

**THE WORLDVIEW OF THE OLIGARCHY IN
GUATEMALAN POLITICS**

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SUMMARY OF THESIS

This is a study of the worldview and political actions of the Guatemalan oligarchy (or economic elite). It primarily uses an ethnographic method based on interviews with members of the oligarchy to answer a single question: How did the oligarchy's worldview shape their political practices that limited the development of liberal democracy in Guatemala in the final decade of the twentieth century?

Scholars frequently treat economic elites as a faceless class or as self-interested rational actors. In contrast, I take a humanistic approach recognising the oligarchs as complex, often contradictory individual human beings with diverse motivations. I access their worldview by analysing their narratives contained in interview testimony and business association documents. The thesis focuses on two aspects of the oligarchy's worldview: (1) their shared narratives on private property, especially their thinking on expropriative and redistributive agrarian reform and (2) their shared narratives on personal security, particularly their views on crime and punishment. I then undertake detailed descriptions from the oligarchs' perspective of two political contexts illustrating how the oligarchy's worldview shaped their actions: (1) the oligarchy's prevention of agrarian reform in the UN-mediated peace process of the mid 1990s to protect their property rights and (2) their response to kidnapping and violent crime in the late 1990s to ensure their personal security.

I draw two main conclusions. First, the oligarchy's worldview shaped their political practices that helped them retain their traditional privileges and ensure continuity in the face of pressures for change: they maintained the highly unequal land distribution in a country of enormous poverty and landlessness; and they protected their personal security while other social groups continued to suffer social violence. Second, these practices limited democratisation in Guatemala: to preserve their privileges they used informal patrimonial influence in government, supported the use of violence and violated the rule of law; and the consequences of their actions damaged the civil rights and minority rights of those outside the oligarchy's community, and weakened state accountability to citizens.

These conclusions challenge two claims in the political science literature: that Guatemala has a 'reformist' business sector that is more 'democratic' than in the past; and that economic elites tend to play a positive role in democratisation processes.

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Many Guatemalan oligarchs believe that they are personally responsible for the success of their plantations or factories, and barely acknowledge the efforts of their many labourers. I view this study differently. Despite the single author on the title page, my thesis is the product of a thousand conversations, books and experiences.

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CHAPTER 1: INTRODUCTION

Parallel histories

Sicily, 1860. Garibaldi's Red Shirts are approaching. 'Unless we ourselves take a hand now, they'll foist a republic on us. If we want things to stay as they are, things will have to change.' So says Tancredi, nephew of the landowning prince in Giuseppe de Lampedusa's novel, *The Leopard*. Tancredi, like his uncle, wants to maintain the traditional privileges of the oligarchy, of which they are both part. But with their property and lives at risk, with the feudal order under threat, the young man realises something must be done. The inertia of the old system, the loyalty of the servants, will not be sufficient to preserve the status quo. Tancredi believes that his generation can shape history. Safeguarding their position will require a semblance of change: they must appear to embrace the republic.

* * *

By the 1990s Guatemala's oligarchs had experienced three decades of threat to their own traditional order and privilege: a world of extreme wealth inequality, of 'Whites' served by 'Indians', of pervasive political influence. The guerrilla uprisings of the 1960s had been crushed, only to have reemerged in the 1970s with a stronger base amongst indigenous Mayans, who comprised around 60% of the population. The oligarchs became increasingly reliant on the military, which controlled government through electoral fraud, to act on their behalf to defeat the insurgents. In the army massacres of the late 1970s and early 1980s around 150,000 people were killed, 440 indigenous villages destroyed and more than one million people displaced. Despite a shift to elected civilian rule in the mid-1980s - tightly managed by the military - the civil war and political violence did not cease. Trade unionists, human rights workers, lawyers, priests, journalists and others continued to be tortured, disappeared and killed.

During these dark years of armed conflict members of the oligarchy supported the army and paramilitary groups, such as by financing death squads, flying their own planes into combat areas to help transport soldiers, permitting army bases to be built on their *fincas* (large plantations or farms), and giving tacit approval to violence through not publicly voicing opposition. Their hostile reaction is not surprising. For the oligarchs the 1980s was a period of Cold War turmoil in Central America. The Sandinistas controlled Nicaragua, El Salvador was on the verge of falling to the guerrillas, and the Guatemalan army was unable to eradicate the subversives. Moreover, the Guatemalan conflict directly

affected the oligarchs. The destruction of *fincas* and crops, and the imposition of war taxes by guerrillas, threatened and violated their security of private property. Throughout the war kidnapping and assassination of businessmen and their families endangered and limited their personal security.

The threat to the Guatemalan oligarchy had receded by the late 1990s. The Sandinistas had been defeated in the 1990 election and the Salvadoran peace process was complete in 1992. After initial opposition and reluctance, Guatemala's oligarchs supported the peace negotiations, along with the army. In 1996, after six years of talks, the government/military and the Guatemalan National Revolutionary Unity (URNG) guerrillas signed an agreement ending the armed conflict. None of the peace accords that emerged from the negotiations challenged the oligarchy's privileged position; in particular, their domination of private property remained intact. Signing of the final accord, and the first years of official peace from 1996 to 2000, occurred during the government of Alvaro Arzú Irigoyen, a modern businessman and member of an old wealthy family. As post-war violent crime emerged as a problem for all social sectors, the oligarchs used their economic and political influence to ensure personal security exclusively for members of their own community, just as they had done during the civil war. President Arzu's administration, comprising many business leaders, seemed to illustrate the oligarchy's cautious acceptance of a negotiated peace and electoral politics. But it also symbolised maintenance of the oligarchic order, for the oligarchs were in government and their privileges were intact. The last decade of the century was characterised by continuity masquerading as change.

The question

This introduction is an intellectual history of the evolution of my research. The questions that initially inspired this study of Guatemala are not those that determined and encompassed its final form. There is no single, pristine path to the present without imposing a *post hoc* coherence that obscures the various and uncertain roads travelled.

The final question that emerged is: *How did the oligarchy's worldview shape their political practices that limited the development of liberal democracy in Guatemala in the final decade of the twentieth century?*

The argument

The argument I make, which is structured by the specifics of this question, is as follows.

The present chapter provides the theoretical and methodological basis for understanding the argument. It examines the literature on elites and democratisation in Latin America, and specifies a model of liberal democracy that frames the study. The chapter discusses the focus on issues of private property and personal security, in addition to the idea of worldviews and the need for detailed investigation of particular political contexts. It also explains my ethnographic approach to the Guatemalan oligarchy based on narrative analysis.

Chapter 2, an historical and historiographical analysis, helps justify and ground the theories and methods discussed in the previous chapter. First, the chapter presents an overview of Guatemalan history that highlights not only the role of the oligarchy, but also the importance of private property and personal security issues. Second, it examines the literature on the Guatemalan oligarchy and demonstrates the scholarly consensus that Guatemala retains an economic elite, or oligarchy, that can be identified through class position, family networks, and business associations. Third, the chapter explores existing explanations for the maintenance of oligarchic influence in Guatemala (with respect to land, labour and taxation issues), arguing that the focus on structural explanations neglects the role of actors, and that the tendency to analyse long historical periods (usually decades) makes it difficult to demonstrate how oligarchic influence operates in particular circumstances. This suggests the importance of studying worldviews and specific political contexts.

Chapter 3 extends the analysis in the previous chapter by asking: What are the most important defining characteristics of the Guatemalan oligarchy? Testimony from the oligarchs themselves provides a more complex and nuanced picture of the economic elite than extant research that identifies them in terms of class position, family networks and business associations. The chapter highlights four issues: the oligarchs' self-identification as members of an elite; the extent of internal heterogeneity; their sense of vulnerability; and the importance of community. The analysis provides a foundation for understanding the worldview and practices that will be explored in subsequent chapters.

Chapters 4 to 7 form the core of the argument. In the 1990s, when oligarchic privileges were under pressure, the economic elite acted to maintain these privileges and thereby limit the development of liberal democracy, which had been emerging slowly since the end of direct military rule in 1985. Members of the oligarchy adapted to political changes to preserve their traditional privileges in two areas: protecting the private property of the wealthy few, and exclusively protecting their own personal security.

Chapters 4 and 5 examine private property. Chapter 4 asks: What is the oligarchy's worldview with respect to security of private property? The economic elite share various narratives that illustrate their

worldview on private property. They are unified, across economic sectors, in opposing any reform of the existing private property system. In particular, their worldview excludes contemplating an expropriative or redistributive agrarian reform. The oligarchs' shared narratives are also incompatible with many liberal democratic values, including minority rights and civil rights.

Chapter 5 considers: How did this worldview on private property shape their political practices to prevent a redistributive agrarian reform from appearing in the Accord on Socioeconomic Aspects and the Agrarian Situation, negotiated as part of the peace process in 1995 and 1996? This chapter, a detailed analysis of the negotiations from the perspective of the economic elite, places the narratives of Chapter 4 in context, showing how they guided the oligarchs' political practices. Led by a modernising sector, but backed by the traditional nucleus of oligarchic families, the economic elite successfully protected their property privileges. Their practices limited the development of liberal democracy in two main ways. First, their use of informal patrimonial influence in the state to prevent agrarian reform was inimical to the liberal democratic value of government accountability to citizens. Second, the consequences of oligarchic practices were to prevent a range of liberal democratic rights being realised in practice for those outside the oligarchic community, including landless *campesinos* (peasant farmers) and indigenous people.

Chapters 6 and 7 address a second aspect of oligarchic privilege: personal security. Chapter 6 investigates: What is the oligarchy's worldview with respect to security of person? Like Chapter 4, this is based on an analysis of oligarchic narratives. The economic elite see themselves as victims of violence during the armed conflict, and also as victims in post-conflict Guatemala, because of continued kidnapping and violent crimes committed against business people and their families. The oligarchs have little concern for personal security amongst those outside their own community. They demand an authoritarian state response to post-conflict violent crime, although traditional landowners favour giving the military a permanent role in internal security more than urban elites involved in commerce and finance. The oligarchs' preferred approaches to reducing violent crime are irreconcilable with liberal democratic values such as civil rights.

Chapter 7 asks: How did this worldview on personal security shape their political practices that were responses to threats to members of their community from the problem of kidnapping and other crimes, which continued in the four years after the signing of the final peace accord in 1996? The analysis illustrates how oligarchic narratives guided two particular responses. First, members of the economic elite used their traditional close relationship with the state to have the military solve their problems of personal insecurity, which violated the peace accords. Thus they continued to rely on their old war-time ally. Second, the oligarchs used their wealth to purchase personal security, spending vast amounts on private security guards and gated, guarded communities. This echoed their earlier reliance

on private armies and armed guards to protect their property and lives in the armed conflict. These practices limited democratisation in two ways. First, using military intelligence and unregulated private security firms exacerbated problems of accountability. Second, relying on private security encouraged the effective privatisation of civil rights in Guatemala, and reinforced the oligarchic community's social isolation, which increased their blindness to ways of reducing the personal insecurity affecting all social groups.

The study concludes with Chapter 8, a reflection on the two main points that emerge from the analysis of private property and personal security: (1) that the apparent changes in Guatemalan politics in the final decade of the twentieth century masked important historical continuities, with the oligarchs preserving their traditional privileges; and (2) that the Guatemalan case illustrates how economic elites can limit processes of democratisation.

Theory and method

The following discussion of theory and method provides the necessary background to understand the question and the argument. I was led into asking my particular question by an interest in a general issue: the political influence of the oligarchy in recent Guatemalan history. The theories and methods should be understood as being conditioned by this issue, or as consequences flowing from the desire to find a way of investigating it. While the question I eventually asked is eminently political, the theories and methods required to answer it extend beyond the confines of standard political analysis.¹ As noted above, the theory and method are also grounded in the historical and historiographical analysis of Chapter 2. It is necessary, however, to introduce some historical material in this chapter to sustain and direct the discussion. I begin with theoretical concerns.

Liberal democracy and historical continuity

The academic literature on democratisation, particularly that concerned with transitions from authoritarian rule since the 1970s in Latin America, primarily focuses on understanding historical change rather than on exploring continuities. It is suffused with the language of movement, process, uncertainty, strategies, actors, choices, paths and trajectories. A discussion of this literature helps orient my contrasting focus on historical continuity.

Exemplary of this concern with historical change is Guillermo O'Donnell and Phillip Schmitter's *Transitions from Authoritarian Rule: Tentative Conclusions About Uncertain Democracies* (1986), a

¹ See Mills (1970 [1959], 215) on the social scientific craft of permitting the issue to take precedence over theory and method.

study of liberalisation and democratisation processes in Latin America and Southern Europe, primarily during the previous decade. Two central aspects of their analysis are relevant here. First, O'Donnell and Schmitter argue that structural factors are an inadequate means of explaining political change and that greater stress should be placed on actors. In transition periods, which are characterised by indeterminacy and voluntarism, the Machiavellian concepts of 'fortuna' (unexpected events) and 'virtú' (the specific talent of individuals) become especially relevant. Transitions occur in conditions of uncertainty that often feature 'insufficient information, hurried and audacious choices, confusion about motives and interests, plasticity, and even indefiniteness of political identities' (O'Donnell and Schmitter 1986, 18). Their actor-oriented approach contrasted with earlier structural accounts of political change, including those of modernisation theorists such as Seymour Martin Lipset (1959), who suggested that a certain degree of economic development was necessary for the emergence of democracy, and also with Marxist analyses that focused on social and economic inequity, and economic dependency (Cammack 1997, 211; Remmer 1991, 483).

A second feature of O'Donnell and Schmitter's analysis is that liberalisation and democratisation proceed in identifiable stages. Initial regime liberalisation, such as extending basic civil rights, usually derives from divisions within elites, particularly between military hardliners (*duros*) and softliners (*blandos*). The business sector also frequently become dissatisfied with military governments that are unable to confront economic crises successfully. Hence military softliners and businessmen often support political liberalisation, hoping it can quell popular opposition or help to attract foreign investment and regenerate the economy. The next stage is the 'resurrection of civil society', which occurs after initial liberalisation. Yet civil society - by which they generally mean unions, human rights organisations, grass-roots movements and intellectuals - is never a direct cause or initiator of transition, but merely a factor that can influence the extent of liberalisation and democratisation. With the resurrection of civil society, political parties come to the forefront of the process, and there are elite pacts between the parties and the military, and between the parties themselves. The pacts, such as that involving political parties and the armed forces in Peru in 1978, aim to limit the uncertainty inherent in transition processes (O'Donnell and Schmitter 1986, 26-30, 83-95). Regarding this final point, O'Donnell and Schmitter drew on the approach of Adam Przeworski: 'the process of establishing a democracy is a process of institutionalising uncertainty, or subjecting all interests to uncertainty' (Przeworski 1986, 58).

The analysis is thus overwhelmingly concerned with historical change: in the context of uncertainty political actors are capable of transforming the political landscape; and the various stages of transition represent an ideal of linear progress towards a democratic future. While this may seem an elementary observation, the focus on change has a profound effect on how political systems are researched and presented. It introduces a bias against exploring continuities of thought, practice and organisation that

remain central to political life. That is, it may encourage a blindness to aspects of permanence (discussed later in this chapter).

O'Donnell and Schmitter's work, whose intellectual origins can be traced back to Juan Linz and Alfred Stepan's (1978) edited volumes on *The Breakdown of Democratic Regimes*, catalysed the development of a political science sub-field, sometimes known as 'transitology', largely concerned with creating categories and definitions to help analyse these processes of change (Schmitter 1995; Remmer 1995). Michael Burton, Richard Gunther and John Higley's (1992) study on the role of elites in democratisation processes is in this tradition. The language of historical change is evident in their attempts to understand 'the processes that foster elite transformations', 'the creation of democratic regimes' and the 'emergence of a consolidated democracy' (Burton, Gunther and Higley 1992, 2, 32). Linz and Stepan's *Problems of Democratic Transition and Consolidation* specifies around twenty different possible 'paths to democratic transition' (1996, 56-60). The path taken depends upon numerous factors, such as prior regime type (authoritarian, totalitarian, post-totalitarian and sultanistic), civil society autonomy, political society autonomy, constitutionalism and the rule of law, professional norms and autonomy of state bureaucracy, and degree of market autonomy. Larry Diamond, also prominent in this transitology school, attempts to 'track the continued momentum of democratic expansion in the 1990s'. He explicitly acknowledges the influence of Linz and Stepan's 1978 volumes, which convinced him that 'the beliefs, choices, capacities, and alliances of key political actors played a crucial, autonomous role in determining the fate of democracy' (Diamond 1999, xi).

A further characteristic of the transitology school concerns the motivation attributed to actors. Although there is often no explicit discussion of this issue, there is a tendency to assume that actors are motivated by their rational self-interest. Even when there is no direct admission of a rational choice approach, the language of rational choice theory, including terms such as 'zero-sum games', 'strategic choices' and 'bounded rationality', is frequently invoked (Ward 1995; Remmer 1991, 116). Przeworski (1986), for example, uses game theory models predicated upon rational actors to analyse the impetus for regime liberalisation. Military hardliners and softliners, and members of the business sector, are treated as rational actors attempting to maximise their self-interest, with their 'strategic postures' defined as either 'risk-insensitive' or 'risk-averse'. A study of the role of Mexican business leaders in democratisation processes considers them 'rational profit-maximizers' (Bartell and Payne 1995, xiv). One analysis of theories and explanations for democratic transition in South Africa highlights 'institutional rational choice' approaches that are 'restricted to a consideration of decontextualized individuals and self-interested agents with an essentially ahistorical rationality' (Howarth 1998, 194). Burton, Gunther and Higley (1992, 10-11) display a rational choice perspective when they distinguish 'disunified elites', who perceive political outcomes as 'zero-sum', from

‘consensually unified elites’, who generally see political outcomes as ‘positive-sum’. Finally, Linz and Stepan (1996, 5) provide no explicit theoretical discussion of actor motivation, but use language commensurate with a rational choice approach, for example that actors make ‘calculations for achieving success’. The transitology literature rarely acknowledges the complexities of individuality, for instance the possibility of contradictory motivations and beliefs, the role of emotion, or the personal histories and narratives that shape people’s actions. I will return to this issue in the section on ‘The oligarchic worldview and interpretative explanation’.

Finally, most transitology studies contain a narrow procedural definition of democracy based on Robert Dahl’s (1971) ideal of ‘polyarchy’, in which there are regular civilian elections and the basic political and civil rights required to ensure government accountability and political competition (Cammack 1997, 218-219). O’Donnell and Schmitter (1986) define democracy with reference to Dahl’s concept of polyarchy, as do Diamond, Linz and Lipset (1988, xvi), Burton, Gunther and Higley (1992, 1), Diamond (1999, 8) and many others.² Linz and Stepan (1996, 3) also define democracy in procedural terms as ‘open contestation over the right to win control of government’, which requires ‘free competitive elections’. A related characteristic is the tendency to conceptualise democracy as unidimensional, such that regimes lie along a single continuum and can be classified as more or less democratic. Thus for Burton, Gunther and Higley (1992, 2), political systems can be placed between the ‘two poles’ of ‘democratic’ and ‘undemocratic’. Similarly, Linz and Stepan (1996, 6) state that ‘within the category of consolidated democracy there is a continuum from low to high quality democracies’. The next section discusses how this study avoids these procedural and unidimensional approaches to democracy.³

Some students of democratisation have questioned the emphasis on change and the triumphant tone of the transitology literature. Many years after publishing his 1986 study with Schmitter, O’Donnell (1997, 1999) acknowledged the misplaced optimism of such transitology writings, including his own. He admitted that they envisaged Latin American countries following an upward or linear path to a form of Western liberal democracy represented by Dahl’s ideal of polyarchy. By the 1990s O’Donnell recognised that Latin America’s new liberal democracies were beset by historical continuities,

² See Foweraker and Krznaric (2000, 774-775) for a discussion of Dahl’s influence on definitions of democracy in quantitative studies of liberal democratic performance.

³ Other critiques of the transitology literature include its overemphasis on elites and failure to recognise sufficiently the role of civil society in transition processes. A large social movement literature developed to correct this elite bias. For a discussion of this issue, see Foweraker (1995, Ch. 5) and Cohen and Arato (1992, Ch. 1). There are some exceptions within the transitology literature to the unidimensional approach to democracy. Phillip Schmitter and Terry Lynn Karl (1993, 47), for instance, write the following: ‘Since no single set of actual institutions, practices, or values embodies democracy, polities moving away from authoritarian rule can mix different components to produce different democracies. It is important to recognize that these do not define points along a single continuum of improving performance, but a matrix of potential combinations that are *differently* democratic.’

including human rights abuses, military impunity, oligarchic privilege, clientelism, corrupt and discriminatory legal systems, and endemic poverty. These factors were constraining the realisation of the range of liberal democratic values in the new polyarchies. He stressed that ‘the formal rules about how political institutions are supposed to work are often poor guides to what actually happens’ (O’Donnell 1997, 46, 49). Other scholars also noticed the shadow of the past. Carlos Vilas (1997, 4), for example, stressed the elements of ‘continuity and permanence’ in the region’s processes of democratisation, and Francisco Panniza (1995) discussed the prevalence of human rights violations in many Latin American countries despite electoral democratisation. Diamond too displayed some scepticism by highlighting the difficulties of ‘consolidating democracy’ and ensuring ‘the quality of democracy’ (1999, 64).

These criticisms have resulted in greater prominence for more structuralist accounts of democratisation that place less emphasis on short-term change instigated by actors, and that are sensitive to historical continuity. Important in this latter literature is Dietrich Reuschmeyer, Evelyne Huber Stephens and John D. Stephens’s *Capitalist Development and Democracy* (1992), which argues that democratisation is caused by long-term structural changes rather than the manoeuvrings of political actors, and that in many countries in Latin America and the Caribbean these structural changes have not occurred. According to their theory, changes in class structure, such as the growth of a working class, divisions between urban and rural economic elites, and weakening of the landowning class, are considered fundamental for the emergence of liberal democracy. Political change is a slow, and even unlikely historical process. In countries such as Guatemala and El Salvador, for instance, liberal democracy has not emerged partly due to the continuing influence of ‘large landowners dependent on cheap labour’ who fear the ‘political inclusion of the lower classes’. Reuschmeyer, Stephens and Stephens draw explicitly on earlier structuralist studies of democratisation, such as that by Göran Therborn (1977), in which democracy is seen ‘as a product of the contradictions of capitalism, and the process of democratization as primarily a product of the action of subordinate classes’ (Reuschmeyer, Stephens and Stephens 1992, 47, 259).

There are other structuralist analyses in the democratisation literature. Paul Cammack, for example, takes a ‘long-wave’ approach to Latin American politics which, he argues, has passed through roughly fifty-year cycles, such as the post-independence turmoil from 1830 to 1880. The processes of democratisation in the 1980s represent, for Cammack, not the triumph of democratic equality, but the possible beginnings of a new order of ‘bourgeois hegemony’ based on restricted and elitist democratic rule (1985, 44-45). A structuralist disposition is also evident in some studies associated with the transitology literature. Karl, for instance, criticises O’Donnell and Schmitter (1986) for over-emphasising the role of actors and strategic choice: ‘this understanding of democracy has the danger of descending into excessive voluntarism if not placed within a framework of structural-historical

constraints' (Karl 1990, 6). Her idea of 'structured contingency' has many parallels with the work of Reuschmeyer, Stephens and Stephens. She argues, for instance, that certain social structures such as the existence of a strong landowning class and labour-repressive agriculture, make the emergence of democracy in many Latin American countries improbable (Karl 1990, 6-7).

Where should Guatemala's experience be placed within such patterns of change and continuity? At first sight Guatemala seems to have experienced many of the changes associated with democratisation processes. From the mid-1980s, the military-oligarchy alliance that had dominated politics since at least the CIA-backed coup of 1954 was increasingly challenged. With the advent of elected civilian government in 1986, the political system haltingly began permitting participation by the popular movement on the left (e.g. trade unionists, human rights organisations, and peasant and indigenous groups). In 1993 a temporary alliance between the popular movement, the business sector and part of the military thwarted an attempted presidential *autogolpe* ('self-coup').⁴ The negotiation of peace accords between 1990 and 1996 gradually brought three decades of civil war to an end, and provided the prospect of a reduced political role for the military.

A few commentators have suggested that important changes also took place within the Guatemalan oligarchy. From the 1980s landowners appeared to be losing influence to business leaders with more urban pursuits in commerce, finance and industry (Dosal 1995, 192). According to Rachel McCleary, this latter group of relatively young 'reformers' were more sympathetic to 'democratic forms of governance'. They supported the shift to elected civilian government, opposed Serrano's self-coup, and backed the peace negotiations (McCleary 1999, 3, 13-14, 24-25, 57-58, 189).⁵ Reflecting the transitology literature's focus on change, McCleary understands these actions by the business sector, especially the mobilisation against Serrano, as evidence of a major new development in Guatemala's transition to democracy.

My approach is to be sceptical of such claims about change and to investigate the continuities. This is for two mutually reinforcing reasons. First, as discussed above, elements of the democratisation literature have questioned the emphasis on change and progress in the transitology literature, and instead have stressed the continuities evident in many of Latin America's new liberal democracies, including the influence of economic elites.⁶ Second, Guatemalan history can be read as a story about continuity in the face of change, particularly with respect to the maintenance of oligarchic privilege

⁴ Like President Fujimori in Peru, in May 1993 Guatemalan President Jorge Serrano tried to seize absolute control of the state, dissolving Congress and suspending the constitution (Jonas 2000, 41).

⁵ Chapter 2 provides a more detailed discussion of Guatemala's process of democratisation, the peace negotiations, and the possible emergence of a reformist business sector. Appendix B contains a political timeline covering the 1990s, particularly the peace process.

⁶ The place of economic elites in the democratisation literature is discussed later in this chapter.

(see Chapter 2); analysis of the contemporary period should be sensitive to this history. Given the reputed changes in Guatemalan politics, I thus believe the more insightful question to ask is not ‘What has changed?’, but rather, ‘What has stayed the same despite the changes?’. This study attempts to show that the apparent changes in Guatemala in general, and in the oligarchy in particular, masked fundamental historical continuities.

A model of liberal democracy

A study of democratisation requires a clear definition of ‘democracy’ that provides a framework within which the oligarchy’s worldview and practices can be analysed. There are many definitions to choose from, such as classical participatory democracy, direct democracy or cosmopolitan democracy. I have chosen to focus on liberal democracy.⁷ This is not because of any personal endorsement of liberal democracy or due to a belief that it is an ideal for Guatemala. Rather, I do so because it is clear that debates about democratisation in Latin America generally occur within the framework of liberal democratic thinking.

Liberal democracy itself has many different interpretations. For instance, the ‘transitology’ literature generally relies on a narrow procedural definition based on Dahl’s idea of polyarchy (see above). This definition is derived descriptively from the observation of commonalities in Western ‘democratic’ states.⁸ In contrast, I use a broader conceptual model of liberal democracy that extends beyond Dahl’s focus on electoral accountability and political rights, and which is based on principles and values evident in a long history of Western political thought.

The basis of the model is the two principles of liberty and equality. These principles are achieved in practice through the realisation of eight values: four legal values of civil rights, property rights, political rights and minority rights; and four institutional values of accountability, representation, constraint and participation. Realising the legal values in practice is necessary for upholding the rule of law, while realising the institutional values helps guarantee the sovereignty of the people. The rule of law and the sovereignty of the people are considered necessary to protect and promote liberty and equality.

This model is rooted in seventeenth-century English liberal and democratic thought. The classic expression of liberal principles appears in John Locke’s *Second Treatise*, particularly his argument that government should reproduce the conditions of ‘perfect freedom...and also of equality’ that are

⁷ These and other ‘models’ of democracy are reviewed in Held (1996).

⁸ For a critique of descriptive definitions of democracy, including that of Dahl, see Skinner (1973, 288, 300-301).

found in the state of nature. Locke believed that the protection of liberty could be embodied in the protection of property in the general sense of ‘lives, liberties and estates’. He saw the rule of law as essential for safeguarding liberty and equality. For Locke, however, a variety of governmental forms could uphold the rule of law, including monarchies or mixed government; democracy was not necessary to his vision of political rule (Locke 1924, 180-183). Other seventeenth century thinkers introduced the democratic element into liberal democracy. Marchamont Nedham, James Harrington and John Milton, for instance, believed that the rule of law was not in itself sufficient to ensure liberty and equality. They claimed that ‘the government of a free state should ideally be such as to enable each citizen to exercise an equal right of participation in making the laws’ (Skinner 1998, 30, 69-70). This helped introduce the principle of self-rule, or that sovereignty of the people was necessary to ensure liberty and equality.

Since the seventeenth century liberal democratic thinking has developed a strong consensus with respect to the particular values that are required to achieve and reproduce the principles of liberty and equality. These are the eight values signalled above. While this thesis focuses on property rights and civil rights (particularly the civil right to personal security), I frequently discuss other values in the liberal democratic model, so will clarify the origins and meanings of all eight values here.⁹

Accountability

Locke’s belief that government can only rule by consent of the people illustrates his concern with accountability. But consent, for Locke, is not a matter of regular elections or direct participation. Rather, consent is only relevant at the moment of the original contract or when it is withdrawn if government encroaches on ‘the liberties and properties of subjects’ (Locke 1924, 192). The republican tradition, embodied by Thomas Paine, provides a stronger sense of accountability. He called for ‘government by election’ and wrote, in the Declaration of the Rights of Man, that ‘every community has a right to demand of all its agents an account of their conduct’. Thinkers including James Madison, Jeremy Bentham and James Mill developed this into what Crawford Brough Macpherson (1977) and David Held (1996, 88) call the ‘protective’ model of liberal democracy, in which domination by others is prevented by accountable institutions and practices such as the secret ballot, regular voting and competition between political representatives. Modern political theorists have accepted that accountability via electoral processes is fundamental to liberal democracy (Dahl 1989).

⁹ In this model rights have instrumental, rather than intrinsic, value, as achieving them in practice is necessary to realise the principles of liberty and equality. I recognise, however, that Locke saw values such as property rights to be intrinsically valuable natural rights. For a discussion of instrumental and intrinsic liberal values, see Raz (1986, 6-7). Birch (1993, 117-119) addresses debates in liberal thought about natural rights. I also conceive of these rights as citizenship rights to be enjoyed within the boundaries of the nation-state rather than as universal human rights whose jurisdiction are not limited by national frontiers. For an analysis of liberal democratic rights as universal human rights, see Donnelly (1989). At various points in the text I analyse issues related to rights,

In addition to this ‘vertical’ electoral accountability between ruler and ruled, some scholars, such as O’Donnell, have stressed the importance of ‘horizontal’ accountability as a means of institutionalising democratic rule. Horizontal accountability generally refers to the control that elected civilian rulers have over state agencies, such as the armed forces or the bureaucracy, to prevent them from acting against the public interest (O’Donnell 1997, 50; Karl 1990, 2).

Constraint

Constraint concerns the separation and balance of legislative, executive and judicial powers. This is to prevent ‘the same persons who have the power of making laws to have also in their hands the power to execute them’ (Locke 1924, 190). Montesquieu also advocated this kind of constraint, but it did not imply any commitment to democracy: for him, the separation of powers permitted the aristocracy to limit the will of the majority (Held 1996, 85). Constraint has been accepted as a fundamental liberal democratic value partly due to its incorporation into the US constitution. Modern formulations reflect the classical conceptions. Diamond (1997, 9), for example, sees constraint as central to liberal democracy: ‘executive power is constrained, constitutionally and in fact, by the autonomous power of other government institutions,’ such as an independent judiciary.

Representation

Theories of representative government generally date from the nineteenth century. John Stuart Mill, for example, declared that the system of representation ‘was the grand discovery of modern times’. Elected government, he argued, should have ‘an identity of interest with the community’ (quoted in Birch 1964, 16, 46-47). While the idea that government must represent the people has since become a commonplace of liberal democratic thought, it has never been clear whether persons or interests should be represented, nor how to resolve the practical and philosophical problems of creating an assembly that mirrors the internal complexities of a nation-state. Mills’ ideas about representing interests have, however, been reflected in the thinking of pluralists, consociationalists, and advocates of special representation for minorities.

Participation

Although political participation was at the core of the Athenian model of democracy, the shift to representative government and mass society encouraged a belief that widespread participation was difficult and possibly dangerous. Pluralist scholars in the mid-twentieth century, including Dahl, thought that mass participation threatened democracy with authoritarianism, and even fascism (Dahl 1956, 88; Pateman 1970, 2). John Stuart Mill, however, argued that political participation not only in the form of voting, but also through ‘political discussion and collective political action’, was essential

such as the potential conflict between realising different rights in practice, and the relationship between the idea

for the moral development of individuals (Mill 1910 [1861, 277-279]). This ‘developmental’ or ‘civilising’ model of liberal democracy was current among early twentieth century thinkers including John Dewey (Macpherson 1977, 69). More recently, many liberal democrats have justified political participation on the grounds of political equality, arguing, for example, that low electoral participation contributes to systematic bias against the marginalised in political rule (Lijphart 1997, 1).

Civil rights

Civil rights are fundamental to the liberal democratic tradition. For Thomas Hobbes, the apparent uncertainties of the state of nature made the protection of personal liberty a necessity of political rule. This idea was developed by liberals such as Locke, Paine, and J.S. Mill who, as discussed above, believed the rule of law was required to protect individuals from encroachments on liberty (particularly violence) by both the state and fellow citizens. More recently Isaiah Berlin referred to these concerns as ‘negative liberty’, since ‘I am normally said to be free to the degree to which no man or body of men interferes with my activity’ (Berlin 1969, 122; Mill 1991, 16-17). In current thinking, laws protecting negative liberty are generally characterised as civil rights, and are enshrined in national constitutions and documents such as the United Nations International Covenant on Civil and Political Rights. These civil rights help guarantee security of person, meaning the protection of individuals from actions including arbitrary detention, torture, forced disappearance or murder. Other civil rights, such as freedom of religion and marriage, are understood in the liberal democratic tradition as bulwarks of personal autonomy.

Property rights

The idea of individual private property has been central to liberal democratic thought. Locke associated individual freedom with the protection of property (see above). Later thinkers such as Bentham and James Mill emphasised the ‘estates’ in Locke’s conception of property, arguing that democracy was only acceptable if it did not threaten individual private property rights or, more generally, the capitalist system. Contemporary liberal democratic theorists have seen further virtues in property rights, claiming that they help diffuse power from the political centre and underpin civil rights.¹⁰ In much current liberal democratic thinking, individual private property is understood as a right in three senses: as a ‘claim-right’ - others have a duty not to take my property and the state has an obligation to protect my property from encroachment by others; as an ‘immunity’ - it cannot be taken by the state or others without my consent; and as a ‘power’ - I have the legal ability to buy or sell it freely.¹¹ There are significant schools of modern liberal democratic thought, however, such as the ‘liberal egalitarianism’ espoused by John Rawls and Ronald Dworkin, that do not consider

of ‘order’ in liberal democratic thought and the protection of certain rights.

¹⁰ Gray (1986, 62); Macpherson (1962, 264; 1977, 10); Held (1996, 95); Dahl (1989, 252).

¹¹ These different aspects of rights are discussed in Jones (1994, 14, 15, 22, 24) and Birch (1993, 115).

individual private property rights as a fundamental value. For example, Rawls's 'difference principle' might give rise to individual property rights, but these are derivative rather than fundamental to his theory. The idea of individual private property as a fundamental right is evident amongst libertarian thinkers such as Robert Nozick. This latter tradition reflects the Lockean concern with property rights that is central to the model of liberal democracy that I use.¹² The model also distinguishes between property rights and civil rights. While property rights have, historically, often been considered an element of civil rights, modern liberal democratic thinking generally separates them.¹³

Political rights

In the liberal democratic vision, political rights are considered essential to guarantee accountable and representative government. Bentham and James Mill, for example, advocated free and fair elections, with secret ballot and press freedom (Macpherson 1977, 34). However, gender, property and racial restrictions on the franchise were common in many 'democracies' into the twentieth century (Pateman 1989, 3-4). There is now a strong consensus that political rights should be extended to all adults. Such rights, outlined in the Universal Declaration of Human Rights and elsewhere, include freedom of speech, assembly, association, movement, information and press, in addition to universal suffrage and secret ballot. These political rights, evident in Dahl's *Polyarchy* (1971), are a central aspect of modern conceptions of liberal democracy

Minority rights

Although liberalism has long been associated with individualism, they are distinct doctrines (Raz 1986, 17-18). In recent decades some liberals have come to believe that the protection of liberty and equality requires 'group-differentiated rights' or 'minority rights'. For example, Will Kymlicka (1995a, 45) suggests that 'individual freedom is tied in some important ways to membership of one's national group, and that group-specific rights can promote equality between the minority and the majority'. Group-specific rights are only liberal insofar as they do not impose 'internal restrictions' on members of the group or provide a basis for their domination of other groups. He argues that 'external protections' such as 'special representation rights, land claims, or language rights' are compatible with liberalism.¹⁴ Other thinkers have developed the idea that conceptions of minority or group rights should include the preservation of indigenous lands. According to Darlene Johnston (1995, 193-194), commenting on Canada's indigenous population, 'native people view their relationship to the land as central to their collective identity and well-being...the right of native communities to self-

¹² Property rights are also fundamental in New Right political thought. The different positions of liberal egalitarians and libertarians are discussed in Kymlicka (2002, Chapters 3 and 4).

¹³ Attempts to quantify the protection of civil rights, for example, often ignore property rights (Foweraker and Krznaric 2002). The separation is also reflected in the 1966 United Nations International Covenant on Civil and Political Rights, which excludes property rights. (Property rights had originally been included as Article 17 of the 1948 United Nations Universal Declaration of Human Rights.) See Robertson and Merrills (1996, 37).

preservation...would be meaningless without a right to the continued possession and enjoyment of their land’.

While this eight-value model may appear overly formalistic, both its definition of liberal democracy and its multidimensional nature provide scope for analysing the development of liberal democracy in Guatemala. With respect to definitions, the model contains a broader understanding of liberal democracy than the narrow procedural focus on accountability and political rights evident in much of the democratisation literature (see above). Thus the model facilitates analysis of issues such as property rights, which are not only a central aspect of liberal democratic thought frequently omitted from definitions of liberal democracy, but are important in countries such as Guatemala, where an economic elite have historically dominated private property and often used violence to protect their land. The model also provides for analysing minority rights, which have become a significant issue of political contestation in a country in which the indigenous Mayan population have historically experienced discrimination and marginalisation.¹⁵ The multidimensionality of the model is important for two main reasons. First, the separate values comprising the model help in the study of continuity and change, for while liberal democratic practices may develop with respect to one value there may be little or no change with regard to another. Second, the conceptual model can bring out possible tensions within the democratisation process in Guatemala. For instance, the oligarchy’s protection of the property rights of members of their own community may have detrimental consequences for accountability or the minority rights of the indigenous population. This multidimensionality contrasts with the unidimensional approaches discussed above (e.g. Burton, Higley and Gunther 1992, 2; Linz and Stepan 1996, 6), in which regimes can be placed on a continuum and classified as more or less democratic.

Liberal democracy and the oligarchy

This thesis argues that Guatemala’s oligarchs have maintained their traditional privileges in relation to private property rights and the civil right to personal security. The reasons for focusing on these two aspects of the liberal democratic model are two-fold. First, both issues have an important place in Guatemalan history, and the oligarchs have historically protected their privileges in these areas (see Chapter 2). Second, as will be discussed in this section, private property and personal security have been identified as problematic areas for democratisation in Latin America and more generally. In particular, protecting the private property of economic elites has been considered an obstacle to democratisation.

¹⁴ Kymlicka 2002, 341-342. This book also contains critiques of his own work.

¹⁵ The Guatemalan oligarchy’s domination of land, and the history of discrimination against the Mayan population, are discussed in Chapter 2.

In the transitology literature, economic elites are generally considered to have made positive contributions towards democratisation in various countries, and to be potential supporters and upholders of democratic rule. O'Donnell and Schmitter (1986) argue that businessmen frequently make alliances with military softliners to help initiate regime liberalisation (see above), a view shared by Laurence Whitehead (1990, 148). Similarly, Burton, Gunther and Higley (1992, 30) claim that the establishment and consolidation of a new democratic regime is unlikely without the support of elites, including wealthy business people (and also the armed forces and political parties), who play a crucial role through processes of 'elite settlement' or 'elite convergence'. Elite settlements, such as that in Venezuela in 1958, are relatively rare events, when 'warring elite factions suddenly and deliberately reorganize their relations by negotiating compromises on their most basic disagreements' (1992, 13). This can result in stable limited democracy and possibly consolidated democracy. 'Elite convergence', evident in the French Fifth Republic, occurs when disunified elites form broad coalitions to win elections, so that they can 'protect their interests by dominating executive power' (1992, 24). This permits the emergence of consolidated democracy. McCleary's (1999, 17-21) analysis of the Guatemalan business sector explicitly uses Burton, Gunther and Higley's framework. She argues that there was elite convergence in the mid-1980s between the reformist elements in the business sector and the military, resulting in the shift from military rule to elected civilian government, and a similar elite convergence in 1993 to block President Serrano's attempted 'self-coup'.¹⁶ Again, the message is that economic elites are a positive force in democratisation. This view is also shared by Diamond, who suggests that the stability and consolidation of democracy depends on the support of business and other elites (1999, 66).

This transitology literature can be criticised for defending a form of democratisation that protects the property privileges of economic elites, thereby placing fundamental limits on the extent of historical change. For instance, O'Donnell and Schmitter pragmatically claim that safeguarding the economic elite's private property is a prerequisite for a successful transition as, without their support, internal divisions within the authoritarian regime would be insufficient to permit political change: '...all previously known transitions to political democracy have observed one fundamental restriction: it is forbidden to take, or even to checkmate, the king of one of the players. In other words, during the transition, the property rights of the bourgeoisie are inviolable.' (O'Donnell and Schmitter 1986, 69, 45-47) Cammack (1997, 213) also highlights this bias in the orthodox literature, quoting Linz: 'policies that produce the distrust of the business community and lead it to an evasion of capital, even when those policies are supported by the majority of the electorate, might create a serious threat to the regime'. Cammack's (1997, 231) conclusion is that 'the real content of the procedures advocated is

¹⁶ See Chapter 2 for further discussion.

always to favour capitalist interests, and persuade the propertyless majority and their political representatives to accept substantive limits compatible with capitalist reproduction’.

A related critical perspective is that economic elites have supported democratisation to preserve their traditional property privileges, and that they frequently use non-democratic means to do so. Karl, for example, argues that elite pacts are essentially ‘anti-democratic’ as they restrict ‘the scope of representation in order to reassure the traditional dominant classes that their vital interests will be respected’. Thus capitalists will accept democratisation as long as the pacts ensure ‘guarantees against expropriation or socializing property’ (Karl 1990, 11-12). Leigh Payne and Ernest Bartell acknowledge that business leaders supported democratic openings in Brazil, Argentina and Mexico. However, they remain wary of economic elites, suggesting that ‘democratic stability [in Latin America] remains vulnerable to the political and economic behaviour of the private sector,’ whose priorities are ‘primarily economic’ - the protection of property rights and economic stability - rather than political. Thus: ‘If business leaders feel they cannot defend their interests within a competitive democracy and cannot survive within a neoliberal international economy, they may look to an authoritarian system for protection’ (Payne and Bartell 1995, 266, 272-273). O’Donnell’s later work emphasises that in many emerging democracies, especially those with extreme income inequalities, the making and implementation of policies is ‘biased in favour of highly organized and economically powerful groups’ (1997, 51). Many case studies of the role of economic elites in new democracies demonstrate the limits they place on democratisation. Frances Hagopian (1996) and Payne (2000), for instance, show how large landowners in Brazil have used clientelistic relations with the state and violence to protect their domination of private property and other economic privileges.¹⁷

Scepticism about protecting private property regimes evident in some of the democratisation literature is reinforced by analysis from outside the literature. Critics of liberal democracy associate the protection of individual private property with the economic and political domination of the wealthy. For example Karl Marx, in his study of the 1848 revolution in France, argues that landowners, financiers and industrialists united to admit a semblance of constitutional change (such as press freedom) while maintaining their property and political privileges in practice: ‘the change concerned the table of contents, not the content; the name, not the subject matter’ (1954, 23-24). Further claims from this perspective include: unequal property distribution embodies and results in unequal wealth; laws are designed to protect the property of the rich, maintaining the system of wage slavery and wealth inequality, and preventing indigenous people and the poor from accessing land; the state

¹⁷ In addition, in the US in the 1950s and 1960s there was academic debate about the extent to which elite dominance threatened the democratic process. As will become clear, I agree with those who suggested that elite rule is incompatible with upholding liberal democratic values. For discussions of the debates between pluralists and elitists, see Bachrach (1971), Smith (1995), Evans (1995), Held (1996, Chapters 5 and 6) and Clegg (1989, Chapter 3).

frequently uses violence to help defend the property of economic elites; and large property owners use their political influence to receive numerous forms of ‘corporate welfare’ such as tax breaks and subsidies.¹⁸ As John Dewey said, ‘politics is the shadow cast on society by big business’ (quoted in Chomsky 1997, 87).

These various critiques of the transitology literature suggest that the efforts of economic elites to ensure their domination of private property can limit processes of democratisation. I hope to contribute to these analyses by showing how the protection of the Guatemalan economic elite’s private property limited the development of liberal democracy in the 1990s, particularly with respect to accountability, civil rights and minority rights (see Chapters 4 and 5).

While displaying some concern with property rights, the literature on democratisation in Latin America increasingly emphasises problems of personal security. Significant rises in violent crime since the 1980s have eroded the civil liberties of individual victims, who come from a range of social backgrounds. According to Teresa Caldeira (1996, 199), urban violence in cities such as São Paulo and Mexico City causes a ‘disjuncture between political and civil rights’ in Latin America’s new democracies. Other analysts stress that in Central American countries that experienced civil war, including El Salvador, Nicaragua and Guatemala, personal security has not magically appeared since peace accords were signed. Factors such as the legacy of conflict, the availability of weapons, and continuing poverty and inequality, all have helped fuel violence in these post-conflict societies, weakening the consolidation of incipient liberal democracies (Moser, Winton and Call 2002, 23). Furthermore, across the region democratisation is threatened by ‘a groundswell of popular sentiment in favour of a return to authoritarian modes of governance and repressive approaches to crime’ (Nield 1999, 1). While state violence remains prevalent in many countries, the rise of social violence from criminal gangs, mafias, private security forces and others requires further study.

Analysis from outside the Latin American democratisation literature also suggests that personal security issues may be problematic for democratisation. First, many scholars have highlighted the exclusivity of civil rights protecting security of person. The idea of civil rights (and also political rights) has developed within the conceptual boundaries of the nation-state: those considered non-citizens of the nation-state are usually excluded from the full enjoyment of such rights. That is, the liberal democratic value of civil rights assumes some idea of a specific collectivity, a bounded ‘we’. The origins of such boundaries lie in the struggle for individual rights in Europe having been the struggle of particular (often religious) communities wishing to protect their members. As Michael Freeman (1995, 26-27) writes: ‘It is a mistake to believe that liberal democracy has favoured the

¹⁸ George, undated [1879], 329; Kropotkin 1927 [1886], 210; Goldman 1969 [1910], 59-62; Tolstoy 1990

individual over the collective. Rather, it has given the individual a special status within a particularly collectivity, the nation-state.’ The problem is that the bounded ‘we’ is potentially dangerous for it implies not only inclusion in a group but is also a form of self-protection or rejection of outsiders.¹⁹ A second difficulty is that civil rights protecting personal security have been criticised on the grounds that the rich tend to be the main beneficiaries of such rights. Marx, for instance, argued that equal civil rights, including personal security, were permitted in ‘democracies’ only insofar as they did not conflict with the interests of the wealthy. For example, they could be violated (and often were, using violence) ‘in the interest of “public safety”, that is, the safety of the bourgeoisie’.²⁰

Examining the personal security problems of the Guatemalan oligarchy could provide insights into the extent to which protection of the civil right to personal security of one social group (i.e. the oligarchy) may have detrimental consequences for the personal security of other groups and may, furthermore, limit the realisation in practice of other liberal democratic values such as accountability (see Chapters 6 and 7).

The oligarchy and the state

This section discusses the meaning of ‘oligarchy’, especially the idea that the Guatemalan oligarchy can be defined with respect to class position, family networks and business associations. It then provides a framework for understanding state-oligarchy relations based on theories of the state and the literature on state-society relations in Guatemala.

In this study I use the terms ‘economic elite’, ‘business sector’ and ‘oligarchy’ interchangeably. Since becoming popular in the 1950s, ‘elite’ has come to mean any dominant clique in a social or political institution. Hence C. Wright Mills wrote of a ‘power elite’ in the United States of ‘political, economic and military men’ who are able to preserve their privileges behind the façade of representative democracy (1956, 276). As my analysis focuses on individuals who have in common their participation in a range of economic sectors, I prefer ‘*economic elite*’, which helps distinguish them from the military, Guatemala’s other major elite.²¹ I also use ‘business sector’ (*sector empresarial*), a term used by journalists and other analysts in Guatemala to refer to the economic elite. Overall,

[1900]; Lindblom 1983, 196; Nader 2000; Chomsky 1997, 102-5, 107; Krznaric 2001.

¹⁹ Sennett 1998, 138; Raz 1986, 251; Hill 1996, 230.

²⁰ Marx 1954, 24. In general Marx was extremely scathing about the idea of rights, referring to them as ‘ideological nonsense’ and ‘obsolete verbal rubbish’ (Lukes 1997, 239).

²¹ Some critics in the United States argued that it was often unclear who comprised these elites. In response, scholars became preoccupied with describing who the elite were, rather than studying their internal culture or political practices (Marcus 1983a, 10; 1983b, 43-44). Although I analyse the composition of the Guatemalan elite (Chapter 3), I focus on their worldview and political practices (Chapter 4-7).

however, I favour ‘oligarchy’, a relatively common category in twentieth century Latin American historiography.

Throughout the region, and in Guatemala in particular, oligarchies have usually been identified in one of three ways: by class position, by family networks, and by business organisations.²² First, they are seen as the small, wealthy upper class of businessmen who dominate agriculture, industry, commerce and finance. Those who control the land also dominate other sectors, and vice-versa, such that landowners and the urban bourgeoisie are merged into a single body. Second, oligarchies have been identified as networks of specific families. For example, the ‘14 families’ who are thought to rule El Salvador have a near mythological status in the country. Finally, oligarchies have been specified through their organisation in business associations (more so than in political parties), which are considered vehicles or representatives of the dominant class. Oligarchies are shown to enjoy political influence or privileges unmatched by almost any other social group, and to use their authority to protect and promote their collective economic interests.²³

Conforming with these three approaches, scholars have argued that Guatemala has an oligarchy comprising the 2% of the population who own 72% of the land (and who also dominate other economic sectors), constituted by between 20 and 50 ruling family networks, and represented by business associations such as the Co-ordinating Committee of Agricultural, Commercial, Industrial and Financial Associations (CACIF). Many analysts provide examples of how, throughout the twentieth century, the Guatemalan oligarchy have repeatedly and successfully blocked policy change in the areas of property, labour and tax. Like other Latin American oligarchs, they have acted to prevent agrarian reform and preserve their domination of the private property system, to weaken trade unions and maintain an economy characterised by low wages and poor working conditions, and to preserve their wealth by fighting proposed increases in direct taxes on property and income. In doing so, the oligarchs have remained united, although on some secondary issues, such as tariff protection, there have been divisions between different economic sectors. Unlike classical definitions of oligarchy in which they directly rule the state, Guatemala scholars recognise that at times the oligarchs directly control state institutions, while in other periods they influence the state from without (see below). For the moment these comments can serve as a useful working definition and characterisation of the Guatemalan oligarchy. In the following chapter, however, I will define the

²² Chapter 2 provides a detailed discussion of these three approaches and supplies relevant references.

²³ By ‘privilege’ I simply mean a special advantage or benefit not enjoyed by other groups, usually with respect to the state. I use ‘influence’ and ‘authority’ to signal oligarchic power understood as flows or practices involving agents in some form, rather than in the sense of power being situated in a structure. I do not use ‘authority’ in the Weberian sense of ‘legitimate authority’; this thesis is largely unconcerned with the generation of consent in society, or the ways in which certain practices permeate and discipline a society. See Chapter 2 for an analysis of consent in Guatemalan historiography.

oligarchy more precisely, and the characteristics of the oligarchy will become clearer as the study proceeds.²⁴

The framework I use for understanding state-oligarchy relations is based on both Guatemalan historiography and state theories in Western scholarship. The discussion thus far suggests two main ways of conceptualising state-oligarchy relations. The first possibility is a pluralist conception of the state, in which the state responds to various pressure groups in society, amongst them the business sector, and no single group regularly predominates. This is often referred to as ‘classical pluralism’ (Smith 1995, 210). A reason for favouring this approach relates to the idea that ‘pluralism is liberal democracy’s...view of itself’ (Mann 1993, 46). Dahl (1971), for instance, conceives of liberal democracy as a pluralist system permitting parties and pressure groups to engage in genuine contestation and participation. Since this study uses a liberal democratic framework, it might seem natural to conceive of state-oligarchy relations in pluralist terms. Another possibility is to rely on Marxist class theories of the state, in which the function of the state is to promote and protect capital accumulation. The state may be a direct instrument of class domination or possess only ‘relative autonomy’. This latter idea, associated with Nicos Poulantzas (who draws on Louis Althusser), is that for the state to operate in the long-term interests of the bourgeoisie, at times it must act autonomously of the dominant class to forward the interests of ‘capital in general’ (Taylor 1995, 255-259). Given that the Guatemalan oligarchy is often conceived of as unified class that has historically maintained its economic privileges, a class theory of the state might be appropriate.

I believe it would be historically insensitive to adopt a single approach, such as a pluralist or class model. Instead, a conceptual framework of state-oligarchy relations should be able to accommodate the various perspectives apparent in Guatemalan historiography. In recent decades analysis of state-oligarchy relations in Guatemala has passed through three broad stages.²⁵ First, Marxist scholarship of the 1960s and 1970s saw the state as a pure tool of oligarchic domination, although it recognised that, at times, the economic elite delegated power to the military or politicians. A second wave of scholarship, from the 1980s and early 1990s, emphasised increasing state autonomy. Many authors stressed that military autonomy from the oligarchy developed once the armed forces began counterinsurgency activities in the 1960s. A third wave of analysis has appeared since the 1990s, highlighting the diversity and autonomy of political institutions. The state is no longer identified purely with the military (or with a military-oligarchy alliance), and scholars have focused on other branches of government, such as the legislature, judiciary and the police. This is partly in response to the transition to elected civilian government from the mid-1980s, the 1990s peace negotiations, and

²⁴ Throughout this thesis I use ‘oligarchy’, ‘business sector’ and ‘economic elite’ as plural nouns, in an attempt to depict the oligarchy as a community of individuals, rather than as an undifferentiated object.

²⁵ These three stages are discussed in detail and fully referenced in Chapter 2.

the less pervasive influence of the US. In my view all three approaches are relevant to understanding state-society relations (and particularly state-oligarchy relations) in late twentieth-century Guatemala. I see these relations as a palimpsest that includes aspects of oligarchic domination of the state, elements of military autonomy, and a variety of state institutions that can at times exercise autonomy from the oligarchy, the military and other actors. Each of these configurations has left an imprint visible in the present.

Given the above, the most suitable approach to the state is a framework that integrates these various configurations. Michael Mann's (1993) 'theory of the modern state' meets this requirement. He draws on a range of state theories, recognising that the modern Western state has 'crystallised' in various ways. From class theories he takes the idea that states are fundamentally capitalist in nature, and ultimately service capital accumulation and protect private property. Pluralist theories of the state suggest to him that society is more than just classes, and that many types of parties and pressure groups can at times influence the state. Referring to 'true elitist' theories he stresses that states can be autonomous actors rather than only a 'place' where politics occurs. Drawing on theories of 'institutional statism' he emphasises that states are not unitary actors, but are composed of various (and possibly competing) elements such as the military, the executive and the judiciary. He develops the idea that the military is often an autonomous actor, although he is aware that the state does not always exercise a monopoly over physical force within national boundaries. Overall Mann depicts states as 'polymorphous power networks' (Mann 1993, 45, 47, 48, 55, 65). I use these elements of Mann's framework in this study, aiming to remain open to the mixture of oligarchic influence, state autonomy and other variations of state-society relations in Guatemala. This simply serves as a general framework to aid my analysis. Throughout the thesis I provide evidence that helps refine an understanding of oligarchy-state relations in Guatemala.

I do not apply Mann's framework to this study of the Guatemalan oligarchy without qualification, particularly with respect to two issues. First, he discusses the development of state bureaucracies and other forms of administration in the modern West, emphasising their pervasive influence in politics and society. In his view 'the modern state added routine, formalized, rationalized institutions of wider scope over citizens and territories...it *penetrates* its territories with both law and administration (embodying what Weber calls "rational-legal domination"), as earlier states did not' (Mann 1993 56-57). Guatemala, in contrast, has not developed this kind of pervasive state bureaucracy: although strong state institutions, such as the armed forces, emerged in the twentieth century, a Weberian rational-legal order did not. A second issue concerns structures and actors. Many state theorists, including Mann, approach state and society in largely structural and institutional terms, and do not emphasise actors. In contrast, I focus on the individuals inhabiting state and non-state structures, and conceive of state-society relations less as institutional interaction and more as a series of personal

relationships. This will become clear in the following sections and also in subsequent chapters when I analyse, for instance, the clientelistic relations that helped the oligarchs block agrarian reform in the peace negotiations (Chapter 5).

My interest in studying private property and personal security issues related to the Guatemalan oligarchy has not developed simply in response to the democratisation literature, or theoretical debates about state-oligarchy relations and the nature of liberal democracy. It also derives from a desire to understand Guatemalan politics. My initial research on Guatemalan refugees, and popular organisations such as indigenous and women's groups, was influenced by the academic fashion of focusing on civil society. Political realities helped reorient my attention. While social mobilisation in Guatemala in the 1990s was having important effects on its participants, it was having limited impact on violence, poverty and racism, which remained endemic. The advent of civilian electoral politics after 1985 and the peace process of the early 1990s seemed to have done little to challenge the 'uncivil' actors, such as the military or the business sector. Although the oligarchs were a popular subject of study in the 1960s and 1970s when the Marxist focus on class domination was at its height, by the 1990s they had lost their historiographical prominence (see Chapter 2). Partly due to having had less direct involvement in the civil war than the army, oligarchic influence has become what the journalist John Pilger calls 'slow news', lacking the immediacy to reach the front page. I feel that it is important to illuminate the slow news of Guatemalan history.

Oligarchic privilege in context

The discussion now shifts from theory to method. How exactly should we study the continuities in Guatemalan history, and the oligarchic practices that limited the development of liberal democracy in Guatemala? As Chapter 2 demonstrates, past studies of the Guatemalan oligarchy have two important features. First, they generally cover long historical periods, usually decades, and are thus frequently ineffective at showing how oligarchic privilege has operated in specific contexts. Second, explanations of the maintenance of oligarchic privilege focus on structural factors: there is little mention of actors and the oligarchs tend to be presented as a faceless class motivated purely by collective economic interests. In contrast, I undertake detailed analysis of oligarchic political practices in particular historical contexts, and approach the oligarchs as complex individuals whose shared worldviews shape their political practices. I do so not only in response to the existing literature on Guatemala, but because these methods have been used successfully by scholars tackling a range of political, sociological and anthropological themes. This section addresses the study of political practices in specific contexts, while the following section examines worldviews.

An alternative to studying long historical periods, more common to social anthropology than political science, is to undertake detailed ethnographic descriptions of particular contexts. Eric Hobsbawm, reflecting on Clifford Geertz's essay on the Balinese cockfight and the revival of narrative history, speaks of scholars taking an 'ecological' rather than a 'geological' approach to explaining the past: 'They may prefer to start with the study of a 'situation' which embodies and exemplifies the stratified structure of a society but which concentrates the mind on the complexities and interconnections of real history, rather than with the study of the structure itself, especially if for this they can rely partly on earlier work' (Hobsbawm 1997, 251). Geertz refers to such ecological studies as 'thick descriptions', by which he means an ethnographic approach based on the microscopic analysis of specific contexts that is highly participative, usually qualitative, sensitive to circumstance, and that attempts to interpret meanings rather than discover causal laws.²⁶ It is through such thick descriptions that 'the mega-concepts with which contemporary social science is afflicted - legitimacy, modernization, integration, conflict, charisma, structure...meaning - can be given the sort of sensible actuality that makes it possible to think not only realistically and concretely *about* them, but, what is more important, creatively and imaginatively *with* them' (Geertz 1993 [1973], 5, 23).

This approach seems particularly appropriate for the Guatemalan case given that there are already numerous studies that take a long-term structural approach to explaining the maintenance of oligarchic privileges in Guatemala (see Chapter 2). Moreover, a detailed analysis of particular contexts may help ground existing structural explanations in the complexities of Guatemalan politics, and show how they interact with each other. It may also enable a greater understanding of the importance of individual actors.

The descriptions that appear in this thesis are not as microscopic as many anthropological thick descriptions, such as Geertz's cockfight, which concerns events on a single day. But my descriptions of specific contexts are relatively thick compared with existing studies of the Guatemalan oligarchy, and most political science analyses of economic elites. For example, I examine periods of weeks or months rather than decades, interview the participants, present their testimony and interpret meanings. To differentiate this study from more microscopic anthropological analyses, I generally use the term 'detailed descriptions' as opposed to 'thick descriptions'. I undertake detailed descriptions of particular contexts to illuminate two ideas at the centre of the 'mega-concept' of liberal democracy: security of private property, and security of person.

While private property is a fundamental liberal democratic right (in the model described above), it is also of primary importance for the Guatemalan oligarchy. Throughout the twentieth century

²⁶ This final aspect is discussed in detail in the next section when I address 'interpretative explanation'.

Guatemala's oligarchs successfully protected their domination of the private property system (see Chapter 2). The main threat was expropriative and redistributive agrarian reform: most members of the economic elite own agricultural land or have family members with large rural landholdings, even if their main business activities are in industry, commerce or finance. While the economic elite fear encroachment on any of their property, whether a *finca* in the countryside or a factory in the capital city, from their viewpoint preventing agrarian reform has come to symbolise protecting the private property system as a whole.

This study acknowledges the centrality that preventing agrarian reform has in oligarchic political practices by providing a detailed account of one such example of the economic elite blocking land reform. In the peace negotiations between the government/military and the URNG guerrillas, which occurred between 1990 and 1996, one of the substantive themes up for discussion was Socioeconomic Aspects and the Agrarian Situation.²⁷ Negotiated in 1995 and 1996, the oligarchs believed that an Accord on this theme could contain threats to private property, such as agrarian reform. I analyse how the oligarchs mobilised to prevent property reform from appearing in the Accord. The negotiations on the Socioeconomic Accord are an exemplary moment illuminating the maintenance of oligarchic privilege.

The second context that I examine concerns personal security. As discussed above, this can be understood as a component of the liberal democratic value of civil rights. Most studies of oligarchies focus on economic issues, for example preventing land reform, and ignore non-economic aspects such as personal security. Only after commencing fieldwork in Guatemala did I realise the extent to which personal security was a central concern for the oligarchs, who I had hitherto only intended to study with respect to the conventional theme of private property. During the civil war many wealthy businessmen and their family members were taken hostage or killed, usually by the guerrillas or paramilitaries. After the final peace accord was signed in 1996, however, the oligarchs continued to be subject to violence as they had been during the armed conflict, particularly through being kidnapped for ransom. In the period of post-war violent crime the assailants were a mixture of mafias, bandits, ex-paramilitaries and ex-guerrillas. I discovered that personal insecurity was a constant fear in the oligarchs' lives.²⁸

Reflecting this importance of personal security for the economic elite, I provide a detailed analysis of how members of the oligarchy responded to the problem of kidnapping and other crimes in the four

²⁷ The term 'government/military' refers to the fact that the government's Peace Commissions that negotiated with the guerrillas contained both representatives of the elected civilian government and members of the armed forces.

²⁸ Special thanks to Rachel Garst for bringing this issue to my attention. Almost every interviewee had been subject to death threats or kidnapping attempts, or had close relatives who had been kidnapped or murdered.

years of 'peace' after 1996. Their political practices included using military intelligence to investigate kidnappings of their family members, and relying on their wealth to purchase private personal security. By doing so they were able to respond to their personal security problems more effectively than the majority of the population, just as had occurred during the armed conflict.

Detailed descriptions of oligarchic practices with respect to private property and personal security provide insights into two issues raised in the above sections. First, they demonstrate that the political changes in Guatemala in the last decade of the twentieth century were also characterised by important continuities because the oligarchs were able to preserve their traditional privileges in relation to private property and personal security. Second, they show how oligarchic practices helped limit democratisation, since both the methods and consequences of their practices had detrimental effects on the realisation of a range of liberal democratic values.

The oligarchic worldview and interpretative explanation

This study, rather unusually, focuses on the perspectives of the oligarchs themselves. As noted above, one difficulty with prevailing explanations for enduring oligarchic privilege in Guatemala is that the oligarchs are presented as a faceless social class whose actions are assumed to conform with their position in the economic structure as owners of land and capital in the pursuit of profit. This approach, common to many Marxist-inspired studies, will be illustrated in Chapter 2. In apparent contrast, the political science literature on the role of elites in democratisation processes generally places greater emphasis on individual actors, rather than structures, and assumes individuals to be motivated by rational self-interest, rather than the imperatives of class (see earlier discussion).²⁹

Neither perspective sufficiently recognises that economic elites are comprised of complex, individual human beings. I believe in taking an approach to members of the Guatemalan oligarchy that is sensitive to their various motivations (economic and non-economic), their contradictions of belief, the importance of memory and personal relationships, the role of emotion and habit, of love and fear. This approach enables a more nuanced understanding of oligarchic political practices than the mechanistic determinations of economic structure or rational choice. It can be theoretically grounded in the intellectual traditions associated with humanistic social science and the anthropological study of elites.

By 'humanistic social science' I refer to the work of scholars who recognise the complexities of individual thought and experience, and who frequently attempt to examine society from the

perspective of their subjects. This includes, for instance, C. Wright Mills, who suggests that our efforts to understand the social world must consider the plethora of ‘human variety’ as we continually shift our focus between biography and history, the individual and society (1970 [1959] 10, 148). In this same tradition of sociological imagining, Richard Sennett examines the effects of changes in the structure of capitalism in the late twentieth century on how workers understand their own lives. He considers the ‘long-term aspect of our emotional lives’, and analyses the testimony of individuals in relation to their sense of failure, attitudes to risk, conceptions of time and desire for community (1998, 10). Oral historians such as Studs Terkel also document how individuals in a capitalist system view their lives. In his book *Working* (1972), subtitled ‘People Talk About What They Do All Day and How They Feel About What They Do’, Terkel unveils the despair, humiliation, and meaninglessness experienced daily by workers in the United States. Finally, the theoretical writings of Martin Buber place individual thought and experience at the centre of social analysis. According to Buber, we can only comprehend society and realise our humanity by attempting to understand how individuals relate to, and perceive, each other. This requires a form of empathy in which we become aware of what another person is ‘wishing, feeling, perceiving, thinking’ (Buber 1965, 60, 70; 1949, 46).

Anthropological studies of elites also emphasise the complex individuality of their subjects and generally avoid reducing members of elites to faceless class representatives or rational actors. For example, social anthropologist George Marcus focuses on individual members of elite communities and kinship issues, rather than ‘the schematics of elite organization’, in his work on US economic elites. He also encourages the study of relations between persons rather than a Marxist focus on ‘relations among systems’ (Marcus 1983a, 10, 15; 1983b, 48). Similarly, Dan Rose’s anthropological analysis of an interview with a US former-CEO is an attempt to ‘humanize’ our understanding of corporate structures (1991, 114). Thus he discusses various aspects of the businessman’s character, including his desire for social status, sense of humour and attitudes to family life. Rose also provides a photograph of his interviewee. Additionally, Gary Wray McDonogh’s review of anthropological studies of elites advocates taking a complex approach to elites that addresses, amongst other issues, ‘individual strategies, family, clientage, alliance, myth and ritual’ (1986, 10).

While I attempt to approach the oligarchs as complex, individual human beings (through, for example, analysing their interview testimony), I also wish to treat them as an identifiable collective entity - the oligarchy. It is thus necessary to use a framework that combines analysis of collectivities with complex individuality. The concept of ‘worldview’ provides a means of doing so, for the worldview of particular social groups is derived from examining shared individual outlooks and experiences. The discussion below, referring primarily to the work of Karl Mannheim and Pierre Bourdieu, outlines my

²⁹ While there is a rationalistic strain within some varieties of Marxism, such as analytical Marxism (Kymlicka

approach to worldviews. I also explain how the relationship between worldviews and practices can be understood through the idea of 'interpretative explanation', and address issues of structure and agency.

Drawing on Mannheim's discussion of *Weltanschauung*, I understand a worldview to be the global outlook of an epoch or a specific social group. The worldview is constituted by shared attitudes, common unspoken or unconscious thoughts and assumptions, similar structures of belief. We can attempt to reconstruct a subject's inner world by interpreting the categories, metaphors and other patterns in their speech, or through analysing their outward behaviour. How exactly can this be done? According to Mannheim, understanding the worldview requires looking behind the 'objective' or 'expressive' meaning of cultural objects to their 'documentary or evidential meaning'. He gives the hypothetical example of seeing a friend give a coin to a beggar. The 'objective' meaning may be an act of 'assistance'. This level of meaning requires no knowledge of the giver, the receiver or the social context. The 'expressive' meaning necessitates understanding the perspective of the subject. Thus if my friend's intention was to convey feelings of sympathy to me or the beggar, the expressive meaning might be an act of 'charity'. 'Documentary' or 'evidential' interpretations require moving beyond the conscious intentions of the subject to a deeper aspect of their outlook. For example, I may see the act of charity as an act of 'hypocrisy'. This documentary or evidential meaning is a constituent of a worldview. The initial object 'points beyond itself to something different' (Mannheim 1997a [1952], 34, 44-47, 61). Mannheim likens this process to that of biography: 'there too, the task consists mainly in reconstructing the inner world of a subject from its outward manifestations and the fragments of meaning contained herein' (1997a [1952], 73). The worldview of a social group is constructed by searching for patterns and commonalities amongst these individual 'documentary' meanings of speech and behaviour. Ethnomethodologist Harold Garfinkel (1967, 78) explains Mannheim's method: 'Not only is the underlying pattern derived from its individual documentary evidences, but the individual documentary evidences, in their turn, are interpreted on the basis of "what is known" about the underlying pattern. Each is used to elaborate the other.' In contrast to Mannheim, I believe that 'objective' or 'expressive' meanings may also be the result of interpretation by the observer.³⁰ I agree, however, that it is possible to interpret beyond the 'face value' of an object or what the subject intends, and to identify the shared attitudes, beliefs and assumptions of particular communities of individuals.

In this way Mannheim attempts to construct the 'spirit' of an age or group of people. He is interested in issues such as their conceptions of the past, present and future, their underlying ethics, their

2002, 201-202), studies of Latin American economic elites have rarely been undertaken from this perspective.

attitudes to continuity and change, and their assumptions concerning authority and order. For example, he identifies a ‘conservative mentality’ (evident, for instance, amongst some social groups in nineteenth-century Germany), in which individuals are anti-utopian, understanding the present as the natural world order. This worldview gives great attention to the past, such that ‘the conception of time here in question has an imaginary third dimension which it derives from the fact that the past is experienced virtually as present’ (1997b [1936], 206, 212). Similarly, the approach of this thesis is that the oligarchs can be characterised not only in terms of class position, family networks, or business associations, but also by their shared worldviews on the issues of private property and personal security, which may be revealing about their thinking on matters including, amongst others, authority and order.³¹

Concepts similar to ‘worldview’ appear in the work of other theorists and in other disciplines. For example, cultural historians frequently discuss ‘historical mentalities’, which have a close resemblance to *Weltanschauung* (Burke 1997, 162). I draw on Mannheim partly because his theoretical and empirical concerns resonate with the focus of this thesis. His idea of a ‘conservative mentality’ raises issues of attitudes to historical continuity and change that are relevant to a study of an oligarchy attempting to preserve its traditional privileges in the face of a revolutionary challenge. Similarly, his interest in the changing worldview of particular generations (especially youth), relates to the argument made by some scholars that there is a new generation of young ‘modernisers’ within the Guatemalan oligarchy. Additionally, Mannheim is a reference point for some of the ethnographic work that underlies this thesis, such as that by Garfinkel, Geertz and George Marcus. The latter argues that past research on elites would have benefited from following Mannheim’s lead and focusing less on elite organisation and more on ‘the kinds of mental culture - world views and outlooks - that differentiated elites from non-elites’ (Marcus 1983a, 13).

How are worldviews connected to political practices? Answering this question requires a consideration of structures, agency, and forms of explanation. Social scientists and historians have traditionally relied on the notion of ‘causal explanation’. This approach identifies explanatory ‘factors’ that have specific outcomes. Thus in the 1860s, the historian Leopold von Ranke wrote about ‘the investigation of the effective factors in historical events’ (quoted in Plumb 1969, 132). Depending on the theoretical perspective, the factors may be structures (e.g. income disparity as a

³⁰ Mannheim appears to acknowledge this problem when he writes that worldviews are interpreted from the present: ‘any single interpretation is profoundly influenced by the location within the historical stream from which the interpreter attempts to reconstruct the spirit of a past epoch’ (1997a [1952], 61).

³¹ In this study I use both the singular ‘worldview’ and the plural ‘worldviews’. I use the singular with respect to the general outlook of a particular social group or individual. The plural form is usually used in two contexts. First, when referring to the outlooks of more than one social group. Second, when discussing the different aspects of a particular group’s outlook, such as the oligarchy’s worldviews on private property and personal security.

cause of revolutionary uprising), agents (e.g. the decision of a political leader or group of leaders as a cause of a country going to war), or some combination of the two. Frequently structures are understood to define the range of potential actions for agents, or structure and agency are considered to be interdependent, as in Giddens' theory of structuration (Hay 1995, 190). Causal explanations are often expressed in terms of mechanistic metaphors, such as billiard ball A hitting billiard ball B, thereby causing the latter to move. Reflecting this view, another historian, J. H. Plumb (1969, 144), discusses our deepening 'knowledge of the mechanics of historical change'.

In contrast to the above, a worldview is not a causal mechanism that can sit alongside economic or other factors that apparently 'explain' some historical phenomenon. Instead, it places actors, structures and events in a different frame of reference, and provides them a deeper meaning. Mannheim distinguishes his approach from the 'mechanistic causality' of the natural sciences, and argues that 'the theory of *Weltanschauung* is an interpretative rather than an explanatory one' (1997a [1952], 81-82). A worldview can be thought about as a framework that sets boundaries within which social actions take place. Social actions can be 'traced back to' or 'conform with' a particular worldview; that is, the worldview 'guides' or 'shapes' social practices, rather than 'causing' them.³² This can be illustrated with an example from Chapter 7. In the four years after the peace accords were signed in 1996, Guatemala's oligarchs increasingly used private security (such as hiring private armed guards and living in fortified, gated communities) to protect themselves from violent crime. I argue that such actions were partly shaped by a worldview of victimisation, in which they see themselves as members of a persecuted community of victims needing special forms of protection, just as they did during the armed conflict. Thus the practice of hiring private security guards can be traced back to, or conforms with, this worldview of victimisation. This is not a causal statement about billiard ball A and billiard ball B. Rather, it is an interpretative explanation that illustrates how certain practices can be understood within the framework of a worldview. It reflects hermeneutic approaches to the social sciences in which the explanations of human action should include, or take the form of, 'an attempt to recover and interpret the meanings of social actions from the point of view of the agents performing them' (Skinner 1985, 6).

One might object that an explanatory method tracing social actions back to worldviews leaves no place for the role of economic, social and political structures. For example, surely one of the 'factors' that permitted the oligarchs (rather than urban slum dwellers) to hire private security guards is their extreme wealth compared to the majority of the population. Yet interpretative explanations can incorporate such structural factors, but their role must be understood in relation to the worldview.

³² Mannheim favoured the term 'traced back' with reference to the connection between worldviews and practices (1997a [1952], 80-81). Others have used the word 'guide' (see the discussion of Margaret Somers'

Thus wealth was indeed necessary for them to hire private security guards, but it was not a sufficient condition or autonomous explanatory factor, for the reason why they spent their wealth on private security rather than on a new car or a holiday in Europe can be traced back to their worldview about being a member of a persecuted community that needs special protection from violent crime. That is, in interpretative explanations based on worldviews and practices, structures and actors are placed in a different frame of reference compared with causal explanations. Interpretative explanation, however, has its limits, for it cannot easily incorporate structural constraints on oligarchic actions. For instance, the economic elite have little control over international commodity markets and have thus been unable to prevent the recent slump in the Guatemalan coffee economy linked to the collapse of international coffee prices. That is, the oligarchic worldview cannot shape structural conditions that are beyond their control.

The relationship between worldviews and practices, and issues of agency and structure, can be further clarified by examining Bourdieu's concept of 'habitus'. The habitus resembles Mannheim's idea of worldview, but Bourdieu is more explicitly concerned with social and political practices than Mannheim. Bourdieu presents the habitus as a 'system of dispositions' rooted deep in our pasts, derived from forms of socialisation based in family, education, religion, work, the media, and so on. These dispositions create a frame of reference for our thinking and action. Individuals do not generally act on the basis of 'calculating reason' as the rational choice theorists assume, or by the Marxist 'mechanical determinations of economic necessity'. Instead our actions are based more on feeling or duty, corresponding with the habitus, which is so internalised that it is almost unnoticeable to ourselves. Like Mannheim's distinction between expressive and documentary meaning, our actions or 'practices' reflect something beyond 'conscious strategies'. And similar to the theory of *Weltanschauung*, the habitus is a 'system of dispositions' that is not only attributable to individuals but that can be shared by members of a particular social group. The habitus, says Bourdieu, shapes the way we interact with the world not only in terms of what we do, but what we do not do: 'the most improbable practices are therefore excluded, as unthinkable, by a kind of immediate submission to order that inclines agents to make a virtue of necessity, that is, to refuse what is anyway denied and to will the inevitable' (1990, 52-56, 59-60, 290-291n2-3). An example can help illustrate Bourdieu's approach. We may have been brought up since childhood to believe in the sanctity of private property. This may be so ingrained that it is in some sense 'unthinkable' for us to contemplate the idea of communally held property: it is outside our frame of reference. Supporting communal property does not enter our thoughts, and thus does not enter the realm of our practices; our practices are consistent with, or 'conform with', the preservation of individual private property. If we can identify what is

work in the next section). Throughout the analysis I use the terms 'traced back to', 'conform with', 'guide' and 'shape' interchangeably to analyse how worldviews provide a frame of reference for understanding practices.

thinkable and unthinkable for the Guatemalan oligarchy, if we can specify aspects of their worldview, then we will be given a 'guide' to their political practices.

A possible objection is that this approach does not provide for any meaningful human agency; our practices, in the words of Bourdieu, are like a 'submission to order'. If our actions are determined by ways of thinking buried in our pasts, then a worldview (or the habitus) is effectively a form of structural constraint incompatible with the emphasis in this thesis on giving complex individual actors a more prominent place in social and political analysis. My response is that it is important to distinguish different levels of agency, and how they relate to worldviews. On one level, individuals have agency within the parameters of any particular worldview, but are constrained in the sense of not being able to question the worldview itself, to act outside its boundaries. Thus the worldview of the sanctity of private property may permit an individual certain freedom of action, such as choosing between a variety of means of protecting private property, but it does not allow the individual to reject the notion of private property as such. A second level of agency concerns challenging the worldview; the boundaries of what is thinkable and unthinkable are confronted, replaced or transformed. Thus an individual may shift from a deep belief in private property to a worldview that accepts the notion of communal property. By their very nature, worldviews are deeply entrenched in our thinking, and thus challenging the worldview is a more unusual form of agency than acting within its confines. These two levels of agency resemble a distinction made by some social and political theorists between agents taking decisions *within* structures and taking decisions *about* structures (Howarth 2000, 122; Hay 1995, 201). Challenging a worldview can be thought of as a decision *about* a structure, where worldviews are structures of belief, unlike economic, social and political structures such as the electoral system.

The possibility of challenging a worldview raises the issue of how the worldviews of individuals and social groups can change. There are two broad approaches to this issue. One is that worldviews can change relatively rapidly due to cataclysmic events and extreme (and often shared) personal experiences. Thus various scholars describe how the experiences of trench warfare in the First World War affected the worldview of a whole generation of young German men: they saw post-war Germany as a place of 'immoral disorder' and lacking the discipline, honour and solidarity of life in the trenches. Their reconfigured worldview contributed to the rise of the Nazi movement (Abrams 1982, 262-263). Similarly, many analysts argue that the events in Eastern and Central Europe in 1989 extinguished hopes amongst leftists for social revolution and induced an ideology, celebrated by Frances Fukuyama and others, of the End of History. A more common approach is that worldviews change slowly, over decades or even centuries, usually in response to relatively long-term developments such as new forms of education, religion or work. Richard Sennett (1998), for instance, argues that the rise of 'flexible capitalism' at the end of the twentieth century is encouraging a shift

amongst US workers from viewing their working lives in terms of long-term stability, to an understanding of work as a matter of short-term survival and instability. Thomas Kuhn analyses scientific revolutions in which the shared 'worldview' or framework for understanding in specific scientific communities is replaced by a new 'paradigm'. He suggests that while the transformation of scientists' worldviews can be likened to 'switches in visual gestalt', in practice the shift generally occurs slowly as established scientists may be reluctant to adjust and because it takes time to reorient the educational system to teach students to see the new gestalt (Kuhn 1962, 111-112, 165-166; Skinner 1985, 10). Likewise Theodore Zeldin, in his study of the development of human intimacy, shows how some ideas, such as treating men and women equally, have evolved only gradually over a century or longer: 'Mentalities cannot be changed by decree, because they are based on memories, which are almost impossible to kill' (1995, 19).

With respect to human agency, individuals may have the greatest opportunities for challenging their own worldview at moments of rapid historical change or rupture, or in response to extreme or novel personal experiences. For example, a young scientist suddenly encountering new data that challenge an accepted worldview may be in a position to treat the data as an experimental anomaly, or as a revolutionary discovery or insight. Student activists in the midst of a revolutionary uprising may be faced with a moment of political openness or uncertainty that permits them to question the worldview of their own generation. Thus the possibilities for agency must be understood in relation to specific historical contexts. Historical sociologist Philip Abrams theorises this idea, arguing that the construction of new identities and outlooks 'must coincide with major and palpable historical experiences in relation to which new meanings can be assembled...creativity feeds on experience not will'. Historical events provide 'crucial opportunities' for constructing new meanings (Abrams 1982, 255-256). As will be demonstrated in Chapter 5, for instance, the end of the Cold War in 1989 reconfigured the anti-communist worldview of some members of the oligarchy; their reduced fear of communism encouraged them to question their opposition to negotiations with the guerrillas, and to support peace talks to end to the armed conflict.

While it is important to discuss individual agency, I want to reiterate that this thesis concerns both individuals and collectivities. Rather than assuming that the oligarchs all have identical shared class interests or are all rational self-interested individuals, I approach the oligarchs individually (e.g. by analysing their personal testimony), while looking for commonalities in their worldview on specific issues. This is a means of respecting individuality but acknowledging that these individuals are part of a larger whole. Some of their formative experiences are individual, others are shared. In this study I

highlight shared experiences in the oligarchic community, such as persecution in the civil war, that help generate a shared worldview on the issues of private property and personal security.³³

Why should we analyse worldviews rather than examine oligarchic practices using more traditional methods such as class analysis? When the oligarchs mobilise around economic issues such as land reform it might appear as if they are motivated by the imperatives of class position or rational self-interest. I intend to show that such perspectives are misleading. An analysis of worldviews demonstrates that the thinking underlying oligarchic actions related to private property (and personal security) is far more complex than either of these approaches suggest. Worldviews can provide a multifaceted and multilayered understanding of social action, without which we would only have a superficial analysis of oligarchic practices such as blocking land reform (see discussion below). In addition, the multiple aspects of the oligarchic worldview help provide a basis for comprehending the different practices of various groups within the oligarchy. Moreover, since it is these practices that limited the development of liberal democracy in Guatemala, then without the analysis of worldviews we would have an impoverished understanding of democratisation in Guatemala. A final reason is that approaching the oligarchs from a class perspective induces an insensitivity or even blindness to non-economic issues, such as the economic elites' use of private security measures associated with fears for their personal security. It is difficult to analyse these practices, and the complex personal and emotional aspects of a kidnapping threat, using the language of traditional class analysis. In contrast, the idea of a worldview does not place limits on exploring these kinds of issues.

Overall, I approach the oligarchs as a collectivity of complex individuals through analysing their worldview. The method of interpretative explanation is used to show how oligarchic political practices can be understood in relation to their worldview. This method acknowledges the importance of agency and structure, but places them in a non-causal framework of meaning.

Narrative analysis

Understanding how the oligarchy's worldview shaped their political practices requires having a means of accessing their worldview. This study uses ethnographic methods to reveal their worldview, by identifying and analysing their narratives on particular issues such as security of property and security

³³ Defining 'community' is both an intellectual quagmire and an academic industry. At the very least, communities share certain beliefs or values that coalesce into a distinct worldview, they tend to have direct relations with each other, they exhibit forms of reciprocity and mutual aid, have complex social norms, there are boundaries as to who is included and excluded, they have shared experiences, and imagined origins and histories (Taylor 1982, 25-33; Sennett 1998, 135-148; Ward 1996 [1973], Ch 4.). Features of the oligarchic community are discussed in Chapter 3 ('The oligarchic community').

of person. In this section I will clarify what I mean by ethnography before discussing narrative analysis.

I draw on Geertz and James Clifford for my understanding of ethnography. From Geertz's perspective (outlined above), it is an attempt to understand 'culture', in the sense of 'social events, behaviours, institutions, or processes', based on detailed analysis of specific social contexts, using methods that are highly participative, generally qualitative, descriptive and sensitive to circumstance (Geertz 1973, 14, 23). Clifford and other social anthropologists emphasise that ethnography is a 'process of interpretation, not [causal] explanation' and involves exploring social meanings from the perspective of the subject(s) (Clifford 1988, 22n1). According to Clifford, a major development in ethnography has been the shift through four different 'modes of authority' during the twentieth century. In the first stage of 'experiential authority', early last century, ethnography was based on participant observation, and the anthropologist was a neutral purveyor of truth. The following period of 'interpretative authority' gave greater attention to the philological model of textual 'reading'. The development of 'dialogical authority' questioned textual interpretations insensitive to social context and instead emphasised the intersubjectivity of speech, and the social relationship between the ethnographer and the subject. The most recent development has been that of 'polyphonic authority', evident in much testimonial literature, in which the subjects' words are presented with relatively little interpretation, so that the author shares authority with the witness (Clifford 1988, 30, 38,41, 51). This thesis is partly based on participant observation, but its main method is the interpretation of texts derived from interview testimony. This and the following section show that while I undertake some philological readings, such as the analysis of metaphors, my interpretations take into account social contexts, and in this sense are 'dialogical'. The final section of this chapter signals the dangers of a 'polyphonic' approach that gives excessive authority to the subject. This study can be understood as a 'political' ethnography, in the sense that the issues investigated are political (the liberal democratic rights of private property and the civil right to personal security), and the contexts analysed are primarily political (such as the peace negotiations).

'Narrative' is generally used in two different senses. First, in a broad sense, a narrative is a story related in a written text or interview, with a limited number of central characters or themes, held together by some form of plot with a beginning, middle and end, with turning points and climaxes (Sewell 1992, 481; Steinmetz 1992, 497). A second sense of narrative, which is the one primarily used in this study, is more narrow. In this restricted sense, a narrative refers to the themes of a story related in a written text or interview (Somers 1992, 602). Sennett, for example, discusses 'narratives of identity' amongst US workers, which concern issues such as their sense of self-worth (1998, 26, 118). Hence I speak of the oligarchy's narrative of 'rights as the maintenance of privilege' or 'the community of victims'. These are themes, shared by the oligarchs, that underlie or structure their

interview testimony or documents concerning private property and personal security. That is, the various narrative themes constitute the oligarchy's worldview. As the forthcoming chapters demonstrate, the oligarchic worldview on both private property and personal security is comprised of a number of shared narratives on each issue. These different narratives themselves consist of various sub-themes.

What are the main features of narratives, as understood in the more narrow sense? I accept Margaret Somers's view that 'people act, or do not act, in part according to how they understand their place in any given number of narratives - however fragmented, contradictory or partial...Social identities are constituted through narrativity, social action is guided by narrativity. And social processes and interaction - both institutional and interpersonal - are narratively mediated' (Somers 1992, 603, 606). Note that by using the qualifier 'in part', Somers does not assume that narratives can explain all social phenomena. This allows, for example, the possibility that social structures still have historical significance.³⁴ Somers (1992, 603-605) distinguishes four 'layers' or kinds of narrativity: ontological or personal narratives that social actors use to make sense of their own lives; public narratives attached not just to individuals but also to networks of people or institutions (e.g. the emancipatory story of socialism); conceptual narratives used by sociological researchers (e.g. 'actor', 'culture'); and metanarratives in which we are all embedded as actors in history (e.g. progress, enlightenment). The categories overlap in practice. Oligarchic narratives related to security of person and property, for example, can be both personal and public.

Narratives have further important features. First, they are related in stories told not only to an audience, but to the speaker or author(s) themselves. Thus William Sewell (1992, 483) discusses how individuals 'emplot themselves' in narratives, echoing Somers' view that people use narratives to give sense to their own lives. Similarly Bourdieu (1996, 24) argues that an interview can be an opportunity for the subject to 'explain themselves', in the sense of constructing 'their own point of view both on themselves and on the world and to fully delineate the vantage-point within this world from which they see themselves and the world and become comprehensible and are justified, not least for themselves'. George Steinmetz also has a number of insights into narratives. They often merge ideology with personal experience. Autobiographies may, for instance, be structured on 'the models of the bourgeois success story'. Furthermore, shared experiences and memories can help generate common narratives. Finally, narratives may be conflicting, overlapping, partial or evolving. Steinmetz suggests that the 'degree of coherence' within narratives is 'a variable rather than a constant feature of social discourse' (1992, 492, 504).

Just as there are layers of narrativity, there are also layers of interpretation that help reveal the shared narratives that constitute the oligarchic worldview. This interpretation occurs on three levels. First, the stories (both written and oral) in which narratives appear can be treated as texts in which the form and structure of the language require analysis. We should explore metaphors, shifts in the use of pronouns and tenses, whether arguments are linear or contain tensions and contradictions. George Lakoff and Mark Johnson, for example, argue that it is essential to examine metaphors since ‘our ordinary conceptual system, in terms of which we both think and act, is fundamentally metaphorical in nature’ (1980, 3). For Ricoeur, uncovering metaphors and other philological aspects of a text ‘frees its meaning from the tutelage of the mental intention’ of the author (1971, 535). Geertz too is interested in interpreting metaphors and other aspects of language, although his idea of textual reading is less disembodied than that of Ricoeur, in that the purpose of interpretation is ‘to aid us in gaining access to the conceptual world in which our subjects live so that we can, in some extended sense of the term, converse with them’ (Geertz 1973, 24, 210-213). Overall, the approach of treating ethnographic material as a text corresponds with what Clifford above calls the mode of ‘interpretative authority’.

Second, we must take into account the circumstantial and intersubjective elements of discourse, particularly the social process that characterises the interview context. Bourdieu, for instance, suggests that an interview is a ‘social relation’ and that ‘various kinds of distortions are embedded in the very structure of the relationship’. Interpretation thus becomes a matter of ‘understanding and mastering these distortions’ (1996, 18). Similarly, Garfinkel (1967, 4) writes approvingly about Edmund Husserl speaking ‘of expressions whose sense cannot be decided by an auditor without his necessarily knowing or assuming something about the biography and purposes of the use of the expression, the circumstances of the utterance, the previous course of the conversation, or the particular relationship of actual or potential interaction that exists between the expressor and the auditor’. In my interviews with oligarchs (discussed further below), I thus try to be aware of forms of intonation, pauses, patterns in evading questions, the meaning of eye contact, whether interview responses are conditioned by our age or gender differences, their assumptions about the extent of my ignorance of Guatemalan politics, their reasons for agreeing to be interviewed, their reactions to my wording of questions (did I use ‘guerrilla’ or the more acceptable ‘subversive’; land ‘occupier’ or land ‘invader’?). To give a sense that this is a dialogue occurring in a particular context - an instance of Clifford’s ‘dialogical authority’ - I often include my questions in the transcriptions, and describe the setting in which the interview occurred. Interpretation must also take account of the general historical or political context. For example, many of my interviews were conducted when the government was publicly distancing itself from the business sector, prompting my informants to be more scathing about the state than they might otherwise have been.

³⁴ Although, as discussed above, the importance and meaning of such structures should be interpreted in relation

Finally, elite thinking and behaviour can also be interpreted on a more psychological level. J.M. Barbalet (1995) and Alex Comfort (1950 [1988], 103-110), for example, examine the sense of fear experienced by some elites and argue that it can induce reactions of outward, aggressive behaviour. I consider how oligarchic narratives exhibit shared fears or anxieties. I also analyse aspects of what Stanley Cohen (2001, 21-50) calls the ‘psychology of denial’ - how subjects seem to shift their own moral responsibility on to other people or appear oblivious to the effects of their actions on others. Additionally, I analyse related psychological phenomena, such as how subjects try to justify their beliefs and actions not only to the interviewer but to themselves, or are unaware of the underlying assumptions in their thinking.

Taking a narrative approach to a Latin American oligarchy is quite unfashionable. Latin American testimonial literature is overwhelmingly concerned with subaltern narratives and generally ignores elites. We have heard the voice of Rigoberta Menchú, but who is familiar with the life of Guatemalan industrialist Carlos Vielman Montes? Reasons for the lack of ethnographic studies of economic elites based on narrative analysis may include: the ethnographic preoccupation with Latin America’s indigenous people and the poor; scholarly distaste for speaking with people who have often been perpetrators or supporters of violence; practical problems of conducting ‘fieldwork under fire’ in situations where researchers can be subject to suspicion or reprisals for their work; and difficulties accessing elites. Two inspiring exceptions are Jeffrey Paige’s (1998) book on ‘class narratives’ of the coffee oligarchy in El Salvador, Nicaragua and Costa Rica, and Payne’s (2000) interviews with rural landowners in Brazil. Both studies, however, consider their subjects almost exclusively in economic terms; thus the narratives serve to illustrate a class perspective rather than forming the basis of a more complex interpretation. Tzvetan Todorov (1984), while unable to speak with his subjects, endeavours to enter the minds of the conquistadors, basing his analysis on a limited number of primary sources, chiefly memoirs. Although illuminating regarding worldviews, the lack of historical grounding and context renders his analysis speculative rather than convincing, more literary criticism than social inquiry. While some scholars of Guatemala have interviewed the oligarchs (e.g. Casaus 1992, McCleary 1999, Valdez and Palencia 1998, Oglesby 2000), the study by Elizabeth Oglesby appears to be the only one that explicitly considers narratives: she describes a new ‘narrative of development’ in the sugar elite (Oglesby 2000, 1).³⁵

Some scholars believe that elite narratives are not a legitimate subject for study. Georg Gugelburger and Michael Kearney, for instance, quote George Yúdice’s italicized definition of testimonial literature: ‘an *authentic* narrative...emphasizing *popular oral discourse*...[in which] *truth* is

to worldviews, and the narratives that help constitute worldviews.

summoned in the cause of denouncing a present situation of exploitation and oppression or *exorcising* and *setting aright* official history'. By this account, elites should be denied a voice as their accounts are 'misrepresentations' or 'falsifying accounts of reality' (1991, 4, 7).

Despite the advice of Gugelburger and Kearney, there are good reasons for taking oligarchic narratives seriously. First, as noted above, oligarchic narratives help constitute their worldview on particular issues; thus obtaining insights into their worldview requires engaging with the oligarchs and examining their narratives. Second, this worldview shapes the economic elite's political practices; so if we want to understand their political practices, and the effects of these practices on democratisation, we should examine their narratives. A third, related point, is that it is important to understand these practices because the oligarchs are significant political actors. As Laura Nader suggested in the 1960s, anthropologists should 'study up' and not ignore the dominant actors in society.³⁶ Fourth, concern about elite 'misrepresentations' fails to comprehend that one of the points of narrative analysis is to acknowledge the existence of many different 'truths', rather than a single 'Truth'; and even if elite perspectives appear to conflict with more widely accepted historical interpretations, it is possible to critique their views at the same time as presenting them (see below for further discussion). Finally, I am wary of a research agenda, such as that suggested by Gugelburger and Kearney, that seems to challenge exclusion by perpetuating it in another form.

It is important not only to illustrate oligarchic thinking on issues that constitute their worldview, such as security of property and security of person. We should also describe the particular historical contexts of study, such as the negotiations on the Socioeconomic Accord in the peace process or responses to the problem of post-conflict violent crime, from the perspective of the oligarchs, using their stories. This is for two main reasons, both commensurate with a hermeneutic approach to the social sciences that explores social actions from the point of view of the subjects performing them. First, by examining how the oligarchs describe and understand their own actions, we can see how their worldview shapes their practices. For example, their descriptions of how they fought against proposals in the Socioeconomic Accord negotiations to permit a constitutional change acknowledging the 'social function' of property (Chapter 5), conformed with their narrative upholding the constitutional right to individual private property (Chapter 4, *Rights as the maintenance of privilege*). Their political practices can be traced back to their worldview.³⁷ Second, as Natalie Zemon Davis

³⁵ The Guatemalan literature is discussed in Chapter 2.

³⁶ Eric Hobsbawm also criticises postmodern ethnographies for prioritising voices from below when those from above may illuminate our understanding of history (1997, 259).

³⁷ Narratives such as *Rights as the maintenance of privilege* often emerged when interviewees explained their views on the rule of law. But they also occurred in discussions of the Socioeconomic Accord negotiations. That is, narratives arise with respect to particular contexts. Recognising this, I originally tried to merge Chapter 4 with Chapter 5, and Chapter 6 with Chapter 7, so that worldviews and political contexts could be analysed in an integrated way. Unfortunately, this resulted in texts that were excessively complex. I thus decided on a

(1983, 2) demonstrates in her reconstruction of the life and trial of Martin Guerre from the perspective of medieval French rural society, our understanding of social life and practices is enhanced by describing contexts from the viewpoint of the principal actors themselves. Much as I admire the ‘thickness’ of the description, the Balinese cockfight described in Geertz’s essay ‘Deep Play’ (1973) would appear rather different if it was not Geertz’s voice that predominated, but the voices of the cock owners, the gamblers, and the police. The oligarchy’s stories about particular historical contexts are, of course, their own interpretation of events and must at times be juxtaposed with alternative or more widely accepted descriptions and interpretations.

Constructing a narrative archive

Where can we find the contemporary narratives of the Guatemalan oligarchy? Partly due to the absence of other studies and Guatemala’s poor library system, I had to construct the narrative archive myself from disparate sources. A first layer of the oligarchic worldview about security of property and person is contained in the public narratives of business organisations in their official documents, such as publications for the peace talks, press releases, or written proposals on certain economic themes. Presented in the name of organisations such as the Coordinating Committee of Agriculture, Commercial, Industrial and Financial Associations (CACIF), the Chambers of Agriculture, Industry or Commerce, and the National Coffee Association (ANACAFE), I obtained these documents from business association leaders. The views of some business leaders also appear as ‘comment’ columns in the main newspapers such as *Prensa Libre* and *Siglo 21*.

A more revealing narrative layer than publicly available materials are those written by the business sector that are not intended for general circulation. For example, I obtained rare ‘unofficial’ business commentaries on drafts of the peace accords from the private office of Héctor Rosada Granados, head of the government’s Peace Commission during the Presidency of Ramiro De León Carpio. Unfortunately I was largely unsuccessful in my search for memoirs, diaries or autobiographies of oligarchs.³⁸ This may indicate that the oligarchs have not adopted the self-consciousness and subjectivity of the nineteenth-century European bourgeoisie that resulted, amongst other things, in the growth of autobiography (Zaretsky 1976, 43). Guatemala’s oligarchs also appear to spend little time writing novels that illuminate their worldview. A review of university dissertations written by members of the oligarchy while at the private neoliberal Francisco Marroquín University provided few insights, since such dissertations are generally too short, formulaic and lacking in analytical depth to be revealing about worldviews.

somewhat artificial separation of the chapters on worldviews and contexts, partially overcome by making references from one to the other.

³⁸ Two exceptions are Hannstein (1995) and Paiz and Schloesser (1997).

The most important source for the creation of my narrative archive, however, was oral testimony gathered from interviews with members of the oligarchy. My choice of potential interview subjects was initially based on those who had been identified as politically influential members of the oligarchy in studies by other scholars, based on their leadership of business associations, integration into family networks and relative wealth. I thus wanted to speak with individuals who had been presidents of business associations in the 1990s, particularly the confederation CACIF, and who represented the four main economic sectors of agriculture, commerce, industry and finance. Of these individuals I hoped to interview those from families identified in studies of oligarchic family networks and, if possible, with some of the wealthiest business people in the country.³⁹ In addition, I wanted to find business people who fitted these categories and had also participated in the peace talks. Unlike most other scholars who have interviewed the oligarchs, I also planned to speak with women involved in running family businesses, and with young members of the economic elite at an early stage in their careers.

I had few illusions about the likelihood of realising this ideal representative sample. During my first period of fieldwork in 1996 I was worried and uncertain about the possibility of my task. None of my friends in Guatemala had personal contact with business leaders, nor did they want it. I myself was ambivalent about talking with people whom I associated with poverty and repression, particularly exploitation of the indigenous population. I eventually obtained the phone numbers of six business association presidents through a contact at the British Embassy. After dozens of phone calls and cancelled meetings, I managed to speak with three of them. My second and third periods of fieldwork (in 2000 and 2002) were based on more experience, and occurred in a period of greater political openness.⁴⁰ I now wore a suit and tie, carried an elaborate letter of introduction from a foreign university, and passed out business cards. I made my phone calls with much greater confidence and authority, which eased my passage past reluctant secretaries who shielded their bosses. With business people wary of unknown academics ‘cold-calling’ for interviews, a snowball methodology was also required. At the end of each interview I requested recommendations of other people to speak to, and I usually left with a few new phone numbers. One advantage of studying an elite community is that everyone knows each other, and once I had established trust with one interviewee it became easier to obtain access to another. I was careful, however, not to assume that any recommendation was

³⁹ The main list of families I used is that compiled by Dosal (1995), which appears in Appendix D. His list includes the most important families identified by Casaus (1992). These studies are examined in Chapter 2. As discussed in Chapter 3, Dosal and Casaus omit some families that were incorporated into the oligarchy in the second half of the twentieth century through marriage, business and social ties, such as the Paiz and Gutiérrez families. I interviewed some members of these newer oligarchic families, such as Isabel Paiz Andrade de Serra (see Appendix A).

⁴⁰ In total I did five months of fieldwork.

necessarily a member of the oligarchy: I focused my efforts on interviewing those from the most politically influential business associations and families.

Overall I conducted 30 semi-structured recorded interviews with members of the oligarchy, most of which lasted one-and-a-half to two hours.⁴¹ Seven interviews were with women, and five with young business people in their 20s or 30s. Of the men, all but four had been leaders of the country's major business associations, covering the range of economic sectors. Almost all the interviewees were either members of the oligarchic families identified by other scholars, were closely related to them, or had participated in business with them. Five individuals were interviewed twice, in different years. The interviews were supplemented with informal off-the-record discussions with these and other business people and their family members. When possible I carried out some participant observation, mainly in their homes, *fincas*, and places of leisure, such as hotels.

I believe that my approach satisfies the criteria for studying an elite system suggested in Robert Dahl's article, 'A Critique of the Ruling Elite Model' (1958). He criticises studies that use a 'reputational' model for identifying an elite. That is, the elite is recognised as such not because their influence has been demonstrated, but because people believe them to have a high potential for control. I agree that this is a poor method of identifying an elite, hence I do not use it. Rather, as noted above, I have primarily interviewed individuals whom other scholars have already demonstrated to be politically influential, such as Presidents of the business association CACIF (see, for example, Jonas 1991 and McCleary 1999). I was also able to confirm the political influence of my interviewees through analysis provided in interviews I conducted with over 25 people from outside the oligarchic community on the theme of the Guatemalan business sector. These included army generals, government officials, United Nations workers, economists, journalists, academics, embassy officials and members of indigenous, human rights and women's organisations.⁴² Dahl also suggests a three-part 'test' for confirming whether or not a ruling elite exists (1958, 466). First, the hypothetical ruling elite must be a 'well-defined group'. In Chapter 2 I provide a clear definition of the Guatemalan oligarchy that is more precise than that used by most scholars. Second, 'there must be a fair sample of cases in which the preferences of the hypothetical ruling elite run counter to those of any other likely group that might be suggested' and third, 'in such cases, the preferences of the elite regularly prevail'. As will be discussed in Chapter 2, scholars have shown that throughout the twentieth century Guatemala's oligarchs have regularly prevailed when challenged in the areas of land, labour and tax

⁴¹ See Appendix A for a list of interviewees. My questions generally began with their business interests and family background, and progressed through their war-time experience, the problem of kidnapping, their participation in the peace negotiations, assessments of their personal and political achievements and fears, their thoughts on free trade and international financial institutions, on the current government, on Guatemala's future. All but three interviews were in Spanish.

⁴² These interviewees are listed in Appendix A.

reform. For example, they supported the coup that reversed the land reform of the early 1950s, and successfully opposed tax increases in 1989. In this study I consider one particular instance of challenge to oligarchic privilege: the threat of expropriative and redistributive agrarian reform in the peace negotiations in the mid-1990s. I demonstrate how the oligarchs prevailed by blocking reform proposals (Chapter 5). While it is indeed only one political moment rather than an analysis of how the oligarchs ‘regularly prevailed’, it fits into the larger pattern of the oligarchs repeatedly and successfully opposing threats to their privileges.⁴³

The interviewees in this study do not constitute a ‘representative sample’ in any statistical sense. I believe, however, that their views are broadly representative of the business sector leadership. This is because, firstly, most interviewees have been presidents of the country’s most politically influential business associations, and these associations represent diverse economic sectors. In addition, the majority of interviewees are closely linked to important oligarchic families and family businesses. With respect to the peace negotiations, I interviewed almost all of those who were directly involved in the talks on behalf of the economic elite. I also interviewed businessmen considered the main ‘reformers’ within the sector, and thus feel that I have grounds for assessing the degree to which Guatemala has a reformist business leadership that is independent of the traditional oligarchy. To some extent I have also used business organisation documents to provide a rough guide for what might be considered ‘representative’ oligarchic thinking on particular issues, in addition to checking my interviewees’ views against those of business people with whom I spoke off the record. I interviewed insufficient women and youth to claim that my samples of these particular groups are ‘representative’. Thus no part of the argument hinges on the views of women ‘as women’, or the views of youth ‘as youth’.

Interview testimony can be selected and presented in various ways. I present testimony that is exemplary of a general perspective in the oligarchy (unless explicitly stated otherwise). That is, I avoid using testimony from ‘extremists’ whose views are radically different from the majority of interviewees across different economic sectors. While I sometimes use the testimony of individuals on the periphery of the oligarchy (see below), their views are used to help illustrate more general thinking within the economic elite. In order to contextualise the oligarchs’ views, I provide relatively large sections of testimony (e.g. around 200 words).⁴⁴ These are supplemented with shorter excerpts

⁴³ This example also meets methodological conditions of ‘falsifiability’ in the sense that my analysis might have shown that substantial reform occurred against oligarchic wishes, or that oligarchic practices were insignificant in blocking reform. Dahl’s approach is critiqued in Clegg (1989, Chapter 3).

⁴⁴ Following oral history conventions, three dots (‘...’) indicates a pause by the speaker, whereas three dots in square brackets (‘[...]’) indicates that I have edited out particular text. In my translations I have tried to retain the ‘feel’ of the testimony. This requires, for example, often keeping the hesitations, repetitions and grammatical errors of speech.

from other interviewees, which are designed to help reinforce the idea that narratives are shared across the economic elite.

A possible objection to my focus on interview testimony is that interviews with oligarchs are likely to elicit responses that are ‘public relations speak’ that simply repeat the views in their documents, including their public justifications for their policies, actions and privileges. I believe, however, that interviews generally provide a deeper understanding of oligarchic thinking than documents or other public pronouncements. First, this is because oligarchic perspectives can usually be explored in more detail. It is possible to ask interviewees to explain their objections to certain policies with greater precision than is provided in documents, or to approach some topics indirectly so that standardised views or ‘official positions’ are less likely to emerge. Furthermore, many shared narratives only emerge in interviews, partly because interviews, rather than documents, contain personal experiences of the economic elite that are important in forming their thinking about private property and personal security. Moreover, the purpose of documents often is strategic public relations, whereas it is possible to create an interview situation in which the interviewee feels relatively relaxed and trusting; such contexts of open dialogue help reveal more about unconscious or underlying aspects of oligarchic thought or action.⁴⁵ Finally, even when interview testimony seems directly to reflect business documents, this does not necessarily mean that the testimony is somehow ‘false’ and cannot help reveal the narratives underlying oligarchic perspectives on particular issues. Certainly an argument in a CACIF document may be for public relations purposes and is thus a ‘conscious misrepresentation of private interest for public good’ (Elster 1999, 372). The oligarchy can, however, come to believe such arguments through time and repetition, and incorporate them into their personal narratives that emerge in interviews. As C. Wright Mills suggests, ‘most American men of affairs have learned well the rhetoric of public relations, in some cases even to the point of using it when they are alone, and thus coming to believe it’ (1956, 2-3).

Many methods were used to elicit testimony that went beyond the often bland public statements made in documents and newspapers. Marcus (1983a, 20) claims that ‘the vantage point of the fringe’ provides insights for elite ethnographic research. Indeed, I found that individuals who saw themselves on the periphery of the oligarchic community - for reasons ranging from personal or educational experience to lifestyle, ideology and age - were particularly open and willing to speak about sensitive subjects such as business relations with the military, or how CACIF’s influence functions in practice, or the kidnapping of their son. Such individuals were still usually influential actors in the business sector. As will become clear, some of these interviewees on the ‘fringe’ were often those most critical of oligarchic practices, even their own. They can provide insights similar to those of George Orwell

⁴⁵ My methods of creating this interviewee context are discussed below.

(1962) in his essay 'Shooting an Elephant'. As a colonial policeman in Burma, Orwell saw himself both as part of the imperial project and also opposed to it. From this perspective, he was able to be critical of his own actions. In the actual interview situation my professional attire, attitude, and foreign credentials gave me a certain social status to which many businessmen were responsive, although some were suspicious and interrogated me with respect to what I was studying and why. I used interviewing techniques familiar to oral historians to create a social space and process that felt relaxed, unthreatening and conversational,⁴⁶ and spoke with my interviewees off-the-record if it made them feel more comfortable. To my surprise I sometimes found myself enjoying the company of interviewees, which often resulted in a more friendly and open conversation. At other times I was guarded and formal, sometimes leading to stilted interaction.

A potential problem with any interview testimony is that the subject may retrospectively adjust their narratives of the past, so that the interview reveals 'rewritten' history. This problem was not so acute in my study because the interviews primarily covered contemporary issues or very recent history. Rather than focusing, for instance, on distant oligarchic memories of the 1954 coup, I spoke with them about contemporary personal security problems, or asked them questions on the peace negotiations not long after they had occurred. I also interviewed a few oligarchs on repeated occasions over a number of years, and was thus able to recognise the kinds of issues on which they adjusted their narratives. Another way to confront this problem is, as mentioned above, to be sensitive to the historical context of the interview, and to incorporate this context into interpretations of testimony. It is important to recognise, however, that history, be it oligarchic testimony or academic discussions of that testimony, is always written from the present, based on the assumptions of our times and places. 'All history,' Hobsbawm reminds us, quoting Benedetto Croce, 'is contemporary history' (1997, 364).

While the interviews with oligarchs were of a higher quality than expected, I could have benefited from a longer period of fieldwork. This would have permitted a greater number of interviews and may have provided the opportunity for more repeat interviews and getting to know my informants better. I thus remain uncertain and hesitant about my interpretation of some oligarchic narratives. My tentativeness partly reflects the impossibility of 'discovering' the oligarchic worldview. This would require, as Clifford writes, the kind of omniscience that allowed Gustave Flaubert to tell us what Emma Bovary was thinking and feeling.

On ethics and partisanship

⁴⁶ This included not sitting directly in front of the interviewee, not asking questions with 'yes-no' answers, not interrupting or filling their pauses with new questions, asking about their personal views or political roles to

One difficulty with interpreting elite narratives concerns the ethics of ethnographic authority. As discussed above, during the twentieth century ethnography shifted from giving interpretative authority to the expert anthropologist as the objective participant-observer, to a form of ‘polyphonic authority’, where the author shares authority with the witness (Clifford 1988, 25, 51). The latter form is represented in testimonial literature, where the poor and the powerless are given a voice, often without direct commentary from the scholar. In Guatemala, the classic example is *I, Rigoberta Menchú*, edited by Elizabeth Burgos-Debray.⁴⁷ In the case of oligarchic narratives, however, I believe that active intervention is necessary. If not, one may be providing a platform that can serve to justify and reproduce their authority. A racist remark cannot be left without comment: it becomes crucial to remove authority from the witness. As Bourdieu (1996, 33) argues, in such cases it is ‘indispensable to intervene’. The testimony I present is therefore accompanied by critical comments that not only serve to clarify the narratives, but to challenge oligarchic perspectives.⁴⁸

The ethics of this may be questionable, as it could reflect partisanship against the oligarchy. Yet partisanship, as Hobsbawm writes, is often a necessity of quality scholarship. It may, for example, prompt academics to examine issues that might otherwise be ignored, as is the case with labour history (1997, 177). This study is partly motivated by my partisanship against the oligarchy, but I am willing to express it openly and take it into account when interpreting their views. I use various strategies to keep this partisanship within acceptable bounds. I attempt to acknowledge and challenge my own prejudices, and adjust my views accordingly. For example, I did not initially plan to depict the oligarchs as ‘victims’. After listening to their testimony, however, I realised that it was important to show how they see themselves as victims of the civil war. I also came to realise that the oligarchs were not as close to the military as I had previously imagined, or had wanted to imagine. Furthermore, I can limit my criticisms of the oligarchy by using testimony in which they criticise themselves (see above). I present comparatively long narrative excerpts, which limits the possibility of taking short quotes out of context. I cross-reference my interpretations with secondary sources such as newspapers and academic analyses. Finally, I compare my interpretations with those of other people who I interviewed from outside the oligarchy (see Appendix A).

Our underlying values inevitably inform the issues, concepts and methods we study or use. Perhaps the best we can do is to be aware of the ways in which these values shape construction of our understanding, and not live under the illusion of epistemological perfect innocence. As C. Wright Mills (1959, 89) believed, reflecting on these values is a way ‘to keep your inner world awake’.

give them a sense of being important historical actors, and being courteous rather than confrontational. Such techniques can be found in Thompson (2000, Ch. 7) and the essays in Hertz and Imber (1995).

⁴⁷ Although there is debate about her apparently heavy-handed editing (Stoll 1999).

Conclusion

In short, why study the worldview and political practices of the Guatemalan oligarchy? First, studying the worldview helps us to understand what underlies the political practices, and provides a framework for an ‘interpretative explanation’ (rather than a ‘causal explanation’) of their occurrence. Second, it is these practices that: (1) illustrate continuities in Guatemalan history, particularly the maintenance of traditional oligarchic privilege; and (2) limited the process of democratisation in Guatemala.

How should the question of the thesis be answered? Various conceptual and methodological approaches are required. These approaches, summarised below, can be contrasted to those of three academic literatures: political science studies of economic elites; Marxist analyses of dominant classes; and the testimonial literature on Latin America. First, unlike the mainstream political science literature on elites in democratisation processes, I examine moments of continuity rather than of change, and question the assumption that there may be a ‘reformist’ economic elite that has played a positive role in democratisation. In addition, I use a multidimensional model of liberal democracy that facilitates analysis of historical continuities and problems in the process of democratisation, and that has a broad definition of liberal democracy permitting the study of issues that are often ignored in the democratisation literature, such as property rights. Undertaking detailed analysis of particular historical contexts, from the perspective of the actors themselves, is also unusual in much political science. Furthermore, presenting members of the economic elite as complex, individual human beings with a shared worldview structured by a range of narratives, contrasts with more traditional political science assumptions about economic elites as self-interested rational actors. Second, in contrast to most Marxist approaches, I see the economic elite as individual actors rather than a unified class, and recognise the variety of their concerns, such as personal security, rather than focusing solely on economic issues. Also unlike Marxist analyses, I illustrate how worldviews help shape political practices, rather than focusing on the ways that the economic structure of society explains politics or the ideological superstructure. Finally, unlike most of the testimonial literature on Latin America in general, and on Guatemala in particular, I am interested in the shared narratives of economic elites rather than the narratives of subaltern groups.

This thesis is not constructed on theory and method alone. To further ground my focus on private property and personal security, in addition to oligarchic worldviews and practices, it is necessary to explore central aspects of recent Guatemalan history, and how Guatemala’s oligarchs have been studied in the past. This is the subject of the next chapter.

⁴⁸ These comments derive from a range of liberal democratic, anarchist, Marxist and other perspectives.

CHAPTER 2: HISTORY AND HISTORIOGRAPHY IN GUATEMALA

Introduction

This chapter primarily analyses the existing literature on the Guatemalan oligarchy. I will examine two historiographical questions: (1) How have the oligarchy been identified by scholars and other analysts? (2) What explanations are given in existing studies for the maintenance of traditional oligarchic privileges? Answering these questions complements the theoretical and methodological discussion in Chapter 1 by justifying my focus on the oligarchy's worldview and practices.

Some background material is necessary to contextualise the analysis in this chapter, and in the thesis as a whole, for readers who are not Guatemala specialists. Thus the first section provides an overview of the country's economic and social structure, and outlines the general contours of recent Guatemalan political history. It also discusses the importance of both private property and personal security issues in Guatemalan history, thereby providing historical grounds for exploring them in later chapters.⁴⁹

The second section discusses the three main approaches used in Guatemalan historiography to identify the oligarchy: their economic position as a wealthy upper class; their unification in a small number of family networks; and their organisation in business associations with privileged political influence. Existing texts demonstrate that Guatemala does indeed have an oligarchy. This is of central importance to the overall approach of my study because examining the worldview and political practices of the Guatemalan oligarchy assumes that the oligarchs comprise an identifiable social group: the worldview and practices must inhere in, or originate from, a distinct entity. While generally agreeing that class position, family networks, and business associations help to identify a Guatemalan economic elite, I also suggest that they do not provide a sufficiently complex or nuanced understanding of important defining characteristics of the oligarchy. These characteristics are analysed in Chapter 3.

The final section focuses on the six explanations apparent in the existing literature for the maintenance of traditional oligarchic privileges. These privileges relate to their extreme wealth compared with the majority of Guatemalans, and their ability to prevent property, labour and tax reform. While some authors explicitly discuss one or more of the explanations, others do not. In the latter cases I have identified and specified the explanations latent in their analyses. First, oligarchic wealth

⁴⁹ Theoretical reasons for analysing private property and personal security are given in Chapter 1.

is understood to be founded on their control of *land and labour*. Second, their ability to preserve their economic and political privileges is thought to be due to *oligarchic unity* across different economic sectors. A third factor relates to *the Guatemalan state*: some authors consider the state to be a unified entity that is an instrument of oligarchic class domination; others ascribe the state a degree of autonomy from the economic elite; and still others stress the variety of political institutions that the oligarchs must influence to preserve their privileges. Fourth, a few analysts discuss the extent to which the oligarchs have been able to generate *consent* in society to legitimate their domination. A fifth explanation is that *oligarchic ideology*, including their attitudes to race, operates within the economic elite to ensure class cohesion. Finally, *family networks* are believed to serve a number of functions that help preserve the economic elite's traditional privileges. One conclusion I draw is that there is an excessive emphasis on structural explanations and inadequate attention given to the role of actors. My second conclusion is that existing studies are generally based on analysing long historical periods and rarely examine particular political moments in detail; consequently they are frequently ineffective at demonstrating how various structural factors operate and interact in practice, or how actors and structures interrelate to help maintain oligarchic privilege. Overall, this final section constitutes an argument for a political ethnography of the Guatemalan economic elite based on an analysis of their worldview and on detailed descriptions of their political practices. Their worldview and practices are examined in Chapters 4 to 7.

The historiographical analysis is founded on readings of around thirty texts that discuss the Guatemalan oligarchy, written primarily after World War Two. They derive from a variety of disciplines, including history, politics, sociology, anthropology, literature and testimony. There has been limited scope for examining historiographical work on Guatemala: in general there are few writings on the historiography of Central America and none, as far as I know, on the Guatemalan oligarchy. The essays on Central American historiography by William J. Griffith (1960), Ralph Lee Woodward (1987) and Paul Dosal (1999) are exceptions, but are descriptions of disciplinary focus and scholarly knowledge gaps more than interpretations or analyses.⁵⁰ Woodward, a traditional liberal empiricist historian, notes with approval that since 1960 studies of the region have become more 'professional' and 'dispassionate'. Yet it is precisely this belief in the possibility of 'objective' history, of neutral 'facts', of 'simply finding out what happened' (1987, 462, 475, 496), that precludes a more interpretative historiographical analysis that is sensitive to the ways in which theory and method shape the facts.

History as inequality and violence

⁵⁰ Patricio León Godoy's (1986) essay on the development of Central American sociology is more interpretative, but unfortunately does not refer to specific texts (unlike Griffith, Woodward and Dosal).

The following brief overview of Guatemala's economic and social structure, and political history, illustrates the violence and inequality of the past and present. It discusses, for instance, the long history of discrimination against the indigenous population, the advent of military government after the 1954 coup, the armed conflict, and the twin processes of democratisation and peace negotiations in the 1980s and 1990s. I highlight themes of particular relevance to this thesis, including the oligarchy's place in Guatemalan history, and the importance of issues related to private property and personal security.

Guatemala has one of the lowest levels of human development in Latin America. With a population of around 11 million, 57% of people live on under \$2 a day and 27% in extreme poverty on less than \$1 a day. Nearly two-thirds of the population live in rural areas and close to 30% work in subsistence agriculture, producing mostly corn and beans. Almost 40% of rural Guatemalans live in conditions of extreme poverty compared with 7% in urban areas. Indigenous Mayans, around 60% of the population (and from over 20 different language groups), suffer some of the most severe forms of exclusion and deprivation: 39% live in extreme poverty compared with 15% of non-indigenous mixed-blood Guatemalans, known as *ladinos*. Mayan women are particularly socially marginalised, with over 50% being illiterate, compared with 24% of non-indigenous women. Guatemala has one of the most unequal income distributions in Latin America.⁵¹

Land access is also extremely unequal. An estimated 2% of the population own 72% of agricultural land, which is used mostly for plantations of sugar, coffee, bananas, and rubber, in addition to cattle ranches. Their properties average around 200 hectares in size (although some exceed 900 hectares) and dominate fertile regions such as the Southern Coast. In contrast, small farms under 7 hectares constitute 87% of the total number, but cover only 15% of the arable land. These figures on land access and ownership must be treated with some care, as the last comprehensive survey of land use in Guatemalan occurred in 1979. More recent estimates are based on surveys of particular regions, but suggest that land inequalities have further increased. For example, in 1979 22% of rural heads of household were landless, while in 1998 this figure was estimated to have risen to 33%. In the early 1990s around half of Guatemala's agricultural land (mostly belonging to large landowners) was thought to be underused or uncultivated.⁵² The indigenous population face particular problems of land access. A 1994 report by the World Bank showed that 'individuals in rural areas in the lowest income

⁵¹ All data are from 1998 (United Nations Systems in Guatemala 2000, 43-44, 47, 52, 65-67). The gini coefficient for Guatemala is 0.55, making its income inequality similar to that of countries such as Honduras, Brazil, Lesotho and Zimbabwe. In UNDP's Human Development Report (2001) ranking of human development (based on average income, life expectancy, and education levels) in 162 countries, Guatemala has the 108th lowest level of human development. The only Latin American and Caribbean country with a lower ranking is Haiti (ranked 134th). See www.undp.org/hdr2001/back.pdf.

⁵² United Nations Systems in Guatemala 2000, 65-71; Hernández Alarcón 1998, 3.

ranges are owners of the smallest parcels, but within each income range, the indigenous have the greatest probability of having the least land'.⁵³

While coffee was Guatemala's main export throughout the twentieth century, in recent years sugar and textiles have become increasingly important, particularly due to the collapse of international coffee prices in the late 1990s. According to the International Sugar Organisation, Guatemala was either the sixth or seventh largest exporter of raw and white sugar in the world in each year between 1997 and 2000. Oligarchic families dominate a number of important economic sectors including sugar, beverages, cement and supermarkets (see Chapter 3). Some, however, are being challenged by foreign companies as Guatemala liberalises its trade regime under the pressure of recent free trade initiatives in the Western Hemisphere (such as the Free Trade Area of the Americas) and to comply with World Trade Organisation regulations.

Contemporary Guatemala



The origins of Guatemala's contemporary deprivation and inequality lie in a long history of conquest, violence, and political, economic and social exclusion.⁵⁴ Spaniards first came to Central America in 1501, and by the mid-sixteenth century had conquered indigenous populations and established the Kingdom of Guatemala (covering the whole isthmus) as part of the Viceroyalty of New Spain. The

⁵³ Quoted in Hernández Alarcón (1998, 3).

⁵⁴ The following summary of Guatemalan history derives from a number of sources, including Martínez Peláez (1990 [1971]), Jonas (1991, 2000), Dunkerley (1988, 1994), Comisión para el Esclarecimiento Histórico (June 1999), Berger (1992) and Handy (1984). Matters of relevant historiographical dispute are discussed in sections two and three of this chapter.

Catholic Church soon followed, joining the Crown as the main source of political authority. The social structure was dominated by Spanish-born bureaucrats and locally-born landowners (*criollos*), while the labour force was constituted primarily by indigenous people and African slaves. Central America gained independence from Spain in 1821 as a unified republic, but by the late 1830s had divided into independent nation-states, including Guatemala, El Salvador, Honduras and Nicaragua.

The development of the land tenure system during the colonial period and in the early years of independence helped establish a landed economic elite. The Spanish Crown invoked the theory of *señorío*, through which it claimed a right to all lands that it conquered, automatically abolishing the property rights of indigenous people. The growth of *latifundios* (large estates) was also fueled by the 'principle of incentive': individuals and private companies were attracted to the colonies by the promise of large tracts of land and virtually free indigenous labour. Granting communal land titles to 'indians' was also fundamental to colonial agrarian policy, concentrating and sustaining the indigenous population such that it was easily available for work on the *latifundios* (Martínez Peláez 1990, 143-158). The oligarchic domination of property was extended in the 1870s during the period of Liberal Reforms, which involved expropriation of indigenous communal and church lands to encourage the development of the coffee economy. New forced labour laws were also introduced to ensure indigenous labour for the harvest.⁵⁵

In the following decades Guatemala was ruled by *caudillos* (strongmen) and figures from the economic elite. The fourteen-year dictatorship of General Jorge Ubico, which largely preserved the oligarchy-dominated agroexport economy through the 1930s depression, ended with his overthrow in a popular uprising in 1944. The following decade, often known as the 'ten years of spring', was a rare period of political openness. The governments of Juan José Arévalo and Jacobo Arbenz introduced a series of reforms, particularly in the areas of land and labour. The land reform of 1952 expropriated and redistributed not only oligarchic property, but also land belonging to the US-owned United Fruit Company. The Arbenz government was overthrown in a CIA-backed coup in 1954, which was also supported by parts of the military and economic elite. The new military regime immediately reversed the land reform and crushed political opposition. The coup initiated a long period of US-supported military rule that lasted until the mid-1980s, broken only by a short period of civilian government in the late 1960s that nevertheless remained beholden to the armed forces. The economic elite cooperated with the military, and business leaders frequently occupied important ministerial posts (see below). Agricultural diversification in the 1950s and 1960s (especially into cattle, cotton and sugar), intensified the concentration of oligarchic property ownership.

A guerrilla movement emerged in Guatemala in the early 1960s, marking the beginning of over three decades of armed conflict. Although the origins of the civil war can be situated within the context of the Cold War, inequalities in rural land ownership and mass poverty were fundamental causes of Guatemala's armed conflict, and those in El Salvador and Nicaragua (Jonas 2000, 18-21). As James Dunkerley (1988, 171) argues: 'Nobody in their right mind could plausibly refute the view that the Central American conflict is rooted in the economic structure of the region'. Factors apart from land inequality also contributed to the origins of the conflict and the revolutionary crisis of the 1970s. Population growth during the 1960s and 1970s ensured that between 1950 and 1975 the average size of a highland plot fell from 1.3 hectares/person to 0.85 hectares/person, and that at the end of the 1970s there were over 400,000 landless labourers, mostly indigenous Mayans (Jonas 1991, 79). By 1979 88.2% of all plots were below family subsistence size (Berger 1992, 2). State violence, the growth of popular organisations, church *conscientización*, and recomposition of the insurgent movement after defeat in the 1960s, all added to the crisis.

The violence of the civil war was devastating. Between 1978 and 1983 the army killed around 150,000 indigenous Mayans as part of their counterinsurgency efforts. Hundreds of villages were completely destroyed and over one million people were internally displaced or became refugees. The military's instruments of counterinsurgency included forced recruitment into paramilitary Civil Self-Defence Patrols (PACs) and the establishment of model villages (similar to the 'strategic hamlets' formed by the US in the Vietnam war). Paramilitary death squads tortured, disappeared and killed those suspected of links to the leftist guerrillas, from trade unionists and peasant leaders, to priests, lawyers and students (Jonas 2000, 33; Dunkerley 1994, 79). The United States government was also deeply involved in the conflict, although not as extensively as in El Salvador and Nicaragua. For instance, the US helped fund and train the G-2, an elite military unit involved in extrajudicial killings and other atrocities, and military officials were on the CIA payroll into the 1980s. The economic elite participated in the violence in a number of ways, such as by financing death squads and permitting the military to station troops on their properties. As part of the peace accords a Truth Commission (the Commission for Historical Clarification, or CEH) was formed to investigate the conflict. The CEH report, published in 1999, revealed that around 200,000 people were killed in the thirty-six years of conflict, and that while the guerrillas were considered responsible for 3% of the human rights violations, the armed forces were responsible for around 93%.

⁵⁵ Recent scholarship suggests that the Liberal Reforms were not so revolutionary, and really served to formalise changes that had been occurring during the previous half-century (Dosal 1999, 229).

The civil war was a period of extreme personal insecurity for large portions of the Guatemalan population, especially indigenous peasants and activists in the popular movement on the left.⁵⁶ Violence, and the threat of violence, became part of everyday life. But how did it affect the economic elite? As noted in Chapter 1, during the conflict the guerrillas targeted oligarchic property, burning their *fincas* and crops, imposing war taxes, and destroying bridges and power lines.⁵⁷ The economic elite feared that guerrilla victory would entail abolition of, or serious encroachment upon, private property. One industrialist, who stressed that ‘the Constitution of the Republic clearly establishes the recognition of private property’, was certain that ‘the URNG wanted to destroy the system once and for all’ (V́ctor Súarez Valdes, b. 1954, interview 22/5/00). Most historical accounts of the war fail to mention that the oligarchs and their family members were also subject to kidnapping for ransom and assassination, usually by the guerrillas or paramilitary forces: the personal security of members of the economic elite was frequently violated. It is important to emphasise, however, that the oligarchs enjoyed privileged protection of their personal security during the conflict. Unlike most Guatemalans, their families and properties were protected by the army, military police, and private security guards. Neither were they subject to systematic mass violence like the indigenous population. Chapters 4 to 7 demonstrate how threats to the oligarchy’s personal security and private property during the war have shaped their worldview and political practices.

In the mid-1980s the military instigated a tightly-managed transition to elected civilian government. The armed forces maintained considerable autonomy and political influence during the administration of Christian Democrat Vinicio Cerezo (1986-1990) and into the 1990s. Human rights violations continued and state violence precluded the emergence of a leftist political force. Land reform was still a taboo political issue in the late 1980s. The political system opened a little further during the centre-right government of Jorge Serrano (1991-1993) until his attempted *autogolpe* (self-coup) in 1993 (see Chapter 1). After the *autogolpe* was defeated by a popular alliance of business, military, and organisations on the left, Congress chose Ramiro de Le3n Carpio to succeed Serrano as President. By 1995 the political system had opened sufficiently to permit participation in the elections that year of a leftist political party, the New Guatemala Democratic Front (FDNG). The election was won, however, by the pro-business National Advancement Party (PAN) of Alvaro Arzú. In the elections of 1999 the PAN were defeated by the Guatemalan Republican Front (FRG), an authoritarian populist party led by Alfonso Portillo, but backed by important sections of the army. Guatemala’s hesitant democratic

⁵⁶ The pre-conflict period was by no means a golden age of civil rights for most Guatemalans. From the 1870s infringements took the form of forced labour on coffee plantations, special vagrancy laws, and the freedom of landowners to mete out punishments with impunity. Forced labour did not end until 1944 (McCreery 1994).

⁵⁷ The ‘war tax’ (*impuesto de guerra*) was a payment demanded by the guerrillas from members of the economic elite, especially *fincas* owners. If payments were not made, the oligarchs were threatened with the burning of the plantation and other acts of sabotage and intimidation. The war tax is discussed further in Chapter 5.

transition continues to be plagued by military authority and impunity, continuing human rights violations, endemic corruption and, as will be demonstrated in this study, oligarchic influence.

Parallel to this process of democratisation, Guatemala underwent a protracted period of peace negotiations between the government/military and the URNG guerrillas.⁵⁸ This process, which began around 1990, was rooted in the regional peace initiatives of the late 1980s, and lasted until a final peace accord was signed in December 1996. How did the oligarchs respond to the peace talks? Throughout Guatemalan history the oligarchs have united to defend their privileges by preventing land, labour and tax reforms. This is evident in their support for the 1954 coup, and in other instances that will be discussed later in this chapter. The peace process was no different. The oligarchs were adamant that the accords would not permit changes to the private property system. In particular, they organised to prevent an expropriative and redistributive agrarian reform from appearing in the Accord on Socioeconomic Aspects and the Agrarian Situation, negotiated in 1995 and 1996. Chapter 5 demonstrates how the economic elite successfully protected their traditional property privileges.

Despite the end of the civil war, violence continued in Guatemala after 1996, albeit in different forms. In opinion polls Guatemalans usually place personal insecurity due to crime at the top of their list of social concerns. According to recent data, 55% of Guatemalans have family members who have been victims of robbery or assault in the previous 12 months, far higher than the Latin American average of 30% and higher than any other Central American country. Between 1997 and 2001 there were over 350 recorded lynchings or attempted lynchings, many of them in rural indigenous communities. Guatemala has around 600 organised crime gangs with over 20,000 people involved. The estimated 200 private security firms employ around three times as many guards as there are police officers. The 2 million firearms thought to exist in the country are accessible to around 36% of the population.⁵⁹

The oligarchs have not been immune to the extraordinary degree of violent crime in Guatemala. One of their greatest concerns is being kidnapped for ransom, just as they were during the war, and similar to economic elites in other Latin American countries.⁶⁰ Data on the phenomenon is extremely scarce as the oligarchs do not report most kidnappings to the police.⁶¹ Almost every business person I spoke

⁵⁸ See Appendix B for a detailed timeline of the peace process.

⁵⁹ Data are from Moser et al (February 2002, 8, 12, 14, 23), quoting studies by Londoño and Guerrero (1999), MINUGUA, and Arriagada and Godoy (1999). See also MINUGUA 11th Report (July 2000, para. 87).

⁶⁰ Few studies on crime in Latin America discuss the problem of kidnapping faced by economic elites. One exception is Teresa Caldeira's (2000) analysis of violence in São Paulo. In another recent book, based on oral testimony from women in El Salvador, a young woman from the economic elite said, 'The thing that worries me right now is all the bad stuff that's happened since the war...all the crime and the kidnappings...the thing is, it's not very safe here in El Salvador...if you go anywhere, especially at night, you've got to be careful' (Gorkin, Pineda and Leal 2000, 80). For a novelised reconstruction of an elite kidnapping in Colombia, see García Márquez (1997).

⁶¹ In 2000 the National Civilian Police recorded 28 kidnappings (Central American Report 31/8/1, 8).

with, however, had personal or family experience of being threatened with kidnapping in recent years or knew other families in the business community who had gone through kidnappings. Guatemalan oligarchs, particularly those from the wealthiest families, live in fear of the kidnapping that has become a common form of organised crime.

Just as the oligarchs responded to the threat of property reform in the peace negotiations, so they responded to violent crime. In the four years after the final peace accord was signed, members of the economic elite confronted their personal security problems in two main ways, which exemplified the continued protection of their traditional privileges. First, when faced with kidnappings they turned to military intelligence to carry out investigations on their behalf. They did so even though this was illegal and violated the peace accords. Thus they continued their war-time alliance with the army to protect themselves, and thereby exacerbated problems of state accountability to citizens. Second, the oligarchs increasingly protected their personal security by vast spending on private security guards and living in fortified, gated communities. Resembling their use of private security during the armed conflict (such as creating private armies and financing death squads), this contributed to a virtual privatisation of civil rights in Guatemala. These two practices, which represented significant continuities in Guatemalan history and which had detrimental effects on democratisation in the post-conflict years, will be subject to detailed analysis in Chapter 7.

While the oligarchs have largely preserved their traditional privileges throughout Guatemalan history, the indigenous population have been subject to discrimination, exploitation, violence and exclusion since colonial times. This has taken many forms, such as forced labour, expropriation of indigenous communal lands, discrimination in legal disputes over land, civil war massacres, and everyday racism. Indigenous Mayans have usually been excluded from the state. They have rarely occupied important political positions, while state institutions (including the judiciary and schools) have generally operated in Spanish rather than in indigenous languages. In recent history their main presence in the state has been as army foot soldiers, often based on illegal forced recruitment. According to indigenous scholar Demetrio Cojtí (1998, 66): ‘Since becoming an independent Republic in 1821, the Guatemalan state has continuously politically excluded and socially marginalised indigenous people, and discriminated against them on the basis of ethnicity’. Due to this exclusion and discrimination, many analysts divide the country into two populations, one indigenous and one *ladino*.⁶²

Indigenous people have responded to these problems through various forms of political organisation. During the civil war they supported the guerrillas in many regions and participated in organisations campaigning on human rights issues, such as disappearances and forced military recruitment.

⁶² See Adams (2002) for a discussion of the idea of Guatemala’s two populations.

Indigenous groups have also pressured the state on cultural matters, such as promoting indigenous languages in education and the courts, and protecting sacred Mayan sites. Some organisations have called for greater indigenous self-government and an expanded use of customary law. Particularly relevant to this study have been groups campaigning on land issues, especially for the restitution of expropriated communal lands and for titles to lands that have historically been occupied by Mayan people. Organisations such as the National Indigenous and Peasant Coordinator (CONIC) have also organised land occupations of state and private agricultural property. In the 1990s mobilisation on property issues placed indigenous organisations in opposition to the oligarchy, who dominate the property system. Issues related to the indigenous population, including their demands for land, will be discussed in Chapters 4 and 5.

Two points emerge from this historical overview. First, both private property and personal security issues have a central place in Guatemalan history, echoing their significance in liberal democratic thought (see Chapter 1). The importance of private property is evident in the development of the land tenure system since the colonial period, the origins of the civil war, and the struggles of the armed conflict and peace process. Personal security has become increasingly relevant in more recent history, particularly due to the extreme violence of the armed conflict and the threat of violent crime in the post-war period. Second, the oligarchs have attempted to maintain their traditional privileges with respect to both private property and personal security. The economic elite have repeatedly made efforts to maintain their domination of the private property system, including during the peace negotiations on the Socioeconomic Accord. Likewise, just as they protected their personal security during the civil war more effectively than most Guatemalans by turning to the military and private security, so they continued to use these privileged means of protection in response to the threat of kidnapping and other violent crime in the years after the final peace accord was signed in 1996. These two points suggest that an analysis of continuity and change in Guatemalan history, and the development of liberal democracy in Guatemala, should take into account oligarchic thinking and practices in relation to private property and personal security. Hence the focus on these two issues in this study.

Identifying the oligarchy: class position, family networks and business associations

In this section I show that, despite the lack of detailed studies of the Guatemalan oligarchy, there is a literature on the subject, mainly deriving from the intellectual perspective of Marxist political economy. Most scholars believe that Guatemala has an economic elite, and generally identify it in one of three ways: by class position, by family networks, and by business associations. I conclude that these forms of identification lack precision as identifying criteria, and that they do not provide

insights into important defining characteristics of the oligarchy that can further our understanding of them as a distinct social group.

Modern scholarly works on Guatemala generally neglect investigation of the oligarchy. Students of the early 20th century focus on *caudillos* such as Manuel Estrada Cabrera and Jorge Ubico, and analysis of the 1944-1954 period concentrates on the reformist administrations and the US government's response. Research on the second half of the 20th century mainly concerns the military governments and, as in other Central American countries, civil war spawned numerous studies of guerrillas, popular organisations, refugees, human rights abuses, the search for 'truth', and testimony of the oppressed. Foreign anthropologists have long been interested indigenous Mayans. Analyses of poverty focus on the lives of the poor and, increasingly, on the impact of international financial institutions and multinational corporations. Most studies acknowledge the importance of the oligarchy or its representative institutions, but few provide in-depth analysis. Examples include Jennifer Schirmer's (1998a) investigation of the military, which eschews detailed discussion of military-oligarchy relations; Santiago Bastos and Manuela Camus's book on indigenous organisation in the 1990s, which makes a passing reference to the business association CACIF and the Chamber of Agriculture (1995, 121); and Héctor Rosada-Granados's article on political parties that mentions, without analysis, 'an oligarchical social structure that is ever more exclusive and dominating' (1992, 105). Terms such as 'oligarchy' or 'landowners' are often used as a shorthand for economic injustice and political oppression, and few books fail to provide statistics on Guatemala's enormous land inequalities. But this is where the analysis often ends. As Richmond Brown points out, there are relatively few systematic studies of '*los que mandan*' - the economic elites 'who have most benefited from Central America's skewed economic and social structure' (1997, 5).

A number of studies of the Guatemalan oligarchy have, however, emerged in recent decades. As noted in the introduction to this chapter, I found around thirty texts, from a variety of disciplines, that discuss the Guatemalan oligarchy in some form. Few studies are dedicated solely to analysis of the oligarchy and the periods covered are generally spread thinly through time, from the colonial era to the present, with some focus on the nineteenth century. The only analyses with detailed material on the contemporary oligarchy (covering the last two decades) are those by James Painter (1987), Marta Casaus Arzú (1992), Dosal (1995), Fernando Valdez and Mayra Palencia (1998), McCleary (1999), and Oglesby (2000). Of the studies reviewed, around half are written by North Americans, about a third by Guatemalans (all of whom are non-indigenous), and a third by foreign women.

The majority of analyses are variations of Marxist political economy, which became popular in Western academia in the 1960s and 1970s, and spread to Latin America. The anthropological and literary works are also generally in this tradition, and testimony too reflects the concerns of the left.

Key texts in this broad Marxist group are Severo Martínez Peláez's (1990 [1971]) investigation of the 'creoles' from the conquest to 1944, Carole Snee's (1974) analysis of Guatemala's 'bourgeoisie' from 1870, René Poitevin's (1977) book on the 'industrial bourgeoisie' from 1944 to the early 1970s, and Casaus's (1992) study of family ties and racism in the 'oligarchy' from the 16th century to 1990. To this should be added more general historical works, such as those by Dunkerley (1988), Edelberto Torres-Rivas (1989), Susanne Jonas (1991) and David McCreery (1994), which involve quite extensive discussion of the oligarchy. Few of the above explicitly refer to Marx, although it is common to find Gramsci, Poulantzas or Althusser in the bibliography. Most, however, conduct their analysis using class categories, view historical change largely in terms of class struggle or conflict, and express a materialist concern with modes of production and the exploitation of labour through oligarchic domination of land and capital (see below).

While Marxism has largely configured the scholarly terrain, there are two alternative approaches to studying the Guatemalan economic elite. There is some liberal empiricist history, best represented by Woodward's (1966) work on the 'class privilege' of a 19th century business organisation and by his student Richmond Brown's (1997) biography of an 18th century 'colonial entrepreneur'. Although displaying less economic essentialism and determinism than the Marxist works, and despite being largely outside the dependency debates of the 1960s and 1970s, economic and social structures are nevertheless fundamental to their analyses. Second, a new wave of post-Cold War institutional analyses may be emerging. This includes Dosal's (1995) book on the rise of the 'industrial oligarchy' and its business organisations from 1871 to 1994, Deborah Yashar's (1997) work on the 'oligarchy' in the struggle for representative democracy (in Guatemala and Costa Rica) in the decade after World War II, Valdez and Palencia's (1998) study of the Guatemalan 'business leadership' and tax policy in the 1980s and 1990s, and McCleary's (1999) more reformist analysis of the 'organised private sector' in the 1990s.

Notwithstanding these differences in political persuasion or academic approach, there is broad agreement in these texts that Guatemala has an oligarchy, which is a unified entity including large landowners on the one hand, and major industrial, commercial and financial interests on the other. That is, the two groups that mirror Marx's distinction between the representatives of land and capital (1954, 29), or Max Weber's distinction between the 'positively privileged property class' and the 'positively privileged commercial class' (1968, 303-304). Few analysts claim that those whose business focuses primarily on industry, commerce and finance comprise a distinct entity that is significantly more 'reformist' or 'progressive' than the agricultural sector, for example through being

willing to make alliances with popular organisations against the rural elite.⁶³ Scholars have provided numerous examples of the oligarchs regularly and successfully uniting across economic sectors to prevent policy change on issues such as land, labour and tax reform. Those who write from the institutionalist perspective noted above, such as McCleary, are the most likely to argue that Guatemala has a reformist business sector (see next section). Authors differ regarding whether the oligarchy should be identified primarily through their class position, family networks, or business associations. These three approaches are outlined below.⁶⁴

Scholars typically identify the oligarchs as a unified class in whose few privileged hands economic resources, particularly land, are concentrated. For Thomas and Marjorie Melville, the ‘ruling class’ are primarily the large landowners who dominate rural land ownership (1971a, Appendix 1). Mario Monteforte Toledo, whose analysis reflects the influence of C. Wright Mills, specified an ‘upper class’ or ‘*ladino* elite’ comprising 1.4% of the population, dominated by agriculturalists, industrialists, bankers and ‘commercialists’ who control the majority of land and wealth in the country (1965, 264-6). Martínez Peláez, writing about the oligarchs or ‘creoles’, states that ‘the main problem of Guatemalan society’ is the concentration of land in few hands (1990 [1971], 143). The legacy of such approaches is found throughout more recent studies. Jonas (1991, 87), although using ethnic and gender categories in her analysis of the impoverished 87% of the population, treats the oligarchy - which she calls the ‘bourgeoisie’ - exclusively as an economically structured social group. Torres-Rivas believes that after World War Two the backward agrarian oligarchy attempted to metamorphose through economic diversification: ‘the defunct oligarchy revived itself in a bourgeois body’ (1989, 28). Metaphor gives way to reification, and the oligarchic class becomes a material object.⁶⁵

From the mid-1970s Guatemala’s oligarchs were increasingly defined not only in economic terms, but also with respect to family networks. Snee (1974) identifies 20 dominant families whose business interests range from agriculture to industry, commerce and finance. Writing at the height of dependency theory, she places greater emphasis than most authors on families linked to US capital. Dunkerley notes that ‘the coffee sector is still based upon the oligarchic family enterprises established in the late nineteenth century and remains under the effective control of thirty-two private exporting

⁶³ This is an implicit acknowledgement of Guatemala’s lack of, or only partial, ‘modernity’, an issue that will be discussed in Chapters 4 and 6. The perceived mix of feudalism, capitalism and dependency in Guatemala partly explains the confusing terminology, where words such as oligarchy, bourgeoisie, coffee elite, agroexport elite, industrial oligarchy, landed oligarchy, new bourgeoisie, ruling class, and dominant class are frequently used interchangeably.

⁶⁴ These three approaches of identifying the Guatemalan oligarchy are also evident in the literature on oligarchs in other Latin American countries. In general see, for example, Bartell and Payne (1995); Baloyra (1982) and Gaspar Tapia (1989) on El Salvador; Durand (1994) and Gilbert (1977) on Peru; Payne (2000), Schneider (1998) and Hagopian (1996) on Brazil; Zeitlin and Ratcliff (1988) on Chile; Lomnitz and Perez-Lizauer (1987) on Mexico; Dunkerley (1988) and Paige (1998) on Central America.

⁶⁵ See also Berger (1992, 2).

houses that finance 65% of national production' (1988, 464). Casaus, herself a member of an elite family, provides a detailed account of the oligarchy, based on over 100 interviews and remarkable genealogical tables tracing the oligarchy from the 16th century to the present. She focuses on Guatemala's 22 most important oligarchic 'family networks', which she believes operate to ensure oligarchic domination: inter-marriage within family networks unites the oligarchy, preventing splits between rural and urban business; families reproduce the dominant ideology - particularly racism - which provides oligarchic cohesion; and family networks help the elite secure state positions, permitting them to exercise economic and political influence. According to Casaus, four principal family networks have dominated the oligarchy from 1700 to the present: Aycinena, Arzú, Urruela, and Díaz Durán (1992, 27, 193, 293). Most oligarchic families, she demonstrates, are of Spanish descent, although from the late nineteenth century German immigrants were integrated into the economic elite. Typical of her analysis is a table, reproduced in Appendix C, that shows how members of oligarchic families occupied positions in a variety of state institutions in the nineteenth century. Dosal (1995, 5) differs from Casaus, identifying a core of 50 families who comprise the oligarchy in the twentieth century. They have diversified economic interests, such that there is no clear division between the 'landed aristocracy' and the 'industrial bourgeoisie', as in El Salvador. Dosal's list of families, which incorporates the main families identified by Casaus, appears in Appendix D. His list also indicates that most oligarchic families are involved in a wide range of economic activities, such as coffee, sugar, cattle, commerce, industry and finance. These studies omit some families that were incorporated into the oligarchy in the second half of the twentieth century, such as Gutiérrez and Paiz, and rarely examine the forms of socialisation that reinforce these networks of interrelated families (see Chapter 3).

Many scholars identify the oligarchy in terms of their business associations, which are understood to have privileged access to, and influence in, the state. Ralph Lee Woodward's (1966) work on a nineteenth-century merchants' trade organisation (the *Consulado de Comercio*) is the most in-depth of such analyses. Deborah Yashar has written on the General Association of Agriculturalists (AGA) from 1944 to 1954, and also stresses the growing importance of business organisations from the 1950s (1997, 222-3). Richard Adams (1970) published on business groups, while Melville and Melville wrote that 'economic organisations are the bases of all political power in the country...and political parties themselves are often only temporary groupings that spring up around the candidacy of a given individual' (1971b, 6). Poitevin (1977) profiles the Chamber of Industry, Dosal (1995) traces the history of industrial business organisations, Oglesby (2000) examines the sugar grower's association, and Valdez and Palencia (1998) focus on various business organisations, particularly CACIF. Werner Marti and Rolando Ortiz Rosales show that leaders of business organisations dominated the ministries of Finance, Economy and Agriculture between 1954 and 1992 (1993, 47-57). Jonas, Dunkerley, Casaus, Henry Frundt (1987) and Deborah Levenson-Estrada (1994) mention organisations such as

CACIF, the National Coffee Association (ANACAFE) and the Chambers of Agriculture, Industry and Commerce in which the oligarchs unite to defend their interests. While most of these emanate from a critical leftist perspective, which considers business associations to be vehicles or representatives of a dominant class, there are exceptions. In McCleary's (1999, 25, 189) analysis, the business confederation CACIF is described as the 'organised private sector' (a neutral-sounding term used by CACIF itself) and, as discussed in Chapter 1, the urban elite in CACIF are portrayed as 'reformers' who are a positive force in democratisation.

As suggested above by Melville and Melville, business associations have been a more prominent form of oligarchic organisation than political parties. Scholars of nineteenth-century Guatemala often define the oligarchy with reference to political parties (the Liberals and Conservatives), but few analysts of the twentieth century do so. In the early twentieth century parties are often considered personalistic vehicles, while after 1930 the oligarchy are generally thought to have abdicated direct political rule in favour of the military, through whom they have exercised indirect influence (see below). The National Liberation Movement (MLN), a political party formed in the 1960s and backed by conservative coffee growers (and closely linked with right-wing death squads), has inspired some scholarly attention (McClintock 1985, 68). The shift to elected civilian rule in the mid-1980s, and the election of the business-dominated PAN government in 1995, encouraged the study of the oligarchy's role in party politics. The PAN began to disintegrate after losing the 2000 election and the 'oligarchy as political party' may prove to be a temporary phenomenon.

What conclusions can be drawn from the above discussion? In general, there is a clear scholarly consensus that Guatemala has had an oligarchy in the past, and still has an oligarchy in the present. The oligarchy exists in three forms: as a class uniting rural and urban economic sectors, as family networks, and as business associations enjoying privileged political influence. The ability of analysts to identify the economic elite in these ways as a distinct social group helps justify my attempt to study the 'oligarchic worldview' and 'oligarchic practices'. Such categories would have little meaning if there were no identifiable social group to which they referred.⁶⁶

Two problems emerge from the existing focus on class position, family networks and business associations. First, while these three approaches help identify the oligarchs, scholars are rarely specific about the criteria for membership of the oligarchy. It is often unclear whether an individual must meet all three criteria to be an oligarch. Additionally, analyses often mention the wealthy, or members of particular business organisations, as if this automatically makes them oligarchs. I believe

⁶⁶ In addition, I used these three criteria of class position, family networks and business organisations when selecting my initial sample of interviewees. See Chapter 1.

that more precision is required.⁶⁷ In my view relative wealth is an insufficient criterion: military officials and their family members who are extremely wealthy but have been unable to become part of the economic elite's family networks through intermarriage, should not be considered oligarchs. Nor is extreme wealth a necessary criterion, for there may be individuals who are part of oligarchic family networks but are not as wealthy as some middle class professionals. Being a leader of an important business organisation is not sufficient to be an oligarch because, at least hypothetically, one could be President of CACIF and not part of an important family network. (However, it turned out that almost all business association Presidents who I interviewed were in fact integrated into these family networks.) Furthermore, holding leadership positions in business associations is not a necessary criterion of oligarchic membership for there are women, and young business people and children, who should also be considered part of the economic elite. Implicit in these comments is my view that membership of an important family network is a necessary criterion of oligarchic membership. Most of these networks have been identified by scholars such as Casaus (1992) and Dosal (1995), and are listed in Appendix D. However, being born into a family network is an insufficient condition of oligarchic membership. For example, there are individuals who are members of family networks by birth who later in life disassociated themselves from their families and joined the political left. Those who did so, and did not marry into the family networks or participate in family rituals, or take part in the oligarchy's community life (e.g. membership of exclusive country clubs) should not be considered oligarchs. This introduces a second aspect of being an oligarch: individuals must not only be part of an established oligarchic family network by birth or marriage, but should *also* be integrated into the oligarchic community, taking part in its forms of socialisation. While we should not be slaves to such definitions - there will always be individuals who are difficult to classify - in this study family networks and community form the basis of oligarchic membership.⁶⁸

A second problem with the three traditional approaches to identifying the oligarchy is that they lack complexity and nuance. They do not provide insights into important defining characteristics of the oligarchy that help identify them as a distinct social group. They fail to tell us whether those labelled as oligarchs themselves believe that Guatemala has an economic elite, or self-identify as members of that elite. They generally assume that the oligarchs are a single, unified structure. They consider the oligarchy as all-powerful, rarely discussing the sense of weakness amongst members of the economic elite. Finally, they generally fail to approach the economic elite as a community. These four issues are discussed in Chapter 3.

⁶⁷ In doing so I hope to be satisfying one of Dahl's criteria for studying elites: specifying the elite as a 'well-defined group' (Dahl 1958, 466).

⁶⁸ As noted in Chapter 1, I used Dosal's list of families (which includes those mentioned by Casaus) when selecting my initial sample of interviewees. All my interviewees were integrated into the oligarchic community. Chapter 3 analyses the oligarchic community, and discusses important families that are not in Dosal's list but that should nevertheless be considered part of the oligarchy.

Explaining the maintenance of oligarchic privilege

This section examines existing explanations for the maintenance of oligarchic privilege in Guatemala. In general scholars have sought to explain not only the foundations of the oligarchy's extreme wealth, but also how they have been able to block agrarian reform, to limit the influence of organised labour, and to avoid changes to the taxation system that would damage their interests. As discussed in the introduction, the six main explanations concern: land and labour, oligarchic unity, the Guatemalan state, consent, oligarchic ideology and family networks.⁶⁹ Most of the literature provides explanations that fall clearly into one or more of these categories. Some analyses stress the interdependence of the explanatory factors. I conclude that the majority of studies overemphasise structural factors in their explanations, and frequently fail to demonstrate how oligarchic influence operates in practice.

Despite differences in disciplinary or theoretical approach, or variations in nationality or gender, most scholars believe that the oligarchy maintain enormous influence in contemporary Guatemala. For Martínez Peláez, 'colonial reality is our own deepest reality' (1990 [1971], 574). A central point of Casaus's study is to demonstrate the oligarchy's continuing dominance of the state. Brown, from outside the Marxist tradition, begins his book about an eighteenth-century businessman in the present, emphasising that Juan Fermín de Aycinena's descendants maintain their place in the Guatemalan economic elite: 'Even in the late twentieth century, the Aycinena family remains, in the words of a Guatemalan gentleman working beside me in Guatemala City's Archivo General de Centroamérica, "*arriba todavía.*"' (1997, 7). The Aycinena, and other oligarchic families, are still 'at the top' of Guatemalan society.

Land and labour

Most studies argue that the oligarchy's control of land and labour is the basis of their extreme wealth compared to the majority of the population. This is clearest in the works of traditional Marxist political economy (Martínez Peláez, Monteforte Toledo, Poitevin), in more sophisticated Marxist-inspired analyses that began appearing from the 1970s (McCreery, Dunkerley, Jonas, Torres-Rivas, Smith, Casaus), and in the investigations of labour rights that emerged from the 1980s (Frundt, Goldston, Levenson-Estrada).

⁶⁹ A perspective on oligarchic influence that I will not address directly is the weakness of opposition. Many studies highlight, for example, divisions within the guerrillas, or the lack of indigenous unity, or the absence of strong leadership in social movements. See, for example, Jonas (1991).

The general view found in these studies is as follows. The oligarchy's control of land and labour established in the colonial period was consolidated and expanded due to the Liberal reforms of the 1870s, and maintained through the reversal of land and labour reforms after the 1954 coup (see the first section of this chapter). After helping finance the military's successful counterinsurgency campaign of the 1960s, the oligarchy began losing its control of labour during the 1970s and felt its property under threat because of the growth of revolutionary opposition. Military and paramilitary organisations, some of them formed by the oligarchs, crushed rural and urban union protests for higher wages, better employment conditions, and access to land, particularly between 1978 and 1981. The armed forces, however, gained increasing autonomy from the economic elite in the 1970s and 1980s. With the shift from direct military rule and failure of the revolutionary movement from the mid-1980s, the oligarchy were assured of their continuing domination of private property and control of cheap labour. On a number of occasions, such as in 1988, the economic elite mobilised politically to prevent trade union efforts to improve wages and working conditions. In the peace accords of the 1990s the oligarchs blocked land reform and provisions that would empower labour in any significant way.

The degree of sophistication in the Marxist-inspired analyses varies enormously. Martínez Peláez, for example, who supported the revolutionary overthrow of the Guatemalan state, believes that due to their position in the economic structure, 'at no moment could [the creoles] have acted in a manner distinct from how they did act' (1990 [1971], 11). In addition to this economic essentialism and determinism, he depicts the indigenous population as backward and submissive. Indian culture is a creation of the conquistadors and the Indians must take their place in the proletariat (1990, 584, 635). This seems somewhat crude besides McCreery's rural labour and land history written in the 1990s. Although intending to examine the Marxist idea of 'primitive accumulation', he also asserts that 'those who make history are not Althusserian "bearers of class positions" but are simply individuals, groups and classes living and making decisions and choices in a world of limited alternatives and imperfect knowledge' (1994, 4). He is rare in arguing that 'the extent and severity of the coercion used to mobilize labour depended above all on the world economic conjuncture', and that in periods of world economic downturn (such as after the collapse of the indigo market around 1800), there was less interest in the control of Indian labour (1994, 324). Furthermore, McCreery acknowledges that the indigenous population display everyday forms of resistance and, like almost all contemporary scholars, he makes no case for assimilation. In another complex analysis, Carole Smith argues that '*ladinos* did not belong to a different economic class, nor was their social status any higher than Indians in the colonial period' and that oligarchic domination was only secured at the end of the nineteenth century through the design of an economic system that divided coerced seasonal Indian labour from a class of *ladino* plantation agents (1990, 75, 83).

While the academic era of unsophisticated Marxism is past, land and labour remain the watchwords of Guatemalan oligarchic historiography. Oligarchic wealth is understood to derive from their domination of land and control of labour, and they have mobilised successfully throughout the twentieth century to protect their interests in these areas. Yet it is still necessary to explain exactly how the economic elite have been able to prevent challenges to their wealth in general, and to their control of land and labour in particular. These explanations are outlined below.

Oligarchic unity

The oligarchy's ability to preserve their economic privileges is often thought to be due to their class unity. This unity has been maintained despite changes in the composition of the oligarchy. Although there are some divisions between different economic sectors, the oligarchs generally unite at times of crisis to defend their interests. A few modern scholars, however, are sceptical about this cohesion and argue that there is a reformist business sector that is distinct from the traditional oligarchy.

In an essay on 'Unity and Diversity in Latin American History' (1984), Ian Roxborough challenges uncausal explanations for historical change championed by both simplistic dependency theorists and advocates of a 'centralist tradition'. While recognising that different development paths in the region have been influenced by the balance between national and foreign ownership of the export sector, he draws on the work of Fernando Henrique Cardoso and Enzo Faletto to make an argument for examining the degree of dominant class unity within each state.⁷⁰ Similarly, Rueschemeyer, Stephens and Stephens (1992, 51-63) construct a theoretical framework in which the emergence of liberal democracy in Latin America and advanced capitalist societies is hindered by unity between landowners and the bourgeoisie, but enhanced by the development of a 'national bourgeoisie' independent of both landowners and imperialists (see Chapter 1).⁷¹ Such perspectives must be understood in relation to political controversies in the 1960s and 1970s amongst Latin America scholars on the left. Ernesto Laclau emphasises the division between those who characterised Latin American societies as feudal and on the edge of a bourgeois democratic revolution, and those who believed that Latin America had always been capitalist and that its underdevelopment was caused by dependent incorporation into the world economy. The former believed socialists should ally with the bourgeoisie against the oligarchy and imperialism, while for the latter it was important to fight directly for socialism, since the bourgeoisie, definitively integrated into imperialism, was a lost cause

⁷⁰ See Dunkerley (1995, 39) on the significance of this essay in Latin American historiography.

⁷¹ 'Bourgeoisie' here refers to economic elites whose business interests are concentrated in industry, finance and commerce.

(Laclau 1973, 45-6). The historiography of the Guatemalan oligarchy can be situated within these debates.⁷²

Guatemala analysts recognise that there have been important changes in the composition of the oligarchy that have facilitated its ability to adapt to new economic circumstances and to reconfigure as a unified, dominant economic group. These changes partly mirror the turning points in land and labour control signalled above. Casaus sees the oligarchy periodically regenerating itself with 'new blood', starting with the integration of Basque families in the eighteenth century (1992, 295). Martínez Peláez (1990 [1971], 35-37) identifies a late colonial shift from a merchant class with close links to Spain to a creole elite controlling land and labour, which had become dominant by the time of Independence. McCreery (1990, 173) is more circumspect, noting ongoing conflicts between Conservatives and Liberals throughout the nineteenth century, and the effective enlargement of the oligarchy to include the Liberals, who came to dominate it by the end of the century. Woodward's (1966) analysis of the rise and decline of the *Consulado de Comercio*, a nineteenth-century business organisation representing Conservative merchants, reflects this shift in oligarchic composition. In the 1870s there were important changes in the oligarchy, with the integration of both German coffee growers and some US plantation owners (Casaus 1992, 295; Yashar 1997, 39).

The 1870s are also fundamental in oligarchic historiography as a temporal starting point for debates on the possible development of a Guatemalan progressive or modern 'national bourgeoisie' that is independent of large landowners. While related to the discussions about unity, diversity and dependency signalled above, the debates also suggest a Gramscian concern with 'crisis of authority' and 'economic crisis', in which the oligarchy are under threat and struggling to survive. While there is no clear consensus, most scholars believe that no distinct national bourgeoisie has emerged in Guatemala, and that oligarchic unity has helped them survive key periods of crisis such as the 1930s depression and 1980s revolutionary upheaval.

Reflecting regional debates on dependency theory, the Guatemalan bourgeoisie has been considered too involved with US capital to be truly independent and 'national', such that it might support the expansion of domestic demand through wealth redistribution and land reform, and make political alliances with popular groups against the rural elite. Snee (1974, 212) notes that the oligarchy began diversifying into non-agricultural areas from the 1870s, including banking and industry, but argues that by the 1950s the ties to US capital were too close for it to have any progressive national disposition. Poitevin believes that the rise of a 'new industrial bourgeoisie' is only visible after 1944. Integrated into the dominant power block along with parts of the army and bureaucracy, industrialists

⁷² See Love (1996, 246-268) for a general overview of the development of dependency debates and the

were too influenced by US capital to break with the traditional oligarchy (Poitevin 1977, 188, 235). The theme of US imperialism runs through Guatemalan literature on the left, which has a distinctly nationalistic tone. Events such as the 1954 coup became symbols of the difficulty of autonomous national development, as is apparent in Monteforte Toledo's collection of short stories *Cuentos de Derrota y Esperanza* (1962), or in Luis Cardoza y Aragon's *La Revolución Guatemalteca* (1955), in which he wrote that 'Arbenz put his finger on the sore that's the cause of our misery: the survival of feudalism and the predominance of imperialism'.⁷³ Dunkerley suggests that by the 1970s it was clear that links to US investment had prevented development of an industrially-based national bourgeoisie, unlike in El Salvador (1988, 464). However, in contrast to Snee, both Dunkerley (1988, 464) and Dosal (1988, 333, 338) are unwilling to accept that the oligarchy simply transformed into stooges of US imperialism.

While there may be secondary contradictions between landowners on the one hand, and industrial, commercial and financial groups on the other, they are closely tied both economically and through families, and have a tendency to unite at times of crisis to protect their common interests in private property, cheap labour and low taxation. As a result, no distinct modern bourgeoisie has emerged. Torres-Rivas notes that oligarchic influence across the isthmus has been preserved not only through the absence of import substituting industrialisation after the 1930s crisis (unlike in South America), but also through economic diversification after the Second World War into more bourgeois pursuits such as cattle ranching and industrialisation (via the Central American Common Market). Thus the 'industrial bourgeoisie' was largely composed of the same families as large landowners, and the oligarchies never occupied 'their proper places in the region's museums of national history' (Torres-Rivas 1989, 20). Yashar contends that oligarchic unity was fundamental in preventing the success of reformism in the 1944-54 period, unlike in Costa Rica where elite divisions led to a democratic political outcome. Dunkerley argues that with the growth of non-traditional exports in the 1970s, even the 'third generation' of traditional families was neither progressive nor modern, opposing state intervention and favouring neoliberalism (1988, 466). Jonas stresses the continuing ability of the oligarchy to unite at times of crisis, particularly through the business organisation CACIF. They united to prevent damaging tax changes supported by the military between 1983 and 1985, and all fractions of the 'bourgeoisie' allowed agro-export interests to speak on their behalf during debates on tax reform in 1988, which helps demonstrate 'the extraordinary cohesion of CACIF' (Jonas 1991, 92). Casaus too believes that the capacity to diversify production and unite at times of crisis has helped preserve the oligarchy. And while there has been a split in the oligarchic block since 1985, with the emergence of modernising sectors, the traditional nucleus of oligarchic families has not been

theoretical controversies about 'modes of production' and 'relations of exchange'.

⁷³ Monteforte Toledo was not the only sociologist-novelist in Guatemala. In 1923 Miguel Angel Asturias, the country's most famous author, published a book entitled *Guatemalan Sociology: The Indian's Social Problem*.

displaced, and the image of 'modernising businessmen' supporting democracy helps to reinforce oligarchic influence (Casaus 1992, 293, 296-7). Painter notes that coffee growers in the west of the country are amongst the most conservative elements in the oligarchy, but that at key moments, such as the threat of land reform, they unite with other oligarchic sectors (1987, 37). Unity triumphs over diversity in these analyses conducted almost entirely in the language of social classes. There is no clear division between land and capital, between country and town.

Yet there is an opposing tendency in Guatemala scholarship. Monteforte Toledo (1965, 256), writing only a decade after the overthrow of Ubico, considers 1944 a turning point at which the upper class became democratised and modernised with industrialists, commercial interests, managers and professionals. Most writers recognise, however, that the broad support (with some minor exceptions) amongst these sectors for the 1954 coup demonstrates the maintenance of oligarchic unity. With more hindsight, Dosal identifies a 'modern' industrial bourgeoisie that by the early 1990s had become dominant in CACIF. While stressing that economic and family ties between landowners and industrialists will prevent land reform, and that 'the modernizing oligarchs see democratization primarily as a means to consolidate their neoliberal development model', he believes that 'they may have to unite with the popular sectors to achieve some of their political goals, such as the conclusion of the peace talks and the cleansing of Congress' (1995, 192). McCleary (1997, 134) demonstrates an even more revisionist tendency, arguing that the Guatemalan business sector is developing an increasingly 'democratic political culture', which can be seen in CACIF's opposition to Serrano's attempted 'self-coup' in 1993 (see Chapter 1).

In effect this is a debate about an older generation of traditional landowners and a younger generation of urban modernisers, between an older generation of Marxist scholars and a younger generation of new institutionalists. As will be discussed below, a focus on oligarchic worldviews and practices may be a means of investigating this issue of oligarchic unity in greater depth. Chapters 4 and 5 attempt to demonstrate that no distinct modern business sector independent of landowners has emerged in Guatemala.

Finally, discussions of oligarchic unity also concern the military. Some writers, such as Jonas (1991, 90) and Dunkerley (1988, 468), identify a major transformation by the 1980s, arguing that top army officials had become part of the oligarchy. This was due to their acquisition of land in the 1970s and wider involvement in the economy, although both believe that the army has never become hegemonic within the oligarchy, and Casaus stresses that the military have not been integrated into major oligarchic family networks through marriage (1992, 295). Jonas is careful to distinguish this from the ways that the oligarchy operate as part of a 'ruling coalition' or dominant block with the military (1991, 90). This will be analysed in the section below.

The Guatemalan state

Another factor explaining the maintenance of the oligarchy's privileges is their relationship with the Guatemalan state. In some analyses, particularly Marxist scholarship from the 1960s and 1970s, the state is a unified entity that is a pure tool of oligarchic domination. Studies from the 1980s and 1990s characterise the state as being to some extent independent of the oligarchy, and emphasise the increasing autonomy of the military from the oligarchy after the armed forces began counterinsurgency activities in the 1960s. A third wave of studies, which have appeared since the 1990s, have less tendency to identify the state purely with the military, and highlight a wide range of political institutions that the oligarchs must influence to protect their interests. The literature reflects Mann's distinction between state theories in which the state is an organised means of class domination, those theories ascribing the state a degree of autonomy, and those stressing that the state is not a unified entity.⁷⁴

Martínez Peláez provides the paradigmatic view of the state as a pure instrument of oligarchic domination. He acknowledges state autonomy in the early colonial period, but argues that the legacy of the conquest is the creoles' control of both property and the state, maintained by close family ties. For instance, after 1870 the state worked on the behalf of the oligarchy through political officials helping landowners by ordering *mandamiento* (a form of forced labour) when it was requested, at least until the abolition of the forced labour system in 1944 (1990 [1971], 22, 513). Monteforte Toledo argues that 'the most effective political instrument of the dominant class has been the clergy; once it was destroyed, the Liberals created their own support, the army' (1965, 255). Casás brings this analysis up to date. The oligarchs began controlling key positions in the state as far back as 1531 - the basis of an extensive system of patronage - and have always controlled the Guatemalan state in order to maintain economic power and exploit subaltern classes, although on occasions they delegate power to the military or politicians. As noted above, her evidence is the numerous examples of particular oligarchs holding state positions throughout the nineteenth century (see Appendix C), during the twentieth century military governments, and in the more recent civilian regimes (1992, 51, 166-7). While professing that the state has relative autonomy (and drawing explicitly on Gramsci, Althusser and Poulantzas), Poitevin undertakes a similar analysis, showing how the Chamber of Industry has representatives in 46 different organisations, the majority of which are state or parastatal bodies, and how the Chamber blocks unfavourable legislation at key moments (1974, 149, 209-10).

⁷⁴ These three stages in the development of scholarship on oligarchy-state relations in Guatemala, and Mann's theory of the state, are outlined in Chapter 1.

A second category of analysis, mostly dating from the 1980s and 1990s, suggests that the oligarchs have not simply dominated the state, but rather have had to contend with a state that can at times act autonomously. McCreery argues that during the nineteenth century there was no clear relationship between the state and the oligarchy, and that plantation owners were heavily reliant on the state to provide labour (1994, 334-5). Appropriately for a liberal empiricist historian, Woodward too shows that the *Consulado de Comercio* was 'closely regulated, influenced, and dependent upon the government...the *Consulado* could only survive when it had government favour' (1966, 118). Dosal criticises both Jonas (1991) and Grieb (1979) for their view that General Jorge Ubico, President in the 1930s, was an 'oligarchic dictator'. Ubico, says Dosal, 'was not simply the administrative appendage of the oligarchy' and 'continued the assault on the oligarchy's political power that had begun in 1898'. Although Ubico preserved the oligarchic power structure in a time of economic crisis, he provided support to modernising industrial elites while weakening landowners (Dosal 1995, 65-66).

For many scholars the alliance between the military and the oligarchy in the post-1954 period also provides evidence of state autonomy. Dosal argues that the military delegated policy-making to the private sector's economic interest groups (1995, 110). Jonas shifts the emphasis, suggesting that the oligarchy delegated power to the military to preserve the economic order, so that the military acted as the 'spinal column' of the oligarchy (Jonas 1991, 92-93), an image repeated in Poitevin (1977, 225). Thus various authors describe how, during the 1960s and 1970s, landowners and manufacturing firms were directly responsible for hiring the Mobile Military Police (PMA) to repress nascent unions (Handy 1984, 177; McClintock 1985, 64-68, 92; Painter 1987, 39). As noted in Chapter 1, however, there is a realisation that the military became more autonomous from the oligarchy after the 1960s, and estranged the business sector by increasingly encroaching on the economy (Dosal 1995, 131, 147; Dunkerley 1988, 467). In addition, in many accounts of civil war atrocities, the military are depicted as acting virtually independent of the oligarchy, especially in the rural counterinsurgency war (Zimmerman 1998; Schirmer 1998a). This is balanced somewhat by accounts of human rights abuses against urban trade unionists, which argue that the oligarchs supported paramilitary violence, or at least made no effort to oppose it (Frundt 1987, 223; Levenson-Estrada 1994, 46). Most of the above analyses accept that the Guatemalan state often acts to preserve oligarchic privileges, but they ascribe greater autonomy to the state than either Martínez Peláez or Casás, and echo Mann's (1993, 88) concern with the possibility of military autonomy from the dominant class.

Since around 1990 there have been an increasing number of studies in a political science tradition focusing on political institutions, particularly political parties, electoral procedures, judiciaries and executive-legislative relations. These works differ from the above analyses, which are mostly Marxist-inspired, by displaying less concern with economics and class struggle, and by having less tendency to equate the state with the military. This institutionalist perspective intimates that the

oligarchs must interact with a variety of state institutions to maintain their traditional privileges. A precursor to the recent institutionalist analyses is Woodward's (1966) study of the *Consulado de Comercio*, which discusses the judicial system that the merchant elite had to control in order to maintain their class privilege. Yashar reassesses the 1944-54 reformist governments using a methodological framework that not only considers the history of resource distribution, but which also explores the oligarchy's involvement in political coalitions (1997, 14-19). McCleary's (1999) analysis is largely confined to political institutions, and has little discussion of economic structures. She focuses on CACIF's role in helping build a popular political coalition against Serrano's attempted self-coup in 1993, and examines the importance of Congress and the judiciary in helping resolve the political crisis.

Consent

A fourth factor that explains the maintenance of the oligarchy's economic and political privileges concerns consent. Many scholars have argued that elites often use subtle, non-coercive means to generate consent in society, and thereby legitimate their domination.⁷⁵ But only a few students of the Guatemalan oligarchy give importance to the generation of consent. In contrast, most believe that oligarchic privilege has been preserved through coercion rather than consent.

Martínez Peláez reflects upon consent to some extent. 'The culture of the conquistadors operates together with material resources in order to facilitate domination of the conquered'; 'The Indian is a colonial product' and 'its culture is also colonial' (1990 [1971], 614-5, 633). He suggests that indigenous dance and clothing, and the magic and fatalistic vision of the conquest of their culture, are artificial and have aided creole control. Zimmerman, who sees ideology and literature in Althusserian terms as 'primarily in function of state and counter-state apparatuses', concurs to some extent, referring to Tecún Umán, the Quiché king that supposedly lost to the conquistador Pedro de Alvarado in hand-to-hand combat: 'there can be no doubt that this figure is a primarily Spanish, colonial invention who serves as a conduit for dissenting energies, functioning as part of, rather than being a threat to, the hegemonic process of Indian subordination' (1998, 43, 30-31). Zimmerman recognises the possibility that civil society can resist the ruling class. The growth of revolutionary literature from the 1960s, for instance, helped develop a counter-culture that articulated a myth of resistance that 'came to stand as a Gramscian "national popular"', making collective action possible (Zimmerman 1998, 8).

⁷⁵ This idea of generating consent has been discussed through various concepts. Weber, for example, speaks of 'legitimation' and 'symbols of justification', Marx of 'dominant ideas', Durkheim of 'collective

McCreery, drawing on Gramscian terminology, provides the most subtle analysis of consent and power. The Guatemalan colonial state failed to establish hegemony in civil society, and was forced to rely on coercion. This was partly due to the low ratio of priests to population, and the closed and autonomous nature of Indian communities. A ‘colonial compact’ emerged, in which the mass of the population accepted a certain amount of labour coercion in exchange for a degree of independence regarding the preservation of their culture and communal lands: ‘This custom, the product of centuries of struggle, defined a level of exploitation with which communities and the rural population could live’ (1994, 326). McCreery realises that ultimately oligarchic control rested on ‘political hegemony’ rather than ‘ideological hegemony’: ‘This split is possible, and in pre-industrial or peasant-based societies is usual, because ideological hegemony is not the exclusive or even the normal property of the elites or the state they control’ (1994, 9-10). Similarly, Levenson-Estrada stresses that the post 1954 state: ‘did not try to win legitimacy through the production of meanings and values that create a consensus about the distribution of power in society.’ Capitalists, she suggests ‘did not establish subtle means to subdue struggle within the workplace’. Instead ‘violence simplified the politics of production for owners and managers’ (1994, 2).

Such views, usually assumed rather than stated explicitly, pervade studies of the oligarchy. Guatemala is considered outside the realm of modernity: it has a largely rural, illiterate population, many of whom do not speak Spanish, and there is no extensive welfare system or intrusive state to produce appropriate ‘meanings and values’. The system, in the language of Habermas, has not colonised the lifeworld. Guatemala has not experienced a ‘whole army of technicians’ that has taken over the social system (Foucault 1977, 11).⁷⁶

Oligarchic ideology

Some scholars argue that oligarchic ideology plays a unifying role within the economic elite, and that this unity helps preserve their privileges. That is, the role of ideology is internal to the oligarchy, rather than being an external factor that helps legitimate domination (see the discussion of consent above). For most analysts, Marxist and non-Marxist alike, oligarchic ideology is a superstructure on an economic base, an expression of the economic elite’s class position (Marx and Engels 1974, 64).

representations’, and Mosca of ‘political formula’ or ‘great suppositions’ (Mills 1970 [1959], 45). Gramsci’s discussion of ‘hegemony’ could be added to the list.

⁷⁶ Analyses of the militarisation of the countryside in the 1980s through civil self-defence patrols and model villages suggest such an establishment of hegemony in civil society, as do ideas of a ‘culture of silence’ or ‘culture of terror’ (Zimmerman 1998, 445). Yet these studies generally refer to the autonomous actions of the military, rather than implicating the oligarchy.

An ideology of racial superiority with respect to the indigenous population helps unite the economic elite, but most scholars consider it to be underpinned by economics. Although racist, ‘the creole class was never configured nor united by Spanish blood or skin colour...but by their monopolisation of the land and exploitation of servile labour’ (Martínez Peláez 1990 [1971], 591). Casaus undertakes an extensive analysis of racism in the oligarchy, and provides quotes from a survey (conducted in the late 1970s) of unnamed oligarchs, illustrating their racism against the indigenous population and obsession with their own blood type. While denying that racism should be solely understood as an element of superstructure or the dominant ideology (1992, 260-2), she soon finds herself claiming that ‘racism constitutes a justifying element of the dominant ideology to ensure class cohesion and justify domination with respect to the indigenous population’ (1992, 298).⁷⁷ Racism will be explored further in Chapters 3 and 4.

Historians of the nineteenth century have developed the most detailed and varied analyses of ideology, centred around the conflicts between Conservatives and Liberals. The Conservatives, associated with the decaying merchant elite, were concerned with their trading interests, and generally believed that ‘those poor Indians are better off the way they are’ and should not be forced into the coffee economy. The Liberals - to simplify their thinking - desired cheap land and cheap labour, secured through state coercion if necessary, to fuel the drive for ‘development’ and the integration of Guatemala into the world economy (McCreery 1994, 171-3).⁷⁸ Yashar studies oligarchic ideology during the 1944-54 period by drawing on documents published by business organisations in newspapers. She notes that they mention the preservation of ‘democratic institutions’, the need for ‘national development’, the protection of private property, economic stability and free trade. Moreover, they raise an issue that came to dominate oligarchic thinking for many decades: that land and labour reform were opening the door to Communism (Yashar 1997, 192-5). Casaus’s Gramscian analysis highlights ‘organic intellectuals’ within the oligarchy (such as Fernando Andrade Díaz Durán) who operate as class functionaries rather than individual actors, elaborating new political ideologies at times of crisis (1992, 125, 128, 294-5). Yet she provides no detailed analysis of these ideologies. Dosal (1995, 11) mentions that in the late 1980s and 1990s landed and industrial elites united behind a neoliberal agenda, which ended almost two decades of fighting within CACIF, but does not elaborate upon this point.

⁷⁷ Casaus claims that no matter if you look at young or old, men or women, industrialists or landowners, well-educated nor not so educated, the oligarchs are, overall, similarly racist (1992, 299). Yet on earlier pages she identifies interesting differences: that landowners and industrialists are more racist than commercial and financial elites, that more educated oligarchs are more racist, that those who say the indigenous population are lazy also say they are the best workers, and that oligarchs with a weak sense of identity are the most racist. These differences disappear in the conclusion, a clear example of fitting the evidence into her ideological framework. Yet it is precisely these issues, these anomalies, which could help us better understand oligarchic unity and division.

In general, few studies of the contemporary oligarchy analyse in detail how members of the economic elite think about political and economic issues, or social and personal matters. Casaus' survey on racism in the economic elite, and a few other studies discussed below, are exceptions. This weakness in the existing literature has partly motivated my study of the oligarchic worldview with respect to private property and personal security.

Family networks

Finally, a number of studies argue that *family networks* operate to preserve oligarchic privilege. As has been signalled throughout this chapter, family networks are generally approached from an economic perspective, as a means of ensuring class domination. The work of Casaus (1992) and others argues that family networks and intermarriage have functioned to unite the oligarchy, preventing splits between landowners, and industrial, commercial and financial groups, especially at times of economic crisis. Families reproduce the dominant racial ideology that is the basis of class cohesion, and provide the networks required for clientelistic influence in the state to secure economic domination. The role of family networks in the oligarchic community is discussed further in Chapter 3. At this stage I want to emphasise the importance of avoiding a conception of the oligarchic family that is reducible to economics. Chapter 6, for instance, shows that families have a place in oligarchic thinking and practices with respect to personal security that is not obviously tied to economic issues.

Reconsidering explanations

One of the main conclusions I draw from these existing explanations for the maintenance of oligarchic privilege in Guatemala is that they primarily stress structural factors. The discussions of economic issues, such as control of land and class unity, and of the Guatemalan state, rarely address the role of individual actors. This is undoubtedly related to the largely Marxist orientation of most studies. In addition, oligarchic ideology is generally understood to have an economic basis, and family networks are described as structural entities that function to preserve class privilege. The oligarchs are usually depicted as a faceless social class, and they are normally assumed to be motivated by their collective economic interests, which are a direct reflection of their position in the economic structure as owners of land and capital in the pursuit of profit. In contrast, the humanistic approach to social and political analysis outlined in Chapter 1 suggests the importance of balancing structural perspectives with a focus on individuals, whose motivations are often complex and not simply based on their class position.

There are, however, some exceptions to these structural approaches. While most studies use secondary sources such as newspapers, a few scholars base their analyses on interviews with the oligarchs, raising the possibility of explaining oligarchic privilege partly through the role of complex individual actors who are neither simply bearers of class position or reduced to rational actors. Oglesby (2000) speaks with businessmen from the sugar sector, Valdez and Palencia (1998) interview

⁷⁸ For further discussion see Chapter 4 (*New and Old Liberalisms*).

business association leaders about tax policy, and McCleary (1999) interviews business leaders about Serrano's attempted 'self-coup'. As noted above, Casás too interviews members of the economic elite about their views on race. But such studies place little emphasis on the oligarchs as individuals. The interviewees are portrayed as class representatives, whose views are a product of their economic interests. There is little detailed interpretation of their testimony (except in Oglesby), or information about their backgrounds or personal histories, and thus it is difficult to obtain a sense of any particular member of the oligarchy as an individual and autonomous human being, or to understand the worldview and narratives that help shape their practices. Casaus, for example, presents occasional quotes from her informants, but they remain anonymous, while McCleary does not quote her interviewees. Moreover, even when an informant is quoted in these studies, it is usually about economic issues. There is rarely any mention of non-economic matters, such as personal security, which, as demonstrated in Chapters 6 and 7, has a central place in the lives of the economic elite.⁷⁹

Apart from the excessive stress on structural factors for explaining oligarchic privilege, existing studies are generally based on analysis of long historical periods rather than on the detailed examination of particular political moments. It is thus frequently unclear how structural factors operate and interact in practice. The lack of stress on individual actors compounds this problem, for it is difficult to understand how actors and structures interrelate to preserve oligarchic privileges. There is little space for individual agency in structural studies spanning decades, even centuries, such as that by Martínez Peláez's (1990 [1971]).⁸⁰ It is not obvious, for instance, how the oligarchy's control of land or occupation of positions in the state translated into their ability to prevent agrarian reform in any specific political instance. Wealth does not by itself automatically ensure the oligarchy's veto over legislation. Similarly, membership of a family network is not a perfect guide to an individual's thinking and practices. To repeat Hobsbawm's point quoted in Chapter 1, it may be necessary to take an 'ecological approach' to the past by studying a particular situation that 'concentrates the mind on the complexities and interconnections of real history'.⁸¹

⁷⁹ As noted in Chapter 1, some of these problems also exist in interview-based studies of economic elites in other Latin American countries, such as those by Paige (1998) and Payne (2000). Guatemalan oligarchs sometimes appear in a more complex form in testimonial literature and fiction, rather than in scholarly analyses. Mario Payeras (1980, 90), a member of the Guerrilla Army of the Poor (EGP), describes the death in 1975 of the notoriously cruel landowner Luis Arenas Barerra – the 'Tiger of Ixcán'. Only moments before he was shot we are given a picture of the Tiger: 'his look of a bird of prey and Spanish gentleman's moustache, the lord of the land piled up coins and unfolded rumbled bills'. In Francisco Goldman's (1992, 18-19) novel *The Long Night of White Chickens*, businessman Uncle Jorge honks the car horn three times at the top of the street where he lives so that the maids can open the steel-fortified double doors and he can minimise the chance of being kidnapped by guerrillas. Uncle Jorge refers to the US president 'Jimmy Castro', who let the Sandinistas have Nicaragua.

⁸⁰ When Marx examined a 'revolutionary moment' - France in 1848 - individual agency played an important role (Marx 1954, 66; Hobsbawm 1997, 213).

⁸¹ General explanations for the lack of ethnographic studies of Latin American economic elites appear in Chapter 1.

Again, there are some exceptions. McCleary's study of the Serrano *autogolpe* focuses on the events of May and June 1993. But, as discussed in Chapter 1, her analysis does not provide a complex account of oligarchic motivation and, drawing on Burton, Gunther and Higley's framework concerning elites and democratisation, appears to treat members of the economic elite as self-interested rational actors (McCleary 1999, 15-17). Paul Dosal's (1988) study of the business career of industrialist Carlos P. Novella in the first half of the twentieth century, which he calls 'a microlevel examination of the Guatemalan situation of dependency', is another exception. Here we encounter, for example, the image of Novella, dressed in tails, going twice a week without fail to the office of President Estrada Cabrera, in order to obtain cement contracts; he also struggles in his negotiations with foreign firms. Unfortunately Dosal has not repeated this form of analysis in a contemporary context.

Overall, three lessons can be drawn from the analysis of this section. One is to balance the structural explanations for maintaining oligarchic privilege with a greater emphasis on individual actors, and to provide a complex account of their motivation that is not reducible to class categories (or self-interested rational action). A means of doing this is to interview the oligarchs and analyse their worldview, and the various narratives that constitute their worldview. A second lesson is to provide detailed analysis of particular political moments that can demonstrate the interaction of actors and structures in specific contexts. These two approaches are central to my study, and are evident in Chapters 4 and 6 (on the oligarchic worldview) and Chapters 5 and 7 (on particular contexts). The justification for these approaches, however, derives not only from this review of the Guatemalan literature, but also from analysis in Chapter 1 that provides theoretical and methodological grounds for studying worldviews and practices. A third lesson concerns types of explanation. The studies reviewed above mainly contain causal explanations: certain factors - primarily structural - are believed to explain the maintenance of oligarchic privileges. As discussed in Chapter 1, however, this study does not treat structures and actors as 'factors' that explain historical events, but rather uses the method of 'interpretative explanation' to place structures and actors in a non-causal frame of reference, and to show how worldviews shape political practices.

Conclusion

The theoretical and methodological discussion in Chapter 1 highlighted the importance of studying the issues of private property and personal security, of examining the oligarchy's worldview, and of investigating particular political contexts in detail. This chapter has attempted to use historical and historiographical analysis to further justify this approach. The first section shows that issues of both private property and personal security have been central to Guatemalan history, and that the oligarchs have attempted to maintain their privileges in these areas. It suggests that a study of continuity and change in Guatemalan history, and of democratisation in Guatemala, would benefit from examining

oligarchic thinking and practices with respects to these two issues. The third section concludes that the overemphasis on structural explanations for oligarchic privilege could be balanced by giving greater attention to the oligarchs as individuals through analysing their worldviews and narratives, and showing how these shape their political practices. It also argues that understanding the maintenance of oligarchic privilege may require a shift from analysis covering decades or centuries to a more detailed focus on particular political contexts. I thus believe that there are strong theoretical, methodological and historiographical grounds for studying the oligarchy's worldview and specific practices with respect to both private property (Chapters 4 and 5) and personal security (Chapters 6 and 7).

Chapter 1, and the argument as a whole, assumes that Guatemala has an identifiable oligarchy. Section two of this chapter clearly demonstrates the scholarly consensus that this is indeed the case. The economic elite is identified as a unified class including both urban and rural business interests, as a small number of closely interrelated family networks, and as business organisations that operate to maintain oligarchic privilege. This tripartite distinction, however, lacks complexity. The next chapter provides further exploration of the characteristics that help define the oligarchy as a distinct social group, laying the foundations for the analysis in Chapters 4 to 7.

Finally, the review of the Latin American literature on democratisation in Chapter 1 suggested that apparent historical changes may obscure important continuities, and that studies of democratisation might benefit from investigating continuities, such as the maintenance of oligarchic privilege, rather than examining changes such as 'foundational elections' or new forms of pro-democratic political alliance. The analysis in this chapter supports a focus on elements of permanence, for it tells a story about continuity in the face of change. There has been no lack of changes: independence from Spain, the Liberal Reforms, the 1944-54 interregnum, the CIA-backed coup, the civil war, the peace process, and tentative democratisation. Most studies of the Guatemalan oligarchy, particularly those from a Marxist perspective, suggest that although the oligarchy have transformed in certain ways, they have a tendency to survive these kinds of changes and maintain their privileges. In undertaking an investigation of the Guatemalan oligarchy in the final decade of the twentieth century, the weight of this history has compelled me to be sceptical of recent analyses arguing that fundamental changes occurred in the Guatemalan economic elite in the 1980s and 1990s, such as having developed a modern sector with a deep belief in democratic forms of governance (e.g. McCleary 1999), and to focus instead on how the oligarchs have preserved their privileges in the face of change.

CHAPTER 3: A PORTRAIT OF THE GUATEMALAN OLIGARCHY

Introduction

The previous chapter discussed studies that identify the oligarchy in terms of class position, family networks, and business associations. I suggested that this depiction should be developed with more complexity and nuance in order to provide greater insights into the characteristics that define the oligarchy as a distinct social group. This chapter attempts to do so by asking: What are the most important defining characteristics of the Guatemalan oligarchy?

Most studies of the oligarchy use secondary sources, with scholars compiling ‘objective facts’ that ‘prove’ the existence of an oligarchy. In contrast, I study the oligarchs from the ‘inside’, using their interview testimony to illuminate the oligarchy’s distinguishing features. This reflects the hermeneutic approach discussed in Chapter 1 that encourages analysis from the perspective of the subject. I find this helpful because I believe that members of the economic elite themselves are particularly insightful about their own social group. I am inspired by Joseph Lelyveld’s study of apartheid in South Africa, based on interviews with both blacks and whites, in which he writes that ‘every person is as expert on the circumstances of his life’ (1986, 113). The oligarchs must be allowed to paint their own portraits.

I examine four defining features of the oligarchy that are absent from most studies. The first concerns the oligarchs’ own perspectives on the existence of an elite. This self-reflexive approach to identity in the economic elite contrasts with the literature’s tendency, illustrated in Chapter 2, to neglect investigating the views of the oligarchs themselves. Second, I explore the distinction between the oligarchy as a whole and its nucleus or inner core. This develops the discussion of oligarchic unity in the previous chapter. A third characteristic is the sense of both privilege and vulnerability expressed by members of the economic elite. This adds complexity to existing work that assumes the oligarchs are able to dominate both the economy and the state. Finally, I investigate the oligarchic community, building upon the discussion of family in Chapter 2. The conclusion notes how these four characteristics help provide insights into the oligarchic worldview and practices that will be analysed in subsequent chapters.

The Guatemalan economic elite

Few scholars have investigated whether the supposed oligarchs themselves believe there is an economic elite, or consider themselves part of an economic elite.⁸² In this section I demonstrate how interviews with the oligarchs provide insights into these issues. Almost all my business sector interviewees would be considered oligarchs by the criteria signalled in Chapter 2: they were integrated into the oligarchic family networks identified by scholars and participated in the social life of the oligarchic community. In addition, they were extremely wealthy compared to most Guatemalans, and the majority of the men had been leaders of important business associations that regularly and successfully defended oligarchic privileges. In interviews, many of them themselves suggested that Guatemala has an oligarchy, which they generally call ‘the elite’. This is remarkable and powerful evidence that an oligarchy exists and operates in Guatemala. While some admitted to being members of this elite, most denied that they were part of this exclusive group.

Although many interviewees dismissed the idea that Guatemala has an oligarchy as a myth propagated by the left, around half of them - from various economic sectors - claimed that Guatemala has an ‘elite’, by which they meant an economic or business elite. This is evident, for example, in the testimony of Luis Reyes Mayen, who for many years participated in the Sugar Growers’ Association and the Chamber of Commerce, and was later President of the Chamber of Agriculture and CACIF, in addition to being Minister of Agriculture in the first years of the Arzú government in the mid-1990s:

Guatemala has an elite who socialise with each other, who have beach houses, who live in gated communities. But it’s quite restricted, quite small. The rest is a group of businessmen that is fairly disperse, in the sense of poorly structured and poorly organised. Really, CACIF doesn’t represent many businesses at all [...] It’s a pretty closed group, a group to which I have access because I’m friends with a few of them and we get on well. But it’s a group that I’ve never really liked as I’ve never wanted my children to grow up in that environment [...] I don’t want my kids to grow up in a superficial culture.

(Luis Reyes Mayen, b. 1951, interview 4/4/2)

Carlos Vielman is my friend even though I’m not from the elite...Furthermore, Carlos Vielman fought to incorporate me into the elite – ‘let’s have dinner together, and bring along your wife and kids...’ [...] Eh, he fought to bring me in socially, and I never did it.

(Luis Reyes Mayen, b. 1951, interview 9/6/00)

Luis Reyes is absolutely clear that Guatemala has elite. This is a community of wealthy business people, including the family of Carlos Vielman Montes, former President of the Chamber of Industry. This elite dominates business associations such as CACIF. Other interviewees made similar statements about the existence of an elite, whose wealth, family networks, control of influential business organisations, and social life, set them apart from the rest of society. For example, without any question to prompt him, a former director of the Chamber of Industry referred to families such as

⁸² In contrast, researchers focusing on non-elite groups, such indigenous people or poor women, are commonly interested in issues of group and personal identity.

Castillo, Novella and Botrán as ‘the power group’, ‘the elite’ and ‘the clan’ (Hugo Ordóñez Porta, interview 12/6/00).

The majority of those admitting the existence of an elite claimed that they were not part of it themselves. Luis Reyes, for example, explicitly denies membership of the elite. He considers himself an outsider, unlike his good friend Carlos Vielman. This may be for a number of reasons. During the two interviews he often stressed that, unlike other business leaders, he was originally from a poor family, and understood the meaning of poverty. He also may not feel part of Guatemala’s few largest family monopoly businesses (see the next section). His denial could be a reaction to repeated public accusations that he is an oligarch. He says that people have labeled him a right-wing Pinochetesque ‘*cacifista*’ and that ‘in the minds of the majority of the population, the representatives of the businessmen are the same as the representatives of the rich’ (Luis Reyes Mayen, b. 1951, interview 4/4/2). Moreover, his testimony may reflect standard forms of denial apparent in many cultures (Cohen 2001, 1-50): few of us want to admit that we are part of a privileged social group.⁸³ But like a number of interviewees, he implicitly indicates that he knows he is part of the elite. Luis Reyes talks about having access to this closed group, and says that the elite are organised in CACIF, of which he was President. His testimony is like a self-portrait that he is reluctant to admit he painted.

A few interviewees were more open about their own membership of an economic elite. These statements were usually made off the record. I spoke with Adela Camacho Sinibaldi de Torrebiarte, whose family is identified as part of the oligarchy by scholars (Casaus 1992, Annex 4). She is a leader of Madres Angustiadas, an organisation bringing together wealthy women whose family members have been subject to kidnapping. Sitting in a drawing room of family portraits, in a mansion within a heavily guarded, gated compound, she admitted that Madres Angustiadas in an ‘elite group’. ‘In a way people have the right to say this, but we try to work for people with fewer resources’ (Adela Camacho Sinibaldi de Torrebiarte, interview 27/6/00). Manuel Ayau Cordón, a businessman from a distinguished aristocratic family who was founder of the neoliberal Francisco Marroquín University, told me how the US ambassador had recently publicly accused him of being an ‘arch-typical far-right Latin libertarian oligarch’. As a joke he had a business card made displaying this title and sent it to the ambassador. When showing me the card he did not try to deny the accusation, and announced in all seriousness: ‘I am leader of what they would call the ideological right, or the intellectual right’ (Manuel Ayau Cordón, b. 1925, interview 19/4/2). Although not a direct statement of elite membership, he clearly has few qualms about being part of it. Individuals who had rejected their oligarchic upbringing and become associated with the political left often declared they were still part of the elite in some ways. One woman, related to the aristocratic Arzú family and married to a leftist

activist, said that although she is the black sheep of an elite family, they still recognise her as a member of the ‘oligarchy’ by sending her invitations to exclusive social occasions such as weddings.

The oligarchic nucleus

Analyses referring to the Guatemalan ‘oligarchy’ or ‘economic elite’ usually treat the oligarchy as a single, unified whole (see Chapter 2). In contrast, an important distinction within the oligarchy emerged from the interviews. On the one hand is an elite that roughly accords with the oligarchy identified by academic studies. On the other is an inner core or nucleus within the oligarchy to which many interviewees do not feel directly connected. The oligarchic nucleus consists of particular families with enormous economic and political influence, and whose financial groups have holdings across a range of economic sectors.

This distinction within the oligarchy appears in the testimony of agroindustrialist Humberto Preti Jarquin, formerly President of both the Chamber of Agriculture and the main business confederation CACIF, and a director of ANACAFE.

Who are the most powerful businessmen in Guatemala?

Novella, Gutiérrez...Paiz, Ibarguen, the sugar growers, Herrera is very powerful, I’d say [long pause] I’d say probably 30 families are very powerful, very very powerful here.

Something I don’t understand is how these families influence the business organisations [...]

Well, Mario Montano is President of the Chamber of Industry – he’s a Novella, from the cement company. There’s a Castillo in the Chamber of Finance, a Torrebiarte in both the Chambers of Industry and Finance. [...] The sugar growers, they are eight families. The eight sit down and they all reach agreement. I would say that at the moment CACIF can function at the rhythm that the Sugar Growers’ Association wants.

(Humberto Preti Jarquin, interview 26/6/00)

Humberto Preti claims that there are around 30 families that dominate the Guatemalan economy, which coincides with scholarly estimates of the number of oligarchic families, ranging between 20 and 50. But like many interviewees from a variety of economic sectors, he focuses on a smaller group of families that are understood to form a distinct core within the economic elite. He mentions: Castillo, Guatemala’s wealthiest family whose Cervecería Centroamericana virtually monopolises beer production, and controls other food and beverage sectors; Novella, owners of Cementos Progreso, which dominates the country’s cement industry; Paiz, a family with major interests in the retail sector, especially supermarkets; Gutiérrez, whose Pollo Campero fast food chain is Guatemala’s equivalent of McDonalds; and eight sugar growing families, such as Herrera Ibárgüen, whose two sugar refineries, Pantaleón and Concepción, account for around one-third of the country’s sugar

⁸³ A rare exception is the testimony of a young woman from the Salvadoran elite who is openly proud to be part of one of the country’s ruling ‘fourteen families’ (Gorkin, Pineda and Leal 2000).

production.⁸⁴ Although accurate data are scarce, economists and others agree with businessmen that these particular families have enormous economic importance. For example, the country's 16 sugar mills, almost exclusively owned by the eight sugar families, control 80% of cane production (Oglesby 2000). While Humberto Preti also mentions that these families have substantial influence in business organisations such as CACIF, other interviewees focused on the oligarchic core's influence over the state. These two issues will be discussed in the next section.

Although families in the oligarchic nucleus may focus their business interests in one particular sector, they tend to participate across various economic sectors. Thus the Herrera Ibárgüen sugar family also have coffee *fincas*, and interests in construction, real estate and telecommunications; the Gutiérrez family are large landowners; the Castillos are involved in agriculture and banking; and the Botrán family are rum manufacturers, with other interests in finance and banking, paper and car sales. Their extraordinarily diverse economic interests are consolidated into large financial 'groups', such as the Paiz family's Fragua group of companies.⁸⁵ These cross-sectoral economic interests are mirrored in the oligarchy as a whole. Whether inside or outside the nucleus, interviewees whose primary activity was in agriculture usually had business and marriage ties to other sectors such as finance or industry. Similarly, those with primary activities in industry, commerce, or finance almost without exception also had agricultural landholdings such as a coffee *finca*. Many had been directors or presidents of business organisations on both sides of the rural-urban divide, for example a director of the Chamber of Commerce in addition to President of the Chamber of Agriculture. Within the economic elite there is no clear divide between rural and urban business.

The importance of distinguishing between the oligarchy as a whole and the oligarchic nucleus will be discussed in the conclusion. At this point, however, I would like to suggest that a possible reason why many interviewees said that Guatemala has an elite but that they are not part of it, relates to this oligarchic nucleus. When they say 'elite' they are usually referring to this inner core. It is not surprising, therefore, that those who are not directly integrated into this inner core through family or business ties do not consider themselves part of the 'elite'. Of course, this does not rule out that they are part of the wider economic elite outside the oligarchic nucleus.

Privilege and vulnerability

⁸⁴ Other sugar families include Molina Calderón (refinery La Unión), Botrán (Santa Ana), Leal (Magdalena), Campollo (Made Tierra) and García Granados (Tierra Buena). See Oglesby (2000) and Solano (2002). For data on Guatemala's sugar exports, see Chapter 2.

⁸⁵ For details of the economic holdings of the most important financial groups, see ODHA (undated, Chapter 5n23, quoting the magazine *Panorama Centroamericana*, March 1995).

A recent vogue in the social sciences is to cease treating subaltern groups as weak or as victims, and instead to celebrate their ‘everyday forms of resistance’, a phrase made famous by James Scott. Studies of economic elites, however, remain focused on their strengths or privileges, rather than investigating their possible weaknesses or sense of vulnerability.⁸⁶ In this section I show both privilege and vulnerability with respect to the Guatemalan economic elite: to be an oligarch is to enjoy privilege but also to fear losing it. Interviews suggest oligarchic awareness of two aspects of elite privilege: control of business associations, and influence over the state. Families in the oligarchic nucleus are considered particularly privileged in these areas. However, conversations with the economic elite also reveal a sense of vulnerability, which exists with respect to three issues: internal unity, relations with the state, and globalisation.

First, that Guatemala’s main business associations are seen as vehicles for the oligarchy was clear from the testimony of landowner Gustavo Anzueto Vielman, leader of the far-right National Agrarian Coordinating Committee (CONAGRO). A minister during military governments in the 1970s who was accused of participating in a failed coup attempt in the late 1980s, he has been a leader of the business sector for decades. He has been, for example, a director of the National Agrarian Union (UNAGRO), CACIF, and the Chamber of Agriculture, and a founder of both the Association of Banana Producers and the Association of Friends of the Nation.⁸⁷

The organised private sector has had many privileges [...] mostly fiscal privileges and tariff protection [...] not only have they wanted to keep their privileges, they have looked for new ones [...] When there are changes in the government, those that leave entities such as the Bank of Guatemala, the Ministry of Economy, the Ministry of Finance and Economic Planning, they go and work for these big financial groups, and the people that these groups have go and work for the government. This has permitted the maintenance of these protections [...]

What do you think of these people in CACIF, for example Peter Lamport and ... ?

Look, Peter belongs, along with Victor Suárez, Carlos Vielman, who is my cousin – no, he *was* my cousin but I no longer recognise him as a cousin [laughs] - Juan Luís Bosch, Edgar Heinemann, there’s a group that formed an entity within CACIF called Pyramid. This is the financial force of CACIF and it’s the group that defends CACIF’s privileges. As an example of this, within Pyramid are the sugar growers.

(Gustavo Anzueto Vielman, interview 31/5/00)

Many businessmen consider that CACIF and other business associations are controlled by small groups that use the organisations to maintain their particular privileges. This is obvious from Gustavo Anzueto’s testimony, in addition to that above from Luis Reyes and Humberto Preti. CACIF’s official

⁸⁶ There are exceptions, such as George Orwell’s (1962) essay ‘Shooting an Elephant’, in which he stresses his own sense of vulnerability as a colonial policeman. Another exception is Harvey J. Kaye’s reflections on the often hysterical reaction of ‘ruling classes’ even to small threats to their influence: ‘however imposing the ruling classes’ power may be, and however acquiescent may seem the people over whom they exercise it, the eyes of the ruling classes reflect not surety and confidence, but apprehension and anxiety. What is it that they see? What is it that they recognize? What is it that they know?’ (1996, 9-10).

⁸⁷ See the four-page CV in his book *Tiempo Perdido* (Anzueto Vielman 1998, 119-122). On his link to the coup attempt, see McCleary (1999, 213). One former CACIF president told me: ‘Gustavo isn’t a liberal, he’s a fascist [...] He doesn’t care about money, he cares about glory.’

claim to represent thousands of businesses across the country seems disingenuous in the light of these comments by its own leaders. One businessman put this in historical perspective: ‘Latin America is still dominated by mercantilism. Usually people participate in these business associations with the objective of securing economic policies that are in their own private economic interest.’ (Giancarlo Ibárgüen Segovia, b.1963, interview 14/4/2). Confirming analysis by scholars such as Dosal (1995), business associations must be understood as organisations uniting the economic elite to help them protect their privileges in negotiations with the state, such as by securing import barriers to foreign competition or limiting taxation on uncultivated agricultural land.

What does Gustavo Anzueto’s testimony reveal about the extent to which business associations are controlled by the families at the oligarchic core? According to Humberto Preti above, families in the oligarchic nucleus have a special place in business associations, with family members sitting on the board of directors of the main organisations. There is evidence for this view: Mario Montano Melville, from the Novella family network that owns Cementos Progreso, was President of CACIF in 2001; members of the Castillo family have maintained important posts in business associations for many years;⁸⁸ and Marco Augusto García Noriega, part of the network of sugar-owning families, has repeatedly been CACIF President. Gustavo Anzeuto’s testimony might seem to contradict this idea that the oligarchic core are dominant. He appears to make no direct mention of families from the oligarchic nucleus such as Gutiérrez or Castillo; the only evident overlap is the sugar growers. Instead he mentions a different clique, which he calls ‘Pyramid’, with names such as Lamport, Bosch and Heinemann (most of whom were involved in the peace negotiations on behalf of the business sector). In fact, these groups are closely related. For example, the full name of Juan Luís Bosch is Juan Luís Bosch Gutiérrez; with his cousin Dionisio Gutiérrez, he heads the Gutiérrez group of companies. Edgar Heinemann’s Central Distribuidora is part of the Castillo’s Cervecería Centroamerica group. Luis Reyes Mayen, another businessman associated with ‘Pyramid’, supplies sugar cane to the Herrería Ibárgüen family’s Pantaleón refinery.⁸⁹ Additionally, even when CACIF’s board of directors has no family member from a financial group in the oligarchic nucleus, this group will usually have representation through the presence of one of its top executives, or CACIF will informally seek their approval or advice before taking major decisions (see Chapter 5, ‘The internal politics of the oligarchic community’). That is, business associations such as CACIF should partly be seen as a façade of the oligarchy, rather than constituting the oligarchy itself.

⁸⁸ A database of business association directors from 1970 to 1989 shows that members of the Castillo family occupied posts in twelve different organisations for a total of 65 years, more than almost any other family in the database (Garst 1993, Anexo 3.5 ‘Las conexiones familiares’).

⁸⁹ While most interviewees recognised these people as forming a distinct group within the business sector, only some labelled them ‘Pyramid’. One source notes that the ‘Pyramid’ group was formed in 1989 and largely financed by Multinversiones, the financial group of Juan Luis Bosch Gutiérrez, who at that time was President of CACIF. The group aimed to secure the election in 1990 of their preferred presidential candidate. Their economic programme was prepared by oligarchic intellectual Manuel Ayau Córdón (ODHA undated, Ch 5n41).

A second aspect of oligarchic privilege concerns their influence over governments. Business association leaders are often surprisingly open about their authority over the state, none more so than former CACIF president Luis Reyes:

[...] in CACIF there is practically a military form of discipline...in CACIF it's important to realise...once when we went to speak with the President [of the Republic], and the President was there, and all his ministers – three or four ministers, on the other side of the table. And when I wanted to say something I didn't ask the President for permission to speak...I asked [President of CACIF] Víctor Suarez – 'President Víctor'...you [interviewer] should take note of this detail [...] it says a lot, it says a hell of a lot!...it explains why...in very few countries – in the world, not just in Latin America – the business sector has the decision-making weight that it does in Guatemala...In Central America they're envious of how we do this...I have various explanations...one of them is...this order and discipline, these small rituals that give the impression of a granite-like unity, even though when we leave the meetings we're fighting about 'Why did you say this?' or 'Why did you propose that?' But when we are speaking to people we have a single voice, we're a single body. So when I was CACIF president I was the one in charge [...] this detail shows how Guatemala is a country of many rituals, these rituals have an enormous importance, how they are perceived [...]

(Luis Alberto Reyes Mayen, b.1951, interview 9/6/00)

Luis Reyes provides a narrative of government deference or subservience to the economic elite. He is proud, even boastful, of the privileged position of business and his role in it. He personally believes that the business sector is influential, and additionally suggests that this influence is obvious to observers, including businessmen from other countries. Even if his story is exaggerated, we might understand it as an allegory of oligarchic authority. Other interviewees similarly emphasised the business sector's political influence. In his testimony above, for example, Gustavo Anzueto stressed that representatives of the country's main financial groups effectively controlled important government ministries. Such testimony accords with studies of oligarchic influence in the state, such as those by Dosal (1995) and Casaus (1992). Families in the oligarchic nucleus have been particularly successful in influencing governments. For example, on numerous occasions the sugar growers have successfully united to force the government to maintain the artificially high price of domestic sugar and to prevent the entry of imported sugar, especially from Cuba. Few business leaders bothered to depict their associations as equal players in a liberal pluralist utopia in which all interest groups have similar influence in the state. They realised that it would sound too disingenuous: everybody knows about their privileged access and decision-making, from government officials to taxi drivers, from diplomats to the business leaders themselves.⁹⁰

⁹⁰ On recent attempts by the Portillo government to challenge the sugar growers, see Inforpress Centroamericana (31/3/00, 3-4) and Central America Report (31/8/00, 2-3). The idea that the state responds to a range of pressure groups and that no single group regularly predominates is usually associated with 'classical pluralism' (see Chapter 1). In 'neopluralist' state theories, however, the state is generally conceptualised as biased towards business interests in economic policy (Smith 1995, 210). As in neopluralist and class theories of the state, some analyses of Latin American business organisations stress their unity and influence over the state (e.g. Payne 2000). Others emphasise their collective heterogeneity and ineffectiveness (e.g. Schneider 1998). Guatemalan oligarchs see themselves in the former rather than the latter light. The methods and consequences of oligarchic political influence in the state are explored in detail in Chapter 5. The same chapter discusses the political

Despite claims of their predominance, the oligarchs frequently express a sense of vulnerability, particularly relating to internal unity, relations with the state, and changes in the global economy.⁹¹ First, vulnerability appears in perceptions of their own disunity. The business sector divisions and fights to which Luis Reyes refers emerged in other interviews. Although the oligarchs exhibited common narratives on central issues such as security of individual private property, they had heterogenous views on some secondary matters. This included coffee growers (who have recently experienced economic difficulties) criticising the privileges of the highly profitable sugar sector, or their divergent views towards free trade (see below). Additionally, underlying the testimony of Luis Reyes is the assumption that the economic elite are unable to maintain their privileges through mere inertia or by virtue of their own existence; they realise that they must take political action to influence the state, otherwise their privileges may be eroded. Such actions include ritualistic displays of absolute unity.

Second, the oligarchs feel vulnerable in their relations with the state. Many interviewees complained about their problematic dealings with the government, how they were constantly faced with new taxes or changes to the labour code, or how the government had failed to consult them on important issues.⁹² This sense of weakness with respect to the state appeared in oligarchic perspectives about the peace process (to be discussed in Chapter 5). At this stage I simply want to highlight different possible interpretations of such complaints. They can be interpreted as narratives of privilege, for they show how the oligarchs automatically expect to be consulted on matters such as proposals to increase the minimum wage. But they also signal a sense of vulnerability seldom subject to academic analysis or exploitation by political opponents.

Finally, a sense of vulnerability is revealed in relation to challenges from the external force of globalisation. I spoke about this with agroindustrialist Humberto Preti:

What do you think of these big families that control so many sectors in the Guatemalan economy?

[...] Here the big families are monarchies within the companies, the son is the prince who's going to be the director of the company, and because of this many of them are inefficient as they don't care if the son is an idiot, they let him manage the company, and that's why many are stagnant or have almost negative growth. The big Guatemalan companies I really see as micro-companies on the Mexican or Colombian scale, because there does not exist a share market that can really capitalise the companies and democratise the capital...And it really is

influence of the oligarchic 'inner core'. That is, I recognise them as an inner core of the economic elite not by 'reputation' but because they influence important political decisions.

⁹¹ This is not to say that the oligarchs are *actually* vulnerable in practice, but rather that they *feel* vulnerable. Subsequent chapters analyse instances in which the oligarchs are, in practice, vulnerable to the state and other forces.

⁹² During the 2002 interviews almost every businessmen complained about the Portillo government raising the minimum wage three times without consulting the business sector. Despite such actions and the governments' explicitly anti-oligarchic rhetoric, at the time of writing Portillo had been unable to challenge any fundamental oligarchic privileges, such as carrying out his threat to dismantle the sugar growers' oligopoly.

necessary and it's going to happen in Guatemala. When the big foreign consortiums come in, when there are decent investment conditions - which there currently aren't - this is going to happen or they'll disappear [...] When was the last time Cementos Progreso issued five million shares that the public could purchase? You must be kidding! Because the family don't want to lose control of the company.

(Humberto Preti Jarquin, interview 26/6/00)

Humberto Preti believes that Guatemala's big family firms should be worried about globalisation, particularly the removal of trade barriers that will permit large foreign companies to enter the Guatemalan market. He points out, quite correctly, that the oligarchy's companies are often small compared to their foreign competitors from countries such as Mexico, Colombia, the United States and Brazil. As will be discussed further in Chapter 4 (*New and old liberalisms*), members of the economic elite might publicly support free trade in the Americas, but in private many feel vulnerable to the foreign competition that will result from free trade agreements with Mexico and WTO rulings that challenge their market dominance.⁹³ Further evidence of the sense of vulnerability is that the financial groups of oligarchic families are increasingly attempting to protect themselves by making alliances with large multinationals. Hence the Novella family's Cementos Progreso recently sold 30% of its holdings to a Dutch company, and Cervecería Centroamerica made distribution deals with Mexican breweries and sought government intervention to protect themselves from looming Mexican competitors. According to Humberto Preti and many other analysts, the sources of the economic elite's fear are related to the feudal forms of organisation in their family firms. The company directors are usually from the founders' family or families related through marriage. It is difficult to obtain data on these companies, but one guide is that between 1947 and 1986 all but one director of the Cervecería Centroamerica had the surname Castillo (either from the father or mother), and the current generation of sons work in the family firm (Cervecería Centroamericana 1986, 136-140). These companies are also overwhelmingly inward-oriented, attempting to maintain family control by not looking for outside capital.⁹⁴ While the fear of free trade may force the oligarchs to become less

⁹³ Interview testimony suggests that industrialists and retailers with large stakes in the domestic market generally fear free trade and seek government protection from foreign imports. Free trade is familiar to most agriculturalists, who have been subject to the vicissitudes of international commodity markets for decades. They too, however, often see foreign competition as 'unfair' and desire state protection. (Some said they should receive government subsidies like EU farmers.) Those in the financial sector seem the most genuinely in favour of removing trade and investment barriers: bankers can make money from both domestic and foreign investors. A consequence of neoliberalism is that poor countries such as Guatemala still find much of their comparative advantage in the agriculture sector, and thus are effectively forced to continue 'uneven' economic relationships with the North that were familiar to the dependency theorists of the 1970s. Even the maquiladora industry reflects aspects of this dependency, for factory owners are usually foreign (Koreans in the case of Guatemala) and profits rarely stay in the host country. And given that the WTO tends to favour the North over the South in trade disputes, it is understandable that Guatemala's economic elite are less neoliberal in their thinking than at first appears.

⁹⁴ This attitude also seems present amongst the Mexican economic elite. In their study of one family, Lomnitz and Pérez-Lizaur claim that: 'Gómez entrepreneurs resist forming conglomerates or "going public" because these decisions imply forfeiting individual power over their businesses. A corporate executive can no longer provide jobs for his nephews or nieces; he cannot withdraw capital for real estate deals or for a daughter's wedding.' (1987, 13)

feudal in their economic organisation (a change that seems to be occurring only very slowly), their sense of vulnerability could stimulate them to find new ways of maintaining their privileges in the era of global capitalism

The oligarchic community

The standard scholarly focus on class position, family networks, and business associations, provides little opportunity for approaching the oligarchy as a community, with features such as particular forms of socialisation, shared social norms, internal sub-groups, and relations with other communities. But it is important to remember, as the anarchist thinker Peter Kropotkin stressed, that even the wealthy have communities (1998 [1902], 228).⁹⁵ This section is divided into four smaller sections that focus on different aspects of the oligarchic community: family intermarriage and socialisation; the isolated nature of oligarchic social life; the many layers of the oligarchic community; and the bond of race amongst members of the economic elite.

Family intermarriage and socialisation

When I interviewed Betty Hannstein, a German-descended coffee plantation owner, she began by talking about German families prominent in the Guatemalan business community. One of them is the Nottbohm family:

[...] Dieter is the kingpin there, but his brother Tommy, and his son Dieter the Second – Johann Dieter, J.D...I don't know what they called him when he was at Yale - when he was at Harvard [laughs]. And then Lorenz, Heinrich Lorenz is the architect [...] and he and Dieter Senior were roommates at Harvard. So that's the same sort of, you know, connecting web around Guatemalan society...and, let's see, Lorenz married into another very, very important family, that is Weber, and so Erika Weber is Fritz Weber's daughter, and she married Heinrich Lorenz. [...] And she inherited a great number of *fincas* from the Weber side. And her husband Lorenz had two or three *fincas* too, so their son now is running the Lorenz finca that is neighbouring mine. And we of course knew the Webers and the Lorenzes.⁹⁶

(Betty Hannstein Adams, b.1929, interview 30/6/00)

Betty Hannstein's testimony suggests that members of the economic elite are unified through intermarriage in select family networks. She highlights the 'connecting web' amongst families in 'Guatemalan society', the latter being her euphemism for the economic elite. She situates herself

⁹⁵ I define 'community' in Chapter 1. For analyses of economic elites as communities in other contexts, see John Scott's discussion of the idea of the 'gentleman' and 'the old-boy network' in Britain (1982, 89-96, 158-179), or C. Wright Mill's comments on 'local society' in the United States (1956).

⁹⁶ For reasons of privacy, I have used Lorenz and Weber instead of the real family names, and have also provided fictitious first names for their family members.

within this world; these people are family friends who she knows on a first-name basis.⁹⁷ Central to the connecting web is intermarriage between wealthy families, here illustrated by the marriage of children of coffee farm owners, both descended from Germans who came to Guatemala at the end of the nineteenth century and beginning of the twentieth century. German immigrants primarily established themselves as coffee growers and were quickly incorporated into the oligarchy through marriage and business ties.⁹⁸ The testimony illustrates how marriages play an important role in strengthening economic ties between families as land and other assets are inherited through the generations.

While the oligarchs distinguish between the economic elite and those families at its core, all families within the oligarchy are related through marriage, ensuring unity within diversity. Gloria Novella Wyld de Urruela, for instance, is a member of the Novella family, identified with the oligarchic nucleus, and sits of the board of the family firm Cementos Progreso (Cementos Progreso 2000). She is also married into the Urruela family which, although not seen as part of the core, is recognised by scholars as one of Guatemala's central oligarchic family networks (Casaus 1992, 106-118, 143). Existing studies consider some families in the oligarchic core, such as Castillo, Novella and Herrera Ibárgüen, to be part of the traditional economic elite (see Appendix D). Most analyses, however, omit mention of families in the nucleus who made their fortunes in the second half of the twentieth century, such as Gutiérrez and Paiz. These 'newer' families are firmly integrated into the older oligarchy through family and business ties. For example, I interviewed Isabel Paiz Andrade de Serra. Although her father, who founded the family retail business in the 1920s, was from humble origins, her mother was a member of the respected Andrade Keller family, and her marriage to Juan José Serra Castillo connected her with the Cervercería Centroamericana brewery fortune.⁹⁹

The oligarchs live their lives within the locus of these family networks, which constitute a permanent reference point in their worldviews. In Lomnitz and Perez-Lizauer's anthropological study of a Mexican elite family, their main informant, who protests that her knowledge of the family is inadequate, produces a family genealogy of around 300 names in one sitting, and gives biographical details of around 200 relatives (1987, xi). Betty Hannstein did not perform this feat for me, but her testimony reveals a mind full of family interrelations. Other interviewees were constantly making genealogical references to kin, such as a grandniece, who would be considered distant in my own

⁹⁷ Betty Hannstein also feels different from many members of the elite due to her more 'liberal' views on a number of social issues, and through having lived in the United States for many years due to marrying a US academic. Like many coffee growers she acknowledges that certain families have enormous land holding, but stresses that plantation ownership is far less concentrated than in other sectors such as sugar. Despite this phenomenon, the National Coffee Association is generally dominated by a select group of elite families.

⁹⁸ For a history German families in Guatemala, such as Dieseldorff, Heinemann and Klee, see Wagner (1996). Their incorporation into the oligarchy is analysed in Casaus (1992, 136-167).

culture but who to them were part of daily life. (Sometimes I did not know the Spanish words for these seemingly obscure connections, and had to check them after the interviews.) Often in passing, interviewees provided me with genealogical information about families outside their own primary network. For example, reference to a particular businessman would be accompanied by mention of his father's business career, or the land holdings of his wife's family. In the Cervercería Centroamericana museum, the Castillo family tree is on prominent display and takes up a whole wall.

Few studies of the Guatemalan oligarchy recognise that various forms of socialisation reinforce these networks of interrelated families. In particular, members of the oligarchy - men and women, young and old - are constantly participating in family engagements and rituals, both sacred and secular. Almost every week there may be a christening, a wedding, a family dinner party, a hospital visit, a funeral. Such rituals, according to Lomnitz and Pérez-Lizaur's study of the Mexican economic elite, 'define and continually redefine the boundaries of the kinship network versus the rest of society'. They also argue that these rituals are 'arenas of communication through which the world view or ideology of a group is transmitted' and that they serve an economic function, as business deals are often transacted during these occasions (1987, 159, 190). I attended one such oligarchic ritual, a family lunch that occurs each week. There were around ten of us at the table, including the elderly mother and father, children, nephews, cousins, and a couple of old family friends. They caught up on family news, talked about government corruption, complained about military involvement in the black economy and about recent changes in the labour code, discussed new economic opportunities, and made racist jokes about indigenous people within hearing of the maid. Many family rituals are announced in newspapers, which effectively function as notice board for the elite. One of these was the funeral of former CACIF president Harald Liere Barillas, who died in a flying accident.¹⁰⁰ Following the details given in the paper, I watched members of the oligarchy congregate outside the exclusive Funerales Reforma in Zone 9 in Guatemala City after having arrived in their new four-wheel drives and sports cars. The presence of military police prevented me from approaching too closely. I felt it would be overly intrusive to follow them to the Los Cipreses cemetery, where the oligarchs bury many of their dead.

⁹⁹ For her family history see Paiz Ayala and Schloesser de Paiz (1997). On the Castillo family see Cervercería Centroamericana (1986) and Casaus (1992); on the Keller family see Wagner (1996).

¹⁰⁰ See the black-rimmed funeral announcements and condolence messages in *Prensa Libre* 18/5/2000 and 19/5/2000. Guatemala's economic elite love flying their own planes and helicopters. Betty Hannstein was proud to be the first woman in the country to obtain a pilot's license. As part of the Air Force Reserve, some oligarchs flew their own planes into and out of combat areas during the civil war to help the army transport troops and equipment. A much-quoted statistic is that Guatemala has the highest number of helicopters per capita in the world. For a pictorial depiction, see the excellent photo in a National Geographic article on Guatemala with the caption 'Flying his own helicopter, a landowner visits a family finca near Fuego Volcano' (National Geographic, June 1988, 794).

Community in isolation

The oligarchy is not only families, firms and business associations, but also a distinct community that exists isolated from the rest of society. This isolation is also common to economic elites in other societies, such as Brazil (Caldeira 2000). Even when people are not directly related through kinship or economic ties, Guatemala's oligarchs see themselves as part of an exclusive or self-contained social group. Business people repeatedly exclaimed that 'Guatemala is such a small place, everybody knows everybody else'. When asked by interviewees, 'With whom have you already spoken?', their response to a name was often something like 'Oh, you spoke to Edgar – his sister was my mother's best friend'. The forms of socialisation that help unify this community occur in social and architectural spaces separated from the majority of the population. With respect to education, for example, the oligarchs attend a small selection of private schools such as the Colegio Americano, Colegio Montessori, Colegio Alemán and Colegio Monte Maria.¹⁰¹ They often then study at the private neoliberal Francisco Marroquín University in Guatemala City. Some children of the elite go the United States for their undergraduate or higher degrees, including to exclusive universities such as Harvard, mentioned in Betty Hannstein's testimony. The oligarchs spend their leisure time in country clubs, or meeting business colleagues in social clubs in the city such as the aristocratic Club Guatemala, or dining together in the capital's five star hotels. One favourite is the Camino Real Hotel, where a perusal of the lobby notice board reveals private rooms hired out by the oligarchs for luncheon parties or other social engagements. Even meetings of Rotary Clubs, in which the economic elite make some attempt to reach out beyond their own community through philanthropy, generally occur in exclusive hotels. Other aspects of oligarchic leisure are far removed from most Guatemalans' lives. For example, I visited a private gym in wealthy Zone 14 and watched uniformed indigenous maids sitting around the poolside while their child charges enjoyed themselves in the water; many lockers in the men's changing room bore names appearing in lists of oligarchic families. Expensive nightclubs in Zone 10 are a favourite haunt of the young elite. Teenage daughters of the wealthy sit amongst the designer shops in new shopping malls eating McDonalds, while their bodyguards stand diligently behind; these girls, when older, may do their shopping in Miami. In all these social spaces security guards are present to prevent undesirables entering. The mostly Catholic oligarchs also see each other in church, and the wealthiest families have their own places of worship.¹⁰² I was stopped by an armed guard when attempting to approach Santa Delfina de Signé, the Castillo family's private church. Perhaps the most exclusive social spaces are the guarded, gated communities of the rich, in areas such as Zone 14 in Guatemala City (see Chapter 7).

¹⁰¹ The older generation of oligarchs were often educated at schools run by priests or nuns. This is less common for the younger generation. A similar pattern of educational secularisation may be occurring in the Salvadoran and Mexican elite (Gorkin, Pineda and Leal 2000, 25, 75; Lomnitz and Pérez-Lizauer 1987, 208). For a fictionalised description of an elite Guatemalan boys school, see Goldman (1992, 25).

¹⁰² According to Casaus (1992, 297) an increasing number of oligarchs are converting to Protestantism.

The many layers of community

The oligarchic community contains multiple layers in the form of internal communities or sub-groups. Some of the most important are Germans, the social aristocracy, and women. First, German-descended families send their children to the German school (Colegio Alemán) where they learn to speak German, English and Spanish, and they socialise together at clubs such as the Von Humboldt. They see themselves partly as a separate 'colony': 'Guatemala has always been an interesting country for German immigrants. German discipline, German tenacity, German reliability, together with the relatively relaxed and friendly lifestyle in Guatemala seems like an ideal combination, and you see this when you look at the whole German colony that has settled here. They're all joyful, happy, and successful people.'¹⁰³

The social aristocracy form a second sub-group. Many families mentioned in Casaus's (1992) study of the oligarchy no longer appear to have public prominence in business organisations, or to wield significant economic and political influence. Yet interviewees acknowledged that many of these older families remained an important part of the elite and retained considerable social status. For instance, a close relative of Adela Camacho Sinibaldi de Torrebiarte, mentioned above, said that although Guatemala has an economic elite, within this one should distinguish the old aristocratic colonial families, such as Aycinena, Beltranena, Camacho and Sinibaldi. These families, of which Adela de Torrebiarte is a member, continue to be large landowners, even when many family members have entered professions such as law and medicine.

Finally, women form an important sub-group in the oligarchic community. Few studies of the economic elite mention women (e.g. McCleary 1999), but some scholars recognise the role of women, particularly through participating in marriages that link family networks (Casaus 1992). But women are also involved in the economic sphere. While the world of work and business associations is dominated by men, some women take part in family businesses. The daughters of the economic elite sometimes work in the family firm, and the matriarch of the family is often consulted or involved in major business decisions. I was surprised by the number of women who ran coffee plantations that they had inherited. While often these were maintained by male administrators, female owners sometimes played a direct role in managing the business. Young women from the elite are increasingly accessing higher education and entering professions, such as law. However, most women I spoke to acknowledged that the majority of young wealthy women avoid the workforce. I asked one woman, who knows daughters from the Castillo family, why they do not work in the family company:

‘Because they want to live the good life. These are the people who don’t want to do anything. They meet for coffee, they get married, they have kids.’ (Silvia Gándara Berger, b. 1979, interview 18/4/2)

The bond of race

The oligarchic community is united in a common racism against indigenous Mayans. Survey data on racial attitudes shows that the oligarchs have an image of themselves as ‘white’ or ‘creoles’ of European descent, in opposition to the ‘dark-skinned’, ‘short’, ‘idle’ and ‘docile’ indigenous population (Casaus 1992, 207, 224, 245). Interviews confirmed such attitudes.¹⁰⁴ A former CACIF president said, while chuckling: ‘Guatemalan creoles, the elites, think they are genetically Spanish!’ (Luis Reyes Mayen, b. 1951, interview 9/6/00). One interviewee described ‘a very swarthy, small, ugly-looking, flitty-eyed Indian from Quetzaltenango’. Another complained about the ‘ignorance’ and ‘lack of ambition’ of the indigenous workers on her *finca*: ‘you offer to pay them more for doing some more work, and all they can say is “no thanks” and then throw themselves into a hammock!’ In a documentary film on German families in Guatemala, Inge Schleeauf says: ‘My sister-in-law often told me, “Watch out, the Indian is deceitful.” And I’m sorry, but I’ve got to agree.’ (Stelzner and Walther 1999). Racism was displayed when interviewees complained that their maids could not learn to cook the simplest of dishes or when they paternalistically patted them on the head. Interviewees regularly used derogatory words for indigenous people such as ‘*Indito*’ or ‘*Indio*’, or ‘*la muchacha*’ when referring to their maid. Racism was also evident when the oligarchs exclaimed about the large families of indigenous people and their uncontrollably growing population; the implication was that the Mayans were breeding like animals.¹⁰⁵ The oligarchs stress their racial purity and hide any taint of indigenous blood.¹⁰⁶ One businessman in Stelzner and Walther’s documentary exclaims: ‘I was born here, and according to this country’s laws, I’m a local, but my parents were purely German. My mother’s from Schleswig-Holstein, my father from Oldenburg and so I’ve been accepted by the embassy as German - 100%!’ Around a century ago German coffee grower Erwin P. Dieseldorff had an illegitimate daughter with an indigenous q’eqché woman named Matilde Cu’. The daughter married

¹⁰³ Fritz Garcia Gallont, businessman and politician, from the documentary film *The Civilizers: Germans in Guatemala*, Stelzner and Walther (1999).

¹⁰⁴ A few interviewees had less pronounced racist attitudes or had highly developed sensitivity to problems of racism in Guatemala. Some displayed political correctness by referring to ‘the indigenous population’ and using ‘domestic service’ when speaking about their maids. Guatemala’s middle classes also display racist attitudes and endeavour to distance themselves socially from indigenous people.

¹⁰⁵ In *The Civilizers*, finca owner Hans-Peter Droege displays the narrative of problematic over-breeding, hinting at a fear of being overrun by the natives in the future: ‘The families here have a lot of children and don’t even think about planned parenthood. They’re just 14, 16 years old and they think about getting married so of course, they’ve got lots of time to have babies [...] They start when they’re 16, so by the time they’re 40, they’ve got 10 kids...I have no idea what we’ll do in twenty years’ (Stelzner and Walther 1999).

¹⁰⁶ Tani Adams (2002, 99) refers to the Guatemalan economic elite’s rejection of their blood ties to indigenous people as a form of ‘self-hate’ (*auto-odio*). It is often reflected, she claims, in their comments about travel to the United States. While they are considered hegemonic ‘whites’ in their own country, in the United States they sense that they are no longer seen as ‘whites’ but as indistinguishable ‘latinos’ or illegal immigrants.

another German coffee grower, Max Quirin. When I spoke to the latter's grandson, who has the same name, he remarked on his German heritage but made no mention of his indigenous bloodline (Wagner 1996, 194; Max Quirin, b.1962, interview 25/5/00).¹⁰⁷

Most Guatemalan oligarchs, however, deny that they are racist, both to themselves and those outside their community. Typical is the attitude of a rightwing landowner from the National Agrarian Coordinating Committee (CONAGRO):

They tell me that 'in Guatemala you are very racist'. No, no it isn't true. In Guatemala all the indigenous population who lived here before the Spanish came, all their descendants are still here, all of them are here [...] Where are the American Indians? There aren't any, right? [...] You have to see that the situation of the indigenous population when the Spanish conquistadors came was a terrifying degree of savagery. It was a theocratic society, those who lived and ate well were the military and the priests and nobody else. All the others lived by alms, semi-naked. It was an oppressive society, it was a repressive government, tremendously oppressive. So you have to know a bit about how things were to judge whether things now are better or worse.

(Roberto Diaz Schwarz, interview 8/6/00)

Roberto Diaz raises the issue of racism unprompted and immediately attempts to refute the accusation. Many interviewees, from various economic sectors, were similarly defensive about being labelled as racist and exhibit numerous narratives of denial. Roberto Diaz says there could be no racism in Guatemala because there are still so many indigenous people and they have not been wiped out unlike in other countries. Moreover, political and economic conditions are now much better than in pre-colonial times, so obviously they have not been mistreated. While making these historically dubious and unfounded claims, he unconsciously displays deeply racist attitudes. First, he assumes that the natural state of indigenous people is as backward barbarians, living by alms, semi-naked. Second, he implicitly denies Guatemala's post-conquest history of subjecting the indigenous population to economic exploitation (such as forced labour) and political violence (including massacres during the armed conflict). Congruent with this, many interviewees claimed that indigenous people were not targeted during the civil war, despite the 1999 Truth Commission Report declaring the army's scorched earth campaign in the early 1980s as 'genocide' under international law (Jonas 2000, 33). A former President of the Chamber of Commerce and CACIF, who is considered a moderate in the business sector, said the claim that the military campaign was 'ethnic extermination'

¹⁰⁷ In a comparable story, Betty Hannstein's grandfather had an illegitimate child with a local woman, but returned to Germany to find a more publicly acceptable wife. In his memoirs her father, Walter Hannstein, said that her grandfather Bernard had 'taken a woman into his home and now found himself father to a child that resembled him closely...He was appalled at the darkness of the child's skin and hastily bought a piece of land for the woman, gave her an adequate sum of money and hastily made his way back to Europe with the firm resolution to return with a lawful wedded wife' (Hannstein 1995, 26).

is ‘totally [...] false’ (Peter Lamport Kedsall, interview 30/5/00). In many ways the oligarchs can be identified by their racial blindness and their mastery of the art of forgetting.¹⁰⁸

Conclusion

The original question of this chapter was: What are the most important defining characteristics of the Guatemalan oligarchy? As discussed in Chapter 2, I agree with the extant literature that Guatemala has an oligarchy, which can generally be identified in relation to class position, family networks, and business associations with privileged political influence. I differ from these studies by focusing on family networks, and the additional aspect of community interaction, as the most important criteria for membership of the economic elite. Interviews reveal various defining characteristics of the oligarchy that are largely absent in the existing literature. First, those who scholars identify as oligarchs themselves claim that Guatemala has an ‘elite’. Although not always feeling part of this exclusive group, their admission of its existence provides unusual and powerful evidence that there is an oligarchy comprising an identifiable social group. Second, although the oligarchy is unified in many ways, particularly through marriage ties and cross-sectoral business integration, there is a distinct inner core or nucleus within the economic elite. Third, while interviewees consider the economic elite to be privileged in important respects, they also express a sense of vulnerability. Finally, the oligarchy comprises a community characterised by more than the family networks and shared racism identified by some scholars; the community also features various forms of socialisation, isolated lifestyles, and a number of sub-groups.

How do these insights contribute to the forthcoming analysis? The art of portraiture is not merely representational: paintings such as Holbein’s *The Ambassadors* give us clues or indications about the worldviews and social behaviour of elites (Berger 1972, 89-95). So it is, too, with this portrait of Guatemala’s oligarchic community, which provides a basis for understanding the narratives and practices that will be explored in subsequent chapters. The connections between this and other chapters will emerge as the analysis develops; here I will signal some of the linkages to oligarchic worldviews and practices.

Confirmation by interviewees that Guatemala has an economic elite is fundamental to the whole idea that there are identifiable oligarchic worldviews and practices, for these worldviews and practices must inhere in, or originate from, a distinct entity. That some members of the elite do not self-identify with the oligarchy makes it easier to understand why they are often willing to speak openly about sensitive topics such as the oligarchs’ privileged political practices (e.g. Chapter 5, *The methods of*

¹⁰⁸ The oligarchy’s worldview on the relationship between race and private property is examined in Chapter 4

oligarchic political influence) or relations with the military (Chapter 7). Realising that the economic elite has a distinctive nucleus or inner core is important for understanding the oligarchy's political practices in the peace negotiations, for this nucleus was particularly influential (Chapter 5, *The internal politics of the oligarchic community*). Additionally, having a conception of the oligarchs as divided in certain ways is a basis for being open to, and comprehending, the variety of worldviews and practices amongst members of the elite. Recognising that the oligarchs feel that they have influence in the state helps explain their belligerent and inflexible negotiating stance in the peace talks (Chapter 5, *Negotiating the Socioeconomic Accord*), while identifying a sense of vulnerability within the oligarchy provides insights into their fears of both agrarian reform (Chapter 4) and violent crime (Chapter 6, *The community of victims*). Finally, shared experiences in the social life of the oligarchic community are a means of generating and reinforcing their shared worldview, and help them develop a sense of wanting to protect the privileges of people within their own community while being less sensitive to those outside its boundaries, such as indigenous people or poor *campesinos* (e.g. Chapter 4, *Race and the subordination of minority rights* and Chapter 6, *State authority*).

Thus the worldviews and practices of Guatemala's oligarchs must be understood in relation to the various characteristics that define the oligarchs as an identifiable social group. But it is important to remember the symbiotic process by which these characteristics are themselves constituted and conditioned by these very worldviews and practices.

CHAPTER 4: THE OLIGARCHIC WORLDVIEW ON PRIVATE PROPERTY

Introduction

Private property is the subject of this and the following chapter. The question in this chapter is: What is the oligarchy's worldview with respect to security of private property? The analysis provides the background necessary for considering the question of Chapter 5: How did this worldview on private property shape the oligarchy's political practices to prevent a redistributive agrarian reform from appearing in the Accord on Socioeconomic Aspects and the Agrarian Situation, negotiated as part of the peace process in 1995 and 1996? Overall these chapters will illustrate how worldviews guided the oligarchs' political practices that limited the development of liberal democracy in Guatemala in the last decade of the twentieth century.

Chapters 1 and 2 have established the reasons for studying the oligarchy's relationship to private property in Guatemala. First, it can contribute to an understanding of the role of economic elites in democratisation processes, both in Guatemala in particular and Latin America in general. It provides an opportunity to explore whether the oligarchy's protection of their property helps or hinders the realisation of liberal democratic values in practice. Second, Guatemalan history has revolved around the oligarchy's domination of private property, and thus any assessment of continuity and change in Guatemalan history should address the property issue. As discussed in Chapter 2, the centrality of oligarchic property to Guatemalan history is evident in three areas: the development of the land tenure system since the colonial period, the origins of the civil war, and the struggles of the armed conflict and peace process. Additionally, statistics already cited illustrate how inequalities of land ownership and access are acute, with the indigenous population being particularly marginalised.

What does 'private property' mean for the economic elite? The oligarchs own agricultural land, processing plants, factories, office buildings, houses, planes and many other things. Protecting the private property system mainly entails preventing an expropriative agrarian reform, for this has historically been the most fundamental challenge to their economic position. Preventing agrarian reform has come to symbolise protecting the system of individual private property as a whole. But they also resist other changes to the property system, such as tax increases on unused or underutilised agricultural land, or constitutional amendments acknowledging that property is not just for the use of the private individual but has a 'social function'. These are the aspects of oligarchic property that primarily concern me. I also realise, however, that property means something rather different for other sectors of the population. For landless *campesinos* it is a *parcela*, or small plot of land, on which they

can grow maize and beans, and build a house. For indigenous Mayans it can also mean ancestral lands or communal property that was expropriated or stolen in the past. Poor, mostly indigenous *campesinos* have often made efforts to alter the vast inequalities of the property system. In the civil war this involved supporting the guerrillas; at other times it has led to participation in ‘occupations’ of large, usually private, rural landholdings.

This chapter analyses the oligarchy’s worldview with respect to private property by examining their narratives on this issue. My main purpose is to demonstrate how the oligarchs believe that the existing property regime should remain unchanged. Their unwillingness to support reform cannot be reduced to a simplistic desire to maximise their rational economic self-interest or to protect class interests, assumptions that underlie many approaches to economic elites and dominant classes (see Chapters 1 and 2).¹⁰⁹ Rather, oligarchic thinking on property is far more complex. To illustrate this complexity I have divided their narratives of private property into various thematic categories: *New and old liberalisms*, *Rights as the maintenance of privilege*, *Economic development without property reform*, *History in the present*, *Family ties to the land*, *Race and the subordination of minority rights*, and *Property as violence*. Documents published by business organisations illuminate the first of these narratives, but provide few insights into the others. For these latter narratives the analysis relies primarily on interview testimony.¹¹⁰

Following analysis of these themes I draw two main conclusions. First, the oligarchs are absolutely united across economic sectors in desiring to protect the existing property regime. There are no distinct groups, such as an urban business elite, that support a redistributive agrarian reform or other fundamental changes to the property system. Second, oligarchic narratives illustrating a desire to secure the private property of the wealthy few are incompatible with various liberal democratic values. Protecting private property reigns supreme and trumps other liberal democratic rights, such as civil rights and minority rights. The oligarchs cannot therefore claim to be ‘modern’ in the sense of upholding the full range of liberal democratic rights.

¹⁰⁹ As would be expected, public business documents do not justify the existing property regime in terms of the elite’s economic self interest. Perhaps more surprisingly, the interviews provided little evidence of such rational self-interested motivation. While some interviewees spoke of being in business for personal profit, their opposition to property reform is seldom expressed in terms of economic self-interest. Rather, their thinking takes the form of the narratives that structure this chapter. Members of the oligarchy, it seems, have been able to separate their desire to maintain their wealth from the way they think about private property. Other ethnographic studies of elites, such as that undertaken in Mexico by Lomnitz and Pérez Lizauer, also downplay the importance of profit-making and economic self-interest as motives for economic actions (1987, 13, 218).

¹¹⁰ I also provide critical interpretations of the oligarchy’s perspectives, drawing on liberal democratic, Marxist, anarchist and other thought. These critiques help to clarify the content of the oligarchic worldview and to prevent the presentation of their testimony being a free platform to legitimise their views.

New and old liberalisms

This section primarily draws on written documents prepared for the peace talks to illustrate a narrative of new and old liberalisms in oligarchic thinking about security of property. The oligarchic worldview appears to reflect the ‘silent revolution’ of neoliberalism that has transformed Latin America since the 1980s, particularly the ideas that economic growth requires minimal government interference in the private property system and that the state should only have a technical role in sustaining market efficiency (Green 1995). However, further analysis shows a more dominant narrative of an older form of liberalism - liberal republicanism - reflecting the legacy of nineteenth-century Central American economic elites.

The business confederation CACIF presented its official public position on the Socioeconomic Accord negotiations in ‘Guatemala: Reflections on the Past, Considerations of the Present and Recommendations for the Future’ (CACIF June 1995). The title page gives the author as CACIF’s Business Peace Commission (CEPAZ), a body created around 1994 to coordinate business sector lobbying in the peace talks. In this sense it represents the consensus view of the various CACIF sectors, including agriculture, commerce, industry and finance.¹¹¹

Private property is a major theme in the document. Social and economic development, it says, requires a democratic system, a market economy and the rule of law. The Constitution of the Republic is the basis of the rule of law and must guarantee the basic rights of citizens – life, liberty and respect for private property (p.11). The section on Agrarian Policy claims that it is a mistake to solve the nation’s agricultural problems by giving every peasant a small piece of land. The evidence of the previous 50 years in Guatemala is that the least productive land is that which has been distributed through state agrarian reforms. Instead development requires: respect for private property, individual property titles, technical aid and access to credit (p.32). The section on The Private Property Regime argues that private property is ‘an absolute and individual right’ that permits individuals to ‘develop all of their faculties’ and ensures a ‘just and harmonious social order’. The real problem is the lack of judicial security for property owners, which will require modernising the system of property registration (p.52-3).

¹¹¹ While the document includes material from particular business organisations such as the National Coffee Association (ANACAFE), interviews suggest, but do not confirm, that the main author was industrialist Víctor Suárez Valdes. I also believe that Suárez wrote CACIF’s reply to the first draft proposal of the Socioeconomic Accord: the form of argument, syntax and language resembles my two interviews with him (CACIF 3/6/95). His importance as an elite intellectual has encouraged my analysis of his testimony (see below), and his role illustrates the hybrid personal-public nature of some documents. The purpose of CACIF’s document was not to generate public consent. It was a ‘public’ document intended for other elite actors in the peace process, such as the government Peace Commission, the URNG leadership and the UN Moderation. As the case of El Salvador illustrates, peace processes are frequently arenas for elite negotiation rather than public input (Whitfield 1999, 264-265).

This document, and a number of others, illustrate neoliberal thinking about private property. In fact, throughout the 1980s and 1990s business organisation publications became less concerned with addressing historical issues such as the origins of the armed conflict, and more imbued with ‘rational’ neoliberal language.¹¹² This neoliberal thinking takes two forms. First, private property is considered a technical or administrative issue. According to CACIF’s peace process document, an efficient system of individual property registration will aid economic development. Improving the agrarian situation requires technical aid to help farmers rather than expropriative land reform. Non-public business organisation commentaries on drafts of the Socioeconomic Accord show a profound and explicit concern with such ‘rational’ language. The National Coffee Association rejected some proposals on property reform not simply because they might encourage state interference in the economy, but on the grounds that they use ‘social vocabulary’ such as ‘social justice’, ‘exploitation’, ‘possession’ and ‘problematic’. This language is ‘confrontational and not sufficiently technical’, and ‘too subjective’ (ANACAFE 17/10/95). A second aspect of neoliberal thinking is that private property is considered an economic resource (not just the classical liberal idea of property as a right). Individual private property is understood as a means to the end of economic growth. Land reform is rejected as it is an ineffective policy to increase productivity and economic growth.

There is some more general evidence of neoliberal thinking in the oligarchy. CACIF’s public proposal for the peace accords contains other neoliberal policy pronouncements apart from those concerning private property. For example, it supports policies such as privatisation and encourages peasants to become microentrepreneurs of the global economy.¹¹³ Moreover, some interviewees, particularly from the financial and commerce sectors, referred directly to neoliberalism and used neoliberal language when discussing public policy. Typical was a former President of the Chamber of Finance and the Central Bank who told me that by the early 1990s even some guerrilla leaders had begun to ‘accept concepts that just at that time were starting to be called neoliberal’ (Federico Linares Martínez, b.1941, interview 9/6/00). Neoliberal proposals were also evident amongst young business people educated at the Francisco Marroquín University. One, for example, said that the labour code should be abolished ‘as it’s a right that is practically unconstitutional – it’s classified as a social right!’ (Silvia Gándara Berger, b.1979, interview 18/4/2).

¹¹² Possible explanations for this are the influence of international financial institutions in Guatemala, and also that members of the business community increasingly studied subjects such as public administration, finance and economics, both at foreign universities and at the libertarian Francisco Marroquín University in Guatemala City. (The main lecture hall at the latter is named after Hayek.) Green (1995, 27-30) analyses how neoliberal economists express their views using the rationalistic language of mathematics, engineering and physics.

¹¹³ For analysis of the Socioeconomic Accord’s neoliberal language, based on readings of Polanyi and Foucault, see Short (2000).

A deeper analysis of business documents and other sources shows that a liberal republican narrative about private property is more dominant than neoliberal thinking. During the nineteenth century, liberal republicanism became a significant mode of thought amongst Latin America's economic elites. It was constituted by ideas including the individual right to private property, respect for the constitution of the republic, economic development of the nation, free trade, rights-based civic codes, the secular state, the supremacy of 'white' culture, and the importance of order. In Latin America this liberal republicanism was characterised by the privileges it provided to economic elites.¹¹⁴ For example, in many countries individual private property rights secured land taken from indigenous people during the colonial period and justified expropriation of communally-held property. Additionally, unequal property distributions were protected through enshrining property rights in constitutions that were deemed sacred and inviolable.¹¹⁵ Moreover, the idea of the economic development of the nation helped legitimate coercive practices, including forced labour on agricultural plantations. In Guatemala, such liberal republicanism appeared in the so-called 'Liberal Reforms' introduced after the 1870s (see Chapter 2). New laws enshrined the individual right to private property, the state expropriated lands that were communally held by indigenous people and the church, and the government legalised forced labour to ensure workers for the coffee harvest. These practices benefited the economic elites that largely controlled the state.¹¹⁶

Returning to the end of the twentieth century, CACIF's main peace process document repeatedly emphasises three liberal republican leitmotifs: the individual right to private property, respect for the constitution, and economic development of the nation. These form three sub-narratives of liberal republican thinking in the oligarchic worldview, and show that at on some level the oligarchs remain liberal republicans of nineteenth century Central America, living out the ideology of their ancestors. First, the document refers to the 'absolute and individual right to private property' more frequently than it mentions the neoliberal aspects of private property discussed above. In neoliberal thinking, in contrast, the language of economic efficiency is more important than the language of rights. The link to nineteenth-century liberal republicanism is more explicit in a CACIF commentary on a Socioeconomic Accord draft, which states that 'judicial security with respect to property and land

¹¹⁴ Dunkerley 1988, 8; Cambranes 1992, 316-17. Latin American scholars often refer to this nineteenth century liberal republicanism simply as 'liberalism' (Williamson 1992, 233-236, 280-284). In contemporary political theory republicanism tends to refer to 'civic republicanism' rather than 'liberal republicanism'; the two are quite distinct (Kymlicka 2002, 294-299).

¹¹⁵ The US constitution of 1787 had set an important precedent for Latin America's constitutions in terms of private property: it replaced the phrase 'life, liberty and the pursuit of happiness,' which appeared in the Declaration of Independence, with 'life, liberty, or property' (Zinn 1995, 98). While private property is enshrined as a constitutional right throughout the Americas, in some other parts of the world private property is protected by non-constitutional law.

¹¹⁶ 'The object of the Liberal regime was 'development,' which they equated with their own prosperity and with the introduction into Guatemala of many of the readily apparent material and cultural characteristics of North Atlantic civilization...' (McCreery 1994, 173).

tenancy has been clear since the civil code promulgated more than 100 years ago during the government of Justo Rufino Barrios' (CACIF 3/6/95).

Second, in CACIF's primary peace process proposal, a liberal republican reverence for the constitution appears in repeated references to upholding the 'Constitution of the Republic'. Further evidence is that during negotiation of the Socioeconomic Accord in 1995 and 1996 the elite were extraordinarily sensitive to one draft proposal in particular: that the constitution should be changed to recognise 'the social function of property, be it individual or collective, public or private'. For the oligarchs this phrase - common during the property reform of the early 1950s - is a threatening euphemism for land redistribution.¹¹⁷ If property does have a social function, they say, it is not to be part of a socialised economy, but to contribute to the personal development and economic advantage of the individual within the context of the market economy. ANACAFE, for example, rejects the proposal, reaffirming the status of individual property rights and the constitution: 'There can be no negotiation of a constitutional reform of articles 39 and 40. Amongst other things it would entail land expropriation.' They also totally object to the proposal of imposing higher taxes on, and expropriating, certain underutilised agricultural property: 'the law cannot express threats of expropriation [...] this would violate individual constitutional rights' (ANACAFE 17/10/95). Property rights are generally defended with reference to the liberal republican ideal of the constitution rather than, for example, the neoliberal imperatives of economic efficiency or the more modern ideas of international law or human rights.¹¹⁸

Finally, Guatemala's oligarchs express their conceptions of economic development within the framework of the nation. Their main peace process document contains multiple references to 'the national problematic' and 'the future direction of the nation'. It is important, they say, to achieve 'the sustained development of our nation' (CACIF June 1995, 5). This liberal republican concern with the nation also appears in various business organisations mottoes. The motto of the Chamber of Industry is 'With Industry there is Nation' (Con Industria Hay Nación); that of CACIF is 'United we will Generate the Development of our Nation' ('Unidos Generamos el Desarrollo de Nuestra Nación'). CACIF documents often end 'God Bless Guatemala'. In contrast, the motto of the US Chamber of Commerce - 'The Spirit of Enterprise' - makes no reference to nation. This importance of national

¹¹⁷ According to one commentary by an oligarchic intellectual, the term originated in the Napoleonic civil code, and affirms that the right to the protection of private property is lost when the property is used 'irresponsibly' (Pérez de Antón 1991, 126). 'Paco' Pérez de Antón is honorary president of the Gutiérrez group of companies, one of the most important financial groups in Guatemala. Recent scandals involving the Gutiérrez group's evasion of taxes and other irregularities suggest that their own property may be used 'irresponsibly' (Bosch Gutiérrez and Gutiérrez 2002). According to one source, Pérez de Antón helped to orchestrate 'El Plan de las Mil Dias', an army anti-communist campaign of brutal terror, which started in 1980 (ODHA, undated, 75-77).

¹¹⁸ An exception is CACIF documents that I believe were written by Peter Lamport Kedsall, former President of the Chamber of Commerce and CACIF (e.g. CACIF's undated 'Aspectos Generales', a commentary on the UN's base document prepared for the Socioeconomic Accord negotiations).

borders is also reflected in oligarchic attitudes towards free trade. As mentioned in Chapter 3, while business organisations publicly support free trade in the Americas, most interviewees privately stated that the Guatemalan economy requires protection from foreign competition, using measures such as import tariffs. This was particularly stressed by those in commerce and industry who sold to the domestic market, and agro-exporters who feared cheap agricultural imports being dumped in Guatemala. For example, when I asked one businesswoman who owns an ice cream company and a rubber plantation her views on free trade, she said: 'I hate globalisation, I'm against it because we're going to become dependent on other countries, and that'll be the end of things [...] the big countries always win'. The state, she said, should protect Guatemalan companies: 'the government should look after its children' (María Mercedes Berger de Gándara, interview 18/4/2). Such thinking seems closer to the liberal republican ideal of national economic development, than the neoliberal idea of the borderless, globalised economy.¹¹⁹

Direct references to nineteenth century liberal republicanism were more evident in older business associations documents, in addition to some interviews. The Chamber of Agriculture's publication 'The History of Agriculture,' stresses the 'transcendental' impact of the constitutional reforms of the 1870s in modernising the country by ensuring an institutional framework for private property and creating a Registry of Property (Alvarado Pinetta and Alvarado Gonzalez 1981, 4). Similar claims appear in a 1989 document on the 'Agrarian Reality' of Guatemala published by the Association of Friends of the Nation, a business sector organisation that has its origins in the nineteenth century (Toriello Nájera 1989, 15-16).¹²⁰ Some interviewees were familiar with nineteenth century history and, without prompting, spoke positively of the Liberal Reforms of the 1870s, particularly for the development of the coffee industry.¹²¹ For instance, one businessman in the petrochemical industry

¹¹⁹ This businesswoman's daughter, who is in her early twenties, was also in the interview and disagreed with her mother, saying that globalisation is a good thing.

¹²⁰ In 1999 the Association of Friends of the Nation published a multi-volume 'General History of Guatemala' which, while recognising the dictatorial tendencies of late nineteenth century governments, emphasises the importance of the Liberal Reforms for the 'modernity' and 'progress' of the country. See the 'Balance' section in the volume on 'From the Federal Republic until 1898'. The Prologue is an extraordinary historiographical document. It denies leftist accusations that the Association is 'the intellectual vanguard of the oligarchy' and repudiates the 'supposed elitist character of the work' which may derive from people's realisation that it was largely financed through advance subscriptions by businessmen to a luxury edition. This list of benefactors contained at the end of the final volume reads like a Who's Who of the Guatemalan oligarchy (Asociación de Amigos del País 1999). In contrast to the publication's claims to historical objectivity, one of the businessmen who instigated the project told me: 'The idea behind it was to provide or emphasise positive history, not negative history. Look at Ubico. Sure, he was a dictator. But he also did many positive things for the country.' Such an approach may explain why the 1954 government overthrow is described as 'The Liberation', whereas most scholars recognise it as a CIA-backed coup.

¹²¹ Jeffrey Paige (1998, 194) made a similar connection in his interviews with El Salvador's coffee elite in 1987 and 1990: 'Many named as their great historical hero Gerardo Barrios, who is credited with having brought coffee to El Salvador. Indeed, their ideas on economic development are virtually identical with the positivist philosophy of Barrios and other nineteenth century Liberal revolutionaries who ushered in the Salvadoran coffee era'.

said ‘it was a good thing for the economy’ that the Germans arrived after 1871 to develop the coffee sector (Hugo Ordóñez Porta, interview 12/6/00).

Although tempting, in an era of global capitalism, to read neoliberal thinking into business organisation documents, the prominence of older liberal republican themes such as individual private property rights, the constitution and the economic development of the nation should be acknowledged. The oligarchs are products of both the present and the past, of new and old liberalisms. The following section contains a detailed analysis of interview testimony to help illustrate and to develop this liberal republicanism more profoundly.

Rights as the maintenance of privilege

Conversations with the oligarchs reveal a worldview on private property that can be understood as a narrative of rights as the maintenance of privilege. Echoing aspects of liberal republican thought, the narrative illustrates the economic elite’s rejection of expropriative private property reform and their desire to maintain the privileges of their own community. The narrative has three forms or subnarratives: equal individual rights in a unified society, a feudal sense of obligation, and the sanctity of the constitution and the rule of law.

Víctor Suárez, former President of both the Chamber of Industry and of CACIF, is considered a leading intellectual and actor amongst the urban elite. An industrialist with a family canning business, he played an important role in CACIF’s opposition to the Serrano *autogolpe* in 1993, and was a member of CACIF’s Business Peace Commission.¹²² In 1996, only weeks after signing of the Socioeconomic Accord, we spoke about rights and equality. ‘Equality means one law, one mechanism of rights,’ he said. What seemed like well-rehearsed arguments followed:

In Guatemala we have to stop saying ‘civil society’, or ‘the military sector’ or ‘the religious sector’ or ‘the student sector’ or ‘the business sector’. We’re one society. There’s no justification for a special law for the church, nor one for the army or the university, but rather a single law. No special privileges or advantages for anyone [...] The other component [of equality] is the same rights, so someone can’t come along and say I have a right to take land from you because I’m poor or rich or black or white. The government has to consider that we all have the same rights, that if you’re going to give land to peasants, you ought to give a workshop to a carpenter, a typewriter to a writer, a school to a teacher. With this view it’s no problem to say, for example, that the problem here is one of land, and you have to give land to peasants. No, no, no. You have to give opportunities. If you give away money we’ll come to grief.

(Víctor Suárez Valdes, b.1954, interview 12/7/96)

This testimony exhibits a narrative of equal individual rights in a unified society. Víctor Suárez attempts to eliminate the division between different social sectors – ‘we’re one society’. This

resembles ANACAFE's rejection of a Socioeconomic Accord draft proposal mentioning that 'rural areas contain the most poverty and extreme poverty, and these conditions cause conflict'. They responded that not only is poverty an effect in addition to a cause of conflict, but that the accord proposal 'assumes an antagonism between those who are poor and those who are not'. Guatemala, they say, should be considered 'one nation' (ANACAFE 17/10/95). The ideas of the unified nation and equal rights are not only themes common to liberal republicanism, but have developed over time as means of oligarchs denying, both to themselves and others, accusations that they are 'exploiters' or 'privileged'. There cannot be any exploiters if everyone is equal before the laws of the nation, if 'we all have the same rights', if the rich and poor merge into a single society. This language contrasts with neoliberal individualism and the narratives of individualism found amongst US corporate elites (Rose 1991, 121). While Margaret Thatcher claimed that 'there is no such thing as society', oligarchs such as Victor Suárez need the idea of society to help preserve their privileges.

The oligarchs, however, still require the idea of the individual, as property rights within Victor Suárez's single society pertain to individuals rather than groups. This is significant in the Guatemalan context, for indigenous communities frequently make land claims based on their group rights as a minority culture, usually using the language of 'indigenous rights'. This is a complex issue that requires some explication. As discussed in Chapter 1, scholars increasingly recognise minority rights as a liberal democratic value, and that amongst these minority rights is the group right of indigenous people to lands that they have historically occupied, that are of special cultural value, or from which they were dispossessed in earlier historical periods. Throughout the 1990s organisations such as the National Indigenous and Peasant Coordinator (CONIC) and the Coordinator of Organisations of the Mayan People of Guatemala (COPMAGUA) argued for indigenous land rights, based on these ideas of group rights rather than on conceptions of individual private property rights. In doing so, their main reference points were the International Labour Organisations' Indigenous and Tribal People's Convention (No. 169 of 1989, ratified by the Guatemalan Congress in 1997) and the Accord on the Identity and Rights of Indigenous People (signed as part of the peace process in 1995).¹²³ Guatemala's oligarchs opposed these land claims based on group-specific rights: they argued exclusively in favour of individual private property rights in the peace talks, and CACIF ran a campaign against ratification of ILO 169. Such thinking is reflected in Victor Suárez's narrative of individual property rights in a unified society, in which there are 'no special privileges or advantages for anyone'. In this sense, the oligarchy's worldview on individual private property rights exists in tension with ideas of minority rights.

¹²² Like most urban oligarchs he has 'a little *finca*' or two.

In Víctor Suárez's single society, equality of rights does not entail the kind of equality of goods or assets that would occur with a redistributive agrarian reform. The oligarchs frequently reject equality of assets on the grounds that giving each peasant a piece of land is hopelessly utopian, that land reforms are always unsuccessful. They seem unaware that the social and economic development of many poor countries has been partly based on redistributive agrarian reforms, such as those in Taiwan and South Korea. Víctor Suárez implies that in practice the only viable option is equality of opportunity. However, one could say that an equal right to private property is, in practice, itself a utopian ideal. For example, we might have the equal right to purchase land, but this right means little if we cannot afford to buy any land.¹²⁴ His distinction between assets and opportunities can also be disputed. He suggests that giving typewriters or land is giving away money and insists that opportunities should be given instead; yet giving people land or typewriters also provides them with opportunities. Just as providing someone with education may be an opportunity to help them get a job, granting someone land may give them the opportunity to satisfy basic economic needs such as food or housing, or provide collateral for a bank loan to start a small business.¹²⁵

Víctor Suárez is not content to base his position solely on an argument about rights. Like contemporary European politicians justifying cuts in welfare spending, he shifts the discussion from rights to obligations.

We all have the same rights and the same obligations. At the moment it's trendy to speak of human rights, and labour rights, and these rights and those rights; but nobody talks about obligations. So, we all have the same obligation to contribute to the country's development. The army is not the government's army, it is the army of all Guatemalans and we all have a right to be protected by the army; but we also all have an obligation to help the army...such as by actively participating through doing military service [...] Workers also have obligations. He has an obligation to comply with his contract, to be honest, to not waste time...As businessmen our main contribution is to do what we know how to do well, which is invest, create jobs and produce – that's our role in society. What we ask of the rest of society is that each Guatemalan makes the maximum contribution, and contributes what he really knows how to do. So priests should spend their time in pastoral work, and not get involved in politics. And politicians should do their political work well, and universities should do a good job of producing professionals.

(Víctor Suárez Valdes, b.1954, interview 12/7/96)

¹²³ See the discussion of indigenous rights in Guatemala in Cojti (1998) and Plant (1998). Both analyses place indigenous claims within the context of debates related to indigenous people in international law, and refer to the range of indigenous people's demands discussed in Chapter 2.

¹²⁴ Rights are often understood as 'powers' or 'legal abilities'. As Peter Jones points out, in some cases 'I may be legally empowered to do something which, in some non-legal way, I lack the power to do' (1994, 23). The legal right to purchase private property may be interpreted as such a 'power'. The majority of Guatemalans living in rural areas may have the right to purchase land, but do not have the economic means to do so. In this sense the right is a utopian ideal. This issue is discussed further in Chapter 5 ('The consequences of oligarchic practices for liberal democracy').

¹²⁵ This kind of thinking appears in the liberal egalitarian tradition. There is, however, considerable disagreement about what exactly should be equalised. For Rawls this is 'primary goods', for Dworkin 'resources' and for Van Parijs 'basic income' (Kymlicka 2002, Chapter 3). See also Sen's discussion of equality of 'capabilities' (Sen 1999, 92-94).

Although the idea that rights are accompanied by obligations is common in liberal democratic or liberal republican thought, its expression here appears closer to feudalism. This feudal sense of obligation constitutes the second form of the narrative of rights as the maintenance of privilege. He seems to say that each person should focus on a task appropriate for his or her social group, and rights are gained by conforming with this role. Businessmen have a right to their property as they comply with their social obligations by investing, producing and providing employment. Workers should adhere to their contracts and aid production, rather than demanding land or higher wages. Priests and students, too, should keep to their appropriate social roles, rather than become involved in the struggle for land and the struggle against state repression. Many interviewees shared this vision of the social whole in which roles are predetermined and the status quo should not be questioned.¹²⁶ In effect, economic inequalities must be tolerated, and the consequence of rights is a form of feudal bondage that ensures continuity rather than providing the possibility for change. Moreover, businessmen are permitted to make demands – they can ‘ask of the rest of society’ – whereas other social sectors cannot. Businessmen are the thinkers, everyone else are the machines. This narrative can be critiqued on two grounds. First, Víctor Suárez’s view of the relationship between rights and obligations is that if you have a right, you also have an obligation. This is a twist on much of the rights literature, which suggests that if you have a right, then someone else (such as the state) has an obligation to provide it.¹²⁷ His view does not permit that the state may have obligations of social justice that entail property reform. Second, he sees the relationship between rights and obligations like an economic exchange. Just as you must pay for goods you purchase, you cannot receive rights for free; something must be given in return. In this case, it is a combination of contributing to society and accepting the social and economic status quo. This position contrasts with aspects of liberal democratic thinking in which the state’s protection and promotion of rights in exchange for certain obligations (such as obeying the law) is supposed to help develop individuality and foment social progress rather than cement social roles.¹²⁸

Finally, the oligarchic narrative of rights as the maintenance of privilege is structured by the liberal republican idea of the sanctity of the constitution and the rule of law. Interviewees from all economic sectors seemed obsessed with ‘respect for the Constitution of the Republic’. A former President of ANACAFE stressed the right to evict landless peasants involved in land ‘invasions’ in defence of the constitutional right to private property: ‘the law is the law and that’s that – you apply it’ (Max Quirin, b.1962, interview 25/5/00). Víctor Suárez says that when the business sector entered the peace talks,

¹²⁶ His comments have fascist overtones. Víctor Suárez grew up in Franco’s Spain until the age of 13.

¹²⁷ This idea of rights and obligations is usually expressed in relation to ‘claim rights’: ‘to have a claim right is to be owed a duty by another or others’ (Jones 1994, 14).

¹²⁸ See Georg Simmel’s discussion of the ways that the relationship between rights and obligations has been transformed by the development of monetary exchange, from feudal times to the industrial era (1978 [1900],

‘probably the most fundamental element of our position was respect for the constitution’ (V́ctor Súarez Valdes, b.1954, interview 12/7/96).¹²⁹ The constitution has become an inviolable sacred text whose authority is unquestioned and that requires no justification. The reverence for the constitution apparent in interviews and the documents analysed above suggests that respecting the constitution has been internalised and become part of their worldview. This narrative, however, functions as a legitimising device for protecting their own private property, as it concerns maintaining the status quo of a highly unequal distribution of private property. Moreover, it is used to delegitimise groups opposing oligarchic privilege. For example, during the peace talks (as will be shown in Chapter 5), both the guerrillas and indigenous peasant associations calling for land reform were labelled as illegal organisations whose actions violated the rule of law. By association, any claims these groups made were deemed illegitimate or unconstitutional.

The oligarchic worldview contains a narrative of rights as the maintenance of privilege. Within this narrative there is no space for an expropriative and redistributive agrarian reform, no basis for challenging a status quo that embodies the economic elite’s domination of the property system. The language of rights is used to preserve the privileges of the oligarchic community.

Economic development without property reform

Most oligarchs recognise the lack of economic development in Guatemala, and that the majority of the population live in poverty. They have a deep belief that economic development does not require fundamental changes to the property system. Their narrative of economic development without property reform contains five subnarratives. First, as noted above, they claim that redistributive agrarian reform would be economically inefficient. The next three subnarratives reflect the individualism evident in business documents. Economic development will occur through reforms that encourage: individual responsibility, equality of opportunity, and individual entrepreneurship. Finally, the oligarchs believe that the business sector is not responsible for poverty and inequality, but rather helps generate wealth and employment. As will become clear, these narratives serve to justify Guatemala’s highly unequal property distribution.

Manuel ‘Muso’ Ayau Cordón is a founder of the Chamber of Industry whose business career has included agriculture, industry and commerce. His regular newspaper columns and role as Rector Emeritus of the right-libertarian Francisco Marroquín University make him one of Guatemala’s most

283-295). The idea that the enjoyment of democratic rights can help develop individuality has frequently been associated with the thinking of J.S. Mill (Mill 1991, 229, 254; Held 1996, 100-101).

¹²⁹ In apparent contrast with his respect for the rule of law, V́ctor Súarez has been recently accused of involvement in a major case of bank fraud (Inforpress Centroamerica, 23/2/1, 2).

important oligarchic intellectuals. We spoke about economic development, agrarian reform and problems of landlessness:

If we don't have security of property rights we cannot develop [...] You see, if you give land to these people you're not solving their problem. If you expect them to live on the land you're condemning them to subsistence. In the modern world small farmers are obsolete. The Swiss go to the ridiculous extreme of having a law protecting cows for the reason that they look good in the scenery. If you want to have an agrarian reform because you want to see all these people up in the mountains, well, that's an aesthetic consideration. But if you expect them to raise their standard of living, they won't do it on the land. Even in Europe, to keep the people on the land they have to pay them – taxes from the other people!

(Manuel Ayau Cordón, b. 1925, 19/4/2)

For Manuel Ayau, and oligarchs from various economic sectors, giving land to the poor and landless will not help Guatemala develop. Small scale farming, they say, is inefficient and recipients of land would be trapped in subsistence. Security of private property is defended here not on the grounds of constitutional rights, but economic expediency (echoing the neoliberalism in documents discussed above); he indirectly implies that larger scale agricultural production is a more effective means of tackling underdevelopment. Such attitudes appear in business sector documents. According to the National Coffee Association's commentary on a draft of the Socioeconomic Accord, there should be no programmes that provide special access to land for 'agricultural workers in a state of poverty'. Land, they say, should be used by those who are most efficient, whether they are small, medium or large producers; and it is large producers, with their economies of scale, who are the most efficient (ANACAFE 17/10/95; see also CACIF 3/6/95). These narratives serve to preserve the oligarchy's property privileges since the oligarchs (including those who control ANACAFE) are, of course, large landholders rather than small farmers. Their perspectives on development effectively dismiss calls for land reform by landless campesino organisations, such as the National Indigenous and Peasant Coordinator (CONIC), whose members say they want land in order to meet their basic economic needs of food security. With over 50% of the population living in poverty and over 25% in extreme poverty, with 33% of the rural population being landless, with people suffering from malnutrition in many regions, it is unsurprising that those subject to poverty generally believe land reform would be liberating rather than condemning (United Nations Systems in Guatemala 2000, 47-65). Given these conditions, it is unlikely that the oligarchs have the greatest insights into what a landless campesino needs or does not need. It is also unclear that large farms are more efficient than small farms. Even the World Bank now publishes research showing that small holdings can deliver higher yields than large farms for many crops, and more effectively maintain biodiversity.

The oligarchs frequently claim that economic development will occur through educating individuals rather than making structural changes to the economy such as land redistribution. Roberto Diaz Schwarz is a coffee grower from the hardline National Agrarian Coordinating Committee

(CONAGRO). We were speaking in his home about land conflicts. Displaying a fear of communism characteristic of an older generation of landowners, he said that there were members of the new Portillo government who were formerly linked to the guerrillas, and who believe the country needs land reform.

[Marxists believe that] the solution is land, but it isn't true, it isn't true...

Why?

You can't give land to each of the peasants. You have to give them education so they have an opportunity to do something better for themselves [...] In Costa Rica the minimum salary is possibly twice as high as it is here. But people are able to do three times as much work and of better quality than they do here. So it isn't a matter of fixing salaries but of educating people so that people can identify their own opportunities and know how to invest their time and effort to be able to cultivate themselves better. The wealth of the country isn't the land. The wealth of the country is the people [...] all this story of the land, and the poor and the exploiters, it isn't true. You have to see that we know what the past structure of society was – feudalism [...] A businessman like me, in agriculture, [goes] to the bank...and I say I need money and they don't give you any as they say they don't have any. And if they give it you can't meet the costs of the high interest rates, you're subject to the [ups and downs] of the New York Stock Exchange, the [?] of Brazil, the sugarbeet harvest in Europe - the risks of the agriculture sector. Agriculture is a high risk sector. To invest in it is a great adventure...

(Roberto Diaz Schwarz, interview 8/6/00)

Like the majority of oligarchs, Roberto Diaz denies that land inequality has caused economic underdevelopment. Instead he focuses on the need for education: lack of education makes people inefficient workers, which means their salaries are low and they remain poor. Other businessmen made similar claims: 'if you give land to a poor indito or ladino who doesn't have education, who is uncultured and inexperienced, what they do is they sell this part of the land then that part of the land. And they end up with this tiny bit of useless land' (Mario Orellana Lorenzi, b. 1926, interview 10/4/2). Most CACIF documents also stress that economic development requires a more educated populace. Roberto Diaz claims that 'the wealth of a country is its people' and thus, by deduction, education is important but land reform does not matter. I do not see this same logical relationship between people and land. The United Nations Development Programme's first Human Development Report similarly begins 'the real wealth of a nation is its people', but does not attempt to claim that therefore structural changes such as land reform are unnecessary for development (United Nations Development Programme, 1990). It could be claimed that land reform is required because people are so important to economic and social development.

Roberto Diaz's testimony contains three sub-narratives of individualism that serve to obviate the need for property reform, concerning individual responsibility, equality of opportunity and individual entrepreneurship. All three are consistent with the individualist orientation of liberal democratic thought. First, individuals are made responsible for their own poverty; campesinos 'must do something better for themselves'. This removes the burden of responsibility for poverty from unequal land distribution or landowners who pay low salaries. That Costa Rica's higher levels of economic

development are due solely to the education of their workforce is disputable. In fact, some scholars claim that higher living standards in Costa Rica are related to the more equal land distribution than in other Central American countries.¹³⁰ Roberto Diaz's focus on individual responsibility for poverty reflects an ideology of 'private initiative' found amongst economic elites in other countries, such as Mexico (Lomnitz and Pérez-Lizauer 1987, 192). Such perspectives are also common in the North.¹³¹ We tolerate the lack of provision of basic economic and social goods for large sectors of the population partly because we are taught that the poor are responsible for their own poverty, that they are 'too dependent' or 'lack initiative' (McMurtry 1998, 160). This is sometimes articulated as a distinction between the deserving poor and the 'undeserving poor who take advantage of the largesse offered by the community at the expense of the active members of society' (Herman 1983, 392). From this perspective we should be reforming individuals, not aspects of the economic structure, such as the property system, in which they live.

Second, Roberto Diaz, like oligarchs from various economic sectors (including Víctor Suárez), believes that education will give poor Guatemalans the equality of opportunity required to lift themselves out of poverty. Historically, the idea of equality of opportunity has been used for different purposes. It has been a means of social critique, to remove permanently the barriers of class, race, religion or gender. But it has also been used by the privileged to justify the status quo: everybody should be given the same initial conditions, but any subsequent inequalities are inevitable or just. As Raymond Williams argues, equality of opportunity can be understood as 'equal opportunity to become unequal' (1976, 102). The oligarchs have absorbed this ambiguity of meaning. Adopting equal opportunity as a public narrative legitimises them through its association with removing barriers in a society characterised by substantive social and economic inequalities. Giving equal opportunities, whether in education or other areas, also makes structural economic changes such as agrarian reform unnecessary. (Just as enshrining equal rights in a constitution does not require such change.) If people become poor from the initial equal starting point, it is their own fault. By implication, existing economic inequalities do not place an obligation on the wealthy.¹³²

¹³⁰ See Dunkerley (1988, 591-595) for debates on Costa Rican exceptionalism. The contrast between Guatemalan and Costa Rican rural labour, common amongst the oligarchs, often seems to have an underlying racist theme. Certainly Roberto Diaz and Mario Orellana do not focus their comments only on indigenous people (the former speaks of 'peasants' and the latter mentions '*ladinos*'). Unlike Costa Rica, however, most Guatemalan rural workers are indigenous and, in general, the oligarchs consider the lack of formal education amongst the indigenous population as a sign of their cultural 'backwardness'. See the discussion later in this chapter on *Race and the subordination of minority rights*.

¹³¹ In contemporary Western liberal democratic thought, the idea that individuals must take responsibility for their own poverty is associated with the 'New Right'. According to this ideology, the excesses of the welfare state 'undermined private initiative and responsibility' (Held 1996, 242).

¹³² Some liberal democratic thinkers have championed a strong notion of equal opportunity at odds with the oligarchic worldview. Robert Dahl suggests, for example, that we may all legally have the 'equal opportunity' to participate in collective political decisions, but in practice we do not because those with more resources (e.g. wealth) have disproportionate political influence. A stronger sense of equal opportunity would entail more equal

A third sub-narrative concerns the individual as an entrepreneurial risk-taker. Realising that he and other *finca* owners are considered ‘exploiters’ by the left, he denies that Guatemala is still feudal and makes himself the object rather than the cause of exploitation. He portrays himself as a victim of the global market place, of the fluctuation of interest rates and commodity prices; he is a risk-taker or adventurer rather than a privileged exploiter, he is vulnerable rather than powerful. This sense of victimisation echoes the Chapter 6 narrative (*The community of victims*) in which the oligarchs present themselves as victims of the armed conflict. Roberto Diaz’s self-portrayal encourages him to consider land expropriation as a form of persecution, as another kind of victimisation. For him, workers or the poor are not victims. Roberto Diaz believes that economic development springs from entrepreneurial activities, rather than from government handouts to the poor, such as land grants. He and other businessmen argue that the threat of land reform would make the investment climate more unstable, meaning that entrepreneurs could not operate effectively. As one said, when we were speaking about agrarian reform in the context of the Socioeconomic Accord negotiations: ‘The private property regime must be legally solid [...] Money is a stateless coward; it has neither nationality nor courage, and when it notices even the slightest noise that isn’t within its plans, *pam, pam, pam*, it flees, and it flees at a tremendous rate.’ (Humberto Preti interview 24/7/96) The narrative of individual entrepreneurship was particularly evident amongst young business people educated at the neoliberal Francisco Marroquín University: the university library and bookshop are packed with liberal and neoliberal texts, such as by Adam Smith and Joseph Schumpeter that exalt the individual entrepreneur. But the irony, already noted above, is that Guatemala’s oligarchs are far from being individual entrepreneurs due to their reliance on the state, for example in terms of protection from imports. As one industrialist said, the idea of a ‘businessman’, as defined by Schumpeter, involves risk-taking, but Guatemala’s agricultural oligarchs have generally received so many state privileges that they hardly qualify as businessmen (Hugo Ordóñez Porta, interview 12/6/00).¹³³

A final subtheme in the narrative of economic development without property reform is that the oligarchs believe that they are not responsible for poverty or inequality; rather, as entrepreneurs they contribute to economic development through generating wealth and employment. Persecuting the business sector with policies such as land reform, they claim, would damage economic development. According to former President of CACIF and the Chamber of Agriculture, Luis Reyes Mayen, the guerrillas and popular organisations say: ‘that the problems of the country come from the businessmen, and that the rich have much more, have made much more money, and as a consequence people are poor. I just don’t believe this.’ (Luis Reyes Mayen, b. 1951, interview 9/6/00). Luis Reyes

distribution of economic and political resources (Dahl 1989, 114-115). This reading of equal opportunity could possibly justify expropriative and redistributive agrarian reform in countries such as Guatemala.

is saying, I believe, that economic development is not a zero-sum game, where there is a loser for every winner: members of the oligarchy do not see their personal wealth as the product of their workers' labour. Similarly, as Víctor Suárez says above, businessmen have a social obligation 'to do what we know how to do well, which is invest, create jobs and produce – that's our role in society' (Víctor Suárez Valdes, b. 19544, interview 12/7/96). He seems genuinely proud of providing jobs in his factory. This idea that the business sector contribute to wealth and employment also appears throughout business organisation documents (e.g. CACIF June 1995, CACIF 3/6/95, ANACAFE 17/10/95). Further aspects of this subnarrative is interview testimony in which the oligarchs emphasise their contribution to development through providing good labour conditions and making philanthropic donations to the poor. In general, profit is not considered the product of exploitation, but is rather, as Roberto Diaz claims, the just reward of the individual entrepreneur, of the risk taker.

Contrasting with the above claims, there is considerable (and also, I believe, conclusive) evidence that the oligarchs contribute to Guatemala's lack of economic development. This occurs in two main ways. One cause of underdevelopment is that the oligarchs exploit labour, keeping wages low and providing poor working conditions. Even some members of the business sector acknowledge this. For example, one progressive industrialist, who admitted 'the reality of poverty in our country' said: 'in a certain way these discourses of exploitation, social exclusion and poverty [propagated by leftists in the war] had much truth in them. It's true. In Guatemala the indigenous population had been exploited for 500 years, and they are still exploited today [...] the privileges that [the agricultural sector] insist on maintaining are damaging.' (Hugo Ordóñez Porta, interview 12/6/00) Similarly, a former CACIF President said: '[...] you can't go on defending the indefensible. There are things here that aren't defensible. You can't defend them. Look, they say that in Guatemala the salaries are low. Yes – they're low...Now – you tell me how we're going to increase them? With coffee at \$80?'. (Humberto Preti Jarquin, interview 26/6/00) While denying that businessmen like himself can pay higher salaries given low international coffee prices, Humberto Preti also admits that they are responsible for paying extremely low wages. When I visited one coffee farm the owner told me that they did not pay their workers the minimum wage, and explained how they bribed the government labour inspector to receive certification that they were meeting the labour code requirements. Numerous studies provide evidence of such breaches of the law that exacerbate poverty and inequality, contributing to Guatemala's lack of development. For instance, a recent survey of coffee workers showed that half the sample of 628 workers did not receive the meagre minimum wage (Coverco February 2000, 10). Violations of the labour code by members of the economic elite are standard business practice.¹³⁴ Even when obeying the law the oligarchs contribute to forms of underdevelopment by exploiting

¹³³ Lomnitz and Pérez-Lizauer also highlight this tension between an ideology of entrepreneurialism and reliance on the state in the case of the Mexican economic elite (1987, 220).

labour. Guatemala's sugar barons are amongst the country's wealthiest people, but working conditions on their plantations range from poor to horrific.¹³⁵ A second way that the oligarchs contribute to Guatemala's underdevelopment concerns land. For example, while they claim to use their land efficiently, there is evidence that around half of cultivatable land remains underused. The former CACIF President cited above told me about the business sector's inefficient land use practices: 'In Guatemala there are huge estates because it costs nothing to keep the land. In Europe it costs a lot to own large tracts of land, so people prefer to have small, efficient land holdings rather than a large inefficient land holding.' (Humberto Preti Jarquin, interview 26/6/00)¹³⁶ While the oligarchs generate wealth and employment, their exploitation of labour and domination of land contribute to underdevelopment. There are few grounds for agreeing with the oligarchic worldview that their property should not be expropriated on the basis that they are not responsible for poverty and inequality, and contribute to economic development.

For Guatemala's oligarchs, reforming the private property system is not a means to economic development. Instead, they believe Guatemala needs large-scale agriculture, improved education, freedom for entrepreneurs, and for poor individuals to take responsibility for their own poverty rather than looking to the state for help. They claim that because businessmen contribute to wealth and employment, persecuting them through agricultural reform would damage Guatemala's economic development. Many of these narratives are suffused with a liberal individualism that the oligarchs use to help justify preserving the unequal property distribution. Such narratives stand in opposition to state-directed or collective efforts to encourage economic development.

History in the present

Guatemala's oligarchs are products of history. Their shared experiences and collective memories of the past help shape their worldview on private property. Opposition to agrarian reform is partly based on their understandings of three historical issues: past attempts at land redistribution, the illegitimate origins of the guerrilla struggle and, to a lesser extent, anti-communism. Oligarchic thinking on these three issues comprise a narrative of history in the present.¹³⁷

¹³⁴ Labour rights violations are pronounced in the *maquiladora* sector. I do not focus on this sector as most of the owners are South Koreans, rather than Guatemalan oligarchs.

¹³⁵ The controlled burning that occurs during the harvest 'creates so much ash and soot that in terms of health risks working in these fields is not unlike labouring in a nineteenth century coal mine' (Oglesby 2000, 23). Additionally, the replacement of permanent jobs by temporary contracts has reduced the social benefits received by workers.

¹³⁶ See Chapter 5 for further discussion of the land issue, particularly how the protection of oligarchic property privileges exacerbates poverty and inequality.

¹³⁷ See Thompson (2000, 132-133) for a discussion of collective memory.

I spoke with former CACIF President Luís Reyes Mayen about a dinner he attended in the late 1980s with banana growers, not long after becoming involved in the Chamber of Agriculture. Raising the taboo subject of land reform, he suggested that pressure could be taken off the land if agriculturalists paid more taxes to fund a land bank to help poor campesinos. I began asking him if the banana growers were willing to talk about it:

And did they want...

No! Some of them turned to me – people who were much older than me – and said ‘you didn’t live through ‘54’. [I said] ‘Look Don So and So, I know this story from my father – he wasn’t rich but he had some land which he had to defend, because in Palencia there were *comuneros*, and my father was taken to prison in Palencia. And this experience was passed on to me. My mother, when she heard the Liberation march – a little song from the Liberation – it made her cry. Look, I’m a child of these ideas. But you’ve got to understand – are we going to live in this past or do we want the country to move forward?’ ...so the first thing that had to be done was to clear their minds.

(Luís Alberto Reyes Mayen, b.1951, interview 9/6/00)

Although rarely mentioned in business organisation documents, the land reform of the early 1950s is one of the most important collective historical memories for members of the oligarchy.¹³⁸ Luís Reyes interrupts my question to give an emphatic answer. He cannot himself remember the period, but claims to be ‘a child of these ideas’, a custodian of the memories of his father’s resistance and his mother’s joy at the ‘Liberation’ – the oligarchs’ term for the 1954 CIA-backed coup that overthrew the Arbenz government and reversed the land reform. Interviewees told vivid stories critical of the 1944-54 period of political opening, which many other Guatemalans know, conversely, as the ‘ten years of spring’ (see Chapter 2). One coffee finca owner associated the Arbenz years with violence and disloyalty, symbolised by workers slashing the penis off their prize bull. Before this period was a golden age of ‘happiness’, ‘contentment’ and ‘relatively good servants’ (Betty Hannstein Adams, b.1929, interview 30/6/00).

While acknowledging this history, Luís Reyes implies that these memories mainly belong to an older generation of agriculturalists wishing to live in the past. He considers himself a progressive looking to the future, who wanted to erase the landowners’ memories of the Arbenz agrarian reform to help convince them to support CACIF’s strategy of entering the peace negotiations. As will be discussed in Chapter 5, this older generation of landowners with vivid memories of the 1950s strongly resisted business participation in the talks, fearing expropriative agrarian reform. Despite portraying himself as a progressive, Luis Reyes still feels ‘a child of these ideas’. Apart from Luis Reyes, I spoke with other oligarchs who were very young or not even born in 1954, for whom the land reform and ‘Liberation’ are important. One aristocrat, who was a child at the time, remembers that in 1954 pro-government men came into their house to kill her father (a Catholic, anticommunist, and ‘Liberation

group' leader) and threw a grenade into her playpen. Living through this fear, she said, has given her strength and patriotism (Adela Camacho Sinibaldi de Torrebiarte, interview 27/6/00). Roberto Diaz showed me a book published by landowners about the early 1950s that signalled the land reform's importance in his worldview.¹³⁹ Young members of the elite in their 20s and 30s displayed little historical knowledge of the 1950s but still consider the coup a 'Liberation' from communism, and recite family horror stories about the period. Oligarchs from all economic sectors and generations reject agrarian reform partly because of its association with 1954, although this historical narrative appears strongest amongst landowners and older business people. No matter how much they look to the future, they envisage it from the past; this represents an important unity within their diversity.¹⁴⁰ Illustrating the selective nature of collective memory, the oligarchs do not seem to remember the popular support for the land reform, nor the state violence that followed the coup once the military government took over.

The origins of the armed conflict provide a second reference point in the narrative of history in the present. While CACIF documents written for the Socioeconomic Accord negotiations rarely mention the roots of the war, interviewees wanted to give me a history lesson, to tell me 'the truth'.¹⁴¹ Almost all denied the guerrillas' claim that the origins lay in poverty and land inequalities:

The guerrillas didn't emerge in this country because of hunger. They emerged basically because some young military officers and a few others decided there wasn't sufficient political space [...] They went to Russia, what's his name Turcios went to Russia, and Sosa went to China. And so they created two movements, the FAR and the 13th November, one of which was Maoist and the other Stalinist.

(Humberto Preti Jarquín, interview 24/7/96)

The oligarchs characterise the civil war as a Cold War conflict that was sparked by internal military divisions in the early 1960s. They see the guerrilla leaders as stooges of Moscow, Havana and Beijing who wanted to line their own pockets, not leaders of a popular mass movement. Another businessman, refuting the idea that the conflict began 'because of the pressures of the poor', said the origins were 'in the East-West conflict, the interests of Russia – Guatemala was subject to the

¹³⁸ Oligarchs from German-descended families also have strong memories of the expropriation of their *fincas* during World War Two.

¹³⁹ This book, by Gerardo Guinea and Abelardo Estrada (1954), contains interviews with members of important oligarchic families such as Aycinena and Dieseldorff.

¹⁴⁰ It would be interesting to conduct detailed interviews with children of the elite, in their teens or early twenties, about their understanding of the 1944-54 period. If, as is planned, the Truth Commission Report becomes part of the school curriculum, the oligarchic interpretation of 1944-54 may gradually have less prominence. I suspect, however, that the version taught in elite schools would remain that of the General History of Guatemala. As the young elite go on to study 'ahistorical' subjects such as economics and public administration, the family stories about 1954 may have diminishing resonance. In another academic life I would also undertake a comparative analysis of interpretations of Guatemalan history in the Truth Commission Report, the General History of Guatemala, histories written by the military, and indigenous and non-indigenous school history textbooks.

¹⁴¹ Some older CACIF documents (e.g. CACIF 1992) discuss the origins of the conflict.

consequences of this confrontation' (Roberto Diaz Schwarz, interview 8/6/00). Some oligarchs refuted land inequality statistics, quoting me alternative sources, and referred to academic analyses 'proving' that the guerrillas, rather than poverty or the military as an institution, were the real cause of the violence.¹⁴² These interpretations of history directly relate to property reform, for the oligarchs say that because the guerrillas did not emerge as a response to poverty and land inequality, and never had widespread public support, their calls for agrarian reform were illegitimate.¹⁴³ In contrast, scholarly studies and the Truth Commission Report emphasise the origins of the civil war in economic and social inequities, particularly land distribution, and stress the waves of popular mobilisation during the conflict (see Chapter 2). Even some businessmen reject the interpretation of their colleagues. A former director of the Chamber of Finance who had university friends in guerrilla organisations said that, faced with 'the economic and social inequalities that existed, and unfortunately still exist', they took up arms because they were 'frustrated with the lack of possibility of changing the country through legal and peaceful means' (Federico Linares Martínez, interview 9/6/00).

Finally, anti-communism has a weaker place in oligarchic narratives than I at first expected. On the one hand, business people mention communism when speaking about 1954 and the origins of the conflict, and business organisation documents from the 1970s and 1980s often contain anti-communist rhetoric. On the other hand, the oligarchs rarely explicitly rejected land reform on the grounds that it is a 'communist' idea. Undoubtedly, if the interviews had occurred before 1989 this would not have been the case.¹⁴⁴ The end of the Cold War has diminished the importance of anti-communist thinking. While the communist experiments have become part of the past, reducing the fear of a 'communist' land reform, they have also been incorporated into contemporary narratives against agrarian reform. Many businessmen interpret the 'collapse' of the Soviet Union as evidence that socialism, including collectivised agriculture, is an unworkable utopia; history teaches that 'there are no countries in the world in which socialism brings well-being or prosperity for people' (Hugo Ordóñez Porta, interview 12/6/00). While such views are also common amongst politicians, journalists and academics in the North, there is a growing literature on the state socialist regimes in Central and Eastern Europe showing how individuals not only remember repression and hardship, but also recollect the period in more positive terms, associating it, for example, with stability and security (e.g. Schendler 2000).

¹⁴² Fascist landowner Gustavo Anzueto Vielman advised me to read studies by US anthropologist David Stoll, an author infamous for debunking interpretations of Guatemalan history that he considers illegitimately politically correct. See, for example, his recent book countering the story of Rigoberta Menchú (Stoll 1999).

¹⁴³ Denying economic origins of the conflict also functions to minimise oligarchic responsibility for violence.

¹⁴⁴ Compare, for example, the anti-communism of Nicaraguan coffee elites in Paige's 1986 interviews (1998, 281), and in Payne's (2000) interviews with Brazilian landowners about the 1980s.

Contemporary accounts of the past configure oligarchic narratives of private property. In particular, the remarkably similar narratives across economic sectors and generations of the 1950s land reform and the origins of the armed conflict provide evidence that collective memories partly constitute the oligarchic worldview. These interpretations of the past help render substantive reform of the private property system both undesirable and illegitimate.

Family ties to the land

The centrality of family life to the oligarchic community (described in Chapter 3) is reflected in their worldview concerning private property. Members of the Guatemalan business sector strongly desire to keep their private property, particularly agricultural land, within the family. This close personal connection to the land cannot be understood from reading CACIF's public documents. In contrast, interviews reveal a narrative of family ties to the land, which is evident across economic sectors. This narrative has three elements: that land should be passed from one generation to the next; that the connection between property, and personal and family history, should be preserved by never giving up the land; and that current generations of the business community have a claim to their property based on their forbears having worked the land themselves. These interrelated subnarratives shape oligarchic opposition to an expropriative agrarian reform.

The relationship between family and property emerged in a conversation I had with German-descended coffee *finca* owner Betty Hannstein. We were speaking about how she would never sell the property, and had decided to leave 52% to her son and the remainder to her two daughters. I asked how her daughters reacted:

At first both of them were really after me – ‘it’s feudal!’ blah blah blah. And I said ‘if either one of you could even get two weeks off a year to go down there it might help, but you go down on a weekend and say how pretty it is, and when would either of you ever have time to come down?’ [...] so I kind of rammed it through [...] they thought thirds each would be great and I thought that’s the best way to lose a farm that I’ve ever heard of. [...] So that’s one reason I wouldn’t sell it. Another reason is that I...it just means a lot. If you think that my grandfather bought it in 1923 – it isn’t that terribly long ago, but still, it’s long enough. And I grew up part of my life there, and since it’s been my own – this half of it – I really feel like I’ve put my life into it, and Hugo has too – but it’s not his. [laughs]

(Betty Hannstein Adams, b.1929, interview 30/6/00)

Betty Hannstein wants to pass down the farm from one generation to the next, thereby keeping the land within the family. She fears that dividing the land equally between her children could result in family conflicts leading to the sale of the property; it is safer to give one child a majority share. These fears derive from personal experience. ‘This half of it’ refers to how Betty Hannstein and her sister divided their inheritance in acrimonious circumstances; although their *fincas* are side by side, they are run separately. She is uncertain that her daughters, both successful professionals, would have the time

or inclination to run the *finca* effectively. Giving the son 52% not only provides him with a livelihood, but is an effective means of maintaining family control of the property. The idea that property should remain in the family through the generations is not peculiar to Guatemala's business sector. It is enshrined in laws across the world that permit the inheritance of private property from one generation to another, and that help perpetuate economic inequalities.¹⁴⁵ But a desire to keep land within the family seems particularly important to the Guatemalan rich, and makes it natural for them to oppose land expropriation.

A second subnarrative is that the connection between property on the one hand, and personal and family history on the other, should be preserved by never giving up the land. An important reason why Betty Hannstein would not sell her land, or would not tolerate land expropriation, is that the farm 'just means a lot'. The depth of this feeling is indicated by the pause in her struggle to find the right words. Like many other business people who I interviewed, she feels that the land is part of her own personal and family history. She remembers, with some embarrassment, that as a child indigenous workers on the farm bowed down to her 'like the Queen of Sheba'. She also spent some years working on the farm herself. That the property has been in the family for many years is itself a reason not give up the land: it is a form of obligation. When I asked why her father had stopped helping run the *finca* in the late 1980s, she first replied that he was too old. Then she became more open: 'The real reason was that they had burned the farm down in 1983 and after that he didn't ever want to go back and look at it'. The destruction of the farm by the ORPA (Organisation of the People in Arms) guerrillas, and its looting by the workers, destroyed Walter Hannstein's 'faith in the people'. His wife Marley cried when she found out about the burning and they never saw the farm again.¹⁴⁶ As Marx and Engels (1970, 100) wrote, property appropriates its owner; to lose the land or home which is 'mine' is to lose part of the self. Given such histories it is unlikely that Betty Hannstein, or the many other landowners with similar experiences, would support a redistributive agrarian reform.¹⁴⁷ Defending their land is based on somewhat intangible feelings rather than on rational arguments about economic development or political principle. This narrative of a deep attachment to the land has some similarities to those of indigenous people making claims to usurped ancestral lands or cultural claims to land based on being 'men of maize'. These constitute some of the 'cultural effects', rather than the economic or political effects, of property (Stolzenburg 2000, 170).¹⁴⁸

¹⁴⁵ The inheritance of family property and wealth has a long liberal pedigree. John Locke argued that: 'Every man is born with a double-right. First, a right of freedom in his own person, which no other man has a power over, but the free disposal of it lies in himself. Secondly, a right before any other man, to inherit, with his brethren, his father's goods.' (Locke 1924, 214). Some liberal thinkers, however, dissent from an unrestricted right to inheritance (Kymlicka 2002, 91, 149).

¹⁴⁶ Walter Hannstein's memoirs are contained in a book edited by his daughter Betty (Hannstein 1995). This is a rare example of business sector testimony/autobiography in Guatemala.

¹⁴⁷ Chapter 5 shows how landowners with such direct experiences of the armed conflict vociferously opposed business participation in the peace talks, and particularly feared agrarian reform.

¹⁴⁸ The economic elite's reasons for rejecting indigenous land claims are examined in the next section.

The final element in the narrative of family ties to the land concerns the physical work carried out on the land by past family generations. The claim to private property is based on their ancestors having ‘mixed their labour’ with the land – an argument made by John Locke in the seventeenth century (Locke 1924, 130). One landowner said that ‘those of us who work in agriculture, we had to create our own land, because the Southern Coast [was] enormous clumps of trees [...] It was the conquest of a generation to make it productive’ (Roberto Diaz Schwarz, interview 8/6/00). He feels part of a family lineage personally responsible for making the land productive. For the oligarchs, conquest and colonisation not only tamed the people, but also the land. It appears irrelevant that indigenous labour from the highlands was used to clear and work the Southern Coast on behalf of landowners. Betty Hannstein seems aware of the catch in the argument, laughing a little awkwardly when saying that her administrator, Hugo, may have put as much of his life into the *finca* as she has. This tendency for the sweat of labourers to become lost in stories about the generation of riches is beautifully depicted in Berthold Brecht’s poem, ‘A Worker Reads History’: ‘Who built the seven towers of Thebes?/The books are filled with the names of kings./Was it the kings who hauled the craggy blocks of stone?’

Self, family and property are so intertwined that agrarian reform is unthinkable for members of the oligarchy. Extensive intermarriage across economic sectors, and between and within the main elite family networks, has solidified these ties (see Chapters 2 and 3). Family blood and property mix together and the feudal or patrimonial attachment to the land is maintained through what Max Weber called ‘traditional’ or ‘habitual’ social action based on custom.

Race and the subordination of minority rights

The historical legacy of racism against the indigenous population is strong (see Chapter 3), and pervades property narratives. The oligarchs reject land reform through a narrative of race and the subordination of minority rights, which has four components. First, indigenous groups are considered responsible for their own poverty and thus agrarian reform carried out by the state is not required to improve their situation. Second, their backward agricultural methods would make land reform an ineffective means of economic development. Third, the indigenous population should be ‘civilised’ and integrated into mainstream ladino society and not be granted special group or minority rights, such as the right to communal land ownership. And fourth, providing greater indigenous legal autonomy, for example through having greater jurisdiction over property, could be socially divisive. Within these narratives are aspects of liberal republicanism, neoliberalism, rights, economic

development and history. It is possible to see the complexity of the oligarchic vision of property and society, and how the narratives overlap with each other to help form an identifiable worldview.

I was reluctant to talk explicitly about racism with my interviewees, imagining that this would induce automatic denials of racial prejudice. As the oligarchs appeared to see education rather than property reform as a means to development, I connected the property and race issues indirectly by asking them their views on bilingual education, an important theme in contemporary Guatemalan politics partly because the peace accords emphasise that indigenous people should have access to education in both Spanish and their own language:¹⁴⁹

What do you think of bilingual education [...]?

Look, I think that, firstly, we should aim at integrated development of the whole country. To achieve integrated development, it's necessary that indigenous peoples have access to the knowledge of what the year 2000 is like, right. And that they voluntarily decide if they live in the world of the year 2000 or if they live in the world of the year 1500...if they want to keep living in 1500 they have to accept the consequences, and they shouldn't make the rest of society worry that they are living in 1500 – it's their decision. In 1500 there wasn't electricity, television, many things that we have today [...] they can't ask the whole country to go backwards...they must recognise that their culture and customs are isolated...we have to move forward...so I think that bilingual education is correct, but only if it's about Spanish and English [...] We have to live in one country where the laws are for everybody. You can't have some people with some laws, and others with other laws, otherwise we'd be in different countries. With respect to property, there are those who say 'these were Mayan lands and so we have to recover them'. But, look, before the Mayas there was Almighty God because there wasn't anyone else here, or the land belonged to the monkeys or the lions. So the monkeys or lions, or Almighty God, have to recover the lands before the Mayas. There's a registration system and a property system, and you have to look in the property register to find out who owns the property, and respect property...

(V́ctor Súarez Valdes, b.1954, interview 22/5/00)

The indigenous population, according to industrialist V́ctor Súarez, are responsible for their own poverty: they have chosen to be poor. This implies that it would only require an act of will on their part to lift themselves out of poverty. The reason they have not done so, he says, is an irrational attachment to their outmoded 'culture and customs', including speaking indigenous languages, which he later describes as 'dead languages' such as Latin. For V́ctor Súarez, and other interviewees from a range of economic sectors, economic development requires adapting to the globalised world where English is the language of business.¹⁵⁰ This testimony reflects perspectives on indigenous people as

¹⁴⁹ The group right to bilingual education is also a major area of debate in the literature on the relationship between liberal democracy and minority rights. For the philosophical foundations of these debates, see the essays in Kymlicka (1995b).

¹⁵⁰ In nineteenth century Britain the replacement of Latin by English in schools similarly reflected the relationship of English to capitalism. Walter Ong shows how secondary school catalogues distinguished the 'commercial course' (with little or no Latin) from the 'classical course' (Ong 1962, 218). Recent economic globalisation has helped reinforce English as the language of economic imperialism, as it was in the nineteenth century. This comparison should not be overextended. British elites learnt the dead language Latin, and continue to do so, whereas in Guatemala the 'dead' languages are used by the indigenous masses. Like Roberto Diaz above, V́ctor Súarez links education to national economic development: education is not considered important for either individual development or the well-being of indigenous communities. I am reminded of European anarchist thinkers of the nineteenth century, such as Max Stirner, who saw that national educational systems

backward barbarians (see Chapter 3) and echoes narratives of economic development emphasising individual responsibility for poverty. But here the burden of responsibility is collective and placed on a particular cultural group rather than an individual. These cultural explanations for poverty serve to deflect attention from other causes of poverty, such as unequal land distribution and landlessness; there is no need for state action, such as instigating agrarian reform, when indigenous people are responsible for their own poverty. Cultural explanations also obfuscate the legacy of hundreds of years of indigenous forced labour and other forms of coercion imposed by the colonisers, which are fundamental causes of contemporary poverty.

In a related narrative, oligarchs frequently refer to the supposedly backward nature of indigenous agricultural methods. Víctor Suárez said agrarian reform is pointless if land continues to be cultivated as in pre-Colombian times with a pickaxe, a hoe, a shovel and a machete', and if 'nomadic' agricultural rotation remains the main contributor to deforestation. Guatemala, he believes, needs a 'productive' rather than an 'agrarian' reform, using agricultural machinery on large scale farms to increase productivity. This oligarchic worldview cannot accommodate alternative perspectives, for example that small scale indigenous farming methods may be economically effective (see Economic development without property reform) or that landowners leaving large amounts of property uncultivated are economically inefficient or that many in the economic elite are responsible for deforestation through their involvement in the timber industry.

The idea of indigenous culture as backward or outmoded is extended in a third subnarrative, that Mayans need to be civilised and integrated into a national ladino culture, and not be granted special rights setting them apart from the rest of society. Rather than feeling responsible for indigenous poverty, the oligarchs consider themselves civilisers who can drag the 'Indians' (as they generally call indigenous people) into the modern age. Such ideas about assimilating and civilising the natives have colonial origins, but are also rooted in nineteenth century liberal ideology in Latin America and the spread of Darwinism (Lindqvist 1996). Their contemporary form is the idea of 'integrated development', which is common in CACIF documents and here mentioned by Víctor Suárez. To 'integrate' is to eradicate the divide between the indigenous population and ladinos, denying and delegitimising indigenous claims to group rights such as bilingual education or land of special cultural value. This resembles the oligarchs' using the language of equal rights to eliminate the difference between rich and poor (see Rights as the maintenance of privilege). It is also an implicit rejection of the peace accord on The Identity and Rights of Indigenous People (signed in March 1995), which refers to Guatemala as 'multiethnic, pluricultural and multilingual' and stresses the importance of indigenous languages and the cultural connection to the land in sustaining the Mayan cosmovision.

were being developed to produce workers accepting of the authority of the industrial system, rather than for

A fourth subnarrative in the testimony of Víctor Suárez is that greater indigenous legal autonomy, including with respect to property, could be socially divisive. He displays the deep oligarchic fear of indigenous legal autonomy and customary law, worrying that if the state recognised Mayan claims to traditional lands they wish to ‘recover’ then the unity of the country would be broken.¹⁵¹ Many interviewees spoke of how indigenous rights had gone too far, that the country may develop indigenous zones or mini-states where centralised legal authority cannot reach. In such areas security of individual private property could be threatened. Giving Mayans special land rights would be a first step on this slippery slope. In response to such possibilities Víctor Suárez turns to an ahistorical neoliberalism, placing the claims of administrative and bureaucratic efficiency above any cultural or historical land claims, or legitimacy of customary law. Narratives exhibiting fears of indigenous autonomy were often combined with the scare-mongering suggestion that it could result in ‘ethnic wars’ as occurred in Rwanda and other African states. This is evident in ANACAFE’s written commentaries on the Socioeconomic Accord draft. They object to a proposal which mentions ‘the cultural and spiritual value that land has for the indigenous population’. In a clear rejection of indigenous cultural rights, they say: ‘This would prohibit the use of land where Mayan religious services had occurred, and would accentuate differences between indigenous and non-indigenous people, opening the door to ethnic conflict. Guatemalans must emphasise national unity.’ (ANACAFE 17/10/95)

The ideas of indigenous cultural and economic backwardness, the need for cultural assimilation, and arguments against indigenous legal autonomy are all means of subordinating minority rights to property rights. The individual property rights of Guatemala’s oligarchs trump claims to land based on the group rights of the indigenous population.

Property as violence

The oligarchs often speak about needing to use force to protect their private property. While united across economic sectors in their hatred of those who challenge their private property, whether guerrillas in the civil war or landless *campesinos* who ‘invade’ private agricultural land, there is some heterogeneity in their narrative of property as violence. First, most oligarchs believe it is justifiable for individual landowners and the state to defend private property with force. There are differences of opinion, however, with respect to military violence used to protect private property during the armed conflict. These form a second and third subnarrative. On the one hand, those whose major economic

personal satisfaction (Spring 1975, 14).

¹⁵¹ Similarly, some nineteenth-century liberals feared that granting minority rights would lead to social instability and fragmentation (Kymlicka 1995a, 68).

interests are in agriculture generally downplay the extent of army violence in the war and defend the army's actions. On the other, those with more urban business interests believe that although force was required to protect private property, the military's indiscriminate violence was morally unacceptable.

When I interviewed oligarchic intellectual Manuel Ayau Cordón, the newspapers were full of stories about a series of *finca* 'invasions'¹⁵² orchestrated by CONIC, the National Indigenous and Peasant Coordinator:

What should you do to deal with the problem of land invasions?

They only invade if they think they can get away with it. So the only way to stop it is not letting them get away with it.

So how can you do that?

Well, kick them out [...]

Do you think it's just to use force to repel them?

They won't be persuaded! Well, you bring in the cops and tell them 'look, we've got sticks here, if you don't go we're going to start beating you up'. I mean, that's the way...Law is effective only because it has the threat of violence behind it. [...] The guy who has the first right is the owner.

Do you think that owners of land have the right to use arms to protect their property?

Of course. If a thief comes in here, I have a right to kick him out. And the police have to kick him out [...] If we don't have laws then we can expect a lot more violence.

(Manuel Ayau Cordón, b. 1925, 19/4/2)

Manuel Ayau believes it is justifiable to use force to protect private property. He has an authoritarian view of the legal system: laws are a means of coercing people with the threat of violence rather than, for example, being an embodiment of rights.¹⁵³ The state has the right to use violence against individuals to protect land; hence he has no problem with the police beating land 'invaders'. Not only the state, but property owners themselves, have the right to use violence to defend their land. This view is shared by oligarchs across economic sectors. I spoke with a landowner about how, during the war, *finca* owners in rural areas armed themselves against the guerrillas and often formed private armies to protect their land: 'They took the defence of their properties into their own hands. These people are heroes, and lived and died for what they believed in, respecting the law.' (Roberto Diaz Schwarz, interview 8/6/00). Peter Lamport, former President of the Chamber of Commerce and CACIF, told me about the decision of landowners to arm themselves in 1995/1996 during an intense period of land 'invasions'. Even this allegedly 'modern' businessman condoned their resort to arms, saying 'a man has a right to defend his land, here or in any part of the world' (Peter Miguel Lamport Kedsall, interview 30/5/00).¹⁵⁴ When Manuel Ayau says that the property owner 'has the first right' he

¹⁵² While the oligarchs talk about 'invasions', popular organisations refer to 'occupations' or 'historical recuperations' (Cojti 1998). The oligarchs' warfare metaphor associates those occupying vacant lands with the guerrillas, and helps justify state repression against the landless.

¹⁵³ Some liberal thinkers, such as Locke, believed it was legitimate to use force at times to prevent the violation of certain rights. This is discussed in Chapter 6 with reference to the idea of order in liberal conceptions of law.

¹⁵⁴ Some oligarchs extend this narrative, saying that not only can property be defended using force, but that force can be used justly to obtain property, as occurred at the time of Spanish colonisation of the Americas.

is effectively saying that when challenged, individual private property rights have priority over the civil right to be free from state violence. For Guatemala's oligarchs there is no equality amongst different liberal democratic rights, partly because defending the right to private property can require using violence.

Differences emerge within the economic elite concerning the military violence used to protect private property during the armed conflict, rather than the more general use of violence to defend property discussed above. One businessman, who had worked in a major Guatemalan monopoly and had participated at a high level in urban business organisations, said:

[...] And now that there is evidence of the enormous human rights violations committed by the army in the war – this really violates my beliefs, because there are no circumstances where you can justify the total destruction of villages, massacres of men, women, the elderly, children.

And why didn't the business sector react to these things that were happening?

Look, the business sector was worried about its economic position. Remember that the Guatemalan guerrillas based their thinking on the abolition of private property. They saw businessmen as exploiters and the cause of misery in society. In reality, the guerrilla was an attack on businessmen – agriculturalists and industrialists. Logically, in these circumstances of persecution business had to ally itself with the army. The role of the business sector in the war is very clear – total support for the army.

In what form?

Economically – the army directly received financing from the Guatemalan business sector. It's a fact.

Some sectors more than others?

I don't know details [...] undoubtedly the agroindustrial sector, and parts of the industrial sector – who had the most to lose – were the biggest supporters of the army. The private sector united in CACIF were the most important economic supporters of the army in the war [...]

(recorded interview, 2000)¹⁵⁵

This testimony is highly unusual, for Guatemalan businessmen almost never make open statements about business sector involvement in the war – they talk about it as a Cold War conflict primarily involving the guerrillas and the military. Here the interviewee says that members of the business sector, including those united in CACIF, were directly involved in financing the military as a means of protecting their economic interests, particularly private property. This testimony conforms with the scant research on business sector responsibility for civil war violence. Although containing little detail, the Truth Commission Report (Comisión para El Esclarecimiento Histórico 1999, Chapter 4.55 paragraphs 144-146) reveals how businessmen founded and funded death squads, allowed military troops to be bivouacked on their *fincas*, formed an Air Force Reserve flying their own planes to help the army logistically and to transport troops, and assisted the security services in pursuit of

Landowner Gustavo Anzueto (1998, 18) argues that the right to property can be founded on the 'right of conquest', which 'is the accepted basis of civilisation as we now know it'. Why land 'invaders' cannot also be considered a conquering force in this sense is unclear. His comments remind me of the Melian Dialogue in Thucydides' *History of the Peloponnesian Wars*. The Athenians, about to invade the Melians, tell them that in practice 'the standard of justice' depends on the 'power to compel', and 'that in fact the strong do what they have the power to do and the weak accept what they have to accept' (quoted in Viotti and Kauppi 1993, 85).

troublesome workers (especially trade union leaders). I was told stories about businessmen going from *finca* to *finca* trying to raise funds death squads, or meeting with military officials to compile lists of leftists to be extrajudicially executed.¹⁵⁶

While members of the business sector were partly responsible for armed conflict violence, two narratives emerge regarding the relationship between property and violence in the civil war. On the one hand is the position of this interviewee, shared by a handful of mostly urban-based businessmen, that the military massacres were morally unjustifiable, even if they helped protect the private property system. These comments are made in retrospect, after the end of the war. During the conflict most businessmen, including this interviewee, knew the military were involved in indiscriminate violence but did nothing to stop it. Talking about the army's war-time human rights violations, he said that 'it wasn't possible to talk about it publicly at that time, because you were putting your life at risk'. Such retrospective condemnation of army violence partly expresses personal guilt for directly or indirectly supporting the military's counterinsurgency campaign.¹⁵⁷ And this may have encouraged some businessmen to seek a negotiated solution to the armed conflict rather than continuing with the war (see Chapter 5, 'Personal experience and support for the peace talks').

A contrasting narrative, found primarily amongst businessmen whose main economic activity is in agriculture, is to downplay the extent of military violence in the war and defend the army's use of force. Speaking about military commissioners stationed around the country during the conflict, a former ANACAFE President said 'there are some cases of abuses but if you take note of the number of commissioners and compare it to the number who committed abuses of authority, it's minimal in reality (Max Quirin, b. 1962, interview 25/5/00). Another landowner said: 'People have judged the military very harshly [...] they all speak of 'excesses', but there were excesses by everyone involved' (Roberto Diaz Schwarz, interview 8/6/00). A former Chamber of Industry President stated: 'I think the Truth Commission Report is written with huge bias, very much in favour of the guerrillas' (Carlos

¹⁵⁵ While this testimony was given on the record, I have chosen to keep the source anonymous for security purposes.

¹⁵⁶ For an example of business cooperation with the military from the Truth Commission Report, see Illustrative Case No. 109, 'Forced disappearance of members of Pantaleón Refinery Sugar Union' (Comisión para el Esclarecimiento Histórico June 1999, Annex 1, 319-324). The refinery contained a clandestine prison. Pantaleón is owned by the Herrera Ibarguén family, who control two of the largest sugar refineries in the country (see Chapter 3). For other examples of oligarchic involvement with military violence in the war see a background report prepared for the Catholic Church's 'Recovery of Historical Memory' Project (ODHA, undated). Further sources for my comments include interviews carried out with military officers, former guerrillas, and both recorded and off-the-record discussions with other businessmen.

¹⁵⁷ According to some writers, the oligarchy's failure to oppose the killings is evidence of their complicity and cooperation with the state. Frundt (1987, 223) states that 'the upper class did not react to prevent...abuses of human rights in any significant sense until the presidential election of 1985'. Levenson-Estrada argues that 'waves of state directed violence, and the fear that violence provoked, constituted a system of social control that ruled, and still rules, in Guatemala, a system that the business community has not opposed' (1994, 46). Some

Vielman Montes, interview 5/6/00). Such comments have little weight when compared to the evidence of the 9,000 testimonies used to compile the multi-volume Truth Commission Report, which attributes 93% of the atrocities in the 36-year war to the military, 3% to the URNG guerrillas and 4% to unknown sources, and demonstrates that the army committed acts of genocide (as defined under international law) between 1981 and 1983 (Jonas 2000, 33).¹⁵⁸ With around 200,000 people killed or disappeared during the conflict, the human cost of protecting the private property system was immense (see Chapter 2).

Guatemala's oligarchs express a willingness to use violence to protect their property, just like economic elites in other Latin American countries such as Brazil (Payne 2000, 101-115). It seems that in the oligarchic worldview, the property rights of the wealthy few trump the civil rights of other Guatemalans. There is, however, heterogeneity regarding business sector attitudes to military violence in the war. These divisions reemerge in oligarchic narratives concerning the need to use the military to combat problems of personal security (see Chapter 6, *The desire for military intervention*).

Conclusion

Oligarchic narratives of private property are striking first, for their homogeneity, and second, for their incompatibility with liberal democratic values. Both aspects have consequences for the development of liberal democracy in Guatemala.

Historical sociologists suggest that the emergence of liberal democracy often depends on the existence of divisions amongst economic elites. In its strongest form, the claim is that democratisation cannot occur unless a country has an urban bourgeoisie with interests that are distinct from the traditional rural oligarchy. Barrington Moore (1973, 418), for example, argued that the growth of parliamentary democracy required this division: 'No bourgeois, no democracy'. Less categorically, Reuschmeyer, Stephens and Stephens (1992, 58-59, 61) state that democratisation has sometimes occurred when a distinct bourgeoisie emerges to counter landlords, particularly when the bourgeoisie seeks political alliances with subordinate classes against the economic interests of the landed aristocracy. Given these analyses, we can ask, what does this exploration of property narratives amongst the Guatemalan economic elite reveal about their internal divisions? With respect to private property - one of the most fundamental issues in Guatemalan history - the oligarchic worldview exhibits unity rather than division. Their property narratives are homogenous in two senses. First, all the narratives are consistent with maintaining the existing property regime; they display a fierce opposition to any

oligarchs who admitted business involvement in violence stressed that businessmen acted 'as individuals' rather than 'institutionally'. Business relations with the military will be explored in detail in Chapter 7.

¹⁵⁸ Some analysts believe that this 'unknown' 4% may include many cases directly involving the oligarchs.

property changes, particularly an expropriative and redistributive agrarian reform. Second, the oligarchs are united across economic sectors in the rejection of changes to the private property system. There is no evidence, for example, of an urban business sector willing to support land reform as a means of weakening the agricultural elite.

It might be objected that the variety of narratives reflects heterogeneity within the economic elite. The narratives appear to illustrate what S. N. Eisenstadt calls 'multiple modernities'.¹⁵⁹ While the public documents generally use 'modern' or 'Western' concepts such as rights, equality and development, the interviews help reveal multiplicity. The narratives encompass aspects of colonial feudalism, liberal republicanism and neoliberalism; of the individual and the nation, of history and its absence; of technocratic efficiency and old family ties; of respect for law and the justice of violence. I believe, however, that this heterogeneity reinforces their unity, as oppose to illustrating their divisions. Whether urban or rural, old or young, the oligarchs think similarly with respect to most of the narratives. Their unity is contained within the multidimensionality of narratives. Each narrative is like a strand of a web: the greater the number of strands and the more complex their intertwining, the stronger and more unified the oligarchy's opposition to property reform will remain. Certainly there are some important narrative differences, such as an older generation of landowners having more vivid memories of the land reform of the 1950s than younger, urban business people, making the former more fearful of agrarian reform. While such differences helped shape the landowners' distinct political strategy regarding the peace negotiations, all sectors of the business community remained similarly opposed to agrarian reform (see Chapter 5).

The second striking aspect of oligarchic narratives is their incompatibility with liberal democratic values. Some analysts suggest that Guatemala has developed a business sector primarily based in industry and commerce that is distinct from the agricultural elite, and that within this modern or 'reformist' sector 'democratic forms of governance came to be valued in themselves' in the 1990s (McCleary 1999, 25, 57). The analysis of oligarchic narratives of private property suggests that this is not the case. First, as discussed above, there appears to be no distinct urban business sector, at least with respect to the issue of property reform. Second, if 'democratic forms of governance' is equated with the full range of liberal democratic values described in the conceptual model in Chapter 1, the oligarchs are far from being reformist or modern: their narratives illustrating a desire to protect the property rights of the wealthy few seem to conflict with many fundamental liberal democratic values. First, the economic elite's property rights trump the civil rights of other Guatemalans. They believe that it is just to use violence to protect private property, particularly against land 'invaders'. Furthermore, their perspectives on property rights seem irreconcilable with ideas of minority rights.

Many indigenous organisations and communities make claims to land based on their group rights as a minority culture, but the oligarchs reject such claims and emphasise the individual nature of property rights. Third, by rejecting agrarian reform the oligarchs limit the possibility for land ownership by other Guatemalans, preventing the latter from enjoying various aspects of property rights in practice. Finally, the economic elite's opposition to property reform perpetuates poverty and inequality, which has detrimental effects on a range of liberal democratic values, including political rights.¹⁶⁰

How can these incompatibilities be understood in relation to liberal democracy, as defined in Chapter 1? It is well-established in political theory that liberal democratic rights can conflict with each other. The right to free speech, for example, can conflict with the right not to be subject to racial abuse (Jones 1994, 198). Property rights are often seen as particularly problematic in this regard. For instance, in their analysis of the 'contradictions' in modern social thought, Samuel Bowles and Herbert Gintis argue that capitalism and democracy are not complementary systems: 'The one is characterised by the preeminence of economic privilege based on property rights, the other insists on the priority of liberty and democratic accountability based on the exercise of personal rights' (1986, 3). The priority given to private property by the oligarchs seems to resemble a model of liberal democracy in which the protection of private property rights and capitalist market relations are predominant. Macpherson called this the 'protective' model of liberal democracy. Its essence is reflected in the writings of Bentham, in which 'we have security of property elevated to a "supreme principle"'. In cases of conflict between security of property and other principles, such as equality, the latter must yield to the former (Macpherson 1977, 33). Although Bentham supported electoral accountability and political rights, universal suffrage was considered potentially dangerous as it could threaten security of property (hence many nineteenth century liberal thinkers, such as James Mill, advocated property qualifications for voting). For thinkers such as Bentham and Mill, governments should never endanger individual private property and the capitalist economic system (Macpherson 1977, 39, 43; Held 1996, 95-96). The predominance of private property in the oligarchic worldview thus has affinities with an important aspect of the liberal democratic tradition.¹⁶¹

Thus far the analysis has focused on thought rather than action. The narratives of private property, including their evidence of both oligarchic unity and incompatibility with liberal democratic values, become significant when placed in the context of the negotiations on the Socioeconomic Accord. In

¹⁵⁹ '...practically from the beginning of modernity's expansion multiple modernities developed, all within what may be defined as a Western civilizational framework' (Eisenstadt 2000, 13).

¹⁶⁰ These four points will be discussed in more detail in Chapter 5.

¹⁶¹ Here I have emphasised Macpherson's and Held's interpretations of Bentham and Mill. Some commentators would dispute the idea that private property is effectively a 'supreme principle' for Bentham, and would place greater emphasis on the principle of utility. The utilitarianism championed by Bentham is no longer so predominant in liberal democratic thought (Kymlicka 2002, Chapter 2). As should be clear from my analysis, the oligarchic worldview on private property does not reflect the utilitarian basis of Bentham's thinking.

the next chapter I will show how the oligarchic worldview evident in these narratives helped shape the business sector's concrete political practices that limited the development of liberal democracy in Guatemala.

CHAPTER 5: PROTECTING PROPERTY IN THE PEACE PROCESS

Introduction

This chapter, a detailed description of the peace negotiations from the perspective of the oligarchs, places the property narratives of the previous chapter in historical context. The question is: How did the oligarchy's worldview on private property shape their political practices to prevent a redistributive agrarian reform from appearing in the Accord on Socioeconomic Aspects and the Agrarian Situation, negotiated as part of the peace process in 1995 and 1996?

As in many other Latin American countries, agrarian reform was a central issue of political contestation throughout the twentieth century in Guatemala (see Chapter 2). When peace negotiations began around 1990 between the government/military and the URNG guerrillas to end three decades of civil war, the enormous property inequalities that had helped cause the conflict still existed. No substantial agrarian reform had occurred during the civil war period: the oligarchs continued to dominate the land, over one-fifth of rural heads of household were landless, and, in 1991, 51% of cultivatable land remained underused. Rural living conditions may have even worsened during the conflict: between 1980 and 1990 the percentage of rural population living in extreme poverty rose from 44% to 72% (Palencia and Holiday 1996, 22; Gidley 1996, 3; United Nations Systems in Guatemala 2000, 65).

During the new civilian regime of Vinicio Cerezo (1986-1990), which replaced the previous succession of military governments, public discussion of agrarian reform was virtually non-existent. This is understandable: supporters of land reform, including members of indigenous and peasant organisations, continued to be disappeared, tortured and murdered despite the end of direct military rule. As the peace talks became a reality in the 1990s, land reform slowly emerged as a political issue that could be debated more openly. Proposed discussions on 'Socioeconomic Aspects and the Agrarian Situation', one of eleven themes of the negotiations agreed in the Mexico Accord of April 1991, provided a context for indigenous and campesino groups to vocalise their concerns about landlessness. The number of land occupations by the poor and dispossessed increased. The guerrillas still called for an end to the oligarchic domination of private property.

The Socioeconomic Accord came up for negotiation in May 1995, after the government/military and the URNG signed an agreement on indigenous rights. The oligarchs were now faced with the greatest threat to their traditional privileges from the peace negotiations: the possibility of a challenge to the

private property system, particularly the prospect of agrarian reform. Their fears were realised in the URNG's first draft proposal for the accord, which directly targeted the 'bourgeoisie'. It called for expropriation and redistribution of idle agrarian land, higher taxes on underutilised agrarian property, and constitutional recognition of the 'social function' of property (URNG 17/4/95).¹⁶² As will become clear in the analysis, Guatemala's oligarchs successfully prevented any fundamental changes to the private property system: the URNG's proposals were defeated.¹⁶³

The primary argument of this chapter is that the oligarchy's worldview, evident in their property narratives, shaped their political responses to the Socioeconomic Accord negotiations. The young generation of urban modernisers who led the business sector's involvement in the peace talks shared the worldview of older businessmen and those with greater interest in the agricultural sector: there could be no changes to the individual private property system, particularly through expropriative and redistributive agrarian reform. Throughout the analysis I demonstrate how the range of property narratives guided oligarchic practices. The varying importance of these different narratives across economic sectors and generations at times resulted in diverse strategies, such as the use of violence rather than negotiation to resolve property conflicts.

The analysis also provides insights into the larger question of this thesis: How did the oligarchy's worldview shape their political practices that limited the development of liberal democracy in Guatemala in the final decade of the twentieth century? Not only did the oligarchic worldview shape their practices, but these practices had detrimental effects on the emergence of liberal democracy in Guatemala. I suggest that both the methods of oligarchic political influence and the consequences of their actions limited democratisation. First, regarding methods, they certainly used formal political institutions to lobby the peace talks, creating a Business Peace Commission (CEPAZ) in 1994 to write proposals for the accords and represent the common position of the business sector united in the confederation CACIF. These actions resembled those of civil society actors such as trade unions and indigenous organisations. But parallel to this, the oligarchs used informal patrimonial influence to achieve their aims.¹⁶⁴ These latter practices, which gave them a privileged role in the Socioeconomic

¹⁶² These demands are in Section 3 of the document, entitled 'Modernisation of the Agrarian Structure and Agricultural Development'. According to the URNG, 'the most important obstacle impeding economic and social development in Guatemala is the unequal system of land ownership and land use, and the legislation that permits it'. For a more publicly accessible, though less detailed, presentation of the guerrilla's proposals see URNG (April 1995, 199-200).

¹⁶³ The success of Guatemala's economic elite in protecting their property privileges echoed the recent history of other incipient liberal democracies in the region. In 1987 Peruvian businessmen destroyed the government's attempt to nationalise the banks (Durand 1994, 146-171). In Brazil in the late 1980s, landowners in the UDR successfully mobilised to prevent agrarian reform (Payne 2000, 101-115). In the Salvadoran peace negotiations in the early 1990s, businessmen forced the government to seek socioeconomic reforms that protected their property and wealth (Vickers and Spence 1994, 20-21).

¹⁶⁴ In *Economy and Society*, Weber describes 'patriarchal domination' as a pre-bureaucratic system based on tradition and personal loyalty to the master, which lacks a strong distinction between the public and the private

Accord negotiations, were inimical to the liberal democratic value of government accountability to citizens. Second, the consequences of oligarchic practices were to prevent the realisation of a range of liberal democratic rights for those outside the oligarchic community. This included minority rights, civil rights, property rights and political rights.

Primarily drawing on interview testimony and analysis of business organisation documents, the discussion is organised both chronologically and thematically.¹⁶⁵ It begins with the background to the peace negotiations. Business participation in the talks was conditioned by three main factors: the internal politics of the oligarchic community, the changing international and domestic context, and the personal experiences of those in the economic elite. Following is a detailed description of the Socioeconomic Accord negotiations. This initially focuses on the oligarchy's objections to civil society's involvement in the talks, then examines the negotiations during the De León Carpio government in 1995. The analysis continues with the economic elite's depictions of the guerrillas and the military, and ends with discussion of the talks under the Arzú administration in 1996. The final two sections of this chapter examine how the methods and consequences of oligarchic practices limited the development of liberal democracy in Guatemala. The conclusion discusses the implications of these oligarchic practices for two issues raised at the beginning of Chapter 4: continuities and changes in Guatemalan history, and the role of elites in democratisation processes.

Background to the Socioeconomic Accord negotiations

The internal politics of the oligarchic community

The internal politics of the oligarchic community conditioned their involvement in the peace talks. Throughout the 1980s and into the early 1990s the business sector still believed in a military solution to the civil war and refused to support government negotiations with the URNG to end the conflict.

spheres. 'Patrimonial domination' is a variant of this; instead of having a single ruler, authority is decentralised to a wider ruling group (1968, 1006-69). Oligarchic influence in Guatemala is patrimonial rather than patriarchal as authority is exercised by a number of family networks and their financial groups, similar to the rule of patrician families that Weber describes in his analysis of medieval Venice and other cities (1968, 1266-1296). My use of 'influence' and 'authority' rather than terms such as 'domination' is discussed in Chapter 1.

¹⁶⁵ *See Appendix B for a timeline of the peace negotiations. Although my interview questions were largely structured chronologically, members of the elite were frequently vague about the dates and content of meetings with the various actors, and seemed to move backwards and forwards in time with some ease. The lack of specifics sometimes appeared a protective device developed in a 'low-trust' society to deflect journalists and other inquirers; it often seemed something simpler, such as an inability to remember the events of five or more years previously. While using secondary sources such as newspapers to check dates and places where possible, I have both tried and been forced to retain some of the 'imprecise' aspects of the interviews. I am reminded of Natalie Zemon Davis's (1983) analysis of the trial of Martin Guerre, where she admits that her documents are imperfect, that often she was unsure why Martin Guerre took certain courses of action, that not everything can be exactly dated or explained.*

Within the oligarchic community, landowners who vividly remembered the agrarian reform of the early 1950s voiced the strongest opposition to speaking with the guerrillas. However, the shared narrative of protecting private property eventually relegated inter-sectoral divisions to secondary importance: most oligarchs united to support business participation in the talks so as to block the guerrillas' proposals. This internal shift required approval of business leaders who exercise their influence from outside formal organisations.

The peace talks began in 1990 with a series of meetings between the URNG and other sectors such as political parties, religious groups, and trade union and popular organisations.¹⁶⁶ In August 1990, as part of this 'Oslo Process', CACIF representatives met with the URNG in Ottawa. The delegation included hardline agriculturalists Edgar Alvarado Pinetta and Roberto Cordón, and urban 'modernisers' such as Jorge Briz, President of the Chamber of Commerce, and Víctor Suárez, former President of the Chamber of Industry.¹⁶⁷ This meeting is a turning point in many oligarchic narratives of the peace process, particularly in their public relations statements. According to the Executive Director of CACIF, 'it was an historic meeting in which the private sector decided to give its backing to the peace process' (Roberto Ardón Quiñones, interview 16/7/96). It not only showed the goodwill of the business sector, but initiated trust-building that made the later accords possible.

Others businessmen are more candid about the meeting, emphasising continuity rather than change. For example, one agroindustrialist stressed 'we went to Ottawa to say that we were not going to participate' (Humberto Preti Jarquin, interview 24/7/96; his emphasis). The meeting was described as 'a failure' and 'rigid' (Carlos Vielman Montes, interview 5/6/00). In a position shared by both agricultural and urban elites, CACIF said they would not negotiate until the URNG laid down their arms (a hurdle common to many peace processes), and refused to issue a joint communiqué with the guerrillas, as had occurred out of the URNG's meetings with other sectors. CACIF statements echoed the liberal republican narratives that focus on respect for the constitution and individual property rights (see Chapter 4, New and old liberalisms): peace can only be achieved 'within the prevailing constitutional and legal framework' and in any negotiations there must be a respect for human rights – including 'free use and disposal of one's possessions' (CACIF 31/8/90 and 1/9/90).

Despite the business sector's rigidity, their agreement to meet the URNG face to face was unexpected and historically unprecedented: the guerrillas were considered illegal 'subversives' and 'delinquents'; they had destroyed oligarchic property and killed or kidnapped members of the business community; and CACIF had only recently refused to participate in the 1989 National Dialogue, which involved 47

¹⁶⁶ For the historical background to these talks, such as the Esquipulas II Agreement and National Dialogue, see Krznaric (1999) and Jonas (2000, 37-43).

other organisations from civil society. How, then, can we understand the oligarchy's attendance at this meeting, and their subsequent involvement in the peace negotiations?

In a series of dramatic encounters in the late 1980s and early 1990s, landowners in the Chamber of Agriculture debated whether or not they should participate in the peace talks. Humberto Preti, who was President of the organisation between 1992 and 1994, remembers one such debate:

How was it possible to unite the agricultural sector around the negotiations, or involvement in the peace negotiations? And what did you do to do it?

Well, look, basically we created a dialogue. It was very difficult. I remember that at the first meeting they put their guns on the table in front of me. I said, 'Well, I'm going to go and get my gun too, so that everyone is in an equal position here'. And things of that type.

What happened in the meeting?

People got up and said 'I don't agree! You're betraying us! I'm not going to negotiate with people who are getting a war tax out of me, who are destroying my bridges or power lines, who come into the finca and burn down a storeroom!', or this or that. And there were people who said 'Well, it's only a matter of time before the guerrillas are totally wiped out, there aren't many of them left, what we have to do is strengthen the army, we have to kill everyone and that will sort it out'.

...the Chamber of Agriculture has always had a structural problem.

Which is?

That nobody can reach agreement with each other. Everyone is a patrón, everyone is head of their finca, so they never want to cede any space. I have always had thousands of problems with this in the Chamber [...] we had big fights, but finally we were able to form the [Agricultural] Commission and CEPAZ.

(Humberto Preti Jarquin, interview 26/6/00)

Humberto Preti's testimony illustrates landowner opposition to the peace talks, and how it was shaped by various oligarchic narratives. He encourages a vision of the landowners as gun-toting caudillos or lords ready to protect their rural fiefdoms with arms. This depiction, combined with the extreme statement that the agriculturalists would rather have the army 'kill everyone' than enter peace negotiations, conforms with the oligarchs' narrative of Property as violence (Chapter 4), in addition to a narrative of personal security concerning The desire for military intervention (Chapter 6) to create social stability. Humberto Preti's description also shows how the oligarchy experience their own community as fragmented (Chapter 3). The landowners, he claims, are extremely independent and even unruly. Not even the institutional structure of the Chamber of Agriculture can unite them. This perspective seems consistent with the narratives stressing oligarchic individualism (Chapter 4, Economic development without property reform). Humberto Preti is also aware that heterogeneity is expressed in different experiences of the armed conflict. Most interviewees stressed that landowners were more opposed to participation in the peace talks than other economic sectors because the war was concentrated in rural areas: their fincas were burnt down and infrastructure destroyed, they were forced to pay war taxes to guerrillas, they were easier targets for kidnapping and murder. These

¹⁶⁷ Many sources link Alvarado Pinetta to the murder of Father Girón, who led a mass campaign for agrarian reform in 1986.

experiences are illustrated in narratives of Family ties to the land (Chapter 4), and also reflect how the economic elite see themselves as victims of the guerrillas (Chapter 6, The community of victims).

Yet Humberto Preti is also telling a story of unity and modernity about the business sector's support for the peace negotiations. Despite their harsh experiences, it was eventually possible to convince most landowners to join the urban economic elite and support CACIF's Business Peace Commission (CEPAZ). Only a minority of landowners, such as those in the hardline National Agrarian Coordinating Committee (CONAGRO), maintained opposition to the talks. Overcoming disunity is partly understood in individualistic rather than collective terms. Using 'I', Humberto Preti may see himself as a hero in this drama who is personally responsible for changing landowner attitudes. Other former Presidents of the Chamber of Agriculture portray themselves similarly. Luis Reyes Mayen, who was also President of CACIF and a member of CEPAZ, says that even in 1994, four years after the peace process began, he was one of the only business leaders who had detailed knowledge of the negotiations – most couldn't name the eleven themes of the talks specified in the 1991 Mexico Accord. One reason he stayed President of the Chamber of Agriculture for four years, he believes, was that even his enemies voted for him, realising that he recognised what changes were needed (Luis Alberto Reyes Mayen, b.1951, interview 9/6/00). This may not purely be personal aggrandisement. Agroindustrialists such as Humberto Preti and Luis Reyes seemed more in favour of the peace talks than landowners without these links to industry, and played an important role in convincing agriculturalists not to fear the negotiations.¹⁶⁸ The oligarchs frequently portray this internal shift to supporting the talks as a new modernity or openness in the business sector: their associations are now dominated by urban businessmen in industry, commerce and finance who are more supportive of democratic institutions; even traditional landowners are now willing to dialogue with the left; and recalcitrant groups such as CONAGRO are eccentric outsiders. Yet I interpret this shift in terms of continuity rather than change. In historical perspective this is a repetition of the business sector temporarily setting aside their differences at a moment of crisis and uniting to defend private property (see Chapter 2). The shared narrative of preserving the existing property regime draws them together.

Oligarchic participation in the peace talks required not only shifts in the position of recalcitrant business organisations, but also gaining support of the informal business leadership. I was surprised how frequently CEPAZ participants and business association presidents admitted that their own leadership was partly a façade and that they sometimes deferred to other significant businessmen who exercise their authority in the business sector from outside its official associations. Former CACIF president Luís Reyes Mayen explains the functioning of this system of influence, where the business

¹⁶⁸ This concurs with Jeffrey Paige's analysis of El Salvador in which 'agro-industrialists looked for...an accommodation with the FMLN' while hard-line members of the agrarian faction 'continued, and continue, to resist the democratic opening' (Paige 1998, 187).

sector's organisational leaders are secondary to those in the oligarchic nucleus, who often exercise veto power through their representatives in business associations.

How does this influence [of the informal business leaders] work?

[laughs] Ah, right. It's practically unexplainable [...] these people discuss their points of view and [their views] are returned to their Chambers. In the various Chambers there are meetings every week [...] There is someone in the Chamber of Commerce, the Chamber of Industry, the Chamber of Finance, and the Chamber of Agriculture. There is a top executive of a company, or a medium businessmen, who takes note of a delicate issue and alerts. They alert those who have to be alerted – his 'principales' [...]

Like Castillo or Herrera?

When I say principales I use this word because it's one the Mayas...use to label a leader. So they tell, or phone, this guy or that guy. And they meet that day in the office of some particular person, or in some club. And say there's this or that going on [...] So [the principales] form an opinion. And then [their representative] goes to the Chamber of Finance and says 'we don't agree with x or y'. And in the next meeting of CACIF the issue is brought up again...So, when the principales of industry, who are almost the same as the principales of agriculture, or as finance, are in agreement, then their representatives tell CACIF what direction to go in [...] Some 'principal' doesn't turn up at CACIF and say 'you guys are idiots!' for this or that reason. He has due respect for the institution...so for example one week CACIF supports the Fiscal Pact, but this doesn't mean to say that the next week they won't take their support away...eh...this is how the business sector functions in this country. What I'm saying is a simple version of something complex, but – it functions informally. There are no strict rules. [...] And that's why CACIF is basically reactionary, not proactive...

(Luís Alberto Reyes Mayen, b.1951, interview 9/6/00)

Luis Reyes's revelation of informal influence by a small group of leaders whose authority crosses the boundaries of all economic sectors is extraordinary for coming from a former CACIF President. It contrasts with the official claims of business associations that they represent thousands of firms throughout the country.¹⁶⁹ Luís Reyes ignores my presumption that the principales include the patriarchs of the Castillo and Herrera families, who largely control the beer and sugar industries respectively. Like all interviewees, however, he does not deny my suggestion that the business sector is dominated by these families and their financial groups, in addition to a few others who form the oligarchic nucleus (see Chapter 3). The testimony conjures up images of nineteenth century British aristocrats in their Pall Mall clubs quietly ruling from behind puffs of cigar smoke (Scott 1982, 177). Luís Reyes depicts a pre-modern patronage politics with each clan boss having his stooge, akin to mafia organisations or Weber's patrimonial societies of antiquity. Public business leaders and business associations from all economic sectors are portrayed as the shadows of an oligarchic inner sanctum. Just as business organisation documents are only the surface of property narratives, interviewees suggest that the formal arrangements of business organisations are only the surface of their functioning.

¹⁶⁹ These disingenuous claims seem to be believed by Rachel McCleary (1999, 31), who states that 'CACIF represents 80,000 entrepreneurs who, for the most part, represent small to medium-size businesses'. Her source for this statement is an interview with the executive director of CACIF. While she admits that at times CACIF forms special commissions of former business leaders in crisis situations (McCleary 1999, 34), she gives no indication of the regular informal influence described by Luis Reyes.

Businessmen confirmed that these unofficial leaders exercised influence in two ways during the peace negotiations: ex-Presidents of business associations were consulted on major decisions, and official business leaders held informal meetings with the *principales*. First, speaking off the record, one former Chamber of Industry President remembers that he and the Directors did not themselves decide to take part in the talks, but instead deferred to an informal, ad hoc advisory committee of ex-Presidents of the Chamber. To paraphrase my informant, the ex-Presidents said: ‘OK you kids, we’ll let you go ahead and enter the negotiations. But don’t come back having lost the match 10-0. You’re going to lose 2-0 or 1-0. That’s OK.’ The informant proudly related how ‘We came back and we’d won! We didn’t even lose 2-0 or 1-0!’¹⁷⁰ Members of these committees are frequently some of Guatemala’s most significant businessmen.¹⁷¹ Second, informal meetings were used to obtain backing for business participation in the talks from the *principales*, and later to keep them abreast of CEPAZ negotiating positions. One businessman and member of the government’s peace commission said that the leaders who fronted the business sectors’ involvement in the peace process ‘always had the intelligence to understand that there were “other powers” behind their own power as business association leaders’. People such as Peter Lamport, former President of both the Chamber of Commerce and CACIF, and a founder of CEPAZ, ‘always had informal meetings with these big businessmen, where they could give their opinions, where they could be kept informed [...] when there were difficult or conflictive issues they had to organise meetings to check that they thought similarly’ (Richard Aitkenhead Castillo, b.1957, interview 29/6/00).

Decision-making on central issues within the business sector lacks the technocratic feel of a Weberian bureaucracy, reinforcing the suggestion in Chapter 4 (New and old liberalisms) that we should not exaggerate the importance of property narratives related to a new administrative neoliberalism. Clearly these narratives operate more as rhetoric than practice. The *principales* only become active when their position is threatened. In the peace talks CEPAZ members were proactive through supporting the negotiations and writing detailed policy documents, yet their larger purpose was reactive and in accordance with the wishes of the oligarchic nucleus - to prevent changes to the

¹⁷⁰ Football metaphors are common in oligarchic narratives. They signal a confrontational approach to politics where teams are pitted directly against each other. This interviewee was clear that the peace talks threatened the business sector as the match would probably be lost, and that the businessmen achieved their aims in the peace process, having won the match. This combines both the sense of vulnerability and invincibility amongst the oligarchy described in Chapter 3.

¹⁷¹ Until the 1970s the most important oligarchs occupied positions in business organisations. Due to the political violence they began removing themselves from these posts. Committees of ex-Presidents of business associations have operated on numerous other occasions not only to control the formal business leadership, but to exert influence over government policy-making. The most carefully documented example I have encountered is in a Guatemalan political news magazine. It concerns the successful attempt by the ‘12 Apostles’ – the committee of ex-Presidents of the Chamber of Industry - to prevent a tax proposal during the Presidency of Ramiro De León Carpio. This involved numerous informal meetings with the President of the Republic (*Crónica*, 28/4/95, 19-23). A number of my interviewees had participated in such committees of business association ex-Presidents.

property system. This culture of maintaining the status quo is central to the oligarchic worldview, symbolised in the property narrative concerning the sacred nature of the constitution (Chapter 4, Rights as the maintenance of privilege).

The changing international and domestic context

While international contextual changes after 1989 encouraged business participation in the peace talks in the 1990s, the national perspective of the economic elite made them responsive to domestic factors that rendered involvement palatable.

Oligarchs from the range of economic sectors mentioned international factors when discussing the peace process. The end of the Cold War, the Sandinista's electoral loss in 1990 and progress in the Salvadoran peace talks reduced the business sector's fear of communism and highlighted the guerrillas' increasing international isolation. 'In the East – in Russia, Czechoslovakia, Poland – there were huge changes. We saw that the strategic-logistic support of the subversive movements in Central America was going to change soon [...] and that their military victory would be impossible' (Peter Miguel Lamport Kedsall, interview 30/5/00). Such perspectives, which encouraged business participation in the peace talks, reflect the property narrative that the guerrillas emerged from an international communist conspiracy rather than having a popular domestic base (Chapter 4, History in the present); once international communism disappears, so too does the threat of domestic revolution. In accordance with the narrative that economic development is based on creating a favourable investment climate (Chapter 4, Economic development without property reform), interviewees stressed that a successful peace process would also help restore international investor confidence, enticing private funds into the country, and would attract multilateral and bilateral financing to help rebuild the economy.

While it is tempting to globalise the analysis in this way, most interviewees stressed domestic more than international contextual changes, echoing the importance of nation in the oligarchic worldview (Chapter 4, New and old liberalisms).¹⁷² Although the army had failed to eradicate the guerrillas, by the early 1990s the URNG appeared unable to achieve outright military victory. The 'subversives' would thus be in a relatively weak negotiating position compared to the FMLN in El Salvador. The business sector were further encouraged because some military factions had begun to support the negotiations from around 1991 (Jonas 2000, 38). After the 1990 meetings and the continuation of the

¹⁷² Analysis of peace negotiations is often from an international relations perspective. There is a tendency to emphasise international aspects of conflict resolution, such as the end of the Cold War or the role of the United Nations, to the detriment of domestic factors. This has long been a problem in analysis of Central America, where the United States' treatment of the region as a 'backyard' has deterred scholarly analysis of internal political and social organisation (Dunkerley 1988, xi).

talks into the Serrano administration (1990-1993), most members of the economic elite were realising that the peace process would occur with or without them, and that failing to participate would leave them politically isolated. Some interviewees said that the experience of Serrano's attempted 'self-coup' in 1993 pushed them closer towards negotiations; their joint opposition to Serrano with parts of the popular movement and some military factions helped develop *confianza* (trust) across different sectors, contributing to an atmosphere in which dialogue about the armed conflict seemed possible. Once the URNG began scaling down their attacks on the property and lives of the oligarchy from 1994, participation in the talks seemed both possible and necessary. While many businessmen believed that substantive property reform was unlikely, most were uncertain about the outcome and believed that they 'couldn't afford to take the risk' of ignoring the Socioeconomic Accord negotiations (Max Quirin, b.1962, interview 25/5/00). That is, the oligarchs had a sense of vulnerability and state autonomy, similar to that depicted in Chapter 3.

The oligarchs saw that the international and domestic context around them was changing. By around 1994 they realised that participation in the peace talks was the most effective means of maintaining the economic and political status quo. They recognised the political expediency of embracing the language of peace and reconciliation by taking part in the negotiations, rather than remaining inert and allowing history to impose unwanted changes upon them.

Personal experience and support for the peace talks

The oligarchy's participation in the peace process cannot be understood solely on the basis of the changing context or the internal politics of the business sector. It is also important to ask, how did personal experience combine with their worldview to shape participation? The personal experiences of those whose property or family members had been affected by guerrilla assaults made them reluctant participants, protracting the negotiations, while a younger generation of urban 'modernisers' had a more pragmatic approach to dialogue with the URNG. Formative personal experiences during the peace process also encouraged some oligarchs to end the conflict through negotiation.¹⁷³

While guerrilla assaults on the oligarchy were concentrated on their private property, the armed conflict affected the business community in more personal ways, making them reluctant peace negotiation participants. Almost everyone I spoke with had experience of family members being killed or kidnapped during the war. This helps explain why the oligarchs see themselves as having been victims in the armed conflict (for details see Chapter 6, The community of victims). Humberto

¹⁷³ This personalistic approach to understanding economic elite practices has some similarities to Craig Charney's work on the role of business in South Africa's transition: '...business action for peace could not be

Preti said that his uncle was assassinated by guerrillas, and that the father of a Chamber of Agriculture Director had also been murdered: ‘Logically, many people here didn’t really want to sit down and talk with those who had murdered their fathers or families’ (Humberto Preti Jarquin, interview 24/7/96). Some of those participating in the talks experienced a sense of guilt and betrayal. One industrialist, whose wife’s cousin was killed by the guerrillas, admitted: ‘I myself sometimes felt bad...I thought that I was betraying my principles, my friends, the victims’ (Carlos Vielman Montes, interview 5/6/00). Given the importance of family life in the oligarchic community (Chapter 3), it is unsurprising that such experiences of family persecution made them unwilling to dialogue with the guerrillas. For other oligarchs, particularly landowners, personal pride and loyalty to their families made them unwilling to face the URNG, often referred to anonymously and disparagingly as ‘esa gente’ – ‘those people’. One landowner said, with irony, that he would not speak with the guerrillas because ‘they’re not my loved ones [...] they have their lives while I have mine’ (Gustavo Anzueto Vielman, interview 31/5/00). The guerrillas were seen not as an abstract class enemy but as adversaries who permeated their personal relationships.

Business support for the peace process must similarly be understood in terms of personal experiences. Peter Lamport, one of the most important businessmen in CACIF’s Business Peace Commission (CEPAZ), gave measured and formal answers to most of my questions, displaying a smooth technocratic neoliberalism. But his description of forming CEPAZ seemed more personal and less articulate than usual:

Why did you get so involved in this process?

...well, I had accepted the position of President of the Chamber of Commerce, Vice-President and President of CACIF – it’s part of the responsibilities [...] But it wasn’t only this. We got a group of friends together...basically people with the same ideas. We’d been involved in politics – not in party politics – but in politics at university [...] Many of us in CEPAZ got to know each other at university...eh...we were looking for a different kind of country – it’s that simple [...] I don’t want to leave my kids with the same situation of conflict that we’ve had. What kind of future could they have? We can’t continue being a country with these types of internal conflicts. [...] An army official who’s in combat is exactly the same – ‘what kind of life am I going to leave for my kids?’ – or a peasant or a unionist or a cooperativist. When we all began to talk about these things we all agreed that this isn’t the kind of life we want to lead.

(Peter Miguel Lamport Kedsall, interview 30/5/00)

Carlos Vielman Montes spoke similarly about his time in the Chamber of Industry, when he was President of the association and deeply involved in CEPAZ:

What has been the best moment in your career as a businessman?

Economically speaking?

reduced solely to strategic rationality, loath though many hard-headed business people would have been to admit it: it also reflected personal values, commitments and contacts’ (Charney 1999, 194).

In different senses – personally and economically.

Well, to tell you the truth, the most enriching moments specifically for me, which have left an impression on my life, and which have given me a different vision, were during my six or seven years of participation in the Chamber of Industry [...] Because you learn how to manage things institutionally, you learn to see the wood for the trees, you broaden your vision of the country. I learned to understand and communicate with people who, in the past, I didn't think I'd ever be able to talk with – unionists, cooperativists, social groups. Then, on the other hand, in our team, during our era, we were a real team, a fantastic team. And this has led to us being great friends now. We got to know each other, so now we are great friends – we meet up, our wives see each other, our kids get together. It was really enriching in all senses.

(Carlos Vielman Montes, interview 5/6/00)

These two testimonies describe participation in the peace process in terms of personal experience within the oligarchic community, rather than the operation of business sector institutions. According to Peter Lamport, CEPAZ – the sector's most important lobbying organisation in the peace talks - should not be understood simply as a formal institution representing CACIF sectors such as agriculture, commerce, industry and finance. Rather, it was a group of friends with shared educational and personal experiences who, over many years, had developed trust between each other. Carlos Vielman had similar experiences in the Chamber of Industry and CEPAZ, where he developed personal relationships in addition to professional skills. A former National Coffee Association President confirms that CEPAZ operated on a personal rather than institutional basis: 'CACIF as an institution had a fairly passive attitude with respect to the peace accords. CEPAZ functioned as a commission of CACIF, but really it was based on the initiative of the individual members of CEPAZ.' (Max Quirin, b. 1962, interview 25/5/00) This informality permitted the 'enriching' experiences of friendship and learning that occur within, and help reproduce, the oligarchic community described in Chapter 3.

The testimony also suggests the importance of personal experience as part of a particular generation of businessmen with a distinct worldview.¹⁷⁴ The group of friends to which both interviewees refer comprises a small number of relatively young urban-based businessmen mostly born in the late 1940s or early 1950s. This generation, which included not only Peter Lamport and Carlos Vielman, but also other CEPAZ participants such as Víctor Suárez, Juan Luis Bosch, Luis Reyes and Edgar Heinemann, became prominent in business organisations in the 1980s. Other interviewees and some academic analysts recognise them as a more modern or 'reformist' generation of the economic elite than their predecessors due to their support for both electoral politics and business participation in the peace talks (McCleary 1999, 57, 189, 221n15).¹⁷⁵ For a number of reasons they had developed a worldview

¹⁷⁴ The relationship between generations and worldviews was one of Mannheim's central concerns (see Chapter 1).

¹⁷⁵ Some analysts of the role of business in democratic transitions note that businessmen who supported political change were often, as in Guatemala, relatively young and with economic interests in the industrial sector. On the South African case, see Charney (1999, 192). To my knowledge no women were directly involved in the Socioeconomic Accord negotiations on behalf of the business sector. Most women from the oligarchy I spoke with professed ignorance of the peace process, or only talked about it in general terms.

that gave them less fear of dialogue with the left than their older business associates or parents. Due to their relative youth, few had personal memories of the land reform in the early 1950s; they therefore looked more to the future rather than having a strong narrative of History in the present (Chapter 4) making them fearful of such reform repeating itself in the peace talks. Moreover, urban lifestyles had sheltered them from much direct experience of the conflict in rural areas; thus they had a less vociferous antipathy towards the guerrillas than landowners, whose opposition to the URNG and agrarian reform was more strongly based on these experiences of rural violence (see Chapter 4, Family ties to the land). Finally, more likely to have been educated abroad - often having attended graduate school in the United States - the 'reformists' had a stronger faith in finding political solutions through dialogue and electoral politics rather than violence; that is, the narrative of Property as violence (Chapter 4) had a less prominent part in their worldview. Peter Lamport typifies this generation. Son of a famous businessman and politician, he studied economics in Guatemala, Belgium and the United States (St Joseph's, Harvard, the Wharton School and Rochester) and has followed the peace talks closely since he began occupying positions in urban business organisations in the 1980s.

This apparently 'reformist' generation also represents important continuities. Marta Casaus considers these 'modernising businessmen', who have emerged since the 1980s, to be firmly integrated into oligarchic family networks; their support for peace and democracy is a means to fortify oligarchic domination (Casaus 1992, 293, 296-7). There is considerable evidence for Casaus's interpretation. They are members of, or closely linked to, the families in the oligarchic nucleus (see Chapter 3) and have been shown above to respect the informal leaders of the business sector. Like older oligarchs, they too are obsessive about the protection of private property, reflecting the shared worldview of the economic elite evident across the range of property narratives (Chapter 4). Their opposition to Serrano's attempted self-coup in 1993 was not based primarily on their desire to uphold electoral democracy and because, for the 'reformers', democratic forms of governance had come to be 'valued in themselves, even against substantive outcomes' (McCleary 1999, 25); rather, they primarily wanted to prevent the US from imposing economic sanctions on Guatemala. Similarly, peace process participation can be seen not as evidence of progressiveness or reformism, but as a new strategy for preserving privilege, more appropriate in the political world of the 1990s than supporting and funding military violence, as the business sector had previously done. Carlos Vielman suggests a romantic notion of the business sector learning to dialogue with other sectors, such as trade unions, in the spirit of national reconciliation. But they were also learning how to achieve their aims in the unusual context of a negotiating process requiring the preparation of documents, formation of delegations, and conduct of formal and informal meetings with unfamiliar actors such as the guerrillas, non-governmental organisations and representatives of the UN. Peter Lamport attempts to generalise his statement about reconciliation across different social sectors, similar to the property narrative that there is one society and that businessmen are no different from anyone else (Chapter 4, Rights and the

maintenance of privilege).¹⁷⁶ However, his opposition to property reform supported by peasant organisations and trade unions suggests limitations to this vision of a unified society. Furthermore, in contrast to this language of peace and reconciliation, some of these ‘reformist’ businessmen professed views about authority and violence that seem far from peaceful or conciliatory (see the testimony of Peter Lamport in Chapters 4, Property as violence and that of Víctor Suárez in Chapter 6, Perpetual war).

Formative events or personal experiences during the peace process encouraged business sector involvement in the negotiations. Luis Reyes remembers one of these events, not long after the sector had tentatively begun taking part in the Socioeconomic Accord talks, after an aborted meeting with the URNG in Mexico City.

What happened?

[...] On the occasion when they [URNG] didn’t turn up – it’s something I’ve never really spoken about, I’ve spoken about it but it’s very private – something very interesting happened. Since they didn’t turn up as planned at 11am, we decided to go to the UNHCR, which had an important headquarters in Mexico City [...] When we entered the main room there was a photographic exhibition [speaks quietly]...about children in the war in Guatemala...I was on the verge of tears...a child, a single flame, a photo...eh...mutilated children, without their two arms...children cut up by machetes...and on the other side, drawings by the children, an exhibition of their drawings...agh...there was nobody who wasn’t affected...I felt broken [...] this had the effect of lifting us up three levels in the peace process...now we couldn’t go back [...] the important thing was that it was a step up [...] it made us more sensitive, it had a consolidating effect, four or five days later Carlos [Vielman]...had his Board of Directors session [at the Chamber of Industry] and I had to go and speak with them, and I arrived there and was asked to come in, they trusted me, and Carlos was referring to the matter about the photos and was saying ‘Look guys, we really don’t understand what the fuck went on...we can’t accept that they massacre children’ [growling]. So this became a reference point. These little accidents show that this is all as much an individual history as a collective one [...] So from this point on the business sector became really interested and involved in signing the peace accords.

(Luis Alberto Reyes Mayen, b.1951, interview 9/6/00)

Luis Reyes claims that this visual encounter with the horrors of the war was a turning point consolidating business commitment to the negotiations. The idea of the innocent child seems to break the boundaries between the oligarchic community and other Guatemalans such as indigenous campesinos, drawing the business sector into a common humanity, and into dialogue to end the conflict. In this sense it reflects the property narrative that Guatemala is a single, unified society (Chapter 4, Rights as the maintenance of privilege). The theme of childhood appeared in other testimony, such as when Peter Lamport says, with sincerity, ‘I don’t want to leave my kids with the same situation of conflict that we’ve had.’ And it appeared visually in people’s offices, where most of those interviewed had photographs of their children displayed in prominent positions. Luis Reyes was

¹⁷⁶ *There may also be personal motivations for Peter’s Lamport’s participation in the peace process that he does not mention. Other interviewees suggested that Peter Lamport had political ambitions like his father, and was using involvement in the peace negotiations as a means of achieving them. We may therefore question the selflessness that Peter Lamport apparently displayed by self-financing many of his numerous trips abroad lobbying on the business sector’s behalf.*

disturbed by army violence, which resonates with the unease about military atrocities expressed by some businessmen in the property narratives (Chapter 4, Property as violence). Given his interest, discussed earlier in the interview, in Satre and Kierkegaard, he possibly interpreted this event as a moment of existential anguish in which he experienced himself as an authentic individual. Yet he may have constructed this narrative retrospectively for himself and others to emphasise his humanity and moral worth, after having faced years of public accusations of being a right-wing oligarch, and to distance himself and the business sector in general from responsibility for wartime violence: he wants to be public about his 'private' ethics, just as he wants to tell a 'very private' story to a visiting academic.

The testimony of Luís Reyes may provide more general insights into the significance of personal experience in the peace negotiations. Although he projects this experience onto businessmen such as Carlos Vielman, no other interviewee, including Carlos Vielman, mentioned the photo exhibition. This does not mean that the effect of the photos is unimportant, and may reflect the limitations of the interviewer as much as the narratives of the interviewee. Nevertheless, Luis Reyes's description symbolises the importance of personal experience in oligarchic narratives of the Socioeconomic Accord negotiations. Although the interviews suggest that not all businessmen shared his particular reaction to these war photos, he speaks for many oligarchs when emphasising that the peace negotiations are 'as much an individual history as a collective one'. He is asking us to see the actors, and their personal experiences, within the larger historical processes.

Negotiating the Socioeconomic Accord

The oligarchy's objections to civil society

Congruent with their reverence for the rule of law, the oligarchs dismissed popular organisations pushing for reform in the peace negotiations as illegal and illegitimate. The economic elite refused to participate jointly in the talks with these other sectors, deciding to lobby at the negotiating table independently.

After languishing in the final year of Serrano's presidency, and having been disrupted by his failed 'self-coup' in May 1993, the peace process reached a turning point during the tenure of unelected President Ramiro de León Carpio, with the signing of the January 1994 'Framework Accord for the Renewal of the Negotiating Process between the Government of Guatemala and the URNG'. The UN was designated moderator of the talks between the government/military and the guerrillas, with the Group of Friends (Colombia, Spain, the United States, Mexico, Norway and Venezuela) aiding the UN's moderating role in addition to legitimising the accords by acting as 'witnesses of honour'. The

UN also had a role in verifying the accords. The majority of the peace accords, including the Socioeconomic Accord, were signed during the following two years.¹⁷⁷

The business sector's main strategy in this reinvigorated context was to form CEPAZ as a vehicle for participating in the peace process. Yet particularly from around 1994 their tactics also included publicly discrediting not only the guerrillas, but also popular organisations campaigning for land reform. A major target was the Civil Society Assembly (ASC), a body established under the January 1994 Framework Accord comprising over 100 groups from civil society. The role of the Assembly was to write non-binding consensus documents on the substantive themes of the negotiation process, such as the identity and rights of indigenous people, and socioeconomic aspects and the agrarian situation (Krznaric 1999). Although invited by the Assembly's president, Monsignor Quezada Toruño, CACIF refused to participate, claiming that the Assembly comprised illegal and unrepresentative 'façade' organisations:

These groups give themselves a name, there are only four people, and they put a leader out in front. Let's look at GAM. Who is GAM? It's Nineth Montenegro, with Nerry Barrios, Juan Tinay, Rosalina Tuyuc. Who is CONAVIGUA? It's Doña Rosalina in front, with Nineth and the others behind. Who is CONIC? It's Juan Tinay, with Doña Nineth, with the others behind. Who is CUC? It's Doña Rosaria Pu, with Nineth and the others behind. All these organisations are illegal as they have no official legal status.¹⁷⁸

(Humberto Preti Jarquin, interview 24/7/96)

Humberto Preti is disdainful and dismissive of these popular organisations, which he considers illegitimate and illegal associations comprised of a small, unified group of charlatans. This depiction of façade organisations is an indirect accusation that they are front-organisations for the guerrillas (which, in some cases, was correct). Portraying popular organisations as having no popular support base echoes a similar accusation made with respect to the guerrillas (Chapter 4, History in the present). It permits the oligarchs to argue that the organisations are illegitimate and, by association, that their calls for agrarian reform are similarly illegitimate. The divide between appearance and

¹⁷⁷ The accords signed before 1994 included the 'Mexico Accord' on an 11-point negotiating agenda (April 1991), the 'Querétero Agreement' on the meaning of democratisation (July 1991), and a partial accord on human rights (1992). Accords signed after the January 1994 framework accord included the 'Global Accord on Human Rights (March 1994), the 'Accord on the Resettlement of those Internally Displaced by the Armed Conflict' (June 1994), the 'Accord on the Establishment of the Commission to Clarify Human Rights Violations and Acts of Violence that have caused the Guatemalan Population to Suffer' (June 1994), the 'Accord on the Identity and Rights of Indigenous People', (March 1995), the 'Accord on Socioeconomic Issues and the Agrarian Situation' (May 1996), the 'Accord on Civil Power and the Role of the Army in a Democratic Society' (September 1996), the 'Accord on a Definitive Cease-fire' (December 1996), the 'Accord on Constitutional Reform and the Electoral Regime' (December 1996), the 'Accord on the Legal Incorporation of the URNG' (December 1996), and the 'Final Accord' ending the conflict (29/12/96). (Whitfield 1999; Jonas 2000)

¹⁷⁸ The groups referred to are the human rights organisation Mutual Support Group (GAM), the largely indigenous National Coordinating Committee of Guatemalan Widows (CONAVIGUA), National Indigenous and Peasant Coordinator (CONIC) and Committee of Peasant Unity (CUC). For their various histories see Bastos and Camus (1995, 1996).

reality is a common elite narrative, ironically congruent with oligarchic descriptions of the principales who influence their own organisations. Humberto Preti seems either intentionally forgetful or ignorant of the mass support enjoyed by some of these organisations, particularly CUC. The extremely literal stress on legality - they are illegal because they are not legal - resonates with the property narrative of the sanctity of the constitution and the rule of law, in which the guerrillas are considered to be outside the law (Chapter 4, Rights as the maintenance of privilege). Víctor Suarez made a similar point about CONIC, an organisation in the Civil Society Assembly:

We said to [Quezada Toruño], look, if we're going to play in this football match, make sure that all the players have the same rules. If I make a promise in CACIF's name, I'm obliged to comply with it, otherwise you would be able to accuse me of not complying with the contract. But I'm not going to participate with CONIC, and hold CONIC to anything because they're an illegal group who are land invaders. I can't do it. If I'm going to play football by these rules, the referee is going to call out penalty to me; but the others will be allowed to trample on me, push me, do whatever, and the referee isn't going to blow his whistle. Well excuse me, but no thanks. We can't do it because we're not subject to the same rules.

(Víctor Suárez Valdes, b.1954, interview 12/7/96)

Víctor Suárez clarifies the oligarchy's opposition to participating in the Assembly. His belief that all organisations should play by the same rules resonates with the property narratives of equality before the law and social obligation (Chapter 4, Rights as the maintenance of privilege), in addition to that of equality of opportunity (Chapter 4, Economic development without property reform). Víctor Suárez claims that the Assembly would be biased in favour of organisations such as CONIC. His focus on this particular group illustrates the oligarchic fear of changes to the private property system in the peace talks, for CONIC was one of the organisations campaigning most vehemently for a redistributive agrarian reform. Many interviewees associated CONIC with the guerrillas, and publicly opposed CONIC's support of land occupations and their claims to land based on indigenous rights. The oligarchy's fierce opposition to CONIC partly reflects their narrative rejecting special land rights for indigenous Guatemalans (Chapter 4, Race and the subordination of minority rights). The football analogy suggests that Víctor Suarez saw CACIF and the popular organisations as opposing 'teams'. It was obvious to him that to reach agreement with groups in the Assembly such as CONIC would be a near impossibility. Looking back, I now realise that his comments also signalled that the business sector would not compromise on the issue of land reform in the discussions on the Socioeconomic Accord. Given the number of organisations, if CACIF had participated in the Assembly it was possible that the Assembly's consensus could have been very different from the business sector's perspective.¹⁷⁹ In this sense they could be trampled on by the views of Guatemala's poor and powerless majority, represented by organisations such as CONIC and CUC. The oligarchy could not subject itself to this institutionalised uncertainty or vulnerability and therefore chose to pressure the

talks independently. They were not going to play in the football match unless they could ensure they would win.

The peace talks during the de León government

The first stage of the Socioeconomic Accord negotiations occurred during the Presidency of Ramiro de León Carpio, from May to December 1995. The business sector feared that both the government and international actors were too sympathetic to the guerrillas, and believed that undesirable compromises might be made on the private property issue. Despite complaining about being excluded from the talks, the oligarchs had privileged access to the peace negotiations. That is, the economic elite were anxious about state autonomy, but in reality the degree of autonomy exercised by state institutions did not match their fears. The oligarchs' negotiating position conformed to their property narratives: the constitution was sacred and there could be no changes to the individual private property system. While most oligarchs supported the talks, far-right landowners attempted to stop the peace process and used violence to protect their property.

The negotiations on the Socioeconomic Accord became the focus of the peace process in May 1995, two months after the Accord on the Identity and Rights of Indigenous People was signed. CACIF, through its lobbying organisation CEPAZ, presented its proposal on the theme to the government's Peace Commission (COPAZ), headed by sociologist Héctor Rosada-Granados. The oligarchy were worried about the Accord's potential content. Reflecting their narrative of vulnerability (Chapter 3), they believed that President de León wanted to sign an accord as quickly as possible, and was thus willing to make unnecessary concessions.¹⁸⁰ CEPAZ members considered COPAZ, and Héctor Rosada in particular, too supportive of the guerrilla's proposals. According to the Executive Director of CACIF, the business sector were barely consulted during this first phase of the negotiations, which lasted until December 1995 (Roberto Ardón Quiñones, interview 2/6/00). For the oligarchs, state institutions such as COPAZ were acting with excessive autonomy.

The oligarchy were also wary of international actors participating in the talks. While supporting involvement of the Inter-American Development Bank and other international financial institutions that would help to push a capitalist agenda and to finance post-war reconstruction, their statements

¹⁷⁹ On the issue of agrarian and property reform the ASC proposal for the Socioeconomic Accord negotiations was almost identical to that of the URNG (Asamblea de la Sociedad Civil 8/9/94). It is likely that the URNG proposal partly derived from the ASC document.

¹⁸⁰ Although de León Carpio had worked in the past for the Guatemalan sugar industry, he had a number of clashes with the business sector during his administration, especially over tax issues. One guerrilla commander claimed that during a secret meeting with the URNG in the Vatican, de León Carpio told them that he could not accept the guerrillas' proposals on the Socioeconomic Accord as he feared that the business sector's reaction might put his own life in jeopardy (Pablo Monsanto, interview 24/4/2).

concerning the United Nations were more complex.¹⁸¹ Many interviewees blandly stated that relations with the UN Moderation were ‘smooth’ or ‘fine’. However, a number of oligarchs across different sectors openly said that some individuals in the UN Moderation had leftist sympathies, which introduced bias into the negotiations. Typical was the statement of one CEPAZ member that ‘there were some people in the United Nations whose personal beliefs were communist, Marxist or socialist – and obviously these beliefs emerged at the negotiating table [...] During the whole process they kept trying to prevent participation by the private sector’ (V́ctor Súrez Valdes, b.1954, interview 22/5/00). The UN Moderation was thus partly seen as linked to an international communist conspiracy, a view conforming with the anti-communism in the property narratives (Chapter 4, History in the present). The business sector believed that many international actors such as the UN Moderation considered them exploitative ‘oligarchs’ or a ‘hidden force’ in the war behind the military, whereas the guerrillas were seen as upholding social justice. According to a former National Coffee Association President ‘the guerrillas lost the military war but won the international publicity war’ (Max Quirin, b.1962, interview 25/5/00).

While the economic elite felt excluded by the government and the UN, in practice they had privileged access to the peace negotiations, just as they had, historically, enjoyed privileged access to state institutions (see Chapters 2 and 3). H́ctor Rosada says that COPAZ had nearly double the number of meetings with the business sector (41 meetings) that it had with the URNG (26 meetings), even though the oligarchs were not officially at the negotiating table (Rosada-Granados 1998, 43; Jonas 2000, 65n15). According to CEPAZ leader Peter Lamport, ‘we had access to the drafts, and we suggested changes to them’ (Peter Miguel Lamport Kedsall, interview 30/5/00). This was not the case for the campesino, indigenous and other popular organisations in the Civil Society Assembly. Thus even in conditions they considered adverse, the business sector’s access to the talks exceeded that of other social groups, reflecting their privileged relationship with the state. Peter Lamport also says that ‘we were invited to sit at the negotiating table itself’ but declined as it would have encouraged the claims of other organisations to the same privilege. Yet this invitation to participate directly seems unlikely as it was flatly denied by both H́ctor Rosada and businessman Richard Aitkenhead Castillo, later a participant in the new COPAZ formed by the Arzú government in early 1996. Both said that it was the business sector, feeling excluded and fearing the outcome of the talks, who asked for direct access. The refusal of the request illustrated some state autonomy during the negotiation process.

¹⁸¹ International financial institutions played a greater role in the Guatemalan talks than in El Salvador. During the Socioeconomic Accord negotiations CACIF, together with the government, attended informal donor meetings with the World Bank and Inter-American Development Bank (Whitfield 1999, 275). The Salvadoran agreements had been criticised for failing to coordinate proposals in the accords with the fiscal demands placed on El Salvador by organisations such as the International Monetary Fund and the World Bank (Boyce 1996). With respect to another important international actor, in the Guatemalan peace process ‘US influence over the Guatemalan government and military was a less important factor than in El Salvador’ (Whitfield 1999, 268-269, 274). The main role of the US was not to oppose the talks in the 1990s, rather than becoming deeply involved.

Throughout 1995 the business sector repeatedly rejected drafts of the accord. Their objections were made in informal meetings usually with COPAZ, in addition to written commentaries on the draft proposals.¹⁸² The arguments made by the oligarchs in their documents, which constituted part of their practices in the peace talks, were consistent with the narratives of private property. Although the documents have already been analysed for their property narratives (Chapter 4), I wish to recapitulate their content here to emphasise the connection between oligarchic worldviews and their political practices. The economic elite's most frequent and vehement objections were to proposals concerning private property. Reflecting the narratives of the sacred nature of the constitution and the right to individual private property (Chapter 4, Rights and the maintenance of privilege, New and old liberalisms), all the documents reject any possibility that the constitutional protection of individual private property could be altered, particularly through agrarian reform. Most documents object to the URNG's proposal for the constitution to recognise 'the social function of property', on two main grounds: first, because it violates the constitution; and second - consistent with narratives of neoliberalism - because the language of 'social' rights is not sufficiently technical (Chapter 4, New and old liberalisms). According to the oligarchs, promoting group-specific land rights for indigenous people is not only unconstitutional, but a cause of possible future ethnic conflict. This latter reason conforms with the narrative that greater indigenous autonomy could be socially divisive (Chapter 4, Race and the subordination of minority rights). Finally, the oligarchy's arguments reflected their narrative of Economic development without property reform (Chapter 4): expropriation and redistribution of agricultural land would be economically inefficient as economic of scale would be lost; and instead the government should promote individual entrepreneurship to help solve the problem of rural underdevelopment. The documents illustrate that the oligarchs were unwilling to compromise on their ossified worldview that rejected property reform and that favoured continuity over change. This was despite their being involved in a negotiation process predicated upon concession and balance. Their position was an implicit rejection of an idea central to El Salvador's peace process - that it would be a 'negotiated revolution' (Whitfield 1999).¹⁸³

The business sector was divided on its strategy of how to protect private property. While most oligarchs supported the approach of the CACIF 'modernisers' to negotiate with the URNG, some far-right landowners opposed the talks. Led by former coup participant Gustavo Anzueto Vielman, they formed the National Agrarian Coordinating Committee (CONAGRO), which attempted to stop the

¹⁸² Héctor Rosada allowed me access to his collection of these responses, which had been written not only collectively in the name of CACIF, but by other business organisations such as the National Coffee Association, and individuals including Peter Lamport (ANACAFE 17/10/95, CACIF 3/6/95, Sector Agropecuario Organizado August 1995, 'Propuestas para la mesa de negociaciones' - undated, personal stamp of Pedro Miguel Lamport).

negotiations by legal means. Reflecting oligarchic property narratives on the sanctity of the constitution and the URNG's illegality (Chapter 4, Rights as the maintenance of privilege), he said that that CONAGRO is about 'fighting for the rule of law' and that accords cannot be signed with 'delinquents, terrorists and with people who do not have judicial status' (Gustavo Anzueto Vielman, interview 31/5/00). Illustrating the property narrative of History in the present (Chapter 4), CONAGRO members often referred disparagingly to the land reform of the early 1950s when discussing the peace talks. That CONAGRO failed to have the negotiations declared illegal in the constitutional court in November 1995 demonstrates some independence of the judiciary from the oligarchs (Inforpress Centroamericana 1996, 77, 187-190). At the same time landowners took legal action against landless peasants involved in land occupations, which they believed were instigated by the guerrillas and 'satellite' groups such as CONIC to pressure the Socioeconomic Accord talks. CONAGRO members, in addition to oligarchs from other economic sectors, complained bitterly about the role of the UN Human Rights Verification Mission (MINUGUA) in land disputes. According to a former ANACAFE President, MINUGUA was more interested in protecting *izquierdas humanas* ('human lefts') than *derechos humanos* ('human rights') (Max Quirin, b.1962, interview 25/5/00). Business leaders also publicly argued that MINUGUA should withdraw from intervention in domestic affairs.

During this period of the negotiations many landowners dropped any pretence of legality and negotiation, resorting to arms to protect their property.¹⁸⁴ In a number of cases hired private security guards carried out intimidation and murder of the land 'invaders', for which landowners have maintained impunity.¹⁸⁵ This dual strategy of using both the judiciary and illegal violence is also common amongst landowners in other Latin American countries such as Brazil (Payne 2000, 100-115). It reflects a tension in the property narratives between respect for the rule of law and the right to protect property with violence (Chapter 4, Rights as the maintenance of privilege, and Property as violence).

By the end of 1995 there was still no accord on the socioeconomic theme between the government and the URNG. They continued to disagree on property proposals that the oligarchs were pressuring

¹⁸³ Even if the Salvadoran peace process was a 'negotiated revolution', land issues did not, unlike in Guatemala, have a major place in the accords (Vickers and Spence 1994, 18).

¹⁸⁴ This was stated on the record by two interviewees (Peter Lamport Kedsall, interview 30/5/00; and Gustavo Anzueto Vielman, interview 31/5/00).

¹⁸⁵ According to Amnesty International, the perpetrators of violence in land conflicts are frequently 'members of the security forces or members of private police companies who guard property and operate under licence from the Ministry of the Interior – functioning, by law, as auxiliaries of the police force – acting with the complicity of the landowners.' (Amnesty International, 1997, 25). Violence in connection with land conflicts has continued since the final peace accord was signed in December 1996. In 1997 Rosa Pec Chub was extrajudicially executed by a landowner in El Sauce, Izabel. He apparently wanted land from her community for the expansion of his

the government not to accept, such as higher taxes on underutilised agricultural land and recognition of the social function of property (Rosada-Granados 12/1/96; Héctor Rosada-Granados, interview 14/6/00).

Oligarchic depictions of the guerrillas

Consistent with oligarchic property narratives on the rule of law and anti-communism, the guerrillas were dismissed as illegal subversives and outdated Marxist utopians. They were also depicted as an elite group without a legitimate social base. Although some members of the business sector were conciliatory towards the URNG, most had no sympathy for the guerrillas and understood the peace process not as an exercise in national reconciliation but as a continuation of the war by other means.

When I asked businessmen about their impressions of the guerrillas as individuals, they often recollected the first meeting with the URNG in 1990 in Ottawa. I spoke with industrialist Víctor Suárez, a member of the CACIF delegation, about this meeting:

Can you remember what happened in the meeting? What was it like talking with them?

[...] What we did was give the señores [guerrillas] a presentation of what the Guatemala of 1990 was really like – economically, socially – to let them know what the situation was, because they'd been out of the country for thirty years [...] Our 'tropical' subversive señores only stayed in five-star hotels, you know. And there's a very interesting anecdote, that you can check with Monseñor Quezada Toruño...Due to a mix up I missed my flight in New York because of a terminal change – something pretty common in New York, right? So my suitcases went to Chicago and I went to Ottawa. So when I arrived at a reception there, I was wearing more or less what you seen me wearing now [short sleeve shirt, open neck, no tie, slacks]. But [URNG leader] Don Rodrigo Asturias was wearing his Prince of Wales checked suit, Christian Dior tie, sunglasses, Lotus [?] boots [...] and a journalist came up and took a photo of us. And Monseñor Quezada said 'Well, I think there are going to be some problems when the reader sees this photo – they're not going to know who is the guerrilla and who in the businessman!' [...] In this meeting they were known as the Pierre Cardin Guerrillas. This gentleman must have had \$20,000 worth of gear [...] undoubtedly a product of the kidnappings he'd been involved in.

(Víctor Suárez Valdes, b.1954, interview 22/5/00)

Víctor Suárez's testimony reflects the accusation of communist utopianism in the property narratives (Chapter 4, History in the present): the guerrillas were out of touch with reality and were still living in the Cold War era, when ideology was more important than practicality. Oligarchs from the range of economic sectors shared this vision of the guerrillas, emphasising the superiority of their own rational and technocratic approach to the economy. However, the ironic use of the gentlemanly 'señores', and, at other moments in the interview, vehement references to them as 'terrorists' like ETA or the Red Brigades, dispels any semblance of technocratic composure. 'Subversives' or 'delinquent subversives' appears as an official term for the guerrillas in business organisation documents and can be found throughout their press releases issued during the peace process. This military terminology Víctor

cattle ranching and logging enterprises. Neither the landowner, nor the 70-100 private security guards who

Suárez uses implies that the guerrillas are outside the law, common criminals who are unrepresentative members of society. In this sense, his testimony echoes the property narratives of the sanctity of the constitution and the rule of law (Chapter 4, Rights as the maintenance of privilege), and of the illegitimate, unrepresentative nature of the URNG (Chapter 4, History in the present).¹⁸⁶

Most interviewees described the URNG leaders as an elite group divorced from everyday society, who only stayed in fancy hotels and wore flashy clothes.¹⁸⁷ Víctor Suárez tells a story that appears designed to show that, in contrast, business leaders are just like anyone else, men of the people who wear the same clothes and have indistinguishable faces. This attempt to eradicate the rich-poor divide resembles that in the property narrative that depicts Guatemala as a single, unified society (Chapter 4, Rights as the maintenance of privilege).¹⁸⁸ And similar to the oligarchy's portrayal of themselves as victims rather than exploiters of the economy (Chapter 4, Economic development without property reform), or victims rather than perpetrators of violence (Chapter 6, The community of victims), he shifts the label of privilege from the business sector to the guerrillas. The irony is that at the same time Víctor Suárez reveals the privileges of the oligarchic community, sharing with me the assumed 'common' knowledge of having baggage difficulties at JFK airport.

Some businessmen developed greater understanding and trust of guerrillas. For example, after meeting URNG leaders Rodrigo Asturias and Pablo Monsanto, one banker - Director General of the second largest financial group in the country, the Grupo Financiero Continental, and former president of the Bank of Guatemala - became convinced that 'they really had the intention of improving the situation of the majority of Guatemalans' (Federico Linares Martínez, b.1941, interview 9/6/00).¹⁸⁹ Other businessmen mentioned informal meetings with the URNG early in the peace process that made them more open to negotiation, such as a multisectoral roundtable in San Francisco, California in

accompanied him on his raid on El Sauce, have been brought to justice (Amnesty International, 2002, 52-56).

¹⁸⁶ This militaristic language will be discussed further in the personal security narrative of *Perpetual War* in Chapter 6.

¹⁸⁷ While I believe this view is exaggerated, the precise nature of the guerrilla leaders' lifestyles during the war, and the relationship between them and their troops, will only emerge once more detailed studies of the guerrillas are undertaken.

¹⁸⁸ He draws on the religious authority of Monseñor Quezada Toruño to authenticate his story. This is the same Monseñor he had denigrated in the interview four years earlier as being responsible for the leftist bias in the Civil Society Assembly. Víctor Suárez gives a surprisingly accurate visual description of businessmen: apart from having expensive heavy divers' watches, most interviewees wore quite casual clothes such as a short sleeved shirt with no tie. The major exception was those in the banking or financial sector, whose exquisite suits and ties would have made them look at home in the City of London. Women from the economic elite who I met or saw tended to be ostentatious in their dress, often wearing showy jewellery.

¹⁸⁹ *The reasons for his sympathy are unclear. Perhaps, educated in the United States as a technocratic economist, he was willing to speak with anybody within the rational framework of public finance. I suspect that his attitude is more personal. Some of his university friends, including (unbeknownst to him at the time) the photographer at his wedding, had been guerrillas. Federico Linares was one of the exquisitely dressed interviewees from the financial sector: he wore a beautifully cut Saville Row suit.*

October 1994 (sponsored by the Arias Foundation) that brought together guerrillas, businessmen, trade unionists, indigenous leaders, politicians and army officials (Jonas 2000, 67n24).

In general, however, both traditional landowners and ‘modernisers’ like Víctor Suárez were unsympathetic towards the guerrillas throughout the peace process, ensuring that the business sector were reluctant, uncompromising and confrontational in their approach to the talks. This is symbolised by the testimony of agroindustrialist Humberto Preti, who remembers a meeting he attended around October 1995 in Ottawa with representatives of the URNG and what he calls ‘leftist’ Canadian non-governmental organisations:

And what happened?

I think there were around 600 questions and 590 of them were for me. An amazing thing. I was under a pretty strong artillery attack. [laughs] The guns were directed against the business sector.

What did you think of this ‘attack’?

[...] You have to go prepared to put up with this kind of, of...cross-fire. Really, they really were good experiences.

In what sense?

Well, I think that, I think that all types of meetings like this are a good experience, like a school of life [laughs] because, really...it’s difficult, it’s interesting, you have to be well-prepared to be able to respond adequately...to all these attacks.

(Humberto Preti Jarquin, interview 26/6/00)

The militaristic metaphors used here suggest that some oligarchs saw the dialogue in the peace process as a continuation of the war by other means. This resembles the economic elite’s war mentality that extended into the period after the peace accords were signed (Chapter 6, Perpetual war). For Humberto Preti, the armed conflict seemed to have developed from a war of bullets into a war of words in which the business sector remained a target. The discussion and questions become an artillery attack with guns and cross-fire, where positions must be defended and retaliation is a necessity. While the conceptual metaphor ‘argument is war’ is common in everyday language (such as when saying ‘she shot down all my arguments’), its use here seems particularly significant (Lakoff and Johnson 1980, 4). Humberto Preti is aware that his vocabulary mirrors Guatemala’s historical reality of continuing conflict. The laughter after ‘artillery attack’ and pauses before other warfare metaphors illustrate this conscious self-reflexivity. The language of war resonates with the adopted military language of the guerrillas as ‘subversives’ or ‘delinquents’.

Congruent with this militaristic attitude, the economic elite were confrontational towards the guerrillas during the peace process. According to guerrilla commander Pablo Monsanto, when the oligarchs met privately with URNG leaders in Mexico City around 1994 to discuss various themes, including socioeconomic issues, the guerrillas were disturbed by the business sector’s efforts to control the dialogue situation, such as by taping the conversations and being reluctant to reveal their

own negotiating positions. This domineering attitude, says Pablo Monsanto, encouraged the guerrillas to withdraw from the meeting. After this there was almost no direct contact between the oligarchs and the guerrillas for the remainder of the peace talks (Pablo Monsanto, interview 24/4/2).¹⁹⁰ Throughout 1995 CACIF representatives made repeated public statements that they would withdraw their participation in the talks if the URNG did not stop imposing a war tax on business people, which, they claimed, had cost them \$47 million since beginning around 1990.¹⁹¹ Reflecting narratives of Property as violence (Chapter 4) and The desire for military intervention in society (Chapter 6), the oligarchs also called for greater military involvement in confronting an escalation of land ‘invasions’ of private property. They also repeated the demand for a URNG cease-fire (Inforpress Centroamerica September-October 1995). While the oligarchs generally supported the peace negotiations, they wanted to participate on their own terms.

The economic elite’s suspicions of the military

Military officials sat at the negotiating table as part of the government’s Peace Commission; their signatures appear at the bottom of each peace accord. While the main conflict in the Socioeconomic Accord negotiations was between rival proposals from the business sector and the guerrillas, the army’s perspectives played some part in this antagonism. The historical complexity of oligarchy-military relations described in Chapter 2, which has involved both cooperation and conflict, was reflected in the business sector’s suspicions of military attitudes towards private property reform.¹⁹²

Oligarchic attitudes towards the military should not be oversimplified. From around the 1950s they participated together in a ‘ruling coalition’ or ‘dominant block’, which was most evident in their joint effort to defeat the guerrillas from the 1960s (Jonas 1991). Particularly from the 1970s, the military exercised increasing autonomy from the economic elite, antagonising parts of the business sector through their increasing encroachment on the economy, and involvement in the kidnapping and murder of businessmen and their family members. Military officials and businessmen did, however, develop informal and formal relationships during the peace process, such as through the Centre for Strategic Studies for National Stability (Centro ESTNA), formed in 1988 to create dialogue between the military, business, political parties and popular organisations (Gramajo Morales 1995, 353). Nevertheless, business leaders have long perceived that many high-ranking military officials (often

¹⁹⁰ In contrast to Víctor Suárez’s depiction of business leaders as everyday people no different from anybody else, Pablo Monsanto says that for the meeting in Mexico City, CACIF had hired a penthouse suite in a five-star hotel.

¹⁹¹ Such claims should be interpreted with care. For example Gustavo Porras, head of the government’s Peace Commission (COPAZ) in 1996, stated that three-quarters of these ‘war tax’ payments were actually made to armed groups without any links to the guerrillas (Inforpress Centroamericana 28/3/96).

from the middle classes) consider the business community to be ‘oligarchs’ who are partly responsible for the poverty that contributed to support for the guerrillas, and who should pay higher taxes and provide better working conditions. The complexity of these relations emerged in interviews. On the one hand industrialist Carlos Vielman tells me of his friendship with former General Otto Pérez Molina, a member of the government’s Peace Commission; they are members of the same shooting club. On the other hand, agriculturalist Luís Reyes claims that despite initiatives such as ESTNA, the military hate the businessmen and the businessmen hate the military; the only reason for their ‘forced marriage’ in the past was mutual hatred of the guerrillas. He said his brother-in-law is minister of defence but they avoid talking about politics and keep to sport and women (Luis Reyes Mayen, b.1951, interview 9/6/00).

After some hesitation, agroindustrialist Humberto Preti highlights the differences between the oligarchs and the military with respect to property issues in the Socioeconomic Accord negotiations:

Speaking of the army, what were the relations like between the army and the private sector during the negotiations about the Socioeconomic Accord?

[long pause] ...I would say that there were some pretty serious differences, but the thing is that the army – perhaps with the exception of General Balconi – didn’t have continuity in the people they had at the negotiating table [...] But I would say that in the Socioeconomic and Agrarian Accord the army had very little to say.

I suppose that their attitude to, I don’t know, say matters like taxation, was different from the private sector?

...Yes... Particularly Balconi. They were of the opinion that [long pause]...I saw them as very, very, even as aiding guerrilla positions on some occasions.

Why?

...eh...they said ‘Look, you have a good situation. The guerrillas are right, you know, that you people should pay more, that there should be a certain kind of structure’. I remember a meeting when we were speaking about the land tax, the famous property tax. I remember – what was the name of that general?...he practically told us [incredulity]...He said ‘the only way that you can open the land market is if you people pay up significantly for your land’. The only person who strongly agreed was [guerrilla commander] Pablo Monsanto! [...]

(Humberto Preti Jarquin, interview 26/6/00)

Humberto Preti is normally extremely talkative, but when asked about the military he becomes uncharacteristically cautious. He pauses, he chooses his words carefully. Such pauses were common when I asked businessmen about relations with the military, a remnant of a civil conflict in which silence and confidentiality were a form of personal protection. They were deciding how much they were going to tell me. Usually they changed the topic or answered vaguely, saying that relations with the military were fine and extremely formal, that the army had little to say in the Socioeconomic Accord negotiations, and that the military were more concerned with the subsequent accord concerning the role of the army in Guatemalan society. These patterns of silence or evasion are clues for the ethnographer that there is an important issue to understand (Garfinkel 1967). And indeed this

¹⁹² The comments in this section derive from interviews with business people, two top-ranking military officials central to the peace talks (Otto Pérez Molina and Julio Balconi Turcios) and other members of the government

was so. Humberto Preti begins by being evasive, but once prompted by my second question he reveals that military officials did play a role in the talks, and even supported guerrilla proposals on property taxes.¹⁹³ Although higher property taxes on underutilised agricultural land may have been anathema to the oligarchs and became a focus of their lobbying, discussion of taxation at the negotiating table could be evidence that the economic elite succeeded in shifting the talks away from the more dangerous issue of expropriative agrarian reform. Direct taxation, although considered an encroachment upon private property particularly by liberal democrats in the libertarian and New Right traditions, at least does not necessitate structural economic change.¹⁹⁴

While the business sector was suspicious of the military's attitude in the Socioeconomic Accord negotiations, as indicated by Humberto Preti, differences between the two should not be exaggerated. Although some military officials involved in the talks may have had strong views (at least as individuals) on taxing oligarchic property, they were not going to push this issue, and did seem to distance themselves from the Socioeconomic Accord negotiations. More significantly, the military did not support an expropriative agrarian reform. They shared the oligarchic property narrative that the guerrillas were illegal subversives whose proposals to restructure agriculture through land reform should be opposed. The military are thus not identical with the oligarchy, yet neither are they willing to use their position within the state to challenge the private property system that is so central to the oligarchic worldview.

The negotiations under the Arzú administration

The election of Alvaro Arzú and his National Advancement Party (PAN) reconfigured the Socioeconomic Accord negotiations in favour of the business sector after the PAN took office in January 1996. Unlike during the de León Carpio administration, the new government was dominated by oligarchic modernisers whose worldview disposed them towards reaching a negotiated settlement with the guerrillas while protecting the business sector's property privileges. That is, under Arzú state autonomy was mitigated by the economic elite's direct influence in the executive. The oligarchy's lobbying organisation, CEPAZ, continued pressuring the talks, and their influence was such that the government's negotiating position directly reflected that of the business sector. The oligarchs maintained a close dialogue with the government and the Peace Commission throughout. The

Peace Commissions. Oligarchy-military relations will be explored further in Chapters 6 and 7.

¹⁹³ Humberto Preti's apparent dislike of the military may relate to his personal experience; for example, his air conditioning business was ruined when General Ríos Montt took power in 1982 and annulled state contracts with the business sector, including Preti's.

¹⁹⁴ Even libertarians such as Nozick, however, believe that some level of taxation is necessary to maintain the background institutions required for the operation of a capitalist economy (Kymlicka 2002, 102-103).

Socioeconomic Accord, signed in May 1996, conformed with the oligarchic worldview on private property.

The PAN largely comprised members of the modernising business sector, giving the oligarchy a direct route to the negotiating table through a network of personal contacts. Arzú himself belongs to one of Guatemala's oldest and most conservative oligarchic families, and was virtually raised as a child by Olga de Novella, a member of the family controlling Guatemala's cement monopoly.¹⁹⁵ His cabinet included former President of the Chamber of Agriculture, Luís Reyes Mayen, as Minister of Agriculture, and former President of the Chamber of Industry, Juan Mauricio Wurmser Ordóñez, as Minister of Economy. The Arzú government's Peace Commission was more amenable to the business sector than that led by Héctor Rosada. Although the head of the new commission, Gustavo Porras Castejón, had many years before been in the guerrilla group EGP, he also has oligarchic credentials, being one of five brothers from a well-known elite family and having attended the Jesuit high school with Arzú.¹⁹⁶ Porras did not identify personally with the business sector, but some of his views on land reform echoed oligarchic property narratives; for example, he publicly stated that land reform would be ineffective because campesinos who had been granted land in the past had wasted it, and that it is 'absolutely unrealistic' in a global economy for indigenous people to demand land as a means of helping maintain their culture (Porras 19/3/96, 211). Another commission member, Richard Aitkenhead Castillo, is related to the wealthy Castillo family and is considered a modernising businessman. Aitkenhead has been a director of the Guatemalan Management Association and organisations in the sugar sector, and an executive in the Inter-American Development Bank, in addition to being a former Minister of Economy and Finance. He is alleged to have advised CACIF during the peace talks in 1995. Most analysts believe that his membership of the Peace Commission was a means of reassuring the business sector that their views would be fully represented in the negotiations.¹⁹⁷ There were close ties between the cabinet and the Peace Commission: on each theme of the peace talks, including the Socioeconomic Accord, relevant ministers were part of a special 'peace cabinet' that worked directly with COPAZ (Urrutia 1997, 23). In this way the government ministers who were part of the business sector had an institutionalised mechanism for directing the talks.

¹⁹⁵ *In his younger days Arzú had been an active member of the far-right MLN, and was Director of the Guatemalan Tourism Institute during the Lucas García military government in the 1970s. In 1967 he married Silvia García Granados, part of a major landowning family involved in cotton and sugar (Casaus 1992, 101, 104).*

¹⁹⁶ Porras also had close personal ties to the guerrilla leadership. The partner of guerrilla commander Rolando Morán had apparently had a child by Porras. On the other hand, as a child Porras had played with business leader Edgar Heinemann.

¹⁹⁷ For more detail on the business sector's links to the new administration see Valdez and Palencia (1998, 318-319, 336).

Having some concerns that the new government may make concessions on the Socioeconomic Accord to reach a final peace agreement as quickly as possible (reflecting, once again, the oligarchic sense of vulnerability and state autonomy described in Chapter 3), CEPAZ maintained pressure on the state to conform with business sector wishes; as a result the government's negotiating position merged with that of the economic elite. Partly at the business sector's instigation, the government discarded previous drafts of the accord, which had mentioned the 'social function' of property and other proposals at odds with the oligarchic worldview, and began the Socioeconomic negotiations afresh (Rosada-Granados 1998, 109). Reflecting the oligarchic narrative on the sanctity of the constitution (Chapter 4, Rights as the maintenance of privilege), the Arzú administration insisted that the accord must exclude provisions requiring changes to the constitution in a Constituent Assembly. With the URNG agreeing to this proposal, any threat to the constitutional guarantees of the private property system disappeared.¹⁹⁸ The negotiating parties now sat interchanged at the negotiating table, rather than facing each other as adversaries on either side. Instead of writing sections of the accord separately, passing drafts backwards and forwards, the government/military and the guerrillas now wrote each article together. According to Richard Aitkenhead, in this new approach to the accord there are no identifiable 'owners' of each paragraph, such as the URNG or CACIF: 'Who is the author? There is no author?' (Richard Aitkenhead Castillo, b.1957, interview 29/6/00). The business sector benefited from this pattern of negotiation based on reaching compromise positions or finding the lowest common denominator of agreement, for it ensured that proposals would be vague and not tie down future governments to specific obligations. It was congruent with the desire of many interviewees to have 'a document that would only be a general outline', rather than an accord specifying particular constitutional or legislative changes (Roberto Ardón Quiñones, interview 16/7/96).¹⁹⁹

The oligarchs received privileged access to the Socioeconomic Accord negotiations during the Arzú government, perhaps even more so than during the de León Carpio administration. As a COPAZ

¹⁹⁸ The reasons why the URNG compromised with the government are unclear. The guerrilla commanders partly felt they had no choice because of the political influence of the business sector, their own weak military position, and the dominant position of the government: if they had not compromised then the government could have called off the peace talks (Pablo Monsanto, interview 24/4/2; Urrutia 1997, 38). Internal divisions in the URNG, such as the resignation of their diplomatic wing, may account for the weakening of their stance. They may also have believed they would be unable to control a newly elected Constitutional Assembly, and that their gains in the peace accords could be lost. A different interpretation relates to secret meetings between Arzú and the guerrillas before the government took office (Inforpress Centroamericana 1996, 212; Urrutia 1997, 17). Pablo Monsanto suggests that the URNG agreed not to push for radical reform in the Socioeconomic Accord in exchange for a promise of fiscal reform through the regular route of new congressional legislation. Arzú apparently reneged on this unwritten agreement after the kidnapping of 86-year-old oligarch Olga de Novella late in 1996. This latter interpretation is unconfirmed, and even dubious. Without having conducted detailed research on the URNG, my statements here must remain inconclusive and cautious. The URNG's more conciliatory attitude towards the government was reflected not only in their changed position on the Socioeconomic Accord, but also in the URNG ceasefire in March 1996.

representative Richard Aitkenhead held regular breakfast meetings with business leaders in the familiar surroundings of the CACIF offices in the Chamber of Industry building in Guatemala City. COPAZ maintained telephone contact with the business sector during meetings between the Peace Commission and the URNG. The President and cabinet ministers met with business leaders to discuss the Socioeconomic Accord. The government listened closely to business sector views and reassured them that there was not a 'revolution' occurring at the negotiating table. Víctor Suárez, former President of CACIF and a member of CEPAZ, remembers the final stages of the accord negotiations. Attempting to demonstrate the 'unjust' exclusion of the business sector, he says that government officials appeared at the CACIF offices one morning with a draft of the accord, only a few hours before flying to Mexico for a meeting with the guerrillas. Angry at not being given time to respond adequately to the document, business leaders surprised the government by immediately flying to Mexico in a private plane to make their views felt in person: 'So we spent that afternoon revising the draft [...] We were able to change some parts of the accord that were particularly confusing, concerning land – the Land Commission, the Land Fund. And some aspects concerning tax, education, and health goals' (Víctor Suárez Valdes, b.1954, interview 22/5/00). The narrative of exclusion reveals one of privilege. Not only did officials visit CACIF to show them a secret document, but the government allowed business leaders to redraft parts of the accord that concerned private property and other issues. Other social sectors, including popular organisations represented in the Civil Society Assembly, did not receive such privileges.

The 'Accord on Socioeconomic Aspects and the Agrarian Situation' was finally signed in May 1996 after more than a year of negotiation. The URNG's main proposals on property reform had been defeated: the accord contains no provision for an expropriative and redistributive agrarian reform, there is no mention of the 'social function' of property, and there are only vague references to higher taxes on underutilised agrarian property.²⁰⁰ Two important URNG proposals on rural property are included in the accord: restitution of illegally appropriated lands, and credits for poor campesinos to buy property through a Land Fund. Neither, however, have any substantial impact on the oligarchy (Palma Murga 1998, 82-83).²⁰¹ The lack of concrete proposals and vague wording disappointed popular organisations on the left, some of which refused to endorse the accord publicly (Urrutia 1997,

¹⁹⁹ CACIF's desire for an accord that was only a general policy outline was expressed openly in a meeting they had with Marrack Goulding, UN Assistant Secretary General for Political Affairs (Urrutia 1997, 20).

²⁰⁰ The Accord's most precise tax provision is to increase the tax income-GDP ratio by 50% by 2000. Yet even this posed little threat to the oligarchs as it does not specify what kind of taxes (e.g. progressive direct taxes or regressive indirect taxes) should be used and by how much they should increase. For further discussion of tax issues in the negotiations see Valdez and Palencia (1998, 336-342). In 2000 CACIF signed a 'fiscal pact' with a range of social and political sectors that proposed possible tax increases. Most proposals have not been implemented to date. In the years since the final peace accord was signed over 90% of tax revenue increases have come from the indirect Value Added Tax (IVA). This tax is particularly regressive for Guatemala's wealthiest individuals (Sieder et al January 2002, 52).

36-39). One member of the government's Peace Commission admitted that 'the agreement was that we weren't in agreement', it was a 'non-accord', a compromise signalling the general economic 'playing field' that would placate the guerrillas without alienating business (Richard Aitkenhead Castillo, b.1957, interview 29/6/00). Reflecting on the final document, many businessmen triumphantly turned to a football metaphor, believing they had 'won the match'. The oligarchy's political practices, shaped by their worldview on private property, had helped them to maintain the economic status quo. Without any substantive content in the accord, the economic elite could be certain that their traditional privileges remained intact. And in this sense the Socioeconomic Accord negotiations were, historically, unremarkable.²⁰²

The methods of oligarchic political influence

Now that I have illustrated how the oligarchic worldview guided their political practices in the Socioeconomic Accord negotiations, my analysis returns to the main question of this study by clarifying how these practices limited the development of liberal democracy in Guatemala. As noted in the introduction to this chapter, this can be analysed in terms of both their methods of political influence and the consequences of their political actions. This section, focusing on methods, suggests that the main methods of oligarchic political influence were inconsistent with the classical pluralist theories of liberal democracy claiming that society comprises a range of interest groups, none of which enjoy any systematic privileged access to, and influence in, the state (Held 1996, 201-206; see also Chapter 1). And these methods conflict with the liberal democratic value of government accountability to citizens, for governments appeared more responsive to the oligarchs than to the majority of citizens.

The detailed description of the negotiations above shows that the oligarchs certainly used formal political institutions and strategies to achieve their aims. They created a lobbying organisation, CEPAZ, which was used to pressure the government. They wrote proposals that they submitted to the negotiating table. They held official meetings with various political actors, such as the government's Peace Commissions and the UN moderation. These practices were broadly similar to those of other social groups, such as the Civil Society Assembly, who also were not participating directly at the negotiating table (Krznicaric 1999). Business sector actions appear consistent with the pluralist perspective on the state noted above.

²⁰¹ The reference to illegally appropriated lands effectively concerns lands seized by military officials in the war years, in areas such as the Franja Transversal del Norte (Jonas 2000, 79).

²⁰² CEPAZ was dissolved after the final peace accord was signed in December 1996. In 1999 the 14 constitutional reform proposals that did emerge from the peace accords were combined with 36 others into a single package that was rejected in a referendum presented by the Arzú government (Jonas 2000, 196).

The political reality was different. Parallel to these visible liberal democratic practices were other less visible practices embodying the privileged influence of the oligarchy. Interviews with business people suggest that there are three main methods of business sector influence. All these methods, which appeared in the Socioeconomic Accord negotiations, can be understood as different manifestations of ‘informal patrimonial influence’. They include: occupying state positions to pursue the economic elite’s particular interests, rather than public interests; using personal contacts or networks to gain privileged access to the state; and ensuring state deference to the oligarchy through instilling fear or making threats. Using these three methods, discussed below, the oligarchs can hold the state to account and ensure that it is responsive to them on sensitive issues such as property reform.

First, Guatemalan businessmen understand that members of the economic elite occupy important governmental posts and use them to protect and promote their particular interests. Industrialist Hugo Ordóñez Porta explains this method of influence with the example of the Minister of Economy in the Arzú government:

The Ministry of Economy has traditionally – in the second half of the twentieth century – been an office controlled by Guatemala’s industrial sector. So, when they name a minister of economy, in reality he is named by the Chamber of Industry.

Are there some specific examples?

Of course! I could give you names. I can tell you that since the salaries in the public sector are relatively uncompetitive compared with the private sector in positions of similar responsibility [...] what the business groups do is they subsidise their salaries so that they can get paid [the private sector] level. Obviously these people are at their service. A concrete example in the previous government, the Minister of Economy Wurmser. He was named by the chicken industrialists – the Gutiérrez family. And if you look at the work history of Señor Wurmser you will realise that before being in that position he was an important executive in the Gutiérrez group. He was temporarily Minister of Economy and afterwards he returned to the Gutiérrez group. He was given as a ‘loan’. Logically, a person who is on loan from a sector can’t be an official with a national vision but rather has the perspective of the sector by whom he is patronised – the protection of its interests. I’ll give you another example [...] the Minister of Agriculture is traditionally named by the Chamber of Agriculture, in the banks – in the Central Bank – normally there is someone recommended by the General Association of Bankers, and the people from the Junta Monetaria as well.

(Hugo Ordóñez Porta, interview 12/6/00)

Testimony in Chapter 3 from landowner Gustavo Anzueto suggested that business organisations and families in the oligarchic nucleus generally control important government ministries. In the remarkably open extract above, Hugo Ordóñez describes how this system worked in the particular context of the Arzú government, which presided over the second part of the Socioeconomic Accord negotiations. The Minister of Economy effectively acted as a representative of the Chamber of Industry (of which he was previously President) and the Gutiérrez group (one of the most important financial groups in the country).²⁰³ Like Gustavo Anzueto, Hugo Ordóñez is clear that such presence

²⁰³ Some interviewees said that one of the reasons the Gutiérrez group, which dominates the chicken business, has been so successful, is that it has used its political influence to prevent import tax changes that would permit cheap chicken imports or increase the costs of importing chicken feed. I was told how Juan Mauricio Wurmser

and influence of the oligarchic community is the historical norm in Guatemala. Oligarchic control of the state is mediated by government ministers and other officials who are ‘loaned’ by the business sector and its ruling families. With important government positions occupied by members or representatives of the business sector during the Socioeconomic Accord negotiations, their official exclusion from direct participation in the peace talks was more than compensated for by their privileged insider position, which allowed them to direct the course of the negotiations in their own interests. Ministers from the business sector such as Juan Mauricio Wurmser and Luís Reyes were not going to support peace accord proposals damaging to the oligarchy. Occupying state positions reflects a traditional politics of kin and connection associated with the writings of elite theorists such as Pareto and Mosca, and that is evident amongst economic elites in other ‘new democracies’ in Latin American, including Brazil (Hagopian 1996). The state should be understood as a series of relationships between persons, rather than between systems or impersonal processes. Informal structures and influence exist alongside or parallel to formal political structures, and undermine the autonomy of state institutions (Marcus 1983a, 10, 15; 1983b 48; Wolf 1966, 2).

This method of political influence has affinities with the property narratives because the oligarchs seem to treat the state as part of their private property. They occupy positions in the state, and use them to protect and promote business privileges (although they remain wary of some state actors such as the military). That is, for the oligarchs the state should yield some kind of profit or economic return, just like any property, investment or employee. This attitude is reflected in the testimony of coffee grower Max Quirin, who reduces politics to a hierarchical economic relationship: ‘the following will sound a bit bossy, but the government, at end of the day, is our employee, and the President is our best paid employee’ (Max Quirin, b.1962, interview 25/5/00). The economic elite’s use of public office for private gain is central to Weber’s idea of patrimonialism. Inimical to the liberal democratic model of politics in which those entrusted with political rule should not usurp power for their own ends, this is commonly known as corruption (Philp 1997, 443, 453-4).²⁰⁴

The second and third methods of oligarchic political influence appear in this testimony from business leader Manuel Ayau Cordón:

used his position as Minister of Economy to this effect, thereby privileging the Gutiérrez group. For discussion of tax privileges linked to the chicken business, see Valdez and Palencia (1998, 301-307) and the news report at www.gcsn.org/situ/situmay01.html.

²⁰⁴ Contemporary forms of patrimonial influence are further explored in my article ‘Mortgaged Democracy’ (Krznaric 2001). The analogy made is that the state is ‘mortgaged’ to particular groups or institutions such as the business sector, who hold the ‘deeds’ to the state. In return for supporting governments through financing parties or keeping their investment with the country, business expects certain ‘repayments’ or ‘interest’ in the form of property protection, tax breaks and other types of corporate welfare. To ensure the mortgage repayments, business may place their members or representatives in important government positions. In extreme circumstances business and other groups may ‘repossess’ or reclaim the state, as occurred with the CIA-backed coup in Guatemala in 1954.

To what extent do you think that the big economic groups and families in Guatemala are still politically influential?

They are influential in a way that is not generally perceived. They don't have outright influence – having lunch with the President or going to have dinner, or dictating or suggesting policy. Sometimes they have and sometimes they haven't. But they could not rely on that. As you can see, they have no communication with the present President. And yet the President doesn't take away their protection. Then you have to explain, how is it that they have influence if they don't get along? And if he would really like to hurt them – and he won't hurt them - how do they exert influence? Well...they scare the hell out of the President because he doesn't know enough. And they go to him and say: 'Look, if you take away [our import tariff protection], go ahead, take that away – but it's your political problem. You're going to have the guys out on the street, blaming you for having taken their jobs away. All of these people who won't be able to make a living any more, they're going to blame you. We don't care. You can take it away as far as we're concerned. But we keep so many thousands of people employed. Now, what are you going to do about that? And then if you take away the duties, we're going to start importing everything. What are we going to make? What are we going to do? It's our ruin.' And the Presidents fall for that. Because they don't know...If I were the President I would tell them: 'Why do you talk to me about business? I'm not a businessman, I'm a politician. I don't know anything about business. If you're business is so bad, why are you in it? Why don't you get out of it. But don't come to me, because I don't know what to do about business.' That's what a President should answer.

(Manuel Ayau Cordón, b. 1925, interview 19/4/2)

Manuel Ayau mentions that one method of business sector influence is using direct personal contacts to gain privileged access to the state. Reflecting the possibilities for state autonomy discussed in the first three chapters, he claims that sometimes this is an important form of influence and at other times it is not. He refers to the Portillo government, which at the time of the interview was refusing to dialogue with, and consult, the business sector on economic issues such as labour code reforms. While downplaying this method of influence in general, the analysis above shows that during the Socioeconomic Accord negotiations business leaders had informal communication with influential members of the government, including those who were not part of the economic elite. Breakfast meetings and telephone calls between the government Peace Commissions and the business leadership are examples of this privileged access.

A more reliable method of influence according to Manuel Ayau is for the business sector to ensure state deference through instilling fear or making threats. In his hypothetical example, the government wants to reduce import tariff protection for certain economic sectors. The businessmen argue that this will destroy their businesses and that the government will be blamed for consequent problems such as unemployment; due to their need to remain politically popular, the government will not hurt the business sector. His evidence of this in action is that the Portillo government, despite some desire to remove the oligarchs' economic privileges (such as protection of the sugar industry), has not done so. The government is maintaining the traditional state deference to the economic elite, in which the threat or fear that the oligarchs will cause job losses by closing down their firms, or send their capital abroad causing a foreign exchange crisis, prevents the government from enacting policies that will damage the business sector. These were precisely some of the arguments used by the oligarchs in the

Socioeconomic Accord negotiations, evident in the property narratives in which businessmen claimed that any threats to the property system or higher taxes would result in an unstable economic environment and consequent disinvestment or capital flight (Chapter 4, Economic development without property reform). To make threats and instil fear successfully, the oligarchs must provide a united front to the state and not appear prone to the politics of divide and rule. As Luís Reyes reveals in his testimony in Chapter 3, Guatemala's oligarchs are masterful at presenting such 'granite-like unity'. This unity was reflected in the lobbying organisation CEPAZ and its peace proposals that represented the business sector's position in the talks. Oligarchic unity, combined with economic threats, partly explains why Guatemala's oligarchs were able to speak directly with the President and other government officials about the Socioeconomic Accord negotiations or were shown secret accord drafts for their approval: governments were too wise to ignore them and too scared to refuse them. The administrations during the Socioeconomic Accord negotiations deferred to the oligarchs, just as previous governments had done on issues of property, tax and labour reform (Dosal 1995, 171-3, 182, 188; see also Chapter 2).

This phenomenon of state deference to capital is also common in more established liberal democracies, and was famously described by Charles Lindblom (1983, 196) in the case of the United States as 'the privileged position of business'. Governments fear that business can damage them far more than other groups, through methods such as capital flight, the withdrawal of political funding, or negative media campaigns. The state therefore defers to the wishes of big business. David Held discusses this as a tension between liberal democracy and private property. Hayek and Friedman, he notes, believe that protecting individual private property and free markets embodies an economic freedom that is an essential prerequisite for political freedom and, through spreading economic resources, acts as a basis for individual autonomy. Yet according to Held, 'the reality of the "free market" is marked by complex patterns of market formation, oligopolistic structures, and the economic rivalry of regional power blocs', in addition to multinational corporations and an international monetary system that limits national sovereignty. By projecting an image of the market as 'powerless', Hayek and neoliberalism 'neglect the distorting nature of economic power in relation to democracy' (Held 1995, 245). In practice liberal democracy as a form of government grants a privileged position to certain economic interests. Individual governments are dependent on business for the kinds of reasons stressed by Lindblom. Their stability and popularity depends on them following 'a political agenda that is at least favourable to, that is, biased towards, the development of the system of private enterprise and corporate power' (Held 1995, 247).²⁰⁵ As Pierre-Joseph Proudhon wrote in the nineteenth century, 'government must be property's creature and slave, or it will be

²⁰⁵ Ben Ross Schneider (1998, 98) makes this same point in his study of business organisations in Brazil: 'In any capitalist society, economic elites enjoy a political advantage, because state actors are structurally dependent on private investment and because capitalists control more political resources than other groups do'.

destroyed' (1970, 133). This state deference to economic elites reflects Michael Mann's (1993, 45) suggestion that the modern state is 'in some fundamental sense capitalist', and rarely challenges capital accumulation or the private property system. Although parts of the Guatemalan state at times exercise autonomy from the economic elite, in general state actions conform with maintenance of a capitalist economy that privileges the oligarchs.

The oligarchs thus used informal patrimonial influence in parallel with formal political methods to preserve their economic privileges. Guatemala provides an exemplary case of the continuing clientelism prevalent throughout the region. Carlos Vilas (1997, 19), for instance, writes of the 'persistence of clientelistic patterns of exercising political power' in Latin America, and Guillermo O'Donnell (1997, 49) has analysed the 'neopatrimonial' practices in the region, through which political institutions are plagued by clientelism. These informal patrimonial practices are clearly incompatible with a classical pluralist model of liberal democratic government in which the business sector is but one amongst many interest groups that have similar access to state institutions. And if governments seem accountable to citizens through elections, they certainly appear more accountable to the oligarchs in the daily practices of Guatemalan politics.

The consequences of oligarchic practices for liberal democracy

The ways that oligarchic political practices in the Socioeconomic Accord negotiations limited the development of liberal democracy in Guatemala can be analysed not only in terms of the methods of political influence, but also in relation to the consequences of their practices. I will discuss these consequences with reference to the model of liberal democracy described in Chapter 1. The oligarchy's prevention of an expropriative and redistributive agrarian reform had clear consequences for democratisation: it limited the possibility for the realisation of the full range of liberal democratic values for Guatemalans outside the oligarchic community. This was particularly the case for minority rights, civil rights, property rights, and because of the connection between rights and economic resources.

First, with respect to minority rights, when the Socioeconomic Accord was signed some indigenous organisations expressed their dismay that it largely ignored their land concerns.²⁰⁶ The Coordinator of Organisations of the Mayan People of Guatemala (COPMAGUA), for example, had made proposals for the accord to the Civil Society Assembly that included 'the restitution of expropriated communal lands', titles for lands that 'Mayan's have historically occupied', and the general 'just redistribution' of property (Bastos and Camus 1995, 65). When the Socioeconomic Accord was signed

COPMAGUA publicly declared that the agreement lacked reference to the needs of the Mayan population in terms of the structure, distribution and use of the land, and emphasised that, unlike the Accord on the Identity and Rights of Indigenous People (signed in 1995), there was no specific mention of indigenous people (COPMAGUA 2/7/96). Indigenous organisations were aware that the accord was based on the promotion and protection of individual private property rights, rather than other visions of property such as the group right of Mayans to land of sacred or historical importance, or indigenous communal land rights. In the Socioeconomic Accord the oligarchs ensured that the individual property rights of the wealthy few trumped the minority rights of the indigenous population.

Oligarchic practices during the Socioeconomic Accord negotiations also had detrimental consequences for civil rights. The failure to introduce expropriative and redistributive agrarian reform ensured that one of the fundamental causes of the armed conflict had not been resolved: extremely unequal property distribution. Creation of a Land Fund (FONTIERRA) to provide credit for campesinos to buy land at market prices and a government body for resolving land conflicts (CONTIERRA), both introduced as part of the Socioeconomic Accord agreement, were ineffective means of addressing rural landlessness and land conflicts. They not only had no mandate to address the profound structural inequalities in land distribution, but in the years after the final accord was signed they were both underfunded and inefficient (Hernández Alarcón April 1998). Much to the consternation of the oligarchs, indigenous and campesino organisations such as CONIC continued organising land occupations. And landowners, their private security guards, and government forces, continued to be responsible for human rights violations against those involved in the occupations (Amnesty 2002; Central America Report 19/10/1, 1-2). Until the land issue is resolved, land conflicts will recur and poor, mostly indigenous, campesinos will still be threatened or killed, while the perpetrators are likely to maintain impunity for their actions.²⁰⁷

A third consequence of oligarchic practices concerns property rights. We might consider whether the oligarchy's effort to block land redistribution prevented property rights from being enjoyed in practice by landless Guatemalans. As discussed in Chapter 1, the idea of property rights in liberal democratic thought generally refers to: others having a duty not to encroach upon my individual private property, the state having an obligation to protect it, and my legal ability to buy or sell it freely. None of these conceptions contain the idea that individuals have a claim upon the state to be provided with private property, so that they can enjoy the various aspects of property rights. In this sense private property is

²⁰⁶ It should be recollected that indigenous access to land is a fundamental aspect of conceptions of minority rights (see Chapter 1).

²⁰⁷ For discussion of the tension between protecting the property rights of the wealthy on the one hand, and minority and civil rights on the other, from a more general Latin American perspective, see Foweraker and Krznaric (2002).

an 'exclusive' right to be enjoyed only by those who possess private property, or who have the means to possess it (Macpherson 1978, 206-207). Under this interpretation of property rights, by blocking agrarian reform the oligarchs were not preventing the state from providing the liberal democratic right to private property to landless Guatemalans.

Some alternative strands of liberal democratic thought, however, suggest that the right to private property obliges the state to spread property ownership amongst citizens. C. B. Macpherson, for example, rejects the 'exclusive' right to individual private property in mainstream liberal democratic thinking and argues for a broader definition of property rights: 'the right not to be excluded from the use or benefit of those things (including society's productive powers) which are the achievement of the whole society'. He suggests that if liberalism means freedom of capitalist accumulation, then such a broad definition of property is incompatible with liberalism. But if liberalism means the 'right to full human development', in the tradition of John Stuart Mill, then such a definition is compatible with liberal or liberal democratic thought (Macpherson 1978, 206-207). Using Macpherson's definition of property, landless Guatemalans could claim a right to oligarchic agricultural land. In addition, although Rawls' liberal egalitarian theory of justice does not have private property rights as a fundamental value, he has proposed the idea of a 'property-owning democracy' in which there is greater equality in the ex-ante distribution of property, rather than such a high reliance on the ex-post redistribution of the welfare state (Kymlicka 2002, 89). Furthermore, some liberal democrats writing from a human rights perspective, such as Jack Donnelly (1989, 101-102), believe that the right to property should, like the rights to food and health, be understood as an economic and social right that states are obliged to provide.²⁰⁸ Drawing on such liberal democratic perspectives it may be possible to argue that the blocking of a substantive agrarian reform by Guatemala's oligarchs limited the possibility for landless Guatemalans to enjoy property rights in practice. Unfortunately, such academic arguments make little difference to the realities of property in Guatemala: as noted in Chapter 2, 1998 figures indicate that 33% of rural heads of household in Guatemala are landless (United Nations Systems in Guatemala 2000, 52, 65).

A final fundamental consequence of oligarchic practices for democratisation concerns the relationship between liberal democratic rights and economic resources. Poverty and inequality are extreme in Guatemala (see Chapter 2 statistics). The oligarchs claim that substantive agrarian reform would not

²⁰⁸ Other arguments could be made for a liberal democratic right to private property that entails state provision of property for the propertyless. For example, many scholars suggest that broad private property ownership is beneficial to liberal democracy through underpinning civil rights by diffusing power from the political centre, and thereby acting as a constraint on authoritarian government (Dahl 1989, 252). Others claim that many liberal democratic rights, such as property rights, have little meaning if we do not all have the economic means to exercise them in practice (McMurtry 1999, 47). In addition, outside the liberal democratic paradigm there are numerous arguments favouring land expropriation and state provision of private property to the propertyless. These include, for example, property claims based on the provision of basic human needs (Kropotkin 1990, 65).

alleviate poverty and inequality, and that there are more effective means of encouraging economic development (Chapter 4, Economic development without property rights). Certainly there are many factors accounting for poverty and inequality in Guatemala, amongst them a history of colonialism, economic dependency, debt peonage and expropriation of indigenous lands, in addition to more recent problems such as the ravages of political violence and neoliberalism, and inadequate enforcement of labour legislation. Undoubtedly, however, the failure to reform the property system is central amongst these factors. As Henry George (undated [1879, 329]) demonstrated, ‘the unequal distribution of land necessitates the unequal distribution of wealth’. Substantive land reform in Guatemala is not a magic formula that would eradicate poverty and economic inequalities, but it would at least reduce them in significant ways. Landless campesinos might be able to grow their own crops, build a home or use their property as collateral for obtaining a loan to start a small business. Particularly in rural areas, where people live with problems such as malnutrition, no access to clean water, inadequate housing, and unemployment, a substantive reform to the property system would make a real difference to their lives by helping to provide basic economic and social needs.²⁰⁹

Tackling poverty and inequality, and helping provide basic economic and social needs, could have substantial consequences for the realisation of liberal democratic rights in Guatemala. Many rights, such as political rights and civil rights, cannot be effectively exercised in conditions of poverty and inequality, and need to be underpinned by equal access to economic resources. A poor campesino rarely has the economic resources to afford the lawyers necessary to win a legal case against a landowner in a land dispute case, nor does she have the financing or education to make feasible running for political office. And as will be demonstrated in Chapter 7, protecting the civil right to personal security in the face of violent crime also requires economic resources that are unavailable to the majority of Guatemalans. Scholars of a variety of political persuasions understand that the poverty and inequality generated by capitalism limit the possibility for realising basic liberal democratic rights.²¹⁰ As John McMurtry states: ‘In the market realm of distributive justice, those who have more

²⁰⁹ This argument for agrarian reform, while currently somewhat unfashionable in academia, has been made by numerous non-governmental organisations focusing on rural development and food security. See, for example, Inforpress Centroamericana (12/10/2001, 12) and Oxfam (2002, 242-243). While acknowledging that land reforms are not always effective, such organisations often highlight ‘success stories’, such as Taiwan and South Korea, that demonstrate how land reform is an essential basis for economic development. Of course, effective land reform in Guatemala would need to be accompanied by other changes, such as judicial and administrative reforms that would make the granting and protection of property titles efficient, and infrastructure improvements so that produce could easily reach the marketplace. It would also require decisions on complex issues such as collective versus individual land ownership and production. Although enjoying more autonomy, *campesinos* would still be subject to problems such as variable international commodity prices.

²¹⁰ Robert Dahl, for example, argues that one reason why liberal democracies cannot achieve the ideal of ‘polyarchy’ is because of inequalities of wealth and income, which he considers ‘political resources’. Inequality in these resources, he writes, impedes the exercise of political rights, and is thus equivalent to political inequality. For Dahl there is a ‘discord between democracy and capitalism’ because the free market generates the economic inequalities that are detrimental to political equality, which is a fundamental democratic value (Dahl 1989, 130-131, 325-326). O’Donnell upholds a definition of democracy based on Dahl’s procedural

money have more rights, while those who have less money have fewer rights' (1998, 162-164).²¹¹ Land reform could have an impact on these kinds of rights through its effects on reducing poverty and inequality. In addition, placing limits on the extremes of oligarchic wealth would reduce the political influence of the business sector over the state. By opposing property reform, the oligarchs have perpetuated this system of inequalities.

Overall, the consequences of oligarchic practices in the Socioeconomic Accord negotiations are most evident in what did not result, rather than what did result. By blocking agrarian reform, the oligarchs ensured that the protection, promotion and fulfilment of the range of liberal democratic rights would remain unchanged, as would the allocation of economic resources that underpin those rights. The economic elite were perhaps the only social group with sufficient political authority to introduce substantive changes to the country's agrarian structure. But they did not do so.

Conclusion

Having established that the oligarchic worldview on security of property shaped their political practices, and that the methods and consequences of these practices limited the development of liberal democracy in Guatemala, I would like to return to the two issues raised at the beginning of Chapter 4. There I suggested reasons why it is important to study the relationship between the oligarchy and private property in Guatemala: it can inform an assessment of continuity and change in Guatemalan history; and it can contribute to an analysis of the role of economic elites in democratisation processes in Latin America. What does the analysis in this chapter lend to an understanding of these two issues?

Regarding continuity and change in Guatemalan history, the young generation of urban businessmen who led the economic elite in the peace talks differed from past business leaders, exhibiting greater political openness and flexibility. But their willingness to speak with a range of political actors, present policy proposals, and lobby the government like other social groups, masked fundamental continuities in Guatemalan history. The young urban business leaders remained absolutely unified with other economic sectors and generations in opposing changes to the private property system.

minimum and rejects defining democracy in terms of substantive equality or welfare. At the same time he states that, in practice, socioeconomic equality is required for the exercise of certain political and civil rights (O'Donnell 1999, 324). See Foweraker and Krznaric (forthcoming, *European Journal of Political Research*) for a discussion of some of the effects of economic inequality in rich countries on the realisation of the range of liberal democratic rights. For a Marxist perspective on this problem see Tom Bottomore's (1966, 23) discussion of elite theories. For an anarchist critique of the ways that those who dominate the market have unequal influence in judicial and legislative processes, see Mazon (1978, 152).

²¹¹ McMurty's comment is somewhat problematic. First, it is not only money, but also other assets, that allow some people to exercise their rights in practice. Second, it is unclear whether those with more money have more rights, since we may all still be granted equal rights in a constitution. We should, however, allow him a little

Moreover, they used traditional methods of patrimonial influence to maintain their privileges. These continuities challenge claims that Guatemala has a reformist or modern business sector that is distinct from the traditional oligarchy (as discussed earlier in this chapter and in Chapter 4). The oligarchs had little choice but to enter the peace talks, and were thus forced to adapt to a new political context: they changed only to that extent required to keep things the same. It is as if the economic elite understood Tancredi's dictum in *The Leopard*: 'if we want things to stay as they are, things will have to change'.

Although Guatemala had been undergoing a slow process of democratisation since the end of direct military rule in 1985, termination of the armed conflict was essential to further democratisation. Without a negotiated peace settlement democratisation was in some sense 'frozen', since important social actors such as the guerrillas and the military were operating outside what the academic literature sometimes calls the 'rules of the democratic game' (Linz and Stepan 1996, 5; Diamond 1999, 70). By supporting the peace negotiations, Guatemala's oligarchs certainly played a role in ending the armed conflict and encouraging this process of democratisation. One could say, using the language of the democratisation literature, that in the Socioeconomic Accord negotiations the oligarchs were participating in a process of 'elite settlement' that helped consolidate a democratic regime (Burton, Gunther and Higley 1992, 30). Many scholars concerned with Latin America, however, have been critical of democratisation processes in which economic elites not only maintain their traditional privileges, but use methods of political influence that are inimical to liberal democratic values and undertake practices that have negative effects on the realisation of liberal democratic rights for those outside the economic elite. As has been demonstrated here, Guatemala is a case in point: protecting the property rights of the wealthy few has occurred at the cost of weakening or limiting accountability, minority rights, and civil rights, and perpetuating the poverty and inequality whose eradication is required to help turn liberal democratic rights from theory into reality. In such conditions democratisation is often limited to the procedural sphere of regular civilian elections and basic political rights (Vilas 1997, 17-20). We might therefore think about these processes of democratisation as political processes that consolidate oligarchic privilege. I will discuss this issue further in Chapter 8.

rhetorical flourish in making his point: that economic resources are required to exercise many of our rights, and that, in effect, we do not all have the same rights in practice due to inequality in economic resources.

CHAPTER 6: THE OLIGARCHIC WORLDVIEW ON PERSONAL SECURITY

Introduction

The analysis now shifts from private property to personal security. The question of this chapter is: What is the oligarchy's worldview with respect to security of person? Chapter 7 will then use this analysis to examine a related question: How did this worldview on personal security shape their political practices that were responses to threats to members of their community from the problem of kidnapping and other crimes, which continued in the four years after the signing of the final peace accord in 1996? Like Chapters 4 and 5, these two chapters on personal security provide insights into the main issue of the thesis, which is to understand how the oligarchy's worldviews guided their political practices that limited the development of liberal democracy in Guatemala in the final decade of the twentieth century.

The reasons for examining the oligarchy's relationship to personal security in Guatemala have been discussed in Chapters 1 and 2. First, personal security has become increasingly important in debates on problems of democratisation in Latin America as violent crime spreads throughout the region. In particular, there are grounds for investigating the extent to which the efforts of economic elites to protect their civil right to personal security may have detrimental consequences for the personal security of other social groups and limit the realisation in practice of a range of liberal democratic values. Second, personal security issues have been central to recent Guatemalan history, especially due to the violence of the civil war and the growth of violent crime in the post-conflict period. The oligarchs were able to use their political and economic influence to protect their personal security more effectively than most other Guatemalans during the armed conflict, such as by using the military and private security. We should be sensitive to possible historical continuities by analysing whether this privileged protection also applied in the post-war years, when the oligarchs were responding to threats to their personal security, notably kidnapping for ransom.

This chapter examines the oligarchy's worldview on personal security. I suggest that this worldview is evident in five different narratives of personal security. The oligarchic experience of personal insecurity is contained in shared narratives of *The community of victims* and *Perpetual war*. Their favoured responses to the problem appear in shared narratives of *The demand for state authority*, *The desire for military intervention*, and *The need for private security*. Each narrative has a number of sub-narratives or sub-themes. The five narratives are common to oligarchs from the range of economic sectors, demonstrating oligarchic unity. There is, however, heterogeneity in the narrative of

The desire for military order, as those whose main economic activity is in agriculture appear to have a stronger desire than urban-based businessmen to permit the military a permanent place in internal security. The analysis uses business organisation documents as a starting point to discern oligarchic narratives of personal security, but focuses more on their individual stories gathered from interviews.²¹²

In the conclusion I show how three main points emerge from the narrative analysis. First, Guatemala's oligarchs are primarily concerned about protecting the personal security of members of their own community (particularly from kidnapping) and have little interest in the personal security of outsiders, such as those who suffer everyday violent crime in the shantytowns of Guatemala City. Second, they favour an authoritarian response to post-conflict personal insecurity: the rule of law should function as a means of social order and repression. Finally, oligarchic narratives of personal security are incompatible with two liberal democratic values: accountability and civil rights. All three issues are relevant to understanding the oligarchic responses to violent crime that will be discussed in Chapter 7.

Guatemalans from a range of social sectors were victims of crime in the four years after the end of the armed conflict. And like the economic elite, many poor and middle class Guatemalans support an authoritarian response to crime problems, such as using army troops to patrol the streets, and applying the death penalty. Despite these similarities, the oligarchy's relation to personal security issues is distinct in important respects. They were subject to a particular crime - kidnapping for ransom - that was rarely experienced by other socio-economic groups, and that required specific responses or remedies. Their shared narratives of personal security are based on life experiences, especially during the armed conflict, that are not necessarily shared by other Guatemalans. And due to their wealth and political influence, the oligarchs have a much greater capacity than other social groups to translate their authoritarian thinking into concrete political practices that affect people's lives (as will become clear in Chapter 7).

The community of victims

From the late 1980s until the end of the civil war in the mid 1990s, business organisation documents were increasingly concerned with personal security problems, emphasising the effects on all Guatemalan citizens. In contrast, interviews reveal a far more specific narrative - that the business sector were a persecuted community of victims during the armed conflict. Guatemala's oligarchs consider themselves both as victims of the guerrillas and victims of history.

²¹² Sensitive and highly personal experiences of kidnapping and other crimes do not appear in business documents, which are impersonal and technocratic. Although documents discuss personal security, interview testimony provides deeper insights into the oligarchic worldview.

Personal insecurity grew in prominence as a theme in business sector documents in the last years of the armed conflict, although it rarely overshadowed the emphasis on protecting private property. In a paid newspaper advertisement in 1992 CACIF complains of the loss of life and destruction of infrastructure caused by the guerrillas (CACIF, Siglo 21, 8/6/92, 49-52). Their 1995 peace process document, 'Guatemala: Reflections on the Past, Considerations of the Present, and Recommendations for the Future', places greater emphasis on 'the uncontrolled increase in crime' than its original version published in 1987 (June 1995, 6-7, 11; 1987, 7).²¹³ As President of the Chamber of Commerce, former CACIF President Jorge Briz Abularach wrote that the two principal challenges of democracy in Guatemala are personal security and economic development. The Chamber of Commerce is worried about 'the situation of insecurity and vulnerability that all citizens face due to acts of violence, murders, kidnappings and hold-ups'. The authorities are failing in their constitutional function of guaranteeing 'life, liberty and security to citizens of the Republic' (Briz Abularach 1996, 11). Throughout 1995 and 1996, when the kidnapping of businessmen and the war tax were being used by guerrillas to pressure negotiations on the Socioeconomic Accord, CACIF and other business organisations issued press releases demanding an end to 'coercion, extortion and kidnapping' (CACIF 28/3/96) and the need for the government to 'protect citizen security' (CACIF 28/10/96). While sometimes stressing that members of the business sector have been victims of violence, these documents generally contain universalistic statements of human rights violations against *all* citizens.

The more specific narrative that the business community was particularly victimised during the armed conflict emerged in interviews with oligarchs from various sectors. I spoke with former President of the Chamber of Industry, Carlos Vielman Montes, about the effects of the civil war.

[...] when people speak of the victims of the conflict nobody in the end has a right to all the tears, the important thing is to get over what happened. In the case of my family there is a first cousin of my wife who, when ORPA made it's first appearance, commanded by Commandant Pancho who today is Palma Lau, the director of the Land Fund – they murdered him in cold blood, a young guy at the time, just over twenty, recently married with a daughter, when he was out on an agricultural property.

How did you react?

Well, the truth is that I reacted with anger, reacted with rage. This was someone from my generation [...] But in the end...we stayed here, we were here, we ran the risks, and thank God we're surviving [...]

[...] I think the Truth Commission Report is written with huge bias, very much in favour of the guerrillas, very much in favour of...the people who were on the side of the guerrillas, and doesn't reflect the grief or the truth. I think that one of the things that kept Guatemala afloat is that the businessmen, we stayed here [...]

(Carlos Vielman Montes, interview 5/6/00)

²¹³ In this and other quotes I have translated '*delincuencia*' as 'crime'. In Latin America crime is often referred to as *delincuencia*, and criminals are known as *delincuentes*.

The oligarchs see themselves as a persecuted community who were victims of the guerrillas. As Carlos Vielman says, the victims were not only businessmen, but their wives, children, and those in the extended family. In addition, he is conscious that particular generations of business people were subject to persecution. Given the close social relations within the oligarchic community (see Chapter 3), it is unsurprising that they should have developed some sense of collective suffering and victimisation. When one member of the community was kidnapped or killed, he or she was bound to be known by the others, either through family connections, business dealings or broader social ties. Carlos Vielman is typical of the oligarchs in displaying little if any concern for others who suffered in the armed conflict, such as indigenous *campesinos* in the Ixcán region or trade unionists from the Coca-Cola plant in Guatemala City. Furthermore, for him, and many others in the business community, these past experiences are part of the present. His anger when his wife's cousin was murdered is retained in his vehement comments reflecting a sense of gross injustice that one of those allegedly responsible for the killing is now a respected government official. As will become clear below, such attitudes provided foundations for the oligarchy's exclusionary and belligerent approach to the rule of law in the post-conflict period.

The business community are not only victims of the guerrillas; they are victims of history. Carlos Vielman's statements that 'nobody in the end has a right to all the tears' and that the Truth Commission Report 'doesn't reflect the grief or the truth' signal a belief that the suffering experienced by members of the business sector is insufficiently recognised. I also received this impression when CACIF's Executive Director, Roberto Ardón Quiñones, wanted me to examine their confidential submission to the Truth Commission, a collection of newspaper clippings detailing the assassination of CACIF presidents, assaults on *finca* owners, death threats against industrialists and bankers, and admissions by guerrilla organisations of responsibility for acts of violence against the business sector. Carlos Vielman additionally expresses a view common amongst interviewees that the business sector deserve special credit for patriotically and heroically sacrificing themselves by not abandoning the country during the war, even though they were subject to violent attacks. In the oligarchic worldview they are the armed conflict's principal victims.

Oligarchic narratives on their communal victimisation contrast with the historical evidence about the civil war. Certainly it can be important to remember that victims are sometimes forgotten by history, such as the Roma in the Holocaust, or the Tasmanian Aborigines wiped out under British colonial rule. But scholars have not focused on the Guatemalan oligarchs as victims for very good reasons. Compared with violence against other social groups, that experienced by the business sector was limited. There were relatively few murders of businessmen (perhaps in the dozens), while recent studies estimate that the total number of people killed or disappeared in the conflict was around 200,000 (Jonas 2000, 17). The business sector experienced nothing approaching the systematic

violence experienced by the indigenous population. Moreover, the economic elite were more prominent as perpetrators of violence than as victims (see Chapter 4, *Property as violence*). The claim that the business sector patriotically remained in the country throughout the conflict also requires comment. Although accurate data are unavailable, interviews suggest that, like their Salvadoran and Nicaraguan counterparts, many businessmen did send their money out of Guatemala, and some fled the country or sent their children abroad for education. Those who stayed often did so for reasons other than an altruistic patriotism, such as needing to keep their businesses running, desiring to maintain familial ties and control of their property, and due to the economic costs of relocating overseas.

The economic elite's collective memory of communal persecution during the armed conflict reinforces the boundary between the oligarchic community and the rest of Guatemalan society in two ways. First, the sense of shared persecution in the past serves to unify the oligarchy as a distinct community. In addition, seeing themselves as the main victims of past violence, they are more likely to consider themselves as the primary victims of violence in the present. As will become clear, both of these help generate an approach to civil rights that excludes the majority of the population.

Perpetual war

Post-conflict business sector documents provide a more sophisticated analysis of personal security than older documents. Couched in the modern terminology of rights and development, they contrast with interview narratives that use language associated with war to describe the problem of kidnapping since the final peace accord was signed. The oligarchic narrative of perpetual war has three components: the war has not ended, violent crime as a matter of military conflict, and the undefined enemy.

From around 1996 the business sector seemed to realise that personal security would remain a problem in post-civil war Guatemala. CACIF fully articulated and conceptualised this concern in their first major document published in the period of official peace, 'Guatemala, Plan for Economic and Social Development: Vision and Proposal of the Organised Private Sector' (CACIF June 2000). The analysis is far more refined than their previous discussions of the topic. The main section examines six areas that are important for economic and social development: democracy, security, productivity, strengthening private initiative, institutional modernisation and environment. Security, which concerns methods to 'combat crime' and guarantee 'public security', is divided into 'physical security' and 'judicial security'. 'The physical security of persons' in the face of crime is explicitly identified as an aspect of the right to life. Personal security is considered valuable in itself, in addition to being a means to the end of economic development. And CACIF adopts the language of human

rights organisations claiming that criminals are acting with ‘impunity’ (CACIF June 2000, 11-12, 17-19).

Interviews revealed a narrative illustrating that the oligarchs think about personal security problems, particularly kidnapping, more in terms of war than in relation to rights or other issues such as economic development. The persistence of feelings of personal insecurity in the post-conflict period emerged in almost every interview. I spoke with a director of one of the largest commercial enterprises in the country, who is part of a recognised oligarchic family network. Her testimony, when asked about personal insecurity during the civil war, exemplifies the economic elite’s narrative of perpetual war:

Were there security problems for your family?

Yes, there were many. It’s desperate. It’s desperate because we want to be able to enjoy our freedom, but we’re frightened about security. Yes, this worries us a lot. They kidnapped my daughter when she was ten years old.

When was this?

In ’76.

And which guerrilla group did it?

At that time the FAR were around. Really, we couldn’t know who really did it. There were always, there have always been mafias, bandits, paramilitary groups, the Mano Blanca, the guerrilla. Who could it be?

And what happened?

Well, they kidnapped her and she was held for 15 days and we had to pay the ransom and all of that. It was a tremendous trauma for her. And for us as a family. Yes, it affected us a lot. Because from then on you were worried about where your kids were going [...] And since then we’ve lived in fear because we’ve always had kidnapping attempts. My father faced several kidnapping attempts. Thank God they never succeeded, but they’d try to come into the house with machine-guns and things like that. So we’ve constantly lived with experiences of fear, with situations of fear. But we learn to live with them [...]

(Isabel Paiz de Serra, b. 1942, interview 28/6/00)

Similar to interviewees from a variety of economic sectors, for Isabel Paiz the war has not ended. She begins by discussing the personal and family effects of violence, such as fear, trauma and anxiety, focusing on the kidnapping of her daughter. However, the question about personal security in the past immediately evokes the present, shown most clearly in her repeated tense shifts from the past to the present (‘...there were many. It’s desperate’). The security situation is desperate *now*, there are assault groups *now* just as there were during the war, they are ‘constantly’ experiencing fear. The phrase ‘from then on’ shows that an important dividing point in her memory is not before and after the end of the armed conflict, but pre and post her fears about personal security, which date from an earlier period. For many oligarchs ‘before’ is understood as a golden age when their children could bicycle around the streets without fear of assault or kidnapping.²¹⁴ The feeling of persistent community persecution in the form of kidnapping brings the memories of victimisation in the armed conflict into the present, such that life is lived within a worldview of perpetual war.

²¹⁴ This dividing point resembles that found by Teresa Caldeira (2000, 27) in her study of crime narratives in Brazil. Her interviewees divide their lives into a ‘before’ and ‘after’ period that corresponds with a first major encounter with crime.

The continuing war mentality is also reflected in the oligarchs describing kidnapping and other crimes using the language of military conflict. Most interviewees, including Isabel Paiz, used the militaristic word '*delinquentes*' to refer to their assailants. While other Guatemalans also use this word for common criminals, it has a special meaning or resonance for the economic elite. During the armed conflict the oligarchs adopted '*delincuente*' or '*delincuente subversivo*' ('criminal subversive') to describe members of guerrilla organisations. This was probably an imitation of army terminology, in which the guerrillas were deemed illegal and illegitimate terrorists and criminals. One former CACIF President from the industrial sector, conscious of this usage, corrected himself when he accidentally referred to the 'guerrillas': 'I don't call them guerrillas – sorry – but *subversivos* [...] a *subversivo* is a *delincuente* [...] interested in] killing people, without caring about their religious beliefs or anything, simply because they were in the middle of things...' Using aggressive, militaristic language he believes that in post-conflict Guatemala 'the combating of *delincuencia*' should be 'head on and total'. 'Once again,' he says, 'we have a fight against non-conformists' (V́ctor Súarez Valdes, b. 1954, interview 22/5/00). Crime is more a matter of war than a violation of rights or cause of economic underdevelopment, as suggested in the business documents. This sense of a continuing armed conflict resembles oligarchic perspectives that portray the peace negotiations as the continuation of the war by other means (Chapter 5, 'Oligarchic depictions of the guerrillas').

But who, exactly, is the enemy in this perpetual war? Rejecting the premise of my question, Isabel Paiz says that perhaps the FAR (Rebel Armed Forces) guerrillas kidnapped her daughter but it could have been right-wing paramilitaries like the Mano Blanca. Such uncertainty or confusion about the enemy's identity was expressed in many interviews, although some interviewees (such as the industrialist above whose wife's cousin was killed) were sure the insurgents were responsible. The boundaries are even less clear in post-conflict Guatemala where the old guerrillas have integrated into party politics and the '*delinquentes*' are an unknown assortment of professional bandits, ex-paramilitaries and former guerrilla combatants. According to Caldeira's (2000, 26) analysis of crime narratives in Brazil, identification of a distinct enemy by victims helps provide order to a disorderly situation. In the case of the Guatemalan oligarchs, there is a clear difference between 'we' (the victimised business community) and 'they' (the criminals), but the latter's facelessness augments feelings of fear and persecution in the business sector.²¹⁵

²¹⁵ See Fiebeg-von Hase (1997) for a theoretical discussion of the origins and function of 'enemy images' or the 'other' which reviews approaches from sociobiology, psychoanalysis, sociology and social psychology (particularly in-group/out-group theories). The oligarchs' difficulty with identifying their enemy reminds me of the confusion of anti-capitalist demonstrators in the North who, faced with the amorphous enemy of 'global capitalism', are uncertain whether the focus of protest should be the IMF, Monsanto, or the London Futures Exchange.

Similar to the narrative on the community of victims, the ideas that the war has not ended for the business sector, and that they are confronted with enemies, reinforces the boundary between the oligarchic community and others in Guatemalan society. The 'we' used by Isabel Paiz and others when discussing kidnapping is the 'dangerous pronoun' analysed by Richard Sennett (1998, 138) that is a basis for practices of social exclusion. This use of 'we' suggests that when business organisation documents refer to the need for 'public security' for all Guatemalans, the organisation's real concern is the personal security of members of the oligarchy. That violent crime is understood by the economic elite in terms of military conflict is a foundation for authoritarian approaches to the rule of law. For the oligarchs, conditions of war are states of constitutional and legal exceptionalism, and help justify legal violence and a role for the military in internal security, just as, in the North, terms such as 'terrorism' and 'the war on drugs' are used to excuse the erosion of civil rights (Ignatieff 2002, 18).

The demand for state authority

The technocratic and market-oriented approach to reducing crime found in business association documents diverges from that evident in interviews with the oligarchs. Their testimony contains a far more aggressive narrative of the demand for state authority. Members of the elite believe that greater state authority is the most effective means of tackling crime, particularly kidnapping. Sub-themes within this narrative include: the law as authority and violence, Guatemalan exceptionalism, and the failure of the civilian police. In testimony supporting the death penalty for kidnapping further sub-themes related to the demand for state authority emerge: the uniqueness of kidnapping, law as punishment and fear, and lack of application of the law.

Business documents published since the end of the armed conflict stress that cutting crime primarily requires improved efficiency of state institutions and the operation of the free market. According to a recent CACIF document, it is necessary to increase the efficiency of both the police and the judiciary, which will help ensure strict application of the law, and to create a proficient civilian intelligence system. Better investment conditions, say CACIF, will attract the funds necessary to fuel economic growth, which will reduce poverty and lead to improved education and health care. Such measures, they suggest, will help eradicate the economic motives for crimes such as kidnapping (CACIF June 2000).

Conversations with the oligarchs reveal a very different view on the approach needed to confront crime. The majority of interviewees, from a range of economic sectors and generations, stressed that the state needed to be more authoritarian in imposing the rule of law. Gustavo Anzueto Vielman,

leader of the right-wing agricultural association CONAGRO, spoke with me about personal insecurity caused by apparently violent ‘land invaders’:

The training of the police is a failure. Why? [...] Because the European countries came along, with their technicians, to train the police and train them to dissolve demonstrations in the way it is done in Europe, which is very distinct. Between us and Europe there are 2500 years of distance [...] the reaction of people here is very different, people here don’t respect authority, so you have to begin by teaching them to respect authority. Here, for example MINUGUA doesn’t permit that a demonstrator is hit in a demonstration, even if they are throwing Molotovs and huge rocks at the police. They’ve killed people [...] I’ve said to MINUGUA ‘don’t get involved. People have to understand that they must respect [...] and once they’re hit once they’re not going to do it again.’ But no. So, the police are scared because if they strike someone they’ll be reported. So, this means that the police and the keeping of order is not efficient, which leads to violence and criminality [...] Bandits in Guatemala go around with assault guns, there are also ex-guerrilla groups that are regrouping. They are assaulting, attacking and carrying out extortion. When a police patrol comes across them they [the bandits] kill them.

(Gustavo Anzueto Vielman, interview 31/5/00)

For Gustavo Anzueto law requires authority and violence by state authorities. Demonstrators need to be hit and violence is justified as it teaches people to respect authority. In contrast to published business documents, he stresses that a technical approach to the law is an ineffective means of social control. Most interviewees were not such open advocates of violence, but the majority used aggressive language consistent with these views. This is evident even in the testimony of those identified as urban modernisers, such as the interviewee above who believes that ‘the combating of crime should be head on and total’, and in the narratives of businessmen who justify using violence to protect private property (see Chapter 4, *Property as violence*). Moreover, almost no interviewees objected to violent measures taken against those identified as ‘*delincuentes*’; this can be interpreted as tacit consent to the use of force by the state. Leo Tolstoy (1986 [1900], 117-118) suggested that because ‘laws are not made by the will of all, but by the will of those who have power’ compliance can only be ensured ‘by blows, by deprivation of liberty, and by murder’. The essence of law, he said, is authority and violence. And so it is in this narrative of personal security. Law is neither about rights (as it seemed in Chapter 4, *New and old liberalisms*), nor ideals such as the dominion of the collective will of the people.

A second theme in this testimony concerns Guatemalan exceptionalism. Gustavo Anzueto believes that European countries and international agencies such as the United Nations Human Rights Verification Commission in Guatemala (MINUGUA) are simply too soft in their policing approach. They do not understand that Guatemala is different from other countries, implicitly pre-modern or primitive, thousands of years behind the modern world.²¹⁶ European values cannot be implanted in this exceptional context. This idea that Guatemala is somehow ‘different’, ‘strange’, ‘peculiar’ or has

²¹⁶ This aspect of the narrative resembles depictions of the indigenous population as backward or primitive evident in Chapters 3 (‘The bond of race’) and 4 (*Race and the subordination of minority rights*).

a ‘particular context’, was used repeatedly throughout the interviews to justify state violence and military involvement in internal security. Saying ‘the reaction of people here is very different’ implies that cultural values differ to the extent that ‘universal’ moral laws cannot be applied. This has some similarities with debates about ‘Asian values’ in which governments in countries such as Singapore or Indonesia argue that limitations on civil rights are justifiable in their societies to secure social order and economic development, and that ‘Western values’ should not be imposed.²¹⁷

All interviewees, including Gustavo Anzueto, expressed an extreme lack of confidence in the civilian police to deal with crime in general, and kidnapping in particular. I was repeatedly told stories of police incompetence, corruption and inefficiency. While the oligarchs exercise substantial influence over many state institutions (see Chapter 5, ‘The methods of oligarchic political influence’), they remain critical of some elements of the state. They generally believe that not only policemen, but also judges and congressmen, are corrupt. Implicit in this view of civilian police failure is the idea that the cause of violence is insufficient police authority and effectiveness. Thus to solve the problem of crime it is not necessary to confront the roots of the problem, such as poverty. In this way the narrative reinforces the oligarchs’ unwillingness to support structural changes to the economy (see Chapter 4).

The business sector’s authoritarian approach to crime is further reflected in their support for the death penalty for kidnapping. After a *de facto* moratorium on executions from 1983 to 1996, Guatemala became one of only five countries in the Americas to impose the legal violence of the death penalty. While the rest of world was abolishing the death penalty, Guatemala widened the scope of crimes for which it can be applied.²¹⁸ In March 1995 the Guatemalan Congress approved the death penalty for the specific case of kidnapping (decree 14/95). At the time, MINUGUA stated that the decree violated the American Convention on Human Rights, to which Guatemala was signatory (MINUGUA Second Report, para.23). Although rarely carried out, many individuals have been placed on death row for kidnapping cases involving members of the business community.²¹⁹ Its first application was the June 2000 executions by lethal injection of Tomás Cerrate Hernández and Luís Amílcar Cetino Pérez, broadcast live on television, for the kidnapping and murder of the aristocrat Isabel Bonifasi de Botrán. I asked oligarchic intellectual Manuel Ayau for his views of this matter:

²¹⁷ Kelly 1998, 4-5. Ideally this category of ‘Western values’ should be able to encompass state violence in the North, particularly by the police and within prison systems. See, for example, Parenti (1999). The authoritarian traits of the wealthy, industrialised democracies are frequently forgotten in debates about the ‘clash of civilisations’.

²¹⁸ Since 1976 62 countries have abolished the death penalty for all crimes or for all ordinary crimes. (Amnesty International, www.amnesty.org).

²¹⁹ The legislation may have been introduced under pressure from the business sector after a wave of kidnappings in 1994 and 1995. I was unable to confirm this. In November 2001 28 prisoners were on death row, 13 of whom had been sentenced for kidnappings that did not involve deaths. In October 2000 Congress declared that the law extending the death penalty to non-lethal kidnappings violated Guatemala’s obligations under the

What are your thoughts on the death penalty for kidnapping?

That's the only case I accept.

What makes it different?

It makes it different that it is a planned, cool, cruel way to torture people. Not kidnapping a person: the parents. And it's a decision to take away the life of a person. It's not done under any attenuating circumstances. It's a cool, planned, deliberate act of deciding that they would take away the life of somebody if they could not extort others – who they will torture with the threat of killing their dear ones. I think that people who go to that extreme should be killed. It's the only case in which I am in favour of the death penalty. That's worse than murder [...] The problem is that it's not applied, because of human rights and all that sort of thing. When they catch the kidnapers the government shouldn't kill them on the spot – which they have done. They should give them due process, and then kill them in public. Never mind this business of hiding the execution. Do it in public because what you do want to do is put the fear of God into people. You want them to know what the cost of doing that's going to be. If you take it upon yourself to take away the right to life of someone else deliberately, then you have lost yours.

(Manuel Ayau Cordón, b. 1925, interview 19/4/2)

Manuel Ayau believes that kidnapping for ransom is unique compared with other crimes, a view he has stated publicly in his regular newspaper column (e.g. *Prensa Libre* 24/6/00). The main reason, he says, is not because of the effects on the person kidnapped, but due to the 'torture' that family members undergo while their loved ones are being held. Kidnappers, according to Manuel Ayau, have no excuses for their actions, as they are so highly planned. This argument is common amongst the oligarchs, both young and old, male and female, urban and rural. Kidnapping, I was told by a young businessman involved in commerce and industry, 'is one of the worst crimes that you can commit' (Giancarlo Ibarguén Segovia, b. 1963, interview 17/4/2). In contrast to this narrative of kidnapping's uniqueness, when asked about CACIF's support for the death penalty in kidnapping cases, the organisation's Executive Director told me that: 'we don't say whether its right or wrong to impose the death penalty, we just want to uphold the law' (Roberto Ardon Quiñones, interview 2/6/00). CACIF appear inconsistent in their efforts to uphold the law: while they have run television campaigns supporting the death penalty in kidnapping cases (e.g. in June 2000), they have not run similar campaigns for other crimes that have little negative effect on the economic elite, such as non-payment of the minimum wage to coffee workers or the 1998 murder of Bishop Juan José Gerardi, head of the Human Rights Office of the Archbishopric (ODHAG).²²⁰ The oligarchy's retreat into the sanctity of

American Convention of Human Rights. In June 2001 a newly formed constitutional court overturned the earlier ruling (Human Rights Watch, www.hrw.org).

²²⁰ Bishop Gerardi was clubbed to death two days after he presented the church's Report on the Recuperation of Historical Memory (REMHI), which documented human rights violations during the armed conflict (Amnesty International 2002, 22-27). Some parts of the business community have participated in the wider human rights struggle. In the mid-1990s a group of wealthy women formed the organisation *Madres Angustiadas* to campaign about the kidnappings of their family members. While being keen supporters of the death penalty for kidnapping, they have also participated with more leftist human rights organisations, such as the Myrna Mack Foundation, in campaigns against military impunity. A leader of *Madres Angustiadas* distinguished the organisation from business associations such as CACIF: 'We haven't really shared the, shall we say, terminology. They use "death penalty", they're more hardline. We speak more of applying justice and that punishment should be fast, whatever form it happens to be in.' (Adela Camacho Sinibaldi de Torrebiarte, interview 27/6/00)

the legal is a typical manoeuvre used to defend laws that seem directly to benefit members of their own community (as is the case with the protection of the constitutional right to individual private property, evident in Chapter 4, *Rights as the maintenance of privilege*). Given that kidnapping is a crime that primarily affects business people and their families, their support for the death penalty specifically for kidnapping appears to be another example of their desire primarily to protect the personal security of their own community members.

Guatemala's oligarchs believe that, in cases of kidnapping, the purpose of law should be both punishment and deterrence, and doing this effectively requires the death penalty. According to Manuel Ayau, and many other business people, kidnappers simply deserve to be killed for carrying out such a heinous crime. Law, they say, must punish those who are evil; it is an ethical matter. The oligarchs also make the consequentialist utilitarian argument that it is important to stop others from kidnapping in the future by threatening them with death. As one coffee plantation owner exclaimed: 'The only way to solve the problem is if the risk of kidnapping is very high, that you get captured – people wouldn't do it! If the risk is too high – it's the only way, including the risk of losing your life [...]' (Max Quirin, b. 1962, interview 25/5/00). Women from the business community also share this view. Olga Alvarado de Gonzalez, a top banking sector executive, said: 'you have to set an example, because there's so much anarchy. It's tricky, but I myself have been in favour of the death penalty even when it contravenes my religious principles. (Olga Alvarado de González, b. 1964, interview 12/4/2) Religion is subservient to the need to instil fear. But, for Manuel Ayau, the two can also be combined. He believes that putting 'the fear of God into people' requires public executions in which people see the consequences of kidnapping with their own eyes. For him, the indirect experience of a televised state murder is not severe enough. He favours practices more akin to the horror and public spectacle of executions in eighteenth-century France (Foucault 1977, 3-6).

Members of the business community constantly complained about the lack of application of the law with respect to kidnapping cases. This has two aspects. First, they say that when kidnappers are caught, the courts are often unable to secure a conviction and the 'criminal' is released. When I asked one businesswoman, who runs her own company, if she believed in the death penalty, she replied: 'The problem is that they don't apply it! Here the criminals walk happily around the streets, they don't catch them. And if they do get them, the criminals walk free a few days later! There's no punishment.' (María Mercedes Berger de Gándara, interview 18/4/2) In this sense, the business community feel frustrated, even exasperated, with the criminal justice system. And second, the oligarchs stress that even when kidnappers are convicted, the legal requirement of the death penalty is not imposed. According to Manuel Ayau the reason that it is not applied is due to 'human rights and all that sort of thing'. This is part of his more general critique of international agencies such as the UN that attempt to influence Guatemala's internal affairs. He sees ideas such as 'human rights' as part of

an international leftist conspiracy. This echoes Gustavo Anzueto's comments that European values should not be imposed on Guatemala. The language of human rights is not sufficiently aggressive for the oligarchs.

Guatemala's oligarchs believe there is a lack of state authority with respect to crime, especially kidnapping. From their perspective 'European' and other international ideals, such as that policing should be non-violent or that the death penalty is a violation of human rights, are inappropriate in the Guatemalan context, where criminals must be harshly punished and deterred by the law. The economic elite's demand for the greater use of state violence, including the death penalty, is incompatible with the liberal democratic value of civil rights. We should remember, however, that Guatemalans from other social sectors also frequently favour such measures, even if their reasons for doing so may be different. The oligarchs are primarily concerned with the personal security of their own community members. They particularly support the death penalty for kidnapping, which mainly affects wealthy Guatemalans. Their solutions for solving crime fail to address broader societal problems such as poverty and extreme inequality, which are underlying causes of crimes that affect not only the rich, but also the poor and middle classes. The perceived inadequacies of the criminal justice system in Guatemala, particularly the police, inclines the oligarchs towards confronting the problem of violent crime through military order and private security, which are discussed in the following two sections (and subject to detailed analysis in Chapter 7).

The desire for military intervention

While the public documents of business associations support civilian-based measures to solve crime problems and avoid advocating military participation in internal security, in private most business people have a desire for military intervention to help confront violent crime in post-conflict Guatemala. Aspects of this narrative illustrate both diversity and unity within the oligarchy. Many of those whose primary economic interests are in agriculture (particularly coffee) argue that the military should be given a permanent role in internal security as an alternative to the police, and express a nostalgia for the counterinsurgency state of the armed conflict. Those with more urban business activities generally oppose this and say that the military should only intervene in exceptional circumstances - to restore public order during crime waves, and to investigate kidnappings of their family members. For both groups, however, there is a strong emphasis on the necessity of imposing military order on society.

As discussed above, CACIF's document on social and economic development stresses civilian solutions to crime, such as improving the National Civilian Police and developing a civilian intelligence system (CACIF 2000, 18). The document does not mention using the military in internal

security, as occurred throughout the armed conflict. The business sector realised that such support could threaten their domestic and international legitimacy because an internal role for the army would be breaching the terms of the peace accords (which limit the military to external functions) and would violate the spirit of post-conflict reconciliation. It is too politically unacceptable for the oligarchs to be seen backing the army openly in a country in which the military's mass violations of human rights are so well known and documented.

The breach between public postures and private views became clear in interviews: most oligarchs expressed a desire for the military to have a greater role in confronting personal security problems. Landowner Roberto Diaz Schwarz is completely open about his support for army involvement:

Can the national police deal with kidnapping problems, or perhaps the army – in the short term?

Look, here in Guatemala, the only institution which people fear, because they should fear it, is the repressive force of the law...The only force which the people fear as the repressive force of the law is the army. People aren't scared of the police. They have absolutely no fear of them. And if you go to a developed country and a policeman says 'stop' you stop immediately. And this is what the police say. But here the police say 'stop' to a thief and the thief leaves running without the police firing a shot. The only force which the Guatemalan people fear is the Guatemalan army, because they know the army will comply with what it's ordered to do. And now ten thousand soldiers have gone onto the streets to bring order, but how many more people had to die before they did something like that?

When the army bases were closed down - the army bases in the villages - that's when the disorder started. Because in villages there were army bases in charge of finding out who was a thief, who was hassling women, and they put everyone in order...they'd take them to the barracks until such time that they learnt to conduct themselves properly. But to have closed down the army bases and to have stopped the civil self-defence patrols [...] Certainly they committed abuses, but that always happens. But the abuses were fewer than the consequences that have to be paid for not being organised to defend yourself. They dismantled the whole intelligence system in the country, absolutely everything, and there's no alternative [...] The national police doesn't have the training to deal with the disorder in the country - my god, they can't, they can't.

(Roberto Diaz Schwarz, interview 8/6/00)

Many landowners with whom I spoke, especially those from the coffee sector, said the army should have a permanent role in internal security to confront kidnapping and other crimes. This was particularly the case for those affected by guerrilla assaults during the war, such as having their crops destroyed or *finca* attacked. Echoing the narrative of the demand for state authority, Roberto Diaz says that the only way to stop kidnapping is for the law to be repressive and to instil fear - but since the police are unable to do this the army must take on the role. He then refers to a decision announced by President Portillo earlier on the day of the interview to send 10,000 troops onto the street to 'combat crime'.²²¹ While most studies of fear show how it induces inertia or paralysis, J. M. Barbalet

²²¹ Military involvement in policing has also returned in recent years in Brazil, Bolivia, Honduras, El Salvador and Mexico (Nield 1999). Many analysts believe that Portillo's decision to send soldiers onto the street was an attempt to restore his credibility with the business sector. One newspaper headline read 'Businessmen Attack the Executive'. The article began, "The government has lost credibility due to the crime problem," affirmed César García, ex-president of CACIF. Minutes later, director of the National Civilian Police, Mario René Cifuentes, announced that 10,000 members of the army would help in security tasks.' (Siglo 21, 6/6/00, 6). On March 21st,

suggests that, with elites, fear can induce a more outward and aggressive reaction.²²² In Guatemala some businessmen respond to fear of kidnapping with forms of inertia or retreat, such as hiding behind the walls of their gated communities (see Chapter 7), but many landowners, including Roberto Diaz, respond with aggression. They counter the fear for their own personal security by wanting to impose fear on others through using the army in internal security.

Like many agriculturalists, Roberto Diaz is nostalgic about the fascistic past order of the counterinsurgency state. He wants a return of the military commissioners that were spread throughout the countryside, and of the forced paramilitary civilian self-defence patrols (PACs) which, at their height, had 750,000 recruits. Many businessmen might label Roberto Diaz a ‘fanatic’ for his extreme views, and sometimes I have wondered if his authoritarian positions are representative of general views in the coffee sector. However, even those coffee plantation owners who are considered young and ‘modern’ seem to share such a worldview. Max Quirin, a public figure through his role as President of ANACAFE, supporter of the peace talks and participant in cross-sectoral dialogues with popular organisations, displays a similar nostalgia to Roberto Diaz: ‘[...] during the 80s when you had a problem you went to speak with the chief of the military zone, you didn’t speak with the Government Ministry or the police or anything like that. And they sorted things out [...] They had the structure, through the military commissioners, which functioned well at that time.’ He went on to say that when the peace accords were signed: ‘one thing I told them was “how are you going to cover the vacuum of authority if the army is left strictly in the barracks and the authority of the military commissioners is eliminated?”’ (Max Quirin, b. 1962, interview 25/5/00). This shared nostalgia for the repressive apparatus of the past, itself a reflection of the importance of history in the oligarchic worldview (see Chapter 4, *History in the present*), reinforces the desire of many landowners for a permanent return of the military.

The oligarchs are divided in their attitudes to the military. As illustrated in Chapter 4 (*Property as violence*), agriculturalists tend to downplay the extent of military violence in the armed conflict whereas urban-based businessmen are more willing to admit that the military committed excesses. This division is reflected in post-conflict attitudes to crime. While landowners support a permanent role for the military in internal security, members of the urban business community generally oppose this. The reluctance to support the army may be for a number of reasons: their knowledge that the military are often involved in kidnapping and other crimes (see Chapter 7); their general opposition to

2000, Congress adopted Decree 8-2000 authorising Military Police to assist the National Civilian Police in public security functions. Legislative Decree 40-2000 adopted on June 7th, 2000, permitted the army to cooperate with the civilian police in combating crime cases (MINUGUA, 11th Report, July 2000, para. 7).

²²² Similarly, but more from the perspective of social psychology and psychiatry, Alex Comfort, writing in the context of the ‘red scare’ and not long after the nuclear explosions and fascism of the Second World War,

the army's increasing encroachment on the economy, particularly through illegal activities such as drug trafficking and auto theft; their belief that greater political involvement of the army could deter foreign investment; and having had less direct cooperation with the military during the civil war than landowners who needed army protection.

Members of the urban business community were often reluctant to talk about the military (see Chapter 5, 'The economic elite's suspicions of the military'). When I asked if the army should be used to combat kidnapping they either evaded my question or spoke blandly about the need to professionalise the civilian police. Few, however, explicitly opposed military involvement in internal security. Moreover, those more willing to speak openly said that the military should have a non-permanent role in combating crime, in two particular circumstances. First, they consider that in cases of kidnapping of business people and their family members, the police are hopeless and only military intelligence have the skills to investigate the crime effectively. As will be discussed further in Chapter 7, both rural and urban business people supported the Arzú government's creation of an Anti-Kidnapping Command around 1996, controlled by military intelligence through the Presidential Military Guard (*Estado Mayor Presidencial*). They believe the military should be involved in internal security in this form even though they know it is illegal and violates the peace accords. Second, most oligarchs, including the urban sectors and women, argue that it is appropriate for army troops to patrol the streets at times of acute crime waves, even though they know that this too is against the spirit and content of the peace accords. I asked a young female bank executive if she agreed with the government's policy of sending soldiers onto the street to tackle crime. She replied that when there's serious violent crime the state has no choice. Reflecting on recent street violence in Venezuela (President Chavez had just apparently been ousted), she said: 'When this kind of thing happens - and it can happen anywhere in the world - you have to use brute force. You have to say "OK everyone, there's a curfew, everyone in their homes by six o'clock, anyone seen outside after that is a dead man"'. (Olga Alvarado de González, b. 1964, interview 12/4/2) Although urban business people see little need for a permanent return of the military counterinsurgency state, they do support army intervention to combat post-conflict crime in crisis situations. Defending this aspect of their worldview may be a slippery slope, as the extent of crime in Guatemala lends itself to being defined as a situation of permanent crisis. Military intervention in internal security may come to be seen as a perpetual need.

All economic elite sectors stress that the military are one of the only institutions capable of imposing order on society. Similar to the narrative of the demand for state authority, throughout the interviews I was told that personal insecurity problems existed because the country lacked order. Roberto Diaz

pointed out that fear is an important force underlying economic and other behaviour amongst elites (1988

repeatedly uses the words order and disorder in his testimony. In the oligarchic worldview society has two possible states or conditions: order or disorder. This is a Hobbesian vision in which disorder is the natural state of affairs and military order or regulation is necessary for society to function, for example to respond to everyday problems such as robbery or violence against women. Alternatives dichotomies such as democratic and non-democratic, or just and unjust, seem far less important in oligarchic thinking than order and disorder. For Guatemala's economic elite, in the context of personal insecurity the purpose of law is thus to impose order on an unruly world, rather than to grant freedoms that do not mitigate disorder and chaos. And similar to the testimony on violence in Chapter 4 (*Property as violence*), Roberto Diaz believes that the maintenance of order takes precedence over the problem of civil rights 'abuses' committed by the army in the name of order. As Karl Marx said, order is a watchword of the old society.²²³

The military have long been one of the most unaccountable institutions of the Guatemalan state. They have maintained impunity for human rights violations committed during the civil war. In the post-conflict period their domestic intelligence activities, budgetary spending patterns and economic interests are extremely opaque (Schirmer 1998b). By supporting army intervention in personal security problems, the oligarchs show a willingness to reinforce this lack of military accountability. In addition, the desire to turn to the military reaffirms and sustains the history of close relations between the economic elite and the armed forces discussed in Chapter 2. While many non-elite Guatemalans living in urban areas share the oligarchic desire to have troops on the street to combat crime, the economic elite have two views in particular that are not generally shared by those outside their community: they want military intelligence to be involved in investigating kidnapping (a crime specific to their own social group); and many landowners favour a return to the authoritarian military structures of the counterinsurgency state. Finally, in ensuring the maintenance of order the oligarchs are willing to subvert both the law and the peace accords. According to this perspective, it is as if the war had never ended.

The need for private security

A reading of official business association documents on kidnapping and other crimes reveals little about the oligarchic worldview on private security. They make no suggestion of it as a viable alternative to state protection. Once again, interviews with the oligarchs provide greater insights than public documents. Across the range of economic sectors the oligarchs have a narrative of the need for private security to protect themselves from violent crime. This narrative has two sub-themes: the

[1950], 103-110).

²²³ He notes that in the June days of 1848 in France the industrial and financial bourgeoisie united with the landed aristocracy in the Party of Order (Marx 1954, 19, 24).

necessity of private security for the rich, and the legitimacy of private violence. While the oligarchs want to protect their personal security (particularly to avoid kidnapping), private security also serves to protect their property.

The publications of CACIF and other business organisations stress the free market, in the sense that economic growth can only be founded on the tenants of individual private property and the capitalist marketplace. But the documents do not advocate that protection from post-conflict crime should also be provided through the marketplace. This is not surprising. The oligarchs want the state to provide security of person and property, rather than having to pay for it themselves. Hence they publicly advocate measures such as strengthening the civilian police. Just as the documents do not signal the oligarchic desire for military intervention in internal security, neither do they discuss the extent to which the economic elite feel reliant on private security for protection. Their concerns are more apparent in the magazines of the various business chambers. Thus the Chamber of Commerce magazine, *Mundo*, carries full page advertisements for private security firms (e.g. Año 4 Nu. 42, 2000, 27) and the magazine from the Chamber of Industry, *Industria*, has regular stories on the high economic costs of private security (e.g. Año 2 Nu. 22 June 2000, 7-8).

The narrative of the need for private security is clearer in interview testimony. It emerged in my interview with agroindustrialist Humberto Preti, former President of the Chamber of Agriculture and CACIF:

How can you solve the problem of personal security for the business sector?

[...] I have friends for whom personal security was to send all the kids, the whole family, away from Guatemala [...] My daughter _____ was at the University of Florida in Gainesville [...] She said ‘Dad, I couldn’t live out of Guatemala. I want to live in Guatemala.’ Their mother – who I divorced a long time ago – has very deep roots and important interests here. She owns a shopping centre, and has properties and businesses [...] Well-off families here have to pay a fortune for bodyguards, installing security systems in their homes and *fincas*. But this is incredibly expensive. The President of the Bank of Guatemala [...] said that the cost of private security pushes up interest rates by 2%. Give me a break! [...] I’m certain that if you did research right now you’d find that there are more private security guards than army troops.

[...] the professionalisation of the police is bullshit, a lie [...] I don’t see any training going on [...] if the security issue keeps overflowing we’ll end up having a kind of internal conflict that could generate counter-attack forces, paramilitary groups, things like that. Because a lot of people are really desperate. I was speaking the other day with a group of businessmen from _____ in the south-west of the country and these people are now absolutely sick of it [with emphasis]. They steal coffee trucks, they steal the payroll, they kidnap the administrators – it’s terrible. They go to the police [...] ‘Oh, there aren’t people here to deal with it, we’re busy doing other things’ [in voice of stupid policeman]. So what’s going to happen? People are going to take up arms. Soon dead criminals are going to be appearing, there are going to be accusations of social cleansing and things like that, which is really going to be terrible for the country [...]

(Humberto Preti Jarquin, interview 26/6/00)

One theme here concerns the necessity of private security for the rich. Humberto Preti’s testimony highlights a dilemma that the oligarchs felt faced with in the years after the end of the armed conflict.

What could they do, given the continuing problem of personal security? On the one hand they could flee the country. But many business people were reluctant to do so given strong family and economic ties to Guatemala. On the other hand, they could turn to the police. But the oligarchs had no faith in the police either to catch criminals or prevent crimes. Furthermore, since important sectors in the economic elite, particularly urban business interests, were reluctant to have the rule of law permanently under military control, they were left with no choice but to rely on private security. According to Humberto Preti private security is a necessity, not a choice, for the Guatemalan rich (or the ‘well-off’, as he calls them). They need bodyguards for themselves, they need security systems and personnel for their homes, housing compounds, agricultural properties, office buildings, warehouses and trucks. Oligarchs like Humberto Preti complain about the high economic costs of private security, and often argue that it is unjust that they have to pay twice for security: first through their taxes to fund the incompetent police force, and second through their own private security costs. This was apparent in the testimony of one young woman who had studied at the neoliberal Francisco Marroquín University: ‘The problem with the private security companies is that they’re so expensive. You have to pay a lot. I get angry about having to pay taxes for public security forces to look after us, because in the end...we don’t have to use public hospitals, nor universities, nor anything, so our portion of taxes is basically just for security. And so we have to pay double!’ (Silvia Gándara Berger, b. 1979, interview 18/4/2). Most interviewees, including Humberto Preti and Silvia Gándara, fail to recognise the costs for those outside the oligarchic community. Poor Guatemalans, who are also faced by the threat of violent crime, cannot afford to protect themselves with private security. This leads to an effective privatisation of civil rights. In addition, a privatisation of social space results; there is no freedom of movement through many parts of Guatemala City, as areas such as gated housing compounds are patrolled by security guards and protected by high walls.²²⁴ The oligarchic approach to private security displays little concern with those outside their own community, similar to the narrative above on the business sector as a community of victims

A second aspect of Humberto Preti’s narrative relates to the legitimacy of private violence. He tries to justify the shift in control of the monopoly over violence from the state to the private sector. Again, this is expressed in terms of the failure of the police. If the police are hopeless, he implies, there is nothing left to do but to pursue the criminals yourself, to take justice into your own hands. He suggests that some businessmen may be prepared to use private forces to catch criminals. Given the vehemence of his testimony, I believe that Humberto Preti was also indirectly expressing his own willingness to tolerate (or even support) such measures. This narrative resembles that in Chapter 4 (*Property as violence*), in which the oligarchs claimed that it was just for them to use arms to protect their own property. It also reflects narratives above on the need for greater authority to confront

²²⁴ Both these forms of privatisation are discussed in Chapter 7.

violent crime, and a desire to respond to fear with aggression. The testimony is a return to the narrative of perpetual war, a worldview in which death squads - one of the most frightening symbols of the armed conflict - are considered necessary to fight crime.

The narrative of private security reaffirms the oligarchy's exclusionary approach to personal security: they are primarily interested in protecting their own community members. The civil right to the protection of personal security, they believe, can be provided by the market rather than the state. In addition, they consider that policing can be left to private security forces, which limits the scope for systems of accountability. In such conditions the rule of law becomes almost irrelevant. One might associate these aspects of the oligarchic worldview with a neoliberal desire to minimise the role of the state (see Chapter 4, *New and old liberalisms*). Yet they are perhaps closer to attitudes that Gaetano Mosca associated with the 'feudal state', in contrast with the 'bureaucratic state'. In the former, private force, rather than public authority, protects people and their property (Mosca 1939, 57).

Conclusion

Three important points emerge from this narrative analysis. First, the oligarchic worldview on personal security contrasts with an idea central to conceptions of the modern, liberal democratic nation-state: that rights should be enjoyed equally by all citizens. Second, their worldview appears contrary to another idea associated with the modern, liberal democratic nation-state: that a significant aspect of the rule of law is to protect and promote rights. Third, oligarchic narratives are incompatible with two liberal democratic values: accountability and civil rights. I will address these points in turn.

As discussed in Chapter 1, modern conceptions of liberal democratic rights developed within the conceptual framework of the nation-state: all those considered citizens should enjoy equal rights. Based on the above analysis of the oligarchic worldview on personal security, does Guatemala's economic elite share this notion of rights? Answering this requires thinking about community boundaries. All communities have boundaries: as Michael Walzer (1983, 32-33) argues, certain rights or goods are provided to those considered 'members', while the 'strangers' outside the community may remain excluded, and even be considered enemies. With respect to the civil right to personal security, the oligarchs are clear about where they think this boundary should exist. As is particularly evident in the narratives of perpetual war and the community of victims, the oligarchs are greatly interested in the personal security of members of the economic elite, and rarely appear to be deeply concerned for, or understanding of, the daily violence suffered by less privileged citizens. That is, their notion of the civil right to personal security extends to the borders of the business community, rather than to the boundaries of the nation-state. According to this worldview, the majority of Guatemalan citizens are 'outsiders', whose right to personal security is not of primary importance.

The oligarchs seem to have little regard for what Michael Ignatieff (1984) calls ‘the needs of strangers’. This perspective is shared by oligarchs across the range of economic sectors.

Regarding the second point, the rule of law is often considered intrinsic to modernity and the development of the liberal democratic nation-state. In particular, in the eighteenth and nineteenth centuries European legal traditions developed the idea that the rule of law was to grant citizens particular rights that were to be protected and provided by the state (Habermas 1987, 360). Such rights were deemed a necessary condition of liberty. The liberal democratic tradition has, however, also emphasised that the rule of law should ensure order in society; that is, in addition to rights, order is necessary for liberty. David Held, for example, suggests that a central element of the political programme of liberal democrats in the ‘New Right’ tradition is the need for ‘a strong government to ensure law and order’.²²⁵ In Latin America, the association of law with order was represented in the ‘positivist’ philosophy of nineteenth-century economic elites: ‘the watchword of positivist nation-builders was “order and progress”’ (Williamson 1992, 283). Critics of liberal democracy have stressed this as a dark side of the rule of law, linking the desire for order with authority and privilege. According to Howard Zinn: ‘The “rule of law” in modern society is no less authoritarian than the rule of men in pre-modern society’ (1998 [1971], 275). Laws protect the economic privileges of the wealthy few, and permit the use of force or the threat of force to impose order and obligations on citizens, often against their will.²²⁶ In relation to problems of personal security, Guatemala’s oligarchs seldom talk about the law in terms of rights (as they often do when speaking about private property). The narrative of the need for state authority especially reveals how the economic elite think about the rule of law from an authoritarian perspective. In their worldview law is a means of imposing social order, and an embodiment of authority, violence, repression and fear. As discussed in the conclusion to Chapter 4, some analysts suggest that Guatemala has a modern business sector that, in contrast to older oligarchs or traditional landowners, has a greater respect for the rule of law, including the protection of civil rights, which is part of their general support for democratic governance. The evidence here, however, suggests that oligarchic legal thinking has an authoritarian content more closely associated with pre-modern societies or with the less savoury aspects of law in the modern, liberal democratic nation-states of the North. Again, there is remarkable homogeneity across economic sectors concerning this aspect of their worldview.

²²⁵ Held highlights the apparent inconsistencies within the New Right’s philosophy between the desire for market freedoms and the call for order: ‘a tension exists in conservatism in general, and in the New Right in particular, between those who assert individual freedom and the market as the ultimate concern, and those who believe in the primacy of tradition, order and authority because they fear the social consequences of rampant *laissez-fair* policies’ (Held 1996, 253).

²²⁶ See Howard Zinn’s (1995) history of the United States, which provides ample empirical evidence of law as privilege and violence. For historical and theoretical perspectives on law as authority, see Kropotkin (1927 [1886]).

Finally, oligarchic narratives of personal security - particularly those of the desire for military intervention and the need for private security - are incompatible with both accountability and civil rights, two values central to the model of liberal democracy described in Chapter 1. The oligarchs are certainly divided in their attitudes to the army: urban businessmen are reluctant to support permanent military involvement in internal security, unlike many of those in the agricultural sector. Generally, however, the oligarchs support military intervention in their personal security problems, for example by having military intelligence investigate kidnappings of their family members. They willingly do so even though they know it not only violates the law and the peace accords, but that it reinforces a state institution notorious for its lack of accountability to other branches of government and to citizens. This generates a potential conflict in post-war Guatemala between ensuring accountability and protecting the civil rights of the wealthy few. Members of the economic elite also believe that their personal security can be protected using private security, such as having armed guards or living in fortified housing compounds. But as the rich rather than the poor can generally afford these measures, personal security effectively becomes a privilege of the wealthy. In practice, the liberal democratic ideal of equality before the law may be played out as tension between the civil rights of the rich, and the civil rights of the underprivileged. Furthermore, the oligarchs' desire to rely on largely unregulated private security services as opposed to public security forces such as the police, raises problems of both accountability and the potential violation of civil rights by security guards who can act with impunity. Additionally, oligarchic narratives of the need for state authority and the desire for military intervention are incompatible with civil rights, as they demonstrate the oligarchy's support for using violence to protect their personal security. Oligarchic thinking, if put into practice, may have serious consequence for democratisation in Guatemala.

At the end of Chapter 4 I noted that the significance of the oligarchic worldview becomes evident when placed in historical context. The same point is appropriate here. The five narratives discussed above, and the concluding remarks about equal rights, the rule of law, and incompatibilities with the liberal democratic model, are all relevant to the subsequent analysis. In the next chapter I will show how the oligarchic worldview with respect to personal security helped shape their responses to kidnapping and other crimes in the four years after the armed conflict ended. The oligarchs relied on the military and private security for protection. Unlike other Guatemalans who were affected by violent crime, the oligarchs were able to turn their thinking about appropriate responses to their own personal insecurity into reality. In doing so they maintained their traditional privileges, which helped limit democratisation in Guatemala.

CHAPTER 7: RESPONSES TO VIOLENT CRIME IN POST-CONFLICT GUATEMALA

Introduction

This chapter examines the relationship between oligarchic narratives of personal security detailed in the previous chapter, and oligarchic practices. It asks the question: How did the oligarchy's worldview on personal security shape their political practices that were responses to threats to members of their community from the problem of kidnapping and other crimes, which continued in the four years after the signing of the final peace accord in 1996?

During the pro-business government of Alvaro Arzú in the late 1990s, and the first year of the Guatemalan Republican Front (FRG) administration of Alfonso Portillo in 2000, Guatemala was experiencing profound changes. Over thirty years of civil war had come to an end and proposals within the peace accords were beginning to be implemented. The guerrillas were integrating into civilian electoral politics and the army was being pressured to return to the barracks in compliance with the peace accords. Attempts were being made to reform the National Civilian Police and to modernise the judicial system. Commissions were formed to implement proposals on indigenous rights and refugees. The horror of the armed conflict appeared in testimony contained in the reports of the Truth Commission and the Catholic Church's Recuperation of Historical Memory Project. But the continuities were equally profound. The peace accords had not introduced significant changes to land distribution or taxation systems, and subsequent agreements on fiscal reform were vague and restrained. Despite the influx of post-conflict international development funds, poverty and inequality remained endemic. Constitutional reforms emerging from the peace agreements were rejected in a referendum. Elections occurred, but voter turnout remained extremely low. Attempts to take the military to court for wartime atrocities largely failed, and human rights violations continued, often with army involvement. And reform of the criminal justice system languished, with corruption and intimidation persisting. Susanne Jonas, who begins her book on the peace process by stressing its remarkable achievements, ends with the reflection that 'all those who have contributed to this epic effort are heroes, because it is better to have tried and failed than not to have tried' (2000, 15, 245). After a few years the hopes for change raised by the signing of the final peace accord in December 1996 were replaced with a familiar despair.²²⁷

²²⁷ For an overview of this post-conflict period, see Sieder, Thomas, Vickers and Spence (January 2002).

While the organised violence of the civil war had ended, the peace accords did not bring peace. Amidst the changes and continuities of the post-conflict years was an enormous rise in crime, including armed robbery, homicide, rape, kidnapping, child abduction for illegal adoption, car-theft, drug trafficking and money laundering.²²⁸ Analysts suggest that the perpetrators included former military and paramilitary personnel, mafias, bandits, gangs, members of state security forces, and ex-guerrilla combatants. Violent crime affected Guatemalans from all social groups. The economic elite, as noted in Chapter 6, were subject to violent crimes such as armed assault, in addition to kidnapping for ransom, a crime that primarily affected the wealthy.

The oligarchs responded to post-conflict violent crime in various ways, which conformed with their narratives of personal security. Here I will focus on two particular responses. First, the economic elite turned to military intelligence to investigate the kidnappings of their family members. Second, they used private security, such as private armed guards and fortified, gated housing compounds, to protect themselves from crime. Other responses that I will not analyse in detail include: supporting and pressuring the government to place army troops on the street to combat crime, and to impose the death penalty on kidnappers; relocating their families abroad, especially to Miami; and involvement in illegal 'social cleansing' operations. I concentrate on the military intelligence and private security responses for several reasons. First, increasing reliance on the military and private security have profound implications for the development of liberal democracy in Guatemala, and have created problems for democratisation throughout Latin America. Second, interviewees from a range of economic sectors favoured and used these methods; they were not simply practices of hardline agricultural sectors or extremist individuals. Third, both these responses are quite specific to the oligarchy: they are almost the only social group that has the political influence to access military intelligence, or has the wealth to afford extensive private security. In contrast, Guatemalans from a variety of social groups support policies such as the deployment of troops on to the street and the death penalty. Fourth, the effects of using military intelligence and private security are often indirect or not immediately obvious, making a focus on them particularly important. Finally, some responses, such as social cleansing, are too difficult or dangerous to study.

The main argument in this chapter is that the oligarchy's worldview on personal security shaped two main responses to post-conflict kidnapping and other crimes. First, guided primarily by their narrative concerning the desire for military intervention to ensure personal security, members of the economic elite had investigations conducted on their behalf by military intelligence in their particular kidnapping cases, through a newly created Anti-Kidnapping Command. Second, their narrative of the need for private security shaped their use of various private means to protect themselves and their

²²⁸ Data on crime increases appear in Chapter 2.

families. Other narratives, such as those of the demand for state authority, perpetual war, and the community of victims, also helped guide these practices. The analysis also contributes to the overall question of the thesis: How did the oligarchy's worldview shape their political practices that limited the development of liberal democracy in Guatemala in the final decade of the twentieth century? The responses of the economic elite had detrimental consequences for realising in practice both state accountability and civil rights, two values central to the model of liberal democracy discussed in Chapter 1, in addition to weakening the rule of law. By turning to military intelligence, the business community bolstered a highly unaccountable state institution with an extremely poor reputation for the protection of civil rights. In addition, they helped sustain an entity (the Anti-Kidnapping Command) that not only violated the peace accords through its very existence, but that was involved in illegal operating practices. The use of private security contributed to the effective privatisation of civil rights in Guatemala and the consolidation of the largely unaccountable private security industry. Moreover, it reinforced the oligarchic community's social isolation, increasing their blindness to possible solutions to the personal insecurity problem.

The body of this chapter is divided into two sections, corresponding with the two responses by the economic elite to personal insecurity. The use of military intelligence is examined through a detailed description of a particular case of violent crime against a member of the business community: the abduction and murder of Edgar Ordóñez Porta in May 1999. The following section on private security is not based on responses to a particular event, but rather examines testimony from oligarchs concerning their more general use of private security measures to protect themselves and their families from kidnapping and other crimes in the post-conflict period. At the end of each section I discuss the implications of oligarchic practices for the development of liberal democracy in Guatemala.²²⁹ The conclusion shows how the analysis provides insights into the continuities of Guatemalan history and the problems of democratisation in Latin America.

The business sector and military intelligence

The abduction and murder of Edgar Ordóñez Porta

This section examines the abduction and murder of businessman Edgar Ordóñez Porta. It begins with background comments about the case. The events surrounding the crime are then recounted and reconstructed mainly from the perspective of his brother, Hugo Ordóñez Porta, one of the most progressive voices in the urban business community. The testimony illustrates how the worldview of

²²⁹ Reflecting the methodology outlined in Chapter 1, both sections attempt to use testimony from business people who, although members of the economic elite, are somewhat critical of their own actions and the actions

the economic elite, particularly the narrative of the desire for military intervention in specific circumstances, shaped their responses to violent crime.

Conducting detailed study of post-conflict kidnapping cases involving the economic elite is extremely difficult. The victims and their families are rarely willing to talk about such recent trauma, and the course of events is generally unclear, and often unknown. In May 2000, for example, when I was conducting fieldwork, fifty-six year old Isabel Botrán de Molina was kidnapped outside the Church of the Sacred Heart of Jesus in Guatemala City. From one of the country's wealthiest families, she was released a few days later after the family paid an undisclosed ransom. Unfortunately I was unable to discover details of the case. The one case in which I was able to develop some depth of understanding concerned the abduction and murder of businessman Edgar Ordóñez Porta in May 1999. The victim's brother, Hugo Ordóñez Porta, took the bold and unusual step of going public with details of the military investigation into the crime, and issued a detailed press release (Ordóñez Porta 28/11/99). The case has been documented by the United Nation Human Rights Verification Commission in Guatemala (MINUGUA) and other organisations such as Amnesty International. I have not only been able to draw on this material, but was able to interview Hugo Ordóñez, and speak both formally and informally with other members of his family.

Given the prominence of Hugo Ordóñez's testimony in this section, it is important to provide some details of his background. He was born in the early 1950s, trained as a chemical engineer, and worked for many years in Cementos Progreso (the Guatemalan cement monopoly) before founding a petroleum processing company. He consciously distinguishes himself from the small number of families in Guatemala's oligarchic nucleus, stressing that he 'isn't a Castillo, isn't a Novella, isn't from the clan' (Hugo Ordóñez Porta, interview 12/6/00). Most analysts, however, would recognise him as a member of the economic elite, partly due to his relative wealth, his role as a former director of the Chamber of Industry and participant in CACIF, and because his social connections and activities place him within the economic elite's community. Additionally, he shares the free market ideology of many businessmen, having a signed copy of Hayek's 'The Condition of Liberty' in his library. Unlike many Guatemalan businessmen he has little interest in talking about his family lineage, and downplays the fact that his maternal grandfather was a wealthy Spaniard who received lands confiscated from the Church in exchange for financing the wars of Rufino Barrios in the nineteenth century. In other respects, too, Hugo Ordóñez is quite unusual, and is one of the most 'modern' businessmen I met. He has progressive views on human rights, and has been a columnist and editorial board member of *El Periódico*, a newspaper known for its reporting on military impunity and corruption. He also willingly criticises the economic privileges of some oligarchs, particularly the

of others in the business community. Insights are gained from individuals who are, in some ways, on the

agricultural sector (see his testimony in Chapter 5). He recognises the continuing exploitation and racism in Guatemala, and one of his closest friends, since childhood, had close links with a guerrilla organisation. Due to these characteristics I situate him on the periphery of the economic elite. Using his testimony raised the ethical challenge of maintaining an intellectually critical approach towards someone who I liked personally.

The abduction and murder of Hugo Ordóñez's brother, Edgar Ordóñez Porta, was a gross violation of human rights, namely the civil right to personal security, and was a tragedy for his family. A less obvious aspect of the case is how it illustrates the business sector's use of military intelligence in the post-conflict period, and the consequences of such practices for accountability, civil rights and the rule of law. His family originally believed that his abduction was a case of kidnapping for ransom, and turned for help to the Anti-Kidnapping Command, under the control of military intelligence, even though they knew that the Command was involved in illegal operating activities. However, after Edgar Ordóñez was discovered murdered, his brother and business partner, Hugo Ordóñez, found that military intelligence in fact obstructed investigation into the case and he witnessed, first-hand, the military's unaccountable and illegal actions. Further evidence shows that the military may have been involved in the murder to protect their economic interests in the oil industry. The details of the case, analysed below, help demonstrate different aspects of oligarchy-military relations discussed in Chapter 2 and elsewhere: on the one hand the economic elite have cooperated with the military, while on the other the military have at times acted autonomously of the economic elite.

In 1991 Hugo Ordóñez and his brother Edgar formed a petroleum processing company, ORPOR S.A. Their processing plant is located near the agricultural settlement of San Juan el Paraiso in the department of Escuintla, an area close to important military bases. In early 1998 the plant switched from recycling petroleum waste to refining Guatemalan crude oil. During the following months the brothers faced a campaign to close down the plant, being accused of causing environmental damage. The Ordóñez brothers insisted that tests proved the accusations baseless. Furthermore, they thought that the complaints were possibly being orchestrated by neighbouring military officials (Amnesty International February 2002, 59). In September 1998 a local 'Neighbourhood Committee', seemingly manipulated by outsiders, issued an ultimatum: if the company did not move by May 1, 1999, then local residents would take 'violent action to expel them by force' (Ordóñez Porta 28/11/99). State authorities were notified of the threats, and on April 30, 1999, just before the specified deadline, Hugo Ordóñez spoke with the Director of the National Civilian Police about obtaining police protection for the plant:

periphery of the community.

[...] We took our evidence about all the threats we'd received and we spoke with the Director of the National Civilian Police, Angel Conte Cojulun [...].

How was it possible to have access to a person...

someone of such a high level? I had access to him because my sister-in-law, my brother's widow, worked with Alvaro Heredia when he was Minister of Communications, and he was working then as an advisor to the Government Ministry. So through my sister-in-law we spoke with Alvaro, and Alvaro Heredia, who had a very high position in the Government Ministry, mentioned it to Angel Conte Cojulun [...]

(Hugo Ordóñez Porta, interview 12/6/00)

While recounting the course of events, Hugo Ordóñez realises that he is also revealing his privileged access to the state. Finishing my question for me, he correctly assumes that I was about to ask how he had been able to speak directly with such an important state official. Illustrating his unusual degree of openness, Hugo Ordóñez does not try to hide this privilege, and instead provides details of the exact chain of influence that made this contact possible. His description reinforces the analysis in Chapter 5 ('The methods of oligarchic political influence') of how members of the economic elite use personal contacts or networks to obtain privileged influence in the state. The testimony is also unusual in appearing to display some confidence in the National Civilian Police, contrasting with the narratives in which members of the business community lament police ineffectiveness (Chapter 6, *The demand for state authority*). I do not believe, however, that Hugo Ordóñez's actions are evidence of great faith in the police. He makes no statements to this effect, and was more likely simply to be using his available contacts to get any protection possible. As will become clear, he eventually rejected the police and turned to the military for help.

Around noon on May 3, 1999, Edgar Ordóñez was abducted by armed men, close to the military's Parachute Headquarters at Puerto de San José, Escuintla. At 9.35 p.m. that evening a phone call was received at the ORPOR S.A. business headquarters in Guatemala City. The caller claimed that they were holding Edgar Ordóñez, and demanded a 5 million Quetzal (US\$645,000) ransom. The money was to be delivered on May 7 to a Church in Palin, around 50km from the city. At this stage the family believed this was indeed a kidnapping for ransom, similar to that faced by many members of the business community in previous years. Hugo Ordóñez told me about how the family reacted:

[...] that night we spoke with so many people. Some people sent me to a Venezuelan, Víctor Rivera, who had advised families of businessmen who had been subject to kidnappings.

So you spoke with other businessmen who had experienced problems with kidnapping?

Exactly [...] We didn't know how to deal with the situation. We didn't have any previous experience. We didn't know. We spoke with Alvaro Heredia, we spoke with the commander of the Pacific military base, we spoke with the Minister of Communications – we had access to him as he's my personal friend [...]

(Hugo Ordóñez Porta, interview 12/6/00)

In kidnapping cases members of the business community turn not only to the state (including their friends in important positions), but also to private security. Amongst those contacted by Hugo

Ordóñez was Víctor Rivera, a Venezuelan who had assisted wealthy Guatemalan families kidnapping and blackmail cases. Hugo Ordóñez met with Rivera between 2 a.m. and 5 a.m. on the morning of May 4. Rivera explained his role in advising families in crisis situations. At this time Hugo Ordóñez had not officially engaged the services of Rivera. Nevertheless, his actions were consistent with the narrative illustrating how members of the business sector believe that private security is required to confront their problems of personal security (Chapter 6, *The need for private security*). Echoing the narrative in which kidnapers are considered an undefined or unknown enemy (Chapter 6, *Perpetual war*), Hugo Ordóñez and his family were unclear about who was responsible for the abduction.

Another option available to Hugo Ordóñez was to seek help from the Anti-Kidnapping Command, a new unit of military intelligence that had been used by business people in kidnapping cases since its creation at the request of President Arzú in 1996. Hugo Ordóñez told me about the Command, which he had been aware of before his brother's abduction:

[...] during the Arzú government there was a period when the kidnapping situation got worse, so an elite anti-kidnapping command was formed by the Presidential Military Guard, headed by General Espinosa

But this was illegal, wasn't it?

This wasn't legal. It was an illegal matter within the laws of the country and the peace accords. But...it was a solution that you could half-justify in legal terms because there is a decree that says in special conditions you can justify the army helping the police in crisis situations, which is what they are using now to justify that army troops are sent out onto the street. In a real and strict sense this was illegal [...]

(Hugo Ordóñez Porta, interview 12/6/00)

The Anti-Kidnapping Command is an important example of continuing military influence and the weakness of the rule of law in post-conflict Guatemala. As Hugo Ordóñez says, the Command was originally under the control the Chief of Staff of the Presidential Military Guard (*Estado Mayor Presidencial* - EMP), an institution notorious for committing atrocities during the armed conflict. It was then relocated to within the Intelligence Office of the Chiefs of Staff for National Defence (*Estado Mayor de la Defensa*). Hugo Ordóñez is correct to question the legality of the unit. According to MINUGUA's September 1997 report, the existence of the Command was illegal. Moreover, it directly contravened the peace accords, which stated that military intelligence must not be involved in internal security (Schirmer 1998b, 27-28). Although initially attempting to keep the unit secret, the government then legalised the Anti-Kidnapping Command through a reform of Presidential Decree 90-96, which permitted military involvement in fighting crime in exceptional circumstances. Human Rights Watch (1999, 1) declared that the decree 'contradicted both the letter and the spirit of the commitments made in the peace accords to place law enforcement entirely under civilian control'. Even after the unit's existence was legalised, its daily operations, outside the control of the Interior Ministry and the civilian police, were frequently illegal (see below).

At 8 a.m. on May 4, just three hours after leaving Víctor Rivera, Hugo Ordóñez and his family met with Luis Mendizábal, an advisor to President Arzú in charge of coordinating army and police efforts in kidnapping and ransom cases.²³⁰ He was now faced with the question of whether to get military intelligence involved in his brother's case through the Anti-Kidnapping Command:

[...] he asked me 'who do you want in charge of your case, the army or the police or the Public Ministry?' So I asked him, 'Look, if your son was kidnapped who would you want in charge of your case?' 'The army,' he answered. 'Right, so we want the army.' [...]

And what did your family think?

Well, it was my family who said 'well, the army'. I was a bit...since I'm a journalist, on the editorial board of *El Periódico* and we had always been very critical of the illegal activities of the army, especially this Anti-Kidnapping Command and very critical of General Espinosa himself, it wasn't really me who answered the question. But my wife was there, as was my brother's widow and my brother's father-in-law. And they had gone through a kidnapping, my brother's father-in-law.

What kind?

A granddaughter was kidnapped during the Cerezo period and military intelligence recovered her. So my brother's father-in-law already had the desire that the army get involved [...] I felt a bit bad, because I, as a member of the editorial board of *El Periódico*, to accept that we had criticised this Command, and to accept that it was now working for us...But in such a difficult moment, I was there for my brother, it didn't matter. I had to give up my journalistic viewpoint...if things are how they are [...]

(Hugo Ordóñez Porta, interview 12/6/00)

The testimony illustrates the business community's practice of having military intelligence investigate their kidnapping cases, no matter its legal status and detrimental effects on government accountability. The decision made by Hugo Ordóñez and his family conforms with the narrative of personal security concerning the need for the military to protect businessmen and their families, particularly in extreme cases such as kidnapping (Chapter 6, *The desire for military intervention*). Other narratives of personal security are also suggested. The family's rejection of having the police conduct the investigation is consistent with the narrative concerning the failure of the civilian police (Chapter 6, *The demand for state authority*). Their willingness to partake in illegal practices seems to reflect the narrative in which the fight against crime is a war-like situation justifying the suspension of normal constitutional and legal practices (Chapter 6, *Perpetual war*). More speculatively, the father-in-law's support for army involvement may not only be a desire to use the same means that were successful in rescuing his granddaughter in the late 1980s during the Cerezo government, but could also be interpreted as a nostalgia for the military order of the civil war (Chapter 6, *The desire for military intervention*).

Other interviewees, from a range of economic sectors, exhibited similar support for the Anti-Kidnapping Command, despite its acknowledged illegal operating practices. A former National Coffee Association (ANACAFE) President, for example, expressed enthusiasm for the unit's work

²³⁰ Mendizábal is a former military officer who was forced to leave the army after participating in an attempted coup against the civilian government of Vinicio Cerezo in 1989 (Sieder et al January 2002, 9).

during the Arzú administration: ‘The previous government was able to control it [kidnapping] - perhaps, as some say, using illegal measures, as the *Estado Mayor* created an Anti-Kidnapping Command [...] And it worked very well, it worked incredibly well in a few cases with my friends’ (Max Quirin, b. 1962, interview 25/5/00). The sense that the unit was both necessary and directly beneficial for members of the business sector reflects the narrative that the economic elite see themselves as a persecuted community requiring special protection (Chapter 6, *The community of victims*). President Arzú received praise from the business community due to the success of the Command in reducing kidnappings. According to one industrialist: ‘When Señor Ramiro De León was President it was probably the period of greatest violence and kidnapping that the country has experienced...In the period of President Arzú the security situation really improved.’ (Víctor Suárez Valdes, interview 22/5/00)

For Hugo Ordóñez the decision to use military intelligence had an added complexity that was unusual amongst members of the business community, but which also illustrates limits to the modernity of the Guatemalan business sector. As a journalist he had been involved in criticising the army’s illegal post-conflict activities, such as the operations of the Anti-Kidnapping Command, corruption and phone tapping, in addition to their impunity for human rights violations. His paper had also been directly critical of General Marco Tulio Espinosa, who had headed the Command and who was, at the time of the kidnapping, Minister of Defence. Hugo Ordóñez had to weigh up his personal anti-military beliefs against the pressures from his family and his own desire to do whatever he could to help his brother. As he says himself, in such a difficult moment his own principles ‘didn’t matter’, and he agreed to use military intelligence. I do not wish to judge Hugo Ordóñez regarding the ethics of his choice; in extreme situations many of us make decisions that would seem to contradict our everyday beliefs and practices.²³¹ Rather, I want to stress that even the most self-aware and progressive of businessmen endorses military intervention in specific circumstances (even though Hugo Ordóñez would probably no longer do so, for reasons that will become clear below). Some analysts suggest that Guatemala has developed a distinct modern business sector that now believes in civilian politics and the rule of law. But as long as the threat to personal security still exists, the business community and the military retain the potential for alliance. Such mutual cooperation is a basis for authoritarian rule.

After speaking with Presidential advisor Luis Mendizabal, Hugo Ordóñez and his family began their dealings with military intelligence. On May 4 and 5 they met with intelligence officers and top government security officials, including the Minister of Defence, General Espinosa. The General implied that the military would give special assistance in the case if Hugo Ordóñez used his influence to have *El Periódico* limit its ‘unjustified’ personal criticisms of Espinosa. On May 6 the corpse of

Edgar Ordóñez Porta was found at the bottom of an abandoned well, near to where he had been abducted three days earlier. Extensive head wounds left him almost unrecognisable.

According to Hugo Ordóñez, in the following months two ‘parallel’ investigations occurred, neither of which yielded any clear results. On the one hand the Public Ministry and police carried out a ‘legal’ investigation. On the other, military intelligence undertook a ‘shadow’ illegal investigation. Hugo Ordóñez gradually became convinced that the military were blocking or covering up the inquiry into his brother’s murder. Using private means, Hugo Ordóñez discovered that two teenagers living near the well where his brother was found had seen people there acting suspiciously on the day of the abduction. The teenagers noted the license number of their vehicle, which turned out to be on loan from the Interior Ministry, having been assigned to military intelligence. When military intelligence officers interviewed the teenagers to check their testimony, the witnesses were pressured to change their report to say that the vehicle was seen a week *after* the abduction. After witnesses to the abduction were found, Colonel Constantino Palaez, who headed the military intelligence investigation, produced another witness who provided contrary testimony; sources indicate that this new witness was a paid army informer. Additionally, several policemen initially assigned to the investigation were taken off the case or ordered to alter their reports. The officially reported autopsy was later found never to have been carried out. On July 31, 1999, unknown individuals broke into the ORPOR S.A. offices and searched their archives. Further suspicions were raised by the unlikely motives for the murder suggested by military intelligence, for example that Edgar Ordóñez had been involved in drug trafficking. There were also irregularities in the legal actions undertaken by the Public Ministry and the judge in Escuintla in charge of the case. For example, the Public Ministry delayed seeking out witnesses and ordering the capture of the apparent perpetrators (Ordóñez Porta 29/11/99). MINUGUA’s investigation of the case found that members of military intelligence were responsible for the abduction and murder (MINUGUA, 11th Report, July 2000, para. 5). According to Amnesty International (February 2002, 60), the legal case against the military officials believed responsible was unsuccessful in 2000 and, for their own security, Hugo Ordóñez and his family went into exile.²³²

²³¹ This is forcefully illustrated in Primo Levi’s account of survival techniques in a concentration camp in *If This is a Man*.

²³² Hugo Ordóñez also requested business organisations to pressure the government through paid newspaper advertisements to bring the perpetrators to justice. ‘I concretely asked for help, for example, from the Chamber of Industry, and CACIF too – I spoke with the Executive Director’. Their failure to help, which may have been due to their unwillingness to publicly criticise a pro-business government, encouraged Hugo Ordóñez to withdraw from the Chamber of Industry, where he had been a prominent member: ‘I considered it a lack of help and solidarity. I had entered the [Chamber of Industry] for this reason, to have an umbrella. Just when I needed help they didn’t give it to me, in spite of the fact that I had been – for many years – a person who was very involved with the interests of the sector.’ (Hugo Ordóñez Porta, interview 12/6/00)

Explanations for the murder of Edgar Ordóñez remain unclear. One of the main possibilities concerns military links with the oil industry, which has been controlled for decades by a combination of foreign capital, local economic elites and the army. Some background information is required to understand the connections.²³³ Since the 1970s Guatemala's increasingly profitable oil industry has been dominated by a largely US-owned company, Basic Resources, which has had a virtual monopoly on the crude oil infrastructure in Guatemala.²³⁴ Over the years some members of the Guatemalan economic elite have also had interests in Basic Resources. In the 1970s for example, Enrique Novella Camacho, owner of the Cementos Novella (later Cementos Progreso) cement monopoly, was on the board of directors, as was landowner Rudy Weisseberg Martínez. In the mid-1990s shareholders included not only foreign companies but also local businessmen such as Manuel Ayau Cordón and Rodolfo Sosa de León (cousin of former President Ramiro De León Carpio). The military have also had close relations with Basic Resources. This is partly through historical controlling the Ministry of Energy and Mining, which grants all contracts, concessions, licenses, and permits to private oil companies operating in Guatemala. In the 1980s Basic Resources and US government officials made special deals with military governments to ensure that the company's tax payments were minimal.²³⁵ General Marco Tulio Espinosa, who was directly involved in the Edgar Ordóñez case, had dealings with Basic Resources in his ten years working in the Ministry of Energy and Mining. Additionally, during the armed conflict he commanded the military base in the Petén department, where he worked with Basic Resources to protect them from guerrilla attack. General Espinosa not only owns potentially oil-bearing land in the Petén, but was also said to hold shares in Basic Resources at the time of the Edgar Ordóñez murder, and was owner of an asphalt transport company that had contracts with Basic Resources.

The hypothesis regarding the murder is simple. When the Ordóñez Porta brothers began refining Guatemalan crude oil in 1999 they were directly challenging the monopoly controlled by Basic Resources. Those with economic interests in Basic Resources and the oil industry in general, perhaps including General Espinosa, wanted to protect their interests and drive ORPOR S.A. out of the oil sector. Their strategy included the abduction and extrajudicial execution of Edgar Ordóñez. While concrete evidence of this remains unavailable, Basic Resources has been linked to other human rights

²³³ The information in this and the following paragraph derives from Ordóñez Porta (29/11/99), Solano (2002), Amnesty International (February 2002), and Inforpress Centroamericana (25/2/00, 1-3; 5/4/2, 8-9).

²³⁴ The company was for many years owned by United Pacific Resources but has undergone several ownership changes in recent years. It is now owned by a European oil company, Perenco (Amnesty International, February 2002, 59). For the history of the oil industry in Guatemala since the 1950s, see Solano (2002).

²³⁵ Between 1974 and 1999 Basic Resources produced 61.7 million barrels of oil, of which 50m were exported. Although the declared value of production was US\$850.8 million, Basic Resources never paid any profit taxes. Decree Law 96-75, which set royalties to the state at 50%, was annulled in 1983 by General Humberto Mejía Victores and replaced by Decree 109-83, which reduced royalties to 6% by 1999. This reduction resulted from a visit to Guatemala by US General Vernon Walters, an advisor to Basic Resources and ex-director of the CIA in

violations and illegal activities. In the 1980s two drivers who attempted to form a trade union amongst crude oil transport workers were murdered; sources indicate that the killings were personally carried out by Sergio Monzón, son of a military captain linked to the oil industry, and who was at the time working for Basic Resources. In addition, Erwin Haroldo Ochoa Lopez, who was investigating illegal activities by Basic Resources in the Petén region on behalf of the National Council for Protected Areas (Consejo Nacional de Áreas Protegidas – CONAP), received death threats allegedly instigated by military authorities with holdings in Basic Resources. In February 2000 he and his assistant were murdered.²³⁶

According to Amnesty International, the links between Basic Resources, the military, and the murder of Edgar Ordóñez, are evidence of a ‘corporate mafia state’ operating in Guatemala. This comprises an ‘unholy alliance’ between ‘traditional sectors of the oligarchy, some “new entrepreneurs”, elements of the police and military, and common criminals’ who collude to control illegal industries such as drugs and arms trafficking, money laundering, autotheft, kidnapping for ransom and logging, and conspire to monopolise legal industries such as oil. These alliances have existed for decades, ‘but are more visible and prevalent in post-conflict Guatemala’ (Amnesty International, February 2002, 51). Many businessmen I interviewed were aware of such mafias and criticised the military’s increasing encroachment on the economy since the end of the armed conflict. Although some members of the economic elite benefit from participation in such corrupt and illegal practices, just as they did when the army became heavily involved in the economy in the 1970s, in the post-conflict period the majority of interviewees indicated that they would rather the military leave business to the businessmen. The experiences related by Hugo Ordóñez are a case in point. Thus while the oligarchs rely on the military to protect their personal security, continuing a long history of cooperation, antagonism between the two emerges most clearly when there is conflict over economic resources.

Implications for the development of liberal democracy

What does the case of Edgar Ordóñez Porta reveal about the development of liberal democracy in Guatemala in the four years after the end of the armed conflict? It seems obvious to emphasise the military’s continuing involvement in internal security, despite provisions in the peace accords stating the role of the military should be limited to external defence. Hugo Ordóñez’s conclusions about the

the 1970s, who was sent as a special envoy of US Secretary of State Alexander Haig to negotiate changes to the oil concessions with the Guatemalan military during the Reagan administration.

²³⁶ In early 2000 Basic Resources was accused by CONAP and the Human Rights Procurator’s Office (Procuraduría de Derechos Humanos (PDH) of causing deforestation and other environmental damage in the Peten region, in violation of their contract (Amnesty International, February 2002, 60). See also MINUGUA 11th Report (July 2000, para. 77).

investigation, which are shared by international organisations such as Amnesty International and Minugua, reflect this perspective. The case, he writes,

‘demonstrates that when government or military officials are involved in human rights violations, the successful criminal investigation and prosecution of the offenders is a near impossibility. [...] The facts demonstrate that under President Arzú’s government, no consequential advances have been achieved towards the rule of law. The military still wield undue influence over the whole justice system, from the allegedly ‘civilian’ police and the Ministry of the Interior through the Public Ministry and the courts. The military still has total control of intelligence activities in the country, and from this position participate in criminal investigations. (Ordóñez Porta 29/11/99)

This statement relates to three aspects of the model of liberal democracy in Chapter 1: civil rights, accountability, and the rule of law. Human rights violations allegedly committed by the military suggest they do not respect the civil right to personal security. The army’s continuing role in criminal investigations and ‘influence over the whole justice system’ indicate their lack of accountability to civilian government. And military intelligence’s improper conduct of the investigation, in addition to the failure to bring the perpetrators to justice, illustrate further deficiencies in the rule of law.

A different approach is to concentrate on what the case demonstrates about the business sector’s response to threats to their personal security in the post-conflict period. The tragic example of Edgar Ordóñez exemplifies how, consistent with their narratives of personal security concerning the desire for military intervention, business people and their families turned for help to military intelligence in kidnapping cases. This practice itself had detrimental consequences for accountability, the rule of law and civil rights.

By using military intelligence, particularly the Anti-Kidnapping Command, the economic elite were legitimising and sustaining one of Guatemala’s most unaccountable state institutions. Certainly the Command was only one means that the armed forces were utilising to find themselves a role in post-conflict Guatemala (others included involvement in street patrols to combat crime). But there is little doubt that President Arzú’s creation of the Anti-Kidnapping Command was a response to pressure not only from the military, but also from business organisations calling on the government to take action against the kidnapping that was affecting their community. By employing the services of military intelligence, the oligarchs reinforced decades of cooperation between the economic elite and the armed forces (see Chapter 2). While one can understand individual business people turning to military intelligence in desperation in cases of crimes against their families, particularly given the perceived inadequacies of the police, on an institutional level business organisations cannot make similar ‘excuses’. Associations such as CACIF could have publicly challenged the illegal activities of military intelligence that violated the peace accords and weakened accountability – but they chose not to. Nor did they actively pressure post-conflict governments to develop the civilian intelligence

system - which would have benefited all members of Guatemalan society - even though they had the influence to foment change. Business sector practices (and non-practices) in these respects accorded with their great interest (discussed in the conclusion of Chapter 6) in the personal security of members of the economic elite, and their relative unconcern for the daily violent crime suffered by those outside their community borders. Moreover, the links that some individual members of the economic elite had to the military's mafia activities in areas such as the oil industry, helped bolster the financial autonomy of the armed forces and contribute to their lack of accountability.

Members of the business community knowingly violated the rule of law by cooperating with military intelligence. Even after the Anti-Kidnapping Command's existence was legalised through decree, the economic elite continued tolerating the military's often illegal investigation methods and influence over other government branches, in addition to using a military unit whose creation and activities contravened the peace accords. Hugo Ordóñez, while aware of his complicity with this illegal behaviour (the illegal 'parallel investigation' to which he refers), is rare in publicly voicing opposition to these practices. Most business people who used the Anti-Kidnapping Command evidently accepted the illegal practices as part of the service. This attitude to the law is unsurprising. A number of interviewees told me how they broke the law themselves in specific circumstances, for example by bribing the government labour inspector for certification that they were paying their coffee pickers the minimum wage, even though they were not in fact doing so.²³⁷ As C. Wright Mills (1956, 99) pointed out, economic elites around the world 'have circumvented and violated existing laws'. Guatemala's economic elite are no different.

Finally, the economic elite's responses to kidnapping weakened the protection of civil rights in Guatemala. By helping sustain military intelligence through using the Anti-Kidnapping Command, business people were indirectly fortifying an entity that not only had a well-known history of committing atrocities during the civil war, but that was continuing to violate human rights and maintain impunity in post-conflict Guatemala. Evidence of these violations and impunity appear in the case of Edgar Ordóñez itself. Furthermore, the Anti-Kidnapping Command was primarily used by the oligarchs. Other Guatemalans, when faced with violent crimes committed against themselves or their families, had no recourse to such a body and had to remain content with the police. The existence and operation of the Command thus illustrates the privileged protection of the civil right to personal security enjoyed by business community members. The narratives of personal security (especially *The community of victims*, Chapter 6) suggest that the oligarchs see themselves as the most important social group requiring protection from violent crime; in practice this exclusive approach has been realised through the Anti-Kidnapping Command.

Military practices since the end of the armed conflict have limited democratisation. Some of these, such as the murder of Bishop Juan Gerardi in 1998, in which members of military intelligence have been implicated, seem to have occurred independently of the economic elite (Sieder et al, January 2002, 37). Others, including the operation of the Anti-Kidnapping Command, have occurred with the complicity and support of the business sector. It is with respect to these latter practices that the economic elite must be held partly responsible for the resulting weaknesses of liberal democracy in post-war Guatemala.

The oligarchy and private security

Private responses to crime

When affected or threatened by violent crime in the post-conflict period, members of the business community did not always seek military intervention. This section analyses a more common response: using private security to protect themselves and their family members. It demonstrates how oligarchic practices were guided by their worldview on personal security, particularly the narrative of the necessity of private security (Chapter 6, *The need for private security*). Unlike the examination of military intelligence, I do not provide a detailed description of any single case or event. Rather, this is a more general analysis primarily using the testimony of two individuals who became reliant on private security for different reasons: in one case because of a personal experience of violent crime; and in the other due to general fear of crime.

Agroindustrialist Humberto Preti, former President of CACIF and the Chamber of Agriculture, vividly remembers being violently assaulted:

Look, a few years ago I was attacked, I was going with my father to the *finca*. Eight guys came out, they shot at us, we couldn't get past, they took all our money, the watches, they threw us on the ground, and said 'don't get up for half an hour otherwise...'. They shot at me here [pointing to ear] so in this ear I can't hear much [laughs]...This attack made us spend money on radio communication systems, we didn't have this stuff. We didn't have a radio on the *finca*, we didn't have anything, cell phones, none of that...we had to put in solar panels to charge up the radio batteries because the village is too far away and there's no electricity...and afterwards the police came,
 'And did you recognise the attackers?' [puts on voice of stupid policeman]
 'Yes,' I told him, 'I asked for their ID and they gave me their ID numbers.'
 'Don't fool around with me.'
 'Then don't ask stupid questions,' I told him. 'These guys came with hoods – how would it be possible to recognise the attackers?'
 'Oh – we can't do anything, sir.' [...]

²³⁷ Such practices seem to conflict with their narratives on private property upholding the sanctity of the constitution and the rule of law (Chapter 4, *Rights as the maintenance of privilege*).

(Humbert Preti Jarquin, interview 26/6/00)

Like several other interviewees, as a direct result of being attacked Humberto Preti introduced private security measures as protection from future infringements on his personal security. This response to the assault reflects the worldview on personal security in the previous chapter. First, it is consistent with the narrative in which Humberto Preti himself speaks of the need for private protection in the face of delinquency (Chapter 6, The need for private security). It also resonates with the narrative concerning the inadequacies of the civilian police (Chapter 6, The demand for state authority). For this interviewee, the police are clearly inefficient idiots and there is no viable alternative to private security. Additionally, the story suggests the 'before' and 'after' turning point in the narrative on the continued persecution of the economic elite since the end of the armed conflict (Chapter 6, Perpetual war): 'before' was a time when you could roam freely around the finca, but 'after' an experience of crime the world has changed and private security is a necessity. This story is also characterised by its absences. While recognising the financial costs of private security, Humberto Preti, similar to his testimony in Chapter 6 (The need for private security) about the high costs of private protection, does not mention how less wealthy Guatemalans cannot afford to protect their civil right to personal security so effectively (see below for further discussion).

Direct experiences of crime encouraged a range of private security measures in the business sector. Some people hired bodyguards, while other interviewees, like Humberto Preti, improved security systems at their homes, offices or fincas. Illustrating a basic form of private security - carrying a gun - one industrialist told me how, when he was threatened with kidnapping, he 'always went armed'. He decided that from then on 'I was going to be the most dangerous person around' (Mario Orellana Lorenzi, b. 1926, interview 10/4/2). A few business community members said that they refrained from an excessive use of private security. One interviewee mentioned that after her son was kidnapped, even though her husband used a bodyguard, she herself opted to retain her independence: 'I like to walk alone', she said (Adela Camacho Sinibaldi de Torrebiarte, interview 27/6/00). But after the interview her driver told me that even 'Adelita' was getting a bodyguard the next week. Perhaps the ultimate form of private security is to flee the country. Like the Ordóñez family, Adela de Torrebiarte's son left Guatemala. A final and important private response to crime, discussed below, is the oligarchy's retreat into gated communities.

Members of the economic elite who have not had direct experiences of violent assault like Humberto Preti nevertheless have a deep and generalised fear of violent crime, to which they respond by taking private security measures. This was evident from my conversation with Olga Alvarado de González, Director of Corporate Marketing for one of Guatemala's largest banks, Bancafe. Like Hugo Ordóñez, she is not from one of the few families in the oligarchic nucleus. But she seems aware of her

membership of Guatemala's wider economic elite, or what she calls, using a marketing euphemism, the 'AB socioeconomic class'. Her father was an executive in a multinational firm, and she attended the exclusive private Francisco Marroquín University. She travels internationally, lives in a beautiful home, has a driver, a maid, and a private tutor to look after her two daughters. Although we spoke about many themes, including corporate responsibility and the role of women in business, she was most emphatic when talking about crime.

Do you have much confidence in the police?

No. [laughs] No, it's a sad thing, I don't know if it happens in all countries - maybe in Mexico it does - but the level of corruption is absolutely incredible, even amongst the public security authorities. It's amazing, it really is. Sure, if the police stop me in a street full of people I'm not worried at all. But if they stop me at night on my way home, on an isolated road, then I panic. Because it's the police themselves who rob you [...] Rather than giving you confidence and protection, they make you scared.

How have security problems, such as kidnapping, affected you and your family?

Well, the truth is that we're not the most 'kidnapable' of families in Guatemalan terms, but you never know what might happen [...] We've had to take security measures here, particularly with my daughters. For example, I always tell the driver never to take the same route - they don't have bodyguards - but they don't go the same route. And I do the same. I go out in the mornings for a bit of exercise, but I never take the same route, so they can't keep track of me. I always drive with the doors locked and the windows up. You know, we really live in a climate in which we're not ourselves.

And do you live in a *colonia*?

In a condominium in Zone 16. So once you go in past the security gate, my windows don't have bars, I can leave the door open without any worries. The condominium's peaceful. [The children] can go out into the common play areas.

(Olga Alvarado de González, b.1964, interview 12/4/2)

The testimony illustrates the generalised fear of crime amongst members of the economic elite. Olga de González considers Guatemala, especially the capital city, as incredibly violent and dangerous. She cannot do her morning exercise without fear, she cannot drive her car at night without fear, the windows stay locked. Olga de González said that, in contrast, when she travels with her family to places like Orlando or Miami she feels 'totally relaxed'. She says 'you can go to the chemist or supermarket at midnight, you can go out dancing until 3am and nothing's going to happen, nobody's going to stop the car, force you to get out and then assault you'. Like Guatemalans from other social sectors she also believes that the police cannot be trusted to protect you. These views reflect the narrative of private security concerning the ineffectiveness of the civilian police (Chapter 6, *The demand for state authority*). Indeed, there seems to be good reasons to distrust the police. According to MINUGUA, in the post-conflict period agents of the National Civilian Police 'have engaged in very serious acts of extrajudicial execution and torture and have participated in so-called social cleansing operations', in addition to being involved in other forms of crime and corruption (MINUGUA, 11th Report, July 2000, para. 102).

The economic elite's use of private security is shaped by their narrative of personal security concerning their feelings of being a persecuted community (Chapter 6, *The community of victims*). Like many people in her community (and unlike the majority of Guatemalans) Olga de González particularly fears kidnapping for ransom. Although apparently not part of a super-rich 'kidnapable' family, she knows that her wealth is sufficient to attract kidnappers: 'you never know what might happen,' she says. The sense of shared persecution and victimisation emerges when she states that 'we really live in a climate in which we're not ourselves'. So she takes private measures to protect her children, whom she worries could be kidnapped on the way to or from school (as has occurred in a number of cases, when children of the wealthy have been snatched off school buses). For example, they are taken by a driver, and never by the same route. Though she says that they do not have bodyguards, such chauffeurs often effectively act as bodyguards for children in the economic elite, and may accompany them in public places, such as when they visit exclusive shopping centres with their friends. Some business people protect their children by sending them abroad for their education, and may even take the whole family abroad to live in cities such as Miami.

The oligarchy's reliance on private security is most visible in their housing. Not everyone can afford to move to Miami, nor does everyone want to. And, unlike in the past, few want to live permanently on their *fincas*. Life on the *finca* is considered too isolated from city living, particularly by the young. Additionally, in rural areas it is more difficult to protect oneself from crime.²³⁸ Most oligarchs therefore live in or near Guatemala City. But their front doors are not accessible to the casual passer-by for, as noted above, one of their main responses to the fear of crime has been to fortify themselves in one of the city's private, gated housing compounds, generally known in Guatemala as *colonias*. Olga de González lives in such an enclave, in her case a condominium complex with its own private security guards in an exclusive city suburb. It is one of the few places in which she feels relaxed, and where her children can play with freedom.²³⁹ These gated communities are a practical expression of the narrative of personal security concerning the perceived need amongst the wealthy to use private security to protect themselves from persecution by criminals (Chapter 6, *The need for private security*). In recent decades such fortified housing compounds have also developed in other violent Latin American cities, including São Paulo, Mexico City and Lima.

In her study of the phenomenon in São Paulo, Teresa Caldeira (2000, 258) argues that these exclusive communities for the rich are a form of segregated social space. My observations of *colonias* in Guatemala City conform with this view. On one occasion I was picked up by Freddy, the driver of aristocrat Adela Camacho Sinibaldi de Torrebiarte. After taking me through the horrendous city

²³⁸ I was told that members of the wealthy Gutiérrez family are now too scared even to horse ride on their own *fincas*. Instead, they fly to Miami for the weekend to ride.

traffic, from where I could see the corridors of roadside poverty, we arrived at the entrance to the walled *colonia* in Zone 10. Once waved through by the heavily armed guards, the mayhem and the poor disappeared. We drove slowly past enormous mansions, along a single, quiet street. We then had to pass through another security gate to enter the grounds of the house, where we parked besides a new Mercedes. Another time I surreptitiously entered La Cañada in Zone 14, widely considered the most exclusive gated community, telling the security guards that I had an interview at an embassy located within the walls. I saw a mock English country house with a neoclassical chapel at its side, and another home with a quintuple garage. But mostly I could only see the walls around the houses and security guards eyeing me suspiciously as I walked by. On the eerily empty streets there was an indigenous maid in a white uniform walking a small white dog, and a few gardeners cutting the grass with machetes. I sat under the trees in a garden reserved for residents, thinking about a friend telling me that Guatemala is treeless and parkless when observed from the streets, but from their air it is possible to see the large areas of private greenery monopolised by the rich.

The increasing use of private security by the economic elite, whether in response to particular experiences of violent crime or the general fear of crime, whether in the form of bodyguards or gated communities, has contributed to the extraordinary growth of the private security industry in the post-conflict period. In one of the few academic articles on the subject, Charles T. Call (2000, 33) estimates that between 1997 and 1999 the number of private security agencies increased from 40 to 114, and that in 1999 there were around 35,000 private security agents. As noted in Chapter 2, MINUGUA believe that 200 private security agencies operate in Guatemala and that there may be three times as many private guards as police officers (MINUGUA 9th Report, para. 75).²⁴⁰ It is unclear what proportion of these private forces are employed by the economic elite. But it is certain that the oligarchs can afford a disproportionate amount compared to other social groups.

Consequences for the development of liberal democracy

In some respects the economic elite's use of private security appears an innocent activity. They feel that their personal security is threatened, but they have no confidence in the criminal justice system, particularly the police. So they take private measures to protect themselves. These measures do not seem particularly malevolent or damaging for others. They are neither obviously violent nor illegal. But on closer examination the private protection of the oligarchic community in the post-conflict

²³⁹ Members of the middle classes increasingly live in *colonias*. Those of the economic elite, however, are far more heavily fortified and inaccessible.

²⁴⁰ In El Salvador, the number of agencies increased from 15 in 1993 to 149 in 1999, with an estimated 70,000 agents in 1999 (Call 2000, 30). The 'North' should not be excluded in these comments. According to one estimate, in the United States in 1990 \$52 billion was spent on private security compared to \$30bn on the police.

period has had important detrimental consequences for democratisation in Guatemala, even if these have been subtle or indirect. The consequences have appeared in three areas: the effective privatisation of civil rights, the limited accountability of the private security industry, and oligarchic blindness to the fundamental nature of, and solutions to, the personal security problem.

Extensive use of private security by the economic elite has resulted in the effective privatisation of civil rights. This has occurred in two ways. First, civil rights have been effectively privatised because only the wealthy minority have been able to afford to protect their civil right to personal security in the face of violent crime. As noted in Chapters 2 and 6, violent crime has affected all social sectors. While those in the economic elite have had the economic means to pay for bodyguards or homes in privately secured compounds, most poor Guatemalans have not. Many business people complained to me about the enormous financial costs of private security, but they were generally willing and able to pay. On the other hand, they seemed almost totally oblivious to the fact that such possibilities were rarely open to other Guatemalans. Because some social groups - notably the economic elite - have been able to purchase private security, the rule of law in general, and the civil right to personal security in particular, have been drawn into the private sphere in an effective privatisation of civil rights. In Guatemala, personal security is increasingly bought and sold. But in conditions of poverty and wealth inequality, the market does not allocate the realisation of civil rights equally amongst all consumers.

Second, the growth of private security since the end of the armed conflict has led to the effective privatisation of civil rights because the increasing monopolisation of social space has limited freedom of movement. As noted above, gated housing compounds, which are particularly prevalent in Guatemala City, are a form of segregation. The streets, green spaces and recreation facilities inside the guarded walls are off-limits to common citizens. To be a resident of the city is to be barred from entry into its most beautiful areas. Other social spaces are also effectively privatised. A poor, indigenous woman in traditional dress could not easily walk into an exclusive shopping centre without being stopped by armed guards. As mentioned in Chapter 3, these monopolised social spaces are where many members of the economic elite freely spend their daily lives. In this sense the poor and marginalised have been denied freedom of movement in areas frequented by the wealthy.²⁴¹

This monopolisation and effective privatisation of social space by the wealthy is common in Latin America's major cities, and wealthy individuals in the North have long segregated themselves in the

Over 10,000 private security companies employ 1.5 million people, compared to the employment of 554,000 state and local police officers (Zielinski, 1999).

²⁴¹ While the oligarchs are unlikely to want to walk through a shanty town, at least they would not be stopped by armed guards.

equivalent of gated communities.²⁴² The academic literature on these controlled social spaces helps illuminate the nature of such effective privatisation in Guatemala. Mike Davis, for example, has studied the architectural boundaries that separate the Los Angeles rich from the poor and social violence. The city contains gated communities, private parks, the ubiquitous security cameras of a surveillance society, and curved ‘bum-proof’ benches impossible to sleep on. As in Guatemala, such boundaries are protected by private security guards.²⁴³ Davis argues that these forms of security ‘have less to do with personal safety than with the degree of personal insulation, in residential, work, consumption and travel environments, from “unsavory” groups and individuals, even crowds in general’. Race is an important aspect of this separation; from the 1920s in Los Angeles, homeowners associations developed to prevent African Americans from buying property outside the ghettos. The result is ‘urban apartheid’ (Davis 1992, 161, 223, 224). In Guatemala City too, oligarchic insulation seems to extend beyond the need for protection from kidnappers or common crime. It can be interpreted as a rejection of communities outside their own, echoing their narratives of personal security that draw a sharp line between their own community and outsiders (e.g. Chapter 6, *The community of victims*). The only poor or indigenous people normally permitted access to these social spaces are servants, drivers, or gardeners. While the middle classes in both cities are also seeking this separation from the poor, the very rich can obtain it in a purer form, and barely have to walk the street with the common folk.

Oligarchic practices have also had detrimental consequences for democratisation in terms of accountability. By looking to private security companies the economic elite have encouraged the development of a highly unregulated and unaccountable industry in post-conflict Guatemala. In the years after the civil war there were very few controls over the private security agencies. The police unit in charge of oversight of the agencies was underfunded, and analysts estimated that over three times as many private security companies operated illegally as operated legally. Around three-quarters of the companies were owned by former military officers, and often staffed by ex-military personnel (Call 2000, 30-31; MINUGUA 11th Report July 2000, para. 79; MINUGUA, May 2002, para. 138).²⁴⁴ The consequences of having such an unregulated and unaccountable industry are disturbing. There are many cases of security guards who used their positions as a basis for carrying out criminal activities,

²⁴² For example, since 1885 the New York establishment have been socialising at the Tuxedo Park country club, located on 6000 enclosed and guarded acres, and containing mansions, a private lake and sporting facilities. According to sociologist E. Digby Baltzell it is a ‘veritable caricature of the Victorian millionaire’s mania for exclusiveness’ (1995, 22-23).

²⁴³ In ‘post-liberal Los Angeles’, writes Davis, ‘the defense of luxury lifestyles is translated into a proliferation of new repressions in space and movement, undergirded by the ubiquitous “armed response”. This obsession with physical security systems, and, collaterally, with the architectural policing of social boundaries, has become a zeitgeist of urban restructuring, a master narrative in the emerging built environment of the 1990s.’ (Davis 1992, 223)

²⁴⁴ Estimates from 2002 suggest that, of Guatemala’s armed private security guards, 19,500 were legal and 45,000 illegal (MINUGUA, May 2002, para. 137).

such as kidnapping those whom they were paid to protect. Moreover, since the conflict ended, private security guards acting on behalf of business people have been linked to a number of shootings and murders of workers, land occupiers and others (Amnesty International, February 2002, 54; Amnesty International Annual Report, various years). Reflecting oligarchic narratives on the legitimacy of private violence (Chapter 6, *The need for private security*), MINUGUA identified a clandestine ‘social cleansing’ operation in the Department of Escuintla that was ‘under the protection of powerful agro-industrial groups’ and that was ‘characterized by the systematic use of kidnapping, torture and terror, including the beheading or mutilation of the victim’s bodies’ (MINUGUA 11th Report, July 2000, para. 79). Private security guards involved in such violations have generally maintained impunity for their actions. In these ways Guatemala has increasingly become like many historic states in which, according to Michael Mann (1993, 55), the state was unable to monopolise the means of physical force. Guatemala’s oligarchs are deeply implicated in the state’s loss of control over criminal justice and the legitimate means of violence in the post-conflict years. Liberal democratic values such as accountability could not be realised in practice in such conditions.

The following testimony from Olga Alvarado de González reveals a final consequence of oligarchic practices for the development of liberal democracy. We had been speaking about the problems of violent crime, particularly kidnapping, and how members of the business sector often responded through using private security, particularly living in gated communities:

Some analysts and academics claim that due to these problems the business sector live in a world somewhat separated from the majority of the population. What do you think?

That’s absolutely true, and not only the business...OK, here, like in any part of the world, the business class is always going to coincide with those who have the most acquisitive power and a different quality of life. Yes, it’s true – my condominium isn’t the most private or luxurious in Guatemala, but it’s a condominium that is both safe and beautiful. There are areas in the city, such as Zone 14, La Cañada, Vista Hermosa, some of the condominiums in Zone 16, as well as La Montaña and San Isidro, there are really beautiful areas where the truth is that one lives in a ‘crystal capsule’. And you don’t have to go to the market, or to the shops, or leave the city or anything. You can live your whole life oblivious to the reality of the country, to the reality of the majority of the population who live in conditions of insecurity, with poor social services, and in the marginal areas without drinking water, light, telephones, without having enough food, or transport or clothing. Yes, I think this claim is absolutely correct.

And what are the consequences of this separation?

It can be damaging in two respects. The first is that you don’t know about the reality of the country, so you live isolated, and you’re never worried about doing anything in the medium- or long-term because you simply don’t look, you’re blind. And on the other hand, it’s damaging because it causes resentment, it creates a lot of confrontation, because obviously the vast majority of people take notice of how this other group of people live, what kind of cars they have, where they live, their quality of life, their luxuries. So this produces social tensions, which are not a good thing.

(Olga Alvarado de González, b.1964, interview 12/4/2)

Olga de González agrees with me that the business community live in a world separated and isolated from most Guatemalans. She begins to say that this is not only the case with the business sector, but changes her mind and admits that really it is the wealthy business class that have the economic means

to purchase private security and segregated luxury lifestyles. Olga de González stresses that members of the economic elite can live in a ‘crystal capsule’ and be ‘oblivious to the reality of the country’. On some level she knows that she too is within the crystal capsule: she speaks here about her ‘beautiful’ home, and tells me that some of the condominiums in Zone 16 - where she herself lives - are amongst the city’s exclusive residential locations. Yet she is unusual amongst my interviewees in being sensitive to the daily problems of poor people’s lives. The force of her critique of oligarchic isolation derives from this awareness, from her position within the capsule and her ability also to see it from without.

Such isolation is damaging in two respects, according to Olga de González. It leads to resentment by those excluded from the privileged protection of personal security, and it makes the economic elite ‘blind’ to the outside world. This latter point is relevant here. As Olga de González suggests, living their cocooned lifestyles, members of the economic elite rarely see the everyday violence faced by the poor and marginalised or the struggles of most Guatemalans to meet their basic economic needs.²⁴⁵ This lack of encounter, I believe, reinforces their concern for their own personal security, rather than for others. They are generally unable to develop a sense of empathy for those beyond their community’s borders. According to Richard Sennett, people grow ‘by processes of encountering the unknown’; one consequence of the insulated and ghettoised lifestyle of a wealthy individual is that they are unable to learn ‘that most valuable of all human lessons, the ability to call the established conditions of his life into question’. In such conditions ‘community becomes uncivilized’ (1986, 295). The distance between the oligarchic community and other social groups means that the economic elite are seldom directly faced with the unknown, and thus rarely develop a deep concern for outsiders.²⁴⁶

²⁴⁵ In this respect young oligarchs seem little different than older generations. My observations are that they still lead the same ‘expatriate’ lifestyles as their parents, and may be even more insulated. They are more likely to have been educated abroad, limiting their experience of Guatemalan reality. They increasingly work in the city in finance or commerce, and have little need to visit the rural plantations where they might develop direct relationships with poor workers, if only paternalistic ones. (Some older coffee growers who have spent their whole lives on their *fincas* can speak the local indigenous language of their labourers.) Their fear of crime and kidnapping confines them to their housing compounds and other controlled social spaces. And as multinationals become increasingly important in the economy, forging alliances with their family firms, their youthful eyes turn away from the divided society around them, to worlds beyond the border.

²⁴⁶ Thinking of my own experience growing up as a white expatriate teenager in Hong Kong, I now cringe at my failure to learn Cantonese, to walk through the shanty towns, to make friends with locals living on government housing estates. It was a world with which I saw little need to interact, let alone to understand. For much of the time I was content with my own privilege. See Buber’s essay ‘Distance and Relation’ (1965) for a discussion of how we develop concern for our fellow human beings through forms of association and communication. This issue is central to Zeldin’s *An Intimate History of Humanity* (1994). If distance deadens our concern for others, the opposite is not always the case. Endless exposure to images of war atrocities or drought victims reduces the shock of a first viewing, deadening our response. ‘Images anesthetize’, writes Susan Sontag in an essay *On Photography* (1979, 20). Yet if we knew the ‘victims’ personally the anaesthetic may not work. For some general observations on how the social isolation of elites can lead to authoritarian forms of politics that are unresponsive to the ‘mass’, see Bottomore (1966, 120-121).

How does this relate to liberal democracy? The values at the core of the liberal democratic model are to be enjoyed by all citizens in the nation-state. But the moral concerns of Guatemala's oligarchs only extend to their own community borders; life in the 'crystal capsule' encourages strict boundaries to their moral universe.²⁴⁷ Their lack of understanding of other people's lives means they are unlikely to have a strong desire to help outsiders or to call actively for social policies that might help underpin the realisation of the range of liberal democratic rights for other Guatemalans. They are interested in short-term remedies to their own problems, rather than, as Olga de González points out, finding longer-term solutions that benefit the majority. For example, as has been shown above, when faced with violent crime the economic elite have turned to military intelligence and private security. But neither of these 'solutions' have benefited those who have experienced violence in the shanty towns; their civil right to personal security has remained unprotected, and may even have been further damaged. For the outsiders, more fundamental changes are required, such as social policies tackling the poverty that underlies much of this violence or radically recasting the criminal justice system.²⁴⁸ The oligarchs are one of the only social groups that have the economic and political influence to pressure the government to make these kinds of changes. They do not, however, do so. Perhaps the oligarchs are truly blind to the plight of those outside their community. Yet perhaps they choose not to see.²⁴⁹

Not only the economic elite have taken private security measures in the post-conflict years. Small shopkeepers bar their windows, owners of electrical appliance or jewellery stores pay for armed guards, the middle classes increasingly live in gated communities. But the economic elite have made

²⁴⁷ According to Stan Cohen: 'The difference between knowing about the suffering of our family and loved ones, compared with strangers and distant others, is too primeval to need to be spelt out. These ties of love, care and obligation cannot be reproduced or simulated anywhere else. But the boundaries of the moral universe vary from person to person; they also stretch and contract historically – from family and intimate friends to neighbourhood, community, ethnic group, religion, country, right up to "the children of the world".' (2001, 18) The boundaries of the oligarchic moral universe seem to coincide with the boundaries of the oligarchic community. In contrast, the moral universe of some other communities, such as religious communities, often extends beyond the borders of their own social group.

²⁴⁸ The ways in which particular social policies, such as those alleviating poverty, can help the realisation in practice of the range of liberal democratic rights, is discussed in Chapter 5 ('The consequences of oligarchic practices for liberal democracy').

²⁴⁹ I use the phrase 'choose not to see' to suggest that Guatemala's oligarchs may be in a 'state of denial'. According to Stan Cohen, such states of denial seem to be at the root of our failure in the wealthy North to take action despite our knowledge about atrocities and suffering in other parts of the world. We live with forms of denial, which exist as divisions between self and world, us and them, those inside our community and outsiders. We see the suffering of others, but in some way we do not see it. We know, but we do not know. Denial appears to take two main forms. First, there is the Freudian idea of denial as an unconscious defence mechanism. Threatening or unwelcome knowledge is somehow immediately rejected and pushed into the normally inaccessible depths of the mind; we are able to continue living our lives without undue anxiety. Second, there is Sartre's view of denial as self-deception based on bad faith. We realise that our actions are in some way morally dubious, so we construct for ourselves stories about 'no choice', 'compulsion' or 'just obeying orders' to distance ourselves from moral responsibility (Cohen 2001, 41-42). Evidence of these forms of denial amongst Guatemala's oligarchs emerged in Chapter 4 (*Economic development without property reform*). They deny

far greater use of private security than other social groups. The oligarchs have thus played an important role in the consequences, such as the effective privatisation of civil rights and the weakening of accountability. Moreover, their extensive use of private security has contributed to their failure to support social policies that could help underpin the civil right to personal security, and other liberal democratic rights, for those outside the community.

Conclusion

This chapter has attempted to show how the oligarchic worldview on personal security shaped their political practices, and how these practices limited the development of liberal democracy in Guatemala. I now return to the two reasons for studying personal security in the Guatemalan context mentioned at the beginning of Chapter 6: its ability to illustrate continuity and change in Guatemalan history; and its relevance for understanding problems of democratisation in Latin America

The analysis demonstrates important continuities in oligarchic practices from the period of the armed conflict. As mentioned in earlier chapters, throughout the war the oligarchs had the military protect their personal security and private property. Troops were stationed on *fincas*; military commissioners were at the service of landowners; businessmen met with military intelligence officers and gave them death lists of troublesome workers to be extrajudicially executed by paramilitary death squads; and military intelligence helped investigate kidnappings of businessmen and their families. Private security was also prevalent. In rural areas the oligarchs sometimes had private militias to protect themselves; in the city they hired bodyguards; they walked around with guns in their pockets; and private guards protected their homes. After the peace accords were signed the oligarchs in general no longer handed death lists to military intelligence or formed private militias, and urban businessmen became wary of giving the military a permanent role in internal security. But they continued using military intelligence and private security to protect their personal security. Some scholars, such as Jorge Castañeda, have suggested that Latin America's economic elites could support reformist social welfare policies to tackle the poverty that underlies the region's crime crisis, which even the wealthy cannot escape (Castañeda 1994, 449-451). In Guatemala, however, the economic elite have remained blind to such novel long-term solutions to the general social problem of violent crime, and would rather use more trusted and narrow means of protection, such as military intelligence and private security, that are of little benefit to those outside their community.

A second form of continuity concerns oligarchic privileges. During the civil war the economic elite largely ensured the privileged protection of their own personal security, while tens of thousands of

responsibility for perpetuating poverty, and instead claim that there are other causes and that individuals must

other Guatemalans were not so privileged, and suffered extreme state violence (see Chapter 2). In the post-conflict period the major source of violence has been violent crime, rather than the security forces. But even in this new context the oligarchs have protected their personal security more effectively than those outside the oligarchic community. Just as the economic elite protected their traditional property privileges, they also have maintained their privileges with respect to personal security. To this extent, Guatemalan history should be thought about not as a process of change, but as a 'process' of continuity.

Regarding democratisation, the approach in much of the political science literature is to stress the positive role that economic elites have played in democratisation processes in Latin America (see Chapter 1). The evidence presented here, however, suggests that oligarchic practices in Guatemala have contributed to limiting the development of liberal democracy. The problems of democratisation discussed in this chapter are evident in many Latin American countries. The Guatemalan oligarchy's use of military intelligence and resulting problems of accountability illustrates a more general regional phenomenon that the armed forces remain highly unaccountable despite the return to civilian rule, partly due to their role in internal security. Consuelo Cruz and Rut Diamint call this 'the new military autonomy in Latin America' (1998, 188, 119).²⁵⁰ The economic elite's complicity with the illegal activities of Guatemalan military intelligence helps confirm Guillermo O'Donnell's contention that Latin America's new democracies can be characterised by the 'unrule of law' (1999). In connection with private security, the effective privatisation of civil rights that has occurred in Guatemala accords with a more general model of 'citizen security' emerging in Latin America, in which the protection of personal security is shifting from the public sphere to the private sphere (Nield 1999, 7), and that is resulting in 'the privatization of state violence' (Vilas 1997, 36-37).²⁵¹

The most important lesson from Guatemala may be that in Latin American societies plagued by violent crime and economic inequality, in which there is an economic elite with the financial means and political influence exclusively to protect themselves, serious consequences for democratisation may result. There could be limits placed on the development of accountability, civil rights and the rule of law. Additionally, in protecting their own personal security, rather than that of society as a whole, economic elites may fail to support social policies that could help create the social and economic

take responsibility for their own poverty.

²⁵⁰ For a discussion of military impunity and continuing military involvement in human rights abuses during periods of democratic 'consolidation' in Latin American countries, see also Panniza (1995) and Sieder (1995). The problem of continuing military autonomy has sometimes been described in the literature in terms of the existence of 'reserved domains' of authority and policy-making (Valenzuela 1992, 64).

²⁵¹ Another aspect of this effective privatisation is the rise of vigilantism amongst the poor who, while disenchanted with criminal justice systems like the rich, cannot afford private security. This has been prevalent not only in Guatemala, but also in other violent countries such as Haiti, Jamaica and South Africa (Nield 1999, 7-8; Sieder et al January 2002, 38-39).

conditions that are necessary not only to challenge the underlying causes of violent crime, but to underpin the realisation in practice of a range of liberal democratic rights for all citizens.

Such lessons must remain as speculative comments until researchers carry out further comparable ethnographic studies of economic elites and personal security in other Latin American countries. While there are similarities in problems of democratisation across Latin America, the Guatemalan case is specific in important ways. First, Guatemala may be somewhat unusual with respect to military intelligence. The oligarchy's close relationship with military intelligence (notwithstanding a degree of antagonism) developed in the particular context of civil war, and few Latin American countries have military intelligence units that have acted with such brutality and impunity. While military autonomy spread throughout Latin America in the 1990s, military influence was more pervasive in post-conflict Guatemala than in most other countries. Second, there are possible differences regarding private security. Numerous Latin American countries, such as Brazil and Mexico, have economic elites that feel threatened by violent crime, especially kidnapping for ransom. The evidence so far suggests that, like in Guatemala, they have had little faith in the police to protect them and have poured their money into private security. Many Latin American countries, however, have larger and wealthier middle classes than that in Guatemala. These middle classes may be able to protect themselves from crime using private means in similar ways to the economic elites in their countries. Thus the social divide with respect to personal security may be emerging between the economic elite and middle classes on one side, and the poor and marginalised on the other. In Guatemala the contrast is more stark, where there are the very poor and the very rich, with few people in between. Despite these problems the effects of private security, for example on accountability and civil rights, are likely to be similar across countries. I will return to this issue of the comparability of the Guatemalan case in the next chapter.

CHAPTER 8: CONCLUSIONS

You already know enough. So do I. It is not knowledge we lack. What is missing is the courage to understand what we know and to draw conclusions.

Sven Lindqvist, *Exterminate all the Brutes*

In summary

At the risk of being overly repetitious, the central argument of the thesis can be summarised as follows. The oligarchy's worldview on both security of property and security of person shaped their political practices, and these practices limited the development of liberal democracy in Guatemala. First, with respect to property, the common narrative of opposition to changes in the private property system was borne out in their prevention of a redistributive agrarian reform from appearing in the Accord on Socioeconomic Aspects and the Agrarian Situation. An analysis of the peace talks from the economic elite's perspective demonstrates how their worldview guided many aspects of their participation, including the decision to enter the negotiations, their interactions with other actors, and their objections to various drafts of the accord. Oligarchic practices were shaped not only by a general rejection of agrarian reform, but by the whole range of property narratives, from *Economic development without property reform* to *Rights as the maintenance of privilege*, from *Race and the subordination of minority rights* to *History in the present*. Their practices limited democratisation in a number of ways: they were inimical to the liberal democratic value of government accountability to citizens; and they had detrimental effects on the minority rights, civil rights, property rights and political rights of Guatemalans outside the oligarchy.

Second, the oligarchy's worldview on personal security shaped their responses to violent crime, and particularly kidnapping, in the four years after the final peace accord was signed. Their use of military intelligence and private security to confront their problems of personal security were guided by their narratives of *The desire for military intervention* and *The need for private security*. These practices also conformed with other narratives, such as those concerning the failure of the civilian police and the belief amongst the economic elite that they are a persecuted community requiring special protection from violent crime. Their reliance on military intelligence helped weaken the realisation of accountability, the rule of law and civil rights in the post-civil war period. Their dependence on private security had detrimental consequences for civil rights and accountability. Moreover, it lessened the economic elite's interest in finding solutions to the underlying causes of general social problems such as violent crime, thereby limiting the development of liberal democracy in Guatemala.

In this study of the worldview and political practices of the Guatemalan oligarchy two conclusions have already been drawn: (1) the apparent changes in Guatemalan politics in the final decade of the twentieth century masked important historical continuities, enabling the oligarchs to preserve their traditional privileges; and (2) the Guatemalan case illustrates how the practices of economic elites can help limit processes of democratisation.

Conclusions should not, however, be an end point of our understanding. Although not in the business of prophecy, here I want to consider what these two points might suggest about possible futures.

Historical continuity

Tancredi's message in *The Leopard* concerned needing to preserve oligarchic privilege by adapting to historical change: the oligarchy had to appear to embrace the republic. In Guatemala the oligarchs appeared to embrace and encourage the political changes that occurred from the mid-1980s. With respect to electoral politics, they backed the shift from direct military rule to civilian party politics. In 1993 they even helped prevent a 'self-coup' by President Serrano, in which he attempted to suspend the constitution and dissolve the legislature. In the peace talks, although initially reluctant to support the negotiations, from around 1994 most sectors of the economic elite were willing participants. That is, they were part of an important process of national reconciliation that encouraged an end to the civil conflict that had polarised Guatemalan politics for over three decades. With specific regard to the Socioeconomic Accord negotiations in 1995 and 1996, the oligarchs were more open in their political activities than they had been in the past, writing publicly-accessible policy documents and holding meetings with various political actors, many of whom they would have previously avoided. In the years immediately after the final peace accord was signed in 1996, the economic elite continued displaying signs of embracing a changing political world. They participated in civilian politics through the government of Alvaro Arzú. Additionally, they seemed less willing to rely on their old wartime ally, the military, which was under pressure to comply with the peace accords by returning to the barracks. When faced with threats to their personal security from violent crime, for example, most oligarchs no longer endorsed a permanent role for the army in internal security and instead relied more on private security, and used military intelligence only in very specific circumstances. In this post-conflict period business organisation policy documents had a more caring tone, stressing Guatemala's need to tackle major social problems such as poverty and environmental degradation. Furthermore, leaders of the business associations participated in public fora with trade unionists, indigenous activists and members of landless *campesino* organisations.

This is the story of change that the oligarchs, in their official public statements, would have us believe. But interviews with members of the economic elite reveal a different story, one of

maintaining traditional privileges in the face of change. Yes, they changed a little, and now appeared to be 'modern' or 'reformist'. Such changes, however, were considered necessary by them in the new context of civilian rule and national reconciliation. In fact, these changes did not significantly threaten their privileges. For the oligarchs, opposing a presidential self-coup was not problematic if it ensured that the United States would not impose economic sanctions on Guatemala. Backing the peace negotiations was not a problem for them if it could help prevent agrarian reform. Meanwhile, many of their practices remained the same. They continued using traditional patrimonial methods of political influence to achieve their aims. Oligarchic practices were still focused on exclusively preserving the private property and personal security of members of their own community. They only changed to that extent required to maintain their privileges in the new context.

In an article on 'oligarchic crisis', James Dunkerley stresses that 'the chameleon and promethean qualities of oligarchies pose a constant challenge to the practice and study of democracy'. Oligarchies tend to survive regime crisis. He highlights, for example, the 'tenacity of elements of the *nomenklatura* after the collapse of the USSR' and the continuing importance of white elites in the south of the United States after the civil war (Dunkerley 2001, 475). In Guatemala, the oligarchy have survived what might be understood as a regime crisis: the reconfiguration of politics since the 1980s due to the pressures of electoral democratisation and the peace process. Their tenacity and chameleon-like ability to preserve privilege by appearing to embrace change would no doubt have been approved of, and admired, by Tancredi.

A further aspect of historical continuity concerns oligarchy-state relations. In Chapter 1 I set out a framework that described these relations as a 'palimpsest' of different historical configurations, each of which has left an imprint on contemporary Guatemala. I recognised elements from several state theories, including those that Michael Mann (1993) denominates 'class', 'pluralism', 'true elitism' and 'institutional statism', in addition to theories stressing military autonomy. My analysis has illustrated this variety of perspectives and shows that they all remain relevant to the Guatemalan present; there are no grounds, say, for completely abandoning class theories favoured by Guatemala scholars in the 1960s and 1970s. Military autonomy is evident, for example, in military intelligence's illegal activities in investigating kidnapping cases and their probable involvement in the murder of a prominent businessman to protect the economic interests of some military officials. Such practices also highlight aspects of true elitism - the idea that states can act autonomously of class and other actors. Institutional statism, which suggests that the state is not unitary but is rather composed of a number of actors, emerged from my analysis of oligarchic relations with a range of state institutions, including military intelligence, the police, the executive, the judiciary, and the government peace commissions created for the purpose of negotiating with the guerrillas. The oligarchs think about and approach each of these actors differently, for example being contemptuous of the police but having

perceived a need to influence the peace commissions. With respect to pluralism, I discussed attempts by non-class actors, such as indigenous organisations, to influence the state. It is clear, however, that such groups were unable to achieve their objectives (especially with respect to land) with the same success as the oligarchs. Finally, and perhaps most importantly, the Guatemalan state conforms with Mann's emphasis on class theories depicting the modern state as fundamentally capitalist in nature, ultimately servicing capital accumulation and protecting private property. Consistent with such theories, the Guatemalan state, or elements of the state, still conform with their historic role of not challenging the capitalist system that sustains oligarchic privilege. But this does not simply occur automatically: the oligarchs must exercise their patrimonial political influence to maintain their traditional privileges. Additionally, while the military do not threaten the capitalist system as such, they have a capacity, as noted above, to act autonomously from the oligarchs.²⁵² Overall, I believe that the ethnographic method used in this study has been essential for demonstrating the relevance of these various state theories to contemporary Guatemala. The majority of state theories are described in the language of structures or institutions rather than individual actors. By focusing on the individual human beings who inhabit and comprise these structures, and who themselves mediate state-society relations, I hope to have brought state theories to life.

The story I have presented, one of continuity through the semblance of change, is only one of the possible paths that Guatemalan history could have taken: the preservation of oligarchic privilege was not inevitable. The contingencies of history are evident in the oligarchy's expressions of vulnerability (a characteristic rarely recognised in academic analysis of economic elites) that appear throughout this study. The oligarchs did not see themselves as indefinitely privileged and omnipotent. With respect to private property, they feared agrarian reform and thus felt forced to participate in the peace talks, and vociferously oppose the guerrillas' proposals. As one interviewee said, they 'couldn't afford to take the risk' of ignoring the negotiations. They were also worried that the government, the military and international actors would support positions that countered their own. Businessmen involved in the talks were additionally faced with the problem of internal dissent from those oligarchs who opposed business sector participation in the negotiations. The oligarchs also felt vulnerable about their personal security in the face of violent crime. They were anxious about kidnapping and found that even using military intelligence and private security could not guarantee them a sense of personal safety. Furthermore, as discussed in Chapter 3, the oligarchs generally fear state autonomy, their own internal disunity, and the possible effects of globalisation.

Perhaps this sense of vulnerability is the paranoia of the privileged, and perhaps alternative political outcomes were, in fact, highly unlikely in the period of study. Nevertheless, the expressions of

²⁵² Oligarchy-military relations are discussed further below.

vulnerability suggest not only that history could have been different, but that Guatemala's political future might be different. There are, I believe, some small hopes for political change in Guatemala, although I remain extremely pessimistic. These hopes, outlined below, concern disunity in the oligarchic worldview, globalisation, and the military.

The oligarchs feel some vulnerability in relation to their internal disunity. We might therefore ask, is there any evidence that the oligarchs are fundamentally divided in their worldview, such that some sectors could support political changes that challenge oligarchic privileges? Chapter 2 shows that most scholars stress the unity rather than disunity of the oligarchs: while sectors of the economic elite might disagree with each other on secondary issues, such as protectionism versus free trade, they generally comprise a single, homogenous body and unite to protect their common economic interests on issues such as land, labour and tax reform. I have questioned elements of this homogeneity: urban-based elites tend to be more wary of the military than landowners, many of whom desire that the armed forces have a permanent role in internal security; an older generation of oligarchs showed themselves more opposed to negotiating with the guerrillas in the peace process than a younger generation of business leaders; and there is a distinction between the oligarchy and its inner core of dominant families. Despite this heterogeneity, I want to stress that one of the central findings of this analysis is that the oligarchs are generally united across economic sectors in their worldview on important issues such as private property and personal security, and that their worldview is consistent with maintaining their privileges. Even those considered 'reformist' by some scholars tend to share, with more traditional oligarchs, narratives that are consonant with reproducing their common privileges. This is also the case with the young neoliberal business people whom I interviewed.

A hope for change exists, however, with those members of the economic elite with a more dissenting worldview. A few interviewees were critical of oligarchic privileges and practices, and seemed to display a genuine concern for the lives of those outside the boundaries of the oligarchic community. While these business people may be more sympathetic to fundamental political change in Guatemala, they do not form a coherent group within the oligarchy. Rather, they remain relatively isolated individuals on the periphery of the oligarchic community who, for whatever particular reasons (such as unusual personal experiences), have a worldview different from many of their peers. That such dissent exists is thus not evidence of fundamental oligarchic disunity with respect to their worldview. Political change in Guatemala cannot depend on these rare individuals. Instead, Guatemala needs substantive changes in the worldview of important sectors of the economic elite, such as urban-based businessmen developing a deep belief that social justice requires progressive taxation, or that an expropriative and redistributive agrarian reform is an effective means of social and economic development. How could such fundamental changes in the shared oligarchic worldview be generated? As discussed in Chapter 1, while worldviews can be confronted, transformed or replaced, they do not

change easily. If the oligarchs were suddenly plunged into collective poverty, or forced into radical reeducation campaigns run by indigenous and *campesino* organisations, then some sectors of the economic elite could possibly develop a different vision of society, and of what changes it might require. The improbability of such occurrences simply demonstrates that the oligarchy's shared worldview on important issues is unlikely to change in the near future. The teaching at the neoliberal Francisco Marroquín University in Guatemala City, where most children of the economic elite study for their degrees, reinforces a worldview based on privilege. Despite its ultra-modern appearance, the university is both a symbol of continuity and a practical barrier to change.

In private oligarchs from most economic sectors express some fear of globalisation. They are worried that further free trade in the Americas might make them more vulnerable to foreign competition from large companies based in Mexico, Brazil, the United States, and elsewhere. They are also generally fearful of the uncertainties of liberalised commodity and capital markets. The hope for political change is that the Guatemalan oligarchy could be economically weakened by foreign competition and unstable markets, and consequently would become less politically influential. Some initial evidence for this is that the collapse of world coffee prices towards the end of the 1990s has been putting some coffee plantation owners out of business and is diminishing the importance of coffee as a Guatemalan export. As a result, the Portillo government, which took office in 2000, seems to have limited its cooperation with the National Coffee Association in areas such as fixing the minimum wage. I believe, however, that the community of oligarchs will probably survive globalisation. As discussed in Chapter 3, the biggest financial groups, such as those owned by the Novella and Castillo families, have made alliances and entered into joint ventures with large foreign companies in order to protect themselves from competition. Additionally, some parts of the economic elite, such as the sugar growers, have continued to win battles with the government to maintain protectionist measures such as import tariffs. Furthermore, the oligarchs will, as capitalists, most likely adapt to the new economic context with success. For example, when cotton became an unprofitable business in the 1980s, the oligarchs shifted to sugar. Now that coffee is becoming problematic, they seem to be moving into new growth areas, such as non-traditional agricultural exports. If, however, the economic elite are severely weakened by globalisation and their political influence is eroded, Guatemalans will still be faced with the numerous problems associated with a reliance on foreign capital.

A final area of hope concerns business relations with the military. Throughout this study I have stressed the dual nature of these relations: at times the economic elite have cooperated with the military and seen them as allies, whereas at other moments the military have acted autonomously and the oligarchs have seen them as a threat. Here I want to emphasise that most members of the economic elite do not trust the military, and even feel some vulnerability with respect to them. As discussed in the analysis, the oligarchs have frequently believed that military officials, or paramilitary

groups linked to them, have been involved in kidnappings and murders of businessmen and their family members. Moreover, since the end of the armed conflict, the oligarchs have increasingly voiced concerns about the military's growing encroachment on the economy, such as their involvement in the drugs trade, illegal logging, auto theft and the oil industry.²⁵³ In political terms this could be useful for popular organisations on the Guatemalan left, as there is possible space for cooperation between popular organisations and the business sector in their joint opposition to the armed forces. Such cooperation, if expressed politically, could help keep the military out of internal security, the economy and political rule. Consequently it might be more difficult, in the future, for the armed forces to engage in the kinds of atrocities that occurred during the civil war. Such an alliance could also weaken the oligarchs. This is because, as discussed above, the economic elite are divided in their attitudes towards the military: many landowners are sympathetic towards the armed forces and want to give them a permanent role in internal security, whereas younger, often urban-based business people, generally oppose such an extensive role for the military. Alliances between this latter group and popular organisations may serve to isolate politically those in the rural elite who support the army. Even if this unlikely alliance were actually to occur, the oligarchs would not be forced to compromise on the capitalist economic arrangements that are so central to their worldview. Thus political alliances might be altered, but economic relations would remain largely unchanged.

The vulnerability expressed by the oligarchs signals possibilities for political change. Historical change, however, is slow, and I feel forced to remain pessimistic. From my own perspective, the most inspiring possibilities for change in Guatemala do not come from the oligarchs. Rather, they come from those Guatemalans, such as returned refugees living and working in rural cooperatives, who organise important aspects of their lives outside capitalist relations and state institutions, using forms of association that are local, voluntary, non-hierarchical and based on mutual aid.

Economic elites and democratisation in Latin America

This inquiry into oligarchic worldviews and practices in Guatemala can be understood, in the language of comparative political analysis, as a 'single country case study'. As such, what can it demonstrate about the role of economic elites in democratisation processes in Latin America? The evidence from Guatemala helps to confirm a general pattern detected by scholars such as Guillermo O'Donnell (1997, 1999), who suggest that, across the region, the practices of economic elites are limiting the development of liberal democracy (see Chapter 1). According to this view, even when economic elites support shifts from direct military rule, or participate in foundational elections or forms of elite consensus around civilian electoral procedures, they continue to maintain important

²⁵³ There is, however, evidence that some members of the economic elite are involved together with the military

traditional privileges in economic, political and social realms, and to use practices that are incompatible with liberal democratic values. In this sense, processes of democratisation like that in Guatemala can be interpreted as processes of consolidating elite privilege.

There will always, however, be questions concerning the comparability of cases. Central American countries are often quietly omitted from general analyses of Latin American politics as a whole. It is suggested, either implicitly or explicitly, that the histories of obscure countries such as Guatemala render them 'outliers' in comparative analysis, for reasons ranging from their history of influence by the United States to the high proportion of indigenous people and the incidence of prolonged civil war. Despite these significant differences, there is an important similarity amongst many Latin America countries: that, partly due to shared histories of colonisation and land tenancy, they retain economic elites sharing some of the basic structural characteristics of the Guatemalan oligarchy, such as organisation in family networks and business associations, and extreme wealth compared to the majority of the population. Because of this similarity the Guatemalan case should not be considered as eccentric or deviant when thinking about the role of elites in democratisation processes in Latin America.

I thus feel that it is appropriate to make some general statements, based on my study of Guatemala and readings of the regional literature, about economic elites and democratisation in Latin America. In their boldest form, these statements are as follows. In democratisation processes, economic elites are likely to attempt to preserve their traditional privileges, especially their domination of private property, but also in areas such as personal security. In doing so, both the methods and consequences of their practices may be detrimental for the realisation of a range of liberal democratic values. In particular, the liberal democratic rights of those outside the economic elite are likely to suffer. In processes of democratisation, when there is a conflict between the property rights of the economic elite and the liberal democratic rights of other citizens, the state usually adjudicates in favour of the economic elite. As discussed in Chapter 4, this priority given to private property is the essence of what Macpherson (1977, 23-43) calls the 'protective model' of liberal democracy. The realisation in practice of liberal democratic values such as accountability and political rights is acceptable to economic elites, but only if it does not threaten individual private property or, more generally, the capitalist economy. Democratisation processes that do not challenge the privileges of the economic elite, particularly their domination of private property, will remain imprisoned by the methods and consequences of their practices and might not develop much beyond a narrow form of liberal democracy limited to basic electoral procedures. This raises a dilemma, for challenging individual private property rights in order to help ensure democratisation constitutes a challenge to a value

in these activities.

central to the liberal democratic vision itself. As long as private property rights remain fundamental to models of liberal democracy, this dilemma will be difficult to resolve.

Studying democratisation

While I believe that the statements in the paragraph above are applicable to Guatemala, I am less certain that they are appropriate for the region as a whole. This is because there are few studies of economic elites and democratisation in other Latin American countries using similar ethnographic methods that can provide a basis for making systematic comparisons and deriving general statements. I know little about the worldview of non-Guatemalan economic elites on issues such as personal security and private property, nor have I found many detailed descriptions of how economic elites preserve their privileges. While I suspect that their worldview and practices may resemble those of the Guatemalan oligarchy, I have no firm basis for assuming so. I therefore feel that it is important to create a corpus of ethnographic studies of economic elites and democratisation in Latin America, which must necessarily be a collective intellectual project, and of which this study is only one small part.²⁵⁴

But what should these studies look like? The methodological future requires, I believe, more investigation of economic elites based on narrative analysis of interview testimony and detailed descriptions of particular historical contexts. These studies should focus not only on moments of political change (such as civilian elections) but also on moments of historical continuity (such as blocking property reform). Most importantly, members of the economic elite should be approached as complex, individual human beings rather than simply as a faceless class or rational actors pursuing economic self-interest. This requires acknowledging the importance of non-economic issues such as personal security, or being aware of contradictions of belief, or taking into account the role of love and fear in people's lives. Theodore Zeldin called one of his books *An Intimate History of Humanity*. And so too, the collective project to develop a deeper understanding of democratisation may require that the study of economic elites becomes more intimate.

²⁵⁴ Ultimately I would like to see this project extended to economic elites in the established democracies of the North.

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APPENDIX A: LIST OF INTERVIEWEES

I conducted recorded interviews with the following individuals. All interviews were in Guatemala City unless otherwise specified. I have not included those members of the business sector, or other sectors, with whom I spoke off the record.

Business sector

- Richard Aitkenhead Castillo (b. 1957), 29/6/00
- Olga Alvarado de González (b. 1964), 12/4/2
- Gustavo Anzueto Vielman, 31/5/00
- Roberto Ardon Quiñones, 16/7/96, 23/10/00
- Manuel F. Ayau Cordón (b. 1925), 19/4/2
- María Mercedes Berger de Gándara, 18/4/2
- Adela Camacho Sinibaldi de Torrebiarte, 27/6/00
- Roberto Diaz Schwarz, 8/6/00
- Fanny de Estrada, 27/6/00
- Silvia Gándara Berger (b. 1979), 18/4/2
- Fritz García-Gallont, 16/4/2
- Betty Hannstein Adams (b. 1929), 30/6/00 (Panajachel), 15/4/2
- José Herrera Alburez (b. 1966), 9/4/2
- Giancarlo Ibárgüen Segovia (b. 1963), 17/4/2
- Peter Lamport Kedsall, 30/5/00
- Federico Linares Martínez (b. 1941), 9/6/00
- Mario Orellana Lorenzi (b. 1926), 10/4/2
- Hugo Ordóñez Porta, 12/6/00
- Isabél Paiz Andrade de Serra (b. 1942), 28/6/00
- Humberto Preti Jarquin, 24/7/96, 26/6/00
- Max Quirin (b. 1962), 25/5/00
- Luis Reyes Mayen (b. 1951), 9/6/00, 4/4/2
- Carlos Torrebiarte Latzendorffer (b. 1943), 18/4/2
- Víctor Suárez Valdes (b. 1954), 12/7/96, 22/5/00
- Mariano Ventura, 6/6/00
- *Carlos Vielman Montes, 5/6/00*

Other sectors

- Antonio Argueta, Coordinadora Jurídico Popular (Popular Judicial Coordinator - COJUPO), 9/7/96
- Enrique Alvarez, Instituto para la Democracia, el Desarrollo y la Paz (Institute for Democracy, Development and Peace - IDEPAZ), 5/7/96
- General Julio Balconi Turcios, former Minister of Defence, 26/5/00
- Ramón Blecua Casas, First Secretary, Spanish Embassy, Guatemala, 17/7/96
- Edgar Cabnal Santa Cruz, Civil Society Assembly (ASC), 11/7/96
- Mario Rolando Cabrera, Fundación para la Paz, la Democracia y el Desarrollo (Foundation for Peace, Democracy and Development - FUNDAPAZD), 19/7/96
- Francisco Cali, Comité Campesino del Altiplano (Highland Peasant Committee - CCDA) and Centro para la Acción Legal en Derechos Humanos (Centre for Human Rights Legal Action – CALDH), 11/7/96
- Arlena D. Cifuentes, Fundación para la Paz, la Democracia y el Desarrollo (Foundation for Peace, Democracy and Development - FUNDAPAZD), 19/7/96
- Nicolás Mariano Cox, Consejo de Organizaciones Mayas de Guatemala (Council of Mayan Organisations of Guatemala - COMG), 15/7/96
- María Dolores Marroquín, Colectivo para la Promoción del Desarrollo Integral de la Mujer (Collective for the Promotion of Integrated Development of Women - COPRODIMU), 17/7/96
- Wenseslao Armina Estrada, Unión del Pueblo Maya de Guatemala (Union of the Mayan People of Guatemala - UPMAG), 8/7/96
- Eugenia Mijangos, Centro para la Acción Legal en Derechos Humanos (Centre for Human Rights Legal Action – CALDH), 22/7/96
- Pablo Monsanto, Commander of the Rebel Armed Forces (FAR), 24/2/2
- María Morales, Majawil Q'ij and Instancia de Unidad y Consenso Maya (Association of Mayan Unity and Consensus – IUCM), 4/7/96
- José Luis Muñoz N., Coordinadora Jurídico Popular (Popular Judicial Coordinator - COJUPO), 9/7/96
- Georgina Navarro Miranda, Centro para la Acción Legal en Derechos Humanos (Centre for Human Rights Legal Action – CALDH), 22/7/96
- General Otto Pérez Molina, former army peace negotiator, 7/6/00
- Juan E. Quiñónez S., Centro para la Acción Legal en Derechos Humanos (Centre for Human Rights Legal Action – CALDH)
- Pablo Rodas Martini, economist, Asociación de Investigación y Estudios Sociales (Association of Social Studies and Research – ASIES), 16/5/00

- Héctor Rosada-Granados, head of the Peace Commission of the Guatemalan Government during the De León Carpio administration, 14/6/00

APPENDIX B: TIMELINE OF THE GUATEMALAN PEACE PROCESS (1985-2000)

- Dec 1985 Christian Democrat Vinicio Cerezo elected President in second round.
- Aug 1987 'Esquipulas II' agreement signed by Central American presidents, providing framework for peace talks and national reconciliation.
- Sept 1987 Establishment of National Reconciliation Commission (CNR) under presidency of Bishop of Esquipulas, Rodolfo Quezada Toruño.
- Oct 1987 First public contact between guerrillas and state for 27 years. No accord signed.
- Aug 1988 First URNG-CNR talks in San José.
- 1988/89 National Dialogue fails to yield firm results. URNG banned from participation and CACIF refuses to participate.
- March 1990 Second URNG-CNR meeting in Oslo. Signing of 'Basic Accord for the Search for Peace by Political Means'. General accord to resolve conflict by political means. Quezada Toruño to act as 'conciliator' and UN as observer.
- June 1990 'Escorial Accord' between URNG and political parties in Spain. Parties envisage legalisation of URNG.
- Sept 1990 URNG talks with business confederation CACIF in Ottawa end without joint agreement or communiqué.
- Sept 1990 'Quito Accord' between URNG and religious organisations. Joint support for constitutional reform, respect for human rights and the need to tackle economic deprivation.
- Oct 1990 'Metepec Accord' in Mexico between URNG and unions/popular organisations.

- Oct 1990 'Atlixco Accord' in Mexico between URNG and small and medium businesses/cooperativists/academics.
- Jan 1991 Election of Jorge Serrano as President in second round
- April 1991 'Mexico Accord' signed in Mexico City. First official URNG-government talks agree on 11-point agenda. URNG achieves concession of inclusion of 'substantive' themes on agenda.
- July 1991 'Querétaro Agreement' ('Framework Agreement on Democratisation for the Search for Peace by Political Means') in Mexico on first agenda item - meaning of democracy.
- 1992/93 Failure to agree on human rights accord.
- May 1993 Serrano unsuccessfully attempts *autogolpe* (self-coup).
- June 1993 Congress appoints new president: ex-Human Rights Ombudsman Ramiro de León Carpio.
- Jan 1994 'Framework Agreement for the Renewal of the Peace Negotiations between the Government of Guatemala and the URNG' signed in Mexico City. UN to act as 'moderator' and formation of Civil Society Assembly (ASC) to present consensus documents on 'substantive' themes.
- March 1994 'Global Human Rights Accord'. Government obligation to end impunity and UN mission to verify accord.
- June 1994 'Accord on the Resettlement of those Internally Displaced by the Armed Conflict'.
- June 1994 'Accord on the Establishment of the Commission to Clarify Human Rights Violations and Acts of Violence that have caused the Guatemalan Population to Suffer'. A Truth Commission will investigate human rights abuses during the war but will name only institutions, not individuals, as responsible.
- Nov 1995 Deployment of MINUGUA - UN mission to verify the human rights accord.

- Jan 1995 Election of Alvaro Arzú (PAN) in second round.
- March 1995 'Accord on the Identity and Rights of Indigenous People'. Recognition of Guatemala as 'multiethnic, pluricultural and multilingual'.
- March 1996 URNG unilateral cease-fire. Government responds by calling off counterinsurgency activities.
- May 1996 'Accord on Socioeconomic Issues and the Agrarian Situation'. No significant land reform.
- Sept 1996 'Accord on Civil Power and the Role of the Army in a Democratic Society'.
- Dec 1996 'Accord on a Definitive Cease-fire', 'Accord on Constitutional Reform and the Electoral Regime', 'Accord on the Legal Incorporation of the URNG'.
- 29/12/96 'Accord for a Firm and Lasting Peace'. Final accord ending the conflict.
- Dec 1999 Alfonso Portillo (FRG) elected President in second round.
- May 2000 'Fiscal Pact' signed by range of social actors.

	II						I		
	ASAMBLEA CONSTITUYENTE (1879)	ASAMBLEA CONSTITUYENTE (1872)	ASAMBLEA CONSTITUYENTE (1860-1870)	COMERCIO CONSULADO DE (1860-1870)	SOCIEDAD ECONOMICA (1860-1870)	MUNICIPALIDAD (1860-1870)		CONSEJO DE ESTADO (1860-1870)	CÁMARA DE REPRESENTANTES (1860-1870)
ROBIGNON									
RUBIO									
RUIZ									
SAENZ DE TEJADA									
SALAZAR									
SAMAYOA									
SANCHEZ									
SANTA CRUZ									
SARAVIA									
SINIBALDI									
SOLIS									
SOTO									
TABOADA									
TEJADA									
TINOCO									
TOLEDO									
TORIELLO									
TRABANINO									
UBICO									
URRUELA									
URRUTIA									
VALDEZ									
VALENZUELA									
VASCONCELOS									
VASQUEZ									
ZAVALA									
ZEBADUA									
ZIRION									

	II						I		
	ASAMBLEA CONSTITUYENTE (1879)	ASAMBLEA CONSTITUYENTE (1872)	ASAMBLEA CONSTITUYENTE (1860-1870)	COMERCIO CONSULADO DE (1860-1870)	SOCIEDAD ECONOMICA (1860-1870)	MUNICIPALIDAD (1860-1870)		CONSEJO DE ESTADO (1860-1870)	CÁMARA DE REPRESENTANTES (1860-1870)
LUNA									
MACHADO									
MARTINEZ									
MATHEU									
MEZA									
MILLA									
MOLINA									
MONTEROS									
MONTUFAR									
MORALES									
MORENO									
NAJERA									
OLIVER									
ORRIGO									
ORANTES									
OSPINA									
PADILLA									
PALACIOS									
PALOMO									
PAYON									
PEÑA									
PIÑOL									
PINZON									
PONCE									
PORRAS									
PRADO									
QUEZADA									
QUINONES									
RAMIREZ									
RIVERA									
RODRIGUEZ									
ROMA									

Note 1: Asamblea Constituyente = Constituent Assembly; Cámara de Representantes = Chamber of Representatives; Municipalidad = Municipality; Sociedad Económica = Economy Association; Consulado de Comercio = Trade Association; Consejo de Estado = Council of State.

Note 2: Light shading indicates one or two family members in the specified organisation or institution; dark shading indicates three family members in the specified organisation or institution.

APPENDIX D: OLIGARCHIC FAMILIES IN THE TWENTIETH CENTURY

Source: Dosal (1995, 6-7)

	Coffee	Sugar	Cotton	Cattle	Other	Commerce	Industry	Finance	Oil	Mining	Marital Ties
Aguirre	x	x			x		x	x			Arrivillaga, Arzu
Alejos	x	x	x	x	x	x	x	x			Arzu, Batres, Díaz Durán
Andrade	x							x			Arrivillaga, Aycinena, Díaz Durán, Falla
Arenales	x				x	x	x	x	x	x	Aycinena, Castillo, Dorión
Arrivillaga	x	x			x	x			x		Aguirre, Aycinena, Batres
Arzú	x					x	x	x			Alejos, Azmitia, Castillo, Herrarte
Asturias	x				x	x	x	x			Arzu, Aycinena, Beltranena, Uruela
Aycinena	x		x	x	x	x		x			Asturias, Batres, Beltranena, Piñol
Azmitia	x						x				Beltranena, Castillo, Toriello
Barrios	x	x		x				x			Alejos, Aparicio, Dorión
Batres	x	x			x	x					Arrivillaga, Arzu, Asturias, Castillo
Beltranena					x	x	x	x			Castillo, Simibaldi, Uruela, Valladares
Berger	x			x	x		x				Azmitia, Dorión, Novella
Bouscayrol	x	x		x	x	x	x			x	Asturias, Castillo, Saravia
Castillo	x	x		x	x	x	x	x			Azmitia, Beltranena, Lara, Simibaldi
Cofiño	x	x			x	x	x	x			Castillo, De León, Díaz Durán, Herrera
Cordon	x	x	x		x	x	x		x		De León, Matheu, Samayoa
Dardón	x										Köng, Lara, Ibargüen, Neutze
De León	x	x		x	x	x	x	x			Barrios, Castillo, Cordón, Dorión
Díaz Durán	x										Cofiño, Falla, Herrera, Klee
Dorión	x	x		x		x	x	x			Berger, Castillo, Klee
Falla	x				x						Arrivillaga, Beltranena, Castillo, Saravia
Fischer						x	x	x			Castillo, Cofiño, Saravia
García Granados	x	x	x								Aguirre, Köng, Neutze, Vásquez
González		x					x	x			Barrios, Saravia
Herrarte	x			x							González, Pivaral

Herrera	X	X	X	X	X	X	X	X	X	X	X	X	Dorión, Ibagüen, Ubico, Urruela
Ibagüen	X		X			X		X	X	X	X	X	Asturias, Batres, Samayoa, Stahl
Klee	X	X			X	X	X	X	X	X	X	X	García Granados, Matheu, Samayoa, Saravia
Köng	X		X			X		X	X	X	X	X	Castillo, Dardón, Díaz Durán, Urruela
Lara	X							X	X	X	X	X	Castillo, Cofiño, Dardón, Díaz Durán
Maegli	X		X		X	X	X	X	X	X	X	X	Novella, Urruela
Matheu	X		X			X		X	X	X	X	X	Bouscayrol, Klee, Neutze, Sinibaldi
Molina			X					X	X	X	X	X	Aycinena, Lara, Valladares, Zirión
Neutze	X	X						X					Aycinena, Matheu, Toriello
Novella	X					X		X	X	X	X	X	Berger, Klee, Maegli, Urruela,
Piñol	X	X	X		X			X					Asturias, Batres, Valladares, Vásquez
Pivaral	X				X			X	X	X	X	X	Batres, Herrarte, Rodríguez, Valladares
Robles	X				X			X					Dorión, Herrera, Klee, Stahl
Rodríguez	X	X			X		X	X	X	X	X	X	Batres, Castillo, Robles, Saravia
Samayoa	X					X		X	X	X	X	X	Aycinena, Azmitia, Matheu, Piñol
Saravia	X	X						X	X	X	X	X	Aparicio, Asturias, Castillo, Ubico
Sinibaldi	X	X			X		X	X	X	X	X	X	Castillo, Matheu, Samayoa
Stahl	X							X	X	X	X	X	Cofiño, Ibagüen, Robles
Toriello		X			X			X	X	X	X	X	Castillo, Herrera, Saravia
Ubico	X												Cofiño, Klee, Saravia, Urruela
Urruela	X	X				X		X	X	X	X	X	Castillo, Köng, Novella, Ubico
Valladares								X	X	X	X	X	Aycinena, Beltranena, Castillo, Molina
Vásquez	X	X					X						Arzu, Castillo, García Granados, Piñol
Zirión	X	X					X	X	X	X	X	X	Castillo, Lara, Molina, Urruela

ACRONYMS

AGA	Asociación General de Agricultores General Association of Farmers
ANACAFE	Asociación Nacional de Café National Coffee Association
ASC	Asamblea de la Sociedad Civil Civil Society Assembly
CACIF	Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras Coordinating Committee of Agricultural, Commercial, Industrial and Financial Organisations
CEPAZ	Comisión Empresarial para la Paz, CACIF Business Peace Commission, CACIF
CONAGRO	Coordinadora Nacional Agropecuaria National Agrarian Coordinating Committee
CONAP	Consejo Nacional de Áreas Protegidas National Council for Protected Areas
CONAVIGUA	Coordinadora Nacional de Viudas de Guatemala National Coordinating Committee of Guatemalan Widows
CONIC	Coordinadora Nacional de Indígenas y Campesinos National Indigenous and Peasant Coordinator
COPAZ	Comisión de la Paz Peace Commission of the Guatemalan Government
COPMAGUA	Coordinadora de Organizaciones del Pueblo Maya de Guatemala

Coordinator of Organisations of the Mayan People of Guatemala

CNR	Comisión Nacional de Reconciliación National Reconciliation Commission
CUC	Comité de Unidad Campesina Committee of Peasant Unity
EMP	Estado Mayor Presidencial Presidential Military Guard
ESTNA	Centro de Estudios Estratégicos para la Estabilidad Nacional Centre for the Strategic Study of National Stability
FAR	Fuerzas Armadas Rebeldes Rebel Armed Forces
FRG	Frente Republicano Guatemalteco Guatemalan Republican Front
GAM	Grupo de Apoyo Mutuo Mutual Support Group
MINUGUA	Misión de Naciones Unidas de Verificación en Guatemala United Nations Verification Mission in Guatemala
MLN	Movimiento de Liberación Nacional National Liberation Movement
ODHA	Oficina de Derechos Humanos del Arzobispado Human Rights Office of the Archbishopric
ORPA	Organización del Pueblo en Armas Organisation of the People in Arms
PAC	Patrulla de Auto-Defensa Civil Civilian Self-Defence Patrol

PAN	Partido de Avanzada Nacional National Advancement Party
PDH	Procuraduría de Derechos Humanos Human Rights Procurator's Office
UNAGRO	Unión Nacional Agropecuaria National Agrarian Union
URNG	Unidad Revolucionaria Nacional Guatemalteca Guatemalan National Revolutionary Unity