present dynamics of the civil-political-army elites.
establish, merit further investigation as their influence in the development of agribusiness must be recognized as strong. The president of the Non-Traditional Product Exporters Guild (elected in August 1987) was Carlos Jorge Castillo. Further, the President of the military’s bank, Banco del Ejército, SA., is Carlos Arroyave Castillo while the President of the Banco Promotor, SA. established in 1986, is Julio Valladares Castillo (Europa, 1987: 1264).

Cerezo’s Central Bank manager Linares, still listed as general manager of FIASA in 1987, was working within a particularly close knit financial circle whose interests favoured the development of agribusiness (Europa, 1987: 1264). As president of the Bank of Guatemala until September 1987, Linares was responsible for the institute which would route USAID agribusiness credits to the financieras and commercial banks (USAID, 1984: 10). Further he helped draft, with the Ministers of Economy and Finance, the new civil administration’s Short-term National Social and Economic Recovery Program, which as discussed in the following chapter, promoted agribusiness as part of a short term solution to the country’s economic crisis (CDHG, 1987a: 9).

E. Conclusion

The Guatemalan elections witnessed a re-incorporation of dominant private sector figures into the State. Yet the reversal from an overt military state to a civilian administration did not signal the defeat of the Guatemalan military. For example, the military’s Self-Amnesty law instituted shortly before Cerezo’s inauguration was fully respected by the new President. Nor did the elections signal that broader interests would be heard by this State. Most clearly the indigenous of the Western Highlands remained sidelined from the political process.

While much emphasis has been placed upon the limits to civil rule in Guatemala, the analysis in this chapter has shown the importance of tracing the relation between military factions and civil political parties. Uniting the reigning ‘development current’ of the military and the Christian Democrats was a vision favouring the modernization of the Guatemalan
economy. This shared perception was developed before the discredited Lucas Garcia administration and crudely symbolized in the military’s Development Pole system which favoured cooperative development.

Analysis of the composition of the Cerezo administration has also shown that the Christian Democrats were able to attract private sector leaders at a time when the United States was favouring the private sector in the promotion of non-traditional agricultural exports. Examination of several dominant private sector elites -- the Alejos family in Chapter IV, and the Andrade and Castillo families in this Chapter -- has also shown that the lines between differing sectoral interests and assumed new and traditional interests can be blurred. Business sector placements within the Cerezo administration were consistent with promoting links with a diverse rather than narrow spectrum of business interests. As well, in keeping with Rosenberg’s assessment of the idiosyncrasies of securing power in Central America, the Cerezo Christian Democrats also placed family members in prominent positions.

The following chapter will examine the significance of these characteristics to an analysis of state policy based upon perceptions of the limits to autonomy arising from the conflict between the state’s roles in ensuring the general interests of society and in protecting dominant political and economic interests. The focus of this analysis will be upon the evolution of diversification and decentralization under the new administration and its potential of increasing the benefits of these policies for the indigenous rural populace.
VI. Chapter VI: The Development of Policy, 1986 - 1988

This chapter analyzes the development of agricultural diversification and regional integrated development during the first two years of the Cerezo administration. Both were promoted by Vinicio Cerezo as means to democratize political and economic opportunities in the Highlands. The analysis demonstrates how the prior development of these policies during the years of violence, the allegiances and formation of the Cerezo government as discussed in Chapter V, and the continuing climate of economic and political uncertainty in Guatemala have limited the scope for the first civilian government in over twenty years to realize its policy goals.

In order to demonstrate the unfavourable context within which these development policies were formulated, this chapter begins by highlighting major economic, political and human rights developments during the first two years of Cerezo's administration.

A. The First Two Years: Major Economic, Political and Human Rights Developments, 1986-1987

1. Economic Policy

Vinicio Cerezo assumed formal control of the State in the midst of Guatemala's worst economic crisis in fifty years. As previously detailed, a combination of developments long in coming and recently developing -- the decline of the Central American Common Market, increasing violence throughout the region, the world recession and weakening non-oil primary commodity prices -- wrought havoc with the economy, while capital flight and the State's inability to turn the situation around compounded the problems. Restraint measures undertaken by the Mejia Victores regime in 1985 demonstrated both the power of private sector lobbying associations and the ability of the masses in Guatemala City to mobilize despite years of brutal repression.

Shortly after his inauguration, Cerezo introduced the National Adjustment Program
to be implemented over the five year term of his presidency (CAHI, 1987: 4). The program envisioned reactivating the economy while simultaneously bringing together and encouraging representation from diverse interests in the country. Moreover, the program would seek expansion in the democratic process which would eventually lead to greater distribution. The first two phases of the National Adjustment Program which have been undertaken are outlined here:

1986: **Short-term National Social and Economic Reordering Program (PRES)**

PRES would put Guatemala's "house in order" as a basis for reactivating the economy. The program identified unemployment and inflation as central domestic problems, aimed to stabilize the quetzal, limit monetary growth, and stimulate production through the removal of price controls on more than 300 items. The proposal also promised a budget of Q.100 million for the creation of emergency employment for 40,000 people.

1987: **National Reorganization Plan (PREN)**

PREN was ambitiously portrayed as a "Fifth Strategy" for development. It would overcome the failures of previous policies such as reliance on the monoculture of crops, the reforms of the aborted "Ten Years of Spring," and MCCCA related Import Substitution Industrialization. The State would simultaneously increase exports and broaden the internal market through implementation of a number of projects addressing economic, political, international and social concerns.

With respect to social projects, the Cerezo administration extensively promoted the concept of a "Social Debt." Guatemala would treat the difference between its public investment (as a per cent of GNP) in health, education, and housing, and the Latin American average over the past decade, estimated to be Q.5,000 (US$2,000) million, as a non-cancellable debt owed to the poor.

The political project emphasized the State's desire to reduce inequalities by increasing its support to the populace from the top down and the people's participation from the bottom up. Internationally the government would follow its policy of active neutrality in the Central American region while pressing for the formation of a Central American Parliament (to be based in Guatemala) along the lines of the European Economic Community. As well, the State would encourage tourism and expand its exports to ASEAN, African, Israeli, Arab and Caribbean markets.79

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79/ This outline is derived from Appendix D, as well as: AE (1987, VIII(645), III (637); AP (1987, VIII (353); CAR (1987, XIV(21), XIV(36); and PL. (20/08/87).
Both PRES and PREN reflected Christian Democrats pre-inauguration policies which strongly promoted agroindustry as a motor of development. They are also consistent with the State’s social and economic obligations detailed in the constitution approved by the military before the 1985 elections. That document emphasizes principles of social justice while pursuing economic growth, the latter through increasing markets, attracting foreign and national capital, and protecting capital formation, savings and investments. The limits for achieving ‘social justice’ were, however, narrowly circumscribed. Cerezo consistently stated that his “transitional” government would not undertake land reforms; it would not prosecute military officers for human rights violations alleged to have taken place before his tenure. Moreover, it was also clear that despite a history of planning, strategies outlined to implement PREN appeared broad and general, or built upon already existing programs. What appear to be extremely optimistic goals were scheduled to be achieved within one to three years. In public documents, terms for financing many of the projects were vague, referring to international financing or to a then new and ill-defined fiscal investment fund (CAR, XIV(21): 64; AE, XIV(645): 2; Appendix D). While Minister of Finance Rodolfo Paiz Andrade later announced that the Social Debt


81/ Guatemala (1986: 38-39, particularly Section 10, Articles 118 and 119).

82/ Educational goals and implementation strategies exemplify the problems (see Appendix D; IDB, 1986: 56):

- The goals were optimistic given a limited time-span:
  80% of all school age children were to be brought to an education level of grade three, and the educational system reorganized: between 1987-1990.

- They built upon previously developed programs:
  Before 1987, the Inter-American Development Bank had agreed to help decentralize and regionalize education in Guatemala through financing of a large scale rural primary education program.

- International financial institutions were involved in their financing:
  During 1986, approximately 87% of resources assigned to pre-primary and primary education came from loans extended by IDB.
would be partially financed by sales of Q.272 million in treasury bonds, the Cerezo government also managed to pass a series of tax reform measures during 1987 (PL, 13/08/87: 4). This development highlighted the State's attempts to wrest power from the private sector and up to the end of 1987 Cerezo had managed to withstand substantial opposition. Work stoppages were led by CACIF and individual groups such as the Chamber of Commerce and the conservative farmers' association, UNAGRO, whose president headed CACIF during 1987. Cerezo is cited as blaming UNAGRO for "...much of the corruption over the past 30 years, and above all is looking to recuperate the power lost in the elections" (CAR, XIV(37), 25/09/87: 295).

Protest from the business sectors, however, was not unilateral -- for example, private banks did not participate in the work stoppages -- while support for the tax package came from an atypical grouping of classes and interest groups:

The Christian Democrat government has succeeded in getting its tax package approved in Congress, with the support of the Catholic Church, the army, union organizations [two of the three labour federations and the state university], and moderate political parties, which in itself is unheard of (CAR, 25/09/87: 294, 296).

Yet even with such a united front, the State’s gains in tax reforms were not made without concessions. Twelve original proposals were reduced to six by the time the package had passed the Assembly.83 The effects of the remaining tax package upon elites were argued to have been mitigated by the removal of price ceilings from over 200 consumer goods products during the first two years of Cerezo’s tenure (CAR, XV(3), 22/01/87: 22). Although the lifting of price ceilings was consistent with the State's desire to stimulate competition within the domestic market, critics saw the action as compensation for elites because of the tax increases. During this period, in fact, the prices of most staple goods rose rather than decreased (CAR, XV(3), 22/01/88, CAHI, 1987 5). Late in 1987 Economy Minister Lisardo Arturo Sosa Lopez would state that increased revenues were largely hoped to come more from better collection methods than from increased rates (LAWI, (WR-87-43) 05/11/87: 43). And by 1988, it was still assessed that "... as a percentage of

83/ Approved were an income tax, a stamp value added tax, property tax -- on self assessed value to be readjusted after sales, reversion of poultry promotion incentives, and a vehicle excise tax. A seventh proposal would have created a 2% customs tax on imports and exports, but it was rejected on the basis of unconstitutionality (CAR, XIV(37), 25/09/87: 295).
GDP, both government spending and tax income are among the lowest in the hemisphere" (EIU, 1988: 23).

In reflection of increasing consumer costs the State did increase minimum wages in 1988, the first time since the 1980 Sugar Workers Strike. This action followed upon the State's failed 1986 attempts to encourage voluntary wage increases and its granting of a Q.50 (US$20) per month increase to public sector workers (CAHI, 1987: 5). The average daily wage (based on calculations for 38 occupations) was increased to Q.5.80 (US$2.32) from Q.3.57 (US$1.43). However, according to Central America Report, an increase to Q.7.84 (US$3.14) would have been required just to maintain the real value of the 1980 average wage.

The ambiguous results of the tax package were paralleled by the ambiguous outcome of the first two years of the National Adjustment Program. By the end of 1987, the Minister of Economy was predicting a 2.5% growth in GNP for 1987 (Inforpress, 1987: 17). In 1986 the trade balance had shown a surplus of US$150 million compared with the previous year's deficit of US$3 million (LAWR, (WR-87-43) 05/11/87: 4). The administration managed to temporarily stabilize the Quetzal and by the end of 1987 inflation was temporarily reduced (LAWR, (WR-87-50) 24/12/87: 8). The Cerezo government, with more success than recent regimes, was also able to renegotiate much of its debt and attract foreign aid (CAHI, 1987: 1). External debt was at US$3.7 billion in 1985, by the end of 1987 it had been reduced to US$2.5 billion -- with slightly less than one-half, US$1.2 billion, owed to commercial banks. Investment had increased -- construction investment in Guatemala City alone was up 21% in the first six months of 1987, high investment in textile maquilas was noted, and non-traditional agricultural exports increased 54% over the first six months of 1986 (CAR, XIV(35), 11/09/87: 273). By September 1987, tourism had climbed to second place as Guatemala's top dollar earner (TW, X(34), 07/09/87: 272).

However, despite State efforts to reactivate the economy, major gains were attributed to extremely favourable coffee prices while sugar prospects, still Guatemala's third largest export crop, had also successively improved since 1985 (Inforpress, 1987: 25; Europa, 1987: 1255; EIU, 1988: 17). The nation's ability to pull out of the economic crisis was thus still related to changes in primary commodity prices -- in line with USAID's 1984 pronouncement that traditional exports would
remain the mainstay of the Guatemalan economy for some time to come.

In fact by January 1988 Cerezo was attributing his lack of progress in responding to social issues to less than hearty primary commodity prices -- coffee prospects had again decreased -- combined with increasing oil prices and a drought which had recently hit the country (CAR, XV(4), 29/12/87: 26). By the end of 1987 it had become clear that emphasis on social improvements and public investment had lagged behind State efforts to reach economic and political stability (CAR, XIV(35), 11/09/87: 274). For example, job creation planned under the 1986 PRES did not materialize and there were no discernible changes in health, education, employment and land policies since Cerezo took office. As popular sector protest began to grow, Economy Minister Lizardo Sosa warned that 1988 and 1989 would be difficult for Guatemala because US$200 million (dollar denominated) public bonds were due to be redeemed (LAWR, (WR-87-43), 05/11/87: 4).84

2. Human Rights

The President took some measures to placate demands for an increased respect for human rights. The investigation branch (DIT) of the National Police, "...notorious for politically-motivated abuses," was disbanded early in his tenure (AW, 1987: 11). Six hundred agents were dismissed but by February 1987 only one had been arrested -- he had been accused of killing a fellow officer. Moreover, a new branch had been formed -- the Department of Criminal Investigations. Curiously, the Cerezo administration adamantly asserted that politically motivated crimes decreased since January 1986, and that much of the rampant violence in Guatemala could be attributed to common crimes.85

According to a December 1987 military report, improvement of the country's human rights image also included the reorganization of the Treasury Police and G2, the military's intelligence

84/ This figure must be taken in the context of the public sector budget, which was US$1.2 billion in 1988 (LAWR, (WR-87-48).

and information section (CAR, XIV (49), 18/12/87: 389). The military also claimed that it was acting to curb internal abuses: 85 of its members -- including 23 officers -- were facing judicial action for common crimes (CDHG, 1987a: 1-2; CAR, XIV(49) 18/12/87: 389)\textsuperscript{86}.

Yet limits to curtailing human rights abuses were set with Cerezo's support for the Self-Amnesty law passed by Mejia Víctores before the new president took office. Efforts to have the Self-Amnesty decree repealed had failed to the end of 1987. In 1986 four UCN and two PSD deputies sponsored a repeal bill: the only Christian Democrat to support the repeal was Jorge Luis Archila Amezquita, chair of the congressional Human Rights Committee (AW, 1987: 15-16). The President of Congress, Christian Democrat Alfonso Cabrera, asked that the repeal be withdrawn. While this request was formally denied, the bill was sent for 'study' to a committee headed by UCN Jorge Skinner Klee, who was known not to support the repeal.

This development highlights the continuing power and influence of the military in Guatemala. Human rights monitors and the Group of Mutual Support (GAM) have directed attention to the Argentinean precedent. The Argentine military, withdrawing in defeat following the Falkland Islands incident, had similarly decreed a self-amnesty law before the 1983 civil elections. Soon after Raul Alfonsin took office, the law was declared null and void, thus opening the doors for the prosecution of military officers responsible for human rights violations.

While the State professed to support growth in respect for human rights, it had permitted only one -- high profile and internationally supported -- human rights organization to operate in Guatemala. This organization, GAM, continued to demand more tangible proof of the State's commitment to improving its human rights record for there were and are constant and concrete reminders that abuses continue. Representatives of indigenous groups, international human rights monitors, church groups, and URNG (now representing the three guerrilla groups, the Guerilla Army of the Poor, the Rebel Armed Forces, and the Organization of People in Arms) have consist-

\textsuperscript{86} In accordance with the 1985 constitution, the State also appointed a Human Rights Ombudsman: 82 year old lawyer Gonzalo Menendez de las Rivas. Shortly after the 1987 appointment, the El Grafico (18/08/87) depicted its assessment of the appointee in a cartoon of an elderly balding pockmarked man with no teeth.
tently condemned the continuation of the ICCs, the model villages and the Civil Patrols -- which they see as serving to control freedom of association and movement. Moreover, refugees have been slow to return to the country. Rigoberta Menchú, the exiled indigenous leader and campesina whose close family members met brutal deaths during the violence, insisted that repression of rural Indians intensified throughout 1987 (Reed, 1988: 12).

On August 13, 1987 the exiled Guatemalan Human Rights Commission published a letter to Cerezo in the Prensa Libre. It advised the president of its findings that since his inauguration to March 1987 there had been 572 extra-judicial executions and 142 forced or involuntary disappearances. Growth in human rights violations was also noted by the American embassy which reported that there were 87 kidnappings between January to August 1987, compared with 72 during the same period the previous year. By the end of 1987, Americas Watch had counted some 1,606 murders since Cerezo took office. 88

Unlike previous regimes, the civilian administration was not accused of perpetrating human rights violations, but censured for its inability to curtail them. For example, when a Social Democrat Party (PSD) representative from San Marcos and his brother were disappeared over the summer of 1987, the PSD criticized the Cerezo administration for its failure to deal with the problem without actually accusing it of partaking in this or other disappearances. Nor did the PSD, the most left of elected parties, target the entire military machine for the kidnapping. It only accused sectors of the army of performing as death squads (TW, X(131), 17/08/87: 248, CAR, XIV(33), 28/08/87: 261). The Cerezo government has paid more heed than recent regimes to the indigenous culture (see Appendix D). For example, with the support of foreign aid, there has been a new emphasis upon bilingual primary school education, in strong contrast to the monolingual Spanish teaching

87/ See ICCHRLA (1988, 1987); CDHG in PL (13/08/87: 45) AW, (1986), 1987; LAWR, (-WR-87-48) 10/12/87); CAB (March, 1987); CAR (XV(33), 1989/08/26: 259) and ROG (8(1), 1987).

88/ Cited in LAWR (WR-87-49, 17/12/87). Guatemalan newspapers routinely report deaths and kidnappings. Counting methods by independent monitors will differ according to whether they attempt to trace the political nature of a crime or enumerate all reported acts of violence.
practices which were emphasized during the height of 'the violence.' Indeed the constitution places emphasis upon bilingual education in predominantly indigenous regions (Guatemala, 1986: Article 76). Furthermore, in a concluding article of the constitution, the State also purports to recognize and protect indigenous languages as part of Guatemala's 'cultural patrimony' (Guatemala, 1986: Articles 143).

Yet a review of Article 60 - a list of items considered part of the 'cultural patrimony' -- reveals no mention of indigenous languages. It is Article 66, Protection of Ethnic Groups, which addresses indigenous languages. Under the terms of this article, the state is to promote and protect the use of indigenous languages and dialects. How this will be accomplished is not addressed. A similar vagueness is evident in constitution's treatment of bilingual education. Article 76 states that bilingual education will 'preferably' be taught in indigenous areas; it does not go so far as to insist that bilingual education 'must' be taught. In face of this vagueness and confusion, it is not surprising to find that Spanish remains the only official language in Guatemala (Guatemala, 1986: Article 143). The Guatemalan State's respect for indigenous languages thus stops far short of the example set by Peru which has recognized the indigenous Quechua and Aymara as official languages (Europa, 1988: 2135).

The Constitution also proposes to respect Mayan archaeological sites and indigenous art, folklore and artisanry as part of Guatemala's cultural patrimony, promising to open them to national and international markets (Guatemala, 1986: Articles 61, 62). In fact, since Cerezo's election discussions have been undertaken to initiate a common tourist route with Honduras and El Salvador -- the "Central American Mayan Triangle." At the same time, however, it must be recognized that Guatemala's growing tourist trade is built upon the presence of 'colourful natives.' The following international newspaper accounts demonstrate the concrete transmission of State goals to promote aspects of the indigenous culture for tourism:

The economic exploitation and racism that caused the unrest remain as fearsome challenges for the current civilian government. But the mountains are quiet enough for the curious to return. Those who come will be charmed by Guatemala's spectacular hand weavings, created by artisans drawing on intricate Indian folk traditions...(Knox (1987b: 23-24) in The Globe and Mail)
...Guatemala will surprise you. Since the restoration of democracy here, the country has shed its dark image as a land ruled by brutal generals. It's a place to study Mayan ruins and native textiles -- once you get past the Army roadblocks (Squire (1987: 20) in The Christian Science Monitor).

The degree to which the indigenous culture is being respected by the present predominantly ladino State must further be questioned in light of the continuance of human rights abuses and counterinsurgency offensives in the primarily indigenous Highlands.

3. Guerrillas and Military Offensives

According to Black (1984: 104) the revolutionary movement's greatest weakness had been in miscalculating the military. It was a miscalculation which, if the indigenous population -- whether actively supportive of the guerilla or not -- particularly vulnerable at the cost of too many lives (Lovell, 1987: 9; AW, 1987: 56). During Cerezo's first two years, however, the guerilla movement appeared to be gaining support. The military estimated that in May 1986 there were some eight to nine hundred guerrillas operating in 8 departments. A year later military officials stated that there had been no change in the situation, yet reported there were 500-2000 guerrillas operating in some 10 departments (AP, VIII(355), 23/04/87: 6; LAWR, (WR-47-83) 05/11/87: 5).

With the signing of the Arias Accord, the Guatemalan State agreed to talks with URNG, which it had previously refused unless the guerrillas laid down their arms (TW, X(29), 03/08/87: -225). However, following the October meeting in Madrid, the first of the series of increasingly serious coup attempts were detected, apparently undertaken by sectors of the military and civilians fearful of the State's willingness to open discussion with the guerrilla.

By December as well, insurgency had apparently picked up. The army's response "...was the biggest ever counterinsurgency drive in years" (LAWR, (WR-87-50), 24/12/87: 8). A military spokesperson contended that the escalation was due to "...the consequence of the army's initiative

89/ Representatives of URNG, including Rodrigo Asturias (or Gaspar llom), the son of Guatemala's only Nobel Peace Prize winner, met in Madrid on October 7 with Interior Minister Rodil and military observers (The Ottawa Citizen: 08/10/87: 16).
to destroy the guerilla bases. Newspaper reports from the period indicate that the citizen population of the Highlands was again sorely affected. Kinzer (1988: 6) reports that following the Madrid meeting "...more than 2,000 terrified Indians have descended to Nebaj and other towns for fear of what might happen to them in the countryside." Hood and Bazzy (1988: 3) reported that "[t]he military has rounded up some 1,600 Indian peasants who lived in the rebel-controlled zone [in northern Quiche]."

4. Land, Unions and Popular Protest

Land reforms were rejected by Cerezo. Instead the National Institute of Agrarian Transformation (INTA) released a "Program to Incorporate Private Farms in the Process of Agrarian Transformation," which

...points out that about 400,000 families lack sufficient land. It then goes on to propose a solution which in two years would meet the needs of less than 18,000 of those families (Inforpress, 1987: 46).

Two solutions were proposed: the first to provide direct financing to campesinos for land purchases, the second to sell them state owned lands (Inforpress, 1987: 46-47). In slightly over a year since Father Andres Giron, head of the Pro-Land Movement, led 16,000 campesinos into Guatemala City only seven farms benefitting 5,900 recipients were distributed for sale. According to Central America Report (XIV(33), 28/08/87: 26), the State was subsequently extremely slow in responding with support services.

Even Cerezo's extremely modest land initiatives have served to fuel private sector criticism.

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90/ Colonel Roberto Letona cited in CAR (XIV(49), 18/12/87: 389).

91/ The State's options have been noted to coincide with those promoted in USAID (1985a: 84-91) Land and Labor in Guatemala: An Assessment (see Inforpress, 1987: 46).

92/ CAR (XIV(47), 04/12/87: 374-375); AP (VIII(353), 02/04/87: 4). USAID, through the Fundacion del Centavo, is also financing campesino land purchases.

93/ One of these properties was a long abandoned 540 hectare coffee plantation in Chimaltenango. Eight months after their arrival, the 310 recipient families from Solola and Totonicapan had received little in the way of expected State support in health services, education, technical assistance and credit.
Clear resistance to land reform is reflected in the comments of Captain David Ordonez, President of both UNAGRO and CACIF:

Logically, if you start to give out land, everybody is going to want some... The real problem is that the government could lose control of the situation (Brown, 1987: 16).

Cerezo's tenure has seen a revival in union activity (LAWR, (WR 87-50), 24/12/87). However, the few gains made were largely concentrated in the capital city and in the public sector (Inforpress, 1987: 44-45). For example, while public sector workers achieved the right to strike, the 1987 labour code still prohibited agricultural workers from striking during most harvests (Guatemala, 1987: Article 243). Moreover, both labour analyst Hank Frundt (1987) and exiled labour leader Miguel Angel Albizures assert that resurgence in trade union activity began well before the elections, consistent with recognizing policy changes following the downfall of the Lucas State. During the Rios Montt regime, apparently to comply with the American Caribbean Basin Initiative, the Confederation of Labour Unity was created -- under the leadership of Rios Montt's personal attorney (Frundt, 1987: 395). Albizures returned briefly to Guatemala in 1987, but despite the increased scope for union activities, did not feel conditions were safe enough for him to return permanently (CAR, XIV(45), 20/11/87: 54).

Campesino organizations have also been growing in rural areas while representatives of indigenous groups have continued to carry their demands to international audiences. Through the United Nations Working Group on Indigenous Peoples, for example, the United Indian Delegation of Guatemala in 1988 condemned the continuation of human rights abuses through military offensives, the institutionalization of the Civil Patrols and model villages, and the State's manipulation of their culture (CAR, (XV(33), 1988/XV/33: 263).

By the end of Cerezo's first two years unmet social demands were coalescing in escalating protest. On January 8 1988, 50,000 campesinos, in "...the largest protest in the [Western Highlands] in 20 years" gathered to protest incoming property taxes and a 40% increase in electrical

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94/ Labour union organization was aided by the formation of GAM and the hard won success of the COKE strike -- where after a decade of violence and 376 days of occupation, workers saw a unionized plant reopened (Frundt, 1987).
rates (Reed, 1988: 1). A month earlier, various labour, church and student groups and relatives of the disappeared had marched in support of GAM and striking bakery and textile workers. In January, the newly created Unidad de Accion Sindical y Popular (UASP) initiated two such protests. As well as important labour federations and unions, the UASP has attracted the Association of University Students and the "...recently resurgent Committee for Peasant Unity" (CAR, XV(3): 22; LAWRR and LARR, 1988-1989).

The demands issuing from these protests are as wide ranging as the interests represented. Besides roll backs in electrical prices, protesters called for

...a major increase in the minimum wage; a rollback of prices for basic commodities; respect for human rights and an end to kidnappings [sic] and assassinations; rejection of the foreign debt, and the forced repatriation of money Guatemalan business leaders have invested in U.S. and other foreign banks; freedom for trade unionists and farmworkers to organize and strike; and the annullment of a proposed property house tax for small landholders and Indians. (Reed, 1988: 12).

This growing protest is reminiscent of developments in the late 1970s. While the mass movement and labour organizations remain somewhat divided in focus and ideology, making "...unified action a formidable challenge," it is clear that the denial of economic, political and social justice is uniting both ladinos and indigenous persons. Integration is again coming from the bottom up, encompassing concerns of both groups, rather than from the top down, guided by the State’s development plans.

By late February a lower court had issued a temporary injunction on electrical price hikes, while the Human Rights Ombudsman declared them unconstitutional. However, these developments should be taken in the context of the fact that CACIF, whose members were to bear the brunt of the hikes, had also demanded their roll back.

B. Decentralization and Diversification

It is within this context of enduring fear and repression, continued economic instability.

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95/ The State had attempted to raise these rates in 1986 (CAHI, 1987: 5). Although directed towards high consumption users, fears existed that the increases would be passed on to consumers.

96/ CAR (XV(33), 1989: 258)
continued reliance on external markets, the rising cost of living, the growth of protest, and increasing demands for equity -- that the Cerezo government intended to democratise political and economic opportunities through decentralization and diversification. As is shown in the following analysis these policies have evolved from or continue to be accompanied by the counterinsurgency and relief measures introduced prior to Cerezo's administration: the Interinstitutional Coordinating Committees (IICCs), the Civil Patrols and the Development Poles.

1. **Interinstitutional Coordinators and Integrated Regional Development**

Chapter IV demonstrated that the IICCs impinged upon the political structure of the municipios, which have been recognized as a central organizational unit in the indigenous Highlands and the subject of State manipulation since the colonial period. In the late summer of 1987, the Cerezo government created a system of "Urban and Rural Development Councils," essentially a civilian form of the IICCs, and justified them under a program of regionalized integrated development begun with the Preliminary Regionalization Law of December 1986.97

The invocation of an integrated development process is highly significant to understanding the manner in which the Cerezo State approached social reforms. This section begins with a discussion of integrated rural development (IRD) as formulated by the World Bank (1975) and criticized by Grindle (1986: 160-174) and Ruttan (1984). These authors have argued that differing IRD experiences since the 1970s have demonstrated that rather than benefitting the poor, large scale IRD has tended towards increased State control over populations and development. While the World Bank's policy focused upon rural areas and the modernization of agricultural practices,

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97/ Decree 70-86 established eight development regions on the basis of economic, social and cultural homogeneity (AP, VII(367), 16/07/87: 1-4):

1. Metropolitan region: Department of Guatemala
2. North: Alta Verapaz and Baja Verapaz
4. Southeast: Jutiapa, Jalapa, and Santa Rosa
5. Central: Chimaltenango, Sacatepequez and Esquipulas
6. Southwest: San Marcos, Quetzaltenango, Totonicapan, Solola, Retalhuleu and Suchitepequez
7. Northwest: Huehuetenango and El Quiche
8. Peten: Peten
the Guatemalan State's policy is directed to both urban and rural areas and the encouragement of multisector development. Despite these differences, the World Bank model does provide a basis for understanding the problems inherent in large scale integrated programs of development.

IRD began to be promoted in the early 1970s. The World Bank recognized that if IRD were implemented at regional or national levels it would require strong investments in targeted areas in order to improve infrastructure and services such as technological access, small scale irrigation systems, health programs, basic education, roads and waste disposal. Successful integration of the myriad number of agencies that these initiatives entailed would demand strong State commitment to IRD, "strong coordination at the centre," and, importantly, effective local level organization and participation which would be encouraged through the promotion of cooperatives (WB, 1975: 249-250).

The impetus for IRD came from recognition that previous development policies such as import substitution industrialization and colonization were proving incapable of alleviating Third World poverty, and instead were serving to reinforce unequal social relations. Further, over emphasis upon industrialization was seen to have led to the stagnation of rural areas, now considered to be "...bottleneck[s] for national development" (Grindle, 1986: 8; Ruttan, 1984: 394). IRD was further seen as a means of strengthening the position of the poor without impinging upon, benefitting, or threatening elites.

The principles of IRD can thus be seen as aligned with the general pattern of Cerezo government policies through its first two years. This pattern, which sought social reforms while not greatly impinging upon civil or military elites, was exemplified by the State’s attempts to expand political and economic opportunities but to not prosecute for human rights violations nor institute land reform. State emphasis upon the bases of the World Bank’s IRD can also be appreciated as the outcome of the Christian Democrats’ long association with ‘modern officers’ who could support their plans for development. Guatemala’s constitution, approved during the military’s tenure after the fall of Lucas Garcia, obliged the State to establish development regions, decentralize administration and promote the decentralization of industry for the benefit of regional integrated
Moreover, the Christian Democrats had since the mid-1970s

...maintained in official position papers and analyses that an integrated development process can only take place in the country through a party with a popular base and with the army's permission (CAR XIV(37), 25/09/87: 292).

In the mid-1970s, this 'popular base,' similar to the World Bank model, was being encouraged through cooperatives. Chapter V demonstrated that as the Christian Democrats gained influence in the early years of Laugerud's administration, the cooperative movement gained stronger support from the State (Handy, 1986). The movement was halted during the latter years of Laugerud's administration and through the now discredited Lucas Garcia regime when cooperative members, as well as the community and church leaders who supported them, became targets of massive State repression.

Now the State is again promoting the growth of cooperatives, but as was shown in Chapter IV with respect to diversified agricultural production, cooperatives do not necessarily imply support for popular participation. They can serve to facilitate organization for capital and they can be compromised by state control so as to make their effective organization insignificant and fraught with division. Given that counterinsurgency measures in Guatemala continue, the scope for recognizing state support for community or cooperative initiatives also remains low. Critics of large scale IRD have argued that IRD itself has often become used as a means of controlling development and unrest rather than promoting effective and democratic participation (Grindle, 1986); Ruttan, 1984).

a. National Development Versus a Base for Development

Grindle (1986) has criticized large scale state run IRD programs in Mexico (PIDER),

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98/ Article 119 details the State's social and economic obligations. Subsection (b) determines that the State should promote in a systematic manner economic administrative decentralization of the country in order to promote adequate regional development; (f) requires the State to offer incentives to industrial companies who establish in the interior and contribute to decentralization;

Article 224 states: "...administration will be decentralized and development regions established upon economic, social, and cultural criteria. These development regions may be integrated by one or more departments to more rationally guide the development of the entire country...." authors translation, Guatemala (1986).
Colombia (DR1), and Brazil (POLONORDESTE). On the one hand, she disagrees with their perceptions that rural areas are "bottlenecks," based on assumptions of dual and dichotomized economies -- that is, modern agricultural and industrial sectors and traditional "backward" agricultural sectors. The assumption denied the possibility of a relation between the expansion of large scale capitalist enterprises and deteriorating conditions among the rural poor. In doing so IRD programs could not address the root problems of the rural poor, and instead fed into them.

On the other hand, IRD’s emphasis upon strong central control of resources often succeeded in strengthening State control of rural areas to the detriment of effective community participation in rural areas (see also Ruttan, 1984). The institutional arrangements of IRD, in fact, expanded the State’s capacity to diffuse and disaggregate demands as rural populaces became more dependent on the State for their survival.

In Guatemala, increased dependence on the State can be seen to have emerged with the growth in the distribution of food aid controlled by the National Reconstruction Committee (CRN) since the early 1980s. During 1986, Manz (1988: 119) found considerable regional disparities in the distribution of both private and State assistance. For example, far greater relief efforts were noted in the conflict torn Ixil than in lesser affected areas of Huehuetenango. She determined that the model village of Acul had "...been completely dependent on food aid for over two years, a sharp change from life in the original Acul" (Manz, 1988: 120). Although this might be a worse case scenario, Manz (1988: 120) concluded that for the region’s largely indigenous residents, food aid programs

...illustrate the fact that residents of the region have lost their small margin of economic independence, based on land and markets. Although people were accustomed to supplementing subsistence farming with seasonal migration, a measure of economic autonomy existed at the individual and community level. Now, residents are dependent on government handouts in a manner contrary to their traditions and preferences.

Manz (1988: 120) further argued that in the Ixil Triangle much of the assistance was essentially "stop-gap, emergency measures," and that both Catholic and Evangelical churches in the area were arguing "against creating aid-dependency." The scope for acknowledging increasing dependency in this area is great. Food Aid to Guatemala has quintupled since 1981, from US$8.1 million in that
year to US$45.7 million in 1987 (CAR, XIV(43), 06/11/87). Through 1987 United Nations Food for Work programs alone were directed to over 567,000 workers and their dependents, while 29.3% of the entire population received some sort of food aid during this same period.\footnote{22}

Manz's assessment of conditions in the Highlands are consistent with those of other observers since Cerezo's inauguration.\footnote{23} They are also consistent with Guatemalan counterinsurgency strategies developed in the early 1980s such that it would appear that Rios Montt's philosophy of "Security and Development" is embodied in current military policy. During 1986, an article in the Revista Militar linked political, economic, psychosocial and military actions as the basis for achieving national stability.\footnote{24} The State distribution of food aid and simultaneous curtailing of mobility and local initiative through the Civil Patrols and the IICCs is consistent with Grindle's (1986: 174) conclusion that "...the new resources of power and policy available to the state [through IRD] were frequently used to deal with the threat of rural protest." While the present dominant military faction emphasizes that unmet social needs are at the base of much of the nation's discontent, its actions in this respect reflect concern with meeting those needs so as to retain control, rather than raising the participation of indigenous in the nation (see Berganza, 1987: 8).

b. The New Urban and Rural Councils

In line with the World Bank's call for strong coordination in IRD programs, the outgoing Mejía Victores regime appears to have recognized the import of institutionalizing its IICC system. As the military commander of Coban asserted before the 1985 elections:

The army also expects the civilian government will respect the military's plans against subversion ... [The army has done] a professional job that has already marked out its future directions. The army believes the civilian government will inherit a solid organization. The

\footnote{22} CAR (XIV(43), 06/11/87), based on figures from the United Nations World Food Programme, Catholic Relief Services, and CARE.

\footnote{23} See in particular, Canada Mission to Guatemala (1986)

\footnote{24} 'Tesis de Estabilidad Nacional,' RM (May-August, 1986), pp. 73-79.
proof of this is the Institutional Coordinators.25

The 1985 constitution included provisions for the establishment of civil rural and urban councils at national, regional, and departmental levels (Guatemala, 1986: Articles 224-228). Smith's (1978: 583) study of Guatemala's administrative and commercial systems argued that the weakest administrative link was at the intermediate department level. In this light, the departmental and regional councils would appear a mechanism for facilitating regional development plans. Lobbying by various communities for control of regional seats through the summer of 1987 indicates that middle level administration might be assuming importance.26

By the time that the council system was approved in 1987, the executive had included local councils at the level of the municipio in the package (EG, 04/09/87: 2, 31; AP, VIII(367), 16/07/87: 1-4). These levels, according to Smith (1978: 583) were strong, fairly autonomous in handling local affairs, and in line with the 1987 legislation, they were already accustomed to accept "...little power to develop programs or strategies apart from those pushed at the national level" (see also Manz, 1988: 11-12). The State's decision to impose another layer of administration at the lower levels in the context of continuing counterinsurgency measures must be understood from at least two perspectives: 1) that of continuing to break the cohesion of communities the military felt had supported the guerillas and; 2) that tied to increasing dependence upon the State. The latter can be further illuminated through Rosenberg's critique of the bases for power in Central American politics.

Rosenberg (1987: 197), discussing Central American political control in the context of consolidating interests, comments that "[w]hat matters is keeping the particular clientele interests dependent on one's access to power and largesse." Chapter V demonstrated that the State is still in the process of gaining support after many years of division. Individuals on local level council


26/ During a meeting of the National Association of Christian Democrat Mayors, the mayor of Esquilta presented arguments for establishing one regional seat in Esquilta (PL, 13/08/87: 27). In another incident, the Committee for the Defense of the Interests of Chiquimula was also lobbying for a regional seat (PL, 18/08/87).
would become a new 'cliente' group for the State and a new centre for lobbying within their communities: they would channel State development initiatives, having retained "...a certain autonomy...to coordinate activities on that level, review project proposals according to local needs and devise plans" (CAR, XIV(37), 25/10/87: 292).

The Guatemalan State's goal to broaden its base of support was not missed by opposition parties and "...many of the country's mayors" (CAR, (XIV(37), 25/10/87: 292). The law creating the new councils was passed when many opposition members had walked out to protest incoming tax reforms. The timing of the legislation is significant to this argument for it had been announced that mayoralty races would be held in 270 of the country's 330 odd municipios during 1988. These contests would take place in municipios with less than 20,000 residents and 10,000 voters: (PL, 25/08/87: 8). As legislation for the council system took shape over the summer of 1987 the base line for forming the new councils dropped from 500 people to 250 (CAR, XIV(37), 25/09/87: 292).

A further problem with the councils which must be considered is the possibilities the system opens for corruption in many impoverished communities. There is evidence that the present administration is acting to control abuses as it implements its integrated regional development programmes. For instance, the new development councils were to phase out FYDEP, the parastatal agency for the development of the Peten which has long been implicated in corruption.27 Secondly, the CRN has been censured for corruption. In February 1986, several army CRN officials were fired and a few imprisoned after the discovery of the disappearance of some Q.2 million worth of food supplies. CARE's recent examination of its food aid distribution system signals the far-reaching extent of corruption: irregularities were found in some 2/3 of the government's 900 health posts which administer its programs (CAR, XIV(43), 06/11/87; PL, 14/08/87: 17). This may have only been the tip of the iceberg. Indigenous peoples of Santo Tomas Chiche, El Quiche, implored Cerezo for assistance through the Prensa Libre, charging that CARE had not questioned the indigenous members of its community during its inquiry (PL, 19/87/08/14: 16).

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27/ When FYDEP published a list of those who would receive land grants in 1975, beneficiaries included the Congress Secretary and Deputy of the Ruling Party, as well as the Ministers of Agriculture and of the Interior (Plant, 1978: 75).
While the State was acting to publicize and prosecute blatant cases of abuse, it may have been leaving intact the source which bred the growth of corruption. According to Manz (1988: 243), under the IICC system, no one serving on a committee was "paid directly for that work." As was discussed with respect to the institutional bases for military corruption in Chapter III, and as Hoy and Belisle (1984: 13) remark in their study of environmental control in Guatemala, low wages have contributed to graft and to abuse of public sector and military positions. Given the levels of corruption and Guatemala's recent history of fighting over access to bureaucratic resources, the fact that the urban and rural councils will have preferential access to development funds and materials does not bode well.

c. Discussion

It has been demonstrated that the State has developed the IICCs into a new urban and rural council system within the context of a broad based regional integrated development process. The impetus for this policy is argued to have its origins prior to the onset of the violence and can be seen to link the Christian Democrats with the 'development current' of the military. While IRD sought to strengthen the position of the poor without impinging upon elites, today the policy tends towards the State's goals for both national development and counterinsurgency. The potential of IRD to strengthen state control over resources and development is consistent with State counterinsurgency measures which have been directed towards the political composition of indigenous villages and the changing of relations of production in the Highlands.

However, improvement in the state's capacity to stimulate development was not noted by observers. Rather communities have become dependent on the state for survival, a State which has not been able to consistently provide needed services. The following sections examine the development of the Civil Patrols and the Development Pole system under Cerezo, before turning to examination of non-traditional agricultural production. This examination will continue to focus

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28/ For example, with respect to FYDEP, control of the CRN, the FTN, and the government health posts.
upon the State's increasing control of the development process.

2. **Civil Patrols**

The impact of the Civil Patrol system to undermine and divide communities was documented in Chapter IV, and as Handy (1986: 408) states, the patrols along with the Development Poles have played a large role in destabilizing the autonomy and representation of municipios. Some Patrols had disbanded or were never put into force before 1985. This held true during much of the first two years of Cerezo's administration, though in areas of conflict Civil Patrols appear to have remained a prominent and debilitating part of every day life (ICCHRLA, 1988: 40).

Cerezo promised to introduce legislation in 1987 to truly make the Patrols "voluntary." Moreover he acted to

...remove leaders of local patrols -- some of them LADINOS (non-Indians) -- who had used their positions to consolidate their power over the Indian population (AW, 1987: 47).

Yet, by the end of 1987, Defense Minister Gramajo said that while the Patrols had "...practically been abandoned in the past year...with the recent increment in insurgent activity, some patrols were reorganized and fortalized [sic]" (CAR, XIV(49), 18/12/87: 389). Renewed dedication to the Patrols seems to also have come from Cerezo. The 1987 PREN suggested that urban crime be prevented through new "voluntary civil defence committees." Gramajo confirmed this development in December 1987, stating that training would be carried out by the military (CAR, XIV(49), 18/12/87: 388).

Besides intrusion into the political fabric of the Highlands, the Civil Patrols have also been noted to interfere with migratory labour and agricultural production. During 1986, Christian Democrat Deputy Diego Velasco Brito presented a petition to Cerezo and the Defence Minister from thousands of peasants in El Quiche. The petition asked for the elimination of "...daytime patrol duty, stating that it interferes with their farming and their economic income" (GNIB, 1986 (4): 9). Velasco further stated that the "...problems created [sic] by the patrols exist in almost every highland department." Interference was most often reflected by patrol members either having to
seek passes or pay for replacements before any extended absences.\textsuperscript{29}

Smith (1988, 1987) points out that not only have the Civil Patrols inhibited seasonal migration but they are wreaking havoc with the regional market system.\textsuperscript{30} Smith (1988) has examined political and economic changes between 1980-1984 in the (95\%) indigenous municipio of Totonicapan which was relatively unscathed during the years of violence. Totonicapan has depended on the regional market system (largely through the fabrication of indigenous cloth for clothing and long distance trade in these products). Her study was conducted before the Cerczo takeover and the continued long term presence of the Civil Patrols. Smith's consideration (1988: 39) of the possible long term effects of the control measures are disheartening support for an argument which sees the State forcing changes in the economic fabric of the Highlands:

The present material basis for autonomous Indian communities is Indian control over domestic trade and the production of many Indian consumption goods. If this too is eliminated by the new 'development and control' strategies planned for the western region, there will no longer be a material basis for autonomous Indian communities. In this respect, then, consideration of the case of Totonicapan helps reinforce the depiction of present-day ethnocide. Because of the violence, death, and destruction that have taken place elsewhere, Totonicapan's indigenous economy -- the material basis for its ethnic strength -- is also near death.

The Civil Patrols are thus causing a great deal of distress and frustration within the Highlands, but they are in keeping with the thrust of the State's regional integrated development program which would foster regional development, stem migration to areas of overconcentration, and develop market channels geared to export rather than regional markets.

The State's ability to promote regional development also rests in its ability to provide social and industrial infrastructure in the Highlands as well as stimulating development initiatives. However, as was shown in the beginning of this chapter, the State's slowness in responding to social demands in general was resulting in increased protest. The manner in which the State has supported infrastructure growth is documented in fuller detail in the following two sections.

\footnote{AW (1986); Manz (1988: 11, 40-41); ICCHRLA (1988); and Smith (1988).}

\footnote{While less attention has been paid to the effect of the Civil Patrols upon the regional marketing system, observers other than Smith have made reference to restrictions in this area. See AW (1986: 70) and Manz (1988: 78, 102).}
3. Development Poles

Official support for the Development Poles has declined. During February 1986 both Cerezo and the Minister of Urban and Rural Development participated in inaugurations of Development Pole communities (ICCHRLA, 1987: 31). However, despite the fact that other Poles had been planned in the Highland departments of Solola and Chimaltenango, none have been created. Further, there has been a shift with respect to the civil government's intentions for the existent Development Poles in line with the IRD premise of strengthening social services in rural areas. Report on Guatemala (June 1986: 1) cites President Cerezo as asserting that they could

...be very useful in delivering health care and supplies to people who are scattered and who otherwise have no public service at all.31

The following discussion will examine the modifications to the Development Pole program from three perspectives. The first will examine the implications of external pressures to repatriate refugees. The second reviews continuing military control of existent Pole communities. The last examines the connection of the Development Pole system to the State's expanded plans for integrated regional development.

a. External Pressure and Refugee Landholdings

Chapter IV demonstrated that the military intended that certain of the Development Poles house returning external refugees. Since Cerezo, this position appears to have been modified by the exertion of external pressure. Manz (1988: 7) summarizes the nature of this pressure:

Policymakers in the United States and Guatemala would welcome repatriation as a potent symbol of political stability and an end to human rights abuses. The Mexican government is anxious for the refugees' departure because their camps add additional tensions to a country already plagued with serious economic and political problems.

Following the signing of the Arias Accord in August 1987, greater international attention has been paid to repatriation throughout Central America (CAR, XV(2), 15/01/88). Guatemala's Development Poles have been a sore point as they have been condemned by indigenous, human

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31/ See also Inforpress (1987: 17).
rights, church and resistance groups.\textsuperscript{32} Justification for this condemnation comes above all from the refugees themselves who have refused to return to Guatemala if it means internment within the Development Poles.

In July, 1986 the El Grafico published a letter to Cerezo from a group of refugees in Mexico listing their conditions for return:

\textit{...punishment of those responsible for massacres, return of their land, elimination of the civil patrols, and indemnification for damages.}\textsuperscript{33}

Cerezo responded to these and other such demands by stating that refugees need not return to the Development Poles, but could return to their villages or any other agreeable location (Maldonado, 1986: 22). With that pronouncement a central issue for the refugees became that of resecuring their lands. In October 1986, the Guatemala Special Committee for Assistance to the Refugees (CEAR) was established to work with Mexican authorities and the United Nations High Commissioner on Refugees (UNHCR). CEAR has a mandate to settle returning refugees where they so desire; municipal authorities and INTA were then responsible for helping the returnees resecure their lands or secure new lands (Lamb, 1987b: 32).

Refugees' lands have not always been available upon their return; it seems that PAVA's tears in 1984 that INTA was appropriating refugees' plots were being realized (see Appendix C). Manz (1988: 52-56) reports cases of land seizures without compensation by INTA as well as cases of 1) land held by relatives of the missing, 2) land seized by army officials or others, 3) land used by the army for resettlement, and 4) land still declared "off-limits" for settlement within the conflict areas.

\textsuperscript{32} These groups criticize the conditions in the Poles as described in Appendix C. These conditions did not appear to have changed substantially during Cerezo's first two years. This observation is based on examination of: Canada Mission to Guatemala (1986); Manz (1988); Inforpress (1987: 18); AW (1987: 40-46, 73-77); ICCHRLA (1987, 1988); and Michaels (1988). In 1987 the Governor of El Quiche and a DC deputy criticized conditions within the poles and their incompatibility with residents' needs (ICCHRLA, 1988: 41). Further, the UCN deputy for El Quiche, Dimas de Leon Paredes, spoke of the misery of 5,000 Ixiles housed in galeras, or open sided roofed structures. His criticisms were announced in El Grafico (28/08/87: 10) in this manner: "Dimas de Leon (UCN), "Ixiles viven una tragedia constante": Diputado pide mayor atencion a los indigenas de Nebaj, Chajul y Cotzal."

\textsuperscript{33} El Grafico, 02/07/86, in AW (1987: 78).
The extent of these expropriations is not known. Manz's findings must be considered preliminary for reasons which she herself emphasizes: the "fear and distrust" developed through the violence made fieldwork at times difficult and dangerous for both researchers and informants (Manz, 1988: 2-3). However, INTA itself appears to have legitimized its practice through the announcement that it "... would be giving away land in the Lxcan abandoned for more than one year."\(^{34}\) Bucaro Gonzales, head of INTA, further stated that if a refugee returns and "...his parcel is already occupied, we will have to tell him that he will have to get land somewhere else. He will have to find other land and start all over again" (Manz, 1988: 143).

While this statement appears to have been made before Cerezo's 1986 announcement that refugees could return to their lands, a later article in the UNHCR journal Refugees (44, August 1987) indicates that land seizures were continuing. Lamb (1987a: 31) asserts that from March 1987 some returnees have come back to [Huehuetenango to] find their small plots of land occupied by others in their absence. While this has caused the expected problems for some of the former occupants when they claim their lands, others have found alternative sites.

Although the leadership of INTA has since changed,\(^{35}\) I have been unable to determine whether there was a wholesale changeover and restructuring of the agency. It seems unlikely, because other attempts to curtail corruption, such as the disbanding of the DIT and FYDEP, have received much attention in the Guatemalan press. In any case, it appears that the State's new agrarian land program -- again under the management of INTA -- which favors purchasing lands from larger landholders for resale to campesinos is also countering the State's program to return refugees.

Appendix C showed how residents in Las Violetas were raising funds to purchase the site from the Brols, one of the major land holders and coffee growers in El Quiche (Burgos-Debray, 1984). According to Painter (1987: 36-37), the Brols have diversified to cardamom, one of the most profitable of the recent non-traditional agricultural products (See Appendix C). Smith (1987)

\(^{34}\) La Palabra, (1986/05/26) in Manz (1988: 143).

\(^{35}\) INTA's president in August 1987 was Nery Orlando Samayoa, not Bucaro Gonzales (AP, 08/01/87: 2-4).
reports a case where INTA purchased holdings of the Herrera Ibarguen Company for the establishment of model villages and subsequently charged out the lands to residents. The Herreras were the family mentioned along with the Castillos in Chapter V as "the heart of the old bourgeoisie in Guatemala" (Jonas and Tobi, 1974: 145). Their diversification agenda had led them to invest strongly in sugar which has been fluctuating in potential during much of the recent decade.

It appears then that the State's present land program is compensating large producers like the Herreras and Brols. Moreover, it is the landless -- landless because of the destruction of 440 villages during the violence -- who are compensating large landowners. This pattern is reflective of Guatemalan land distribution efforts since 1954 which have favoured largeholders and thus is of importance in assessing the State's capacity to support development schemes intended to democratize agricultural opportunities.

An indication of the unsuitable conditions existing in the Highlands rests with the numbers of refugees who have refused to return to Guatemala. Between January 1986 and August 1987, 1,191 refugees returned with UNHCR assistance (Lamb, 1987a: 31). This represents only a slight improvement in repatriation over the period of 1984 and 1985 when 1,002 returned in this manner. Given that in July 1986 there were more than 40,000 Guatemalans receiving assistance in UNHCR supported refugee camps in Mexico, and up to 110,000 others assumed to be in Mexico without United Nations support, the State's success rate in repatriating refugees has not been high (Refugies, (34), 1986: 23; O'Malley, 1987: 9).

36/ The Herrera Ibarguen family, under the Compania Agricola e Industrial El Baul, S.A., owned among other properties, El Baul, which at over 13,000 acres was one of Guatemala's largest sugar estates in the 1970s (Platt, 1978: 24, 81-83; Jonas and Tobis, 1974). Roberto Herrera Ibarguen, noted anti-communist, served as Minister of the Interior under Arana, the 'Butcher of Zacapa.'
b. **Internal Refugees and Military Reaction**

The experience of internal refugees in Alta Verapaz reveals a definite division between Cerezo and the military with respect to the Development Poles. In 1986 slightly more than 100 Kekchi Indians turned themselves in to the Bishop of Coban, Monsignor Gerardo Flores Reyes. Flores obtained the aid of the Christian Democrat Departmental Governor, Juan de Dios Martines, who said he would

...override the local military command who demand that the refugees be turned over for internment in one of their model villages (cited in AW, 1987: 76).

Soon after, two patrols of soldiers arrived in the area. They rounded up an additional 75 displaced in the area and sent them to the reeducation camp of Acamal. Cerezo himself then intervened, promising the group access to other lands. During March 1987, the civil government sanctioned this development with a ceremony symbolically turning over property. 37

Defence Minister Gramajo has complained that the civil government had abandoned the Development Poles, leaving them "orphaned" (CAR, XIV(11), 27/03/87: 90). Americas Watch (1987: 74) reported that the military had stopped supplies of food and building materials in some communities

...stating that it was the civil governments responsibility. The civil government has not been able to meet the need, however, and hunger, disease and unemployment are common. Americas Watch also indicated a case where both the military and civil government appeared to be competing. Both the civil administration and the military have hired development promoters. Journalists told Americas Watch that the military had hired 1,500 "social promoters," the Cerezo government, 500. In August 1987 the El Grafico (19/08/87: 6) indicated that the civil government was having troubles getting its program off the ground. Two promoters representing 161 others

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37/ See AW (1987: 76-77). Other groups have sought out Flores for help in reintegration (CAR, XIV(11), 27/03/87: 89-91; Leffler, 1988: H5). On February 26, 1987, for example, the Bishop received 106 people in Los Pacayas near Coban. Los Pacayas was bombed a few days later, Central America Report (XIV(11) 27/03/87: 90) speculated that the military believed the displaced were connected to subversives. Civil authorities this time attempted to locate the group in Playa Grande. The Bishop disproved because of ongoing guerilla and counterinsurgency measures in that area and the "...campesinos themselves were against taking over lands of others who had also fled the violence" (CAR, XIV(11), 27/03/87: 90).
reported that long after having finished their training they had not yet been put into service, creating hardship for themselves and their families.

While the social and development aspects of the Development Poles have lapsed, existent Poles are still in operation, many under the military control. In February 1988, in the midst of counterinsurgency efforts following the Madrid meeting, an Americas Watch delegation in Nebaj witnessed 182 Indians brought down from the surrounding Highlands by the military: "They were being interned in squalid conditions for three months of "reeducation" (Neier, 1988: 26).

c. Continuance of the Development Pole Concept

While much of the Development Pole system has stagnated, the "Development Pole" concept must be recognized as very much a part of current State policy, for it is at the heart of integrated regional development. Yet, if the changes that the Poles implied -- an organization of labour based on the centralization of population and changes in agricultural production -- are still part of the State agenda, why does there appear a decline in efforts with respect to these Poles?

The answer partially rests in recognition of the fact that the success of projects like Development Poles or integrated regional development are dependent upon the State's capacity to implement a number of complementary policies. These include the provision of social (health, education, etc.) and economic (roads, electricity, etc.) infrastructure and the decentralization of industry away from Guatemala City. This infrastructure represents state support for the development of regions which were not of importance when the economy was limited to coastal plantation production. They are distributive in nature, and thus according to Rueschemeyer and Evans (1985), will be by definition harder to implement, dependent on the relative autonomy of the Guatemalan State to implement policies in the face of elites who refuse to contemplate social reforms.

The Development Poles represented sizeable State investments. Manz (1988: 208-209), working from a released army budget for the model village of Ojo de Agua in the Ixil Triangle, determined a per-person settlement cost in 1986 of Q.1144.00 (US$457.60). To develop new Poles just to resettle the refugee population under UNHCR care in Mexico would cost the State
approximately US$18,304,000. Of course not all refugees would be returning at one time; in fact the Ministry of Development calculated that only 7,000 refugees would be returning during 1987.

During the initial phases of Development Pole construction the Guatemalan State had received aid from Taiwan and the United States (Chapter IV). Given the current political and economic situation, it seems likely that the State would continue to rely on outside financing if it were to create new Development Poles. The Cerezo administration itself has drawn attention to the State’s horrendous record in providing essential services through its promotion of the “Social Debt.” As detailed earlier in this chapter, Guatemala would treat the difference between its public investment and the Latin American average over the past decade as a non-cancellable debt owed to the poor. The current military hierarchy has also consistently linked stability with the provision of basic necessities, particularly in areas of conflict (Berganza, 1987; RM, 1986; RCE, 1985).

Yet despite the State’s efforts to increase taxes, it had already calculated that it would continue a now established and criticized practice of supporting social programs through international financing. For example, the bulk of social projects envisioned under the 1987 PREN

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38/ Based on 40,000 persons as an approximation of the number of refugees in UNHCR camps in Mexico in 1986 (Refugies, 1986: 23). Krueger and Enge (1985: 48-50) commented on aspects of the same Ojo de Agua budget. They reported that the single most expensive expenditure was for the installation of electricity (Q.92,480 -- or nearly 27% -- of the Q.344,251 budget), a service of value to resettling industry, but inconsistent with the immediate needs of the Pole residents. Black (1986a: 5) indicates that in 1984 the military estimated the cost for the planned Development Pole system would run to Q.358 million.

39/ Only 742 had returned from Mexico with UN aid by June of 1987 (Lamb, 1987a: 31)

40/ The following indicate the wide ranging sources of these criticisms:

a  The Inter-American Development Bank (1986: 49) has charged that Guatemala is “excessively dependent” upon external financing. It was concerned that much of its own funds were responsible for growth in health sector infrastructure, but that Guatemala was not even maintaining it. IDB was also responsible for financing 87% of pre-primary and primary education in 1986.

b  Health care analyst John Fiedler (1985) concluded that the resistance of the oligarchy in Guatemala to providing health care had resulted in a system almost totally dependent on external aid and financing.

c  CARE (cited in CAR, XIV(43), 06/11/87) reported that one rationale given by the State
relied to some proportion on bi-and multi-lateral loans and grants (see Appendix D). Given elite resistance to tax reforms and the fact that 1988 and 1989 were seen to be financially difficult, the State was not in a position to dedicate resources to the construction of new Development Poles.

As was documented earlier in this section, refugees refused to return if it meant internment within the Development Poles. The UNHCR has insisted that returns be voluntary and since Cerezo's election and notice that refugees could return where they so desired, it announced a US$898,000 rehabilitation project to be funded by the European Economic Community. This project would cover

...reception costs, immediate assistance and pay to upgrade schools, build medical centres and dig wells in returnee concentration areas. [Such funds were to be developed moreover in order] to avoid frictions which might arise between [the refugees] and the local community... (Lamb, 1987: 31).

Acceptance of this internationally funded project can be seen to impinge upon the realization of further Development Poles. State policy thus appears to have been at least somewhat modified in accordance with Skocpol (1985: 17) and Fitzgerald (1976: 73) who have argued that "dependency" on foreign assistance can compromise domestic policy. In the case of Guatemala it suggests that there is some level of influence that aid agencies can now exert upon the State.441 That is to say, there has been at least a slight shift in the State's willingness to heed international opinion with respect to human rights issues. In the early 1980s, as demonstrated in Chapter IV, the Lucas State was quite capable of directly breaching international norms through the destruction of the Spanish Embassy.

At the same time, however, domestic state policies cannot be seen to have been completely compromised. The UNHCR project favoured concentrations of refugees and the strengthening of national social structure -- for both the refugee and non-refugee populace. These goals are very

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441 It can also be seen in Guatemala's acceptance of aid funds for bilingual primary education (Swengarski, 1988: 22; Kaufman, 1988:22).
much in line with the expanded policy goals of IRD. Moreover, the acceptance of aid reflects the philosophy of IRD to benefit the poor without impinging upon elites. That is, through acceptance of this aid the Guatemalan State receives help in erecting social and economic infrastructure which alleviates somewhat the immediacy of increasing the taxes of an extremely conservative economic elite. In other terms, the UNHCR project has aided the State and industry to continue to externalize some of the costs of infrastructure construction while it attempts to expand opportunities for capital accumulation.\footnote{Significantly, another 'Development Pole' that the State is pursuing as a joint venture with El Salvador and Honduras has also captured the interest of foreign investment and aid for the development of infrastructure. The Trifinio project encompasses 7,000 square kilometers straddling the three nations; in Guatemala it cuts through Chiquimula, the department in which Cerezo's cousin was appointed deputy following the assassination of Victor Moscoso in the summer of 1987 (Chapter V). The Organization of American States, the EEC and the Instituto Interamericano de Cooperacion para la Agricultura are lending technical and financial assistance to the project (LA WR, (WR-87-47), 03/12/87: 4).}

4. Diversification

The Guatemalan State has continued to promote agricultural diversification as a means to alleviate poverty in the Highlands (Guatemala, SEGEPLAN, 1986). Yet it is difficult to see substantial change in the conditions depicted in Chapter IV which demonstrated a lack of support for effective smallholder and labour organization. In fact, if Cerezo's tax reforms and promotion of the "Social Debt" did not fare well with the private sector, his continued promotion of non-traditional exports has been well received:

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...although they have signified little more than 10% of all exports, they have helped to reduce the risks of external dependency; provided alternative sources of foreign exchange, and generated employment. In virtue of this and the severe economic climate of the 1980s, both the public and private sectors appear to coincide in considering them a viable option to ease the scarcity of foreign exchange and to provide employment, so that, aside from the incentives signified by the schema of multiple exchange rates adopted by late 1984, both sectors have given [non-traditional exports] a good part of their efforts, now appreciating in two significant areas: in the promotion and administrative facilities (AE, X:V(644), 21:05/87: 3).\footnote{Author's translation.}

The State has undertaken several measures to promote agroindustry as "a central engine
of modernization. Among them has been the creation of the National Council for Export Promotion in June 1986. The joint State-private sector endeavour was credited by the Bank of Guatemala with ensuring that through "...the first few months of 1987, non-traditional exports...increased 60% with respect to the same period in 1986" (AE, XIV(644), 21/05/87: 3-4; CAHI, 1987: 3). The Caribbean Basin Initiative, shown in Chapter IV to be a stimulus for non-traditional agricultural export production and development in the indigenous Highlands, has continued to favour this sector. Moreover, the USAID agribusiness project 520-076 examined in Chapter IV continued to be actively promoted. In the El Grafico of August 19 (1987: 6-7), two pages were dedicated to the project under the headline of: "Prestamo de desarrollo agro-industrial de A.I.D. para pequenos agricultores."45

The Guatemalan journal Analysis Economico (XIV(648), 18/06/87: 3) reported that the State expected non-traditional exports (including non-comestibles) to comprise 23.2% of all exports by 1991 (in 1986 they were 15%). Within the few years that non-traditional exports have attracted investment their promotion has become an entrenched feature of State policy.

It is difficult to assess the effects of diversification at the community level at present for only limited ethnographic work has been possible since the onset of the violence. As documented with respect to the Development Poles and the IICCS, aid appears irregularly distributed and not yet geared to the implementation of development goals of the State. Yet there is preliminary evidence to suggest that diversification is changing labour relations and production in some parts of the Highlands.

Smith (1987) examined conditions in the department of Chimaltenango in 1986. As has been noted for other Highland areas, military control was evident in the form of new military posts and bases, while the Civil Patrol system was operating at differing levels of intensity through-


45\/ The El Grafico article refers to the USAID project by its loan number (520-K-039), I refer to it by its project number (520-0276).
out the department. Similar to other Highlands areas, development aid was spotty. Smith observed that increasing production of vegetables in Chimaltenango had begun to distort reliance upon migratory labour. In line with earlier Ministry of Labour directives to increase women's access to employment (Chapter IV), Smith noted that women were becoming involved in paid labour in vegetable production -- although at a daily wage less than half of the then minimum wage for agricultural workers, or less than one-third that for food production. Further, she noted that women but worked infrequently at other forms of employment. Lastly, Smith noted that some Chimaltenango farmers were finding it far easier to obtain credit from BANDESA for vegetable rather than for corn production.

This last observation is supported by the manner in which BANDESA promoted credit extension during 1987. Both the Prensa Libre (12/02/87: 21) and the El Grafico (19/08/87: 80), displayed full page BANDESA advertisements promising Q.70 million in credits for 1987 destined to 33,000 farmers for salt production, irrigation, silos, seed purchases, fruit tree nurseries and cardamom processing plants. Two stylized hands filled the pages, holding snow peas, tomatoes, cauliflower, lettuce, celery, and one ear of corn.

While increased State credit has been made available to smallholders for the production of non-traditional products, other signals of support to ensure equitable growth through diversification were not forthcoming. Chapter IV demonstrated that the viability of agribusiness development rested with the cheapness of Guatemalan labour. As documented in the beginning of this chapter, Cerezo increased minimum wages in 1987 and labour union activity has increased. However agricultural workers, who form the majority of the economically active population, still face severe limitations in their working conditions. Agricultural workers still receive the lowest wages in the economy and the 1987 labour code still prohibited agricultural workers from striking during most harvests -- the period when labour is most required and thus when most could be

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46/ According to Smith (1987), reliance on migrant labour as a source of income differed throughout the area before the violence.

47/ CAR (XV(4), 29/01/88: 31-32).
gained from collective action.

Moreover, the Non-Traditional Product Exporters Guild has publicly protested state measures to reform the tax structure, particularly protesting the threat of taxes upon non-traditional exports. It has announced its support for CACIF's measures against the tax package, this umbrella group headed by the President of the conservative farm growers association, UNAGRO (EG, 1987/09/01: 3). Pedro Miguel Lamport Kelsall, President of the Chamber of Commerce, past president of CACIF and private sector representative before the Monetary Board, has strongly recommended the growth of non-traditional agricultural exports (PL, 26/08/87: 4). He has also condemned talk of land reform citing the danger to investment of any move to grant peasants any land.\footnote{48} This chamber also helped to instigate work stoppages in face of higher taxes citing the State's past poor record in administering funds (PL, 26/09/87: 4).

Perhaps Lamport best captures the spirit of the conservative elite view of agribusiness development in Guatemala. The cure for Guatemala's economic woes, he asserted, rests in job creation and that requires promoting investment not taxing it. Indeed, he argued against the tax package given the restraints imposed by the external debt and the State's poor administrative capacities. Lamport further stressed that now that non-traditional exports had begun to render fruit, it was not the time to destimulate them. A classic example: the altiplano has been traditionally poor and a source of seasonal manual labour for export cultivation, the gold upon which the eternal richness of the country is based -- Thanks, he said, to diversification to vegetables and other new crops, the incomes of some 40,000 will soon be improved four times over simply by a change of product. Lamport made no mention of secure wages, unions, lack of educational services or health care, nor did he mention the benefits accruing to food processors or the commercial sector.

\footnote{48} Cited in Knox (1987a)
C. Conclusion

This chapter has demonstrated that the elected civilian government's promotion of diversification and integrated regional development (IRD) is best understood as a continuation and expansion of policy rather than a change or new direction in state policy. Physically IRD encompassed a more well developed amalgam of the Development Poles and the IICCs which had been promoted following the decline of Lucas Garcia. The roots of IRD were shown to reflect long-standing Christian Democrat policy and led the party to the 'development current' of the military which had supported it during the 1970s. This model favoured increasing production and capitalization in the Highlands supported by cooperatives. The fact that diversification, ideally suited to smallholder production in the Highlands, had come of age when traditional agricultural exports and industrial strategies were failing made it attractive to a cross-section of dominant private sector elites.

While agricultural diversification continued to be perceived as a tool to alleviate economic problems, the civilian government's interests in promoting diversification within the framework of IRD extended beyond the protection of economic class interests. These goals included stemming population pressures on Guatemala City, expanding national development and promoting the capitalization of the Highlands. The State's difficulties in achieving these goals were analyzed within the scope of the relations between the state and society, the conditions required to foster the realization of autonomously formed policies, and the capacity of the State to undertake differing initiatives. The analysis thus demonstrated how the prior development of diversification and decentralization, the allegiances and formation of the Cerezo government, and the continuing climate of economic and political uncertainty influenced the civilian government's development of these policies.

During Cerezo's first two years the State had attempted to simultaneously respond to powerful economic interests and to the majority of civil society, while also attempting to ensure economic and political stability. While the Christian Democrats had brought to the administration military and private sector leaders sympathetic to its views, as well as family members, these actions were not sufficient to bolster the State's capacity to carry out its directives. In the end, the State's...
attempts to implement mild reforms had satisfied neither dominant or subordinate classes, while they also had agitated serious divisions within the military.

In addition, the violence of the past decade had left little moderate forces in the country. The range of active right to far-right political parties and the essentially ladino character of the administration clearly demonstrated the lack of balanced representation within the State. Moreover, the State's limited success in meeting subordinate class demands as well as continued military control of the Highlands limited what subordinate class support the State might have had to counter dominant class demands. By the end of the period under review, indigenous and popular sector groups were again uniting to demand justice and equity.

The general conditions which characterized Cerezo's first two years mirrored the State's development of diversification and decentralization. While there appeared ample dominant class support for diversification, there was not support for the increased social and economic infrastructure required to fully support the development policies. It was in this area where the State was pursuing policies to ensure "...the systemic needs of the capitalist political economy" (Rueschemeyer and Evans, 1985: 61) that tensions between the state’s role as protector of the general interests of society and champion of dominant class interests most clearly arose.

Cerezo's advances in introducing tax reforms demonstrated the State's capacity to formulate strategies unfavourable to the dominant economic class. As well it reflected the State's attempts to increase its ability to finance its policies internally. But the gains made were limited, such that the State continued to rely upon external aid for social infrastructure. As shown in one instance however, acceptance of external aid was tied to conditions which impinged upon the military's control of populous through the Development Pole system. In turn, the military's displeasure at the States infringement upon its control of rural areas contributed to increasing division within the military. Division within the military frustrated the State's attempts to realize its goals just as surely as had private sector's failure to support mild reforms and substantial changes in the tax structure. The limits within which the state could manoeuvre were thus shown to be extremely narrow.

The outcome of this narrow scope for development was that there was very little difference in the manner in which opportunities for the indigenous changed through the civilian state's
development of diversification and decentralization. The State's policies for economic development continued to call for distortion of the political, settlement, subsistence agricultural and market patterns of the Highlands, while its counterinsurgency agenda similarly demanded a restructuring of political and settlement patterns. There was little support for the conditions which could have increased grassroots participation in IRD and diversification, such as labour union protection, equitable wages, rights to strike, land reform, or support for more autonomous lower levels of government. Within this context the potential for the Highlands indigenous populace to benefit from diversification and decentralization remained negligible.
Chapter VII: Conclusions

The preceding case study has depicted a grim picture of the Guatemalan State's capacity to develop diversification and decentralization for the benefit of the marginalized indigenous population. It has determined that the state had not acted to strengthen the grassroots initiatives and labour and smallholder organization required to ensure effective participation in these development policies. Instead, Guatemala's first civilian administration in twenty years, as the military regimes before it, had continued to control diversification and decentralization for the benefit of the national economy and dominant economic elites at the expense of the indigenous. Contributing to this process were the facts that the State had remained controlled by the dominant ladino minority, it was absorbed with stabilizing a bruised economy and had emerged from a decade of violence in which most moderate influences had been brutally crushed. In this context, vested economic political interests and a divided military proved powerful blocks to expanding the incorporation of the majority of Guatemala's peoples through diversification and decentralization.

This picture emerged from an analysis which sought to demonstrate that the elected civilian government's policies could not be understood in isolation of the relation between the state and civil society and in events which have their origins prior to the 'democratic opening.' These included the political, social and economic conditions which contributed to the state's promotion of diversification and decentralization, as well as the dominant interests which have shaped the policies' development. In addition, the thesis sought to demonstrate the differences between the civilian regime's goals for these policies and those of previous regimes, as well as the barriers the civilian government faced in realizing its goals.

Chapter II examined issues and problems within differing neo-marxist perspectives of the state which informed the preceding analysis. Instrumentalist perspectives served as a base to identify dominant external and internal economic classes whose interests are served by the State. Structuralist perspectives offered a more complex view of the state in their focus upon
members were also brought into key positions. Yet after the decade of violence and political fractionning, these measures were not sufficient to strengthen the capacity of the State to act as a corporate actor. By the end of the study period, division was deepening considerably, with the 'development current' of the military seriously challenged by more conservative military forces.

Moreover, the State did not have broad support to further challenge dominant class interests. The political spectrum following the past decades of repression was narrowed from right to extreme right, while the conservative lobbying associations -- now including a guild representing non-traditional exporter interests -- remained powerful.

Lack of subordinate class support also compounded the civilian government's capacity to achieve its distributive policy goals. The State had remained a ladino dominated institution with little input from indigenous peoples subject to its policies. Its weak support for subordinate class interests and continued military control of the Highlands only continued to repress subordinate class interests. The distributive policies which the state did attempt, such as decentralized education and improved smallholder credit for non-traditional agricultural produce -- while of potential benefit to the rural poor -- supported state goals for the development of the Highlands more than they responded to the demands of subordinate classes. By the end of Cerezo's first two years of office, ladinos and Indians were again uniting to demand justice and equity as they had in the late 1970s.

Lastly, it was clear that chronic problems with bureaucratic administration were also hindering the development of the wide range of policy initiatives required for the long term growth of diversification and decentralization. As Chapters IV and VI demonstrated, to effectively launch these complex development strategies would require effective coordination. The civilian government's record with respect to the distribution of basic goods and services in the Highlands demonstrated that the State had not been able to curb the confusion and graft which impeded its capacity to effectively administer large-scale endeavours.
not sufficient to fully account for the state’s actions with respect to diversification and decentralization and their impact upon Guatemala’s indigenous population.

The Guatemalan State of the late 1970s and early 1980s, for example, appeared quite prepared to endure international censure while simultaneously alienating the majority of Guatemalan society. Its relentless persecution of Guatemala’s indigenous peoples and obliteration of increasingly moderate critics led to Guatemala’s having one of the world’s worst human rights records. The State’s blatant disregard for international censure through its destruction of the Spanish embassy in 1980 further displayed scorn with the norms of international relations. While this posture did not last long, it did reveal a disjunction between political and economic power in Guatemala, such as has been posited by structuralists, which had permitted the state to act against the interests of both international and domestic dominant economic class interests.

The case study demonstrated that a source of independent state actions in Guatemala could also be located within recognition of the state as an organization with interests of its own. On the one hand, these interests coincided with private economic elite interests. It was shown, for example, that part of the state’s interest in promoting diversification rested in the fact that civilian members of Cerezo’s administration and the military as an organization had private economic interests in the successful development of non-traditional agricultural products. On the other hand, the state also had interests in the promotion of diversification and decentralization which extended past private sector concerns. Through examination of the growth of relations between the Christian Democrat Party and the ‘development current’ of the military, it was possible to trace the beginnings of a strategy of decentralization and integrated rural development (IRD). A concurrent shift in emphasis to smallholder production organized around cooperatives and IRD was demonstrated to represent an integral part of Christian Democrats policy since at least the mid-1970s. This policy was consistent with recommendations dating back to the ‘Ten Years of Spring’ which saw Guatemala’s economic
growth tied to the capitalization or modernization of the primarily Indian Western Highlands.

The cooperative movement promoted by the Christian Democrats in the 1960s and 1970s became increasingly the focus of attack in the latter 1970s and horrendously so under Romeo Lucas Garcia. Following Lucas's downfall, the resumption of a focus upon state controlled cooperative-based IRD was witnessed in the military's counterinsurgency and relief projects as detailed in Chapter IV. By this time, diversification was emerging as a viable motor for development in the Highlands and as a focus of interest for dominant economic elites.

The civilian government's development policies were shown to have expanded from the direction heralded in the military's counterinsurgency measures after the defeat of Lucas Garcia, and in fact were embedded in the constitution approved by the military before the 1985 elections. Diversification required changes in relations of production in the Highlands, vis-a-vis food-processing and service related labour and contracted smallholder production of high value fruits and vegetables. State policies for the Highlands emerged as a thrust towards smallholder production of non-traditional export crops, ideally through state-controlled cooperatives, within a framework of integrated regional development (IRD).

The outcomes of various IRD strategies across the developing world suggest that one result has often been increased State control of populaces and development processes rather than the strengthening of effective grassroots participation. The Guatemalan case proved no exception. As developed early in this thesis, manipulation of the municipio, agricultural production, land relations and a racist ideology had long supported control of indigenous agricultural production and labour in the Highlands. Prior to Cerezo's inauguration, the Interinstitutional Coordinating Committees, the Civil Patrols, the Development Poles, and the promulgation of an ideology stressing the importance of joining together for the good of the nation acted upon these factors while increasing State control of resources. Since Cerezo's inauguration, counterinsurgency measures continued, while State support for agricultural labour, in terms of land policies, labour union protection, credible wages, and rights to strike
remained minimal. In addition, while the civil administration had taken strides in recognizing the indigenous culture, it offered only weak support for language protection and bilingual education. The fact that the civilian administration continued to sanction military control of the Highlands denied that significant changes had taken place in regard to State respect for the indigenous and their culture. The case study thus presented a strong case to show that the State was forcibly organizing relations of production in the primarily indigenous Highlands just as it was beginning a shift in its development strategies which required changes in agricultural production and labour.

The continued presence of counterinsurgency measures in the Highlands begs the question of whether the State was seriously considering supporting rural populaces through decentralization and diversification. The State's assertion of such support could be seen as an attempt to gain popular support for its policies. Yet given the context in which the State conceded to dominant class interests following Lucas García's decline, one must be careful to ask for whom this legitimization was required and what political costs it entailed.

Certainly, in the aftermath of 'the violence,' Guatemala's military placed emphasis upon improving the nation's negative world image in order to regain the respect of international financial lenders. Within Guatemala, however, the merest rumour of social reforms has sufficed to raise effective dominant economic class resistance. Further, as Handy (1986) has noted, previous State plans to decrease military control in the countryside have been blocked by strong military resistance. As such, the civilian administration's overt declaration of its intent to support rural populaces must be recognized as a challenge, in and of itself, to dominant capitalists and to the power that the military as a whole has enjoyed in the rural areas.

The capacity of the State to carry out this challenge, however, was limited by factors which a focus on relative autonomy and capacities bring to light. To elucidate these factors required analysis at several levels including: 1) the tensions between the state's roles as the
protector of the general interests of society and as a protector of dominant economic and political class interests; 2) the state's inability to overcome continuing division within its ranks; 3) the limited degree to which subordinate classes would or could support the State; and 4) and the state's ineffective development of the infrastructure required to sustain diversification and decentralization.

Firstly, despite finding evidence of dominant economic class support for diversification per se, it was clear that there was resistance to the policies which would support its long term development. As Rueschemeyer and Evans indicated, a state's capacity to implement distributive policies can be restricted. It was shown that diversification and decentralization can entail distributive policies of both an economic and political nature. For example, both policies require the erection of costly social and economic infrastructure. Moreover, a shift in emphasis from plantation to smallholder production can require changes in credit and land tenure arrangements in order to stimulate such production.

As shown in Chapter VI, the Cerezo State's attempts to implement distributive measures were limited: significant tax reforms and a weak land distribution policy were rejected by economic elites. These were the concrete results of tensions between the State's role as the protector of society's general interests and its role as the protector of class interests; results which left little room for State action, and which saw policies ostensibly directed towards the poor rebounding to the benefit of elites. For example, the State's land initiatives were found to be benefitting elites rather than proving a viable mechanism to redistribute land holdings.

It also became clear that the dynamics of constraint upon autonomous State actions did not so much rest in a dichotomy between traditional and newer interests. It was more important to understand that newer initiatives were being supported by interests tied to traditionally repressive patterns of relations of production. As Smith (1984a) has indicated, while Guatemala's econom., had considerably broadened since the 1950s, its economic elite
remained essentially unaltered while export agricultural crops requiring seasonal labour remained a mainstay of the economy. Yet while elites were ready to benefit from diversification they were not ready to concede economic and political power necessary to secure its long term development.

Cerezo's policies in general, and his development policies in particular, reflected acknowledgement of the power of these interests. The philosophy of IRD -- to strengthen the position of the poor without impinging upon elites -- was shown to reflect the general pattern of the Cerezo State policies during its first two years. By the end of study period, however, reactionary forces begrudged any reforms supported by the State.

The State's acquiescence to dominant interests, however, did not have an entirely negative outcome for the marginalized Indigenous populace. The State's continued reliance upon international financing and the high profile of the refugee problem showed that international influence could again influence domestic policies. The Development Poles were widely condemned by indigenous representatives, human rights monitors and church groups, and refused as a returning ground by refugees. The civilian government clearly did not have the financial capacity or political backing to independently expand its Development Pole program. The State's acceptance of a UNHCR aid package was contingent upon supporting the return of refugees to where they wanted to locate. While the aid package fed into the State's larger plans for IRD and was within the philosophy of IRD to benefit the poor without impinging upon elites, the State's acceptance of the UN terms offered the possibility that subordinate class demands could be heard outside the narrow confines of the nation.

Secondly, the State's realization of its development goals could also be seen to be restricted by division within ranks. Chapter V demonstrated that the incoming civil government had attempted to strengthen its administration. While strong proponents of diversified agricultural production and military figures supportive of the Christian Democrats were given high posts, Cerezo's relatives and the family members of other prominent party
members were also brought into key positions. Yet after the decade of violence and political fractionning, these measures were not sufficient to strengthen the capacity of the State to act as a corporate actor. By the end of the study period, division was deepening considerably, with the 'development current' of the military seriously challenged by more conservative military forces.

Moreover, the State did not have broad support to further challenge dominant class interests. The political spectrum following the past decades of repression was narrowed from right to extreme right, while the conservative lobbying associations -- now including a guild representing non-traditional exporter interests -- remained powerful.

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In summary, dominant vested economic and political interests and continued division within the military continued to play the major roles in influencing policy as the Guatemalan State changed from an overt military regime to a civilian led administration. Yet the State's promotion of diversification and decentralization could not be understood solely on the basis of dominant class interests. The state's attempts to implement distributive measures supportive of these policies demonstrated that it was taking steps which countered the short-term economic and political interests of capital.

Insights gained from neo-marxist perspectives with respect to the dominant interests influencing state policies and the conditions under which states can successfully counter these interests were able to illuminate a complexity of economic, political and social reasons for which the civilian state was not able to develop its policies to the benefit of the Western Highlands indigenous populace. This thesis hopes to have contributed to an understanding of the diversity involved in the processes of 'democratization' occurring across Latin America. By demonstrating the policy formation process evolves in a context of complex relations between state and society and that force is still a means by which the Guatemalan state is approaching its relations with the marginalized indigenous population, the barriers which block the Guatemalan state's capacity to respond to the needs of its marginalized sectors have been highlighted. In addition, this analysis, based at the level of the state-policy making process and the policies which marginalized sectors are being subjected to, opens broad areas for future research.

Clearly given the condition of the Guatemalan economy, the continuing fluctuations in traditional exports and over concentration in the capital, both diversification and decentralization will continue to be of importance to future governments. With upcoming national elections, further analyses will be necessary to determine the scope for indigenous participation in the development of these policies. The remainder of this chapter will address additional areas of research required to further understand the implications of diversification
and decentralization for the Western Highlands.

At present there is considerable research and policy interest in agricultural commercialization throughout the developing world. In March 1989, an international workshop was held in Antigua Guatemala on the "Commercialization of Agriculture and Household Food Security: Lessons for Policies and Programmes."\(^{49}\) The topics covered emphasize the complex issues that must be considered in commercialized agriculture: development strategies, public policies, nutrition linkages, marketing and contractual arrangements, technological change and commercialization of staple foods. High Guatemalan State and elite interest was shown in the workshop.\(^{50}\) Besides the usual presentations and papers, the workshop was to include a trip to the cooperative Quatros Pinos in Santiago Suchitepequez. Shown in Kusterer's (1981) study to have attained a level of negotiating power and skill, Quatros Pinos was also cited by USAID as a model for growth in its agribusiness development project discussed in Chapter IV.

The range of conference participants and the continuing thrust towards the commercialization of agricultural production promises to stimulate much further research.\(^{51}\) The debates opened up by this workshop should include focus upon the state's capacity to implement distributive policies and to strengthen smallholder and labour organization as has been explored in this thesis. For Guatemala, this study should continue to focus on the relation between the military and civil parties and the nature of division within these groups.

\(^{49}\) The workshop was co-sponsored by the International Food Policy Research Institute, an American non-governmental organization, and the Institute for Nutrition in Central America and Panama, a regional organization.

\(^{50}\) The workshop was opened by the Minister of Agriculture, Rodolfo Estrada Hurtado and included a presentation on the 'Commercialization of Agriculture: Macro-Economic Policies Issues' by Jorge Gonzalez del Valle, president of the recently formed Banco Inmobiliario, S.A. (EIU, 1988 1248).

\(^{51}\) Participants included policy makers, planners, researchers and representatives from multilateral, bilateral, and non-governmental aid agencies from a wide range of developing and industrialized countries.
Moreover, it should continue to situate the potential for effective distributive policies within the context of the concurrent interests that diversification and decentralization serve in Guatemala.

In this respect, there is need to examine the workings of the Non-Traditional Product Exporters Guild within the framework of the rise of private sector lobbying associations in Central America. Future analyses should focus on the guild's relation to CACIF, the umbrella business association which has resisted land and social reforms; the guild's developing role as an advisor to the State on issues concerning non-traditional exports; and the significance of these developments to the protection of smallholders and labour producing for members of this guild.

Through examination of the conditions required to increase the effective participation of the rural populace affected by diversification and decentralization, this thesis has also signalled a great need for micro-level studies to assess the impact of these policies in the primarily indigenous Highlands. To date, these studies have not been easily conducted because of the violence and ongoing counterinsurgency measures. Future studies should, given the preceding analysis, take into account the impact of both diversification and decentralization together, as well as the influence of prolonged counterinsurgency measures. Moreover, analyses should not stop at examination of local indigenous communities but should examine the nature of changes within the context of the region. By demonstrating that diversification has increasingly directed produce to export markets, this case study supports Smith's (1988, 1987) findings of the damage that counterinsurgency measures have wrought upon the regional marketing system and recommends further inquiry into the impact of the State's development policies at regional levels.

Investigation will also be required into the possible tensions between demands for plantation labour, given the continued prominence of traditional exports, and the increasing effectiveness of regionalized development and the promotion of smallholder production in
areas which have typically generated plantation labour. USAID, for example, indicated that through the growth of food processing and related employment opportunities, wages in other sectors would increase. However, this optimistic view did not take into account the availability of labour from other regions and from other Central American countries, the continued vehement resistance of elites to increasing wages, and the impact of increased female participation in the food processing sector. These issues leave open for further research whether labour shortages generating increased wages will result from an increase in employment in processing and related areas.

Micro-level studies should also be sensitive to the fact that 'success stories,' such as the Quatros Pinos cooperative, will invariably exist, but that it is important that these experiences are not generalized. As Kusterer's (1981) work demonstrated, variation existed between relatively isolated and more centrally located communities in the onset of 'the violence.' With the continued imposition of counterinsurgency measures, new analyses must continue to account for the influence of varying circumstances, for example, in location, ethnicity, and the presence of international support, to the success of differing community or cooperative ventures.

In addition to suggesting areas for further research, the findings of this thesis have implications with respect to aid policies. Specifically, this thesis has argued that effective smallholder and labour organization are required to increase political and economic opportunities through diversification and decentralization. If the Guatemalan State remains open to international aid, such aid should be contingent upon encouraging conditions which will strengthen community, farmers, and labour organizations.52 Aid donors, however, must seek the most effective means to strengthen grassroots organization within the context of continued possibilities for repression.

52/ Such a thrust has long been recognized as important to achieving equitable development. See, for example, Canadian Mission to Guatemala (1986).
The codicil to this last recommendation underscores the fundamental issue which this thesis has hoped to emphasize: democratic opportunities cannot exist for the indigenous of the Western Highlands until the killing stops and until the indigenous are full participants in decision making processes. Effective democratic opportunities cannot be realized until counterinsurgency measures cease; State respect for indigenous cultures cannot be taken seriously when effective participation in development strategies can only be theorized.
VIII. REFERENCES

Abbreviations:

AE: Analisis Economico
ANI: Agencia de Noticias del Istmo S.A.
AP: Analisis Politico
AW: Americas Watch
BID: Banco Interamericano de Desarrollo (Inter-American Development Bank)
CAHI: Central America Historical Institute
CAB: Central America Bulletin
CAR: Central America Report
CEIG: Centro de Estudios e Investigaciones para Guatemala
CDHG: Guatemalan Human Rights Commission
CSQ: Cultural Survival Quarterly
EG: El Grafico
EIU: Economist Intelligence Unit Ltd.
GNIB: Guatemala: News in Brief
ICCHRBA: Inter-Church Committee on Human Rights in Latin America
IDB: Inter-American Development Bank, see BID
IIESO: Instituto de Investigaciones Economicas y Sociales de Occidente
INE: Guatemala. Instituto Nacional de Estadistica
LAWR: Latin American Weekly Report
NCICCR: Northern California Interfaith Committee on Corporate Responsibility
PAVA: Programa de ayuda para los vecinos del altiplano
PL: Prensa Libre
RCE: Revista Cultural del Ejercito
RM: Revista Militar
ROG: Report on Guatemala
SEGEPLAN: Guatemala. Secretaria General del Consejo Nacional de Planificacion Economica
TW: This Week
URNG: Guatemalan National Revolutionary Unity
USAID: United States Agency for International Development
WOLA: Washington Office on Latin America
WB: World Bank

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167


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<thead>
<tr>
<th>Table</th>
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<tbody>
<tr>
<td>1</td>
<td>Land Distribution in Guatemala: 1950, 1964, 1979 Expressed in Percentages</td>
</tr>
<tr>
<td>2</td>
<td>Economically Active Population by Ethnicity and Occupation, Guatemala, 1981</td>
</tr>
<tr>
<td>3</td>
<td>Migrant Labour Estimations/Population, Guatemala, 1940s – 1970s</td>
</tr>
<tr>
<td>5</td>
<td>Major Trading Partners, Guatemala, 1983 – 1985</td>
</tr>
<tr>
<td>7</td>
<td>Guatemala: Agricultural Exports: 1975–1984 (000 Q)</td>
</tr>
<tr>
<td>9</td>
<td>United States Agency for International Development Recommended Products for Cultivation, Guatemala, 1984</td>
</tr>
<tr>
<td>10</td>
<td>Constituent assembly vote and seats, by political party: July 1, 1984</td>
</tr>
<tr>
<td>11</td>
<td>Election Results, November 3 and December 8, 1985</td>
</tr>
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## Appendix A. Table 1

### Land Distribution in Guatemala: 1950, 1964, 1979

Expressed in Percentages

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<td>Total</td>
<td>99.98</td>
<td>99.99</td>
<td>100.00</td>
<td>100.01</td>
<td>100.00</td>
<td>99.97</td>
<td></td>
</tr>
</tbody>
</table>

(number) (48,687) (417,344) (531,636) (3,720,831) (3,468,737) (4,180,246)

1 manzana = 0.7 hectare

* *The census of 1950 eliminated all farms of less than .04 hectare..., whereas the 1964 census established no lower limit. The 1979 census recorded all farms irrespective of size, but at the time of the compilation of this study (for publication in 1982) the data for farms of less than .04 hectare (.03 manzana) had not yet been processed. It is understood that there are approximately 70,000 farms of this size, yielding a maximum estimated total of 3,043 hectares (2130 manzanas) of land* (USAID, 1982, Table 2A).

Source: Adapted from (USAID, 1982: Tables 2A and 2B).
### Appendix A, Table 2

**Economically Active Population* by Ethnicity and Occupation
Guatemala, 1981**

<table>
<thead>
<tr>
<th>Employment Category</th>
<th>Total Population</th>
<th>Indigenous Population</th>
<th>Other Population**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Prof/technical</td>
<td>81,237</td>
<td>4.82%</td>
<td>4,910</td>
</tr>
<tr>
<td>Ind/comm/manag</td>
<td>20,117</td>
<td>1.19%</td>
<td>1,232</td>
</tr>
<tr>
<td>Office workers</td>
<td>50,568</td>
<td>3.36%</td>
<td>3,213</td>
</tr>
<tr>
<td>Sales/rel. act.</td>
<td>99,516</td>
<td>5.91%</td>
<td>34,243</td>
</tr>
<tr>
<td>Agri/fish/forest/hunt</td>
<td>911,257</td>
<td>54.12%</td>
<td>499,605</td>
</tr>
<tr>
<td>Mining</td>
<td>2,235</td>
<td>0.13%</td>
<td>803</td>
</tr>
<tr>
<td>Transport</td>
<td>68,450</td>
<td>2.88%</td>
<td>6,011</td>
</tr>
<tr>
<td>Artis/c/ skilled trades</td>
<td>258,467</td>
<td>15.35%</td>
<td>86,138</td>
</tr>
<tr>
<td>Service</td>
<td>109,848</td>
<td>6.52%</td>
<td>24,696</td>
</tr>
<tr>
<td>Unknown</td>
<td>55,342</td>
<td>3.29%</td>
<td>15,466</td>
</tr>
</tbody>
</table>

**Total:** 1,683,828 100.00%  687,342 100.00%  996,486 100.00%  59.18%

* Economically Active Population defined by INE for these tables as those aged 10 years or more not searching for work for the first time but are working, not working but searching for work, and those who have previously worked and are searching for work.

** Other - ladino and all others.

Source: Adapted from Guatemala, INE, *Censos Nacionales de 1981: IX Censo de Poblacion, Tomo 1, (Guatemala City, Guatemala: INE), 1983, Tables 20 and 45.

---

**Notes:**

The census data presented here must only be taken as a guide to Guatemala’s economically active population. The data are prejudiced in several respects, of which the following are most relevant to understanding the divisions between the labour participation of indigenous and ladinos:

1. Lic. Gloria Tujab (1987: 5, C), head of Guatemala’s National Office of Women, states that indigenous women, performing non-remunerated agricultural tasks are not counted as economically active by the State. Bossen (1984: 32, 350-351) discusses recent research which also argues that women’s participation in the agricultural workforce is underrepresented (See also Wb, 1978: 14).

2. Early (1975a and b) noted that ethnic identification in the 1950 census was confused by the lack of an adequate definition for the indigenous. Moreover, individual census takers -- in Guatemala’s more than 320 municipios -- were permitted final decision as to ethnicity. The methodology for ethnic identification in the 1981 census built upon that of the 1950 census. This may have contributed to disparities between the State’s determinations of the indigenous population and other higher calculations (Refer to Chapter 11 for discussion on this issue; see also Bossen, 1984: 351).
Appendix A, Table 3

Migrant Labour Estimates/Population Guatemala, 1940s - 1970s

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Migrant Labourers</th>
<th>Guatemala Govt's Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950:</td>
<td>3,000,000</td>
<td>Total: 1,000,000</td>
<td>1943 - 325,000</td>
</tr>
<tr>
<td>1965/66</td>
<td>5,246,180</td>
<td>Total: &gt;250,000</td>
<td>1965/66: 408,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>cotton: 118,000 - 150,000</td>
<td>1979 - 303,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>coffee: 167,000 - 237,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>sugar: 17,300 - 21,000</td>
<td></td>
</tr>
<tr>
<td>mid/late 1970s</td>
<td>6,916,831</td>
<td>Total: 600,000 - 650,000</td>
<td>1979 - 400,000</td>
</tr>
</tbody>
</table>

Notes and sources:

1. All population figures are projections of the Guatemalan National Institute of Statistics (Guatemala: INE, 1984: Table 1).

2. The Guatemalan State, relying on secondary sources, census data and SEGEPLAN studies, estimated the migrant labour force to be substantially lower during much of this same period. Their reference for 1965/66 is Schmid (1973). They consider the high figure for 1979 to be an overestimate based on poor methodology, while the low figure does not include all coffee fincas.


4. Schmid (1967) in Adams, (1970: 369). Total figure reflects overlapping between categories. According to a survey conducted by the National Service of the Eradication of Malaria, based on information from 33,802 cotton migrants, 78% of the migrants came from the predominantly indigenous Highlands departments.


Appendix A, Table 3

Migrant Labour Estimations/Population
Guatemala, 1940s - 1970s

<table>
<thead>
<tr>
<th></th>
<th>Population(^1)</th>
<th>Migrant Labourers</th>
<th>Guatemala Gov't Estimates(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950:</td>
<td>3,000,000</td>
<td>Total: 1,000,000(^3)</td>
<td>1943 - 325,000</td>
</tr>
<tr>
<td>1965/66:</td>
<td>5,246,180</td>
<td>Total: &gt; 250,000(^4)</td>
<td>1965/66 max 408,000</td>
</tr>
<tr>
<td>(1970)</td>
<td></td>
<td>cotton: 118,000 - 150,000</td>
<td>an 303,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>coffee: 167,000 - 237,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>sugar: 17,500 - 21,000</td>
<td></td>
</tr>
<tr>
<td>mid/late 1970s:</td>
<td>6,916,831</td>
<td>Total: 600,000 - 850,000(^5)</td>
<td>1979 - 400,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1979 - 305,000</td>
</tr>
</tbody>
</table>

Notes and sources:

1. All population figures are projections of the Guatemalan National Institute of Statistics (Guatemala. INE, 1984: Table 1).

2. The Guatemalan State, relying on secondary sources, census data and SECEPLAN studies, estimated the migrant labour force to be substantially lower during much of this same period. Their reference for 1965/66 is Schmid (1973). They consider the high figure for 1979 to be an overestimate based on poor methodology, while the low figure does not include all coffee fincas.


4. Schmid (1967) in Adams, (1970: 369). Total figure reflects overlapping between categories. According to a survey conducted by the National Service or the Erradication of Malaria, based on information from 33,802 cotton migrants, 78% of the migrants came from the predominantly indigenous Highlands departments.

5. Cited in Bossen (1984: 28), based on review of Jude Pansini, "Plantation Health-Care in Guatemala: Aspects of the Problem." USAID contract number: AID 520-470, 1980; Michael Richards, "Seasonal Labor Migration and Physiological Risk in Guatemala," Paper presented at the American Anthropology Association annual meeting, Los Angeles, 1981; and Concerned Guatemalan Scholars, Dare to Struggle, Dare to Win, Brooklyn, 1981. Bossen (1984: 28) emphasizes that "...a large proportion of these seasonal migrant labourers are Mayas from the western highlands, although migrants come from nearly all departments of Guatemala and include significant numbers of eastern Ladinos."

According to Bossen (1984: 28), a conservative estimate of the number of migrant workers and their families in the late 1970s was set at 1,500,000, or 25% of population by dependents by Gordon D. Brown in "Extension of Health Services to Farmworkers in Guatemala," USAID. Health Sector Assessment: Annex 57. June 1977.
### Appendix A. Table 4

**Guatemala: Principal Economic and Financial Indicators, 1970-1985**

*(Annual Averages)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Real Growth (Percent)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total GDP</td>
<td>6.1</td>
<td>3.5</td>
<td>-1.7</td>
</tr>
<tr>
<td>GDP/per capita</td>
<td>3.2</td>
<td>0.6</td>
<td>-4.4</td>
</tr>
<tr>
<td><strong>Growth of Inflation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td>8.5</td>
<td>10.4</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Coefficient of Gross Investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of GNP</td>
<td>17.2</td>
<td>18.0</td>
<td>12.1</td>
</tr>
<tr>
<td><strong>Global Deficit of Central Government</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of GNP</td>
<td>-1.5</td>
<td>-4.3</td>
<td>-3.3</td>
</tr>
<tr>
<td><strong>Internal Credit of the Public Sector</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of GNP</td>
<td>2.9</td>
<td>4.3</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>Balance of Payments, Current Account</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Millions of US dollars</td>
<td>-40.4</td>
<td>-305.4</td>
<td>-308.7</td>
</tr>
<tr>
<td><strong>Public External Debt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of GNP</td>
<td>9.6</td>
<td>13.6</td>
<td>19.8</td>
</tr>
<tr>
<td><strong>Public Debt Servicing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of exports</td>
<td>4.8</td>
<td>2.8</td>
<td>16.5</td>
</tr>
</tbody>
</table>

*Source: Bank of Guatemala and International Monetary Fund, *Estadisticas Financieras Internacionales*, 1986/86 in Inter-American Development Bank (1986: Table 1).*

### Appendix A. Table 5

**Major Trading Partners, Guatemala, 1983-1985**

<table>
<thead>
<tr>
<th>Nation</th>
<th>1983</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(cif)</td>
<td>(fob)</td>
</tr>
<tr>
<td>USA</td>
<td>358,803</td>
<td>350,880</td>
</tr>
<tr>
<td>El Salvador</td>
<td>103,840</td>
<td>163,424</td>
</tr>
<tr>
<td>Venezuela</td>
<td>102,163</td>
<td>133</td>
</tr>
<tr>
<td>Mexico</td>
<td>89,045</td>
<td>13,786</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>81,976</td>
<td>52,428</td>
</tr>
<tr>
<td>Netherlands Antilles</td>
<td>68,352</td>
<td>--</td>
</tr>
<tr>
<td>Germany, Federal Rep.</td>
<td>56,561</td>
<td>63,617</td>
</tr>
<tr>
<td>Japan</td>
<td>55,714</td>
<td>49,216</td>
</tr>
<tr>
<td>Honduras</td>
<td>26,885</td>
<td>262,805</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12,655</td>
<td>12,927</td>
</tr>
<tr>
<td>Italy</td>
<td>11,634</td>
<td>38,517</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5,689</td>
<td>31,539</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>2,413</td>
<td>--</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>--</td>
<td>50,789</td>
</tr>
<tr>
<td>China, Peoples Rep.</td>
<td>--</td>
<td>812</td>
</tr>
</tbody>
</table>

*Preliminary
-- Not a principal partner for this category

## Appendix A. Table 6

Access to Power in Guatemala
1954-1978

<table>
<thead>
<tr>
<th>Date</th>
<th>Chief Executive</th>
<th>Means of Achieving Power</th>
<th>Status</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954-1957</td>
<td>C. Castillo Armas</td>
<td>Counterrevolution</td>
<td>Military</td>
<td>--</td>
</tr>
<tr>
<td>1957</td>
<td>L.A. Gonzalez Lopez</td>
<td>Succession (after assass-</td>
<td>Civilian</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>alination of Castillo)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1957-1958</td>
<td>G. Flores Avendano</td>
<td>Designated by congress</td>
<td>Military</td>
<td>--</td>
</tr>
<tr>
<td>1958-1963</td>
<td>M. Ydigoras Fuentes</td>
<td>Election</td>
<td>Military</td>
<td>Renen</td>
</tr>
<tr>
<td>1963-1966</td>
<td>E. Peralta Azurdia</td>
<td>Coup d'état</td>
<td>Military</td>
<td>PR</td>
</tr>
<tr>
<td>1966-1970</td>
<td>J. Mendez Montenegro</td>
<td>Election</td>
<td>Civilian</td>
<td>PR</td>
</tr>
<tr>
<td>1970-1974</td>
<td>C. N. Arana Osorio</td>
<td>Election</td>
<td>Military</td>
<td>MLN/MLN</td>
</tr>
<tr>
<td>1974-1978</td>
<td>K. Laugerud Garcia</td>
<td>Election (Fraudulent)</td>
<td>Military</td>
<td>MLN/MLN</td>
</tr>
<tr>
<td>1978-1982</td>
<td>R. Lucas Garcia</td>
<td>Election (Fraudulent)</td>
<td>Military</td>
<td>Bf</td>
</tr>
</tbody>
</table>

Reden: Redencion Party

PR: Revolutionary Party

BF: Broad Front, alliance of PID, PR, and the Central Aranista Organization (organized around Arana Osorio).

PID: Institutional Democratic Party

MLN: National Liberation Movement

### Cuadro 6

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>407,607.2</td>
<td>366,948.7</td>
<td>410,464.3</td>
<td>474,377.7</td>
<td>481,878.3</td>
<td>1,071,292.1</td>
<td>1,211,637.2</td>
<td>1,153,165.6</td>
<td>1,081,618.4</td>
</tr>
<tr>
<td><strong>Producciones Tradicionales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Guatemalteca</strong></td>
<td>407,607.2</td>
<td>366,948.7</td>
<td>410,464.3</td>
<td>474,377.7</td>
<td>481,878.3</td>
<td>1,071,292.1</td>
<td>1,211,637.2</td>
<td>1,153,165.6</td>
<td>1,081,618.4</td>
</tr>
<tr>
<td><strong>Maíz y Sorgo</strong></td>
<td>246,732.7</td>
<td>227,122.9</td>
<td>306,185.8</td>
<td>471,338.5</td>
<td>431,607.4</td>
<td>463,782.6</td>
<td>327,297.6</td>
<td>316,372.0</td>
<td>324,713.2</td>
</tr>
<tr>
<td><strong>Cártamo</strong></td>
<td>18,413.6</td>
<td>17,183.1</td>
<td>19,213.3</td>
<td>20,676.2</td>
<td>22,943.1</td>
<td>26,749.0</td>
<td>23,468.9</td>
<td>21,427.5</td>
<td>19,576.0</td>
</tr>
<tr>
<td><strong>Maíz</strong></td>
<td>115,577.5</td>
<td>121,737.2</td>
<td>148,579.7</td>
<td>207,515.6</td>
<td>276,913.7</td>
<td>365,258.4</td>
<td>315,178.3</td>
<td>323,361.1</td>
<td>395,416.7</td>
</tr>
<tr>
<td><strong>Producciones Extranjeras</strong></td>
<td>40,031.5</td>
<td>38,923.4</td>
<td>40,137.9</td>
<td>45,406.3</td>
<td>45,092.9</td>
<td>47,672.4</td>
<td>40,179.6</td>
<td>38,750.1</td>
<td>38,168.1</td>
</tr>
<tr>
<td><strong>Maíz</strong></td>
<td>3,000.3</td>
<td>3,671.1</td>
<td>3,398.7</td>
<td>2,659.8</td>
<td>1,866.8</td>
<td>1,474.1</td>
<td>11,187.1</td>
<td>10,132.5</td>
<td>18,163.3</td>
</tr>
<tr>
<td><strong>Cártamo</strong></td>
<td>3,000.3</td>
<td>3,671.1</td>
<td>3,398.7</td>
<td>2,659.8</td>
<td>1,866.8</td>
<td>1,474.1</td>
<td>11,187.1</td>
<td>10,132.5</td>
<td>18,163.3</td>
</tr>
</tbody>
</table>

**Notas:**
- El total de exportaciones de producciones tradicionales y extranjeras corresponden a cifras de $ de C. G. El registro de piñas y cartones se integra con la diferencia entre el total de "Piñas, cartón y flors" reportado por el B. C. y el rubro de "Hojas" del DNE, bajo cuyo manejo "ecoturismo" del DNE. El resto de cifras corresponden al DNE. Producciones pecuarias, incluye el rubro "hierbas, pasto, cebolla y ovejas". Totaliza seis rubros a ser analizados: aves, carnes, frutas y hortalizas, leche, huevos, video, hojas y caña de azúcar.
- Fuente: Instituto de Estadística (DNE) y Banco de Guatemala (B. C. G.).
Cuadro 3

Guatemala: Cuentas Nacionales a Precios Constantes

Composición del Gasto
(Percentajes del PIB)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumo Final</td>
<td>85.1</td>
<td>88.1</td>
<td>89.9</td>
<td>90.2</td>
<td>87.7</td>
<td>89.1</td>
<td>88.8</td>
<td>87.8</td>
<td>81.5</td>
<td>77.9</td>
<td>74.6</td>
<td>74.1</td>
<td>74.9</td>
<td>74.6</td>
</tr>
<tr>
<td>Consumo Público</td>
<td>7.0</td>
<td>6.1</td>
<td>5.8</td>
<td>5.6</td>
<td>6.3</td>
<td>6.5</td>
<td>6.3</td>
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<td>7.4</td>
<td>7.6</td>
<td>7.9</td>
<td>7.8</td>
<td>7.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Inversión Bruta</td>
<td>12.0</td>
<td>13.1</td>
<td>13.3</td>
<td>13.4</td>
<td>13.5</td>
<td>13.5</td>
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<td>12.9</td>
<td>11.6</td>
<td>11.7</td>
<td>11.8</td>
<td>11.7</td>
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<tr>
<td>Remisión Capital Piso</td>
<td>11.7</td>
<td>12.0</td>
<td>11.1</td>
<td>10.6</td>
<td>10.7</td>
<td>11.3</td>
<td>11.3</td>
<td>14.7</td>
<td>14.9</td>
<td>15.2</td>
<td>13.8</td>
<td>12.8</td>
<td>11.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Privada</td>
<td>9.1</td>
<td>8.7</td>
<td>8.6</td>
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Cuadro A.13.8

Gasto (Porcentajes del PIB)

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<th>Transporte</th>
<th>Financieros</th>
<th>Otros Servicios</th>
<th>Gobierno</th>
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Fuente: Banco de Guatemala
<table>
<thead>
<tr>
<th>Product</th>
<th>Preparation</th>
<th>Destination</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snow Peas</td>
<td>Fresh</td>
<td>USA</td>
<td>Local cost of production low. Possible to expand to other oriental greens and vegetables for same market.</td>
</tr>
<tr>
<td>Brussels Sprouts</td>
<td>Fresh, Frozen</td>
<td>USA</td>
<td>Expensive due to high labor costs. Expand season</td>
</tr>
<tr>
<td>Broccoli</td>
<td>Frozen</td>
<td>USA</td>
<td>Attractive due to low preparation cost. Potential for sales in Venezuela and Brazil; expand growing season.</td>
</tr>
<tr>
<td>Red Beets Cabbage</td>
<td>Fresh</td>
<td>USA</td>
<td>Limited market.</td>
</tr>
<tr>
<td>Green Onions</td>
<td>Fresh</td>
<td>USA</td>
<td>A very large market in the US. Attractive potential for good quality produce. Dehydrated chives from left-over.</td>
</tr>
<tr>
<td>Radishes Parsley</td>
<td>Fresh</td>
<td>USA</td>
<td>Demand limited but steady.</td>
</tr>
<tr>
<td>Strawberries</td>
<td>Fresh, Frozen, Processed</td>
<td>USA, Japan</td>
<td>Planting lasts over 5 years. Steady demand</td>
</tr>
<tr>
<td>Miscellaneous berries (e.g., blueberries)</td>
<td>Fresh, Frozen</td>
<td>USA, Japan, Europe</td>
<td>Steady demand. Fresh difficult to find in markets away origin. High labor costs.</td>
</tr>
<tr>
<td>Artichokes</td>
<td>Fresh, Canned, Frozen</td>
<td>USA, Europe</td>
<td>Excellent possibility for winter months. December-March, no production in US. Prices high most of the year. Plantings last many years.</td>
</tr>
<tr>
<td>Asparagus</td>
<td>Fresh, Frozen, Canned</td>
<td>USA, Japan, S Amer.</td>
<td>Cultivation easy. A high amount of hand labour to harvest grade and pack.</td>
</tr>
<tr>
<td>Flower bulbs</td>
<td>Dried</td>
<td>USA</td>
<td>Gladiolus, Lillies [sic], Tulips. High amount of labor for harvest. Easy to grow.</td>
</tr>
</tbody>
</table>
United States Agency for International Development  
Recommended Products for Cultivation  
Guatemala, 1984

<table>
<thead>
<tr>
<th>Product</th>
<th>Preparation</th>
<th>Final Dest.</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All fruit</td>
<td>Fresh</td>
<td>USA</td>
<td>Good prospect with low cost of production and shipping</td>
</tr>
<tr>
<td></td>
<td>Frozen</td>
<td>Far East</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Canned</td>
<td>Central &amp;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preserved</td>
<td>S America</td>
<td></td>
</tr>
<tr>
<td>Nursery stock</td>
<td>Prepared</td>
<td>USA</td>
<td>High labor to prepare and ship.</td>
</tr>
<tr>
<td></td>
<td>with roots</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>for planting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garlic shallots</td>
<td>Fresh</td>
<td>USA</td>
<td>Proper seed will increase sales potential, also preparation</td>
</tr>
<tr>
<td></td>
<td>Processed</td>
<td></td>
<td>Far East in consumer packages and brands.</td>
</tr>
<tr>
<td>Lemon Tea,</td>
<td>Dried</td>
<td>USA</td>
<td>Only grown under contract with reliable companies.</td>
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<tr>
<td>Chamomile,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweetbasil,</td>
<td></td>
<td>Europe</td>
<td>Not easy to sell in open markets.</td>
</tr>
<tr>
<td>Cummin</td>
<td></td>
<td>Japan</td>
<td></td>
</tr>
<tr>
<td>Mint</td>
<td>Dried</td>
<td>USA</td>
<td>Plantings last many years.</td>
</tr>
<tr>
<td>Flower seeds</td>
<td>Dried</td>
<td>USA</td>
<td>Easy to grow. Labor intensive. Easy to obtain contracts after successful</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>trials for production.</td>
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Source: Adapted from United States Agency for International Development, (1984: Table 11).
Appendix A. Table 10
Constituent assembly vote and seats, by political party: July 1, 1984

<table>
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<th>Party</th>
<th>Number of Votes</th>
<th>% of Total</th>
<th>Assembly Seats</th>
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<tr>
<td>(DC) Christian Democratic Party</td>
<td>318,300</td>
<td>17.2</td>
<td>20</td>
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<tr>
<td>(UCN) Union of the National Center</td>
<td>269,370</td>
<td>14.5</td>
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</tr>
<tr>
<td>(MLN) National Liberation Movement/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(CAN) Nationalist Authentic Central</td>
<td>245,510</td>
<td>13.2</td>
<td>23</td>
</tr>
<tr>
<td>(PRN) National Renovation Party</td>
<td>142,560</td>
<td>7.7</td>
<td>10</td>
</tr>
<tr>
<td>(PID) Institutional Democratic Party</td>
<td>129,660</td>
<td>7.0</td>
<td>5</td>
</tr>
<tr>
<td>(PINA) Anticomunist Unification Party</td>
<td>102,840</td>
<td>5.5</td>
<td>6</td>
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<tr>
<td>Other/Blank</td>
<td>585,730</td>
<td>31.6</td>
<td>3</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,855,040</strong></td>
<td><strong>100%</strong></td>
<td><strong>88</strong></td>
</tr>
</tbody>
</table>

Approximate % of registered to eligible voters: 73%
Approximate % of null or blank votes: 20%
Approximate participation of registered voters: 50%

1. Votes are rounded to nearest ten due to inaccuracies in reporting.
2. A peasant organization in Guezaltenango, not on the national ballot, was given one seat. The vote listed is for all other groups on the national list.
3. Null or blank votes were calculated by source through an exit poll which asked if voters had nullified their vote. Given the political climate, the accuracy of the responses is somewhat suspect.

Source: Adapted from Hopkins, (1986: Table 1.509).

Appendix A. Table 11
Election Results, November 3 and December 8, 1985

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<th>December:</th>
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<tr>
<td></td>
<td>Votes</td>
<td>%</td>
</tr>
<tr>
<td>(Party/Coalition)</td>
<td></td>
<td>(DC)</td>
</tr>
<tr>
<td>Marco Vinicio Cereno Arevalo</td>
<td>648,681</td>
<td>38.65</td>
</tr>
<tr>
<td>Jorge Carpio Nicolle (UCN)</td>
<td>339,552</td>
<td>20.23</td>
</tr>
<tr>
<td>Jorge Serrano Elias</td>
<td>231,397</td>
<td>13.78</td>
</tr>
<tr>
<td>Mario Sandoval Alarcon</td>
<td>210,806</td>
<td>12.56</td>
</tr>
<tr>
<td>Mario David Garcia (CAN)</td>
<td>105,473</td>
<td>6.28</td>
</tr>
<tr>
<td>Mario Solorzano Martinez</td>
<td>57,362</td>
<td>3.41</td>
</tr>
<tr>
<td>Alejandro Maldonado Aguirre</td>
<td>52,941</td>
<td>3.15</td>
</tr>
<tr>
<td>Leonel Sisniega Otero</td>
<td>32,118</td>
<td>1.91</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,672,830</strong></td>
<td><strong>99.97</strong></td>
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</table>

November 3, 1985:
Approximate number of registered voters: 2,750,000
% of registered to eligible voters: 76%
Abstention by registered voters (%): 30.7%

Null and void Votes (%): 8.3%
-- Unknown
na Not applicable

Sources: Adapted from Europa (1986: 1214); Manz (1988: 56, 239); ICCRLA (1986(1,2): 29).
Appendix B

Map: 

Title: 

1a  Guatemala: Location and Altitude Variation
1b  Guatemala: Major Regions and the Franza Transversaal del Norte
2   Administrative Divisions and Majority Indigenous Departments, 1981
3   Guatemala: massacres attributed to counterinsurgency, 1981 - 1985. Atrocities occurred in predominantly Indian Departments
Appendix B. Map 1a

Guatemala: Location and Altitude Variation

Appendix B: Map 1b

Guatemala: Major Regions and the Franza Transversaal del Norte

Key:  ★★★★★ West Central Highlands
      ★★★★★ Eastern Highlands
      ★★☆☆☆ Northern Slopes
      ★★★★★ Pacific Slopes
      ★★★★★★ Pacific Littoral
      /       / Peten
      ★★★★★★ Franza Transversaal del Norte

Source: Adapted from USAID (1982: Map No. 1) and Manz (1988: Appendix I, 3).
Appendix B: Map 2

Administrative Divisions and Majority Indigenous Departments, 1981

Key:

- Indigenous populace (+ 50%)
- Indigenous populace (45% - 50%)

Appendix B. Map 3

Guatemala: massacres attributed to counterinsurgency, 1981-1985
Atrocities occurred in predominantly Indian Departments

Source: Guatemalan Church in Exile, (1985) in Lovell (1988: Figure 4).
Appendix C: Development Pole Conditions, 1984-1985

1. Introduction to Appendix C

Appendix C contrasts the State's assessment of conditions in the Development Poles with those of outside observers during 1984-1985. The military's journal, Revista Cultural del Ejercito (RCE), published a special edition to promote the Development Poles in February 1985. This text provides the basis for comparison.

The Guatemalan based non-governmental agency, the Programa de Ayuda para los Vecinos del Altiplano (PAVA), with United States Agency for International Development (USAID) financing, conducted a displaced persons needs survey in Huehuetenango, Quiche, Western Petén and Playa Grande in March 1984. The agency has been criticized by some human rights observers for having collaborated with the army who permitted them access to the conflict areas. In this light, their criticisms regarding the State's delivery of relief and the Civil Patrol system appear all the more noteworthy.

In 1985, one year after the PAVA mission and one month after the publication of the military's journal, anthropologists Chris Krueger and Kjell Enge conducted a fact finding mission for the Washington Office on Latin America. The timing and depth of their study was particularly useful to the preparation of this appendix. As well it serves as a good base against which to measure development of the Poles following the inauguration of Vinicio Cerezo in January 1986.
Key:  A  Ixil Triangle  D  Chacaj
      B  Playa Grande  E  Yanhi
      C  Chisec  F  Yalihux

Source: Adams (1970, 139) and Guatemalan Church in Exile (1986, 25)
3. **Ixil Triangle, (Nebaj, Cotzal, Chajul) El Quiché**

<table>
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<th>Table C.1</th>
<th>Ixil Triangle: Official Status, January - February, 1985</th>
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<td>Acul, Nebaj</td>
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<tr>
<td>Tzablal, Nebaj</td>
<td>30-05-84</td>
</tr>
<tr>
<td>Juilti Chacaltie, Chajul</td>
<td>21-12-84</td>
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<tr>
<td>Pauley, Nebaj</td>
<td>in progress</td>
</tr>
<tr>
<td>Ojio de Agua, Cotzal</td>
<td>in progress</td>
</tr>
<tr>
<td>San Felipe, Cotzal</td>
<td>in progress</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>


Notes: * = Inaugurated before Decree 65-84 (27/06/84)
** = no information available

Source: Compiled from: Revista Cultural del Ejercito, 3(1), 1985: 1, 15-20, 23.

When PAVA\(^1\) arrived at the Ixil Triangle in March 1984, just prior to the inaugurations of Tzablal and Juilti Chacaltie, they found the area in a state of confusion with most populations in a state of flux. They estimated that throughout Quiché, 80% of the population at the village level had been displaced, and that at the village and municipal levels, 20% of the population were widowed, and 25% of the children had lost at least one parent. Many villages were without health care facilities. What health posts there were were generally understaffed or chronically lacking in supplies. Some months after the completion of their report, PAVA would report that the worst of emergency situations were alleviated (Krueger and Enge, 1985: 12).

Providing relief in the area were the military’s National Reconstruction Committee (CRN) and the private agencies CARE and the Fundacion Naciona Al Ayuda a Pueblos Indigenas (FUNDAPI), a national organization which receives funding from international evangelical churches. Many interviewees reported dissatisfaction with the CRN’s delivery system, which was recognized to be hampered by poor transport. Albelt spotty, relief efforts were being directed to urban centres or larger villages, while

Those villages and hamlets with much smaller populations although numerous, widely scattered and in great need of help appear to receive little or no assistance whatsoever (PAVA, 1984: 81).

In the municipio of Chajul, where 16 of 26 known settlements were abandoned, people were regathering in only nine communities. In the municipio of Nebaj the population had increased dramatically. People were spontaneously forming camps near or in the townsites of Nebaj. One such settlement, Las Violetas, does not appear on the State’s 1985 listings (Table C.1), but in March 1984, it held between 2,500 to 3,000 people. These included at least 450 widows and 150 orphans. In the municipio of Cotzal, massive displacement had taken place; by PAVA’s visit most of the population was living in seven settlements including Santa Avelina and Ojo de Agua which were

\(^1\) The following information is taken from PAVA (1984: 78-90) unless otherwise specified.
"...experiencing a serious lack of food, housing, work, [illegible], and seeds for planting" (PAVA, 1984: 89). In the town of Cotzal alone were 541 widows with 382 children.

Throughout the Ixil region, PAVA (1984: 80) observed that lack of work posed "...a greatly desperate problem to the rural population." The agency was also concerned that seed and fertilizer arrive in time not miss the planting season of that year. FUNDAPI operated some vegetable garden and irrigation projects throughout the Ixil Triangle. Food for Work projects also offered limited employment opportunities in the Ixil. Through these programs the State was building -- or rebuilding -- schools, roads, and bridges. However, there were reports of workers not receiving promised food payments even after the projects were completed. PAVA was also informed that Civil Patrol duties were interfering with migration to the coast and that Patrollers were responsible for finding replacements if they could not perform their shifts. Civil Patrol duties varied -- in the larger communities this might amount to 24 hours per week, in smaller communities, up to a week per month.

In March 1985, Krueger and Engé visited the model villages of Rio Azul, San Felipe Chenla, Bichibala, Atzumal (New Life), Acul and Tzalbal. Their fact-finding mission occurred one year after the PAVA survey and one month after the February publication of the Revista Cultural del Ejercito. Despite the years passing, they encountered conditions more similar to those reported by PAVA than those optimistically portrayed by the Military.

Populations within the model villages were not yet stable, newcomers were still arriving. Black (1986: a, b) also visited the Ixil Triangle in 1985. He confirms that refugees were still coming down from the mountains around Nebaj, but after talking with with patrollers in the area, adds that the military was "helping" residents to come down by burning out their homes (Black, 1986b: 5)

The State claimed that housing units equalled the number of families in most of its model communities (Tables C.1 to C.5). Yet Krueger and Engé found that in many communities housing was overcrowded; in Bichibala, they found four times the population of 100 families claimed by the State; in Tzalbal up to six families were sharing houses. In many cases construction had slowed down, as in Rio Azul where there had been no new construction since December 1984. Moreover Krueger and Engé (1985: 33, 46) found that the quality of 'permanent' housing was poor in the Ixil:

'Permanent' houses are constructed by nailing roughly hewn boards to 8 or 10 posts forming a 12' x 15' rectangle. Sometimes the interior is divided into two rooms. Corrugated metal sheets serve as roofing....The housing is...without solid foundations or adequate drainage and protection from cold, rain and insects. Warped boards often left spaces in the walls; foundation posts were untreated against damage. The small houses provided no separate space for cooking. Some of the residents may have lived in equally inadequate conditions before, but typical houses in the area have better foundations, drainage, insulation and cooking arrangements than those in the 'model villages.'

In Atzumal, residents, some of whom had been there for up to two years, did not even have the benefit of such 'permanent' dwellings but lived in even more primitive temporary shelters. In that community, characterized as of the worst in the area, there was only 1 water spigot for 250 families. Other communities had received more services. Rio Azul, Acul, and Tzalbal, for example,

2/ The following information is taken from Krueger and Engé (1985 32.38), unless otherwise specified.
had been serviced for electricity. A State released budget for Ojo de Agua showed electricity as the single largest expense. Yet as Krueger and Enge (1985: 49) commented it was

...a highly questionable expense for families without electric appliances or reading materials and without enough land on which to grow the food they need.

Employment opportunities still appeared limited in 1985. After an initial phase of construction, Food for Work programs had seemingly dried up. In Atzumal and Acul competition was fierce for what road work there still was. If a place on these projects was won, the work was limited to 15 days so as to rotate employment opportunities. Civil Patrol duties still limited travels to the coast for migratory labour. In Bichibala and Rio Azul permits were required from the military commander before leaves were extended. In the former town, residents had been able to raise some income by weaving bags, nets, and broom bands for sale in Nebaj, Cotzal, and Chichicastenango. The State development bank, BANDESA, had provided funds for aquaculture tanks in the area, but little progress had been made in their construction.

The availability and productivity of land appeared varied throughout the area. In Rio Azul and Atzumal families were limited to one cuerda (about 1/10 acre) each, which would provide less than one month's food supply for a family of five. In the latter town, residents were negotiating to buy 3000 cuerdas on a nearby hillside for Q.19,500 (US$7,800). They were hoping for a loan from the American Penny Foundation to finance the purchase.

Bichibala was built on expropriated farm lands. Former colonos, or resident workers, were still working their lands, although without secure title. Other residents in the model community were limited to working small plots around their homes. In Acul, residents had received land titles during highly publicized inauguration ceremonies; external refugees were now beginning to return to find that their lands had been expropriated with no compensation. In Tzalbal the availability and quality of land were notably superior, but at Q.50 (US$20) per cuerda was not generally affordable.

Health services still suffered from understaffing and under supplies. Spanish as Second language programs were noted in two of the communities which had educational facilities.

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3/ The State received concessional aid for electrification up to 1985, and between 1980-1985, the electrical subsector represented one-third of public investments (SEGEPLAN, 1987: 291). During 1985, 35.7% of contracted Public Debt was directed to the completion of the Chixoy hydroelectric project (Bank of Guatemala, 1986: Table 19). In 1986, the State received a further US$81 million from the World Bank to improve electrical capacity, conduct geological research, expand the energy distribution, and distribute electricity to some 70,000 rural and urban homes (ANI, 1986: 36).

4/ One month's food supply would equal about 100 lbs. of corn. In the Ixil area one pound of corn was selling for about 10 cents. Krueger and Enge reported that beans, at a higher unspecified price, were beyond the budgets of many in the area.
4. Playa Grande, El Quiche and Alta Verapaz

<table>
<thead>
<tr>
<th>Table C.11</th>
<th>Playa Grande: Official Status, January – February, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstructed</td>
<td>Inauguration</td>
</tr>
<tr>
<td>Playa Grande, Usopantán</td>
<td>*18-05-83</td>
</tr>
</tbody>
</table>

Playa Grande comprises the communities of Centealal, Xecbal, Trinitaria, San Pablo, San Francisco, San Jose la 20, Efraín, Santa Clara, unspecified Alta Verapaz border towns, Salamkin, and populations to be relocated now situated at the fincas "Las Conchas" and "El Rosario."

Notes: * = Inaugurated before Decree 65-84 (27/06/84)
-- = no information available

Source: Compiled from: Revista Cultural del Ejercito, 3(1), 1985: 1, 15-20, 23.

PAVA\(^5\) visited the Playa Grande area which extends from north-east Huehuetenango into northern Alta Verapaz. In the late 1970s it had been the scene of guerilla activity and by 1981 most of the area had been abandoned. Parts of Playa Grande had been heavily exploited for oil and throughout, corn, beans, rice and cardamom were grown. When Rios Montt extended amnesty in March 1982, people began returning and in March 1984 residents were found to have come from a variety of different linguistic groups and regions of the country. PAVA expressed a great deal of concern that the National Institute of Agrarian Transformation (INTA), the State agency charged with land distribution, was in the midst of expropriating the lands of those who had fled. They feared that this would create a future problem if refugees were to return.

PAVA divided the area into four study areas -- Project 520, the south, the west, and Chisec. The Playa Grande Development Pole is located in the FTN. It was superimposed onto a relatively accessible area known as Project 520, a USAID supported colonization project (ACD1, 1982: Map C, 14a). While there had been large-scale evacuations in the area, PAVA determined that unlike most of the Playa Grande area, the Project 520 site was little affected by the violence. According to Fleddejorhn and Thompson (1982: 31) of the Agricultural Cooperative Development International which was operating with USAID in Project 520, Trinitaria -- one of the new model villages -- had been burned to the ground in 1982. Malaria was common throughout the area.

Many national and international agencies were operating in the area. CARE was conducting three projects in Project 520. The first was a cardamom cooperative. The second, a "Women, Health, and Rural Development Project," involved stores, pharmacies, and building latrines. Lastly, CARE was administering Food for Work projects throughout the area. The Evangelical Mission of Central America was also active in the Playa Grande region.

The USAID cooperative colonization project, which had begun in 1976, had encountered several problems. On the one hand, it was hampered by "...a lack of effective [and necessary] coordination between the implementing agency and other organizations" (USAID, 1982: 5). Further, INTA, integral to State development of the project, was unwilling to let settler cooperatives administer PL480 (US State food assistance) Food for Work programs, arguing that they lacked the administr-
rative capacity to do so.

The project also had difficulties recruiting the Highlands indigenous who were the target of its efforts. Because of this ‘failure,’ USAID had to look elsewhere for potential colonizers (see Flederjohn and Thompson, 1982). Moreover, as the project was winding down in 1982, USAID criticized the lack of State initiative to conduct natural resource studies. It found that settlers were settling "...in a new and harsh environment without real knowledge of what crops were best suited to the area" (USAID, 1982: 8). USAID (1982: executive summary, 8-10) had thus strongly recommended that a natural resource study be conducted:

The lack of the studies could hamper economic development and impose real hardship on the families resettle|e in the area.

A little more than a year later, in May 1983, the Playa Grande Development Pole was inaugurated. In March 1984, PAVA was still expressing concern about the quality of lands available to settlers.

Also of concern to PAVA were 1,476 displaced persons located in three settlements: in Xalbal (or Xachel), and in the two fincas Las Conchas and El Rosario. The army had apparently failed to negotiate a sale with the owners of the lands from where the Las Conchas population had come. The army was considering moving the residents of the latter two camps, who were dependent on the army for sustenance, to the third settlement, Xalbal, which was the site of a proposed model village. Both Las Conchas and El Rosario were of sufficient concern to the State that they were mentioned in the June 1984, The Maximum Priority Plan of Action. By January 1985, the residents had not yet been relocated (RCE, 1985. 18).

Playa Grande was not visited by WOLA in 1985.
PAVA\textsuperscript{6} visited the municipio of Chisec as part of its tour of the Playa Grande region. East of the town of Playa Grande, the municipio of Chisec contains some 125 communities. PAVA found that the region had been heavily affected by the violence. Chisec itself had been completely destroyed in 1981. Yet at the time of PAVA’s visit, no emergency situations existed.

As in other parts of the Playa Grande, PAVA noted that the predominance of cardamom. The department of Alta Verapaz is the largest producer of the spice in Guatemala. Cardamom has been exported since 1945 but it was only in the late 1970s that it became a profitable venture and attracted the attention of the State. Following an enquiry by the Bank of Guatemala, the Vice-minister of Agriculture, Pablo Campollo y Campollo, noted in 1977 that 97% of the production of cardamom was in the hands of some 55,000 small producers (La Nación, 14/17/77; Guerra Borges, 1986: 256). Campollo further indicated the advisability of organizing the same into cooperatives which would increase efficiency and productivity.

By 1987 Guatemala was the world’s largest supplier of cardamom and India, the second largest, was approaching Guatemala on the feasibility of forming a cartel, an offer that was earlier rejected when cardamom prices were higher (Sundar, 1987: 79). According to one Guatemalan analyst in 1987, the slump in prices was due both to saturated markets and to poor quality due to “local producers’ technological backwardness” (Informex, 1987: 26). The State believed that its low labour costs would continue to keep Guatemala in the forefront of cardamom production. Cardamom, like most of the non-traditional crops promoted in current diversification policies, is a labour-intensive crop. According to Guerra Borges (1986), cardamom requires 221 days of labour per manzana per

\textsuperscript{6} The following information is taken from PAVA (1984: 69-77) unless otherwise specified.
year -- five times the amount required for cotton, 2 1/2 times that required for cane and coffee. When PAVA visited the area, the State had sanctioned a CARE directed cardamom cooperative.

Within the Chisec Pole are two communities, Acamal and Saraxoch, which does not appear on the official roster of Pole communities. Unlike all other communities visited, foreign observers have been denied access to these communities which have earned the name "re-education camps." In 1985, when Krueger and Enge\(^7\) stumbled upon Saraxoch on their way to see Acamal they were met by a sign which read:

Antisubversive Village
Ideologically New

They were denied access to Saraxoch without a military pass. According to a road crew working not far from the entrance, the people inside had been with the guerilla. Krueger and Enge later determined that the residents, 700 of them in 150 houses, had previously been in the Acamal model community.

According to military pictures (RCE, 1985: 32) there is also a sign outside of Acamal which reads:

New Acamal Settlement
An Antisubversive Community
Discipline and Organization
Welcome!

When Krueger and Enge reaced Acamal, they were initially denied entrance there too. The officer in charge stated that people -- 600 residents in 125 houses -- were at Acamal as a period of trial before they could be moved to other villages. Further, contradicting the military high command who had just one month previously deemed Acamal to be a model village, this officer said that Acamal, as well as Saraxoch, were not really model villages but refugee camps.

Krueger and Enge determined that some people had been in Acamal for up to two years. Despite the apparent availability of empty housing, 26 families had been kept -- for two years -- in a one room structure measuring 20 x 40 feet. According to informants inside the village -- a health worker and a water technician, there was no independent source of food for the village, all food was being supplied by the German aid agency COLGAAT; there was a health clinic but little medicines, and the residents' only source of income came from the making and selling of twine in the village of San Cristobal. Movement was strictly controlled: "People are registered every morning, midday and evening, at midday there is a civic ritual" (Krueger and Enge, 1985: 43).

Krueger and Enge witnessed the registration and civic ritual at midday. It was conducted largely in Kekchi, one of the two Indian languages found to be spoken in the village. During the ritual one speaker, reported Krueger and Enge (1985: 44), talked of

...his own past, how the guerillas had fooled him and the others and about the miserable lives they had. Once in Acamal, they were helped by the army, were learning to be loyal Guatemalans and were happy and grateful for this assistance.

\(^7\) The following information is taken from Krueger and Enge (1985: 40-46) unless otherwise specified.
Table C.1V
Chacaj: Official Status, January - February, 1985

<table>
<thead>
<tr>
<th>Communities/municipios</th>
<th>Inauguration</th>
<th>Houses</th>
<th>Families</th>
<th>Total</th>
<th>Food for Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chacaj, Nenton</td>
<td>30-11-84</td>
<td>200</td>
<td>--</td>
<td>108</td>
<td>(Projected for 400)</td>
</tr>
</tbody>
</table>

Chacaj includes the villages of Chacaj and Ojo de Agua in Nenton.

Notes: * = Inaugurated before Decree 65-84 (27/06/84)
-- = no information available

Source: Compiled from: Revista Cultural del Ejercito, 3(1), 1985: 1, 15-20, 23.

When PAVA\(^8\) visited the municipio of Nenton in March of 1984, they found that it, as the Ixil Triangle, had been hard hit during the years of violence. PAVA estimated that there were 12,000 people living in some 25 of the municipio's villages, while 46 other communities remained abandoned. As reported throughout the Highlands, health services were lacking and medicines in short supply. During the past couple of years bad weather had further hampered what agricultural production had been possible during the violence.

In Chacaj proper, PAVA encountered 37 resident families (a total of 167 people). None were the original inhabitants. These, approximately 80 families, were reported to be in refugee camps 4 kilometers within the Mexican border -- a fifteen minute walk from the village outskirts. Also in Chacaj were a military base and "a large number of soldiers" (PAVA, 1984: 52). There was no government health post, but a health promoter trained at the Maryknoll hospital in Jocotenango. The most common sicknesses reported were malnutrition and fever, with other sicknesses reported "...particularly due to the relocation from cool, highland areas, to the hot, arid Chacaj region" (PAVA, 1984: 52). There was no potable water; there was a school, with one teacher and 35 students.

Chacaj was located on privately owned land which was "currently national property" (PAVA, 1984: 52). Although the new residents did not have titles, each family was permitted to work 5 cuerdas. Government agencies were offering some gardening assistance and a fish pond was planned but not in operation.

Eight months after the PAVA visit, the Chacaj Pole was inaugurated by Mejía Victores in the presence of the Ambassador of the Republic of China, Francisco Yin, who presented the community with a gift of seeds. The Taiwanese have had an agricultural mission in Guatemala since 1973. Both Guatemala and Taiwan belong to the World Anti-Communist League (Black, 1986b: 5), much of the resistance in Guatemala has been officially attributed to East-West tensions\(^9\). With Taiwanese government aid Chacaj was to be a centre for experimentation to enrich agricultural diversification (Krueger and Enge, 1985: 45, RCE, 1985: 56). Through this work, it was stated

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\(^8\) The following information is taken from PAVA (1984: 46-60) unless otherwise specified

\(^9\) See, for example, Luis Francisco Rios M, Director of Civil Affairs EMDN, "Vision Geopolitica: La Rivalidad entre las Superpotencias y sus efectos negativos sobre el Isthmo Centroamericano," in RCE (1985: 66).
during the community's inauguration, "the centuries old problem of the Guatemalan peasant will be resolved."¹⁰

The Chacaj Pole was designated for returning refugees from Mexico who, Mejía said in January 1985, were living in "precarious conditions" (RCE, 1985: 18). As reported in Chapter VI, the refugee populace has been slow to return to Guatemala. Of some 40,000 refugees in United Nations High Commission on Refugees (UNHCR) camps in Mexico, only 920 refugees returned with UNHCR assistance between 1984-1985. Refugees have systematically refused to be housed in the Development Poles (Maldonado, 1986: 31).

Krueger and Enge¹¹ did not visit the Chacaj area in March 1985 but submitted a report based on talks with missionaries from the area, newspapers, and army public relation materials. They report that the 125 resident families were not refugees. Missionaries reported that they were "...attracted by the promise of house and land" (Krueger and Enge, 1985: 45). Once there, people found that houses were built on some of the best agricultural land. Between construction and Civil Patrol duties, residents did not have time to tend to agriculture. With no chance of a harvest till December 1985 and little income generating activity in the area, they were drifting out after having built a couple of houses in exchange for food. Krueger and Enge also heard reports that some local military authorities were selling donated relief supplies.

7. Yalihux, Senahu, Alta Verapaz and Yanahí, La Libertad, El Peten

<table>
<thead>
<tr>
<th>Communities/Municipios</th>
<th>Inauguration</th>
<th>Houses</th>
<th>Families</th>
<th>Total Food for Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yalihux, Senahu</td>
<td>in progress</td>
<td>100/160</td>
<td>960?</td>
<td>--</td>
</tr>
<tr>
<td>Yanahí, La Libertad</td>
<td>in progress</td>
<td>100</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Notes: * = Inaugurated before Decree 65-84 (27/06/84)
-- = No information available

Source: Compiled from: Revista Cultural del Ejercito, 3(1), 1985: 1, 15-20, 23, 57.

The small development community Yalihux (or Yalijux) was not visited by PAVA or the Washington Office on Latin America researchers. It was however, extensively promoted in the February 1985 edition of the Revista Cultural del Ejercito. Eight pages are given over to captioned pictures detailing various aspects of Yalijux. These included a school, a healthpost, a day-care centre -- with nannies, social workers and nutritionists; horticultural and aquaculture endeavors; poultry; eggs, livestock; vegetables; and social infrastructure -- a park and recreation hall. In short Yalihux appears the model of a model village and promised everything that elsewhere never materialized outside the pages of the military's journal.

¹⁰/ Author's translation of unsigned article, "Inaugurado Tercer Polo de Desarrollo, La Hora, December 4, 1984 in RCE (1985: 56).

¹¹/ The following information is taken from Krueger and Enge (1985: 45-46) unless otherwise specified.
Yanahi, in the central west of El Petén, was noted by Manz (1988: 256) to house very few people. The location of this Pole is noteworthy for the lengthy history of development that preceded it. Only since the 1960s has the Petén become the focus of State and industrial development efforts. The mid-1970s saw oil exploration and at the southern edge, in the Franja Transversal Norte, road construction, land expropriations, and land colonization projects. The Rebel Armed Forces (FAR) was based in the area.

According to PAVA (1984: 10), cooperative members in the colonization areas who lived along the Usumacinta River sought refuge in Mexico or returned to their original locations. PAVA noted 5 abandoned cooperatives which once had a combined total of 275 families. When they visited the municipio of La Libertad, in which Yanahi is located, they found that the people migrating into the area were not the original colonizers.

A few months after PAVA surveyed the former cooperative sites, the Prensa Libre (15/11/84: 26) announced that Yanahi was to be turned into a cooperative venture for 100 families. Their report was in part based on an interview with four representatives from the departmental interinstitutional committee for the area. These representatives comprised officials, not ordinary citizens: a colonel, Luís Roberto Tobar Martínez, as well as a lieutenant-colonel, Francisco Ortega, a mayor and an engineer.

Earlier cooperative colonization efforts in the general region had failed in large part due to inadequate servicing. When PAVA (1964: 115) visited they reported that "[t]he lack of accessibility has badly affected the morale of the inhabitants who are disappointed with the Government for not completing the road project it started more than 10 years ago" (See also Adams, 1965).
APPENDIX D

1. National Reorganization Plan (PREN) Projects as promoted by the State in the *Prensa Libre* during August 1987:
   
a. Proyecto Politico
b. Proyecto Internacional
c. Proyecto Economico
d. Proyecto Social

2. Priority areas of PREN, showing problem, methods of resolution, time span, and financing reported by *Analysis Economico* (XIV (637), 26/05/87: 3-4)
HACIA UNA NUEVA ESTRATEGIA NACIONAL

PROYECTO POLÍTICO

El fracaso de los programas económicos y sociales de diferentes gobiernos a lo largo de varias décadas reafirmó la necesidad de un nuevo enfoque que promocione el desarrollo e integración en América Latina. El Proyecto Político planea trabajar de manera conjunta con diferentes partes para lograr un cambio positivo.

1. Programa 1: Establecimiento de un Sistema Plurinacional de Partidos Políticos
   **SITUACIÓN**
   El sistema de partidos políticos ha sido criticado por su falta de diversidad y por no representar adecuadamente a todos los grupos sociales. Los partidos políticos tradicionales han demostrado ser incapaces de cumplir con sus tareas.

   **OBJETIVOS**
   - Crear un espacio para la participación de todos los sectores de la sociedad.
   - Promover una cultura de pluralismo y diversidad política.

2. Programa 2: Concentración para la Participación Democrática
   **OBJETIVOS**
   - Incrementar la participación de los ciudadanos en los procesos políticos.
   - Fortalecer la gobernabilidad y la transparencia en el gobierno.

3. Programa 3: Consolidación del Perú de las Partes Políticas
   **OBJETIVOS**
   - Fomentar la inclusión de todos los sectores de la sociedad en los procesos políticos.
   - Estimular el diálogo y la negociación para la construcción de acuerdos.

IMPACTOS INDIRECTOS
- Incremento en la calidad de gobierno y la gobernanza en el Perú.
- Mayor participación ciudadana en los procesos políticos.

Central del problema económico es la necesidad de fortalecer las partes políticas. El logro de una democracia efectiva requiere un estado fuerte y transparentes para garantizar la aplicación de los principios de gobernanza.

**REORGANIZACIÓN NACIONAL**

TRABAJANDO JUNTOS PARA EL DESARROLLO DE TODOS
HACIENDO PASO A PASO

EL DESARROLLO NACIONAL

PROYECTO INTERNACIONAL

Los programas del Proyecto Internacional son proveedores de un amplio y diversificado espectro de servicios en el ámbito internacional.

1. NEUTRALIDAD ACTIVA
2. FORMACIóN DE RELACIONES
3. CONTRIBUCIóN AL TURISMO
4. NEGOCIACIONES INTERNACIONALES
5. LIBERTAD PARA COMERCIALIZAR EL EXTRAO
6. INFRAESTRUCTURA PARA EL COMERCIO INTERNACIONAL

1. Negociaciones Activa

Objetivos
- Contribuir al fomento y desarrollo de los negocios en el comercio internacional, para que la economía nacional sea más competitiva.

2. Formación de Relaciones

Objetivos
- Formar y mantener relaciones significativas con países extranjeros, con el objetivo de fomentar el comercio bilateral.

3. Contribución al Turismo

Objetivos
- Promover el turismo como una actividad económica viable, con el fin de generar empleo y fomentar el desarrollo regional.

4. Negociaciones Internacionales

Objetivos
- Fomentar acuerdos y tratados comerciales con países extranjeros, para fortalecer la economía nacional.

5. Libertad para Comercializar el Exterior

Objetivos
- Articular la salida de美丽商品到国际市场上，以促进其经济的发展。

6. Infraestructura para el Comercio Internacional

Objetivos
- Crear un ambiente favorable para el comercio exterior, con el objetivo de facilitar la movilidad de bienes y servicios.

Guatemala, 20 de agosto de 1987 — PRENSA LIBRE — 51

Pasando Juntos para el Desarrollo de Todos
HACIA UNA NUEVA ESTRATEGIA NACIONAL

TRABAJANDO JUNTOS PARA EL DESARROLLO DE TODOS
HACIA UNA NUEVA ESTRATEGIA NACIONAL

PROYECTO SOCIEDAD

Cuando habitamos de pequeña edad, nos referimos a las habilidades que desarrollamos para mejorar nuestras vidas. Estas habilidades pueden ser físicas, como correr o saltar, o intelectuales, como recordar información. En el caso de la educación, estas habilidades se adquieren a través de la experiencia y la práctica. En el caso de la política, las habilidades se adquieren a través de la formación y la práctica. En el caso de la economía, las habilidades se adquieren a través de la inversión y la práctica.

LAS ÁREAS DE TRABAJO

1. Educación

2. Salud

3. Economía

4. Medio Ambiente

5. Seguridad

6. Justicia

7. Cultura

8. Deportes

9. Deportes

10. Energía

11. Telecomunicaciones

12. Transporte

13. Comunicaciones

14. Turismo

15. Energía

16. Medio Ambiente

17. Salud

18. Economía

19. Seguridad

20. Justicia

21. Cultura

22. Deportes

23. Deportes

24. Energía

25. Telecomunicaciones

26. Transporte

27. Comunicaciones

28. Turismo

29. Energía

30. Medio Ambiente

31. Salud

32. Economía

33. Seguridad

34. Justicia

35. Cultura

36. Deportes

37. Deportes

38. Energía

39. Telecomunicaciones

40. Transporte

41. Comunicaciones

42. Turismo

43. Energía

44. Medio Ambiente

45. Salud

46. Economía

47. Seguridad

48. Justicia

49. Cultura

50. Deportes

51. Deportes

52. Energía

53. Telecomunicaciones

54. Transporte

55. Comunicaciones

56. Turismo

57. Energía

58. Medio Ambiente

59. Salud

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274. Deportes
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<th>Problema</th>
<th>Cuantitativo</th>
<th>Cuantitativo</th>
<th>Periodo</th>
<th>Inversión/Fuentes</th>
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<td>1 AGUA</td>
<td>1 1 Agua potable</td>
<td>Sanitarias: 🟢 30,000; 🟢 1,000,000; 🟢 100,000; 🟢 10,000; 🟢 10,000; 🟢 10,000</td>
<td>🟢 5,000; 🟢 1,000,000; 🟢 100,000; 🟢 10,000; 🟢 10,000; 🟢 10,000</td>
<td>1987</td>
<td>O 100 m.</td>
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<td>1 2 Agua potable</td>
<td>🟢 20,000; 🟢 30,000; 🟢 40,000; 🟢 50,000; 🟢 60,000; 🟢 70,000</td>
<td>🟢 30,000; 🟢 40,000; 🟢 50,000; 🟢 60,000; 🟢 70,000</td>
<td>1987</td>
<td>O 100 m.</td>
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<td>2 TIERRA</td>
<td>- Distribución irregular</td>
<td>- Compra de 100,000,000</td>
<td>- Propietarios internacionales</td>
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<td>3 CARRETERAS Y CAMINOS</td>
<td>- Broque de asfaltado de carreteras</td>
<td>- $100,000,000</td>
<td>- $100,000,000</td>
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<td>4 VIVIENDA</td>
<td>- No se producen en el 10% de los hogares</td>
<td>- $100,000,000</td>
<td>- $100,000,000</td>
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<td>5 SEGURIDAD ALIMENTARIA</td>
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<td>- $100,000,000</td>
<td>- $100,000,000</td>
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<td>O 100 m.</td>
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<td>6 EXPORTACIONES</td>
<td>- Escasez de alimentos</td>
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<td>7 SEGURIDAD URBANA</td>
<td>- Incremento en la violencia</td>
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<td>8 SERVICIOS DE SALUD</td>
<td>- Fiebre amarilla</td>
<td>- $100,000,000</td>
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<td>1987</td>
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</table>
9 EDUCACIÓN

- Analphabetismo en el área rural es del 80%
- El analphabetismo en el área urbana es del 40%
- Sólo el 45% de los niños de 7-12 años asisten a la escuela en el área rural
- Sólo un 1% de la población entre 13-16 años asiste a escuela secundaria
- Un 21% de los que ingresan a primera promocion terminan
- Un 43% de los que ingresan a secundaria siguen
- Sólo un 30% de los que se graduaron en secundaria ingresan a la universidad, pero sólo un 20% obtenen una carrera profesional
- La educación primaria para niños de 6 a 12 años
- La inversión en educación es del 2% del PIB en los últimos años

FUENTE: Estimaciones del PIB de 1985 basadas en el Memoria/nes presidenciales sobre la Reorganización Nacional (marzo 1985).
APPENDIX E: GLOSSARY AND LIST OF ACRONYMS

I. Glossary

campesino/a: term used to describe in Guatemala largely to describe the rural populace

caudillos: military chiefs

centenario relation: a buddy system between young and old cadets.

colonos: resident workers

congregacion: "The policy of concentrating scattered settlements into nucleated, church dominated centres; by extension the centres themselves" (Lovell: 177-180).

financiera: financial house

finca: large estate or plantation

intendentes: appointed mayors

latifundia: large holdings

mandamientos: labour drafts

manzana: 0.7 hectare

maquila: draw-back manufacturing industry

minifundia: small subsistence plots

municipio: township division

principales: elders

reduccion: see congregacion

traje: native dress, differing by community
II. List of Acronyms

AE: Analisis Economico
AIFLD: American Institute of Free Labor Development
ALCOSA: Alimentos Congelados Monte Bello, S.A.
ANACAFE: (National Coffee Growers Association)
ANI: Agencia de Noticias del Istmo S.A.
AP: Analisis Politico
AW: Americas Watch
BANDESA: (National Agricultural Development Bank)
BID: Banco Interamericano de Desarrollo
(Inter-American Development Bank)
CAHI: Central America Historical Institute
CAR: Central America Bulletin
CACIF: Comite Coordinador de Asociaciones Agricolas, Comerciales, Industriales y Financieras
(Co-ordinating Committee of Agricultural, Commercial, Industrial and Financial Associations)
CAN: Central Autentica Nacionalista
(Nationalist Authentic Central)
CAO: Central Aranista Organizada
(Organized Aranist Central)
CAR: Central America Report
CEAR: (Guatemala Special Committee for Assistance to the Refugees)
CBI: Caribbean Basin Initiative
CEIG: Centro de Estudios e Investigaciones para Guatemala
CDHG: Guatemalan Human Rights Commission
CRN: Comite de Reconstruccion Nacional
(National Reconstruction Committee)
CSQ: Cultural Survival Quarterly
CUC: Comite de Unidad Campesina
(Committee for Peasant Unity)
DIT: (Department of Technical Investigations)
EG: El Grafico
EIU: Economist Intelligence Unit Ltd.
FFW: Food for Work
FIASA: Financiera Industrial and Agropecuria
FTN: Franza Transversaal del Norte
FUN: Frente de Unidad Nacional
(National Unity Front)
FYDEP: (National Enterprise for the Promotion and Economic Development of the Peten)
GAM: Grupo de Apoyo Mutuo
(Group of Mutual Support)
GNIB: Guatemala: News in Brief
ICCHRLA: Inter-Church Committee on Human Rights in Latin America
IDB: Inter-American Development Bank, see BID
IICCC: (Interinstitutional Coordinating Committee)
IIESO: Instituto de Investigaciones Economicas y Sociales de Occidente
INACOP: Instituto Nacional de Cooperativas  
(National Institute of Cooperatives)
INE: Guatemala. Instituto Nacional de Estadistica  
(National Institute of Agrarian Transformation)
INTA: Integrated Rural Development
LAAD: Latin American Agribusiness Development Corporation
LAWR: Latin American Weekly Report
MAS: Movimiento de Accion Solidaria  
(Central American Common Market)
MEC: Movimiento Emergente de Concordia  
(National Liberation Party)
NCICCR: Northern California Interfaith Committee on Corporate Responsibility
PAAC: (Plan of Assistance to Areas in Conflict)
PAVA: Programa de ayuda para los vecinos del altiplano
PDCN: Democratic Party of National Cooperation
PGT: Partido Guatemalteco del Trabajo  
(Guatemalan Labour Party)
PID: Partido Institucional Democratico  
(Institutional Democratic Party)
FL: Prensa Libre
PNR: Partido Nacional Renovador  
(National Renovation Party)
PR: Partido Revolucionario  
(Revolutionary Party)
PREN: (National Reorganization Plan)
PRES: (Short-term National Social and Economic Reordering Program)
PSD: Partido Socialista Democratico  
(Social Democratic Party)
PUA: Partido de Unidad Anticomunista  
(Anticomunist Unification Party)
RCE: Revista Cultural del Ejercito
RM: Revista Militar
ROG: Report on Guatemala
SEGEPLAN: Guatemala. Secretaria General del Consejo Nacional de Planificacion Economica  
(General Secretariat of the Economic Planning Council)
TW: This Week
UASP: Unidad de Accion Sindical y Popular
UCN: Union del Centro Nacional  
(Union of the National Center)
UNAGRO: Union Nacional de Agricultores
UNHCR: United Nations High Commissioner on Refugees
URNG: Union Revolucionaria Nacional Guatemalteca  
(Guatemalan National Revolutionary Unity)
USAID: United States Agency for International Development
WOLA: Washington Office on Latin America
WB: World Bank

Note: ( ) signifies English translation.
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