

Tom Lantos Human Rights Commission Briefing
Briefing Series on Accountability
The International Commission against Impunity in Guatemala,
CICIG: An Update and Prospects for the Future

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During my term as Minister of Finance in 2010, and during all these years working on issues related to economics, governance and finance, I have witnessed how corruption and the influence of criminal networks weaken our institutions and the ability of the Guatemalan state to provide basic services -- factors that are behind the migration of families, mainly from the highlands to the United States.

Corruption is a complex phenomenon, but there is broad consensus among experts that it is principally a governance issue. – A failure of institutions.

Why a failure of institutions? In the case of Guatemala, for example, what we've experienced is how criminal groups seek to corrupt or co-opt public officials for their personal gain, mainly from illegal activities, such as smuggling, prostitution, drug trafficking, etc.

As I experienced during my tenure as Minister, these criminal groups operate through the control of territories, bribing mayors, custom officials, financial supervisors, and others. Today, in Guatemala there is a gray area where the illegal mixes with formal and legal entities and corporations. We can even see that the primary accumulation of capital of some powerful families became illegal and violent and gradually turned into an assorted variety of legal and formal activities. And eventually they took advantage of the local political power or their association with drug cartels.

Effective oversight and accountability mechanisms and institutions are fundamental to stopping corruption. From an economic point of view, the most important ones involve the supervision of the banking system, the general audit of the public budget, and the ones relating to the Internal Revenue Service. Allow me to underscore that those mechanisms are a key part of the rule of law and of the judicial system.

Corruption is costly to the state and society. Guatemala is a country facing enormous needs to invest in human capital. Unfortunately, due to the high level of corruption, these funds end up in the pockets of criminal networks and corrupt groups and corporations. This is a problem that is gravely effecting our democracy.

The rule of law is a necessary condition for economic growth and economic development. We need to reinforce the accountability and oversight functions that I mentioned, as well as strengthen the criminal justice system. We are in urgent need of paradigmatic cases and examples to show Guatemalan society that violations of the rule of law will be investigated and punished. That is why the CICIG has been so essential.

There is a very important link between CICIG and the Plan of the Alliance for the Prosperity of the Northern Triangle, developed by the governments of Guatemala, El Salvador and Honduras. The plan seeks to: boost the productive sector, develop the region's human capital; improve safety and access to the justice system and strengthen institutions.

The Plan of the Alliance for Prosperity is intended to position us as a new emerging region by 2020 -- a leading tourist destination, a pole of attraction for foreign investment and a regional logistic platform and hub in the hemisphere. In my opinion this is only a wishful thinking if we do not transform the state and its institutions and consolidate the rule of law.

The plan considers a partnership with the private sector and civil society, and is estimating an additional investment of 20 billion dollars in the next five years. This funding is expected to come from the budget of the United States, the public budgets of the countries and from the private sector and civil society. If Guatemala cannot guarantee the rule of law, these investments will not be safe or forthcoming.

The work of CICIG is fundamental and crucial in order to address the problems of corruption, organized criminal networks, and impunity in Guatemala. We have to remember that implementation of the initiatives envisioned in the Plan of the Alliance for the Prosperity will require a stronger public administration, and new commitments and ideas to shape a better governance and allow an active citizenry.