

# GUATEMALA

## Faced with the 2030 Agenda

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Guatemala reached the 2015 deadline for achieving the Millennium Development Goals (MDGs) without achieving a single one. To meet the 17 Sustainable Development Goals (SDGs) agreed in the 2030 Agenda for Sustainable Development, it is essential that social organizations play an important role. But this will only be possible if social action is matched by state and political will, which must be expressed in political and budgetary changes.

So far, the state has expressed only good wishes. A long list of shortcomings frames the barely positive scenario outlined to comply with the SDGs in Guatemala. If these great challenges are not faced by taking the necessary actions, the state will not meet the demands of the population and the SDGs will not be met by 2030 either.

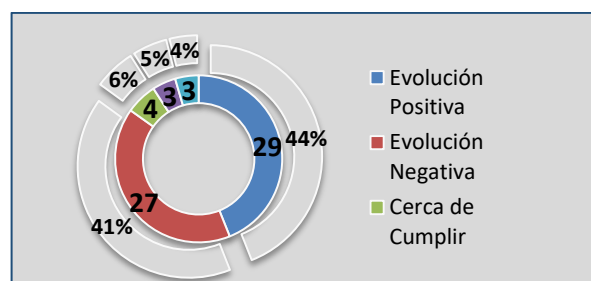
Guatemala reached the 2015 deadline for achieving the Millennium Development Goals (MDGs) without achieving a single one. According to the Secretary of Planning and Programming of the Presidency - the entity in charge of monitoring their compliance - of the 66 indicators reported, 29 showed positive change (44%); 27 were not met, and in fact have gone backwards (41%); 4 showed stagnation (6%); 3 are close to compliance (4%) and no change is determined in 3 (5%).<sup>1</sup>

### What did it mean not to have complied with any of the MDGs? Some indicators show the tragedy

1. Guatemala is ranked number 128 among 188 countries assessed by the 2015 UNDP Human Development Report.

<sup>1</sup> Secretary of Planning and Programming G918 15 of the Presidency. Final compliance report on the Millennium Development Goals. Guatemala City, Segeplan, 2015.

Chart 1: General overview of compliance with the MDG



Source: Personal compilation based on data from the Compliance Report on the MDGs, 2015.<sup>2</sup>

2. Poverty increased to 59.3 percent and 23.4 percent of the population live in extreme poverty, according to the National Statistics Institute. Although poverty is widespread, it is higher in rural areas, particularly in the territories with a majority of indigenous population.
3. About 2 million Guatemalans are at risk of chronic hunger, according to the FAO.<sup>3</sup>
4. Half of the children (49.8%) are in a situation of chronic malnutrition, according to the Ministry of Public Health. Diagnóstico Nacional de Salud 2012.
5. An estimated four million children and young people of school age are out of school. The Ministry of Education reports (July 2014) that enrolment in pre-primary education is 44 percent, in primary education, 89.1 percent and in basic middle education 43.2 percent.
6. About 2 million Guatemalans live abroad, particularly in the United States. Family

<sup>2</sup> Evolución Positiva – Positive change; Evolución Negativa – Not met, gone backwards; Cerca de cumplir – Close to compliance; Estancamiento – Stagnation; Sin determinar evolución – No change is determined  
<sup>3</sup> FAO Diario la Hora, 10-12-2014.

remittances are one of the pillars of the national economy. In 2015 they exceeded USD 6 billion, according to the Guatemalan Central Bank (January 2016).

7. The corollary of these figures is a society at risk of unsustainability. Seventy percent of the economically active population is linked to an economy of "small entrepreneurs" - a euphemism used by the technocrats to identify own-account workers-, who work 12 hours a day, without social security and often "accompanied" by their children.

Of the 200 thousand young people that, according to the Ministry of Labour, "enter" the labour market annually, the national economy absorbs about 40 thousand. A high percentage engage in street trading, migrate to the north or put themselves at the service of national and transnational mafias.

Violence is part of the landscape, with an average of ten homicides per day, and 70 percent of the country suffers from various forms of extortion carried out by criminal structures.<sup>4</sup>

It is in this context that the SDGs must be achieved, making the role of social organizations in the monitoring and review of progress and regressions essential.

Compliance with the SDGs in Guatemala will only be possible if social action is matched by state political will, which must be expressed in policy and budgetary changes. So far, only good wishes have been expressed.

### Social vulnerabilities reflect institutional vulnerabilities

1. Guatemala's weak tax structure is characterized by a precarious and regressive fiscal burden. With an annual total equivalent to 11 percent of GDP, Guatemala has one of the lowest rates of revenue collection in the region. This situation is compounded by legal mechanisms that grant tax breaks, privileges, and exemptions, as well as a parallel system that facilitates fraud and tax evasion.<sup>5</sup>
2. Guatemala is considered a tax haven because of its

low tax rate, high incidence of evasion and prevalence of bank secrecy.<sup>6</sup>

3. Guatemala's public budget deficit is equivalent to 13.5 percent of GDP for 2016. Given the fiscal weakness of the state, it is necessary to finance it with resources from external and internal debt.
4. Social spending is not a priority in the budgetary stance and is only equal to 8 percent of GDP for 2016.
5. Educational enrollment is 49.8 percent of eligible students and the total percentage of the budget spent on education amounts to 2.6 percent of GDP.
6. Public health coverage reaches only 49.6 percent of the population in practice, according to the Ministry of Health, and the public health budget amounts to 7.8 percent of the national budget and 1.1 percent of GDP.<sup>7</sup> Investment in agriculture, aimed at small-scale producers, is equivalent to 1,090.90 quetzales (USD 141.49) per year per producer. This involves technical assistance, technology transfer, productive infrastructure, credit and inputs. That is, in practical terms, the state does not actually invest in small-scale agriculture.
7. For public safety, the state invests 9.2 percent of the total national budget.

This list of shortcomings frames the barely positive context in which to comply with the SDGs in Guatemala. If these great challenges are not faced, the Government will not meet the demands of the population and the SDGs will not be met either.

### Transformative measures for transformative results: actions to be taken by the state and civil society to meet the 2030 Agenda for Sustainable Development.

#### I. Fiscal reforms

1. To strengthen public finances through a national strategy to increase tax revenues, which gives priority to a deep, fair and progressive tax reform

4 Policia Nacional Civil, January 2016.

5 Observatory of social spending, CONGCOOP, 2014.

6 El Periódico, April 2016.

7 Diagnóstico Nacional de Salud 2012, Informe de Monitoreo al Presupuesto CONGCOOP 2015.

and that gradually raises the tax burden to at least 21.7 percent of GDP by 2030.

2. To gradually increase the public budget in a sustained way up to 22 percent of GDP by 2030. In practical terms, Guatemala must double the amount of its budget.
3. To gradually raise social spending in a sustained way up to at least 19.5 % of GDP by 2030.
4. To increase investment and spending on health and education by at least 0.4 percent of GDP each year to achieve these two basic MDGs.

## II. Social service provision

5. To implement an educational reform that includes a system of bilingual and intercultural education. The current monolingual educational system in a multilingual country, added to factors associated with poverty, cause constant dropouts.
6. To prioritize preventive health policies, with ethnic relevance and taking into account the effective ancestral practices of the Mayan health system.
7. To involve youth in employment programmes through public investment, boosting family agriculture in rural areas and with large public service programmes in urban areas.
8. To implement a policy that enables peasants to have access to productive resources, particularly land, credit, technology and social and productive infrastructure, to increase job creation and revitalize rural economies.
9. To implement an innovative payment policy through public investment in areas that care for, protect and develop natural resources, particularly water and forests.
10. To promote a national programme of land management that ensures small and medium producer populations the necessary space for food production and the development of quality ways of life on their own.
11. To ensure unrestricted protection of water sources, prioritizing public social use.
12. To stop and reverse the spread of monoculture production, which has been increased by 40 percent in the last ten years, according to the UN Human

Rights Office.<sup>8</sup> This form of production preys upon forests and water resources and causes pollution by pesticide use. In the same vein, the country needs a moratorium on mining for the damage caused to the environment, very similar to those caused by monocultures. The effects of climate change are accelerated because of extractive production system.

13. To implement, in an accelerated and massive way, an agro-ecological production system to mitigate and reverse damage caused by climate change.
14. To complete legislative measures to continue the reform of the state, particularly measures that expand political participation of citizens and block the path to corruption.

## III. Social movements

15. To sustain and strengthen a national strategy on human rights that articulates and sets a deadline for the state to ensure full observance of human rights in the country.
16. To ensure permanent mobilization, involving proposals for and monitoring of state actions based on the fulfillment of economic, social, environmental and cultural rights of the population.
17. To establish autonomous monitoring systems and / or with state partners on progress or regressions towards achieving the SDGs and inform the population.
18. To advance social mobilizations to lobby for political transformations of the state as an essential requirement to the fulfillment of the rights of the population and in particular the SDGs.

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<sup>8</sup> See

[www.ohchr.org.gt/documentos/informes/InformeAnual2014\(esp\).pdf](http://www.ohchr.org.gt/documentos/informes/InformeAnual2014(esp).pdf)