Military Extrication and Democracy in Nicaragua, Guatemala, and Argentina in the 1990s: A Comparative Study

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Introduction

The decade of the 1990s witnessed an dramatic overall shift in civil-military relations in Latin America. The region’s armed forces shrunk from former positions of political power, a withdrawal that was hastened by a changing geopolitical reality in which communist expansion was no longer perceived a primary threat and where an emphasis was placed on democratization in Latin America.

This retreat, or “extrication,” of the militaries from politics in the developing world has been the subject of renewed interest via various works over the past decade. Latin America’s militaries have always held a central place in the region’s politics. However, in the 1990s, the wave of democratization that swept through the region was greatly assisted by the failure of most militaries to bring economic growth to their respective countries. The end of the Cold War brought an increased impetus to expand and consolidate civilian-led governments as the last remaining military raison d’etre, the now infamous “national security doctrine,” was left largely meaningless in the absence of a communist threat. Despite intermittent challenges, this democratic metamorphosis has progressed largely unabated in terms of the maintenance of civilian governments (Ecuador’s minigolpe in 1999 is the notable exception). This and other democratic advances throughout Latin America seemed to herald a new democratic age where militaries, for the first time in history, appeared to become more subservient to civilian rule, suggesting that Latin American democracy might be on the track to institutionalization.

However, looking past this façade, it becomes apparent that not all the region’s militaries have completely given up the idea of the fuero militar, and have adapted it to the today’s civilian government-dominated reality. Many Latin American militaries today still retain constitutional shields from too much civilian oversight. More important, they have been able to increase their autonomy through increased independent business ventures. In fact, military expenditures in Latin America in the 1990s increased by an impressive 22.9 percent, even while central government expenditures in the region fell by 7.1 percent.

In Nicaragua, this evolution in civil-military relations was ushered in by Violeta Chamorro’s stunning electoral defeat of the Sandinistas in 1990. The fruit of this victory was moves to bring the country’s armed forces under civilian control in both practice and law. The Nicaraguan process of military extrication is one that has been mirrored throughout most of Latin America, though to varying degrees of success. Unfortunately, this withdrawal, described herein, has not produced a democratic panacea as the Nicaragua’s armed forces has been able to maintain a good amount of autonomy through economic and constitutional means. These venues of continued autonomy imply that there exists the possibility, if not probability, that the Nicaraguan military will continue as an independent actor for the foreseeable future. This has broad regional implications as the Nicaraguan case is fairly typical to the region.

As such, this paper will examine the areas in which the Nicaraguan military’s political and economic influence have been affected and in what areas it has maintained clout. To better understand these phenomena’s implications for democratic consolidation throughout the hemisphere, two other Latin American comparative cases – Guatemala and Argentina – will be employed. This process will demonstrate that the Nicaraguan military’s retreat from power has been “moderate” within the Latin American context, while the other two represent the two extremes on a continuum of military extrication in Latin America.

Regional Setting

Latin America’s experience with military rule and the accompanying transitions to forms of civilian rule is extensive. By the mid-1970s, 16 of 20 countries in the region were under military governments. But by the mid-1980s, these same countries had experienced a return to civilian governments as militaries withdrew

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“back to the barracks,” and in their place, mostly free and open elections occurred. But while having left presidential palaces, Latin American militaries, to varying degrees, have not completely relinquished their political and economic prerogatives. And in most of the region, these extra-professional activities of the armed forces have been arenas of contestation with civilian authorities and represent significant obstacles to enduring democratic change in the region.

The trend for Latin American militaries in the post-Cold War period has evolved from a penchant for direct intervention against democratic governments to a less-interventionist maintenance of corporate prerogatives.\(^3\) This reluctance by Latin American militaries to take matters into their own hands can be attributed to two principal reasons: First, a recognition of the failure of direct governance by the armed forces; with almost no exceptions (arguably Chile), Latin American military governments failed miserably in their experiments at governance and the implementation of economic programs, during which time their countries experienced hyperinflation, social unrest, corruption as well as a damaged corporate, professional identity for the military.

Second, conventional wisdom holds that there exists a tacit acknowledgment in among Latin America’s armed forces that in the climate of today’s international community, such overt, extra-constitutional action would elicit tart condemnation from fellow American states as well as the loss of economic and development aid from the United States and the World Bank.\(^4\) Additionally, in many states, especially in the Southern Cone, stronger civil society has developed to challenge any return of military rule, though this is not yet a universal phenomenon.

The decade of the 1990s brought a great shift in the context in which Latin America’s militaries existed. This change was the consequence of four factors: 1) the end of the Cold War and the lessening domestic anti-Communist preoccupation; 2) democratization in Latin America; 3) electoral forces in favor of pacification, and 4) the post-Cold War challenge of defining domestic security (e.g., anti-drug trafficking or environmental). In fact, in an ironic twist, the influence of some Latin American militaries, after a decade of war and internal struggles, was stronger in the 1990s than in the 1980s through a combination of actions examined herein.

Nonetheless, Latin American militaries were forced to transform themselves into institutions that respected and, at least on the surface, followed civilian leadership. As a result, all Latin American militaries (except Cuba’s) have experienced some degree of military extrication.\(^5\) For some states, such as Argentina, this disentanglement has been extensive, perhaps even ground-breaking, for Latin America. Others states’ armed forces have been engaged in extrication through either a moderated, gradual course (e.g., Nicaragua) or have advanced slowly and still cling to as many prerogatives as possible (e.g., Guatemala). Still in other states such Venezuela, Peru, and Bolivia, military rule has transformed into “protected democracies,” headed by neoaauthoritarian presidents who are either former military (Hugo Chávez of Venezuela and Hugo Banzer Suárez of Bolivia) or civilians with strong military support (e.g., Alberto Fujimori of Peru). It is within this evolving schema that I place the more “civilianized” but still autonomous Nicaraguan military.

Post-Cold War Latin American militaries experienced a reduction in economic and political power through political reforms, economic hardship, or both. In response, these militaries have undertaken a vast array of business ventures to overcome some of these difficulties, which is in line with the trend for Latin

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\(^3\) David Pion-Berlin, “Military Autonomy and Emerging Democracies in South America”, Comparative Politics, October 1992: 86.

\(^4\) Though this remains to be seen if this would be the case. When in 1999 the Ecuadorian military overthrew President Jamil Mahuad, the United States nor Latin American states did not react. This inattention was perhaps due to the fact that the military quickly placed a civilian, Gustavo Noboa, in the presidency.

\(^5\) Both Costa Rica and Panama’s militaries have been constitutionally abolished.
American militaries in the post-Cold War period in which a penchant for direct intervention against democratic governments has evolved into a less-interventionist maintenance of corporate prerogatives.

To counter the loss of prerogatives, Latin American militaries have established business ventures in a broad spectrum of areas. Theses include: in Honduras, the military or its pension fund owns shrimp and palm oil farms, part of a cement company, banks, insurance companies and even a funeral parlor; in Ecuador, the military runs the national airlines and appropriates as much as 15 percent of oil revenues; in El Salvador, the military runs a luxury beach hotel and owns valuable real estate Other areas of business run by other Latin American militaries are banks, transportation and security corporations, tourism, radio broadcasting, publishing, and several soccer teams. Their officers have become corporate and run businesses whose profits exceed that of both national and international firms.

Among other things, this relationship has led to military corruption, and given the armed forces an independent economic base that shields them from civilian control, and drawn them far from their core mission of protecting national security. In some cases, soldiers are proving no more eager to give up businesses than they were to give up political control. In addition, the budgets that these business activities fill, are either off-limits to civilian leaders or presented for cursory inspection as a single amount (rather than being broken down into categories).

To illustrate this point, consider Central America: the end of the Cold War brought with it an economic shock to Central American military budgets, which fell from a collective $1.1 billion in 1985 to $412 million in 1994 (Casas Zamora, 1997). This loss of budgetary funding has been exacerbated by demands from civilian governments ranging from justice for human rights abuses, increased oversight and transparency of military budgets, and the end of conscription. Central American generals grudgingly accepted these most of these adjustments but, in return, insisted on almost total economic autonomy for their militaries. To this end, many Central American militaries began to sustain their institutions and their officer corps by becoming businessmen in fatigues seeking to secure their future. A tacit deal was struck: the military would return to the barracks if civilians accepted military businesses that would fund the institution, including its pension funds. In fact, to show their good faith, a few of the militaries’ worse human rights offenders were removed but the end result was the same: military autonomy was preserved, if not strengthened though in a different form.

This amounts to a “republic within a republic” within the respective militaries’ borders through the acquisition or purchase of significant business ventures. Thus, in a time of supposed increased democracy and civilian supremacy in the region, some militaries have accumulated an economic bulwark against civilian control, which translates into continued, but more ambiguous, power. This ultimately poses a real threat to continued democratization in the region as the military institutions become a substantial economic force.

The Nicaraguan military, in the truest military tradition, sought to protect the military institution through political, social, and economic means, and each has experienced success. But the degree to which it has achieved success highlights the very different and divergent paths of military extrication in the 1990s and the challenges this insubordination poses to further democratization in Nicaragua.
### Table 1

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<thead>
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<th></th>
<th>Argentina</th>
<th>Guatemala</th>
<th>Nicaragua</th>
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<tbody>
<tr>
<td>Active Forces</td>
<td>118,000</td>
<td>65,000</td>
<td>43</td>
</tr>
<tr>
<td>Armed Forces per 1,000 people</td>
<td>3.8</td>
<td>1.8</td>
<td>4.8</td>
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<tr>
<td>Total Military Expenditures (ME) (millions)*</td>
<td>6,080</td>
<td>3,700</td>
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<tr>
<td>Central Govt. Expenditures (millions)</td>
<td>40,800</td>
<td>59,000</td>
<td>1,350</td>
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<td>ME as % GNP</td>
<td>2.6</td>
<td>1.2</td>
<td>1.8</td>
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<tr>
<td>ME per capita*</td>
<td>194</td>
<td>103</td>
<td>24</td>
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<tr>
<td>GNP per capita*</td>
<td>7,370</td>
<td>8,900</td>
<td>1,330</td>
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* In constant 1997 dollars.

** Figures are for 1996.

*** Figures are for 1990.

The Three Cases

Latin American militaries recently have undergone their own extrications from power in the post-Cold War period. This section draws comparisons with the situations of Nicaragua and two other Latin American countries, Guatemala and Argentina, whose military institutions acquired significant economic and political power (especially, but not exclusively, during the 1968-1983 height of military dictatorships in the region), and have experienced extrication from these to one degree or another.

These other two militaries were chosen because, along with Nicaragua, they represent discrete points along a continuum of military extrication in present-day Latin America. At the far left of the continuum lies those most resistant to ceding political and economic power and, at the far right, is the most willing to accept (or unable to stop) democratization and civilian supremacy. The mid-point represents moderate success on the part of civilians in exercising control over some, but not all, military prerogatives (see Figure 1).
To gauge this “willingness to democratize” and remove the military institution from civilian areas of power, three areas of autonomy vis-à-vis civilian control will be explored: 1) military economic interests; 2) military impunity and retrenchment, and; 3) degree of maintenance of military political and constitutional prerogatives.

In the following section, the characteristics of Nicaragua and these two other cases are explored. Each section briefly reviews the historical development of military autonomy and prerogatives, and then describes changes in these following the return of civilian rule. The end result is to explore the parallels, differences, and lessons that can be culled for the Nicaraguan case.

The post-Sandinista Nicaraguan Military

To begin, the case must be made that Nicaragua’s militaries have always been autocratic political institutions that have dominated the country’s history. Whether partisans for liberal or conservative parties, guardians of the Somoza dynasty or Sandinista revolutionaries, the military institution had always served factional political and economic interests instead of promoting professional military concerns (except to the extent that the latter furthered the former). The election of Violeta Chamorro in 1990 (receiving 55 percent of the vote to Ortega’s 41 percent) ended a decade of Sandinista rule, one that has been described as second only to Cuba’s in terms of its hold on power.

However, the FSLN’s economic and political power was not immediately nor completely eliminated, nor did the election reduce the extreme political divisions that existed. Although the election did force twenty-two members of the army to leave the National Assembly, the FSLN still retained considerable influence within the military as most of the mid-level and senior officers were party members. Moreover, various factions within the FSLN were determined to “govern from below,” thus providing an unambiguous challenge to the new Chamorro administration’s policies, if not its legitimacy.

Well positioned through continued support from workers, the FSLN pressured Chamorro toward the political center on two fronts: first, to rethink her harsh agricultural and property policies but more important

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(for the FSLN), to retain the Sandinista commander, Gen. Humberto Ortega, as head of the armed forces. Her concession on these points, which was affirmed through the signing of a concertación, served to demonstrate the president's ability (if not need) to compromise so as to assuage military fears of retribution or complete removal from the new power structure at a time when critics were calling for the complete abolition of the military.

A decade later, the success of the extrication of the Nicaraguan military can be termed "moderate" for the following reasons. On one hand, the Sandinistas have played by the rules of the political game. For example, in 1990, Gen. Humberto Ortega was indicted of complicity in the shooting death of an American boy, Jean Paul Genie. Though the Nicaraguan Supreme Court finally ruled in 1993 that the case was under military jurisdiction (thus temporarily reinforcing the fuero militar), what is substantive is that the military did not rise up in protest at the arrest of its leader. This is indicative of the degree to which the Chamorro government had established civilian supremacy as well as demonstrates the commitment the FSLN had to the democratic process. Though the FSLN, especially through former president Daniel Ortega, has been harshly critical of the two post-Sandinista administrations, it has publicly declared its unwillingness to skirt constitutionality. An additional positive step concerns the size of the military. From 1990 to 1994, the army shrank tremendously, from 90,000 to 14,000.

One August 23, 1994, the National Assembly approved legislation that seemingly accomplished three important goals toward changing the culture of military autonomy. First, a new code was enacted, the Código de Organización, Jurisdicción y Previsión Social Militar, which compelled army commander General Humberto Ortega to retire in September 1995. For the first time in Nicaragua's history, full subordination of the armed forces to civilian authority was established. The code clearly states the president's right to name and dismiss the military's commander was to be given a fixed term of office of five years.

Second, the legislation changed the politically charged name of the military from the Ejército Popular Sandinista to the more neutral Ejército de Nicaragua (EN). Moreover, the fuero militar was eliminated, which cleared the way for officers and soldiers who commit crimes against ordinary citizens to be tried in civilian courts. Additionally, civilians could no longer be tried in military courts. This categorical severing of the ages-old system of military privilege was something that, again, had been previously unimaginable.

Lastly, the Nicaraguan constitution was altered to reflect the political evolution of the military. Among the amendments were: 1) a statement to the professional, non-political nature of the military; 2) prohibition against a military role in internal security; 3) a definitive statement regarding the military's subordination to civilian authority.

However, within this legislation are provisions that accord the military commander many powers that normally would pertain to a civilian defense minister, thus denying civilians mechanisms to influence defense policy. Part of this civilian weakness is due to the fact that Nicaragua does not have very many civilians with expertise in defense matters (which is hardly surprising given the country's history), and the military is not enthusiastic about turning over supervision of the country's defense to politically appointed amateurs. Budgetary powers still reside strongly within the military purview. The National Assembly has only a limited

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ability to define and administer the army's budget nor does it have any authority over the military's numerous business enterprises.\textsuperscript{13}

Moreover, one major flaw in this new arrangement is that the role of the president in this code is strictly ceremonial as the executive only approves what the military orders. The controversial formula devised for selecting the military commander-in-chief establishes that while the president chooses, he (or she) does so only after top officers that comprise a military council propose a candidate.

Replacing Ortega was Major General Joaquín Cuadra Lacayo, a first cousin of Presidential Minister Antonio Lacayo. Cuadra is credited for enforcing the military's respect for constitutional civilian rule. To this end, Cuadra expressed his desire for the military to become a professional, non-partisan force, stating:

"...ahora el Ejército se rige por la Constitución. Ya son otras condiciones. Ya hay una ley muy clara y también la actuación de los ministerios se rigen bajo esta ley. Yo no tengo miedo que quiten al Ministro de Defensa y pongan otro en su lugar. De todas maneras ellos tienen que regirse por la Ley."

To further the goal, Nicaragua's first military academy was established and then-new Commander Cuadra encouraged his officers to expand their experience to include management and administration courses. This educational decision is meant to correct the fact that while some Nicaraguan officers did attend military academies in the former Eastern bloc, many Nicaraguan military officers have no formal military training.

Despite its adherence to constitutionality, name conversion, and other promising signs, the still-Sandinista-led army has retained some important economic prerogatives since the new military code did not prohibit the military from owning its labyrinth of businesses, which provide an untold, and unsupervised, amount of funds. After the overthrow of the Somoza regime in 1979, mass confiscations and expropriations occurred as the Sandinistas set up farm cooperatives and implemented a socialist economic structure. But after the election victory of Violeta Chamorro in 1990, the shocked, outgoing Sandinista government did its worse to hamper the incoming president. First, in their final days, Sandinistas added over 12,000 new people to government payrolls to pad its political influence. Second, the FSLN approved large and valuable property grants to its leaders and others devoted to the Sandinista cause through Laws 85, 86, and 88.

This economic bonanza came to be known as La Piñata, in which approximately 1.55 million hectares were distributed (approximately one-fourth of all agricultural land in Nicaragua). Included in these appropriations were over 6,000 homes in choice locations and 76,000 hectares of rural territory. To complicate matters, the Sandinistas destroyed property records in several departments, making reclamation by the original owners all but impossible. Lastly, the Sandinistas disposed of most of the budget and oil reserves for 1990, leaving Chamorro with essentially an empty house to govern.

The first step taken to create an economic safety net for the military was the establishment of a Military Social Security Institute, which was to provide officers with housing, life insurance, and retirement benefits. Through Decree 291, the military is permitted to establish and oversee businesses, such as construction companies, airlines, fisheries, and factories. This gives the military two strongholds: no competition and, until recently, the secrecy surrounding these holdings allowed the military to escape taxation. In urban sectors, the still-Sandinista military's economic acquisition was equally impressive. They have their own TV station, radio station and a daily newspaper (Barricada; though it is now in bankruptcy). The true extent of military's business holdings is such a secret that members of the FSLN have asked for a full accounting, to no avail.\textsuperscript{14} This new Sandinista “aristocracy” has become part of the wealthiest top 5% of the population and apparently had little

\ \textsuperscript{13} "Civil-Military Relations in Nicaragua", National Democratic Institute for International Affairs, June 1995: 2.

difficulty adjusting to the Chamorro administration’s program of privatization, deregulation, and economic liberalism.\textsuperscript{15}

Since October 1993, the Corporación Nacional del Sector Público (CORNAP) has privatized 280 of the 351 state enterprises under its control. The Sandinista-controlled army has been reluctant to reveal details about its many commercial enterprises. Although General Ortega claimed the army’s business interests are insignificant, General Joaquín Cuadra, his second-in-command, admitted the volume of funds is considerable compared to the small size of the Nicaraguan economy. Nonetheless, many of the best state enterprises were given to the Sandinista military in 1990 as the Instituto de Previsión Social Militar.

A last crucial step that the Nicaraguan military is only now beginning to take involves a revamping of its professional mission. As in the case of the Argentine military, the reformulation of mission has proven to be a decisive step in ensuring military cooperation, deference to civilian control, and not leaving open the opportunity for the armed forces to define their own mission, perhaps to the detriment of civilian government. In 2000, Defense Minister José Antonio Alvarado declared that Nicaraguan Army was seeking closer ties with the United States military to jointly combat drug-trafficking.\textsuperscript{16} What ameliorated this reformulation was the previous Chamorro administration’s willingness to work closely with the military to develop legislation, which helped alleviate much tension and suspicion between the two sides.

In sum, partial extrication of the Nicaraguan military from positions of political power and autonomy has been achieved through. The FSLN no longer exercises as great an influence over the military as its presence has become minimal, the acceptance by the military of a professional, non-political role is encouraging, aided by the civilians’ recognition of the military professional autonomy. However, this optimism is tempered by the remaining issue of the military economic prerogatives and the absence of civilian defense ministry personnel that could assume the defense policymaking roles that the Nicaraguan military has held since at least 1979. And though the name has changed, the Nicaraguan military is still more allied to the FSLN as they have common interests. The army depends on the FSLN to protect it from further budgetary cuts (from $177 million in 1990 to $24 million in 1999), and the FSLN still considers the army its last defense against radical social and economic upheaval by opposition governments.\textsuperscript{17}

The greater role of the military in the Nicaraguan economy is leading to an expansion of interests within the armed forces with profound implications for future of democracy and of development of civil-military relations. The military has been successful enough in its business investments that, along with Honduras, the Nicaraguan military is becoming a model for other Caribbean basin militaries seeking to solidify their financial futures, particularly the Cuban FAR.\textsuperscript{18} This military extrication may be put to the test in 2001 as Daniel Ortega official became the FSLN presidential candidate. If the former FSLN president does recapture the presidency, the EN might find a more sympathetic ear.

Guatemala’s Defenders of the Faith

With the largest armed forces in Central America (approx. 30,000), the Guatemalan military remains an integral, if not primary, influence in that country’s political, economic, and social life. Its retention of

\textsuperscript{15} Financial Times of London, various issues, October 1996.


considerable political and economic prerogatives, even after the return of civilian government, makes the Guatemalan military perhaps the best example of low military extrication in Latin America during the last decade. And though at the end of the 1990s the military has grudgingly accepted some reduction of its influence and authority in a region that has democratized and largely avoided insurgency, it still maintains a realist perspective that considers this peaceful state of affairs to be the trough before the inevitable next wave of disorder that will require the military's attention.

Whether directly or indirectly, the Guatemalan military has maintained effective political control of the country since the CIA-supported overthrow of Jacobo Arbenz in 1954, and played a key role as political arbiter before that. From 1954 to the mid-1970s, the military was mostly content in this guardian role, though its active repression of the political opposition had begun to increase. The rise in dissension and outright revolt among the country's peasants and indigenous inhabitants brought the military to resort to violent repression that knew practically no limits in its ferocity. Seen as both a threat to political order and economic interests, these popular movements reacted by greater organization and this eventually turned chaos into civil war.

Through this time military established close contacts with the business community and began to integrate itself into key economic sectors, particularly agriculture. And, after the election of Gen. Romeo Lucas Garcia in 1978, military repression of dissension increased dramatically as did military ties to the business community through affiliation with the Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (CACIF). By 1981, this coalition was facing not only full-scale civil war but also division among the military ranks as junior officers questioned senior officers' accumulation of wealth from land-grabs and collusion regarding public agencies run by the military.

The military alliance with business faded following the election of Gen. Efraín Ríos Montt, who opened the most brutal and authoritarian chapter of Guatemala's history during the 1980s. Ríos Montt's rule not only elevated fear and terror against civilians to new heights but also established lasting economic interests by the military itself, circumventing its previous ties to the business elite. This was the time period when greed transplanted military professionalism and economic autonomy grew. Military leaders sided various business interests and ended up resembling "chieftains of rival mobs." During this time, there were two military coups and a transition to democracy, all three within the period of six years. There was also a brutal counterinsurgency war fought by the military against guerrillas in the countryside and in the cities. This uprising not only tore apart Guatemalan society but also provided the military with the rationale to oversee practically all facets of the economy and society, resulting in arguably the most militarized society in Latin America after Cuba.

The brief rule of Ríos Montt also entrenched the military's special position in Guatemalan politics. In 1982, he decreed a state of siege and used the crisis to consolidate the government under the executive branch. This change granted him extraordinary powers, abrogated the constitution, and dissolved the legislature (an early autogolpe). Ríos Montt also installed a system of decree-laws by which he ruled. One such law, 46-82, suspended the rights of habeas corpus and due process, and removed many of the checks placed on the judicial branch such as requiring warrants before arrest, notification of detention to relatives and friends, a specified time of imprisonment before trial, public hearings, and the right to appeal decisions.

The militarization of the country was augmented by selective alterations at the governmental and societal levels. First, the regular judicial courts were replaced with special tribunals, which tried those convicted of common crimes associated to political activity or had 'threatened state security'. These special tribunals were composed of members of the military appointed by the president and even the defense lawyer had to have the approval of the special tribunal. Even after this special approval was granted these lawyers were often subjected

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19 Though the Ecuadorian military is a close second, and in some ways may surpass the Guatemalan case.

to death threats and pressure to let their client be found guilty. This Decree Law even legalized the death penalty for those found guilty by the special tribunal, even if their crimes were only of a common nature.

Second, civil patrols (PACs) were created under García's rule but they were used most extensively under Ríos Montt. These patrols, which keep a vigilant eye out for dissidents, were composed of all men between 18 and 50 years-old, who were required to participate. Failure to participate could be punished by denial of food, physical punishment, and death. These PACs were required to patrol the rural areas and also to spy on their villages for the army. By 1985, there were approximately one million men in these patrols.

Eventually, Ríos Montt's erratic behavior and open evangelism embarrassed reformist members of the military into ousting him. The new president, Gen. Mejía Víctores, changed a few of the more blatantly undemocratic mechanisms created by Ríos Montt but left many of the others in place. He abrogated some of Ríos Montt's decreed laws, such as Decree-Laws 45-82 which had abolished many of the judicial rights of Guatemalans, and prohibited judgment by special tribunals. Government by decree remained in place as did the model village programs. In some ways, Mejía Víctores's consolidation of government was even greater than that attempted by Ríos Montt. For example, Mejía Víctores consolidated practically all economic power into the hands of the military, particularly export-related enterprises, the profits from which had filled the military's coffers.

But in 1984, one year after Mejía Víctores took power, plans were made for the military to remove itself from government and allow a democratically elected president take power. This transition was carefully regulated by the military, who wrote the new constitution and controlled the political parties which were allowed to have candidates in the election. Out of the four political parties participating in the election, there was only one party which offered token representation of the left, the Democratic Socialist Party. The other three parties were far-right and center-right parties. Vinicio Cerezo's election in 1984 did little to lessen the de facto military hold on power.

The year 1985 marked a step toward liberalization of military rule through a new civilian regime, which was greeted significantly greater voter participation (69% in 1985 vs. 46% in 1982). But this brief abertura closed in on itself two years later as the military again stepped up repression to gain advantages ahead of a possible agreement through the 1987 Central American Peace Accord.

As expected by the tight military control of the democratic transition, Cerezo's government did not change any of the military controls over the economy or any of the systems the military had created since 1982. His government had little sway over the military and did not have the authority to influence the military's actions as Cerezo's democratic government came into being as a gift from the military to the people. As such, it was easily rescinded if the civilian government challenged military policies.

Today, the Guatemalan military exercises its continued autonomy in a number of ways. First, its self-conception is quite strong. Not only does the military believe that it alone saved the country from communist takeover during the 1968-1996 period of revolt and insurgency, but it also envisions itself as one of four pillars that sustain the Guatemalan society (political, economic, social, and military). This self-image is bolstered by a belief that the military's sense of mission, its professionalism, and the “order” it has brought the patria, elevate the institution above the corruption and graft of civilian politicians. This ennobling sense of purpose has justified to the military many of the atrocities that have occurred (and continued to occur) over the past three decades.

Second, the Guatemalan military enjoys unparalleled access to the president, particularly through the Estado Mayor Presidencial, which resides within the office of the president. Unlike the advances elsewhere in the region, civilians still play no practical role in Guatemalan defense policymaking. In addition, the chief executive holds little constitutional power over the armed forces. In addition, the military exerts political and social control through strategically placed threats toward and pressure on politicians and social leaders, which are normally too subtle to merit much scrutiny.

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Third, the military is very well positioned economically with a variety of business ventures through which it sustains a considerable amount of budget autonomy. These business interests include agriculture (export farms to the U.S.), fisheries, real estate as well as banking. According to statistics from the Asociación Latinoamericana de Bancos, Guatemala's Banco de Ejército is the thirty-sixth largest bank in Central America (of 106 total in the region) with assets over $116 million. This observation is supported by the fact that total military expenditures grew 12 percent while military expenditures per capita fell by the same percentage from 1987 to 1997.

However, the military grip has loosened somewhat after the signing of the 1996 peace treaty, which ended the country's civil war. Some hardliners were purged, along with about one-third of the generals. Nonetheless, the military still retains much judicial and economic autonomy, and military-linked political assassinations still occur, though less frequently. The Guatemalan judiciary remains cowed by justified fears of retribution, and its legitimacy is weak in affecting change to strengthen democracy, even after the signing of the peace accord.

This power emanates from the military’s strong constitutional mission as well as a close relationship with the United States that has given encouragement—monetary and political—to an active role for the armed forces in most facets of the country. There are three constitutional areas in which the military maintains considerable autonomy. First, the Guatemalan chief executive cannot directly command the armed forces; all orders must come from the defense ministry. Second, the military has an active, directive role in developmental projects throughout the country. Third, though the civilian government approves the military budget, it may not audit how it is spent.

Outside of these specified parameters, there are other reasons for the army's continued influence. In many parts of the Guatemalan countryside, the only government official a citizen is likely to encounter is a soldier, thus the citizenry has come to depend upon the military for many socioeconomic projects and goals. Conversely, since the military has historically had the responsibility for internal security, civilian leaders themselves have depended on the military to maintain order. As a result, though it is feared by many, the Guatemalan military, ironically, is depended upon by many. Therein lies the principal obstacle to the further military extrication in Guatemala.

The 1993 autogolpe by President Jorge Serrano only served to strengthen the military's role as the main political arbiter. Though the military did oust him for his actions, it was not because of revulsion of the act but instead was prompted by the fact that the autogolpe had threatened the military's growing credibility.

This transition to democracy was "given" to the Guatemalan population because of several failings on the part of the military. Despite all the harsh measures used against civilians all over the country the military had failed to remove the guerrilla threat. All of their nation-building and economy building projects had failed and the terrible human rights record of Guatemala meant that they could no longer depend on foreign loans and capital to support their economy. The model village program became a disaster as there was insufficient investment allowed for such a massive project. There were often five to six families crammed into one small house. Inadequate food, health care, and income were provided for the people who lived in these villages. In many cases, the people in the model village program were better off in their home villages.


Besides having separate, specialized education system (The School of Military Studies), the Guatemalan military has also benefited from a separate economic pension system, Military Social Welfare Institute. Not only has it provided retirement funds for officers but it also has been a source of capital for the Banco del Ejército, one of the largest in Guatemala. Guatemalan officers used their wealth after the civil war to buy a controlling interest in banks and funeral parlor chains. Well-meaning U.S. State Department bodies like the Agency for International Development approved, noting that ex-soldiers needed civilian jobs. However, in the end, the Guatemalan military’s economic interests lacked any type of consistent, unified plan for the country as a whole.  

But this was precisely the point. The military’s business interests are personal and professional-sustaining enterprises, which perpetuate the institution’s autonomy and guarantee its future, though somewhat reduced, role in Guatemala’s future politics. In fact, wealth distribution in Guatemala worsened and widened during the infamous 1980s when from 1980 to 1989 the share of wealth among the top 10% increased from 40.8% to 46.6%.  

The military’s supremacy is embedded in the Guatemalan Constitution, limiting the power of the four civilian presidents who have governed the country since 1986. Juridically, the emphasis in Guatemala is on the law as sanction rather than a system of rules, which has and continues to benefit the military. In 1999, proposed changes to the constitution that would have eliminated the military’s internal security role were defeated in referendum in which less than 20% of the population voted. Though this exceptional apathy was partially attributable to the population’s cynical resignation and a general distrust of politicians, it is also due to a justified fear of retribution. Reformers and left-of-center leaders are still the targets of intimidation and murder.  

In sum, though the Cold War is over and the peace accords ending Guatemala’s civil war have been signed, thus ending the guerrilla “threat”, the structure of military prerogatives and impunity lingers on. The entire Guatemalan military institution is afflicted with a severe case of cognitive dissonance, denying the changes in the region and in the international context. Its retrenchment and resistance to further extrication is demonstrable of the dangers that democratization faces in Latin America if a country’s military is not willing to accept civilian primacy nor does it assume the appropriate attitude that would make compromise and progress possible.

The Reformed Argentine Military

The Argentine case is one of high military extrication, relative to the power and prerogatives that had been held since the 1930 military coup against President Hipólito Yrigoyen. The politicization of the military and its corporatist role as protector of the nation, reinforced during the Perón regime, have deep roots in Argentine political culture. In a seemingly endless succession of military governments between 1930 and 1983, the Fuerzas Armadas Argentinas (FAA) had accumulated enough power and wealth to become an almost separate and superior caste, with special pension and housing privileges. Although this advantages made it perhaps the

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28 Just three days before the vote, Roberto González, former guerrilla and member of a left-wing political party, was assassinated. The Economist, Vol. 351, Issue 8120, p. 36.
most autonomous in Latin America, but it was also one of the most fractured.\textsuperscript{29} And, its withdrawal from political and economic positions of privilege was not without episodes of resistance.

The FAA’s modern-day extrication is doubly exceptional since, it too, like the Guatemalan army, exacted a high price on its country in the form of brutal repression during the so-called “Dirty War” of 1976-1983. Impelled by the populist policies of the Peronistas, the military sought to eradicate “subversives” who held “external values,” that left the military’s hands very bloody.

For the Argentine military, its withdrawal from power was initiated by its ignominious defeat in the 1982 Falklands War, which culminated a period of economic crisis and the public’s repudiation of military rule. In the ensuing transition period, there was significant political divisiveness among the military that proved to be detrimental during negotiations, enabling the civilian government was able to bargain from a position of strength. Though the military tried to negotiate favorable terms for its withdrawal, its efforts were stymied when a united civilian opposition demonstrated an unwillingness to cooperate beyond the selection of the date for a presidential election.

The first post-military civilian administration of Raúl Alfonsín (1983-1988), bolstered by a potent electoral mandate, pressured the weakened and discredited military into accepting multiple reforms. Alfonsín undercut military prerogatives, promoted trials for human rights abuses, and slashed the military’s budget by 40 percent (17% in 1989 and 23% in 1990). Alfonsín managed to retain the support of the top commanders, but the trials (along with the other deteriorating conditions of military prerogatives) increased the alienation of the rank and file from their top officers.\textsuperscript{30} These junior officers felt the professional interests of the institution, and state policies that they saw as inimical to their interests, were not being addressed sufficiently.

The military’s frustration boiled over in 1987 when the first of four carapintadas revolts occurred, spurred by concerns over military professionalism and economics. These carapintadas (so named for their camouflaged faces) succeeded in exacting a minor concession (exempting junior officers from prosecution), but, more important, Alfonsín’s capitulation to even one demand was perceived by the officers as a weakness, thus making the president vulnerable to further demands, which soon occurred. A second revolt in 1988, however, failed to achieve further concessions as troops loyal to the civilian government put down the uprising. A third revolt soon added economic and political demands to their agenda.

The first administration of Carlos Menem (1989-1994) endured the fourth and last carapintadas revolt, but held the line against the military in many areas, including the budget. Menem, however, ultimately relented on prosecutions for human rights violations, reducing the number indicted from 220 to about 40 officers. But in a twist of irony, Menem also became reliant upon the military to maintain internal security in 1996 when faced with massive labor unrest stemming from the austerity measures he had implemented to reduce hyperinflation. This was a two-edged sword; while centralizing control of the military under the chief executive, this use of the military against labor also prolonged military involvement in domestic political issues.\textsuperscript{31}

Ultimately, these military revolts demonstrated three important changes. First, they reminded the Argentine people of the fragility of their democratic institutions and of the ever-present threat of a military coup, which provided the necessary impetus for continuing the strengthening of civil society. Second, these rebellions weakened the carapintadas factions in the high command by allowing them to eliminate their enemies.

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\textsuperscript{30} This is in line with Przeworski’s theory that for a democratic transition to occur, there must be a division within the leadership; in this case, the military leadership. See: Adam Przeworski, Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America (Cambridge, UK: Cambridge University Press, 1991).

from the ranks and by putting them in the position of guardians of democracy. This enhanced their position vis-à-vis the civilians regarding budgets, salaries, and other issues. Third, a carapintadas faction was politicized through the formation of MODIN, a political party that represents the views of the Aldo Rico group (a principal leader of the revolts), and served to channel the views of the carapintadas through legitimate political means.\footnote{Marisol Pagés and Leigh A. Payne. “Behind the Painted Faces: Military Rebellion, Ideological Pragmatism, and Civil-Military Relations in Post-Dictatorial Argentina.” 1994. Manuscript}

In this period began the drastic shift from a guardian military to civilian-controlled military. The FAA’s long-held role of the defender of internal security was eliminated through the National Defense Law of 1988, which forbade the military from taking part in any form of domestic police action, even drug-interdiction (which has proven to be contentious). This change delegated domestic law enforcement to a separate police force and border patrol. Additionally, military officers were prohibited from holding positions on the National Defense Council, thus establishing civilian supremacy in defense matters. Civilians have not only taken the reins in defense policy-making but also in forming future soldiers. At the army’s military academy, over three-quarters of the instructors are civilian.\footnote{Three separate interviews by author with Argentine cadets in Buenos Aires, March 2001 and Sunday Times of London, 4 February 1996.}

Lastly, conscription was ended in the mid-1990s. It was hoped that this would contribute to the greater professionalization of the armed forces as well as a further reduction in military influence. And while high-ranking officers protested, mostly for reasons of budget (non-conscripted soldiers would demand more pay), not once did they resort to threats or force. Nonetheless, there have been a few reminders of the persistence of the military culture, such as the discovery in 1998 that military intelligence was still spying on “marginal groups” (students, union leaders, rival politicians, etc.) – this time for President Menem, but the operation was quickly shut down.\footnote{J. Patrice McSherry, “Argentina: Dismantling an Authoritarian Legacy”, NACLA Report on the Americas, Vol.33, Issue 5, Mar/Apr 2000, p. 1.}

Economically, the FAA’s autonomy has been undermined by severe budget reductions, the privatization of its defense industries, and the cancellation of most defense programs, including the advanced Condor II missile project and a submarine assembly plant in Buenos Aires port. This reduction is even more impressive considering the longevity of the military’s economic involvement, which began in 1922 when Gen. Enrique Mosconi assumed management of the Yacimientos Petrolíferos Fiscales. But after Perón’s came to power, the Argentine military amassed an impressive array of business enterprises, which gave great economic, and thus political, autonomy to some officers and the military institution as a whole. But, this ended with the privatization of military industries after 1991 such as elements of Fabricaciones Militares, chemical plants, and even choice real estate. So extensive was this sell-off that today the FAA has resorted to leasing navy ships for Patagonian coast tours, renting airstrips for car races, and leasing army bases to farmers. Nonetheless, the military still operates a variety of business concerns, but increasingly these are out of economic necessity. The FAA’s pension system is exceedingly generous, allowing officers to retire at full pay in their mid-40s. These payments consume about 80 percent of the military budget. Moreover, the FAA’s once respectable large air force and navy are operating at below 25 percent capacity, with many units in disrepair. With this burden, and given that last several rounds of budget cuts have been severe, the military has been forced to rely more and more on autonomous sources of revenue to fund its budget.\footnote{Calvin Sims, “Argentine Military for Rent; Turns Swords into Tin Cups”, New York Times, 29 January 1996, A1.}

For example, in 1996 the Patricios regiment in Buenos Aires signed a $24 million contract with the Jumbo supermarket chain to build a shopping mall on unused portions of its grounds. In other areas, soft drink billboards now grace the grounds of former conscription centers. All of this independent economic action,
however, does not serve the goal of strong civilian control as it tends to make the military retrench and think of the civilian leaders as adversaries who control the purse strings rather than partners in the nation's defense.\[36\]

The current civilian government of Fernando de la Rúa exercises considerable control over the military in a multitude of areas, exhibiting perhaps the strongest civilian direction of any Latin American military. This is especially impressive for an institution that had termed itself the nation's "vertebral column."\[37\] The most recent reinforcement of civilian authority occurred when President de la Rúa ordered over 2,500 military and civilian intelligence agents fired for connections to disappearances during the Dirty War, and the Secretariat of State Intelligence's budget was slashed from $360 million in 1999 to under $138 million for 2000.\[38\] Again, the military took no action as their economic and political power was reduced further.

Why has the Argentine military so readily accepted subordination to civilian control? As noted, control was partly achieved through negotiation and compromise by civilian leaders and the assumption of a different institutional perspective on the part of the military. An equally important component to the successful transition was the lines of communications that were established between the main political actors regarding the legal and constitutional changes. Both civilian and military actors were able to break stereotypical views held about the other, and began to understand the other side's concerns, fears, and aspirations. Simply put, they have begun to develop mutual respect. Lastly, tensions inside the country (domestic terrorism) and outside (border disputes with Chile) have been reduced considerably, thus justifying the reduction of the military budget.

This is not to say that all is rosy. Even though some officers today are repentant for the Dirty War,\[39\] others still defend their actions. And though reduced, there are still incidents of attacks, death threats, and occasional murders, which are traced to the old internal security apparatus. But, the civilian government de la Rúa is increasingly intolerant of officers who long for any remnant of the authoritarian past.\[40\]

In sum, what the Argentine example illustrates is that there is a future for a professional Latin American military that respects and adheres to strict civilian rule. There has been success in extrication because of two clear developments. First, following the chaos of the Dirty War and the accompanying economic downfall, Argentine officers have no stomach for direct intervention in the foreseeable future.\[41\]

Second, the Argentine military has begun to carve out a professional mission for itself over the past decade, replacing its self-created national security doctrine with a more internationalist presence. Argentina began by participating in the Gulf War (sending two destroyers), then increased its global involvement through

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In fact, Argentina is now Latin America’s most active supporter of UN peacekeeping missions, and its historically unprecedented collaboration with the United States (being named a non-NATO ally of the U.S.) has marked a fundamental shift in thinking on the part of the Argentine military. These activities have also been rehabilitative for a military that lost prestige and morale during a bleak period of its history.

Conclusions: Military Prerogatives and Latin American Military Extrication

As these three cases illustrate, the process of military extrication from political and economic power has been uneven, fitful, and for the most part, only partially successful. Though there have been promising advances, especially in terms of civilian direction of defense ministries and budget reductions, the continued military autonomy that is practiced in many parts of Latin America, reduced as it may be, is a tumor in the region’s democratic lungs. This especially troublesomeness is this phenomenon mirrors many parts of the region. And as social and economic crises grow in both number and severity, much too often it is the military that people look to in Latin America to salvar la patria. A recent survey by Latinobarómetro found that even in Argentina, with all of the democratic gains applauded herein, over one-fifth (21%) of the population thought that authoritarianism was acceptable under certain crisis circumstances. Obviously, democratic consolidation still has far to go even in the best of cases in Latin America.

In the worse cases, civil military relations are moving from the old system of “guardians of dynasties” to “dynasties of guardians.” Civil institutions continue to exhibit chronic instability that will be increasingly compensated for by military organizations that, increasingly, do not depend upon civilian governments for their budgets.

These three cases described various manifestations of Latin American military extrication during the decade of the 1990s, ranging from the intransigence of the Guatemalan military to the surprising cooperation of the Argentine military. In the center of this spectrum lies the Nicaraguan case, from which some constants emerge that should prove helpful in understanding the Nicaragua military in the 1990s.

First and foremost, successful extrication seems to be contingent upon the military leadership’s willingness to reduce its economic and political prerogatives. This is frequently based upon a recognition within the officer corps that the country’s future within an international community that has ever greater economic leverage is dependent on a civilian-controlled military. Though the variation is great, the three countries examined here have displayed a realization (for distinct motivations) that the old autonomy is no longer palatable to the masses nor the community of states to which the patria belongs. Globalization has become an effective tool of influence. Thus, from the three above cases, as well as the post-Cold War military experiences of Central and Eastern Europe, one of the most important causal factors in successful military extrication is possessing an attitude of acceptance toward civilian rule as the only legitimate form of governance. While returning to the barracks is, in the short-term beneficial for the reestablishment of civilian leadership, only an attitudinal shift away from the “protector role” has promoted successful long-term military extrication.

Second, the amount of communication between the military and civilian sectors seems to be directly correlated to the reduction of prerogatives and civilian-control. Again, in the Guatemalan and Argentine cases, we see the results of lesser and greater communication (respectively) whereas in Nicaragua, the situation the amount of communication has grown steadily over the past decade, though there still remain gaps to be filled.

Lastly, though economic interests remain in all three cases, their reduction to levels that are low enough so as to not provide the military with a route to autonomy seems crucial. It may be that complete removal of Latin American militaries’ economic prerogatives is a distant aspiration, their reduction is an important first step in solidifying civilian, democratic control.

42 www.latinobarometro.org

There are potential problems for the military as an economic actor that can affect it in both its social and economic dimensions. For a highly popular institution is increasingly seen as privileged and more remote from the population is potentially disruptive in a nation recovering from the acrimonious aftermath of the Sandinista experiment. This is a lesson that all of the region’s leaders would be advised to learn.

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