

# HONDURAS: A Risk Assessment Brief

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Based on CIFP Risk Assessment Methodology

## Honduras – Risk Assessment Brief

### Background

Discovered in 1502, Honduras remained under Spanish administration until achieving independence in 1821. Military rule, which began in 1963 with a military coup that displaced a democratically-elected regime in 1963, lasted until the reinstatement of democracy in 1982. The current president, Manuel Zelaya (PLH), gained office in 2006. His program focuses on economic growth through good governance and open trade. Zelaya has also perpetuated the war on crime initiated by his predecessor.

Poverty, dramatic inequalities in wealth distribution, and the highest level of AIDS in the region all contribute to a latent tension within Honduran society. The country is also prone to hurricanes such as Hurricane Mitch in 1998, the impact of which – in terms of its tragic death toll, devastation of most of the country’s infrastructure, and massive social dislocation caused by large-scale migration to the North – still contributes to the country’s instability. A lingering history of military violence - including the use of paramilitary death squads in the 1980s - as well as a judiciary and police force widely considered corrupt, present ongoing challenges to security sector reform efforts. A growing level of violent crime by street gangs (‘Maras’) constitutes the major element of instability in the country, with the number of ‘mareros’ in Honduras far exceeding that of its neighbours. The government’s harsh and repressive anti-crime campaign, employing military in addition to police forces, has been mainly targeted against youth, with extra-judicial executions and arbitrary arrests now common (2,825 minors killed in Honduras over the past 5 years). In spite of a vibrant and active civil society, these issues remain of grave concern to both international and indigenous human and children’s rights organizations.

The international community, very active in Honduras, has implemented a variety of programs to address a wide range of urgent and pressing socio-economic and governance issues. Until these issues are resolved, however, Honduras will continue to find itself hostage to domestic insecurity and fear caused by crime, as well as vulnerable to economic decisions made on a global basis. While the potential for conflict in Honduras remains latent at present, any sudden social, political or economic change could well ignite these latent factors into open and large-scale violence.

### Key Risk Assessment Indicators (in order of assessed significance)<sup>1</sup>

<u>Stabilizing Factors</u>	<u>De-Stabilizing Factors</u>
<b>Issue 1: Governance, Political Stability and Security(CIFP Index 5.55)</b>	
<ul style="list-style-type: none"> <li>• Constitutional enshrinement of democratic principles;<sup>1</sup> present leader elected through free and fair elections in 2006; pluralistic democracy (5 political parties); stability of present democratic regime (25 years)</li> <li>• Generally free and fair elections; freedom of religion and academia; in general, freedom of association and residence<sup>2</sup>. Measures implemented to begin to control domestic violence</li> <li>• Generally free press; occasional small-scale censorship/repression of media.<sup>3</sup> Supreme Court de-criminalized criticism of public officials. Active access to information mechanism in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Democratic institutions still not robust, especially those related to control/elimination of corruption and wealth distribution<sup>4</sup></li> <li>• Official corruption in police services (extra-judicial executions and arbitrary arrests), judiciary and some corruption in media<sup>5</sup>. Anti-corruption plan is in place under the current government but it is not being effectively enforced<sup>6</sup></li> <li>• Increased intensity of attacks on government authorities in reaction to harsh/oppressive war on crime; Central American Free Trade Agreement (CAFTA) does not promote protection of human rights</li> <li>• Media ownership by elites inhibits critical press coverage of government activity; occasional politically-motivated attacks on the press</li> </ul>

<sup>1</sup> See Annex A for additional selected statistics across indicator-cluster areas

<b><u>Stabilizing Factors</u></b>	<b><u>De-Stabilizing Factors</u></b>
	<ul style="list-style-type: none"> <li>• Current level of youth violence highest in Central America;<sup>7</sup></li> <li>• Highest gang membership in Central America;<sup>8</sup> gangs involved in drugs, prostitution, human trafficking; one of the highest rates of criminal incidences in the world; Honduras is a transshipment point for drugs and narcotics in transit from Colombia to North America; there are an estimated 10,000 child prostitutes in Honduras<sup>9</sup></li> </ul>
<p><b>Risk Assessment:</b> Culture of extra-judicial executions and arbitrary arrests (especially against young people in urban areas) may be abated by government program to resolve this problem. Such activity generate retaliatory attacks by gangs on public officials and often on the public at large, thereby exacerbating the gang and organized crime problem. Corruption is a significant concern as it discourages foreign investment and exacerbates latent tensions in society. Gang activities are major concern, as they promote social fear and impair economic development.</p>	
<p><b>Issue 2: Demographic Stress (CIFP Index 6.43)</b></p>	
<ul style="list-style-type: none"> <li>• Low level of population growth</li> </ul>	<ul style="list-style-type: none"> <li>• Growing rate of urbanization; large population of street children; present 14-24 youth bulge of 29.3%; youth unemployment rate of 7.9% in 2004 and growing by .5% annually<sup>10</sup></li> </ul>
<p><b>Risk Assessment:</b> Large cohorts of unemployed youth not in school precludes development of necessary skills required for pursuit of higher education or skilled employment, provides ready and eager pool of recruits for gang-membership and could also provide recruits for military organizations should armed conflict erupt.</p>	
<p><b>Issue 3: Economic Performance &amp; Development (CIFP Index 6.67)</b></p>	
<ul style="list-style-type: none"> <li>• Strong growth in GDP and GDP per capita (3.2 to 3.6% annual growth rate)<sup>11</sup></li> <li>• Good progress being made on controlling inflation;<sup>12</sup> Foreign Direct Investment (FDI) almost doubled between 2000 and 2004 (presently 6.4% of GDP)<sup>13</sup></li> <li>• International debt relief of \$1.387 billion;<sup>14</sup> declining debt-servicing-to-exports ratio.<sup>15</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Economic mix: agriculture in decline; slight growth in industrial sector; minimal growth in services during period 1980-2005<sup>16</sup></li> <li>• Reduced trade openness factor from 96.5% to 80.9% between 2000 and 2005; slight growth in exports, more than offset by growth in imports<sup>17</sup></li> <li>• Growth in inequality of wealth distribution (Gini Coefficient of .5509 in 1986, .5624 in 1999)<sup>18</sup></li> <li>• 65% of population below poverty level of \$2USD per day;<sup>19</sup> HPI of 17.2 in 2004 (37<sup>th</sup> of 102 developing nations in world)<sup>20</sup></li> <li>• Unemployment rate of 28% in 2005<sup>21</sup></li> <li>• Government dependence on migrant worker remittances and compensation of non-resident employees \$416 million to \$1.1 billion 2000-2004 (net inflow)<sup>22</sup></li> <li>• Foreign aid increased six-fold between 1980 and 2004 (\$641.7 million in 2004);<sup>23</sup> 9.1% of GDP in 2005<sup>24</sup></li> </ul>
<p><b>Risk Assessment:</b> Decline in agriculture is a concern as it is not matched with corresponding increases in industrial sector. Potential for import dependency is real. Increasing inequality in wealth distribution and present poverty levels are serious concerns as they may contribute to latent tension or constitute a trigger for conflict. Dependency on remittances from migrant workers constitutes a real vulnerability that could be held hostage to labour/immigration policies in host countries. Vulnerability to fluctuations in commodity prices (especially coffee) on world markets could produce serious economic trauma. Dependency on foreign aid is another vulnerability.</p>	
<p><b>Issue 4: Militarization (CIFP Index 4.58)</b></p>	

<u>Stabilizing Factors</u>	<u>De-Stabilizing Factors</u>
<ul style="list-style-type: none"> <li>• Low level of military expenditure: \$3.6 million (0.6% of GDP) in 2000 to \$5.6 million (0.7% of GDP) in 2005<sup>25</sup></li> <li>• Reduction from peak of 18,000-19,000 personnel in 1990-1997 time-frame to low of 8,000 1997-2002, increased to 12,000 in 2003.</li> </ul>	<ul style="list-style-type: none"> <li>• Military involvement, along with police, in ‘death squad’ activities in 1980s<sup>26</sup></li> <li>• Former President Maduro’s August 2003 decree authorizing military involvement in prosecution of its war on crime and gangs continues unabated<sup>27</sup></li> <li>• Military has authority over legal transfer/distribution of small arms; military authorities implicated in a number of illegal small arms trafficking scandals<sup>28</sup></li> </ul>
<p><b>Risk Assessment:</b> Use of military in law enforcement activities increases power of the military, increases militarism, and runs the risk of inviting a return to military rule. Military authority over transfer/distribution of small arms is considered problematical in light of history of involvement in illicit small arms trafficking, which can de-stabilize the situation not only nationally but regionally as well.</p>	
<p><b>Issue 5: Human Development (CIFP Index 5.99)</b></p>	
<ul style="list-style-type: none"> <li>• Increased access to improved drinking water (87 % in 1996 and to proper sanitation (67% in 2001)<sup>29</sup></li> <li>• 91 %, 65.5% and 13.3% enrolment in primary, secondary and tertiary school levels, respectively</li> </ul>	<ul style="list-style-type: none"> <li>• High infant (31% in 2005) and maternal mortality rates (110 per 100,000 live births)<sup>30</sup></li> <li>• High rate of children in labour force (11.4% of children 7 – 14 years of age in 2002<sup>31</sup></li> <li>• Highest rate of AIDS in the region<sup>32</sup></li> </ul>
<p><b>Risk Assessment:</b> Infant and maternal mortality rates are a serious concern, indicating that much progress remains to be made in the public health area. Child labour situation perpetuates lack of educational opportunities for this youth cohort.</p>	
<p><b>Issue 6: Environmental Stress (CIFP Index 5.53)</b></p>	
	<ul style="list-style-type: none"> <li>• Rate of deforestation 14.4% between 2000-2005 due to logging, increasing annually by 1%<sup>33</sup></li> <li>• Land degradation and soil erosion generated by uncontrolled development/rate of urbanization and improper land use practices; mining activities polluting country’s largest fresh-water source with heavy metals<sup>34</sup></li> <li>• Increasing loss of mangrove swamps (important in mitigation of hurricane risk damage) to shrimp farming</li> <li>• 11% increase in energy use (469 kg of oil per capita in 2000 to 522 kg in 2005);<sup>35</sup> Honduras is a net energy importer (49.5% of energy consumed, primarily for electricity production) at 13.5 million barrels per year<sup>36,37</sup></li> </ul>
<p><b>Risk Assessment:</b> Environmental degradation shows little if any signs of abating. Proneness to hurricane damage is a concern. Dependence on imported fuel could hold the economy and society hostage to sudden, large-scale increases in world oil prices. Such an external shock would wreak havoc at all levels of society (ie. economic, industrial and social).</p>	
<p><b>Issue: 9 International Linkages (CIPF Index 6.04)</b></p>	
<ul style="list-style-type: none"> <li>• <b>Economic:</b> Ambitious programs by international institutions (eg. World Bank, IADB, G8, CAFTA, LAIA) to reduce poverty, promote economic competitiveness, develop human capital and strengthen good governance. Strong bilateral programs (with Sweden, Japan, Canada and USA) with</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Neighbouring Countries:</b> Porous borders permit two-way traffic in illicit small arms, drugs and other criminal/gang-related activity. They also facilitate cross-border movement of refugees fleeing conditions in their home country</li> </ul>

<u>Stabilizing Factors</u>	<u>De-Stabilizing Factors</u>
<p>respect to: economic growth, security sector reform, human security, education, gender issues and children’s rights, development of human capital, transparency in governance</p> <ul style="list-style-type: none"> <li>• <b>United Nations:</b> Major UN organizations are UNDP, UNHCR, UNDAF (active programs in capacity building, public health, gender issues, long-term development, protection of asylum seekers and refugees)</li> <li>• <b>US:</b> US military providing assistance (350 to 500 military personnel) to Honduran government anti-drug trafficking operations<sup>38</sup></li> <li>• <b>Development/Relief:</b> Oxfam, MSF, IFRC, CARE, many smaller international and partnered NGOs</li> <li>• <b>Advocacy:</b> Amnesty International, Human Rights Watch</li> <li>• <b>Membership in International Organizations:</b> Honduras is a member of 46 international organizations (see “Government” section of selected statistics at Annex A for a detailed list)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Gender Demographics of Immigration/Emigration:</b> Men emigrating from Honduras are in a 9:1 ratio to women immigrating into the country<sup>39</sup></li> <li>• <b>US:</b> US foreign policy instrumental in creating the Maras phenomenon</li> <li>• <b>Northward Spread of Maras:</b> The Maras phenomenon is strengthening and moving northward into the US and Canada (20,000 and 4,000 members in location already)<sup>40</sup></li> </ul>
<p><b>Risk Assessment:</b> If it continues, present disproportionate male/female emigrant outflow levels (presently 9:1) will skew demographics within Honduran society. Extremely active and wide-ranging programs implemented by international agencies in partnership with Honduran NGOs and agencies have significant potential to redress many of the issues that presently threaten the country’s stability. On an interim basis, however, present fragilities and potentialities will remain potent sources of potential conflict. Porous borders will continue to frustrate government and international attempts to address pressing issues of crime, drugs, small arms flow and refugee movements. Membership in international organizations does not inoculate Honduras from today’s conflict, nor will it do so should armed conflict erupt tomorrow.</p>	
<p><b>Issue 4: Population Heterogeneity (CIFP Index 3.67)</b></p>	
<ul style="list-style-type: none"> <li>• Little if any potential for ethnic or religious fractionalization</li> </ul>	<ul style="list-style-type: none"> <li>• Sporadic low-level oppression of minorities, especially those advocating for land rights.</li> </ul>
<p><b>Risk Assessment:</b> Risk of ethnic violence assessed as low, given small number of minorities involved and their geographical dispersion.</p>	
<p><b>Issue 1: History of Armed Conflict (CIFP Index 1.13)</b></p>	
<ul style="list-style-type: none"> <li>• Limited history of armed inter-state conflict (largely border disputes)</li> </ul>	<ul style="list-style-type: none"> <li>• Heavy implication of both military and police authorities in ‘death-squad’ activities until the mid-1980s<sup>41</sup></li> </ul>
<p><b>Risk Assessment:</b> Use of military in anti-crime role could encourage return to use of military in an oppressive role</p>	

<p style="text-align: center;"><b>STAKEHOLDERS</b></p>	
<ul style="list-style-type: none"> <li>• <b>Honduran government</b> under President Manuel Zelaya</li> <li>• <b>Civil society, advocacy groups and labour movement</b></li> <li>• <i>Honduran Diaspora</i></li> <li>• <i>Private sector, Honduran elite</i></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Organized crime groups</b></li> <li>• <i>Honduran Diaspora</i></li> <li>• <i>Private Sector, Honduran elite</i></li> </ul>
<ul style="list-style-type: none"> <li>• Bilateral and Foreign Aid <b>donors</b></li> <li>• <b>Non-government Organizations</b></li> </ul>	<ul style="list-style-type: none"> <li>• Criminal/violent influences from <b>El Salvador, Nicaragua and Guatemala.</b></li> <li>• <b>US</b> mass deportation in 1990’s was catalyst to Mara phenomena</li> </ul>
<ul style="list-style-type: none"> <li>• The United States and Canada are increasingly affected by Mara influence within its own borders. The gang MS-13 alone has 20,000 members in US, 4000 in Canada, reaching a total of 96 000 in hemisphere.</li> </ul>	

## SCENARIOS

**Best-Case Scenario:** With the support and assistance of the international community, President Zelaya is successful in his anti-crime and anti-corruption programs. The support of the US military enables him to seal off the borders, interdict the drug and narcotics traffickers and stem the flow of illicit small arms into and out of Honduras. The military is retired to its barracks, partially demobilized and the remainder, with the support of international trainers, is professionalized and democratized, along with other elements of the Honduran security forces. The efforts of the international community to eradicate poverty in Honduras and close the gap in the distribution of wealth pay off and these latent conflict factors recede in potency. World commodity prices, though they remain volatile, do not depress to the point where they threaten either the health of the Honduran economy or the debt-servicing capacity of its government. Similarly, world oil prices remain at a level where they do not paralyze oil-importing countries such as Honduras. Migrant workers continue to send remittances home from abroad. As foreign debt is serviced and retired, the government applies the resulting cash-flow savings to improve social programs.

**Worse-Case Scenario:** President Zelaya and his administration succumb to the lure of corruption and pay only lip service to eradicating gang activity and crime. The military, emboldened by the power it has garnered through its participation in law-enforcement operations, becomes even more repressive against the people and less accountable to civilian authority. Concurrently, world commodity prices are dropping, perhaps due to a regional or global recession. Imports drop both drastically and suddenly, casting workers out of their jobs and swelling the already high level of unemployment in Honduras. Abroad, economic downturns force host governments to evict migrant workers, thus ending the remittance revenue that the government has come to depend on. Returning home, these workers dramatically increase the ranks of the unemployed. Suddenly, world oil prices sky-rocket, paralyzing the industrial capacity of oil-importing countries like Honduras. These developments cause the government to default on its existing foreign debt. In a last-ditch attempt to salvage this debt-servicing capacity, the government slashes social programs such as health and education. This is the catalyst that ignites latent conflict into open civil war. The military attempts another coup. Buoyed by anti-government sentiment, the coup succeeds, heralding yet an even more oppressive military regime than the last. Military and political elites join forces with organized crime and Honduras becomes a pariah among nations.

**Most Likely Scenario:** President Zelaya achieves moderate success in his anti-crime/anti-corruption programs, and does so without the military's involvement. International military and police trainers are brought into train the Honduran security forces in democratic policing and the subordination of military to civilian authority. International efforts to address poverty and other socio-economic issues achieve marked success, and the gap between rich and poor, if it doesn't close, at least does not widen. World commodity and fuel prices, though they remain volatile, do not reach levels that threaten the fragile Honduran economy. Eventually governance and economic institutional capacity improves to the point where it can accommodate and deal with societal and other forms of conflict. Meanwhile, however, the Maras, only partially defeated by the government, continue to recruit and proliferate to critical levels within Honduras and, abroad, inexorably strengthen and expand across borders, making further inroads into countries like Canada and the US, much as they do today. Potential conflict lays dormant within the society, awaiting the right event or incident to ignite and fan it into open civil warfare.

## ANNEX I

### SELECTED STATISTICS

### TIMELINE

(Except where otherwise noted, statistics from CIA “World Factbook”)

#### Geography

Located in Central America, bordering the Caribbean Sea, between Guatemala and Nicaragua and bordering the Gulf of Fonseca (North Pacific Ocean) between El Salvador and Nicaragua



<i>Total land area</i>	112,090 sq km
<i>Land boundaries</i>	with Guatemala (256 km), with El Salvador (342 km), with Nicaragua (922 km)
<i>Natural resources</i>	timber, gold, silver, copper, lead, zinc, iron ore, antimony, coal, fish, hydropower
<i>Land use</i>	agricultural 26% of total land area, forest area 41.5% (declining by 1% per year), nationally protected areas 6.4, other 26.1%
<i>Natural hazards</i>	frequent but mild earthquakes, extremely susceptible to damaging hurricanes and floods along Caribbean coast

#### People

<i>Population</i>	7,326,496 (annual growth rate of 2.16%), urban population 46% of population (growing by approx. 3% per year) <sup>42</sup>
<i>Age cohorts</i>	0-14 years (39.9%), 15-64 years (56.7%), 65 years + (3.4%)
<i>Birth rate</i>	28.24 births per 1,000 population (2006)
<i>Death rate</i>	5.28 deaths per 1,000 population (2006)
<i>Gender ratio (male to female)</i>	At birth 1.05:1, < 15 years of age (1.04:1), 15-64 (1:1), 65 + (0.83:1), overall 1.01:1
<i>Infant mortality</i>	25.82 deaths per 100,000 live births
<i>Maternal mortality</i>	110 deaths per 100,000 live births

<b>1502</b>	Columbus discovers Honduras
<b>1500s</b>	First territorial dispute between Honduras and El Salvador
<b>1821</b>	Independence from Spain
<b>1963 – 1981</b>	Ouster of democratically-elected government by military coup; military oligarchy in place
<b>1969</b>	Border war with el Salvador (Soccer War I)
<b>1979 – 1980</b>	Honduras flooded with Nicaraguan and El Salvadorian refugees; El Salvador and Honduras sign peace treaty, agree to negotiate border dispute
<b>1981</b>	Civilian rule re-established after 18 year military rule
<b>1981 – 1985</b>	Honduran Security Forces implicated in “death squad” activities including abduction, torture and murder
<b>1983</b>	US military begins to use Honduras as staging area for military operations against leftist guerillas in Nicaragua
<b>1989</b>	Escipulas II Peace Plan – Central American intervention by UN (ONUCA) and OAS
<b>1992</b>	Official demarcation of El Salvador and Honduras border
<b>Mid 1990s</b>	US deportation of Central American gang members post LA riots
<b>1998</b>	Hurricane Mitch devastates country; initiation of massive wave of international relief (ongoing)
<b>2003</b>	US-CAFTA (Central American Free Trade Agreement)
<b>2003 – 2004</b>	Masacres of civilians by gangs in La Ceiba and San Pedro Sula
<b>2006</b>	Presidency narrowly won by President Manuel Zelaya; Zelaya requests US military assistance with drug trafficking

<i>Life expectancy</i>	69.33 years (at birth)
<i>Total fertility rate</i>	3.59 children born per woman (2006 est)
<i>HIV/AIDS</i>	1.8% of population
<i>Ethnic composition</i>	Mestizo 90%, Amerindian 7%, Black 2%, White 1%
<i>Religions</i>	Roman Catholic 97%, Protestant 3%
<i>Literacy</i>	Overall 76.2% of population
<i>Education</i>	enrolments in primary (113% of gross), secondary (65.5% of gross), tertiary (16.4% of gross) <sup>43</sup>

## Government

<i>Type</i>	Democratic constitutional republic
<i>Capital</i>	Tegucigalpa
<i>Independence</i>	15 September 1821
<i>Constitution</i>	Anniversary date 11 January 1982, effective 20 January 1982, amended 1995
<i>Executive Branch</i>	Chief of State – President Manuel Zelaya Rosales Head of Government – President Manuel Zelaya Rosales Cabinet – appointed by the president Elections – president elected by popular vote for 4 year term
<i>Legislative Branch</i>	Unicameral National Congress (128 seats)
<i>Judicial Branch</i>	Supreme Court of Justice (judges elected for 7 year terms by the National Congress)
<i>Political Parties</i>	Christian Democratic Party (PDC) Democratic Unification Party (PUD) Liberal Party of Honduras (PL) National Innovation and Unity Party (PINU) National Party of Honduras (PN)
<i>Participation in International Organizations</i>	BCIE, CADM, FAO, G77, IADB, IAEA, IBRD, ICAO, ICCT, ICFTU, ICRM, IDA, IFAD, IFC, IFRC, ILO, IMF, IMO, Interpol, IOC, IOM, ISO, ITU, LAES, LAIA (observer), MIGA, MINURSO, NAM, OAS, OPANAL, OPCW, PCA, RG, UN, UNCTAD, UNESCO, UNIDO, UPU, WCL, WCO, WFTU, WHO, WIPO, WMO, WTO

## Military

*Military expenditures* \$52.8 million (2.55% of GDP) in 2005

## Transnational Issues

Border disputes (low level) with El Salvador and Nicaragua

Illicit drugs: Honduras is a transshipment point for drugs and narcotics enroute from Columbia to the US; illicit production of cannabis, facilitated by corruption among public police, military and judiciary officials; low-level money-laundering operations

## Economy

### *Overview*

One of the poorest countries in the Western Hemisphere with extraordinarily unequal distribution of wealth and massive unemployment. A Member of the US-Central American Free Trade Agreement (US-CAFTA), receiving debt relief under the Heavily Indebted Poor Countries (HIPC) initiative. Honduras began an IMF Poverty Reduction and Growth Facility (PGRF) in February 2004. Economic growth remains dependent on the US economy for exports of fruit, vegetables, fish and shrimp) as well as on reduction in the high prevailing crime rate.

### *GDP*

8.291 billion (2006)<sup>44</sup>

### *Real growth rate of GDP*

4.2% per year

### *GDP per capita*

\$2,900 (2005 est), annual growth 1.8%<sup>45</sup>

### *Economic composition:*

Agriculture 13.9% (declining), Industry 31.42% (increasing slightly), Services 54.6% (maintaining)<sup>46</sup>

### *Labour force*

2.54 million (2005 est)

### *By economic sector*

Ag. 34.2%, Industry 21%, Services 45% (2001 est)

### *Unemployment rate*

28% (2005 est)

### *Pop. below poverty line*

65% (2005 est)

### *Wealth distribution*

Gini index of .55 in 1999, .56 in 2005

### *Inflation rate*

8.8% (declining)

### *Public debt*

68.4% of GDP (2005 est)

### *Major trading partners*

US 73.2%, Guatemala 2.9%, El Salvador 2.9% (2005) exports of \$1.726 billion (2005 est), imports of \$4.161 billion (2005 est)

### *Exports/Imports*

### *External debt*

4.795 billion (before recent round of debt relief)

### *Economic aid (recipient)*

\$642 million, primary donors US, Japan, Spain<sup>47</sup>

### *Currency*

lempira (exchange rate went from 15.74 to the US\$ in 2001 to 19 to the US\$ in 2005)

<sup>1</sup> UN International Covenant on Civil and Political Rights country report on Honduras

<sup>2</sup> UN International Covenant on Civil and Political Rights

<sup>3</sup> Freedom House <http://www.freedomhouse.org/template.cfm?page=251&year=2006>

<sup>4</sup> UNDP (2006) Country Evaluation “Honduras Development Context and its Key Challenges” p. 8.

<sup>5</sup> POLITY IV, [http://www.cidcm.umd.edu/polity/country\\_reports/Hon1.htm](http://www.cidcm.umd.edu/polity/country_reports/Hon1.htm), accessed 30 January 2007, see also Transparency International [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2006](http://www.transparency.org/policy_research/surveys_indices/cpi/2006)



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- <sup>6</sup> Freedom House <http://www.freedomhouse.org/template/.cfm?page=22&year=2006&country=6977>
- <sup>7</sup> USAID “Central America and Mexico Gang Assessment, Annex 3: Honduran Profile”. [http://www.usaid.gov/locations/latin\\_america-caribbean/democracy/honduras\\_profile.pdf](http://www.usaid.gov/locations/latin_america-caribbean/democracy/honduras_profile.pdf)
- <sup>8</sup> Thomas Bruneau. “The Maras and National Security in Central America: Strategic Insights” (5):2005 (monthly e-journal from Center for Contemporary Conflict) <http://www.ccc.nps.navy.mil/si/2005/May/bruneauMay05.pdf>
- <sup>9</sup> Casa Alianza Honduras web-site <http://www.casa-alianza.org/es/page.php?3.3>
- <sup>10</sup> World Bank/DECDG
- <sup>11</sup> World Bank/DECDG
- <sup>12</sup> World Bank
- <sup>13</sup> World Bank
- <sup>14</sup> IMF, “Honduras has a New Historic Opportunity”, 1 March 2006, obtained from IMF web-site <http://www.imf.org/external/np/vc/2006/030106.htm>, accessed 20 January 2007, also IMF, “Honduras: Debt Sustainability Analysis 2006”, IMF Country Report No. 06/442, December 2006.
- <sup>15</sup> World Bank/DECDG
- <sup>16</sup> World Bank and World Bank/DECDG
- <sup>17</sup> World Bank
- <sup>18</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>, accessed 24 January 2007.
- <sup>19</sup> World Bank/Development Data Group (DECDG) web-site <http://devdata.worldbank.org/external/CPProfile.asp?PTYPE=CP&CCODE=HND>, accessed 20 January 2007
- <sup>20</sup> UNDP web-site [http://hdr.undp.org/hdr2006/statistics/countries/country\\_fact\\_sheets/cty\\_fsHND.html](http://hdr.undp.org/hdr2006/statistics/countries/country_fact_sheets/cty_fsHND.html), accessed 20 January 2007.
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