



HONDURAS: **a Risk Assessment Brief**

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outline

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BACKGROUND

■ Timeline

- 1502: Columbus lands on Trujillo.
- 1821: Independence from Spain.
- 1969: “*Soccer war*” between Honduras and El Salvador.
- 1979: Honduras inundated with Nicaraguan and El Salvadorian refugees escaping repression.
- 1981: Civilian government re-established after 18 year military rule.
- 1992: Demarcation of El Salvador/ Honduras border.
- 1998: Hurricane Mitch.
- 1990s: LA Riots lead to the deportation of Central American gang members from the US.
- 2003: US – CAFTA
- 2006: Manuel Zelaya from the Liberal Party of Honduras (PLH) becomes President.



Indicators

■ Governance, Political Stability & Security

• STABILIZING

- Stable, pluralistic democracy
- Free and fair elections
- Freedom of religion and academia; freedom of association and residence
- Free press

• DESTABILIZING

- Fledgling democracy
- Official corruption in police, judiciary and media
- Attacks on government authorities (in relation to war on crime)
- Media ownership by elites; occasional politically-motivated attacks on press
- **Highest gang membership in Central America.**

• RISK ASSESSMENT

- Extrajudicial executions and arbitrary arrests undermine democratic development.
- Corruption discourages foreign investment, exacerbates latent conflict.
- Gang activities promote insecurity and impair economic development.

Indicators

■ Demographic Stress

- STABILIZING

- Low level of population growth.

- DESTABILIZING

- Increased urbanization
- Large population of street children.
 - *Youth bulge (14 – 29): 29.3%*
 - *Very low secondary school enrollment*
 - *Youth unemployment rate: 7.9 % (2004)*

- RISK ASSESSMENT

- Unemployed youth not in school precludes development of skills for pursuit of higher education or skilled employment necessary for future development.
- Provide fertile recruiting pool for gangs and other armed militant groups.

INDICATORS

■ Economic Performance & Development

• STABILIZING

- Growth in GDP and GDP per capita
- Control of inflation
- FDI doubled between 2000 and 2004
- International debt relief of \$1.387 billion; declining debt-servicing to exports ratio.

• DESTABILIZING

- Reduced trade openness; inequality in wealth distribution
- 65% of population below poverty level of \$2US/day
- 28% unemployment rate
- Dependence on remittances and foreign aid.

• RISK ASSESSMENT

- Vulnerability due to potential for import dependency, inequality in distribution, dependency on remittances and foreign aid.

INDICATORS

■ Militarization

• STABILIZING

- Low level of military expenditure: \$5.6 million (0.7% of GDP) in 2005.
- Reduction from peak of \approx 18,500 personnel (1990 – 1997) to 12,000 (2003).

• DESTABILIZING

- Military has authority over legal transfer/ distribution of small arms
 - *Military has been implicated in a number of illegal small arms trafficking scandals.*

• RISK ASSESSMENT

- Military authority over transfer/ distribution of small arms could be problematic in light of history of involvement in small arms trafficking, which can lead to national and regional destabilization.
- Increase in military personnel from 8,000 to 12,000 in 2003 may indicate a potential for re-militarization of society.

INDICATORS

■ Human Development

• STABILIZING

- Increased access to improved drinking water and to proper sanitation.
- 91% and 13.3% enrollment in primary and tertiary schools respectively

• DESTABILIZING

- High infant (31%) and maternal mortality rates (110/100,000 births)
- High rate of children in labour force (11.4% of children 7 – 14 years of age)

• RISK ASSESSMENT

- Infant and maternal mortality rates are a serious concern, indicating that much progress remains to be made in primary health care.
- Child labour perpetuates lack of educational opportunities for this youth cohort.

INDICATORS

■ Environmental Stress

• DESTABILIZING

- 14.4% rate of deforestation
- Land degradation and soil erosion due to uncontrolled rate of urbanization and development
- Loss of mangrove swamps (important in the mitigation of hurricane risk damage) to shrimp farming
- 11% increase in energy use; Honduras is a net energy importer at 13.5 million barrels per year.

• RISK ASSESSMENT

- Environmental degradation shows little 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.

INDICATORS

■ International Linkages

• STABILIZING

- Ambitious economic programs by international institutions
- UN organizations active in capacity building, public health, gender issues etc...
- US military assistance in anti-drug trafficking operations
- Presence of renowned development agencies and advocacy groups
- Active civil organizations and labour movement
- Honduran Diaspora able to vote in Honduran elections

• DESTABILIZING

- Porous borders with neighbours in the region permit two-way traffic in illicit small arms, drugs and other criminal/gang-related activity.
- Deportation of gang members from the US in the 80s led to the proliferation of gangs in Central America, namely Honduras
- Emigrant male/female ratio of 9:1

• RISK ASSESSMENT

- Programs by international community in partnership with Honduran agencies have significant potential to redress many of the issues threatening the country's stability.
- Porous borders continue to frustrate government and international attempts to address pressing issues of crime, drugs, small arms flow and refugee movements.

INDICATORS

■ Population Heterogeneity

- STABILIZING

- Little potential for ethnic or religious fractionalization

- DESTABILIZING

- Sporadic low-level oppression of minorities, especially indigenous groups and those advocating for land rights

- RISK ASSESSMENT

- Risk of ethnic violence is low given the small number of minorities involved and their geographical dispersion.

INDICATORS

■ History of Armed Conflict

- STABILIZING

- Limited history of armed inter-state conflict (largely border disputes)

- DESTABILIZING

- Implication of both military and police authorities in “death-squad” activities in the 1980s

- RISK ASSESSMENT

- Use of military in an anti-crime role could encourage the return of the use of military in an oppressive role.

Stakeholders

■ Internal

- STABILIZING

- Honduran government under President Jose Manuel Zelaya
- Civil society

- DESTABILIZING

- Organized crime groups (gangs/ *maras*) are Central America's main problem.

- AMBIGUOUS

- Private sector
- Honduran Diaspora

- RISK ASSESSMENT

Stakeholders

■ External

- STABILIZING
 - Bilateral and foreign aid donors
 - NGOs
- DESTABILIZING
 - US (historical foreign policy)
 - Regional countries (El Salvador, Columbia, Nicaragua)
- AMBIGUOUS
 - Canada and US
- RISK ASSESSMENT

Scenarios

■ Best Case

- Successful anti-crime and anti-corruption programs
- US military support seals borders, interdicts drugs and narcotics traffickers, stems
- Military demobilized, security forces modernized and democratized
- Efforts to eradicate poverty and equalize distribution of wealth are successful.
- Stable world commodity and oil prices
- Migrant workers send remittances home
- Foreign debt serviced and retired, cash-flow saving used for social programs

Scenarios

■ Worst Case

- President Zelaya succumbs to corruption, pays only lip-service to eradicating gang activity and crime
- Military becomes more repressive and less accountable
- Drop in world commodity and oil prices resulting in a drop of imports leading to unemployment
- External shocks cause government to default on social programs and especially education
- Latent conflict turns into open civil war
- Military attempts coup heralding a more oppressive military regime than the last
- Military and political elites join forces with organized crime

Scenarios

■ Most Likely Case

- Zelaya enjoys moderate success in anti-crime/anti-corruption programs without military involvement
- International trainers brought in to educate Honduran security forces in democratic policing.
- Efforts to address poverty and other issues achieve marked success
- World commodity and fuel prices do not threaten fragile economy
- Governance and economic capacity improve to deal with societal and other forms of conflict
- *Maras* continue to recruit and proliferate to critical levels within Honduras and abroad making inroads into countries like Canada and US
- Potential conflict lays dormant awaiting an igniting event

Questions

