

**demilitarizing the state and strengthening civil power and civil society in the transition to a fully democratic society.** While the size of the army has been reduced, the role it plays requires further re-definition. The Intelligence Office and the Presidential High Command are not yet under civilian control. Meanwhile, the issue of impunity must be addressed. Amnesty must not grant exemption from punishment for state actors who committed crimes against the people, nor preclude the possibility of knowing the historical truth regarding human rights violations. True reconciliation will only be possible on this basis.

At the same time, the peace accords do not deal with critical socio-economic issues. The accord in this area is weak and fails to resolve key land issues. Guatemala remains one of the most inequitable societies in the Americas. The root causes of social conflict must be addressed through concrete programs and efforts to combat racism, poverty, and social injustice.

The Roundtable also noted the importance of new social actors at this moment of Guatemalan history. The Mayan movement is diverse, increasingly active and a growing political factor. Municipal authorities, especially mayors, are taking on greater responsibilities especially as military barracks are closed. Women are increasingly active and, working from a gender perspective, have made significant proposals for government action.

## **II. PEACE-BUILDING AND MACRO-ECONOMIC POLICIES**

The Roundtable analyzed the implementation of earlier peace accords in El Salvador with the intent of identifying mistakes and limitations in that process which the Guatemalan process might avoid. In El Salvador there was an inherent contradiction between the implementation of peace accords and the simultaneous implementation of neoliberal macro-economic policies. The logic of neoliberal economics required the weakening of the state through reductions in government spending and the privatization of state entities. Thus, these policies undermined the peace process which required a strong state with the capacity to spend money on key social areas such as health, education, employment, popular housing, etc.

In Guatemala, the demilitarized state must be strong enough to implement the accords. At the moment this requires measures to strengthen rather than weaken the civil state in Guatemala. The macro-economic reform agenda must not be allowed to destabilize the peace process - rather it should be shaped by it.

In Guatemala, a tripolar tension exists between the state, civil society and market forces. The private sector is currently very energetic in advancing the cause of