EKF-14 • GUATEMALA• JUNE 2009

ICWA Letters

INSTITUTE OF CURRENT WORLD AFFAIRS

El Petén: Guatemala's Wild West

By Ezra K. Fieser

Ezra Fieser is an ICWA fellow living in Guatemala where he writes about the country's rapidly changing economic structure and the effects on its politics, culture and people. Ezra was formerly the deputy city editor for The *(Wilmington, Del.)* News Journal*, a staff writer for* Springfield *(Mass.)* Republican *and a Pulliam Fellow at* The Arizona Republic*. He is a graduate of Emerson College in Boston.*

El CAOBA, PETÉN–During the height of Guatemala's brutal war, dozens of families moved onto wide tracts of farmland here, escaping their strife-ridden villages with plans to raise families. More than two decades later, the families that remain are watching the community they built dwindle as neighbors sell their land to drug traffickers and agribusinesses in a land grab not seen since the before the civil war.

"People know they shouldn't sell their land because the land is the only thing we have. We're poor," said the mayor of the village of roughly 100 families, Pedro Jaime Neves, who moved here in 1985 to escape conflict in his western Guatemalan village. "But [the buyers] have more money than we've ever seen. It's hard to say 'no.'"

The free—and legal—buying and selling of land might normally be viewed as the product of a healthy and economically efficient market. However, in a nation already troubled by drastically unequal distributions of wealth and land, the sales are leading to social and even environmental problems.

In the past year, more than a dozen of Neves' neighbors sold, leaving him surrounded by an expanding cattle ranch. Neves, who has no plans to sell, said he fears the community he helped build is disappearing.

"We all came here for similar reasons: It was during the war and this was a peaceful place," he said. "Now people are leaving. Once you sell your land, there is nothing to do here."

Small villages such as El Caoba in the southern region of Guatemala's largest department,

Pedro Jaime Neves, of el Caoba, Guatemala, stands in front of his home.

Institute of Current World Affairs
The Crane-Rogers Foundation
4545 42nd St. NW, Ste 311
Washington, D.C. 20016
Tel: 202-364-4068
Fax: 202-364-0498
E-mail: icwa@icwa.org
Web: www.icwa.org

the Petén, are being decimated by a massive sell off. Drug traffickers, who officials say build compounds or illicit airstrips on the land, and agribusinesses have purchased thousands of small farms, amassing sprawling plantations in a once nearly vacant region the government used as a relief valve to place tens of thousands of residents displaced by the war.

A study being conducted by the German Development Service, a German government-funded organization, has found some 30 percent of landowners have sold their property in recent years. The survey of 16,000 families in 250 communities in the southern Petén found farmers have already sold at least 156,500 acres—an area roughly the size of Manhattan, the Bronx, Brooklyn and Queens combined. The study's author says the sampling is a good indication that the trend is being repeated throughout the region.

"It's a problem that is incredibly widespread," said Markus Zander, the author. "It's also hard to stop. These are nearly all subsistence farmers and they are being offered 150,000 to 200,000 quetzales [US$18,750 to $25,000]. For them, that's enough to live for five to ten years." Predominantly growing corn and beans for their own consumption, farmers in rural Guatemala typically earn less than $2 per day.

Buyers have only recently approached farmers in villages close to the major towns—such as El Caoba, a one-hour motorcycle ride on a beaten dirt road from the municipal center, Potpún. More remote villages, swaths of cleared jungle tucked deep inside the department, have been purchased in their entirety and turned into giant cattle ranches.

The trend worries agencies that work with the poor, environmentalists and some government officials, who fear the land consolidation will exacerbate tensions in a country where 2 percent of the population already owns more than 70 percent of the arable land.

"Where are we going? If we continue like this, we'll have millions of peasant farmers with no jobs and no land to live on," said Carlos Rodas Castellanos, regional coordinator for the Secretary of Agricultural Affairs. "These are the same conditions that led to our civil war."

The land sales are problematic in their own right. They have eroded what little gains Guatemala has had in addressing the inequitable pattern of land holding that has plagued the country for decades. But the trend is more troubling when put into context. The sales are symptomatic of an ongoing economic shift—one pushed by the government and international players—that favors large landholders producing products for export while ignoring small farmers and jeopardizing food security in a country where malnourishment is widespread.

According to the government's own statistics, only 4 percent of farmers in the Petén received any type of governmental technical assistance that would help them to turn a profit from their land. The government did better in handing out loans—reaching 2,389 farmers with credit.

A cleared swath of land in el Peten now serves as a cattle ranch.

But all but one of those farmers was raising cattle—which small farmers hardly ever do. It's no surprise that when buyers flash a handful of cash, the farmers sign away and move away, often to urban areas to search for work or to protected national parks where they cut down forest and set up new homes illegally. Meanwhile, agribusinesses—namely cattle ranches, and palm oil and sugar plantations—move onto vacated land, raising products that are sent abroad. Mixed into the fray are drug traffickers, operating freely in the region as they move tons of cocaine north to the United States.

One of the first people I spoke to about this trend called the area Guatemala's wild west. Indeed, the Petén, the same region where the Maya once thrived and built massive temples that still stand today, has become a notorious free-for-all where local circumstances dictate what is acceptable.

UNDERSTANDING WHY THE TREND IS worrisome requires a look back at the ugly history of land ownership in Guatemala—and reforms that have been attempted.

Before the country declared independence from Spain, the vast majority of rural Guatemala—where Mayans are concentrated—operated under an ejido system, which treated land as communal—an essential, like food or water. Even after independence in 1821, most indigenous lands were protected as communal.

In the late 1800s, the government began to recognize the value of the land. The country is blessed with abundant rain, a tropical climate and a diverse landscape, perfect for growing various crops—sugar, bananas and coffee among them. Coffee was initially the most important crop, one that would produce a major economic shift.

"In the last decades of the nineteenth century, the rising demand for coffee wrenched Guatemala into the world economy," wrote Piero Gleijeses in his 1991 book "Shattered Hope." "Great coffee estates were created and, to bring the coffee to sea, railroads were built."

Bananas were United Fruit Co.'s business. Introduced to U.S. consumers around 1870, the banana had become somewhat of an obsession in U.S. kitchens, thanks, in part, to the company's promotional skills. "The banana barons … marketed their product in ways that had never occurred to farmers or grocers before, by offering discount coupons, writing jingles and placing bananas in schoolbooks and on picture postcards. They even hired doctors to convince mothers that bananas were good for children," wrote Dan Koeppel, author of "Banana: The Fate of the Fruit That Changed the World."

By the turn of the century, United Fruit had to find ways to supply the demand it had created. It "acquired immense tracts of state land [in Guatemalan and through-

out Central America], offering in return paltry sums of money and perfunctory thanks," Gleijeses wrote.

In addition to its friendly growing conditions, Guatemala had another asset: a cheap labor force, that is, a wealth of subsistence farming Mayans who could be forced to work. National vagrancy laws required the farmers—who were considered unemployed—to spend 100 days a year or more helping build the nation's infrastructure, which was needed to support an export economy. President Jorge Ubico, whose military regime ruled from 1931 to 1944, is credited with building out the nation's road system. He did so on the backs of peasant farmers.

The laws reflected the general views of Mayans held by the ruling ladino class at the time. A report from the U.S. embassy at the time said the "Indian, illiterate, unshod, diseased, is the Guatemalan laborer."

By 1944, the country had become so divided that a popular uprising occurred. The "October Revolution" overthrew Ubico and ushered in a period of socialist governance that saw the drafting of a new constitution, new labor laws and the expansion of voting rights. In 1951, Captain Jacobo Arbenz, a socialist who helped overthrow Ubico, was elected president in democratic elections.

Arbenz was the son of a Swiss immigrant pharmacy-owner father—who went bankrupt and committed suicide—and middle-class Guatemalan mother. A gifted student and natural leader, Arbenz was trained at an elite military academy, the Guatemalan equivalent of West Point, where, by the time of the coup, he had been promoted to captain.

Arbenz, who campaigned as a reformer, quickly angered the oligarchy by furthering his predecessor's expansion of voting rights and labor-law reforms. But his sight was set on an even bigger target: agrarian reform. At the time, only 10 percent of arable land was available for 90 percent of the population. Most of the land held by the large landowners was unused. Even so, historians note there was little clamor for reform of the magnitude Arbenz envisioned. The president, just a year into his term, was so dedicated to it that he drafted a land-reform bill nearly single-handedly, surprising his cabinet in a meeting with a fait accompli. The bill, which was passed into law as decree 900, empowered the government to seize unused portions of large plantations. Owners were paid fair value for the land. Arbenz himself gave up his 1,700-acre finca to the program.

The bill made Arbenz political enemies. The Asociacion General de Agricultores, which represented the elite landowners, called decree 900 "the most monstrous act of robbery ever perpetrated by any ruler in our history." Arbenz in the following months turned fully to his closest political allies, Guatemalan Party of Labour, the country's communist party.

The law also angered corporations—namely United Fruit, which had close ties to the Eisenhower Administration. Secretary of State John Foster Dulles' former law firm had represented the company. His brother, Allen Dulles, head of the Central Intelligence Agency, was a United Fruit board member. And Ed Whitman, head of United Fruit public relations, was married to Ann Whitman, Eisenhower's private secretary.

Through a massive public relations campaign that included paying U.S. journalists to visit Guatemala, the company seized on Arbenz's communist ties and painted the government as a Soviet ally. In 1954, a *coup d'état* organized by the CIA overthrew Arbenz.

Arbenz's ouster brought to an end the decade-long period of democratic governance known as "Ten Years of Spring," and set the stage for the civil war, which began six years later.

While the most oft-cited number concerning the war is 200,000 killed or permanently disappeared, another 1 million were displaced. Many sought asylum in the United States or fled to United Nations camps in Southern Mexico. Others were displaced internally.

The government turned to the Petén as a place to relocate displaced residents. The 1960 census counted 21,000 people in a department of 13,840 square miles, larger than the state of Maryland. With the help of aid from the U.S. government, 4.7 million acres were sold to 39,000 families in the '70s and '80s. The settlement of a vast region left largely untouched since the Maya left their population centers, such as Tikal, began.

Settlement of the region continued after the war's end in 1996. The peace accords—drafted with international assistance—called for the creation of a government agency to help poor farmers obtain farmland. Tens of thousands of residents who'd fled to other countries returned to Guatemala after the war's end and they needed to be placed somewhere. By 2006, more than half a million people had moved into the Petén.

THOSE SAME FARMERS BEGAN SELLING their land a decade ago, but the trend increased exponentially in the last two years. Sales records and surveys of the area show the sales are spreading, starting with villages where road access and services are established, and moving to more remote villages. In some micro regions (a set of dozens of villages) in the municipality of Potpún, home to El Caoba, more than half of landowners have sold. In other micro regions, less than 5 percent have sold. On average, 30 percent of Potpún farmers have sold, but that number is expected to rise to roughly 40 percent by the end of this year, observers, such as Zander and the Catholic Church, said.

The reasons why these sales are taking off now are varied. For one, drug traffickers have increasingly sought out Guatemala as a base for operations as the Mexican

government continues to crack down on cartels in that country. It's difficult to judge how much of the land is being purchased with drug money. Anti-narcotics officials say it's significant.

But in many cases, wealthy Guatemalans who have nothing to do with the drug trade are assembling cattle ranches piecemeal. Large corporations, both national and foreign, are also present, planting sugar cane or African palm on cleared land.

The desire for land is not new. However, in the past decade the government, with assistance from international organizations and foreign governments, has put in place a system under which wealthy buyers can legally purchase the property. Starting with the 1996 peace accords and continuing through the implementation of the Central America Free Trade Agreement, the country set the table for the current rush of land purchases.

The peace accords not only brought the civil war to an official end but also ushered in dozens of political and economic reforms.

Prior to 1996, no land registry existed for many areas, including much of the Petén. No property-tax system was in place. And those campesinos that had received land with the government's assistance were restricted from selling it for 10 years. All that changed with the peace accords. The government began taxing property, created a land registry and lifted the ban on land sales.

The accords process also created Fondo de Tierras (Land Fund). Known as FONTIERRAS, the governmental agency modernized the land ownership system and to help shepherd poor farmers through the process of accessing loans and buying land. It created a market system for land purchases and, to date has helped 224,736 families acquire land.

Skeptics argue that FONTIERRAS was created not to help small farmers but to create a system under which large landholders could acquire land legally—through a titling process. Such a system would give protection against the argument that indigenous Mayans have a right to land based on pre-Colonial access—'we farmed it for hundreds of years before you were here, so therefore we own it today.'

"It depends on how you look at the government," Zander, of the German development group, said. "Some people say that the whole process was just a means to an end. That is, they created FONTIERRAS in order to allow large landholders to buy property that could not be contested in the future."

CAFTA played two significant parts in cementing the changes the country was putting in place.

First, it guaranteed Guatemala's economic future as an export economy by tearing down tariffs with the country's largest trading partner, the United States. This underscored the importance of certain products that Guatemala grows abundantly—such as coffee, sugar cane and bananas, among other things.

Secondly and perhaps more importantly for the farmers of the Petén, CAFTA gave U.S. citizens and corporations nearly the same rights to property that Guatemalans have. The only land off limits was that near international borders and certain bodies of water. Those land buyers also enjoy all the protections afforded to locals. And corporations with operations on those lands enjoy added protection. They can sue the government if it institutes regulations or policies that cut into profits. A Canadian gold mining company with a subsidiary in the U.S. recently sued the El Salvadorian government after it did not receive mining permits to begin operations.

In Guatemala, these rights and protections have allowed agribusinesses to form local companies, particularly African palm businesses. Goldman Sachs, the Carlyle Group, Texas-based Green Earth Fuels and others finance AGROCARIBE and Palmas de Ixcan, two of the largest palm oil producers in the country. Unilever finances a smaller company, INDESA/PADESA.

Traditionally used for food and in cosmetics, African palm (or oil palm) oil is also a stock for biofuels. The quotas for biofuel production in the United States and the birth of Brazil as a major producer of the fuels have pushed demand for palm oil to record highs.

A decade ago, Guatemala produced very little palm oil. Almost all of it was refined to cooking oil for local grocery shelves and food producers. But with demand growing around the world, producers in Guatemala began planting thousands of acres of palm. Today, some 600 square kilometers (more than 100,000 acres) are planted (although not all of those plants are producing fruit as it takes three years for a palm tree to mature). It's a small portion of what palm companies say is possible in Guatemala. Roughly 7,400 square kilometers of the country's farmland has conditions right for planting African palm.

"We see ourselves as a future for Guatemala, both for the economy and for our energy needs," said Jorge Raul Cruz, executive director of the Gremial de Palmacultores Guatemala, the trade group that represents growers.

Palm could be a good fit in the country. Due to its rainfall and climate, the yields from palm fruit in Guatemala are higher than almost anywhere else in the world. On average, producers can squeeze 3.2 metric tons per hectare of oil from the plant's blood orange-colored fruit. Malaysia, the world's second-largest producer (behind Indonesia), gets 4.4 tons/hectare. Guatemalan palm oil yields, on average, 5 tons/hectare. As a result, Guatemalan producers coaxed some 215,000 tons of oil from their

plants, with 82 percent of the oil exported.

"With more and more demand from the market, we see Guatemala becoming a major producer for other countries—particularly Mexico and European countries," Cruz said. "Right now, we're feeding to Frito Lay (Yum! Brands), because palm oil is trans-fat free and a healthy oil for frying." Palm oil, like coconut oil, is relatively high in saturated fat.

Free-trade agreements are crucial to the industry's future, Cruz said. The association is supporting a free-trade agreement under negotiation between Central America and the European Union. The FTA would allow Guatemala to export palm oil duty free to Europe, the world's largest consumer of the oil.

The expansion of African palm, however, has come at the loss of small farms in regions like the southern Petén and the neighboring Verapaz departments. In some instances, palm producers purchase the land outright. In others, they lease the land and allow the farmers to continue living on small plots while they work the palm fields—often in miserable conditions with little pay.

Critics of the industry's practices suggest there is no room for both small, near-subsistence farmers and large oil palm plantations. "They are fighting for and will be fighting for the same territory," said Laura Hurtado Paz y Paz, whose doctoral dissertation focused on the effects of globalization on small farmers in the region. Indeed, maps of the production of palm and corn I obtained from the agriculture ministry show the two crops are next-door neighbors throughout the country.

Industry supporters, including the U.S. government, believe palm production is a better fit for the country economically. "With the biodiesel pact between the U.S. and Brazil, Guatemala has a real opportunity to play a part in this industry in the America," said Robert Hoff, said the U.S. embassy's agricultural attaché. "There may be something romantic about the idea of a near subsistence farmer working a cornfield by hand, but it's probably not the best use of the land."

Like other export crops, such as coffee, a middle ground exists in which small farmers can contribute while staying on their land. A small pilot project in Alta Verapaz is underway that could provide a model for future palm production. Instead of taking over the land of small farmers, palm extraction companies contract with small farms to grow oil palm, harvest the fruit and sell it to the company. I intend to further explore this model in a future newsletter.

WHETHER GUATEMALA ADJUSTED ITSELF—through the signing of CAFTA and through introducing titling processes, land registries, etc.—with the intent of helping large landowners legally acquire huge tracts of land seems implausible and irrelevant. The fact remains that thousands of peasant farmers have purchased land through the program.

Unlike the country's rugged Western Highlands, where subsistence farmers working half-acre plots often go hungry, families who were able to purchase in the Petén region could receive huge plots—70 to 80 acres. But the fact also remains that too many of those same farmers are selling. And the system in place allows them to legally do so.

The size of the land is significant because, as I have written in previous newsletters, farmers in other regions often fail to grow enough food to feed their families on small lots. They are also prevented from being true subsistence farmers because they are forced to supplement what their land yields with purchases on the market.

Residents in the Petén could, theoretically, live off the land and grow something extra to sell to the market. The plots are large enough to provide food, fuel (in the form of firewood), and water (from ponds), to support the family.

"These are the few places in Guatemala where farmers can do that, where they can survive like that: Petén is one of them," Hurtado said. "If a farmer could really be self sufficient—that is, to raise his family without needing to migrate for parts of the year to earn extra income—this was the situation that would have allowed for it."

But just shepherding the farmers through the purchasing process does not guarantee success. The government's FONTIERRAS program has no program that tracks what happens to farmers after they buy land with the government's assistance. And social services in the area are few. In the Potpún municipality, only 9 percent of villages have a health clinic, only 19 percent have schools, and only 7 percent have electricity.

When you're living under such circumstances and someone drives up in a shiny SUV, steps out and flashes a handful of money, remembering the value of living off the land is hard.

Eduardo, a campesino, sold his land—about 40 acres—last year for about $20,750. "It was more money than I'd ever seen," said Eduardo, who asked his last name not be used because he is currently living illegally on government-owned land. "We didn't think about it very long. It wasn't hard to decide."

Eduardo's situation is representative of what happens to campesinos after they sell: He lives in the National Wildlife Refugee Xutilhá, an area supposedly off limits to development. He has cut down protected forest –which he knows is illegal—to plant more corn to feed his family; and he is sure that at some point the national police will come and kick him off the land.

"I know, we all know, that we shouldn't be here. But where else are we going to go?" he said. About 20 oth-

er families live around him. They all sold their land and moved to protected areas were police rarely patrol. They spent their money on wide-format, flat-screen, plasma televisions and huge automobiles.

The phenomenon is too new to predict what will happen to the farmers in the long run. But Hurtado believes thousands will soon end up broke and homeless.

"It's really excessive the way they live. But these are people who've never had money before," she said. "Big televisions are not the least of it: I've seen people living in the middle of nowhere with satellite dishes."

The government protected the 253,376-acre area where Eduardo lives in 2004 because it is home to a diverse and threatened ecosystem and numerous key Mayan archeological sites, according to the government's Consejo Nacional de Areas Protegidas, which manages national parks and preserved areas.

A representative from the organization told me squatters are living in at least 25 protected areas, including Xutilhá. In other cases, campesinos make their homes on others' land, creating land disputes. The Secretary of Agricultural Affairs has documented at least current 1,450 land conflicts. The agency said hundreds more likely exist.

The phenomenon has contributed to the country's high rate of deforestation. In the last decade, Guatemala has been losing about 1.45 percent of its forest coverage—around 181,000 acres—per year. The problem is worse in Petén, which has lost about 1.8 percent of its coverage per year. Central America lost 1.3 percent of its tropical forests per year between 2000 and 2005, one of the highest regional rates of deforestation in the world.

The government and international agencies involved in Guatemala in the late 1990s received plenty of warning that settlement of the Petén could potentially harm the ecosystem. "Timber, Tourists, and Temples," a book published in 1998—during the height of the post-war settlement –said "the great support United Nations agencies are giving to the refugees … is resulting in the establishment of settlements in and around the protected areas," it said. "These settlers are resorting to traditional agricultural patterns that depend on cutting the forest to plant basic grains. …. The Guatemalan government also faces serious logistical and economic difficulties, now and in the foreseeable future, in providing services to these dispersed and remote communities."

Today, environmental groups worry that's exactly what's happening.

"The sale of land, mainly from campesinos who are dedicated to agriculture, is the principal cause of deforestation in the country. It's said that it takes more forest

Underbrush is burned in a field to expand a cattle ranch in the Peten.

than fires," said Yadira Venegas, of the private environmental protection group ProPeten.

TO STOP BOTH THE ENVIRONMENTAL degradation and the loss of livelihoods that follow the land sales, several NGOs have launched publicity campaigns urging campesinos to stop selling. One brochure highlights the story of a q'echi Mayan community where farmers sold their land only to find "the money dried up very quickly and now the families are staying on the street."

Sitting on an overturned bucket in front of a thatch-roof house with his wife cooking tortillas behind him, Neves ticked off what his family reaps from the land, flashing one of his thick fingers for each: His children fetch firewood in the morning; his hand-dug well has never gone dry; his property is expansive enough—and retains enough of forest—that he regularly hunts on it; and he can grow enough corn and beans to fill the stomachs of his five children.

"To me, why would you sell? That's the question I ask the people when they come to me and say that they have an offer for their land: Why? You have everything you need here," he said.

The day after I met Neves, I mounted a 200cc dirt bike and headed toward a once-budding little village called La Carmelita. At its height, I was told, the village was home to about 150 families, most of whom had received land with the government's assistance.

After three hours on dirt roads marked by holes as deep as kettles and jagged shards of boulders, we rode up to a series of tiny villages of clapboard houses with thatch roofs. Women, babies strapped to their backs, balanced water jugs on their heads. Children playing in sooty street sides whipped up dust clouds. With little work to do in the fields, men congregated around the little tiendas which did a brisk business in candy bar and soda sales. These villages struck me as somewhat healthier than similarly sized villages in other parts of the country. The people with whom I talked did not complain about a lack of food, or of marathon journeys to collect firewood or water. Their faces lacked the strain so commonplace in the impoverished countryside. Maybe I visited at the right time. Or maybe it was just the difference between having a full belly and being hungry.

We approached the final rolling hill behind which La Carmelita sat. The sun blared directly overhead like a heat lamp. My neck and ears burned. As we descended that hill, I realized that La Carmelita was no longer a village. I had been told that many residents had sold, but I was not expecting a sprawling farm in which the only signs of life were hundreds of cattle. The solitary building was the old school the government had built just some five years

La Carmelita: What remains of La Carmelita.

Moto Ride: The ride out to La Carmelita.

before. In front, a man and his wife drew water from a hand well.

Jose, a local who had showed me the way to La Carmelita, began speaking the local Mayan dialect, as the man spoke no Spanish. Jose later told me the man is the caretaker, and that the entire area had been assembled in the past year and a half. The buildings were raised. The fields were burned and grass was planted for grazing.

The ranch hardly looked like a drug-smuggling front. But experts say that is part of the m.o. of drug trafficking families. They buy up as much land as possible, owning dozens of different ranches throughout the region, giving themselves options and confusing the authorities.

And if a simple offer to buy the land does not suffice, drug traffickers have been known to use force.

Southeast of La Carmelita, in the community of Naranjal, residents say they were threatened to sell their land. After several families had sold their land, automatic weapon-carrying buyers bullied the remaining residents into selling as well.

The biggest single land purchaser, according to residents, was the family of Ottoniel Turcios Marroquin. Known as "El Loco," Turcios is a lieutenant in the reputed Gulf Cartel, one of two major Mexican drug cartels that took over the business of transporting Colombian cocaine to the U.S. after cartels in Colombia were dismantled as part of the U.S. war on drugs.

In 2006, Turcios was arrested after DEA agents allegedly intercepted calls he made about a shipment of 1,600 kilograms (about 3,500 pounds) of Colombian cocaine he was planning to bring to the United States. He was captured by Guatemalan authorities with three other men, but later the charges were dropped; not surprising considering less than 2 percent of reported crimes result in convictions in Guatemala.

According to public records, Turcios owns trucking businesses and gas stations as well as three residences throughout the country. His territory allegedly stretches from Coban in Guatemala's Alta Verapaz department into Petén, a logistically important swath for drug runners due to its proximity to the Caribbean and Mexican border.

Drug traffickers have myriad ways to bring the cocaine north. They have built clandestine airstrips—including one allegedly on the land Turcios owns—on which they land cocaine-laden planes, flying low to avoid radar. Although a source in the Guatemalan government told me there were no more than 40 such airstrips, anti-narcotics analysts last month estimated to a U.S. Congress committee that hundreds of such airstrips exist. The shipments are then taken by land over the porous Mexican border *en*

route to the United States. If not by air, the drugs come by sea. In attempting to control drug shipments, Guatemala's military is largely overmatched.

The State Department's 2009 International Narcotics Control Strategy report estimated that 400 metric tons of South American cocaine transited Guatemala in 2008. A huge portion of that cocaine, which has a street value of as much as $14 billion, passes through Petén's porous border with Mexico.

Populated largely by poor farmers and controlled by few authorities, the Petén sits between the Caribbean coast and the Mexican border like a giant piece of real estate waiting with its 'for sale' sign hanging out front.

"It's just a matter of money," said Rodas, of the Secretary of Agricultural Affairs. "If you wave enough cash in front of people who are dirt poor long enough, eventually they will agree to sell."

Of course, the drug traffickers don't advertise themselves as such when they set up shop. Like other large landowners, the land is turned into pasture for raising cattle.

The fact that drug traffickers can blend so seamlessly into the landscape not only underscores the difficulties the Guatemalan government faces in combating drug trafficking. Indeed, it's hard to tell a cattle ranch from a center of drug running. But the blending of agribusinesses, sprawling cattle ranches and drug operations is also a visual representation of how intertwined Guatemala's economy has become with the illicit business of bringing cocaine to the United States.

Laundered money has allegedly paid for the construction of several new mid-rise apartment and office buildings in Guatemala City, some of the most visible signs of progress to the unknowing eye.

The State Department estimates that at least $60 million in drug-related monies have either been brought to or generated in Guatemala City in a year and a half. The

Cattle gather at the edge of a large ranch.

country became a notorious site for money laundering for its failure to pass laws against the practice. In 2001, the Organization for Economic Cooperation and Development's Financial Action Task Force listed Guatemala as one of its non-cooperative countries. Heeding international pressures, it criminalized money laundering and required financial institutions to report suspicious activity. Although the country was removed from the organization's blacklist five years ago, money laundering is still suspected to be widespread as there is little prosecution of the act.

Judging how much of the land in southern Petén is being purchased by drug traffickers is nearly impossible as land records are out of date and often do not carry the name of a suspected drug lord.

"A lot of people say that the drug traffickers are setting up on protected areas. But they are not specifically in the protected areas even though they want places where the vegetation makes it so they are not visible," Vanegas, from ProPeten, who has studied the effect of drug traffickers in the region, said. "They also buy land, often as cattle ranchers and business, wherever they can."

IN TERMS OF THE NET EFFECT ON Guatemala, it hardly seems to matter whether it's a drug trafficker or a cattle rancher. As a result of the sell-off, Guatemala is losing its ability to feed itself.

Unlike the populous Western Highlands, where growing seasons are shorter and steep hills make farming laborious, the Petén and neighboring departments are flat lowlands with an abundance of rain and sunshine.

The region has become a source of food for the rest of the country, particularly during the long months when farmers in western Guatemala are waiting to harvest. Traditionally, the somewhat sparsely populated Petén would supply other areas of the country with corn and beans during those months.

But with those farms being sold, observers worry that food security in Guatemala—already tenuous as some parts of the country have the highest malnutrition rates in the Americas—is being threatened.

It's not just small farmers who are selling, Hurtado said. Large tracts of farmland owned by big farms are also selling. The land is first used for grazing and then often converted to use for biodiesel fuel sources—both African palm and sugar cane.

Long-time residents of the area, such as Neves, have noted a drastic change. "They're turning the Petén into one big cattle farm," he said. "And when we sell our land, we're part of the problem." ❑

Current Fellows

Elena Agarkova • RUSSIA
May 2008 - 2010

Elena is living in Siberia, studying management of natural resources and the relationship between Siberia's natural riches and its people. Previously, Elena was a Legal Fellow at the University of Washington's School of Law, at the Berman Environmental Law Clinic. She has clerked for Honorable Cynthia M. Rufe of the federal district court in Philadelphia, and has practiced commercial litigation at the New York office of Milbank, Tweed, Hadley & McCloy LLP. Elena was born in Moscow, Russia, and has volunteered for environmental non-profits in the Lake Baikal region of Siberia. She graduated from Georgetown University Law Center in 2001, and has received a bachelor's degree in political science from Barnard College.

Pooja Bhatia • HAITI
September 2008 - 2010

Pooja attended Harvard as an undergraduate, and then worked for the *Wall Street Journal* for a few years. She graduated from Harvard Law School. She was appointed Harvard Law School Satter Human Rights Fellow in 2007 and worked as an attorney with the Bureau des Avocats Internationaux, which advocates and litigates on behalf of Haiti's poor.

Eve Fairbanks • SOUTH AFRICA
May 2009 - 2011

Eve is a *New Republic* staff writer interested in character and in how individuals fit themselves into new or changing societies. Through that lens, she will be writing about medicine and politics in the new South Africa. At the *New Republic,* she covered the first Democratic Congress since 1992 and the 2008 presidential race; her book reviews have also appeared the *New York Times*. She graduated with a degree in political science from Yale, where she also studied music.

Ezra Fieser • GUATEMALA
January 2008 - 2010

Ezra is interested in economic and political changes in Central America. He is an ICWA fellow living in Guatemala where he will write about the country's rapidly changing economic structure and the effects on its politics, culture and people. He was formerly the deputy city editor for *The News Journal* (Wilmington, DE), a staff writer for *Springfield Republican* (Springfield, MA) and a Pulliam Fellow at *The Arizona Republic*. He is a graduate of Emerson College in Boston.

Suzy Hansen • TURKEY
April 2007 - 2009

A John O. Crane Memorial Fellow, Suzy will be writing about politics and religion in Turkey. A former editor at the *New York Observer*, her work has also appeared in Salon, the *New York Times* Book Review, the *Nation*, and other publications. She graduated from the University of Pennsylvania in 1999.

Derek Mitchell • INDIA
September 2007 - 2009

As a Phillips Talbot Fellow, Derek will explore the impact of global trade and economic growth on Indians living in poverty. He has served for the past year as a volunteer for Swaraj Peeth, an institute in New Delhi dedicated to nonviolent conflict resolution and Mahatma Gandhi's thought. Previously he was a Fulbright scholar in India at the Gandhi Peace Foundation. He has coordinated foreign policy research at George Washington University's Institute for Communitarian Policy Studies and worked as a political organizer in New Hampshire. Derek graduated with a degree in religion from Columbia University.

Since 1925 the Institute of Current World Affairs (the Crane-Rogers Foundation) has provided long-term fellowships to enable outstanding young women and men to live outside the United States and write about international areas and issues. An exempt operating foundation endowed by the late Charles R. Crane, the Institute is also supported by contributions from like-minded individuals and foundations.

ICWA Letters (ISSN 1083-4303) are published by the Institute of Current World Affairs Inc., a 501(c)(3) exempt operating foundation incorporated in New York State with offices located at 4545 42nd Street NW, Suite 311, Washington, D.C. 20016. The letters are provided free of charge to members of ICWA and are available to libraries and professional researchers on our web site.

CONTACT:
Phone: (202) 364-4068
Fax: (202) 364-0498
E-mail: icwa@icwa.org
Website: www.icwa.org