On July 4, 1944, Dictator Jorge Ubico Castañeda was forced to resign his office in response to a wave of protests and a general strike. His replacement, General Juan Federico Ponce Vaides, was later also forced out of office on October 20, 1944 by a coup d'état led by Major Francisco Javier Arana and Captain Jacobo Arbenz Guzmán. About 100 people were killed in the coup. The country was led by a military junta made up of Arana, Arbenz, and Jorge Toriello Garrido. The Junta called Guatemala’s first free election, which was won with a majority of 85 percent by the prominent writer and teacher Juan José Arévalo Bermejo, who had lived in exile in Argentina for 14 years. Arévalo was the first democratically elected president of Guatemala to fully complete the term for which he was elected. His "Christian Socialist" policies, inspired by the U.S. New Deal, were criticized by landowners and the upper class as "communist."

This period was also the beginning of the Cold War between the U.S. and the USSR, which was to have a considerable influence on Guatemalan history. From the 1950s through the 1990s, the U.S. government directly supported Guatemala's army with training, weapons, and money.

In 1954, Arévalo's freely elected Guatemalan successor, Jacobo Arbenz, was overthrown in a coup orchestrated by the U.S. Central Intelligence Agency (CIA) in the 1954 Guatemalan coup d'état. Colonel Carlos Castillo Armas was installed as president in 1954 and ruled until he was assassinated by a member of his personal guard in 1957.

In the election that followed, General Miguel Ydígoras Fuentes assumed power. He is most celebrated for challenging the Mexican president to a gentleman’s duel on the bridge on the south border to end a feud on the subject of illegal fishing by Mexican boats on Guatemala's Pacific coast, two of which were sunk by the Guatemalan Air Force. Ydígoras authorized the training of 5,000 anti-Castro Cubans in Guatemala. He also provided airstrips in the region of Petén for what later became the failed Bay of Pigs Invasion in 1961. Ydígoras' government was ousted in 1963 when the Air Force attacked several military bases. The coup was led by his Defense Minister, Colonel Enrique Peralta Azurdia.

In 1966, Julio César Méndez Montenegro was elected president of Guatemala under the banner "Democratic Opening." Mendez Montenegro was the candidate of the Revolutionary Party, a center-left party which had its origins in the post-Ubico era. It was during this time that rightist paramilitary organizations, such as the "White Hand" (Mano Blanca), and the Anticommunist Secret Army, (Ejército Secreto Anticomunista), were formed. Those organizations were the forerunners of the infamous "Death Squads." Military advisers of The United States Army Special Forces (Green Berets) were sent to Guatemala to train troops and help transform its army into a modern counter-insurgency force, which eventually made it the most sophisticated in Central America.

In 1970, Colonel Carlos Manuel Arana Osorio was elected president. A new guerrilla movement entered the country from Mexico, into the Western Highlands in 1972. In the disputed election of 1974, General Kjell Lauguerud García defeated General Efraín Ríos Montt, a candidate of the Christian Democratic Party, who claimed that he had been cheated out of a victory through fraud. On February 4, 1976, a major earthquake destroyed several cities and caused more than 25,000 deaths. In 1978, in a fraudulent election, General Romeo Lucas García assumed power.
The 1970s saw the birth of two new guerrilla organizations, The Guerrilla Army of the Poor (EGP) and the Organization of the People in Arms (ORPA), who began and intensified by the end of the seventies, guerrilla attacks that included urban and rural guerrilla warfare, mainly against the military and some of the civilian supporters of the army. In 1979, the United States president, Jimmy Carter, ordered a ban on all military aid to the Guatemalan Army because of the widespread and systematic abuse of human rights.

In 1980, a group of Quiché Indigenous Peoples took over the Spanish Embassy to protest army massacres in the countryside. The Guatemalan government launched an assault that killed almost everyone inside as a result of a fire that consumed the building. The Guatemalan government claimed that the activists set the fire and immolated themselves. However, the Spanish ambassador, who survived the fire, disputed this claim, claiming that the Guatemalan police intentionally killed almost everyone inside and set the fire to erase traces of their acts. As a result of this incident, the government of Spain broke diplomatic relations with Guatemala. This government was overthrown in 1982. General Efraín Ríos Montt was named President of the military junta, continuing the bloody campaign of torture, disappearances, and "scorched earth" warfare. The country became a pariah state internationally. Ríos Montt was overthrown by General Óscar Humberto Mejía Victores, who called for an election of a national constitutional assembly to write a new constitution, leading to a free election in 1986, which was won by Vinicio Cerezo Arévalo, the candidate of the Christian Democracy Party.

In 1982, the four Guerrilla groups, EGP, ORPA, FAR and PGT, merged and formed the URNG, influenced by the Salvadoran guerrilla FMLN, the Nicaraguan FSLN and Cuba's Government, in order to become stronger. As a result of the Army's "scorched earth" tactics in the countryside, more than 45,000 Guatemalans fled across the border to Mexico. The Mexican government placed the refugees in camps in Chiapas and Tabasco.

In 1992, the Nobel Peace Prize was awarded to Rigoberta Menchú for her efforts to bring international attention to the government-sponsored genocide against the indigenous population.

The Guatemalan Civil War ended in 1996 with a peace accord between the guerrillas and the government, negotiated by the United Nations through intense brokerage by nations such as Norway and Spain. Both sides made major concessions. The guerrilla fighters disarmed and received land to work. According to the U.N.-sponsored truth commission (styled the "Commission for Historical Clarification"), government forces and state-sponsored paramilitaries were responsible for over 93% of the human rights violations during the war. During the first 10 years, the victims of the state-sponsored terror were primarily students, workers, professionals, and opposition figures, but in the last years they were thousands of mostly rural Mayan farmers and non-combatants. More than 450 Mayan villages were destroyed and over 1 million people became internal and external refugees. In certain areas, such as Baja Verapaz, the Truth Commission considered that the Guatemalan state engaged in an intentional policy of genocide against particular ethnic groups in the Civil War. In 1999, U.S. president Bill Clinton stated that the United States was wrong to have provided support to Guatemalan military forces that took part in the brutal civilian killings.

Since the peace accords, Guatemala has witnessed successive democratic elections, most recently in 2007. The past government has signed free trade agreements with the Caleb and the rest of Central America through CAFTA, and other agreements with Mexico. In 2007 elections were held in Guatemala. El Partido Nacional de la Esperanza and its president candidate Álvaro Colom won the presidency as well as the majority of the seats in congress.

(1) Source is Wikipedia