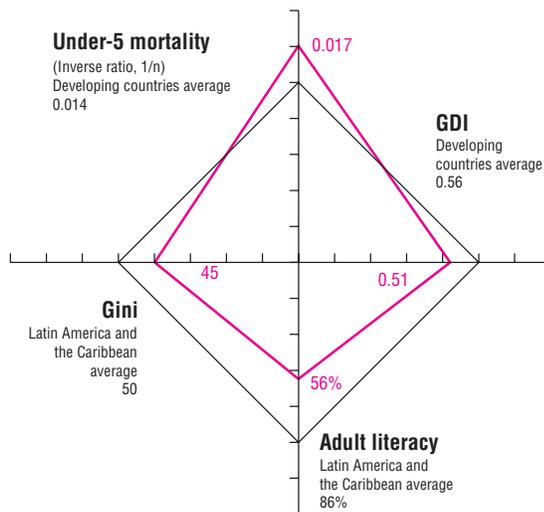


## GOOD INTENTIONS... UNCERTAIN FUTURE

### PRIVILEGE AND INEQUITY



The Equity Diamond: National values in terracotta compared to regional ones in blue.

*Given the current historical conditions in Guatemala, which is at the end of a long civil war, the government's main social commitments derive from the 1996 Peace Accords. These commitments are linked to the aims of poverty abrogation, social integration and full employment, which were promoted by the Social Development Summit and the Fourth Women's Conference.*

The Peace Accord on socio-economic and agrarian development proposed a 4% growth in gross domestic product (GDP) by 1997, with continuing growth reaching 6% by 2000. However, despite official optimism due to economic improvements in 1996, production levels fell relative to 1995 and the growth rate was 3.1%. Industry and agriculture were the sectors most affected.

Guatemala has one of the lowest levels of taxation in Latin America, and one of the worst tax administrations. State income is not enough to meet the basic needs of the population. Available resources are used inefficiently with insufficient transparency. Tax evasion is widespread.

This situation is made worse by the privileges and tax exemptions granted to industry, agriculture, poultry breeding, and other economic sectors. This has occurred mainly in the last four decades through the approval of ad hoc laws and governmental agreements. These advantages have affected Guatemalan men and women unequally and have seriously reduced income for socio-economic development programmes.

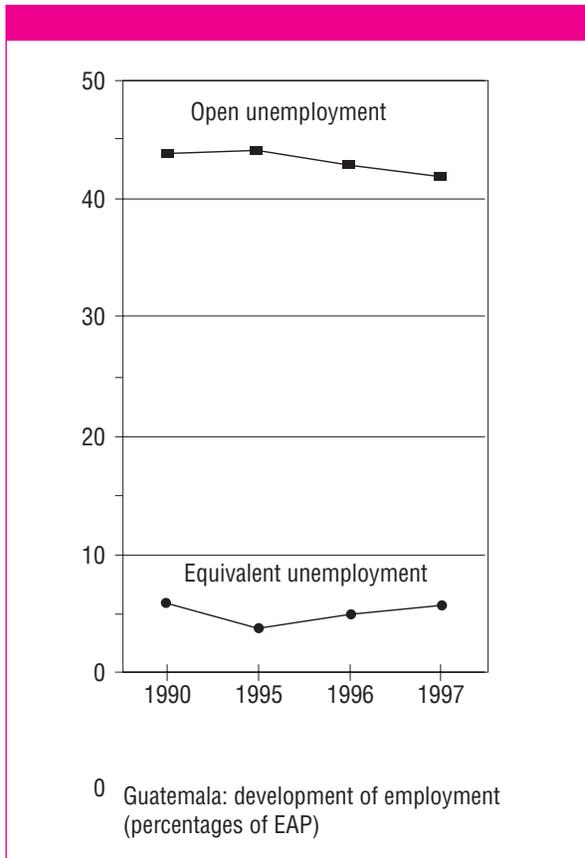
These policies have encouraged the development of a business culture of over-protection, and the emergence of unnatural monopolies and oligopolies with great influence in government decision-making centres. Also, the monetary, exchange and credit policies – aimed at short-term emergency stabilisation – have favoured a boom in the financial sector. This has benefited from a national economy and state, which, until recently, was almost exclusively dependent on a single export product: coffee.

The fiscal policy is still the Achilles' heel of the macro-economic policy. Government authorities face difficulties in covering public spending each year. In this context, the current government has decided to reform tax collection and privatise the main state-owned companies, in order to alleviate the heavy internal public debt and fulfil the commitment assumed in the Peace Accords to increase taxes to 12% of GDP by the year 2000, that is, up 50% from 1995.

On another front, various social sectors oppose government economic policies that increase charges for public services in order to make them profitable before selling them off. The policies are provoking a sustained impoverishment of urban and rural populations and also affecting small landholders.

In Guatemala's current fragile legal environment, the economy is showing no signs of reactivation. **Stagnation of production has been prolonged. Signs of ungovernability have reappeared, born of the frustration and desperation of many people faced with increases of 3,000% in telephone charges and 48% in electricity.** Tension has increased with a proposed bill to reform the wel-

fare regime that would increase workers' contributions by 100%, raise the retirement age from 60 to 65, and privatise the administration of pension funds (according to information available in August 1997).



### EQUAL OPPORTUNITIES GIVEN DIFFERENT SITUATIONS?

The dominant view in the country is that basic infrastructure must be created along with political stability. Services such as telephones and electricity are pre-conditions for foreign investment, which is seen as the cornerstone of economic growth. Investment is supposed to create employment, which causes greater demand, which in turn attracts greater investment and employment in cyclical fashion. Some groups link deregulation to creation of employment. However, this view contains no assurance of equitable access to the opportunities and services created.

The model of economic growth thus conceived assumes that equal opportunities are open to individuals, groups and sectors

coming from very different situations. However, given the almost total lack of state efforts to regulate and supervise this, there is a risk that services in the hands of the private sector will produce greater economic and social inequity. Hence, there is a glaring need for consumer protection and citizen social monitoring organisations.

Optimistically speaking, the recent political democratisation in Guatemala, especially since the 1996 Peace Accords, must be stressed. This democratisation offers a favourable environment for social participation. According to the peace commitments, the citizens form the backbone of the country, and local and national state institutions participate with the aim of achieving coherent answers to local and national problems.

In this context, constitutional modifications planned in the Peace Accords, particularly changes in legislation encouraging the development of NGOs and regulating their work, are extraordinarily important. So is the quest for transparency in state functions and efforts to keep these objectives from being sullied by the creation of technical obstacles that inhibit their implementation.

### A MULTI-CULTURAL COUNTRY

In Guatemala, the Maya, Garifuna, Xinka and Ladino cultures exist side by side. Since independence from Spain in 1821, the hegemony and power of the state and its institutions have been exercised by a small Ladino (descendants of Spanish settlers) group, even though 65% of the population is indigenous. Over time great socio-economic and ethnic inequities have been forged due to the lack of recognition and respect for different cultures. The indices of poverty and marginalisation are vastly higher amongst the indigenous peoples.

In contrast with the above, official rhetoric in the nation currently stresses the fight against discrimination; there is a Peace Agreement on the identity and rights of indigenous peoples and the ILO Convention 169 on indigenous and tribal peoples in independent countries was ratified and put into practice in 1997. All this constitutes a significant achievement for the indigenous people of Guatemala. Now the task is to get these commitments and legal dispositions fulfilled. **This task, already underway, includes drawing up and implementing constitutional legal norms that guarantee respect for cultural diversity, the use of indigenous languages and dialects, recognition of the right to use tribal law, and the effective redefinition of the Guatemalan state as multi-ethnic, pluri-cultural and multi-lingual.**

### WOMEN AND PARTICIPATION

The participation of Guatemalan women in social tasks has been influenced by the peace commitments, the Beijing Platform of Action and the Copenhagen World Development Summit.

### WOMEN AND PUBLIC POWER

Female participation in State posts of responsibility is still limited:

In independent, semi-independent and direct dependencies: no women.

In the Executive Power: 8 women, 70 men.

In the Legislative Power: 11 women, 68 men.

Supreme Court: 2 women, 11 men.

Judicial Power appeals courts: 11 women, 47 men.

Civil Tribunals: 28 women, 91 men.

Peace Judges: 27 women, 216 men.

Administrative staff in Judicial Power: 68 women, 365 men.

Municipal mayors: 4 women, 272 men.

Openings have been made for women's action, both indigenous and Ladino, leading to advances such as access to credit and political participation. Organised indigenous and Ladino women in various bodies in society and government have managed to advance a series of concrete claims for the generation of institutional instruments to respond to the needs women. Structures like the Consultative Committee of Policies for the Promotion and Integral Development of Guatemalan Women and the Women's Forum, established within the Peace Accords, have been especially significant in this.

There is, however, a lack of women in political decision-making spaces at all levels, despite their entry into both private and public bodies.

### SOME GOVERNMENT COMMITMENTS IN THE PEACE ACCORDS FOR 1998, 1999, 2000

#### WOMEN:

1. To increase the participation of women in the formal sector by 30% by the year 2000.
2. To promote the dissemination and fulfilment of the Convention on the Elimination of all Forms of Discrimination Against Women.
3. To create an ombudsman for indigenous women, with their participation.
4. To support the creation of women's advancement centres.
5. To reach 50% of the population in order to achieve a suitable valuing of women and girls and the recognition of their rights.
6. To increase the employment training of women by 30% by the year 2000.
7. To increase female participation in communal, co-operative organisations and in self management and social projects by at least 40% by the year 2000.

8. Additionally, the Plan of Action for Social Development and the Building of Peace (PLADES, the name under which the social policies and programmes will be carried out) included a commitment to increase the gross level of girls' primary schooling by 80%.

#### EDUCATION:

1. To promote the use of the indigenous people's languages in State social services on a community level, and the training of judges and legal interpreters in indigenous languages.
2. To modify the regulations of the bodies handling the protection and administration of ceremonial centres of archaeological value in order to benefit Maya spirituality.
3. To increase GDP related public spending on education by 50% compared with 1995 figures by the year 2000.
4. To facilitate the access of all 7 to 12 year-olds to at least three years of schooling before the year 2000.
5. To increase literacy to 70% by the year 2000.
6. To adapt the educational content in line with the educational reform by the year 2000.
7. To put into practice the programme of national civic education for democracy and peace which promotes defence of human rights, the renovation of the political culture and peaceful conflict resolution.
8. To study and apply forms of purchasing which assure transparency in commercial negotiations, the quality and low price of the basic or generic medicines most in demand in the public sector.

#### HEALTH:

1. To increase the GDP related public spending on health by 50% compared with 1995 and to spend at least 50% of public health funds on prevention.
2. To reduce infant and maternal mortality to 50% of the 1995 index by the year 2000.
3. To maintain the certification of the eradication of polio and to achieve the same for measles by the year 2000.
4. To put into practice the decentralisation of the various levels of attention in order to assure the existence of health programmes and services on communal, regional and national levels, as a basis for the co-ordinated national health system.
5. To adopt the measures necessary to extend the coverage of the Social Security Regime, improving its benefits and increasing its quality and efficiency.

#### «INICIATIVA SOCIAL»

**Iniciativa Social (Social Initiative)** emerged in Guatemala in 1997. It seeks to promote more balanced relations between citizens and decision-making centres on issues that directly af-

Indicators of the social situation in Guatemala				
	1990	1995	1996	1997
<b>Social security</b>				
% of total population protected	9.0	8.6	8.3	
% economically active population protected	29.2	29.3	27.38	
<b>Health:</b>				
<i>Health and survival</i>				
Morbidity rate (per 1,000)	28.0	16.8		
IRA	14.3	7.8	23.14	
Diarrhoea illnesses	5.3	2.6	7.66	
Malaria	3.3	1.1	0.54	
Malnutrition	N.D.	0.8	3.26	
<i>Food/Nutrition</i>				
Height/age of children from 3 to 36 months	81.7% (1987)	73.2%		
Weight/height of children from 3 to 36 months	13.3% (1987)	4.1%		
Weight/age of children from 3 to 36 months	67.1% (1987)	32.5%		
<i>Life expectancy at birth (years)</i>				
both sexes	59.7	62.6		
men	57.3	59.8		
women	62.2	65.5		
<b>Mortality</b>				
Neonatal mortality rate (per 1,000 live births)	15.5			
Postneonatal mortality rate (per 1,000 live births)	33.6			
Infant mortality rate (per 1,000 live births)	49.1			
Child mortality rate 0-5 years (per 1,000)	20.1			
General mortality rate (per 1,000)	8.4			
<b>Employment</b>				
Open unemployment rate (percentage)	6.0	3.7	4.8	5.6
Equivalent unemployment rate (percentage)	43.8	43.9	42.7	41.7
Total employment deficit (percentage)	49.8	47.6	47.6	47.2
<b>Purchasing power</b>				
Relation to minimum salary				
Basic basket of food	0.60	0.53	0.46	0.45
Relation to minimum salary				
Basic basket of foods and	0.33	0.29	0.25	0.25

Source: National Institute of Statistics (INE). Social Indicators System. Noti-SIS 6 Guatemala. August, 1997.

Education	1990	1995	1996	1997
<i>Coverage &amp; access to system</i>				
% Illiteracy	44.9	35.8	36.2	
Gross enrollment rate (%)				
Primary level	78.9 (1991)	84.0	84.3	
Basic level	29.2	32.0	31.2	
Diversified level	11.6	13.7	13.4	
Net enrollment rate (%)				
Primary level	71.6 (1991)	69.2	69.1	
Basic level	17.6	20.3	19.9	
Diversified level	9.3	11.5	11.3	
Rate of entry to middle-education (percentage)				
Level of schoolery (7 years and more)				
Total	100.0 (1989)	100.0		
None	42.4	35.0		
Pre-primary	2.1			

Source: Instituto Nacional de Estadística INE. Sistema de Indicadores Sociales. Noti-SIS 6 Guatemala. Agosto 1997.

fect citizens. Similarly, it encourages the participation of various sectors in public management in order to facilitate decentralisation and, in general, to facilitate access of Guatemalans to the structures of government power related to the social development policies.

Social Initiative aims to contribute to citizen capacity to exert effective and well-directed influence on public social policies through full exercise of social and political citizenship; contribute to social development policies to improve the performance of democratic governments on all levels; contribute to specific policies underway, through social monitoring and provision of relevant, documented suggestions, or when appropriate, to the formulation of alternative proposals aimed at the decisive reduction of poverty, unemployment, social disintegration and sexual inequality. Today it is better understood that public resources are finite, that discipline and rationality are needed in handling them, and that success of a focused union demand – such as an increase in salary – is not sufficient for the less protected sectors to overcome their traditional and serious needs. Conditions need to be created for the democratisation of access to decision-making processes for national and international economic-social policies.

- **SOCIAL INITIATIVE for Social Watch.** Asociación de Entidades de Desarrollo y de Servicio No Gubernamentales (ASINDES); Asociación para el Avance de las Ciencias Sociales en Guatemala (AVANCSO); Centro de Estudios de la

Cultura Maya (CECMA); Comité de Mujeres Post Beijing; Departamento de Estudios Nacionales, Facultad de Economía de la Universidad de San Carlos de Guatemala y el Instituto de Investigación y Autoformación Política (INIAP).

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