

Testimony by Mark L. Schneider, Senior Vice President, International Crisis Group on
“Guatemala at a Crossroads” to the House Committee on Foreign Affairs’ Subcommittee
on the Western Hemisphere

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I appreciate the opportunity to testify again before the House Committee on Foreign Affairs and I want to thank the Chairman of the Committee Representative Howard Berman, and the chairman of the Western Hemisphere Subcommittee Representative Eliot Engel for the invitation to appear here today. The hearing title “Guatemala at a Crossroads” is accurate but arguably far less dramatic than the actual situation facing the citizens and democratic institutions in that nation.

My first visit to Guatemala was four decades ago and I marveled then at the richness of its culture and the beauty of its countryside. Since then I have returned to Guatemala many times, during long periods of repression and fear, when many of those who hold office today could not participate in political life, during the conflict and during the Central American peace negotiations that began in Esquipulas, Guatemala. I visited the graves of massacred villagers, the victims of a 34-year war, which the Commission for Historical Clarification wrote “eliminated entire Mayan rural communities” and saw the “persecution of the urban political opposition, trade union leaders, priests and catechists”. I also supported the efforts of Central Americans who finally negotiated the accords that brought peace to the countries of the Isthmus and as a member of the U.S. delegation witnessed the signing of the Accord for Firm and Lasting Peace in Guatemala City on 29 December 1996.

I appear here today on behalf of the International Crisis Group, the independent, non-partisan, non-governmental organization that provides field-based analysis, policy advice and advocacy to governments, the United Nations, OAS and other multilateral organizations on the prevention and resolution of deadly conflict. Crisis Group publishes annually around 90 reports and briefing papers, as well as the monthly [CrisisWatch](#) bulletin. Our staff are located on the ground in twelve regional offices and seventeen other locations covering between them over 60 countries and focused on conflict prevention and post-conflict stabilization. It maintains four advocacy offices, in Brussels (the global headquarters), Washington, New York and London; and as liaison presences in Moscow and Beijing.

In the Americas, the International Crisis Group has been actively engaged in Colombia and the Andean countries and in Haiti in recent years, seeking to identify the drivers of conflict, to analyze their origins and objectives and to offer policy recommendations to resolve them through political and diplomatic rather than violent means. We had hoped that improving conditions in Central America in the aftermath of the Cold War conflicts would have made our engagement unnecessary. In the Crisis Group reports on drug trafficking *Latin America Drugs I: Losing the Fight* and *Latin America Drugs II: Improving Policy and Reducing Harm* published in March 2008 we already had noted

that the vast majority of the cocaine coming into the U.S. entered through the Central America/Mexico corridor and described the porous border between Guatemala and Mexico. We also argued that the fight against drugs had to be fought differently—with a lot better aim at demand reduction in consumer countries, rural poverty reduction in the supply countries, addressing what Paul Collier describes as the youth tsunami, strengthening law enforcement and governance in both supply and transit countries and targeting interdiction where it can be most effective. However, increasing reports of worsening conditions in Guatemala with respect to citizen security, organized crime, drug trafficking and impunity resulted in our Board of Trustees agreeing that we assess the situation in that country.

It is with that background that I want to describe to the members of the Western Hemisphere Affairs Subcommittee my dismay at the devastating state of insecurity, corruption and impunity that I found in a visit to Guatemala this year for the Crisis Group. Drug cartels have taken up residence in a broad swath of rural Guatemala that extends from the Mexican border to the Caribbean. Government, civil society and diplomats estimated that the cartels dominate 40% of the national territory—the Northern provinces bordering Mexico, down through Coban to the Lake Izabal area on the Caribbean coast, throughout the jungle and archeologically and mineral rich Peten, and along the Pacific coastal region.

Hundreds of small landing strips, many on private property, dot the countryside throughout those areas and provide easy access to traffickers. Go-fast boats land along the Pacific coast and fishing boats along the Caribbean coast—undaunted by Guatemala's limited naval capacity. Traffickers control municipalities and local authorities by virtue of their coercive power and financial resources. In an increasing number of cases, we are told they are one and the same. These same well-financed and well-armed networks of traffickers also have penetrated into the high echelons of law enforcement institutions.

For many years, Guatemala was the domain of the Sinaloa cartel so far as cocaine trafficking was concerned. That era came to an end when the Gulf cartel arrived to challenge those territorial rights bringing with it, the “Zetas” – paid assassins. The rising levels of homicides since 2004 tracks that competition with nearly a 50% increase between 2004 and 2008 in homicides in Guatemala, according to UN-sponsored International Commission against Impunity (CICIG) officials.

The State Department's 2009 International Narcotics Control Strategy Report (INCSR) and the conclusions of the UN Office on Drugs and Crime are clear: “Guatemala is a major transit country for ...South American cocaine headed towards the United States and other global markets.” The amount of cocaine flowing north to the U.S. is variably estimated at 400 metric tons (MT) in the 2009 State Department INCSR, 545 to 707 MT by the Interagency Assessment of Cocaine Movement (IACM) and 1174 metric tons heading toward the U.S. and other global markets based on transit seizure analyses at the Joint Interagency Task Force South, (JTIAF-S). Of those totals, IACM estimates are that at least 180 MT of cocaine passes through Guatemala. Last year only 2.2 MT were seized by the Guatemalan police and military and another 1.2 MT by the ports police. A vetted

Guatemalan naval unit with U.S. support under the Merida Initiative is just beginning to function but its reach is limited. Guatemala also is a small producer of opium poppy with Mexican cartels providing seed, guaranteeing purchase at harvest and then processing the opium gum into heroin in labs inside Mexico.

The real southern border for the U.S. must protect does not stop at the 2000 mile long stretch with Mexico where President Calderon has mobilized the entire Mexican capacity to block the traffickers but is much further south. Interdiction ideally should take place before cocaine enters Mexico, not after.

A significant shift took place last year in the decision-making of drug traffickers on the best routes into the U.S. According to JTIAF-South, the joint operations center in Key West, using intelligence, radar tracking and air and sea interdiction, for the first time, the primary movement in 2008 of cocaine from South America—the first port of illegal entry---was Central America, not Mexico. Previously most of the shipments from South America, mainly Colombia, stopped first in Mexico. But last year some 65% of the shipments stopped first in Central America. Guatemala is the preferred stop and it saw a 47% hike in cocaine trafficking between 2006 and 2008, with 147 MT estimated to land first in Guatemala before heading on to Mexico. Another substantial but undefined amount of cocaine that stops first in other Central American countries, makes a stopover in Guatemala, before heading to Mexico and the U.S. markets. The current admittedly soft estimate by U.S. authorities of the grand total transiting Guatemala in 2008 was some 180 metric tons.

The amount of money from the transiting cocaine in Guatemala is staggering. Using the 2006 typical wholesale price for cocaine in Guatemala registered in the 2008 World Drug Report of the UN Office of Drugs and Crime (UNODC) of \$13100 is used, that means the value of the 180 metric tons transiting Guatemala is close to \$2.4 billion. Even if only 10 percent of the value of those cargos turns out to be available for corruption, hiring hit men, and paying other gang related bribes, it would be more than double all US foreign assistance for Guatemala. Many suspect that more cocaine than is currently estimated stopping first in other Central American countries actually stops a second time in Guatemala before joining the flow of illicit drugs, migrants and legitimate commerce “al norte”.

Equally worrisome is the estimate that at least two percent of the cocaine transiting Central America is staying to be consumed in those countries, adding a major health threat to those young people. Another undefined portion of the cocaine stopping in Central America may also be diverted now toward more lucrative markets in Western Europe beyond the totals that pass directly from the Andean countries, transiting Venezuela and the Caribbean from Colombia, or Brazil and Argentina from Peru and Bolivia.

There is little question that the drug trafficking cartels are responsible for much of murder, coercion and corruption that is the greatest concern today in Guatemala of its citizens and its government. However, their presence is as much a symptom of the weak

institutions of justice in that country as a cause. While the headlines and sudden international attention to Guatemala is focused on the shocking murder last month of a respected lawyer, Rodrigo Rosenberg, and his video accusations against the country's president, the evidence of out-of-control violence in Guatemala even before that event was overwhelming.

Some 6300 Guatemalans were murdered last, as many as in Mexico, a country with nine times the population. Similarly, the overall rate of 48 homicides per 100,000 in 2008 may well have put Guatemala in the unenviable position of challenging for worst in the hemisphere. The hemisphere average is 27.5/100,000 and the world average is 8.8/100,000.

For many Guatemalans in urban areas, the level of insecurity is identified most visibly by the simple fact that taking a bus is placing your life at risk. Last year, organized gangs seeking protection money from other bus companies, driver-owned buses, and bus driver unions murdered 171 bus drivers, most in Guatemala City. Kidnapping doubled as well in 2008 to 438 reported cases.

Another statistic that illustrates the challenge facing Guatemala in preserving the rule of law is that there are now more than 150,000 private security guards, many times greater than the 20,000 Guatemalan police. Norms, standards and controls on those private security forces, registration of the weapons they carry and monitoring of their conduct are virtually non-existent. In many ways, they reflect the failure of the state to fulfill its basic function to protect its citizens, holding a monopoly on the legitimate use of armed force.

The level of impunity in Guatemala almost surely again places it as the most unlawful in the hemisphere since 98 percent of the murderers go free, according to Guatemala's Human Rights ombudsman, and verified by the CICIG. The reasons for the failure of the institutions of justice to protect its citizens and defend the law are numerous, but they constitute a weakness and corruption of the state that jeopardizes the rule of law and democratic processes.

As a result, Guatemalans see themselves as the most violent country in the region and identify crime and lack of public security as the most important problem they face. The anecdotes reported by government officials, diplomats and security analysts underscore the findings of Transparency International, Latinbaròmetro and other surveys that find Guatemalans have the least regard in Latin America for the honesty of police—on Transparency's 1-5 ranking where 5 is extremely corrupt—Guatemalans average 4.3. And they also have the highest percentage, 66%, who believe that corruption in the next three years will likely increase.

In some ways, the vast array of commitments in the peace accords which ended Guatemala's civil conflict contained both the seeds of peace and the seeds of insecurity. The guerrilla combatants were demobilized and while the army was reduced in size, part of the peace process meant virtual immunity from prosecution for the army, the intelligence apparatus and the police—together identified as responsible for more than 90

percent of the 200,000 killings during the war. Many of those same ex-security officials then morphed into private security agencies. Too little was done in implementing key reforms aimed at obtaining an impartial and effective police force, non-political judges and access to justice for the indigenous and poor majority in the country.

While much of the current violence may well involve gang on gang combat for territory, civilians are often the victims. In addition, the linkages and overlap between narcotics cartels, organized crime and maras is clear, as has been pointed out in Guatemala's unique newspaper of investigative journalism "el periodico" as well as in the work of the Washington Office on Latin America and others, who have focused on the phenomenon of gang violence and how best to respond.

Over time, there have been progressive reforms attempted of the security forces—the most recent in 2008 according to CICIG under the Colom administration that removed 1700 police for corruption, including 50 police commissioners and the deputy director of the national police. After CICIG complained of the lack of cooperation from the attorney general's office, the attorney general resigned and subsequently 10 of the main prosecutors also were "invited to leave." Since 1996, with U.S. and international support, there have been many, many talented Guatemalans, in civil society and in government who are both committed enough and brave enough to try and rescue the institutions of governance from the control of private interests, organized crime and drug traffickers.

What more can be done:

First, Guatemalans must make the decision to end impunity, build effective, independent and competent law enforcement institutions and expand impartial access to justice. It is their country, their families and their lives. Many of them have put their lives at risk in pursuit of a more just society. The rising level of public frustration and anger at what has occurred may have passed the trigger point to generate the kind of demand for change that produced the progressive era and the civil rights movement in this country. We already have seen 30,000 protestors demanding a real investigation, prosecution and conviction in the murder of Rodrigo Rosenberg.

Second, Guatemala has requested and the UN has extended for two years to 2011 the mandate of CICIG. The CICIG's Spanish Supreme Court Judge Carlos Castresana and his combined international and national force of investigators and prosecutors offer a short-term boost to Guatemala's capacity to end impunity. CICIG was formed to do three things: to determine the existence of illegal armed forces and clandestine criminal organizations; to collaborate in dismantling those structures through criminal investigation, prosecution and punishment for the crimes they have committed and to recommend public policies and assist, train and help Guatemalan institutions and civil society in implementing them to strengthen the Guatemalan capacity to protect its citizens. At this point, every analysis should be aimed at asking what more can be done to give CICIG the resources to help Guatemalans in those tasks.

- The U.S. should second FBI agents, Spanish-speaking prosecutors and forensics specialists to assist CICIG in bringing the murderers of Rosenberg and other recent homicides to justice.
- The Government of Guatemala should provide the same privileges and immunities to Guatemalan prosecutors and investigators working for CICIG as international employees and ideally, they all should be placed under the UN mantle.
- The U.S. and the international community with CICIG and the Guatemalan authorities identified by CICIG should determine the requirements for “high impact” courts recommended by CICIG and agreed to but not implemented by the Guatemalan authorities. Judges, prosecutors, and investigators to run those courts should be identified, vetted and protected.
- The U.S. and the international community, including the Inter-American Development Bank and the World Bank, should determine rapidly how to finance a maximum security prison and train a professional corrections staff to run it.
- With CICIG, the human rights ombudsman and Guatemalan authorities should identify the municipalities which have been taken over by drug traffickers and through prosecution of corruption, drug trafficking and crime, re-take those towns one-by-one. Law enforcement should be followed by integrated municipal development investments

Third, after nearly a year of negotiations, the Colom administration reached agreement on a national justice and security pact with Guatemalan civil society and the guarantors are the Human Rights Ombudsman, the Catholic Cardinal, and the Bishop of the Evangelical church and the Rector of the San Carlos University. This expression of popular demand for security sector reform and strengthening justice is important and deserves support, but the more than 100 goals require prioritizing, an agreed time-table for action and periodic public evaluation.

Fourth, while there is much to do in building law enforcement to respond to drug trafficking, violence and crime, prevention should not be forgotten. The World Bank reports that only 14 percent of all indigenous children are enrolled in secondary school. And at 44 percent, Guatemala's child malnutrition rate is not only the highest in Latin America; it is among the worst in the world. In the cities, growing numbers of unemployed, unskilled youth are ready recruits for Maras and traffickers. Paul Collier spoke recently about a youth tsunami building across developing countries where high percentages of young people with not enough skills to compete globally are now seeing their futures even more at risk from a global financial crisis that further restricts job creation. Guatemala faces a reduced export market in the U.S., declining remittances, already low tax revenues dropping further, thus making it harder to maintain, let alone increase state investment in education and a social safety net. Frustrated and feeling abandoned, Guatemalan youth are vulnerable to other illicit siren calls.

Successful efforts to produce stability and security will also require a new public private partnership to develop programs that rapidly improve the country's social indicators. Guatemala's elite simply has to allow taxes to rise and to pay the taxes they owe to fund needed schools, health clinics, rural development and justice. The peace accords that ended decades of civil conflict included commitments to drastically reduce poverty, particularly among indigenous Mayan peoples who comprise a majority of Guatemala's population. A decade later, Guatemala still has yet to reach the 12 per cent of GDP in tax revenues that was called for in those accords.

Finally, the U.S., as Secretary of State Hillary Clinton noted, has shared responsibility for the enormous threat of drug trafficking to Guatemalan security since it is the U.S. demand for cocaine that draws the cartels to Guatemala to stage their cocaine pony express route into Mexico and the U.S. Secretary Clinton also noted that those traffickers frequently obtained not only the cash that finances them through drug sales in the U.S. but also the weapons that they use to attack local police, intimidate local judges and kill Guatemalan citizens. The U.S. could help Guatemala substantially, as you have urged Mr. Chairman, by cutting off the flow of weapons south and by re-vamping its counterdrug policies from top to bottom, as your bill to create a Western Hemisphere Drug Policy Commission proposes.

Let me conclude by simply noting that there has been inadequate attention paid in recent years to the rising threats to security and democratic institutions in Central America and particularly in Guatemala. Year after year it seems that the killings go on and the killers go free. The people of Guatemala have the right to expect more. As Guatemala's Nobel Laureate for Literature, Miguel Angel Asturias said, "The eyes of the buried will close together on the day of justice, or they will never close."