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## Guatemala's President Defends His Record

by LADB Staff

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Guatemalan President Alfonso Portillo took to the rostrum at the Congreso Nacional on Jan. 14 to deliver the annual report on his administration's accomplishments on this, the third, of his four-year term. The audience present included congressional deputies, state officials, and diplomats. Notably absent among the latter was new US Ambassador John Hamilton, a harsh critic of the administration's record on corruption.

The principal objective he accomplished, Portillo told the nation, was to achieve "the liberalization of national policy for the true traditional powers." This was generally taken to mean the diminution of the power that the private sector has historically exercised within the government (see NotiCen, 2002-01-04). His government also "consolidated economic stability and avoided the devastating effect that the international economic environment might otherwise have had on the country, which is reflected in controlled inflation, a stable exchange rate, and a declining trend in interest rates."

Another success, admittedly not a resounding one, was the raises in minimum salaries that the government has decreed over the past three years. The decrees raised the minimum wage 47.6% for agricultural workers and 43.6% for urban workers. "Although we are proud of these basic decisions for the recovery of purchasing power for the salaried majorities, we recognize that it is insufficient," Portillo said. The 58 minute speech took note that the government distributed, during 2002, 2.4 million bags of fertilizers, to the benefit of 660,000 campesinos.

Another achievement, and one that goes to the heart of Portillo's difficulties with the private sector, was that he raised taxes to historic levels 10.58% of GDP. "By this means we have established the basis for reaching the objective of moderating the fiscal deficit permanently, and for sustainable support of the macroeconomy," he said. He also stressed the importance of maintaining Guatemala's agreement (see NotiCen, 2001-12-20) with the International Monetary Fund (IMF) and his administration's support of the Central America Free Trade Agreement (CAFTA). That was the good news.

As commentators had anticipated, Portillo gave little space in the 25-page speech to the issues that have most preoccupied the international community, the local press, and the population at large security and corruption. On the question of corruption, he said, "No other government has been so singled out on that subject. Nevertheless, no other government has shown itself to be so open to starting on the path toward overcoming an evil of deep historical roots." He pointed to his creation of a national commission for transparency and against corruption, which will have the responsibility of finding and promoting a process to combat the problem.

The president ended the speech with a counterattack on the media, which have been, on balance, merciless in their coverage of his administration. He said that the media are in the hands "of

private groups that do not necessarily take into consideration the public interest in the process of information and orientation," and he warned against the elites of a country who "fall into the error of substituting unjustified criminal charges for political debate." He added, "I alert Guatemala to the development of dangerous tendencies in our country that in other countries of Latin America have given rise to prolonged cycles of ungovernability and institutional destabilization."

The fourth estate lost no time in brutalizing the speech. An editorial in Guatemala's second-largest daily called it "an insult to the population that sustains the group presently in power." Said Siglo Veintiuno, "It was a report similar to the two before it: abundant in rhetoric and theoretic elaborations, but totally evasive on the themes crucial for society." The paper laced its coverage of the speech with derogatory commentary from opposition deputies, and emphasized the absence of US Ambassador John Hamilton from the corps of over 30 other diplomatic delegations in attendance "for security reasons."

The larger Prensa Libre played the speech against its own poll showing that 86% of the population disapproves of the government. The paper also provided an analysis of its survey by Edmundo Urrutia, political scientist at the Asociacion de Investigacion y Estudios Sociales (Asies), a well-regarded Guatemalan think-tank. Urrutia sees the thoroughly negative environment in which Portillo's government finds itself to be the result of a series of strategic errors on the government's part. The bleak mood of the public derives from having no clear idea of where government is taking the country. The very public display of disaffection toward the administration by the US Embassy, with its accusations of involvement in narcotraffic and organized crime, has increased public distrust and discomfort. Also, said the analyst, there is a generalized frustration and disappointment left by Portillo's metamorphosis from candidate to president.

During the campaign, Portillo made use of a confrontational rhetoric, emphasizing the divide between rich and poor, taking any opportunity to point out the high life of the country's oligarchy. "What's paradoxical is that his government is not characterized by austere measures, but by constant trips and luxuries. Furthermore, several of his officials have been accused of illicit enrichment and corruption," said Urrutia. An important example of strategic error is the lack of dialogue with the private sector.

This has degenerated into an almost total breakdown in communication, for which Urrutia holds Portillo responsible. "Its not that the government has to subordinate itself to the economic interests, but neither does that justify hostility, which has stalled investment," he said. The responsibility for the current state of public disaffection does not rest with Portillo alone, Urrutia concluded, but extends to congressional president and leader of the FRG Efraim Rios Montt. Despite his history as an author of the scorched-earth policy (see NotiCen, 1999-03-04) during the war, much of the population identified him with honor, honesty, and security, qualities for which he was seen as a strong contender for the presidency.

Now he is identified with the insecurity and corruption that have become the hallmarks of his party during its three years in power. Urrutia's analysis does not stray far from the survey results. His remarks seem consistent with the third and final part of the poll showing that if the presidential election were held on the day of the poll, the once-feared Rios Montt and his FRG would get just

2.6% of the vote. The pro-business Partido de Avanzada Nacional (PAN), would get 46.7%. The PAN candidate will almost certainly be former mayor of Guatemala City Oscar Berger.

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