

THE DILEMMA OF LAWLESSNESS

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Organized Crime, Violence, Prosperity, and Security along Guatemala's Borders



Ralph Espach
Daniel Haering
Javier Meléndez Quiñonez
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Front cover:

The Pacaya Volcano crater offers hidden paths for those wishing to move without a trace across Guatemala.

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INTRODUCTION

For centuries, the Central American region has been among the world's most important transit zones. The Spanish shuttled the gold, silver, and other valuables from Southeast Asia and from South America across the Panamanian isthmus. Later, the French and the Americans competed to control and improve that route with a water canal, either in Panama or Nicaragua. Since the emergence of the United States as a major economy and consumer market, the region has been a key zone for the northward flow of all kinds of products—legal and illegal.

Economically, the countries of Central America, particularly northern Central America (including Guatemala, Belize, Honduras, and El Salvador), have traditionally been among the most unequal in the Americas. Throughout most of these countries' histories, political power and state resources were controlled by the same families and networks that owned most of the land and industries. Relatively few resources and little state attention were dedicated to improving the lives of the poor, especially in isolated rural areas.

Except during infrequent instances of insurgency, civil war, or interstate conflict, border control or even preserving a state presence in rural areas in these regions was not an important concern. In practical terms, national territorial borders were unmarked and did not exist. What is today considered smuggling was a normal, everyday practice. Many border communities had closer economic ties to cities, agricultural zones, or economic infrastructure such as railroads or ports in countries across the border than they did to those within their own country. Moreover, most of the residents of these rural areas were indigenous and largely disconnected from the country in which they lived and the government that notionally had authority over them.

In this way, most border zones in these countries have traditionally been "ungoverned," or "undergoverned," in terms of their relations with the national and provincial or departmental governments. Over the decades, numerous groups have taken advantage of the porousness of these borders, and the general lawlessness of these remote areas (many of which are heavily forested and/or mountainous),

to elude governments or armed forces. In addition to the ever-present smugglers, armed insurgent groups from both the left and the right, as well as paramilitaries of all stripes, crossed borders to conduct their operations during the Cold War.

Drug Trafficking and Guatemala

The most recent, and by some accounts the most dangerous, type of actors to exploit these weakly governed, porous borders in northern Central America have been narcotics trafficking networks. Illegal drugs have been smuggled from the world's foremost coca production zone—the northern Andean foothills—to the world's richest and largest drug consumption market—the United States—since at least the 1980s. Beginning in the 1990s, however, an international crackdown on drug smuggling through the Caribbean region led Colombian cartels to favor overland routes through Central America and Mexico.¹ The Colombians moved product through the region largely by buying the services of local trafficking networks. These networks were particularly well developed in Guatemala as a result of the intelligence and transport networks the military created during that country's civil war from the 1960s to the 1990s.

Over time, Mexican trafficking networks grew into competitive cartels themselves and began to fight each other for control over valuable transport and smuggling routes. Mexico's largest cartels—including the Sinaloa Federation, the Gulf Cartel, and the Zetas—grew their operations from merely trafficking the product of others to buying the product upstream and controlling its transit in Central America.

Traditionally, Colombian- or Mexican-run trafficking cartels operated in Guatemala by buying the services of local trafficking networks, but around 2008 they began to seek to control routes themselves. Many of these routes lie along the Guatemalan coast, where drugs are brought in by boat and then transferred onto land for transit into Mexico. Other routes enter from Honduras, with the drugs being flown in from Venezuela or brought in via boat. Recently, there has been evidence not only of a broad presence of Mexican drug-trafficking networks across Guatemala but also of the expansion of their operations there, particularly into drug processing. They also sell more of their product in local markets, rather than shipping it onward, fueling local gang activity and urban violence.

¹ For an excellent account of the spread of narcotrafficking networks through Guatemala, see Julie López, *Guatemala's Crossroads: Democratization of Violence and Second Chances*, Working Paper Series on Organized Crime in the Americas (Washington, DC: Woodrow Wilson International Center for Scholars, 2010).

As a result of this combination of weak state security capabilities and high-value narcotics trafficking, Guatemala today faces a major public security problem. Territories and routes that for decades bore a moderate flow of contraband and humans have become superhighways for the transfer of high-value narcotics, chemicals, weapons, and cash required by the illicit drug industry. Due to Guatemala's border with Mexico and a permissive environment for contraband and crime, the country has become a funnel for an estimated 80–90 percent of the cocaine sent from South America to the United States.²

Guatemalan criminal organizations have long enjoyed special ties and arrangements at the local and national level with elements of the national police, army, courts, and government. It was estimated in 2010 that as much as half of Guatemala's territory could be under the control of these organizations.³ Although such assertions are impossible to validate, it reflects the seriousness and pervasiveness of the country's struggle against criminality. Guatemala traditionally has high rates of violent crime, and impunity for traffickers and murderers has long been the rule, not the exception.

Beginning around 2009, new actors altered this landscape. Many—though not all—smuggling routes traditionally operated by local groups fell under the control of such Mexican networks as the Sinaloa Federation, the Gulf Cartel, and the Zetas. These transnational networks with their extraordinary financial resources, military-grade weaponry, and reputation for brutality seemed to elevate the threat to national public security. At the time of our original research in 2010, a series of spectacular, execution-style mass murders gripped Guatemala and fueled fears that the Zetas and other Mexican groups were going to subject the country to a campaign of violence similar to what had occurred in Mexico. In fact, from 2009 to 2011, Guatemala's murder rate was estimated to be as high as during the worst years of the civil wars in the 1980s. Since then, national murder rates have declined, though they remain significantly high in some departments and along some smuggling routes, as discussed later in this book. The Mexican networks remain an influential presence, but in general they have not supplanted their local, traditional partners as much as expected.

² United Nations (UN) Office on Drugs and Crime (ODC), *World Drug Report, 2010* (Vienna: UN Office on Drugs and Crime, 2010).

³ International Crisis Group (ICG), *Guatemala: Squeezed between Crime and Impunity*, Latin America Report no. 33 (Brussels: ICG, 2010).



Map by W. Stephen Hill

Geographical location of the three case studies

Local and international drug-trafficking networks operate most intensely in communities on or near smuggling routes, many of which are located in border regions. Guatemala has more than 1,000 miles of borders that cross forests and mountain ranges; these borders are poorly monitored or, in many areas, even unmarked. The communities close to the borders tend to be rural and engaged in subsistence farming, often with little or no government presence, such as public clinics,

schools, or police. Without the presence of the law, these communities are left to manage criminal groups that use a variety of tactics, including not only threats and violence but also the provision of money, public services, and other benefits, to obtain compliance, acceptance, and, in some cases, even the support of local residents.

Various independent and governmental reports have explained the gravity of the violence and organized crime in Guatemala and the danger these factors pose to regional stability.⁴ Most of them focus on the failures of national security policies, attempts to reform the national police and judicial systems, and international counternarcotics efforts. Local dynamics underpinning this national crisis, such as the relationships between criminal networks and local authorities and institutions, too often go overlooked.

This study addresses this gap by examining the effects of illicit trafficking and criminal organizations within the three border municipalities of Guatemala: Sayaxché in the northern department of Petén, Gualán in the eastern department of Zacapa, and Malacatán in San Marcos in the west. These municipalities sit on important smuggling routes and are well-known by Guatemalan police, intelligence agencies, and local populations to be regional centers for organized crime. We chose to focus on these three cases because of the economic, demographic, and political differences among them, hypothesizing that those differences should also lead to variation in the communities' relations with and impacts from local organized crime.

The case studies demonstrate how history, demographics, economics, political institutions, and Guatemala's idiosyncratic political culture combine to shape relations among government actors, organized criminal groups, and local communities. They reveal that, contrary to the typical depictions in the international and U.S. press, organized crime and drug trafficking in particular have, under certain conditions, provided important economic and other benefits to these communities. Because state-provided public goods tend to be minimal, community members tend to value these benefits and accept the trade-off they involve: to ignore and avoid contact with these groups' criminal operations. These accommodations have been in place for years, if not decades, and in some cases are a reality of life in these border communities—unlike police, fair courts, or the rule of law. These dynamics suggest that security policies undertaken by the Guatemalan government (with the support of international partners) to reestablish a credible and legitimate state presence in these

⁴ Ibid.

areas will be complex and difficult to implement. We hope, however, that the recommendations offered in the final chapter can help inform a national and regional dialogue about this issue and the need for a broader, more structural approach to improving security in Central America's peripheries.

The Three Case Studies

Our assessment is based on data collected during interviews within these communities and with civilian experts and public security and intelligence officials in the Guatemalan capital in the summer of 2011, augmented with follow-on analysis conducted in November 2012. A comparison of how these three economically, demographically, and politically diverse communities have coped with local drug-trafficking and criminal groups provides a broader understanding of the relational dynamics that determine the impacts of trafficking on nearby communities.

Our analysis led us to conclude that effective border control and law enforcement in Guatemala is more about changing the habits and attitudes of local residents and communities than it is about improving technology, infrastructure, or state presence per se. Based on these conclusions, we offer recommendations for policies designed to contribute to Guatemalan and international efforts to improve security, state presence, and the rule of law in these and other border communities. Considering that Guatemala shares its border regions with Honduras, Belize, El Salvador, and Mexico, the findings and recommendations could be relevant to the formulation of public security policies and programs in border communities of those countries as well.

Chapter 1

BORDER SECURITY, LOCAL POLITICS, AND NARCOTRAFFICKING IN GUATEMALA

Smugglers have borne, trucked, or ferried food, household products, gasoline, human migrants, narcotics, and other contraband across Guatemala's borders since they were established in 1841. In isolated, rural communities—particularly along Guatemala's 600-mile border with Mexico—residents cross unmarked borders on a weekly or even daily basis to buy or sell products, to work, to visit family, or to receive public services.¹ As in most of Central America, and indeed the world, border communities are in part defined by the quotidian nature of border arbitrage and its effects on local life.

The surge in news coverage regarding violence, lawlessness, and organized crime along Central America's borders would give the impression that these are new problems. In reality, porous borders, smuggling, and organized crime have been characteristics of Guatemala's periphery for decades. Successive governments have announced new strategies, policies, and programs, but few have had any tangible results.²

BORDERS AND BORDER SECURITY

The Guatemalan government has focused its border security efforts on the border with Mexico, a 600-mile-long boundary that runs through 22 municipalities and 4 departments. The borders with El Salvador and with Honduras are less extensive, and significant bilateral coordination has yet to develop. An initiative, called *El Trifinio* (Tripoint), was started in 2010 to improve cross-border cooperation and integration

¹ As part of a research project in 2010, CNA analysts visited and conducted interviews with community members in several small communities (or *aldeas*) and one town, Sibinal, in the mountains of the San Marcos Department along the Mexican border.

² For example, several Guatemalan-Mexican bilateral meetings have been held since 2005 to design and adopt methods to improve border security. Diverse initiatives to increase the military presence on both sides of the border also have been launched. Later, the Álvaro Colom administration announced various measures to increase military spending, deploy the Guatemalan Army to the northern border, enhance civil intelligence efforts, and improve coordination among the diverse security forces. Nevertheless, in terms of spending and implementation, there is little evidence that these measures have had any impact.

across the 45 municipalities along the border zone of Guatemala, El Salvador, and Honduras, but like most other border security agreements it has had no noticeable regionwide effect. The Pérez Molina government announced a new national security plan in July 2012. The plan comments on the need for improved border security but provides no detailed policy program or new resources for the effort.

According to official estimates, there are at least 1,200 “blind” or unobserved crossing points along Guatemala’s borders, 125 of which allow for the crossing of vehicles without any kind of immigration control. Even at formal transit points on major highways, the infrastructure and manning of guard posts are often insufficient to provide effective control. Corruption of customs and migrations officials also is widely reported to be common. With insufficient infrastructure, limited and poorly trained personnel, and law enforcement institutions corrupted and co-opted by criminal groups, the porous nature of the borders is used to full advantage by criminal organizations for carrying out illicit transnational activities.

In Central America, various studies have documented the active involvement of border and coastal communities, including indigenous communities, in providing logistical support—such as storage, transport, communication, and protection—for illicit traffickers smuggling drugs, arms, and human beings throughout the region. According to these studies, the isolation of these communities, their poverty, and the lack of communication and transit infrastructure enable illegal groups to corrupt local authorities and residents with relative ease.³ A report on the situation by the Institute for Strategic Studies and Public Policies notes that the importance of Central America as a transfer route for international trafficking could not be otherwise explained without the surprising capacity of organized crime to capture, co-opt, and integrate its operations across diverse actors within border communities across Central America.⁴

A 2011 *Washington Post* article colorfully depicted the situation:

To call this boundary “porous” would be to suggest that parts of it are not. For the indigenous peoples, ranch hands and smugglers who traverse it freely, there is no border at all. It is but a line on a map.

On the Suchiate River near the Pacific Coast, boatmen pole make-

³ Ivan Briscoe, *Conflictos en la frontera: Las nuevas zonas calientes en América Latina* [Conflicts on the border: Latin America’s new hot zones] (Madrid: Fundación para las Relaciones Internacionales y el Diálogo Exterior [FRIDE], 2008).

⁴ Javier Meléndez Q. et al., *Una aproximación a la problemática de la criminalidad organizada en las comunidades del Caribe y de Fronteras* [An approach to the problem of organized crime in Caribbean and border communities] (Managua: Institute for Strategic Studies and Public Policies, 2010), 13.

shift rafts through the currents like gondoliers, ferrying beans, gasoline, beer and diapers into Mexico or Guatemala in plain view of authorities. The trafficking is so well established that the ferrymen from Mexico and Guatemala alternate work days on the river.⁵

VIOLENCE IN BORDER COMMUNITIES

Guatemala, El Salvador, and Honduras together form what is called Central America's northern triangle, one of the world's most violent regions. Guatemala has for decades been very violent, with annual homicide rates typically between 20 and 30 per 100,000 people. During the last decade, however, murder rates have been exceptionally high. As table 1 shows, between 2005 and 2010, the average annual homicide rate in Guatemala was 44 homicides per 100,000 residents; in 2010, it was 41 per 100,000. There is no consensus about why murder rates spiked during that period; neither is there a definitive explanation of why rates have fallen since then. Experts attribute Guatemala's persistent violence to a variety of factors: widespread impunity and the lack of rule of law, the legacy of the civil war (which included the widespread killing of civilians), and recently more intense activity on the part of organized criminal gangs and trafficking groups.⁶

Table 1 shows the geographical distribution of homicide rates in Guatemala in 2014. These statistics do not support the common assertion that drug trafficking is strongly linked geographically to violence. Some Guatemalan border departments where drug smuggling is common are exceptionally violent, others relatively peaceful. Those with high levels of violence are located on the country's southern border with El Salvador (Chiquimula and Jutiapa) and Honduras (Zacapa and Izabal). In striking contrast, those departments bordering Mexico are among Guatemala's least violent (Petén, San Marcos, Huehuetenango, and Quiché).

These variations in homicide rates across different border regions reflect the complexity of social and economic relations across border regions and communities as well as the differences across such communities in their relations with local and transnational criminal groups.

⁵ Nick Miroff and William Booth, "In Southern Mexico, A Neglected Frontier," *Washington Post*, 21 June 2011, http://www.washingtonpost.com/world/americas/in-southern-mexico-a-neglected-frontier/2011/06/20/AGt74KeH_story.html.

⁶ Tani Marilena Adams, *Chronic Violence and Its Reproduction: Perverse Trends in Social Relations, Citizenship, and Democracy in Latin America* (Washington, DC: Woodrow Wilson Center, 2012), https://www.wilsoncenter.org/sites/default/files/Chronic%20Violence%20and%20its%20Reproduction_1.pdf.

DECENTRALIZATION AND LOCAL POLITICS IN GUATEMALA⁷

Several factors contribute to the enduring weakness of public security policies in Guatemala's border communities. Inefficient and dysfunctional police and judicial institutions, the shrinkage of the nation's police and military forces after the peace accord of 1996, and longstanding local disputes over territorial and economic rights all contribute to insecurity. Of similar importance is the style and structure of Guatemala's national political apparatus. Striking an optimal, functioning balance between the authorities and resources of the national government and those of regional departments and local governments is an enduring challenge in a country as geographically and ethnically diverse as Guatemala.

Guatemala's local government institutions have been growing in strength since the enactment of the 1985 constitution that recognized the need for decentralization. Previously, municipalities were weak and lacked local resources. In the more traditional indigenous communities, local officials were elected only after climbing the ladder through a series of civil service posts or religious responsibilities in the community until they could reach the position of mayor. This practice has since disappeared, and election via secret ballot is the only legitimate process recognized locally.

In 2002, a national political reform and decentralization process enacted three laws that serve as a framework for the current system: the Development Councils Law, the Municipal Code, and the Decentralization Law. Although the process has encountered obstacles along the way, the municipalities are largely the country's main source of services, while the central government's relevance has decreased. For some observers, decentralization has opened a gateway for the installation of cartels and mafias in some regions of the country, whereas for others the process has opened up avenues for communities to manage and make decisions in a manner previously unknown in the history of Guatemala.

The range and quantity of municipal commissions created in these 2002 reforms is astounding: education, bilingual intercultural education, culture, and sports; public health and social assistance; services, infrastructure, land management, urban development, and housing; economic development, tourism, the environment, and natural resources; decentralization, municipal strengthening,

⁷ This section is distilled from a previous study by a member of our research team: Miguel Castillo Girón, *El cuaderno de las ciudadanas y ciudadanos* [The citizens' notebook] (Guatemala City: Instituto Arpes, 2009).



Table 1.

Guatemala: Annual rates of violent deaths, homicides, and autopsies (1986–2014) according to the INE, PNC, and INACIF

Ranking	Department	Homicide rate per 100,00	Percentage of national total
1	Esquintla	74.4	11
2	Zacapa	73.1	3
3	Chiquimula	60.2	5
4	Guatemala	53.7	36
5	Santa Rosa	53.3	4
6	Izabal	52.6	5
7	Jutiapa	46.7	4
8	Petén	44.8	6
9	El Progreso	40.9	1
10	Jalapa	40.8	3
11	Retalhuleu	36.9	2
12	Suchitepéquez	32.8	4
13	Quetzaltenango	20.2	3
14	Sacatepéquez	18.4	1
15	Chimaltenango	15.6	2
16	Baja Verapaz	12.0	1
17	San Marcos	11.9	3
18	Alta Verapaz	9.1	2
19	Huehuetenango	7.0	2
20	Quiché	4.6	1
21	Sololá	3.8	0
22	Totonicapán	3.6	0

Source: Homicide rate (Policía Nacional Civil [PNC]), population (Instituto Nacional de Estadística [INE]), statistics (Central American Business Intelligence [CABI]); collection and integration by Carlos A. Mendoza.

Using per-population estimates from December of each year, based on INE projections. INACIF (1) includes strangulations and after 2012 also “dismemberments”; INE (2009–12) “Aggression including the firing of a firearm, not specified.” Elaborated by Carlos A. Mendoza, 14 March 2014.

Note: Guatemalan National Civil Police (PNC), Guatemalan National Institute of Statistics (INE), and the Guatemalan National Institute of Forensics (INACIF).

and civic participation; finance; transparency; human rights and peace; and family, women, and children.⁸

Despite these extensive municipal responsibilities, the constitution allocates to municipalities only 10 percent of national revenues. Although the criteria used for determining disbursements has been criticized and in practice has generated accusations of favoritism (many municipalities have been discovered falsifying data to receive more funding), the overall effect of reform has been to increase municipalities’ resources, but not by enough to make them truly effective.

⁸ Castillo Girón, *El cuaderno*.

For some, the negative effect of this reform has been to reduce incentives for municipalities to generate their own resources. Guatemala's congress is responsible for approving any increase in revenues, and it discourages any effort in this regard. This highlights another contradiction in the system. The municipalities provide a large portion of public services, yet they cannot exact or collect taxes for any of them. The delivery of the resources municipalities need to provide those services is negotiated politically. Municipal governments receive money in exchange for favors to congresspeople and national party leaders, such as the delivery of local votes or the direction of public contracts. This underpins national and local systems of political bosses and corruption.

The lack of legitimacy or presence of the central government has led to the development of civil society in peripheral areas as an attempt to control this process. One of the vehicles (and this is one of the most original aspects of Guatemala's local structures) is a system created by the 1985 constitution that encourages the creation of civil society organizations in parallel, and in collaboration, with local and departmental government entities. These entities are the Community Development Council (COCODES), the Municipal Development Councils (COMUDES), and the Departmental Development Councils (CODEDES). The Law of Development Councils defines these councils in Article 1 as the principal method for public participation in management and development.

Thus, a system of councils was established, structured from the bottom up to oversee appropriations from the top down. The COCODES are autonomous citizen assemblies in which the entire community is invited to participate. These assemblies are integrated into the COMUDES, which incorporate local political authorities, and these COMUDES are integrated into the CODEDES, which are chaired by the country's departmental governors.

This departmental classification is one of the aspects of the local Guatemalan system that is most criticized. Governors are selected by presidents—in many cases to pay back earlier favors—and they lack a clearly defined constitutional function. At the same time, departments are not regions with ethnic or geographical homogeneity, which makes them fairly ineffective. To compensate for this deficiency, municipalities have embraced the model of associations that collaborate in the management of services, such as waste and water, with increasing success.

Finally, the CODEDES are integrated into the National Development Council,

or CONADE, which is headed by the president and is responsible for initiating the process leading to action on petitions received.

For many critics, decentralization has become a pretext for the creation of local bosses (i.e., mayors who serve for four and five terms), although the parties may change. One can see the strengthening of the bosses in the proliferation of nongovernmental organizations (NGOs), many of which seem to be employed by the municipality to carry out business in which municipal officials have private interests. For other critics, the transition of many grassroots organizations into NGOs dependent on state funding has led to a decline in their quality and an increase in corruption.

Others believe that it is a price one must pay to allow the inhabitants of each municipality to elect officials of their choice, and what should be done is to prohibit the practice known as *acarreo*—adding outsiders to a community’s list of voters—and the use of NGOs in the construction of public works, as well as the establishment of a “second round” electoral system to increase the legitimacy of the winning candidate.

Another aspect of the dynamic described above is the influence of the Guatemalan diaspora communities in the United States that finance many of the municipalities’ services, such as schools and health centers as well as local town fairs. In many municipalities, it has become common for candidates with greater resources to do their campaigning in U.S. cities with large Guatemalan populations.

NARCOTRAFFICKING IN GUATEMALA: A RECENT HISTORY

Highland Guatemalans have cultivated poppies and sold heroin paste to Mexicans for decades. Larger scale drug trafficking and the trafficking of cocaine became significant in the country only in the 1980s, however. In those years, a combination of circumstances and policies combined to create an enduring national patchwork of trafficking routes and local criminal groups, many with ties to national and local political parties and legitimate economic and social institutions.⁹ In some cases, including two of the case study communities discussed in the next section, these groups and their interrelationships with legitimate businesses, political parties, and officials have endured to the present.

During the 1980s, particularly after 1983, the Guatemalan Army’s counterinsur-

⁹ This section is based on information from a report commissioned for this study and written by Rodrigo Fernández Ordóñez, a lawyer and researcher at the Ibn Khaldun Institute at the Francisco Marroquín University in Guatemala City.

gency campaign succeeded in shrinking guerrilla activity and driving it into remote areas. As a result, the level of violence declined. Areas of Guatemala that had been the focus of bloody and turbulent anti-insurgency campaigns, waged by thousands of troops and paramilitary civilian patrols, quieted. At around the same time, Colombian traffickers faced growing efforts by the U.S. Drug Enforcement Agency (DEA) and the U.S. Department of Defense to interdict the illegal drug shipments that flowed from Colombia across the Caribbean to Florida or the Gulf of Mexico's shores. These cartels sought new routes and found in Guatemala a network of existing trafficking zones and routes, controlled jointly by local community leaders and by military officials who could guarantee easy transit even at formal border crossings.

By 1980, the civil war had lasted 20 years, and the country had been under military rule for 26 years since the U.S.-sponsored coup against President Jacobo Arbenz in 1954. The military was present in virtually all of the country, and due to the prolonged violence that included the complete elimination of several hundred villages, the presence of other state agencies, including the police, had dwindled to virtually nothing. By dint of its perch in the executive branch and the control imposed by army commanders from bases and mobilized units across the country, the military controlled or oversaw practically all political and economic activity in the country. Over the years, as military officers retired, many of them went into business and formed a class of elites with close personal ties to politicians and officers still in power.¹⁰

The Guatemalan military collaborated with counterinsurgency advisors from Taiwan and Argentina to create new systems and structures for intelligence gathering. One area of focus for these efforts was the extension of control by the army, and more specifically by the Intelligence Service, of the country's customs and border control offices, ports, and airports. The goal was to stop the smuggling of arms or other materials in support of the guerrillas. This network of intelligence officers ran operations from a secret office, nicknamed "la oficinita," on the eleventh floor of the Ministry of Public Finance. This office controlled intelligence over all points of national entry and egress, and during the 1980s several of its top officers and their partners held a monopoly over the trafficking of illicit goods, including drugs, throughout Guatemala.¹¹

¹⁰ Jennifer Schirmer, *The Guatemalan Military Project: A Violence Called Democracy* (Philadelphia: University of Pennsylvania Press, 1998), 19, quoted in International Crisis Group, *Guatemala: Squeezed*.

¹¹ Rodrigo Fernández Ordóñez, citing Juan Hernández Pico, *Terminar la guerra, traicionar la paz* (Guatemala: Editorial de Ciencias Sociales, 2005), 438. At a meeting in Guatemala City in October 2010, a former general of the Guatemalan Army told CNA analysts, "The nation's borders are not so big that they cannot be controlled. In the 1980s, the army controlled, more or less effectively, every stretch of the border."

One of the instruments the military used to gather intelligence on and control the activities of communities around the country was the figure of the civilian military commissioner, or *comisionado militar*, a position that dated from 1938. Military commissioners were granted their authority by the army commanders of local military zones, chiefly for the purpose of collecting information about potential local insurgent activity and recruiting local young men for military service. In practice, military commissioners were the link between the army and the local population.¹²

Evidence from various sources, including information from DEA reports, indicates that Colombian traffickers gained access to trafficking networks along key routes throughout the south and west of Guatemala beginning in the 1980s. These networks were composed of military intelligence officials, their subordinates and former colleagues, and informants and partners—including military commissioners. With this collaboration, Colombian groups moved increasing amounts of cocaine through the country into Mexico.¹³ Also during the early 1980s, allegations began to arise that military officials were involved in a growing range of criminal activities, including drug smuggling as well as kidnappings for ransom, car theft, and various types of trafficking. As levels of violence and anti-insurgency activity dropped, the military's pervasive economic, political, and geographic presence, and its control over national intelligence, opened the institution—and several layers of the Guatemalan government—to widespread corruption and criminal penetration. Hundreds of small runways appeared across the countryside in the 1980s, often in close proximity to army locations and bases.

These conditions persisted and deepened even after the return to democracy in 1986. Formally, power was transferred to President Vinicio Cerezo and his administration, but informally the military continued to control the country and to operate with impunity against its perceived enemies in the human rights and labor movements and within the government—using measures that included assassinations. This control remained concentrated in the army intelligence services and the Presidential General Staff (*Estado Mayor Presidencial*). Notably, the return to civilian rule did not lead to significant measures to reform or rebuild the national police,

¹² Comisión para el Esclarecimiento Histórico, *Guatemala: Memoria del silencio*, vol. 1 (Guatemala: Comisión para el Esclarecimiento Histórico, 1999), chapter 2, paragraph 426.

¹³ According to some reports, while the DEA monitored the increase in the smuggling of cocaine and other drugs through Guatemala and the military's growing involvement, the Central Intelligence Agency approved of and even facilitated some trafficking because the proceeds in part supported the counterinsurgency activities of civilian patrols and other paramilitary groups.



Map by W. Stephen Hill

Major narcotrafficking routes in Guatemala

an institution that had shrunk and stagnated under military rule. The new national constitution of 1985 continued the pattern from preceding constitutions in failing to provide constitutional status to the national police. By default, the army bore constitutional responsibility for the security of the nation and its citizens.

The influence of this network of former and current military officials—and their civilian partners, including former local military commissioners—was especially

strong in rural areas. Historically, the attention of Guatemala's elites and political class was focused on the capital, the key cities, and the rich agricultural and coffee zones in the western coastal plain. As the demands of the civil war ebbed, this pattern returned. Communities in the north, north-central, and along the borders tended to have little or no contact with the national government, and local affairs were overseen largely by informal political structures. In areas of intense trafficking near or on key border crossings, highways, ports, or airports, these informal structures were necessary to provide protection to Colombians and others who required transit. The key figures in these structures or networks found such cooperation increasingly profitable and secure under protection from military and political partners and with the lack of effective police forces.

In several cases, former military commissioners who for over a decade had been able to use their ties to the military as a means to assert their interests on local communities were at the center of these informal structures. Along many key trade and trafficking routes, these individuals had complete knowledge and control over local trafficking, as well as judicial impunity and a free hand in the use of violence. Several of the individuals who control or until recently controlled Guatemalan trafficking routes, such as Juan Juancho León, Waldemar Lorenzana, and Juan "Chamalé" Ortiz in San Marcos, are former military commissioners.

THE PEACE PROCESS AND THE EMERGENCE OF CURRENT CONDITIONS

The first major Colombian organization to establish itself in Guatemala was the Medellín Cartel, which cooperated and later merged with the Cali Cartel. Throughout the early and middle 1990s, Colombian groups were the dominant clients or partners of Guatemalan smuggling networks. With little fear of government or police interference and with informal structures—linked to military and government officials—overseeing operations, the system was not especially violent. This activity, and particularly the operations of the large cartels, almost certainly operated with an understanding from the highest levels of the military.¹⁴

The Guatemalan participation in this activity was limited to providing services associated with the transit of the drugs—for example, transport; contracting with local fishermen or ranchers for the use of boats, cargo space, or territory; and storage,

¹⁴ López, *Guatemala's Crossroads*.

when necessary. Guatemalan criminal organizations tended to involve themselves mostly in the transport the provision of services related to the transport and retailing of drugs (especially the gangs or *maras* in urban areas), but not generally in the purchase of raw product or its production or refinement.

In December 1996, Guatemala's civil war officially ended with the signing of a series of peace accords between the government and the umbrella guerrilla organization Guatemalan National Revolutionary Unity. The peace accords envisioned major cuts to the military and a national program to reform and rebuild a civilian police force. As various other reports describe in detail, the military was drastically cut, from approximately 44,000 soldiers in 1997 to 16,000 in 2009. Yet, the reform and establishment of a professional, effective national police force was hindered by several factors, including a lack of political commitment, inconsistency in administration, and a lack of consensus among elites and human rights groups regarding appropriate policing structures and models. By the early 2000s, it was clear that the government of Central America's largest nation—with more than 40,000 square miles of territory, 1,000 miles of border and coastline, and more than 14 million citizens—had no persistent, effective police or security presence or control in the majority of its territory.

The dominance of Colombian groups as the principal suppliers of drugs to Guatemalan traffickers diminished quickly after the peace accords. The big Colombian cartels suffered from increasingly aggressive and effective police and military actions on the part of the Colombian government, which reduced their ability to manage international routes. Also, during the months and years after the peace accords, the dissolution of the military and its presence across the country ruptured many of the networks and relationships that had controlled trafficking for years. Local informal *capos*, or heads of trafficking gangs, were approached by new partners and suppliers and diversified their activities.

In 1998, Mexican cartels began to fill the void in narcotrafficking left by the retreat of the Colombians. The first Mexican groups to enter Guatemala in the late 1990s were the Sinaloa Federation and Gulf Cartel. By the early 2000s, these two groups had established significant supply networks across the country. In the same fashion as the Colombians, these cartels paid local Guatemalan traffickers to handle transport and related services. Routes or zones, and the traffickers that managed them, were used by different cartels without much contention or violence. The Guatemalan groups, families, or networks (sometimes referred to simply as *transport*

tistas) were generally satisfied earning their modest cut and did not try to engage in other, more lucrative, aspects of the trade. In most regions, this drug trafficking occurred alongside other types of smuggling, especially of people and basic commodities (e.g., rice, gasoline), and the same trafficking networks (comprising drivers, vehicle refitters, police controllers, etc.) and capos were involved.

The drug traffickers' penetration into the government and police continued. In 2002, the United States revoked the visas of several Guatemalan officials for alleged ties to trafficking, and the following year, the Guatemalan government dissolved the special antinarcotics unit after 16 members were convicted for participating in extrajudicial killings.¹⁵ This problem continues to plague the government of Guatemala and its partners in counternarcotics efforts, in particular the DEA and U.S. Department of State. There is abundant evidence that criminal organizations engaged in trafficking have penetrated even the highest levels of the Guatemalan military and police.¹⁶

2008: BREAKDOWN IN THE SYSTEM

Before 2008, the local trafficking of drugs, humans, arms, and other contraband was mostly controlled by local capos, individuals and families with a long tradition of ownership and influence within their communities. Not just criminals, capos were landowners and businessmen, community employers, benefactors, and leaders to some extent, whose operations benefitted from legitimacy in the eyes of local residents. They built roads, clinics, and soccer fields; they provided local citizens money for their childrens' parties and for medical emergencies; and—as the case studies show—they provided order and security on the streets so that residents felt safe doing their everyday business. They were able to conduct these various activities, licit and illicit, under the protection provided by their connections with military, intelligence, and government officials.

But the stable, controlled, relatively peaceful system of trafficking in Guatemala, in which foreign groups paid Guatemalan traffickers for safe and secure passage and otherwise for the most part left them alone, ended in 2008. Part of the rupture

¹⁵ International Crisis Group, *Guatemala*, 15.

¹⁶ For example, weapons clearly identified as Guatemalan military property were seized from drug cartel operations in March and April 2009, and in February 2010, the director of the National Police Commission and the head of the government's counternarcotics unit were both arrested for activities linked to drug trafficking. Similar events, evidence, reporting, and arrests also indicate that Guatemala's judiciary, congressional, and executive offices suffer from similar levels of corruption. See López, *Guatemala's Crossroads*, 24–31.



Map by W. Stephen Hill

Areas of operation of the largest trafficking networks, 2013

of this system can be attributed to the arrests of top level Guatemalan transportistas. Otto Herrera, considered the chief contact for the Gulf Cartel in Guatemala, was arrested in 2007, and Jorge Mario Paredes, linked to the Sinaloa Federation, was arrested in 2008. These arrests set off a series of competitions among subordinate groups and individuals who sought to establish control over certain territories and to eliminate rivals. This caused turbulence and uncertainty across several key trafficking routes.

Also around that time, various Guatemalan transportistas began to experiment with a new tactic to increase their revenues called *tumbe*, or the stealing of drugs in transit and their resale. By 2008, the transportista Juan José Juancho León, head of the León family whose operations were based in the southwestern departments of Santa Rosa and Tiapa, had gained some notoriety as a *tumbedor*, and others were following his example. In February 2008, Juancho stole a shipment that was under the management of the Lorenzana family that belonged to the Sinaloa Federation. In March, he and 10 others were gunned down in a military-style strike in Zacapa, along the Honduran border. The Mexican Zetas conducted the assassination, demonstrating for the first time in Guatemala their prowess as a paramilitary rapid strike force and their willingness to kill even the highest rank of capos in Guatemala. This attack was followed in November 2008 by a Zeta assault against Sinaloa partners at a horse show in the north-central town of La Democracia that left 17 dead.

The rise of the *tumbe* precipitated the need for a firm response on the part of the Mexican cartels. This type of response was the specialty of the paramilitary Zeta cartel, which was originally organized and is largely trained by former special operations troops. The year 2008 marked the breakdown of a relatively peaceful, stable trafficking system, the emergence of violent contestation over Guatemalan territory and routes between Mexican cartels and their local networks and partners, and the pronounced entry into Guatemala of the Zetas.

As of this writing, this violence and contestation continues. The Zetas have managed, in a short period of time, to gain dominance over a key east-west route from Izabal through Alta Verapaz and Petén, with their operational core in and around Cobán. The Sinaloa Federation remains dominant in its traditional trafficking zones along the coast and in San Marcos. In recent months the most important zones of conflict have been in Huehuetenango and Quiché, with fighting between the Zetas and the Sinaloa group, and numerous local networks and groups associated with one or the other of these cartels.

This violent struggle among the cartels creates significant danger for the traditional capos, or transportistas, who have for decades managed criminal activity in certain regions of the country. These individuals and their families face decisions whether to align themselves with one or the other cartel, thus becoming potential targets for the other, or to seek to continue to work neutrally for various groups.

At the same time, local networks are under increasing pressure from the

Guatemalan government, in partnership with the DEA, which in recent years has arrested several top capos. These include Juan “Chamalé” Ortiz, whose operations centered in San Marcos (arrested in March 2011); Walter Lorenzana, the head of the Lorenzana family of Zacapa and Izabal (arrested in June 2011); and the son and several members of the Overdick family and group (arrested in July 2011) of Alta Verapaz, who are closely associated with the Zetas.¹⁷ In some cases, such as Zacapa, these arrests of top leaders appear to have increased violence, as smaller groups and mid-level leaders compete for control over routes and for leadership within the network. In others, however, the removal of the capo has had little effect on local networks and smuggling operations. In no instance, unfortunately, is there any evidence that the arrest of these top-level criminals has slowed or disturbed at all the flow of illegal drugs and money across the region.¹⁸

2012–PRESENT: THE ZETAS AND THE RISE OF SYNTHETIC DRUGS

The Sinaloa Federation and the Gulf Cartel, like other Mexican and the Colombian groups who shipped drugs through Guatemala before them, operated through businesslike partnerships and contracts with Guatemalan transportistas. These transportistas provided secure transport services because they had the best local intelligence regarding routes, local topography, and potential law enforcement operations. Because these transportista capos were also local community leaders and benefactors, operating through them had the advantage of maintaining legitimacy and acceptance for these activities in the eyes of the community. The legitimacy that local capos like Chamalé and the Lorenzanas have enjoyed in the nearby communities has been demonstrated by the protection that the communities have provided when law enforcement has attempted to arrest these leaders, and the protests they conduct in their support once they have been removed.¹⁹ The Sinaloa

¹⁷ Julie López, “Nueve años de cacería para ocho narcos guatemaltecos” (three-part series), *Plaza Pública*, 17 May 2012; <http://www.plazapublica.com.gt/content/nueve-anos-de-caceria-para-ocho-narcos-guatemaltecos-i>; <http://www.plazapublica.com.gt/content/nueve-anos-de-caceria-para-ocho-narcos-guatemaltecos-ii>; and <http://www.plazapublica.com.gt/content/nueve-anos-de-caceria-para-ocho-narcos-guatemaltecos-iii>.

¹⁸ Julie López, “Nueve años de cacería”; and Steven Dudley, “El nuevo narcomapa de Guatemala: Menos Zetas, el mismo caos,” *Insight Crime.org*, 16 September 2013, <http://es.insightcrime.org/analisis/el-nuevo-narcomapa-de-guatemala-menos-zetas-el-mismo-caos>.

¹⁹ Rosmary González, “Manifestarán en solidaridad con la familia Lorenzana,” *El Periodico*, 24 July 2009; Oscar Herrera, “Bloqueos de carreteras en apoyo a los Lorenzana,” *El Periodico*, 29 July 2009; and Ronald Ochoa, “Caminata a favor de Juan Ortiz,” *La Noticia Coatepeque*, 1 April 2011.

Federation, the Gulf Cartel, and others were comfortable operating through local service providers of this sort because, in the beginning, these Mexican cartels grew similarly out of locally rooted criminal groups.

The Zetas have tended to operate differently, especially during their expansion into Guatemala in 2009–11. In contrast to other Mexican cartels, the Zetas are a criminal organization without geographic roots and are made up of individuals with no familial or regional ties upon which to base their loyalty.²⁰ Because of their origin as Mexican special operations troops and their emphasis on recruiting Guatemalan special operations personnel, the Zetas' structure, training, and tactics tend to be fundamentally military—especially special operations—in nature. This helps explain their extraordinary penchant for violence. Essentially, the original Zetas were trained killers who were entering the drug-trafficking business, instead of traffickers who from time to time had to kill.

During their first years in Guatemala, the Zetas did not tend to traffic product like their competitors by paying local providers and cutting deals with a patchwork of regional capos. Instead, the Zetas seemed to seek territorial control. They would penetrate a region and seize control by establishing intelligence, presenting offers and threats to whomever currently trafficked in the region, and committing violence—sometimes horrific violence—against those who would not subordinate their operations to them. Unlike traditional criminal organizations in Guatemala who have ties within local communities, seek accommodation with local political and community leaders, and operate under low risk of interference, the Zetas seemed to operate more by extorting, coercing, or killing local criminal groups until they capitulated.

One prominent example was the May 2011 massacre and decapitation of 27 workers at a farm outside of Los Cocos, a village near the Mexican border in Petén. The Zetas left messages in blood on nearby walls, written with the severed arms and legs of their victims. Strategic communication, via messages pinned to corpses, bedsheets bearing messages hung from highway overpasses, or spectacular acts of violence, were at that time a common element of Zeta operations.

Because of their different tactics, the impact of a Zeta presence on a local

²⁰ Among the most important questions about the Zetas is how they preserve loyalty, obedience, and effectiveness within their ranks among recruits from different countries and regions. Presumably, they achieve this through methods that include elements of extreme violence. For example, evidence indicates that Zeta members may consume drugs on a regular basis, which is often prohibited within other cartels and groups.

community would be expected to differ from those of other Mexican criminal organizations. In 2010 and 2011, the label of Zetas inspired remarkable fear among Guatemalans who were not overly concerned about local criminal organizations, as our case studies show. The massacre in Petén seemed to signal prospects for widespread brutality. For instance, a city official in Gualán expressed his attitude toward local organizations and his fear of the Zetas in the following way: “*Los señores* are calm, and they don’t mess with you. But the Zetas, they are bad. If they come here, we are going to end up like Ciudad Juárez.”²¹ A restaurant owner in the town of Mayuelas in San Marcos was even more explicit: “Since the death of Juancho [León], the people fear the arrival of the Zetas. *Los señores* and their people always say the same thing: ‘You have to put up with us because we are the good guys, because the Zetas, they are indeed the bad guys.’ And the people think, ‘Better the devil you know . . .’”

Since 2011, however, the Zetas’ tactics in terms of the use of violence seem to have changed. The massacre in Petén has proved, at least through 2012, an aberration more than a signal of future tactics. The Guatemalan government moved more aggressively against the Zetas in Petén and other areas, and at least partly as a result the Zetas have kept a lower profile. Guatemala has not yet experienced the kind of open warfare among trafficking networks, and persistent sensationalist violence, that has plagued communities on or near trafficking routes in Mexico.

In 2010–13, the Zetas seemed more committed than their competitors (chiefly, the Sinaloa Federation) to the complete control of routes and networks. Where successful, chiefly across Alta Verapaz and Petén, the Zetas achieved control via a type of franchising arrangement with low-level, relatively unestablished local criminal groups.²² The Zetas tended to colonize territories by linking with local groups and obliging those groups to use the name “Zetas.” In exchange, the Zetas provided such goods as weapons, training, and resources for protection against local authorities. In some cases, the Zetas provided drugs for the groups to sell as payment. From that point on, the local groups were effectively franchises of the Zetas and paid the Zetas a percentage of their revenues from their local operations, which

²¹ *Los señores* is a term commonly used to describe the circle of informal local elites. As we describe in the case studies, these individuals are often the heads of powerful local landowning and/or business families, community leaders and political bosses, and at the same time senior leaders of local criminal organizations.

²² García González, “Diagnóstico y escenarios de la violencia en México: entrevista con Eduardo Guerrero,” *LetrasLibres*, 14 November 2012, www.letraslibres.com/revista/dossier/diagnostico-y-escenarios-de-la-violencia-en-mexico.

often range far beyond drug trafficking or retail to include extortion, robberies, kidnapping, and hired killing.²³

By 2014, however, the Zetas' strategy seemed largely to have failed. Their use of spectacular violence, as well as their reputation for unbridled brutality in Mexico, led the Guatemalan government to target them for investigation and arrests.²⁴ Also, their lack of close, longstanding ties with well-established Guatemalan networks and families likely left them more exposed than their chief Mexican competitor, the Sinaloa Federation, to local and national police and government action. Along with the arrests of several top Zeta leaders in Mexico and their weakening there, Guatemala's actions seem to have reduced their influence and scope of operations in the country.

In one sense, it was a positive development that after 2011 in Guatemala the Zetas chose to use violence less openly and frequently than they had in 2009–10. This suggests that government policies in Guatemala and Mexico to single out for focused attention violence and killings from the wider range of criminal activities (i.e., drug smuggling and production) were successful. Reducing violence made good business sense because it lowered the costs of having to stave off law enforcement actions. This logic may have come about too late, however, for the Zetas. Also, it appears that the exceptional fear the Zetas inspired in many Guatemalans led them to partner with the Sinaloa or other alternatives, complicating the Zetas' purposes.²⁵

Another important development in Guatemala since 2011 is the rise in the seizures of precursor chemicals (chemicals used in the manufacture of synthetic drugs such as methamphetamines) and discoveries of production labs for synthetic drugs. Recent seizures suggest that most of these chemicals enter Guatemala via maritime shipping, at times apparently under the eyes of authorities at state-run port facilities.²⁶ It is unclear how much of these chemicals are entering the country;

²³ Ioan Grillo, "El fantasma de los Zetas" [The ghost of the Zetas], *LetrasLibres*, 3 November 2012, www.letraslibres.com/revista/dossier/el-fantasma-de-los-zetas?page=full.

²⁴ Dudley, "El nuevo narcomapa."

²⁵ Daniel Haering Keenan, "Impacto del Narcotráfico en el Ámbito Municipal de Guatemala," *ACTAS IV Jornadas de Estudios de Seguridad, Madrid, 22-24 May 2012*, ed. Miguel Requena (Madrid: Instituto Universitario General Gutiérrez Mellado-UNED, 2012), http://iugm.es/uploads/tx_iugm/ACTAS_IV_JORNADAS_DE_EST_DE_SEGURIDAD.pdf.

²⁶ Claudia Palma, "Puerto Quetzal, la estructura que facilitó la entrada de precursors" [Quetzal Port: the structure that facilitated the entrance of precursors], *El Periodico*, 15 August 2012; and "PNC decomisa precursors químicos en Petén" [The National Civil Police seizes precursor chemicals in Petén], *Siglo 21*, 24 February 2012.

experts believe only a small fraction of them have been discovered.²⁷ One difficulty is to distinguish the chemicals destined for illegal use from those that are legally used for industrial purposes. According to Guatemalan analysts, the bulk of these chemicals most likely go to labs in Guatemala and Mexico operated by partners in the Sinaloa Federation. Thus far, the labs discovered have been much smaller than those discovered in Mexico, and analysts fear that the actual flows and operations are much larger than commonly assumed and could be well integrated into legal industrial facilities.²⁸

²⁷ Rodrigo Baires Quezada, "Investigación: drogas sintéticas: de país de paso a fabricante" [Investigation: synthetic drugs: from a transit country to a producer], *El Periodico*, 11 June 2012.

²⁸ *Ibid.*

Chapter 2

SAYAXCHÉ

We are going to end up like Ciudad Juarez, with the drug traffickers taking over all the businesses. If that happens there, where the Mexican government is strong, just imagine what it will be like here. . . . The state is absent and people find work wherever they can. The business will continue and so will the violence. Oh well, the same thing is happening all over the country.

~Resident of Sayaxché

Sayaxché is a relatively poor, isolated community in the flat forestlands of northern Guatemala that is undergoing rapid demographic change. Most residents interviewed for this study expressed dislike and distrust for the local government, and they complained about corruption. Few churches, community and municipal councils, and NGOs are active in this community, compared to more economically developed, urban areas of Guatemala. Drug trafficking and activities by international criminal organizations, such as the Zetas, are growing and overlapping with contraband activities that have always been a part of the lives of the local population. Yet, in Sayaxché the weakness of local institutions and of social capital means that the Zetas, the Lorenzana family, and other criminal organizations are able to operate in the region without having to accommodate themselves to the interests of the local groups, beyond the government.

The presence of traffickers seems to have had some positive effects. Economic growth is evident, primarily in the zones closest to the border with Mexico. Private schools are expanding as a small but growing middle class can afford to send its children to town for education. The drug traffickers also provide a certain degree of protection from common delinquency. Nevertheless, the community anxiously watches the spreading presence of drug traffickers—particularly the Zetas—and the pull of ever more local residents into drug smuggling and related businesses.



Photo courtesy of Miguel Castillo

A sign marking private land outside of Sayaxché and prohibiting entry to "institutions" (e.g., the government, NGOs).

GEOGRAPHY AND ECONOMY

Petén is the largest department in Guatemala, larger than Belize or El Salvador. Its roads cut from Belize to Mexico. Its extensive, largely unpatrolled rivers and lakes connect national borders with several communities. Much of its vast airspace and territory lacks state presence or control. These features have served to convert Petén into a strategic zone for transnational criminal activities. Officials have identified 18 clandestine border crossing points for vehicles along the Mexican border: 16 in San Andrés and 2 in La Libertad. The La Pasión and Usumacinta Rivers, upon which Sayaxché is an important port, are used extensively for drug and human trafficking.

Sayaxché is a city of around 30,000 residents, located in the southeastern part of Petén. Because of its history as a border crossing point, the community has relatively strong ties with its Mexican counterparts. Sayaxché has seen a constant flow of migrants who arrive from all over the country. The Q'eqch'í ethnic group, in particular, has migrated into the area in significant numbers, and the other significant section of the population are Ladinos who have recently arrived from eastern departments, such as Zacapa and Chiquimula.

In recent years, the Q'eqchí have managed to establish themselves as an influential group to the degree that in the September 2011 elections, the citizens of Sayaxché elected Rodrigo Pop, of Q'eqchí origin, as their first indigenous mayor. His principal task is the overhaul of a local government that has been weakened by allegations of corruption under the previous municipal administration. With this transition, local traffickers and criminal organizations may have lost an important ally in the previous mayor, as their relationship with the new mayor is uncertain.

Though the local economy includes small-scale trafficking, corn cultivation, and transportation and other services, Sayaxché's most important formal economic activities are the cultivation of African palm in the municipality's southern sector and the raising of livestock in the north. The principal source of formal employment for local residents are the four African palm businesses—which together occupy almost 30,000 hectares of land—around which have grown a number of hamlets, forming nodes of commercial activity. The growth of African palm production, ranching, and other services in the municipality have not resulted in a substantial improvement in the quality of life for the residents of Sayaxché and surrounding areas, however.

MIGRATION, LAND OWNERSHIP, AND A WEAK ECONOMY BASED ON A SYSTEM OF EXTRACTION

Sayaxché is and always has been isolated from the rest of the country. Its population tends to ebb and flow in response to the cycles of extractive economic activity. The city today is made up of communities of unrelated origins, histories, and customs, along with new generations born locally. This diverse community is similar in one regard in that most of its residents arrived in the rural, undeveloped region with the desire to own their own land and to overcome poverty.

Petén, in general, and Sayaxché, in particular, provide examples of the pressure surrounding the issue of landownership in Guatemala. The process of locating, assigning, and legalizing land has passed through various stages under several governments, both military and civilian, with varying policy objectives and mixed results. Over the decades, numerous national institutions and programs have tried to resolve this situation, including the Guatemalan Army, the Promotion and Development of Petén program, the National Institute for Agrarian Transformation, the Program for the Protection of the Tropical Forests of Petén, the Ministry of Agriculture, the National Fund for Peace, and the National Land Fund.

The efforts of these overlapping institutions, however, have been frustrated by the lack of common criteria for designing the selection process for beneficiaries, for technical assistance, and for the distribution of land. For example, the promotion and development program transferred thousands of people from Guatemala's southern coast into Petén, while the fund for peace encouraged the mobilization of complete populations originating from the department of Alta Verapaz, principally from Raxruhá, Fray Bartolomé de las Casas, and Chisec. For its part, the army organized the majority of the current communities according to criteria based on the army's perspective (i.e., national security) and obligated displaced communities to group together in order to control their movements and to prevent them from providing logistical support to the guerrillas.

The process of land parcel identification, distribution, and acquisition was improvised and chaotic. In the southern sector of the municipality, most residents interviewed stated that they arrived in Sayaxché on their own and that the distribution of land was carried out through informal agreements made among themselves. Later, "the institutions" arrived to make adjustments and, above all, to legalize the properties.

More recently, when African palm producers arrived and offered to buy the land, the inhabitants had not yet developed feelings of personal attachment to the land. Moreover, they tended to think that it was impossible to make a profit off of the land and that it would be better to sell it. Contrary to some accounts that describe landowners as forced to sell, residents in the area speak of "a fever" to get rid of lands and to use the money gained to establish other businesses or invade land in other sections of Petén.

This uncontrolled process of land invasion or squatting, acquisition, sale, and further invasion, which continues today, facilitates illicit trafficking and crime in the area. For example, although no confirmed data exists, community leaders we interviewed agreed that the current invaders of the Laguna del Tigre reserve come from the southern sector of Sayaxché, and that in several cases criminal groups encouraged them to invade the land to facilitate drug smuggling by burning and clearing the forest areas. A local farmer described it in the following way:

The land no longer produced. Various products were tried, but the land wasn't suitable, and that which was invested was lost. A few obtained a good harvest but there was no market; when the opportunity arrived to

sell the recently legalized land, many people made deals. . . . I didn't have land, but I saw how the others were selling. . . . They were filled with dreams; they'd never seen so much money, and they thought it would last forever. Some left, and others stayed, spending their money badly; now they stay farming on their land, except in reality it's no longer their land, it belongs to the palms.

A recent article, quoting the Technical Office on Biodiversity, by the National Council on Protected Areas of Guatemala reported that in the Laguna del Tigre reserve, the greatest problem is the illegal extraction of lumber because "the drug traffickers clear-cut wide swaths of land in the forests to create clandestine landing strips used by planes for transporting drugs."¹ According to the report, Guatemalan authorities found around 50 clandestine landing strips for small planes transporting drugs and that community leaders supposedly paid by the drug cartels urge communities of farmers to invade and burn large extensions of the forest. In order to guard the ecological Laguna del Tigre reserve in Petén, the army created in 2010 a 250-soldier Forest Infantry Battalion, also known as the "Green Battalion."

As time passes, the issue of local landownership and property regulations will remain central to the drug-trafficking situation and the manner in which drug traffickers operate in the region. Guatemala is a trafficking corridor, and the acquisition and invasion of land within departments is critical to the operations of criminal organizations in the region.

Drug-trafficking operations have penetrated Petén through massive purchases of properties. Criminal organizations and their partners, or networks, exert pressure on the landowners of Petén and other border departments to take over ownership of their properties for the purpose of storing the drugs. Drug traffickers will offer a good price for the land, and at the same time suggest that refusal will most likely lead to death. Once acquired, these properties are used for money laundering through "front" activities like livestock, the construction of storage warehouses and airstrips, and as places of refuge for criminal leaders. One report described this situation in the following way:

The Mendozas, who have numerous properties in Petén and Izabal, very

¹ Manuel Ordóñez, "El narcotráfico y la deforestación amenazan la biodiversidad" [Drug trafficking and deforestation threaten biodiversity], *InfoSurHoy*, 3 May 2011. See also Kendra McSweeney et al., "Drug Policy as Conservation Policy: Narcotrade Deforestation," *Science* 343, no. 6170 (2014): 489.

politely obligate the land owners to leave them their farms so that they could pass through them. In the same way, one must ask the drug traffickers for permission if one wants to buy a property near theirs, in order not to disturb them. One land owner from Petén had to go to negotiate with the now deceased Juancho León in order to increase the size of his farm. León told him straight out that it wasn't in his best interest to buy that land because in one way or another the land would end up being his (León[’s]) since it was already right next to his area for moving the drugs. . . . In other cases, the owners have been less fortunate because upon arriving at their farms, they find them already taken by the mafias which, being heavily armed and sometimes protected by the police, inhibit them from entering their own land.²

CITIZENSHIP AND SOCIAL CAPITAL

Sayaxché’s lower reserve of social capital is related to the precarious nature of its local political institutions and its isolation from the rest of the country, factors that weaken the community’s identity and its capacity for self-organization. Residents express little confidence in their local government. The former mayor, Avi Maguin Cifuentes, is widely believed to have guaranteed certain drug-trafficking groups impunity from state actions.³

In addition to the distrust between the population and the municipal government, the national government has only a minimal local presence. The Ministry of Education provides public schoolteachers who live in the community, but the Ministry of Health has only a few community centers and those are inadequately equipped, with no locally resident personnel.

Residents do express satisfaction with the recent Mi Familia Progresá (My Family Progresses) program (implemented under the previous Colom administration).⁴ According to some, Mi Familia Progresá is the first time that the national government has given them anything. They complain, however, that the allocation of funds and benefits are biased. Many who are truly in need do not receive benefits, and

² "Narcos obligan a finqueros a venderles sus propiedades," Prensalibre.com, 12 December 2007.

³ *Grupos de poder en Petén: Territorio, política y negocios* [Powerful groups in Petén: territory, politics, and business] (2011). Available at Insightcrime.org or at <http://isla.igc.org/GuatemalaElctns/the-peten-report.pdf>.

⁴ The primary objective of this program is to improve the quality of life for children younger than 15 years of age in the areas of health, education, and nutrition.

some of the promoters charge a commission for handing over payments or supplies.

In Sayaxché, there is no civic institution capable of mobilizing or constructing agendas to promote positive changes in the municipality and surrounding areas. The community organization COCODE is small and its leadership has remained the same for years, in spite of the arrival of new inhabitants. In some communities near the town, the auxiliary mayor or the president of COCODE has held those positions for more than 20 years. The COMUDE was created in 2005, but it has lost its validity due to a lack of relations with the mayor's office.

Catholic and evangelical churches are active in Sayaxché, but unlike in other cases they are said to have little impact in civic or political affairs and are not seen as agents of change or support for the communities. The local Catholic church has only a few available priests, though the Sayaxché parish is charged with mobilizing throughout all the villages, some of which are located on dirt roads or footpaths more than 60 miles away from its center.

Few other outside organizations provide assistance to the communities of Sayaxché. The most relevant case is the community of San Fernando, where there is a permanent project of the National Coordinator of Small Farm Worker Organizations, which provides corn seed to each producer who commits to paying back 100 pounds from his or her harvest. They have also provided training activities to the local COCODE, and the most outstanding leaders have travelled to learn of the experiences of other small farmers in El Salvador and Nicaragua. Also, the project Passion of the U.S. group Christian Children's Fund visits occasionally and provides child foster care activities.

Environmental and agrarian NGOs are more active in the community, though most of these organizations are headquartered in the central zone of the department. Most important among these is Petén's Apostolic Vicariate Pastoral Work program, which works on the diversification of export-oriented agricultural products and offers legal advice for people and communities with land issues. The Indigenous Women's Defense Office also provides legal services to families.

ILLCIT TRAFFICKING IN AND AROUND SAYAXCHÉ

Smuggling has always been a part of the economic activity in Sayaxché and surrounding areas. Traditionally, the smuggling of grains, sugar, and other foodstuffs has been most common, but smuggling routes and operations once established



Photo courtesy of Miguel Castillo

Informal crossing on the Rio de la Pasión near Sayaxché.

can be used to transport virtually anything. Residents report that “everything passes [through here], not only grains.” It has become common, primarily at night, to see several 4 x 4 vehicles with armed individuals bringing and carrying away sacks of goods, most likely drugs, from different areas of the town or surrounding communities.

The options for community members who live and work along the river are limited, in terms of avoiding contact with narcotraffickers. Either they join the work of the criminal groups or keep silent and pretend that they see nothing. One resident described the dynamic of the drug-trafficking process in this way:

The transfer is fast because it is loaded onto big twin engine launches that head up river. Remember that the Pasión [River] goes to Usumacinta and to Mexico. Those who have become involved in that have done okay but it is risky, not because the police might catch you, as it’s been a long time since we’ve seen an agent of the National Civil Police, but because when another group wants to steal your shipment, you’re the first ones they look for, and even if you give them information, they’ll still kill you.⁵

⁵ *Grupos de poder en Petén.*

In Petén, a complex web of interests controls all kinds of licit and illicit businesses in the region. These networks are typically based on kinship ties with a strong sense of collective attachment to the family, the tribe, and the local area. Sayaxché is a typical case of the partnerships or alliances that often exist among municipal authorities, drug-trafficking groups, and other illegal businesses—all within the context of ongoing territorial disputes and transitions between different organized criminal groups.⁶

As recent research has shown, the infiltration of organized crime into government structures occurs chiefly in Petén through arrangements and agreements among families involved in local and international networks, thereby maintaining and protecting local drug-trafficking activities. The incentives go both ways as politicians and respectable “leading” families garner some of the profits and laundering that come from drug smuggling, and in return criminal groups receive protection from judicial or police actions over which these people and families have influence. In practice, these tend not to be one-off arrangements, but rather elements of a long-term, often cross-generational symbiotic relationship between the local political sector and organized criminal networks.⁷

In Sayaxché, the relationship between the community and the activities of criminal groups is less close than in the other cases. This is essentially due to the fact that criminal groups’ close relations with, and influence within, the local government provide them with the capacity to operate without the need for mediation from local community leaders or agents. Unlike in other cases, the criminal groups do not need protection or support for their illegal activities from local citizens. Therefore, there is no particular interest in forming parallel structures with the central and local governments to provide goods and services to gain the support of the local population for their activities. Drug-trafficking operations are basically business enclaves with a border mentality that function without ties to the community.

Similarly, the inhabitants of Sayaxché and surrounding areas expect little from their legal authorities. The relationship of complicity, especially the tolerance of the National Police toward the criminal groups, has generated resistance and mistrust in the population toward the national government and local government institutions. Interviews indicate a general collective perception that those who hold actual power in the area are the criminal groups, not the formal authorities or institutions.

⁶ Ibid.

⁷ Ibid.

ECONOMIC AND SOCIAL IMPACTS OF ORGANIZED CRIME IN SAYAXCHÉ

For the most part, residents of Sayaxché do not report a substantial improvement over recent years in the quality of their lives. Nevertheless, it is possible to identify some positive trends in the situations of some groups and zones that cannot be explained solely by income generated from the cultivation of African palm or sugarcane or by traditional (i.e., nondrug) contraband. The growth of demand for private schools is one example.

As shown in table 2, school matriculation has increased rapidly, primarily in public schools at the primary and preschool levels, as well as in private schools at the primary and high school levels. According to some, among the possible causes for the increase was the establishment of large-scale production of African palm in Sayaxché, which involved a significant proportion of the population. With this new income, more residents could afford to send their sons and daughters to school. But evidence from interviews with community members and with officials at the departmental government indicate that, in reality, much of this money is likely the result of collateral benefits associated with drug trafficking, especially the gains seen in the smallest communities located along the border with Mexico.

For example, here is how a boatman in the community of San José Caribe characterized this change:

Table 2.

School matriculation in Sayaxché (number of students)

Level	1994	2002	2009
Bilingual Preschool	457	556	584
Preschool	88	1,057	2,727
Primary	5,436	11,969	18,291
Primary for Adults	25	87	67
Middle School	174	819	2,455
High School	0	381	841
TOTAL	6,180	14,869	24,965

Source: Based on Guatemalan Ministry of Education Statistics.

Before, only the children of the large cattlemen would cross the river (Usumacinta) and go to Benemérito to study, because here there was nothing. Now there are many more going to the satellite TV high school or they cross the river. The reason? There is more money, without a doubt. . . . All of a sudden others have arrived with pockets full of money, but we don't get involved with them because they are dedicated to transporting other things. I promise not all of us are involved in that, because sooner or later it ends badly. Truly it is better to be poor but honorable.

Officials and residents in Sayaxché point to the proliferation of private schools and university extensions as manifestations of an emerging middle class that benefits at least in part from local revenues generated by drug trafficking but now is demanding goods that the Guatemalan state has not had the ability to provide.⁸ An educator we interviewed stated it this way:

In the municipal capitol, education has grown in recent years at an incredible rate. There is even a private school that has almost a thousand students. How is this possible? Well, for sure, the people, especially those in the border villages, have more money and can give motorcycles and cars to their kids to come here, or they send them as boarders during the week. In the village "El Pato," they now have two public schools, one large and one small. There was no longer any room in the one, even with double sessions. It won't be long before they put in a private school because there are people who can pay for it. As you see, we already have two Internet cafés, and they are full all day long.

This new prosperity seems most pronounced in the smallest communities, *aldeas*, located along the river bank and closer to the border with Mexico. These are the communities most closely involved with river transport and smuggling. Whereas normal contraband activity (e.g., grains, sugar, etc.) provides only a subsistence level of profit, today's incomes in these villages seem to support full-time schooling and new construction. Community residents point to this pattern as evidence that

⁸ Sibylla Brodzinsky and Sara Miller Llana, "Latin America's Middle Class Grows, but with a Tenuous Grasp on Status," *Christian Science Monitor*, 20 May 2011, www.csmonitor.com/World/Americas/2011/0520/Latin-America-s-middle-class-grows-but-with-a-tenuous-grasp-on-status.



Photo courtesy of Miguel Castillo

New development—roofs, satellites dishes, new building—in a town near Sayaxché on the Mexican border.

the municipality's new, relative prosperity must be associated with drug trafficking, not traditional activities.

But the impact of drug-trafficking activity on the region is not only economic. In addition to situations in which incomes from drug-trafficking activity are generating prosperity, there are cases in which they also subsidize services that the state is not able to offer, such as local security. In Sayaxché, residents describe episodes of “social cleansing” by criminal groups when the need arises, particularly when gang members appear on the streets. It is a situation that, in the end, residents seem to perceive as beneficial, although also worrisome. According to one local merchant,

the presence of those people inhibits delinquency. You can see that there are very few police officers and they stay in the capitol. If it weren't for the guards/patrols [*las guardias*] in the villages, the delinquency would create havoc.

Overall, the entrenched drug and human trafficking operations, their expansion in recent years, and the growing violence associated with them as new groups become involved cause immediate concern to the residents of Sayaxché. They perceive themselves on their own to manage these new developments, given the cor-

ruption of the local government and the lack of effective national police. As in many rural Guatemalan villages, vigilantism is their best response to small, individual threats like thieves or “delinquents.” But they fear that against large, well-armed, brutal groups like the Zetas their only response is to avoid them or seek accommodation when they must.

RECENT TRENDS

Petén was one of the departments of Guatemala most affected by the aggressive entry of the Zetas in 2009–11, which peaked with the massacre of 27 farm workers at Los Cocos in May 2011. In the months following that massacre, the Guatemalan government issued curfews and increased the presence of the military in key cities throughout Petén. Since then, the Zetas have maintained and grown their local operations, but unlike many expected, their presence has not increased dramatically the levels of violence in the region. In the Sayaxché area, concern over drug violence has subsided, while land conflicts with African palm producers have become a focus of rising public attention.

Although relatively quiet in their operations, the Zetas’ network has succeeded in supplanting the traditional Mendoza trafficking network in the region. After the massacre at Los Cocos, which was part of a series of killings aimed at the Mendoza family, members of the family left their homes in Petén. The government’s capture of Otoniel “El Loco” Turcios Marroquín in 2010, who was working with the Zetas, proved a long-lasting blow to the Mendoza family network. At present, most analysts believe the Zetas have scared off or, in most cases, co-opted the local trafficking networks in Petén and Alta Verapaz.⁹

⁹ Julie López, “The Decline of Guatemala’s Drug Dynasty,” *Plaza Pública*, 7 June 2011, www.insightcrime.org/news-analysis/plaza-publica-the-decline-of-guatemalas-drug-dynasty.

Chapter 3

GUALÁN

The people are afraid that the Zetas may come. Los señores and their people always say the same thing: “you have to put up with us because we are the good guys, because the Zetas, they are indeed the bad guys.” And the people think, “Better the devil that you know . . .”

~A merchant from the village of Mayuelas, outside of Gualán

The case of Gualán illustrates the benefits and costs of the increase in drug trafficking. Gualán is developing rapidly, especially through the production of export-ready tomatoes. It is evident, however, that much of the money is tied to drug trafficking as well. In spite of several active local civic institutions, the community’s social capital is poor. The mayor is perceived to be a defender of local interests against a predatory federal government, and a supporter of the status quo, rather than a reliable leader and public servant. For decades, Gualán has seen exceptional violence, and it is presently experiencing a further decline in security due to drug trafficking, even as the middle class expands. Instead of the police, los señores linked to local criminal organizations have traditionally been in charge of security and of keeping the streets safe from common delinquency. For many in the community, they represent the best local defense against the much worse Mexican cartels, and above all, the Zetas.

GEOGRAPHY AND ECONOMY

Gualán is a municipality in the department of Zacapa, located on a highway in eastern Guatemala near the Honduran border and the Caribbean coast. Beginning in 1961, this municipality was the scene of confrontations between the Rebel Armed Forces (Fuerzas Armadas Rebeldes) and the Guatemalan Army, which was based in the municipal capitol of Zacapa and in Morales, Izabal. Beginning in 1966, many *Gualantecos* accused of being guerrilla sympathizers were “disappeared” by death

squads organized under the so-called Mano Blanca (White Hand) movement, presumably under the direction of a senator of that era named Oliverio Castañeda, a native of the municipality.

The Gualán region is a traditional agricultural zone, growing local food crops and, more importantly, coffee beans. In recent years, however, the city has grown quickly from a population of around 40,000 in 2002 to more than 50,000 today. This growth has been driven in large part by a steadily increasing demand for labor in the cultivation of tomatoes and other agriculture, commercial service, and construction. The trafficking of drugs and other goods, and other criminal activity, is also perceived to be on the rise.

Gualán and Zacapa are among Guatemala's most violent cities and departments. The ownership and public display of weapons (machetes, knives, and firearms of all types) and the use of violence to settle disputes are norms deeply entrenched in the local culture. In 2010, the department of Zacapa experienced 76 homicides per 100,000 inhabitants, the third highest homicide rate among all of Guatemala's 22 departments. Gualán itself registered 85 homicides per 100,000 inhabitants.¹

Trade liberalization in the 1980s hurt the region's farmers, particularly corn producers, driving them to migrate or seek other work. Until the early 2000s, the largest employers in the area were the coffee haciendas, especially those located in the neighboring municipality of La Unión. A critical drop in the price of coffee beans that year led to the financial ruin and closure of many haciendas, however, forcing a wave of families to emigrate to the United States. This situation changed the local economy, as an official from the mayor's office in Gualán describes:

Because of the crisis, people started going to the [United] States. People went to Los Angeles, New York, Philadelphia. In those years, village festivals were paid for by the remittances.

Remittances sparked economic growth and financial activity in the region, which introduced new irrigation systems and generated a broad shift toward the production of tomatoes on lands previously used for corn. Tomatoes then became the region's principal crop. Along with the spread of tomato production in Gualán, construction of new housing has increased tremendously, including the construc-

¹ According to data from the National Civil Police and population projects of the National Statistics Institute (2010).



Photo courtesy of Miguel Castillo

New financial services and other businesses in Gualán.

tion of condominiums on the outskirts of the municipal capitol and in nearby villages such as Mayuelas, Shin Shin, Juan Ponce, and Guaranjá.

This rise in tomato production generated a flurry of land sales and purchases. According to residents, nearly all the properties changed owners, and a high proportion of the land now is in the hands of people linked to drug trafficking, who had the most resources at the time. Afterward, a production restructuring process was begun that centered on the reactivated Oaxaca irrigation system. This further increased the availability of money for the cultivation of tomatoes.²

POLITICS AND SOCIAL CAPITAL IN THE COMMUNITY

In 2001, Juan José Mejía Rodríguez was elected mayor of Gualán. He was reelected mayor in 2004 by the Gran Alianza Nacional or “Grand National Party” and later reelected for a third term in 2011. According to interviews, most citizens of Gualán rate Mejía Rodríguez’s municipal management as average; the community is of the opinion that, while he may not have spearheaded important projects, neither has he been involved in acts of corruption, as is frequently the case in neighboring municipalities. The mayor’s performance must be seen in the context of a region in which local politicians generally seek some form of endorsement from the domi-

² At the time this investigation was carried out, there were no claims of money laundering in banking institutions in the municipality, although informants think that it must be occurring.

nant drug-trafficking groups (e.g., campaign financing), however.³ These endorsements usually entail an understanding that under no circumstances will municipal actions interfere with smuggling operations. In terms of local politics, it is almost unheard of to show opposition to the criminal groups in charge of drug smuggling. This presents a situation analogous to the traditional relationship between local governments and the economic elite in the coffee and livestock farming regions of Central America. According to local political norms in this region, keeping one's position in the municipal government, the administrative body of the municipality, implies understanding that one must maintain an attitude of cooperation or neutrality toward trafficking.

In Gualán, economic dynamism has not surmounted the traditional lack of organization that characterizes the municipality. The region is bereft of civic processes for consensus building aimed at creating agendas that seek the common good. It is virtually impossible to find the issues of drug smuggling, *los señores*, and the effects of their related activities on citizens' security on any kind of public agenda.

Local businesspeople may belong to the chapter of the chamber of commerce, but there are no analogous workers' organizations. Only three government agencies are active in Gualán, working on issues of health, education, and social cohesion. There are three NGOs in the municipality: Siglo XXI (Twenty-first Century), Asociación Guatemala (Guatemala Association), and Corazones en Movimiento (Hearts in Motion) that carry out programs for fostering impoverished children. There is also an Association for the Protection of the Sub-Basin of the Los Achiotes River. There are no international NGOs active in the municipality.

The most noteworthy municipal organizations continue to be those that resulted from the Development Council System: COCODES in the villages, and more recently, the COMUDES. The antecedent to the COCODES in the municipality were the Pro-Improvement Committees that played an important role as intermediaries between the communities and the state. As was the case in several other municipalities, the mayor and the municipal "corporation" of Gualán were reluctant players and delayed the organization of the COMUDE as much as possible for fear that it would become a source of power independent from local government structure.

³ Juan José Mejía Rodríguez's 26-year-old son, Luis Fernando Mejía Monterrosa, was murdered on the road to San Juan, near Colonia El Rodeo, by individuals trying to steal his car. But, as is common, many informants believe that other factors were involved in the motive and accuse the mayor of being tied to the Lorenzanas.

Ultimately, however, the municipality's need for access to international aid projects and resources—which require such a structure as a prerequisite—obligated the municipality to cooperate with the organization of the COMUDE. To date, the COMUDE has not become an independent force, and its relationship with the municipal corporation is cordial because the communities find that it is preferable to get along with the municipality rather than risk losing projects and resources. This issue was seen in the following light by a store owner in the neighborhood of La Estación:

Although we're not free from problems, the people, especially in the villages, continue to see the mayor as the maximum authority and as the defender of the municipality in dealing with the central government. For that reason, the people support his external management. But the flip side is that the mayor has to be capable of bringing in benefits from the outside; if he can't, then he is ineffective.

The only active agricultural organization is focused on the management of the regional irrigation system and it has little interest in other kinds of activities or political lobbying, even though its members are the principal beneficiaries of the municipality's economic growth.

THE COMMUNITY AND CONTRABAND: "TOMATOES OF GOLD"?

Gualán is traditionally an agricultural region with rampant smuggling activities due to its proximity to the border. The longstanding weakness of controls on both sides of the border have helped Gualán to survive periodic crises caused by crop failures, droughts, political instability, and war.⁴

Trafficking is a flexible, market-driven activity. For example, Honduran subsidies for coffee production have stimulated smuggling of poor-grade Guatemalan coffee into Honduras, coffee which in turn is exported as Honduran product. Criminal activity related to smuggling drugs to Mexico is conducted on top of this fluid network of routes and service providers as almost a natural development. Residents of Gualán and surrounding areas learned long ago how to live with the

⁴ According to one anecdote from the interviews, during the coup d'état against Zelaya in Honduras, and before the decision of the Colom administration to close the border to local merchants, the possibility that the closure might last a long time resulted in such a high quantity of products being sent over the border into Honduras that the town was left literally empty.



Photo courtesy of Miguel Castillo

Example of a new gas station in Gualán. Such stations are a common means of laundering illicit profits.

presence of criminal networks, and there is a relatively sophisticated general understanding about the ways and means of drug smuggling and its impact on the community. It is widely understood, for example, that drug money is laundered through tomato production, in urban infrastructure, in new gas stations, in the financial system, and virtually everywhere. Yet residents interviewed for this study asserted that no one is interested in resolving the problem. The extent of criminal activity and its contribution to the local economy and politics are well known in Gualán and in the national capital. The authorities are well aware, but they have never within anyone's memory acted against the problem beyond the occasional arrest of a drug kingpin or two. As one merchant stated,

For example, my sister works as a cashier in Mazatlán, but she had to get out fast because on one occasion she asked too many questions of one supposed client and he threatened to kill her because of it. Then we realized the name was of a town in Sinaloa, and we understood what it was all about. Later, she told us that not all the transactions are registered. Now, you tell me if the authorities in Guatemala City don't know about this.

Interviews with departmental and city financial officers indicate that it is very difficult to determine, or even estimate, the extent to which activities connected

to tomato production, urban development, and the local proliferation of private primary schools is linked to drug money. One resident described the situation in the following way:

The cultivation of tomatoes has grown a lot. Perhaps this comes from money laundering, but the banks also help out as well. In these cases, it's hard to distinguish legal money from bad money. But I can tell you that the majority of tomato farmers are honorable people, although the money they use may not be, and although they may not necessarily be the true owners of the land.

One National Civil Police commissioner commented on the relative urban boom in the municipality:

Well, yes, there are many new houses that, if you look at them, you can see that they don't come from good money. Many people here are involved in questionable things. They build huge houses, God save them, but without a denouncement, we can't do anything.

The proliferation of private schools cannot be attributed solely to the activity and prosperity generated by tomatoes, or to the impact of such initiatives as PRONADE and Mi Familia Progresas.⁵ As one instructor commented,

It used to be that everything ended with primary school and very few were interested in going on to middle school. The truly rich used to go to Zacapa or to Puerto Barrios to study [for] the last years of high school and eventually [go] to the university. Today things have changed, and almost all aspire to finish their education. This costs money and it's coming from somewhere. Before, almost no one came from the villages to study at the middle school or the private schools. Now they come in their own cars and mopeds—the very cream of the crop come in pickups. That's what causes all the traffic in the afternoon and [accounts for] the high number of eateries.

Gualán and surrounding areas have indeed seen an impressive rise in school matriculation on all levels. Over 13 years, the school matriculation went from 6,500

⁵ PRONADE stands for the National Program for Self-Teaching for Educational Development (Programa Nacional de Autogestión para el Desarrollo Educativo).

students to almost 25,000 in 2009, according to data from the Ministry of Education.⁶ Programs such as PRONADE and Mi Familia Progresiva resulted in almost total attendance for school-age children. What stands out in this dynamic, however, is the growth in the number of private schools for the children of people who feel that the public schools do not meet their aspirations.

Local bank officers cannot provide precise estimations about the amount to which local income and spending accounts “don’t add up,” but like other residents they note the clear discrepancy. One banker in Gualán stated that

only were they . . . cultivating tomatoes of gold could the movement of money here in Gualán be explained. And it’s not from the usual contraband because the families who dedicate themselves to that have always done so and the impact has already been established.

LOS SEÑORES AND SECURITY IN GUALÁN

The emergence of drug smuggling as a central element of the social and economic life of Gualán has also implied the rise in the influence of *los señores*, with whom no one wants to become involved, and of whom no one wishes to speak publicly. *Los señores* are figures from the community from diverse origins who, because of their family backgrounds (as landowners and/or as military commissioners during the civil war) or political or community activism, were successful in cultivating important loyalties. Their knowledge of the community, their leadership over these communities, and in many cases their ability (and willingness) to cooperate with the military to provide security in the region during the armed conflict, provided them privileged positions as sources of intelligence and logistical operations for the smuggling of drugs. The relationship between *los señores*, their illicit activities, and the community is described as follows by a local police official:

Well, what can I tell you. . . . There is a lot of drug trafficking in the area, and we can’t do much about it. If you don’t get involved with *los señores* and their people, then they don’t get involved with you. For that reason, when there are operations [against them] we get worried, because *los señores* get angry and then take it out on us. They come and shoot up the

⁶ Ministerio de Educación de Guatemala (Guatemala Ministry of Education), *Anuario Estadístico de la Educación 1994-2007* [Annual education statistics 1994-2007], Guatemala <http://estadistica.mineduc.gob.gt/anuario/2007/main.html>: 2007.

station or the radio patrols. Up until now it hasn't gone beyond that, but one never knows. . . . Consequently, we don't do operations without a direct order from the capitol. Not only is nothing accomplished by those operations, but one ends up getting into problems.⁷

The perception of an economic bonanza, accentuated by drug-trafficking activity, has strengthened the collective impression that "there's money" in Gualán. This helps to explain Gualán's recent increase in violent acts in the form of assaults, kidnappings, revenge killings, and mob violence. The role of the criminal networks, and *los señores*, is dual. On the one hand, groups fighting for control of drug-smuggling routes raise the frequency and intensity of violence in the region. On the other hand, *los señores* and their people make some selective efforts to control local violence and crime by conducting "social cleansing" operations against delinquent groups or gangs. Here is how a local police commissioner described this type of operation:

They say that gangs from Zacapa were behind the extortions. And they say that *los señores* killed three or four delinquents and the rest went away, but one doesn't really know the truth. There was a lot of talk about extortions, but we never got any formal reports. Then various kids showed up dead. They say that *los señores* involved in drugs killed them to clean up the zone, but as for us, it's better if we don't even get involved.

One local merchant offered a similar account:

The number of robberies increased, and the police didn't do anything. The robbers came from Zacapa or from Morales. So, people stopped going out in the street because they didn't know what might happen to them. Last year they said that *los señores* had established a curfew for nine o'clock, but in reality, it was to establish order and "disappear" those responsible (the robbers).

This social cleansing that the public attributes to *los señores* in the absence of police action seems to reinforce the local attitude that having *los señores* active

⁷In this regard, the zone was dominated by the Lorenzano family group. Some versions reveal that, particularly after the capture of the "patriarch" Waldemar Lorenzana, the rest of the gang mobilized in the mountains of the neighboring municipality of La Unión and at properties in Jocotán, Camotán, and Olopa (Chiquimula), taking advantage of the proximity to Honduras and the poor, almost impassable, roads. In the case of Gualán, both the Lorenzano family and the collaborators or proxies had sizable investments in agriculture and commerce. It is known that they also are particularly active in purchasing properties close to the borders and along the trafficking routes.

in the community, even with their violence and criminal operations, is better than having nothing. It is not unusual for residents to express support for, or at least acceptance of, *los señores*, who are after all people who were born and raised in the same community and who represent a sense of regional pride for the success they have achieved through their illicit economic activities. One municipal employee expressed the following sentiments toward *los señores*:

Los señores are good, and they take care of establishing order. There are complications that must be put up with, but *los señores* are okay and they don't interfere with anyone. But the Zetas, they are indeed bad. If they get established here, we are really going to end up like Ciudad Juarez. The problems happen when the bodyguards drink. Since they go around armed, they shoot into the air and they make a big ruckus. We, with our little pistols, cannot control them. We have to then talk with them and convince them to calm down.

A local attorney described *los señores* in this way:

There has been smuggling of contraband here forever, and adherence to the rule of law is weak. Therefore, if the government doesn't come here, it is preferable to put up with the drug traffickers, as long as they assure order and tranquility for everyone.

RECENT TRENDS

Since the government captured Waldemar Lorenzana, the patriarch of the Lorenzana clan, in 2011, Gualán has experienced an economic slowdown. The instability within the Lorenzanas' operations has meant some agricultural activity has been stopped, new investments have been postponed, and—related to these developments—the funds from money laundering have dried up.⁸ In response, many have returned to traditional economic activities, including the smuggling of foods and domestic items into Honduras, human trafficking to Petén, and the illegal export of coffee (small-scale coffee plantations have returned to the countryside near Gualán).⁹

In 2012, Gualán experienced a rise in murder rates and an increased number

⁸ See the video report by Sylvia Gereda, "Informe especial: ingresa por primera vez en el territorio de los Lorenzana, buscados en extradición por EEUU" [Special report: first-time access to the territory of the Lorenzana family, sought for extradition to the USA], *Canal Antigua*, 21 November 2011.

⁹ This is according to interviews with local community residents conducted by the authors in November 2012.

of arrests for violence linked to organized crime. Part of this could be related to the weakening of los señores so that more disputes over land or within families are resolved via violence rather than mediation. Also, recent episodes indicate that criminal groups not associated with the Lorenzana network are competing for a presence in the region. An example of this is the November 2012 attempted murder of a cousin of Juancho León that took place in a village outside Gualán and led to the arrest of 17 alleged members of a narcotics smuggling gang.¹⁰ The department of Zacapa, and the Gualán area in particular, remains today a major route for drug smuggling. In fact, it is argued that perhaps even more illegal goods and narcotics pass through the region than before, not because of anything to do with the Lorenzana network or the other operators in the area, but because of the success of the Guatemalan and Honduran militaries (with U.S. support) at curbing contraband air flights. As a result, overland routes are the preferred mode of smuggling once again.¹¹

¹⁰ Gerson Ortiz, "Detienen a 17 personas vinculadas al narcotráfico," *El Periodico*, 16 November 2012; and "Atacan en Zacapa a supuesto narcotraficante," *Prensa Libre*. For a more comprehensive overview of the dynamics between Guatemalan and Mexican trafficking networks in recent years, including in Zacapa, see Julie Lopez's 2013 analysis "Guatemala: la cambiante cara del narco," *Plaza Pública*, 18 July 2013, <http://www.plazapublica.com.gt/content/guatemala-la-cambiante-cara-del-narco>.

¹¹ Dudley, "El nuevo narcomapa."

Chapter 4

MALACATÁN

He could be a drug dealer and whatever, but at least with Juan “Chamalé” Ortiz, the delinquency was under control. Not because he was dedicated to combating crime, but because the robbers weren’t keen on operating in front of the bodyguards. But now, everything is going to get out of control.

~A microbus driver in Malacatán

Malacatán is a relatively prosperous municipality with a diverse economy, a dynamic financial system, and significant commercial activity. Traditionally, its wealth comes from coffee production, contraband going in both directions, *coyotaje* (migration services for moving Central Americans along the route to the United States), and serving as the commercial center for the southern part of the department of San Marcos. Malacatán has a relatively high level of community capital, exemplified in several civic associations and interest groups and episodes of civilian mobilization. The mayor also has a strong presence and is publicly recognized for his capacity to negotiate successfully between multiple sectors of the region, including traffickers and criminal networks. The trafficking network created and directed by Juan Alberto Ortiz López—alias Juan “Chamalé”—is typical of a criminal organization rooted in the local society and economy. Ortiz was considered a criminal but also viewed as a shrewd businessman and a local boy who made good, as well as a reliable benefactor of local churches and families in need of support. His arrest in March 2011 generated uncertainty and some anguish in the community, but it has not yet appeared to destabilize the preexisting criminal networks he oversaw.

GEOGRAPHY AND ECONOMY

Malacatán is located in the southern part of the department of San Marcos, near the border with Mexico. The municipal capitol is only 390 meters above sea level with a



Photo courtesy of Miguel Castillo

Advanced commerce and services in Malacatán.

hot and rainy climate, beneficial for growing tropical crops. In 2010, the population was 86,000 and growing at a rapid annual rate of 2.5 percent. The indigenous population constitutes only 20 percent of the total population, and the majority of these are of Mam origin, from the high plateau of the same department. Migration into Malacatán, and San Marcos in general, has accelerated in recent years due to strong local economic growth.

Because of its rich soil, range of microclimates, diverse flora and fauna, and abundant river and irrigation systems, Malacatán has traditionally been a prosperous municipality. Coffee producers have for decades been the leading source of local employment. The local industry suffered from the coffee price collapse of 2001, however, and the number of local jobs it provided has not returned to previous levels. Cultivation of African palm has been increasing in the area in terms of fields planted and permanent employment, although the total area planted is less in Malacatán than in neighboring municipalities. Although there are no local employment statistics, Malacatán currently appears to be a municipality with practically "full employment." Demand is high for unskilled labor for coffee harvesting and at the African palm plantations. Malacatán also benefits from high quality infrastruc-



Photo courtesy of Miguel Castillo

Malacatán's impressive office of the municipal government.

ture—by Guatemalan standards—built over the last century in response to the needs of the coffee industry.

LOCAL POLITICS AND COMMUNITY CAPITAL

Malacatán typically has a high number of mayoral candidates. In the 2007 elections, 15 candidates participated. Héctor Rubén Chávez Pérez was elected mayor in that election, and in 2011, he was reelected for a second term with broad support. In contrast to the other case studies, residents in Malacatán frequently name the mayor as, without a doubt, the principal authority and leader of the region. The area's prosperity allows the mayor to dedicate himself to acting in a political role, rather than being limited to matters related only to the municipality's infrastructure. Local residents sometimes refer to the mayor as "the mediator" for his success negotiating among the diverse interest groups in the community, including associations of cattle farmers, coffee growers, merchants, and—less formally—drug traffickers.

Unlike the municipalities of Sayaxché and Gualán, Malacatán is not only able to provide services, it also supports popular cultural and recreational activities. One

example is the city's support for its candidates in the San Marcos department's beauty contests. Out of the last five contests, the municipality has won three. In soccer as well, the local team has improved dramatically in recent years and attendance and support are part of the work agendas of the local government offices. Far from marginal, these are activities to which the public pays close attention, and the involvement of the municipal government elevates its relevance in the eyes of the community.

There are 91 communities within Malacatán, all of which have COCODES representation. The COMUDE has normal work activities and its own building for meetings and activities. In Malacatán, these organizations work in partnership with local government activities.

In spite of coffee's economic importance, and the fact that several coffee plantation owners have been elected mayor, coffee producers as an economic group do not exert an excessive degree of influence over decision making in the municipality because of their limited degree of organization. Similarly, the African palm sector, although economically relevant to municipal affairs, remains elusive as an actor in local politics. Owners do not tend to participate in municipal dialogues, as do owners in most other major sectors of the local economy.

With economic growth has come the rise of new entities, such as sports clubs and small professional organizations, including a chamber of commerce. Most notable are the small farm workers' associations, which in 2008 began playing an important role in mobilization against the Western Energy Distributor in regard to local energy distribution.

Other civic associations and interest groups include the National Front for the Defense of Public Services and Natural Resources, the health sector unions, the National Magisterial Front, agrarian entities, and small farm workers groups who were assigned farms as part of compensation programs for victims of the armed conflict. These active groups have converted the southern region of the department of San Marcos into a zone of highly motivated citizenry with multiple agendas, some of which have led to situations of protest and social and environmental conflict.

The Catholic Church has a strong influence in Malacatán, owing in large part to the leadership of the bishop of San Marcos, Monsignor Álvaro Ramazzini, and the extensive network of pastoral workers he oversees. The network engages in social issues ranging from youth services to land ownership to opposition to mining projects.

In recent years, evangelical churches have also become more relevant as they

have grown and built new churches and larger congregations. Community members interviewed suggest that the dramatic local growth of these churches is largely due to resources provided by Juan Chamalé, the region's principal drug trafficker who is also a church pastor. These "narco-churches," as they are called locally, perform not only the function of cleansing and calming souls, but also of laundering the proceeds from Chamalé's criminal activity. However, coming across evidence or even serious investigation on the part of the authorities in this regard is not an easy task, in the same way that it is not easy to examine the claims made about links between tomatoes and money laundering in Gualán.

LOCAL TRAFFICKING AND CRIMINAL ACTIVITY

As in Gualán, other actors have played an important role in economic and political life in Malacatán for many years, often acting behind the scenes. These are groups dedicated to the smuggling of drugs, products, and undocumented migrants to Mexico and the United States. Although they have no visible structure, they operate in an organized manner in terms of routes, fees, and types of products.

Those who smuggle contraband and humans are, for the most part, poor families who combine smuggling activities with other labor, such as agriculture. This activity seems to have increased dramatically in recent years.¹ The visible impact of human trafficking on the municipality can be seen in the great number of hotels and eateries in the urban zone and in the village of El Carmen, at the formal border crossing. As a taxi driver in the city of El Carmen Frontera commented,

Because of close proximity with Mexico and the high taxes they always charge, supposedly to protect "national industry," Malacatán has always been dedicated to *fayuca* (contraband), as the cowboys say. Now, as you can see on the highway, they are smuggling Mexican Pemex gas which is subsidized, but there is also a lot of contraband of Mexican chickens and eggs. As you can see, with so much business going on in the sale of chicken, it's also being conducted on the highway, along with Camey soap and Herdez products. . . . And going the other way, a lot of corn and clothing head out as *fayuca* for Tapachula, Tuxtla, and the rest of Mexico.

¹ Carlos Ventura and Fernando Magzul, "Expendedores denuncian aumento de ventas ilícitas de combustible" [Gas stations denounce rise of illegal fuel sales], *Prensa Libre*, 12 May 2011; and Carlos Ventura, "Denuncian incremento de ventas de combustible de contraband" [Sale of fuel to smugglers denounced], *Prensa Libre*, 11 May 2011.

In general, these smuggling activities and those of *coyotaje* are separate from drug trafficking. Most residents seem to view the smuggling of standard contraband as an activity for everybody and relatively normal, while in contrast drug trafficking is the business of just a few and provides money to fewer people. Two local residents explained the differences in the following ways.

First resident: Mr. Chamalé is involved in drugs and money laundering. Other people handle the chicken and gasoline. In fact, smuggling spreads more money around because you can see that those who are selling gallons on the highway are poor people. Conversely, drugs, out of necessity, are the business of just the few.

Second resident: Smuggling contraband, the *fayuca*, has always been more significant than drug trafficking in the region. The difference between the two is that profits from contraband are distributed among more people and therefore it has more impact on the regional economy.

In Malacatán and surrounding areas, smuggling contraband is deeply entrenched in the community life. As one municipal employee stated, "It's something that has been there ever since the border was created." In contrast to the situation in Mexico, where cartels exert control over all kinds of trafficking, there is no evidence that drug traffickers in the region are getting involved in the lower-level trafficking of foodstuffs, gasoline, and common contraband.

DRUG TRAFFICKING IN THE COMMUNITY

According to city officials and residents alike, the idea that the city's prosperity might be related to drugs is erroneous because the source of that prosperity is the dynamism of economic activity generated by the productive sector and the relative well-being that, among poor families, comes from participation in low-level smuggling. Nevertheless, various reports insist that drug trafficking has more to do with the economy of the area than local residents think, above all when trying to explain financing for the African palm industry and the dynamic of local land purchases and sales.

As in Gualán and Sayaxché, residents view the national government mostly as a predatory agent that seeks opportunities for profit and corruption. The government is often viewed as part of the smuggling problem because of its corruption, which via bribes and bad laws pushes the population to seek ways to transfer goods

wherever they can, not where they should. One resident made the following comment regarding the government and smuggling:

Well, yes, there is a lot of smuggling. The borders are vast and have many crossing points, in addition to being mountainous. . . . The government has only the border crossing of El Carmen, and anything can get through there as well. And the customs system seems to have been designed to extract bribes from the merchants instead of trying to put order into the system. The only reason there isn't more contraband smuggling going on is because the people don't want it.

THE LOCAL COMMUNITY'S RELATIONSHIP WITH ANDREACTION TO ORGANIZED CRIME

As observed in the municipalities of Sayaxché and Gualán, there is evidence of strong ties between criminal groups and local officials, not only in Malacatán but also in the nearby large border town of Tecún Uman. According to an interview with a former interior minister, Juan Chamalé had been buying the cooperation of the mayors, judges, attorneys, and police in those municipalities for more than a decade. Others may turn a blind eye to drug smuggling and other crimes to avoid assassination.²

The arrest of Chamalé in March 2011 sparked new consideration about drug trafficking and its role in the economy and society of Malacatán. Attitudes in the community seem polarized. Some consider Chamalé to be the misfortune from which all other misfortunes stem, from garbage in the streets (the result of a process of diminishing values generated by the drug culture) to high rates of local delinquency. For others, "Hermano Juanito," as he is also known, is simply a successful businessman who has been awarded doctoral degrees in philosophy and theology from unspecified North American universities, who helps the poor, and who had the bad luck of running across the consumer mentality of the "gringos" and their need to justify their interventions and military-industrial complex by prohibiting the consumption of products that are, in and of themselves, not harmful.³

While many drug-trafficking organizations use intimidation and threats to

² "Investigan nexos de Chamalé con autoridades de San Marcos" [Links between Chamalé and San Marcos authorities under investigation], *Noticias*, 4 April 2011, <http://noticias.com.gt/nacionales/20110404-investigacion-nexos-de-chamale-con-autoridades-de-san-marcos.html>.

³ Cfr comments online.

gain access to or control of smuggling routes and services, Chamalé's operations relied more on a network of local and regional partners. He built and supported this network, in part, by making donations to many churches across Malacatán and the nearby town of Catarina, where Chamalé's farms and other businesses are located. This allowed the construction of several enormous and luxurious churches. According to some residents, none of the local churches went without "donations" from Chamalé, which bought the drug trafficker legitimacy in the eyes of congregation members. As one Catholic educator stated,

Well, all the churches here have eaten out of Chamalé's hands. Look at each building. With local incomes, you can't explain how they could have been built. In exchange, none of the churches said anything about him [Chamalé]. Even the Catholic Church, with Monsignor Ramazzini . . . kept quiet about him.

Chamalé built his own church on the land of one of his farms. It is believed that he contracted workers for his business from among his church members, and that, in order to work in any of his businesses, one had to be a member of his church. In the end, an excess of confidence and, in the opinion of local residents, the fact that he moved away from a simpler lifestyle, prompted Chamalé's capture. One resident of the area explained the affair in the following manner:

In contrast to most drug traffickers, he was a very reserved and discrete person. No luxury houses or wild parties. He seemed like just another farm owner, and because of this it was easy for him to maintain a low profile. The police, who were on his payroll, didn't bother him in the least and only those who knew him really well suspected something strange about his income. Since by that time he was a pastor, it was hard for many people to believe that he was involved in strange things. Even the tourism and recreational center he built was discrete and very welcomed by families because it was one of the few centers of entertainment in the region that didn't serve alcohol. . . . Everything began to change when he met Salomón. Now, Salomón was a less-refined drug trafficker: women all over the place, houses with screaming colors, large handheld and automatic weapons, unhinged parties, and luxury cars. In the beginning, Ortiz was the decent boss and Salomón was the

scandalous subordinate, but little by little, Ortiz began to change. It first started with his nonsense about being a doctor in I don't know what . . . but I think he didn't even finish high school. Then came all the rest: the luxury houses, latest model cars, his participation in mundane activities such as beauty pageant elections in San Marcos and Malacatán.

Residents tell a number of stories about Chamalé: his wealth and success as a drug trafficker, his contributions to the community, and of course the reason behind his arrest. A local police commissioner described his success in the following way:

Juan Ortiz started his businesses 10 years ago. I don't know if he started out with opium poppies as did many drug traffickers or if he dove right into the cocaine business. The point is, little by little, he began to grow. His genius was to establish direct relationships with Mexico kingpins instead of being comfortable just dealing with intermediaries.

The arrest of Juan "Chamalé" Ortiz has generated widespread concern in the community of Gualán and surrounding areas about the violence that may result from struggles over control of the business. Without Chamalé, they fear local criminal networks may have lost the ability to control delinquency in the community in the way Chamalé is believed to have done.

RECENT TRENDS

The arrest of Juan Ortiz in 2011 led to the fragmentation of local trafficking networks. So far, no single individual or group has arisen as the regional leader, or capo. Given the longstanding presence of the Sinaloa Federation in Malacatán, it may be that, without Chamalé, trafficking operations are proceeding as before but are being run by former subordinates or Sinaloa operators with a much lower public profile. According to one report, Chamalé's network and his family thrived in part by laundering revenues through legal companies in Nicaragua, and according to Costa Rican authorities, those activities persist today to serve as a base for future expansion.⁴ More recently, it is also believed that Chamalé continues to direct operations and influence relationships, including with Mexican networks, from prison.

⁴ José Meléndez, "Cárteles centroamericanos, en ascenso" [Central American cartels on the rise], *El Universal*, 13 November 2012, www.eluniversal.com.mx/internacional/80115.html.

This could help explain why the arrest and apparent removal of Chamalé did not have the destabilizing effect many expected.⁵

Beyond narcotrafficking, Malacatán continues to sustain numerous smaller criminal organizations that engage in smuggling, the theft of electrical services, and illicit retail. These networks continue to thrive.

⁵ Lopez, "Guatemala: la cambiante cara del narco."

Chapter 5

KEY FINDINGS FROM THE CASE STUDIES

These three case studies highlight the effects of criminal organizations and trafficking in the communities of Sayaxché, Gualán, and Malacatán. Taken together, these cases suggest that four factors significantly influence the dynamics of communities' relationships with local criminal groups:

- the community's history, economy, and geography create context for the interplay between illegal trafficking and organized crime and the rest of the community's economic and social activities and production;
- levels of collective action and civic-mindedness—a quality we refer to as “community capital”—that influence the mode and intensity of the insertion of criminal networks into the social and economic life of communities;
- the autonomy and competence of the local government, in particular its capacity to mediate among the interests of the local organized criminal groups, those of other legal special interests, and those of the community at large; and
- the choices criminal organizations make to operate efficiently, regarding the relationships they form with local authorities and community actors, as well as with actors outside of the community who have influence over community affairs.

Because these factors affect the extent and quality of cooperation and collaboration between criminal networks and the community, they strongly influence the degrees of violence and other negative impacts to the community from organized criminal activity.

Of these four factors, the first cannot be affected in the short or medium term by public policy, and therefore it is not an issue for further exploration. The last—the choices of organized criminal groups—can be speculated about but is beyond the scope of this study. The two upon which we focus our analysis and our policy recommendations are those that could potentially be affected by public policies in the short or medium term: a community's reserve of community capital and the autonomy and competence of the local government.

COMMUNITY CAPITAL AND GOVERNMENT COMPETENCE

“Community capital,” a key variable in explaining the relationship between local organized criminal activity and its impacts on border communities, requires definition. We use the term to capture a community’s collective reserve of “social capital,” a concept long used by sociologists and others to describe “the ability of actors to secure benefits by virtue of membership in social networks or other social structures.”¹ Our term *community capital* refers to a community’s demonstrated capacity for voluntary association and collective action on issues regarding public goods and political action, in particular (for our interests) public security. Our use of the term is similar to the concept of social capital as used by Robert Putnam, to mean “features of social organizations, such as networks, norms, and trust, that facilitate collective action and cooperation for mutual benefit.”² We use the term for descriptive and explanatory purposes, restricted to our case studies and their importance for understanding patterns of public security, not to refine or test any theory(ies) of social capital.

Indicators of a high level of community capital include numerous and active clubs and associations, church groups, industry associations, and NGOs, especially when such groups cooperate or engage in dialogue with each other on matters of public interest. Active COCODES and COMUDES are included, especially when community residents express support and respect for their work. The lack of such associations, inactivity on their part, or a dearth of legitimacy in the view of community residents are treated as indicators of low levels of community capital.

The cases of Sayaxché, Gualán, and Malacatán indicate that efficient, large-scale drug-smuggling operations require at least a clear understanding of nonintervention and, at most, tacit cooperation between criminal groups and the local political power structure.³ This mutual accommodation seems more developed in

¹ Alejandro Portes, “Social Capital: Its Origins and Applications in Modern Sociology,” *Annual Review of Sociology* 24 (August 1998): 6.

² Robert D. Putnam, “The Prosperous Community: Social Capital and Public Life,” *American Prospect* 13 (Spring 1993): 35–36.

³ The patterns of criminal organizations’ relations with local communities within these three case studies echo Enrique Desmond Arias’ analysis of the phenomenon of criminality and violence in the slums or *favelas* of Rio de Janeiro, Brazil (see Enrique Desmond Arias, “The Dynamics of Criminal Governance: Networks and Social Order in Rio de Janeiro,” *Journal of Latin American Studies* 38, no. 2 [2006]: 293–325). According to Arias, the reasons for violence lie not only in the lack of capacity of public institutions, but also in the nature of the contacts and relationships that criminal groups establish with civic, political, and police leadership. According to Arias, “These contacts protect traffickers from state repression and help them construct political support from among the residents and favelas where they operate.” In this way, criminal networks establish other networks, tying them to political and social systems within and beyond the favela, rather than creating a parallel state from within. Through these connections with state officials and civic leaders, they make their criminal activities possible.

cases of low levels of community capital and civic-mindedness, as in Sayaxché and Gualán.

In Sayaxché, criminal networks, local political leaders and parties, and many of the municipality's elites maintain cooperative relationships to ensure the viability of drug-smuggling operations. This helps to explain the fact that criminal groups in Sayaxché are less concerned with maintaining relationships and contacts with other actors in the community. They have little need for broader public acceptance of or support for their drug-smuggling operations, and as a result there are few efforts to create quasi-parallel state systems to provide public goods and services.

The Sayaxché case illustrates the effects of a dearth of community capital. There are relatively few local organizations, and the ones present are relatively small and have little capacity. There is hardly any public mobilization. Also, Sayaxché residents seem to express a relatively weak sense of community involvement or belonging, most likely due to the large number of transient and newly arrived members to the community. There is a widespread sentiment that not much can be done about growing levels of drug trafficking and violence. The municipal government, in addition to being weak and insignificant in the life of the community, has a history of collaboration and alliances with criminal groups.

Of the three cases studied, Sayaxché is the one in which formal public power is most controlled by criminal groups. The certainty that criminal groups are in control of the public administration system, due to what community members see as the impunity with which criminal organizations operate, has created a profound mistrust toward the judicial system and the police, and has deepened feelings of mistrust toward the government as a whole. In Sayaxché, the alliance between institutions and criminal groups has undermined whatever legitimacy the weak state had, as well as its capacity to provide basic services to the community.

In the case of Gualán, drug-smuggling activity by criminal groups is carried out with implicit understanding and cooperation from the community. This is analogous to traditional relationships in the region between the local rural population and the landowners and overseers of coffee cultivation or cattle raising. *Los señores* are native to the community, and community members tend to accept and even endorse them as long as they do not act excessively against the interests of the community. Moreover, *los señores* are perceived to be paying the community for its silence with goods and services.

Unlike in Sayaxché, there is no clear evidence that los señores are directly involved in local politics. However, according to residents and Guatemalan security experts, it is impossible to imagine anyone in Gualán attaining the office of mayor without demonstrating neutrality, if not a willingness to be cooperative, toward los señores because these are people who not only smuggle but control much of the municipality's land and agricultural businesses.

Gualán presents an interesting case of community capital because formal local organizations appear to be relatively weak, but community capital exists in the form of the community's acceptance of authority within an informal network of local landowners, business owners, and traffickers. Local criminal groups do not directly control local politics and work to some degree to preserve community acceptance to ensure the viability of their operations. Gualán's community capital includes generations of local families and a relatively strong—especially when compared to Sayaxché—feeling of municipal and departmental community, enough so that los señores also feel themselves to be part of the community. Their provision of local services and benefits follows a normative, as well as functional or cost/benefit, type of logic.

Malacatán exhibits a relatively high level of community capital, reflected in the various civic institutions that mobilize around demands for political and economic goods from the municipal and departmental governments. Although there have been efforts to create a public dialogue and action on the topic of security in San Marcos, analysts judge it unlikely that public officials will seriously address the topic of drug smuggling and its effects.

Collective demands for political action via civic associations; an environment of economic well-being; and a more pluralistic, diverse local political system fundamentally distinguishes the Malacatán case from the others. Leaders of organized criminal groups must seek ways of achieving social acceptance to facilitate their drug-smuggling activities. They present themselves as benefactors of the community and minimize the use of threats of force and violence to protect their operations. From the community, they expect nonintervention and perhaps some degree of intelligence gathering and sharing. From politicians, they require noninterference, impunity, and the allowance to expand their activities into other sectors of the community's economic life either to diversify their investments or simply to launder their illicit profits. As in Gualán, there is a normative as well as a cost/benefit logic to Chamalé Ortiz's group's beneficence to the community. Chamalé grew up in the

community, lived and worked openly within the community, and used his personal relationships and network—achieved through both crime and formal, legitimate ties—to further his success. Giving back to the community in part also reflects traditional Christian values, common across Guatemala.

Malacatán, our “best” case in terms of limited negative impacts to the community from local organized crime, reflects the importance of a community with a relatively high reserve of community capital combined with a relatively active and autonomous municipal government. This indicates that community capital is less a good that by itself protects communities from harm than it is an asset or reserve that responsible public leadership can utilize to help protect the community. A high level of community capital in a community that has an incompetent or corrupt government does little to protect the community from criminals willing to use violence, corruption, and the withholding of key public goods to coerce the community. It is only when community capital is engaged and mobilized by public leaders, who can provide state backing and resources, that this capital can generate observable positive effects in terms of security.

The dynamic of organized crime in these border regions plays out within complex geographic, socioeconomic, political, and cultural contexts. Up to now, the government’s efforts to confront the problem of organized crime and trafficking have focused on improving the administrative management of border control operations, involving customs and immigration agencies, and deploying military forces to deter further violence. In order to be effective, policies to address border insecurity and organized crime must consider these border communities in their entirety. This includes their dynamics of long-standing accommodation and interaction among diverse local and national actors and community institutions—including local criminal groups—as all parties seek to improve their economic and political situations and, in some circumstances, to survive.

Chapter 6

IMPLICATIONS AND RECOMMENDATIONS FOR PUBLIC POLICY

These case studies highlight two factors that shape the degree to which illicit trafficking and criminal organizations affect ordinary life in border communities that are, for the most part, little touched by formal government. These factors are political leadership at the municipal level and the extent of a community's reserve of community capital. These findings underscore the difficulty of increasing state presence—and especially a security presence—in communities where individuals and groups associated with criminal networks offer legitimate sources of informal authority over community affairs.

The case studies indicate that where there are higher levels of community capital, and high institutional density, criminal organizations are more inclined to seek ways of ingratiating themselves with the local community. Their methods include attempting to capture social support by sharing privileges from their (illicit) success and providing public services, including street-level security. In contrast, in zones with low levels of community and weak institutional density, criminal groups are more likely to establish relationships of control and alliance directly with public institutions. In those cases, criminal enterprise is more of an enclave activity, less linked to the community and more focused on gaining the compliance of the local government.

Policies that aim at disrupting these informal networks could worsen the security and economic circumstances in the community unless they are accompanied by efforts to sustain local economic activity when the incomes and investment generated previously by criminal activity dry up. In our judgment, it is likely that these cases will require incremental, phased reintroduction of state services and presence, without directly threatening these longstanding networks, to prepare the ground for strengthened state efforts at policing and security. Beginning, for example, with health services, improvements in schools, and better sanitation programs, the government could gain public support and legitimacy before it attempts to confront local organized crime. The critical objective is for the government (at all levels: mu-

nicipal, departmental, and national) to win “the hearts and minds” of community residents so that they come to see criminal organizations and actors as unwelcome and to regard state institutions as competent and responsive to their needs.

Essentially, border security is less about improving the capabilities of the police or border control institutions than it is about changing the attitudes and behaviors of residents who live on and near the border. The traditional and popular view that the smuggling of drugs, humans, and other contraband is something inevitable due to the lack of economic options, the weakness and corruption of public institutions, and the power of organized criminal groups to cause violence needs to be addressed and changed.

EXISTING MODELS FOR PUBLIC SECURITY IN UNDERGOVERNED AREAS

The best-known regional models for responding to “ungoverned space” are those applied by the Colombian government in territories previously held by the Revolutionary Armed Forces of Colombia and by Brazilian police forces in favelas in Rio de Janeiro and other cities.¹ There are several differences between these cases, but both consist essentially of integrated intervention. Aggressive, overwhelming actions by security forces to seize territory are followed quickly by coordinated, interagency inflows of government services (e.g., alternative economic development, health and education services) to hold that territory and integrate the community back into the nation’s legal, economic, and political fabric. Wresting territory from nonstate actors who provide informal forms of governance is not enough if the state cannot also begin to provide these communities’ fundamental needs.

Guatemala has experience with a similar initiative: the “model precinct” program conducted by the National Civil Police with support from the U.S. State Department. Since 2004, the program has trained and equipped police in special suburban and urban districts near the capital in advanced community police operations, including techniques oriented toward improving community relations.² These efforts are combined with expanded social programs for at-risk youth to reestablish

¹ See Peter DeShazo, Johanna Mendelson Forman, and Phillip McLean, *Countering Threats to Security and Stability in a Failing State: Lessons from Colombia* (Washington, DC: CSIS Press, 2009); and Adam Isacson, “Rio de Janeiro’s Pacification Program,” Washington Office on Latin America, 5 January 2011, www.wola.org/rio_de_janeiro_s_pacification_program.

² More details are available from the U.S. Department of State’s Bureau of International Narcotics and Law Enforcement Affairs in Guatemala City.

police control and reduce delinquency in poor neighborhoods plagued by gang violence. The program has had success in the town of Villa Nueva, near the capital, and was subsequently introduced in the neighboring town of Mixto.

There are several challenges to implementing these types of approaches effectively. First, they require several competent government agencies (social, economic, and security) working effectively together. Second, they require enormous amounts of human, financial, and agency resources, especially from security forces who must seize and control the territory. These resources often must come at the cost of other programs and priorities. While the security situation in the community improves, the state must also find ways to generate new economic opportunities that might help to discourage smuggling or drug-trafficking activities as well as establish a new system of political relationships based on the rule of law.

Because of the financial and political difficulty of sustaining these measures, they tend to be treated initially as if they are temporary, to last a matter of months or a year until normalcy is restored. But the path to economic development, sound governance through formal channels, and lasting security without well-established and functioning institutions for the rule of law is long and in most regards unproven. Thus, the holding of territory, and the surge in government social and economic development programs, tend to become prolonged even when restricted to a few regions.

In both Colombia and Brazil, the amount of state resources available across the government and military seems nowhere near sufficient to apply this strategy everywhere it is needed, even to relatively small sections of territory. In a country such as Guatemala, an initiative of this kind would demand an unprecedented amount of economic and human resources and would probably cover only a portion of its extensive borders.

Such approaches—coming from outside the community and requiring a range of government programs and an extraordinary outlay of resources—seem impractical if not impossible in Guatemala. For that reason, we recommend consideration of measures aimed at mobilizing local-level resources in the form of collective citizen action and cooperation with formal authorities to promote security in border zones. These types of initiatives that begin from within the community, and then are supported by resources at the municipal and national level, are more likely to galvanize and utilize better local capacities.

SECURITY REFORM AND POLICIES PERTAINING TO BORDER COMMUNITIES

Providing security effectively in a democratic Guatemala will require fundamental reforms and strengthening the country's law enforcement, judiciary, and penal systems. The international community has pledged hundreds of millions of dollars to support these reforms and investments.³ These efforts are critical. Given the difficulty of passing security reforms legislation, however, these foreign-funded initiatives are unlikely to lead to meaningful short-term changes. Our intent is to provide additional ideas that could help reverse the worsening trends in violence, crime, and drug trafficking in the short and medium terms, without compromising efforts at longer-term institutional reforms.

Guatemala faces two overarching challenges to improving security in border communities. The first is the need to expand the presence of the state in those communities, in particular to introduce police units that the community views as reasonably effective and responsive. This goal seems extremely difficult to achieve within the next several years, given the slowness of Guatemala's efforts at reforming its National Civil Police. Challenges the national police and government must overcome include the present state of dysfunction and corruption at the federal level, the skepticism and scorn of many border community residents toward the national government (which hinder cooperation with the police or government), and resource shortages that leave local police—when they are present in these communities—poorly trained, unequipped, and ineffective. In the long run, improved law enforcement will also be insufficient to ensure security if not combined with greater state presence in other areas, particularly those like education, job training, and conflict mediation that help prevent crime. Two objectives must be pursued more or less simultaneously: to increase state presence and control in these communities, particularly in the area of security, and to broaden and improve the economic prospects for community residents.

A second critical challenge to improving security in border communities is to close the operational gap between Guatemala's federal government and its munic-

³ According to the Inter-American Development Bank (IDB), international donors have given more than \$1 billion since 2009 in grants or loans in multiyear projects to improve security in the region. At a conference in Guatemala in July 2011, the U.S. secretary of state pledged almost \$300 million to support regional security efforts; the IDB announced a \$500 million fund for projects in the same area; and the World Bank promised to create a similar fund.

ipal government so that the two systems communicate and coordinate strategies, policies, and spending more effectively. At present, security is entirely the responsibility of the national government, and municipal governments have a host of responsibilities and functions which very few of them have the resources to fulfill. This ignores the fact that the chronic lack of security impedes the execution of most of these other functions. The national and local governments are incapable of providing security to the communities; into this vacuum step nonstate actors, such as *los señores*, who are able and willing to provide at least selective, self-serving forms of local security.

This division of responsibility for public security also ignores that the effective provision of security is multidimensional, involving not only law enforcement but the exercise of the rule of law and development and social welfare provisions. “Either build schools or build prisons,” as the saying goes. This longstanding lack of effective coordination between Guatemala’s national and local governments—a problem the COCODES/COMUDES system was designed to resolve—profoundly impedes security policies. Some of our recommendations below are aimed at addressing, in part, this structural deficiency.

In practice, the effective provision of security is an interrelated process. Thus, a central theme in our recommendations is to try to find institutions, channels, and instruments through which national efforts toward security, centered on improved police and military operations, may be much better coordinated with efforts, programs, resources, and demands within the country’s border municipalities. Coordination across the national-departmental-municipal levels must be improved, led by security priorities and needs defined as much as possible at the local level, with complete transparency and community participation.

PUBLIC POLICY RECOMMENDATIONS

We present our recommendations by theme. First, we address the issue of community capital, one of the chief factors that explains deviation in our case studies and a factor relatively amenable to policy. Second, we address the need for competent and independent municipal leadership. Beyond these thematic measures, we propose two larger reform measures that we believe would improve the capacity of the government at all levels for providing security. The first involves the creation of new structures for interagency coordination of intelligence and security operations to

strengthen whole-of-government efforts and improve accountability in Guatemala's border regions. The second involves raising significantly the tax revenue share that goes to municipalities in exchange for new measures of transparency and accountability at the municipal level.

MEASURES FOR PROMOTING COMMUNITY CAPITAL

The case studies illustrate the importance of community capital as an asset that improves the resilience of communities before the negative effects of organized criminal activity. From our consideration of community capital, its development, and the conditions under which it flourishes, we derive the following suggestions for policies.

Encourage local economic diversity. This encouragement can come via several policies or initiatives and with a range of public-private partnerships, including

- tax incentives to investors who bring substantially different types of business into a municipal economic zone;
- cooperating with local banks to offer lower loan rates for businesses investing in industries without an existing presence in the economic zone;
- reviewing local laws, licensing criteria, and processes that may be unnecessarily complicating the ingress of investment in new types of industries and activities; and
- revising customs legislation and procedures that promote the smuggling of basic consumer goods in border zones.

Promote the growth of local community capital. Studies indicate that degrees of community capital at the local level are slow to change but can be developed through certain actions. One path to improving community capital seems to be the reduction of income inequality. Though the relationship between lower levels of income inequality and higher levels of community capital seems intuitive, the causal process is uncertain.⁴ Other measures can be implemented more directly, and we recommend Guatemalan municipal authorities, departmental governments, and federal agencies give them consideration. The following recommendations have

⁴Anirudh Krishna, "How Does Social Capital Grow? A Seven-Year Study of Villages in India," *Journal of Politics* 69, no. 4 (2007): 941-56.

been derived from well-known international projects and NGOs with experience at building community capital.⁵

- Host events that highlight local culture(s), traditions, and features of the community. Invite and promote active participation on the part of local organizations (e.g., churches, schools, clubs, youth groups, unions).
- Promote local events that feature dialogue about issues of local political or cultural importance.
- Encourage local organizations, potentially via cost-sharing programs, to engage in voluntary public service activities. Encourage different organizations to plan and conduct such activities together.
- Create and/or support programs that bring together different groups (e.g., different religious, ethnic, or socioeconomic groups) in the community for collaboration in such public service projects as youth education, recreation, cultural celebration or development, philanthropy, etc.

Reward and encourage effective governance at the municipal level. The case studies, particularly the Malacatán case, demonstrate the importance of political leadership at the municipal level. They also suggest, however, that such leadership is uncommon and difficult to create via policies or spending. In Malacatán, a diverse, relatively prosperous community supports a mayor who works effectively across various local groups and associations, reaching negotiated solutions to common concerns and treating criminal organizations informally like any other interest group.

In all three cases, illicit trafficking thrives, but at least in Malacatán its effects on the population are modest and the political system and the rest of the local economy function largely independently from its influence. The effectiveness of the municipal government can be attributed partly to its competence and vision. Yet, it is also at least in part because Malacatán's prosperity and economic diversity led to the creation over many years of various associations and groups tied to special interests, a relatively rich web of local institutions with and through which a competent municipal authority can work productively.

In Gualán, however, municipal authorities operate more or less alongside informal authorities, the leaders of which are los señores and their network of legal

⁵ Barbara J. Nelson, Linda Kaboolian, and Kathryn A. Carver, *The Concord Handbook: How to Build Social Capital Across Communities* (Los Angeles: UCLA School of Public Policy and Social Research, 2003), <http://concord.sppsr.ucla.edu>.

and illegal businesses in the region. The municipal government seeks to avoid and certainly not to provoke these groups, and community residents recognize that in many aspects of their lives, especially concerning security, they rely more on los señores than on the official government. In Sayaxché, community residents perceive their mayor and his administration as corrupt and ineffective in terms of providing public services. There are no local institutions or individuals who intermediate between the community and the criminal organizations, the most dominant of which at present is the fearsome Zetas. Community members simply try to avoid involvement, stay out of the path of these groups, and feel themselves largely at the mercy of fate. It is important to point out that in these cases the lack of both institutional density and social capital enables criminal networks to operate as economic enclaves without close ties to the community to win their support, acceptance, or compliance.

The findings across our case studies suggest that the greater the institutional density and community capital of a community, the less intense and constant will be the control of criminal organizations over government functions. Also, when municipal governments are able and willing to carry out visible and measurable actions in the interests of the community's well-being, community residents are more likely to perceive local criminal networks as a detriment to community affairs. In Malacatán, for example, the ability of the local authority to mediate and resolve conflicts of interest among different interest groups, and its active role in areas completely unrelated to security, dilute the influence of criminal networks in community life.

Modernization theory suggests that in Malacatán the demand for more efficient local management can be explained by a more diverse and modern economy and a society that includes a small but growing middle class, with greater resources for mobilizing around their interests. Malacatán offers some lessons for politicians interested in promoting similar processes of modernization in small, more traditional communities, as well as economic policies for attracting more investments from outside of the community.

The concept and practice of an "effective government" defy objective measure. This is especially true when the measure of effectiveness includes success in managing the negative effects of local organized crime. For example, if conflicts related to drug-smuggling groups are not resolved, many Guatemalans will consider the management of community interests a failure. Thus, the subject of rewarding or encouraging specific policies or results in the local environment through national

programs, could certainly become politicized, above all when it is assumed that the municipal work effort must be aligned with national government policies. Therefore, rating and encouraging the municipal initiative are actions that must come from nonpartisan organizations independent of state institutions.⁶

A review of possible approaches for creating incentives for more efficient management on the municipal level produced the following policy recommendations:

- the promotion of rules and instruments that improve transparency and accountability so that residents and others are more aware of what the government is doing; and
- recognition by an objective, nonpartisan organization with public credibility of mayors and/or municipal governments that are judged to be particularly effective at building community capital and improving citizen security.

SECURITY ZONES AND OTHER MEASURES TO IMPROVE INTERAGENCY SECURITY OPERATIONS

Public policies oriented toward improving the state's performance in dealing with organized crime in border communities require institutional reform processes that are consistent, coherent, and simultaneous on national and departmental levels. It is difficult to achieve effective, professional police services at the local level without a consistent, successful police reform process at the national level. It is also difficult to create comprehensive policies for approaching the problem of drug trafficking without reforms that strengthen coordination and cooperation between agencies. In spite of the challenges involved in local policing and security reform efforts, it is essential to reform public policies to provide flexibility for the government in acting in socially and economically complex border regions.

We encourage the efforts underway, and the consideration of other methods and reforms to increase the presence of a well-functioning and responsive state in border communities. These reforms are, or should be, advancing on several levels:

- Define, advance, and strengthen the program for the reform of the National Civil Police.

⁶ One such organization is Transparency International, a global network that combats corruption worldwide, bringing together actors from government, civil society, commerce, and communications media to promote transparency in elections, public administration, hiring, and business. Through local partners, they rate and highlight municipalities that have made efforts to improve municipal accountability and to prevent corruption. For more information, go to <http://www.transparency.org/about/>.

- Clarify the army's role in providing security to the population and border security.
- Implement joint interagency efforts to confront organized crime, including the creation of special security supervisory groups with a flexible, interagency framework in regions where criminal organizations operate.

POLICE AND INSTITUTIONAL REFORM

It would be helpful, if not necessary, if the government would clearly define the objectives of Guatemala's police reform process and how these objectives and their expected results relate to security policies and operations in border communities. The reform process must clearly indicate the role of national police in border communities and define police action in relation to the increasing military presence in border zones. It is important to keep in mind that the National Civil Police has very limited authority and in the view of community members we interviewed also tends to have little legitimacy. Although the Guatemalan constitution makes reference to local police entities, currently there are no clear efforts to establish such systems.

Reforming a police force is both technically and politically complex in any country. In ones with political systems widely penetrated by personal and special interests, including criminal interests, powerful forces strive to undermine efforts to improve police performance. Still, such reforms are essential for national and citizen security. In our view, the following efforts should be included:

- a clear statement from the president and the chief law enforcement officer that defines the functions and authorities of the National Civil Police and its relationship with the citizenry;
- an explanation of what parts of the reform process have been inefficient in their execution and why;
- a defined system of internal promotion and career paths within the National Civil Police, one that makes full use of and provides incentives for hard work and talent;
- the improvement of the police training and professionalization process; and
- measures to ensure internal and external transparency and accountability.

In addition, three possibilities should be discussed publicly and considered seriously by the government: 1) a reform of the security sector that, for example,

could result in the creation of a border guard; 2) the redefinition of the model and role of the army in their fight against drug trafficking and other expressions of organized crime; and 3) the reconstitution of local police institutions, the lack of which clearly affects the capacity of communities to respond to local crime and insecurity.

The absence of a nonpolitical debate has resulted in the overuse of military force in dealing with security problems in border communities. Given the state's limited resources, the viability of these policies is ever more uncertain. In our view, there is inadequate public discussion in Guatemala today about the costs involved in the implementation of the peace accords, referring to those initiatives that dismantled the military without first creating an effective civil security and law enforcement system. These policies and failures created numerous incentives and opportunities for traffickers and organized criminal groups to exploit Guatemala as a drug-smuggling zone.

Guatemala requires a serious and open public discussion—led by its government but including civil society—about the kind of army the country needs. Opinions vary on this subject, and sentiments are intense given Guatemala's recent history of civil war and corruption within the military. There are influential sectors of Guatemalan society that see the army as the institution best prepared to confront challenges related to security and the fight against organized crime, especially when dealing with the control of airspace and national borders. There are also equally influential sectors concerned by the deployment of the military to confront organized crime activities, given the current nonexistence of an institutional environment of transparency, civilian control, and accountability in Guatemala.

MEASURES TO IMPLEMENT JOINT INTERAGENCY ACTION

The provision of security in border communities is complicated by the lack of integrated national, regional, and local efforts and information sharing. When the presence of national security forces is minimal, this leaves municipalities to face criminal organizations and other threats largely on their own. We recommend consideration of a set of legal and institutional reforms that would restructure the territorial divisions in which national security policies are implemented, creating what could be called "special security zones." These would be geographical areas administered by working groups or task forces that include members from different state agen-

cies (e.g., police, military, health) and civilian institutions (e.g., security think tanks, NGOs). These task forces would collect and integrate information on organized criminal operations from the police and municipalities across the zone, analyze this information, and choose the most appropriate antitrafficking and antiorganized crime policies and tactics for the zone. An initiative of this nature would require open communication, coordination, and clear measures for oversight and transparency at the levels of both national and local government. One of the fundamental objectives of creating these special security zones would be to promote the responsible use of public resources.⁷ By integrating the expertise and professional experience of officials from civil society and across various state agencies, these councils would bring resources and know-how to border communities that lack any such support from outside at present.

Such a system would improve vertical and horizontal information sharing and coordination between actors at the national and local levels and across a range of stakeholders, including government agencies, to increase capacity for designing and administering public policies for enhancing economic and human security. The government would be made more present across its national territory and more effective because of its increased capacity for integrated interagency actions. These task forces would bring together a wealth of public and private experiences developed over many years by people working in and for border communities in such areas as environmental, commercial, public, and security services. These groups would also benefit from the full participation of local governments. This could include community participation, based on models from the existing, diverse participatory experiences at the community level in Guatemala.

The multidisciplinary nature of these task forces would be a key element of their value to the government and, more broadly, the national political system.⁸ They could include officials from the government, the army, the National Civil Police, and local police, as well as civil society actors. Through this joint effort, several

⁷ This complementary mechanism would strengthen good practices of progressive “deconcentration” and “decentralization” that have been proposed and launched in civil regulations and practices in Guatemala’s recent past to provide more relevance to the local environment, a subject that is explicitly included in the peace accords of 1996 and continues to be a constant since then, with disparate results.

⁸ During the presidential campaign, candidate Pérez Molina described a similar idea for the establishment of Inter-Institutional Task Forces, which would consist of personnel from the National Security System with the support of the attorney general’s office and the federal human rights office. Each task force would be assigned a geographic area where they would combat the principal crimes: drug trafficking, drug dealing, extortion, assassinations, and gangs. In each of these areas, civilian organization will be promoted to facilitate the recuperation of public areas and to sustain community security.

institutions together—public and private, national and local—would share responsibility for seeking solutions to the diverse problems of security confronting border communities in Guatemala.

IMPROVING CITIZENSHIP AND SOCIAL CAPITAL BY INCREASING THE RESOURCES AND AUTHORITIES OF LOCAL GOVERNMENTS

Ultimately, what is required to control the impact of the criminal organizations and illicit trafficking in the border communities is an increase in the active and effective presence of the state in these communities, properly integrated with and in support of community institutions. It is clear that expansion of the legitimate presence of the state will be difficult under any circumstances, especially when faced with limitations related to scarcity of financial resources in a country with critical needs such as Guatemala. But it is also clear that the reform process could streamline the use of some resources currently being misspent to reduce the vulnerability of the country in the struggle against organized crime.

The potential for expanding the presence of the state is relatively easy to imagine in cases similar to Sayaxché, where the social and political infrastructures are minimal and the needs are great. Isolated and underdeveloped communities like these would most likely welcome any future efforts by the government that would lead to services being provided. Nevertheless, long-term, sustainable improvements in these communities' security will require more than additional troops or police. For instance, citizens must gain social capital by developing the capacity for cooperation and trust, first among themselves and second in coordination with and support of government initiatives.

In Malacatán, there are also various options for incrementally increasing state presence with the support of the community. The local government, the private sector, and actors from civil society exist in abundance and would likely be interested in reaching agreements with public institutions that would allow for coordinated efforts toward increasing state presence. As the case study showed, organized criminal activity in and around Malacatán takes place within a broader, stronger legal economic environment. National agencies would be welcomed within this formal sector for the benefits they bring, and would pose no danger to most of Malacatán's society and economy.

It appears that such cases as Gualán present the greatest challenge because of age-old patterns of services provided by entrenched traditional groups like los señores and the greater relative importance of trafficking and related activities to the local economy. In such cases, popular support for these groups and profound mistrust of the Guatemalan government could cripple efforts to alter these long-standing dynamics and curb criminal activity in the area. The community will be suspicious and skeptical, and is likely to rally around local institutions and associations, at least at the beginning. Success will require patience and a cautious strategic approach via the early insertion of such nonsecurity agencies as health, sanitation, and public works. A greater share of resources will likely be required before national institutions, and eventually state security forces, gain acceptance and collaboration in these communities.

FISCAL DECENTRALIZATION AS A LONG-TERM CONSIDERATION

Our case studies consistently demonstrate that residents of border communities tend to view the Guatemalan national government as unhelpful at best—and predatory at worst—and unworthy of their trust at any rate. For this reason, we suggest that the most effective, short-term course of action must be policies and programs designed at the local level, with input but not firm guidance from institutions of the central government. The Guatemalan government should increase its presence largely via the strengthening of local municipal entities and particularly the reserve of social capital with which they can work so that the communities themselves may be effective coordinators of the process of improving local security.

Clearly, part of strengthening the capacities of local governments relates to improving their access to economic resources to allow them to supply services demanded by the community. In our view, Guatemalans should reflect seriously on their tax structure. Not only—as is often stated within Guatemala and by outside observers—does the central government need far more resources for its security institutions, reforms, and operations, but local governments also need greater resources to serve the needs of their communities. Reforms along the lines of fiscal federalism, by which municipal and departmental governments collect and spend a greater share of total taxes (their current share of total public spending is fixed,

constitutionally, at 10 percent), would place greater responsibility and resources on local governments.⁹

A more decentralized tax system would help increase the autonomy of local governments and improve the institutional capacities. By strengthening the autonomy and effectiveness of local governments, their legitimacy in the eyes of the community will improve as well. Bringing state institutions and policymaking closer to the citizens they serve improves government performance. As more citizens see government as beneficial instead of detrimental to their welfare, citizen support and involvement would likely increase. By providing incentives for citizens in border communities to be more active in their local politics and in their communities in general, decentralization or fiscal federalism could improve the quality of Guatemalan citizenship and social capital.

However, given the mixed and in many senses negative experiences with decentralization in Colombia, Mexico, and other Latin American countries (where the penetration of the political system by criminal groups has been an enduring problem), measures for accountability and transparency will be crucial in Guatemala. With transparency and accountability in municipal government operations and electoral processes, competition among parties vying for municipal control would empower the community via the ballot box. As is clear from other Latin American cases, to be effective decentralization will require autonomous and active local judiciaries and attorneys general, free press, and electoral councils, which at present few Guatemalan municipalities could claim. For this reason, it is not a reform that should be undertaken all at once; instead, it should occur piece by piece over time as local institutions grow stronger and proceed through different steps and with different resources, depending on specific community strengths and deficiencies. A positive first step could be the establishment of a clear system of municipal and departmental evaluation to determine the processes necessary for each local government to become capable of collecting and managing new resources effectively.

⁹ This reform does not need to affect existing redistributive measures from federal revenues that aid underdeveloped municipalities.

POSTSCRIPT

We initially conducted this research in 2011 and released the original report and its recommendations in Guatemala just before President Pérez Molina took office in 2012. Our case studies were updated, though not in the same depth, in December 2012. The manuscript was updated again in 2015 to prepare it for publication with Marine Corps University Press.

Since that time, there have been some remarkable developments in Guatemala. Several prominent leaders of drug-trafficking organizations—including such *los señores* members as individuals from the Lorenzana family—have been arrested and extradited to the United States. The Zetas, as the coherent network we described in 2011–12, have been shattered through violent competition with rival cartels and by Mexican, U.S., and regional law enforcement cooperation. All of their previous top leaders are dead or in jail. More recently, even the world’s top trafficker, Joaquin “El Chapo” Guzman, the founder and CEO of the Sinaloa Federation, has been arrested and jailed (for the third time). None of these developments seems to have made any significant difference in the size of the regional drug trade, though rates of violence have lowered somewhat in Guatemala and Mexico (while rising in El Salvador and Honduras).

Of greater importance, it appears, has been the anticorruption work in Guatemala of the United Nations–backed International Commission against Impunity in Guatemala (CICIG). This independent investigative commission has successfully led several high-level investigations of corruption in Guatemala, including one that led to the impeachment and trial of former President Pérez Molina and several of his associates. Whether the CICIG is helping to fundamentally root out corruption at the top of Guatemala’s political system is open to question. The commission’s independence from Guatemala’s federal courts has allowed it to succeed, but its capabilities and resources must ultimately be integrated into Guatemala’s judicial system and institutions if it is to lead to sustained change. Nevertheless, currently there is prom-

ise of important improvement in Guatemalan politics that was not evident when we conducted this analysis.

Sadly, however, little appears to have changed since 2012 regarding the active presence of criminal organizations and trafficking in Guatemala's border regions. Data on the volume of drugs, money, weapons, and/or humans crossing Guatemala's borders illegally is unavailable, and official estimates vary widely depending on the source, whether Guatemalan, United States, or international. No one asserts, however, that illegal trafficking has been reduced significantly. In some areas, the flow of narcotics and other contraband appears to have been diverted—for example, at the city of Tecún Uman on the Guatemalan-Mexican border, where the Guatemalan government with the help of the United States has built new border control infrastructure. More narcotics are now believed to be shipped via the sea, or through other parts of Guatemala, from Honduras. But the overall levels of smuggling remain significant.

Similarly, as we have noted, the arrests of a series of major national capos, including the leaders of networks in Malacatán and Gualán that are highlighted in our case studies, seem to have made little or no difference with regard to criminal activity and public security in those areas. Other criminal bosses have stepped in to manage routes, networks, and relationships. Further research on the ground would be necessary to explore what effects, if any, those arrests have had on community- or individual-level security in those communities. The success of the CICIG and Guatemala's courts at addressing corruption and impunity at the top of the national political system also have not affected the day-to-day conditions and behaviors that Guatemalans face on the street or in the village. As the case studies highlight, events in the federal capital are irrelevant to the politics and economics in the border and rural regions where powerful local families and networks hold sway.

Efforts to reform and retrain the national police force continue, but so far with little observable progress. The U.S. government continues to assist Guatemala in efforts to improve community-level safety and security in several municipalities, with some measurable success, but these remain limited in scope and their sustainability uncertain. Guatemala's government has not yet succeeded in raising taxes to increase its capabilities to provide public security. In January 2015, the government announced a new effort to do so, but few believe it will succeed in passing a new tax program—even if created—through a congress where higher-income elites and

criminal networks all have powerful influence. This ongoing lack of state resources, reflecting a shortage of political and societal commitment, limits Guatemala's possibilities for promoting social capital in its communities and strengthening the rule of law through improved police, judicial, and penal institutions. Little progress has been made in any of these areas since 2012. More profound measures, such as fiscal decentralization, which would require constitutional reforms, are no closer to serious consideration than they were when we initially proposed them.

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See also Mexican cartels

The border zones of Central America are profoundly marginalized from the political and economic life of the nations to which they belong. Border communities tend to be poor, lacking of public services and infrastructure, and isolated. Borders themselves are permeable at best and mostly nonexistent. Local residents cross them regularly to shop or sell their goods, for jobs, to access services at the closest town, or to simply visit family members or friends. In the past, these regions, their sparse and often indigenous populations, and these constant flows of goods and people went overlooked. But during the last decade, a surge of drug trafficking and human smuggling has brought attention to them as “ungoverned” spaces that undermine the sovereignty and security of the countries of the region and of the United States.

The Dilemma of Lawlessness explores in-depth three towns typical of Guatemala’s border regions and examines the economic, political, and security effects of the amplification of the drug trade in their streets, across their rivers, and on their footpaths. The cases reveal that trade has brought prosperity, but also danger, as illegal profits penetrate local businesses, government offices, and churches as longstanding local smuggling networks must contend with or accommodate the interests of Mexican cartels. The authors argue persuasively for the importance of cultivating local community capital to strengthen these communities’ resiliency in the face of these threats.

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