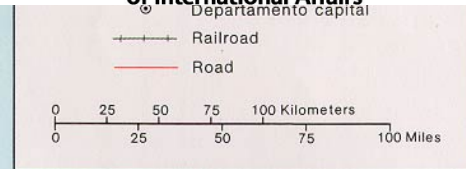




# Honduras: Conflict Diagnostic



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Julie Dupuis, Averyl Easter, Miguel Iriondo, and Aaron Aitken

Boundary representation is not necessarily authoritative.

## Honduras: Risk Assessment

**Background:** Honduras, a Central American state of 8.5 million, has faced a number of ongoing challenges over the past several years. In June 2009, the military staged a coup d'état against then-President Zelaya after he tried to hold a referendum on the elimination of single term presidential limits. After the coup, Congress installed the head of the legislative body as interim president. New elections were held in November 2009, which were won by current President Porfirio Lobo. The next national election is scheduled for November 2013. Respect for civil liberties suffered in the aftermath of the coup, while corruption in the police force and judiciary remains prevalent. Organized crime and drug trafficking are also a major source of instability in the country, with levels of violence being especially high in urban areas. The government's anti-crime programs have had little impact on the flow of drugs through the country. The 2008 financial crisis significantly impacted the Honduran economy and reversed growth seen in the preceding years. The economy has since seen a moderate recovery, but Honduras continues to struggle with widespread poverty and income inequality that contribute to the country's instability.

### Key Risk Assessment Indicators (listed in order of significance)

Key: (+) stabilizing factor, (-) destabilizing factor, (+/-) factor with mixed impact

#### Governance and Political Instability ↓ Condition Deteriorating

- (+) Despite a 2009 coup, elections remain competitive,<sup>i</sup> and constitutional restraints restricting the executive branch are intact.<sup>ii</sup>
- (-) There is extensive press censorship and intimidation of journalists.<sup>iii</sup> Since 2009, 26 journalists have been killed.<sup>iv</sup>
- (-) Corruption is prevalent among the judiciary and police, which limits the effectiveness of the government's anti-crime agenda.<sup>v</sup> New transparency measures were introduced in 2012, but their effectiveness remains to be seen.<sup>vi</sup>
- (-) Institutional tension remains high. In 2012, Congress voted to remove five uncooperative members of Supreme Court.<sup>vii</sup>
- (-) Police are suppressing civil liberties, including the freedom of assembly.<sup>viii</sup> Arbitrary arrests and detentions are common.<sup>ix</sup>

**Assessment:** Since the 2009 coup, the government is suppressing civil liberties, including the right to free assembly and freedom of the press. This trend may impact on the perceived fairness of the upcoming elections, which is a potential trigger for conflict. The results of government efforts to reduce corruption remain to be seen. If the situation does not improve, Honduras will continue to suffer from high levels of organized crime and violence. This is a major cause of domestic instability.

#### History of Armed Conflict ↓ Condition Deteriorating

- (+/-) No war or minor armed conflict since 1975.<sup>x</sup> Two rival drug gangs, MS-13 and Mara 18, have been in conflict with each other since 1989. 2010 was the only year in which a direct confrontation resulted in over 25 deaths. Currently, both are in a state of ceasefire. Both gangs have also been involved in one-sided violence, with the highest number of yearly civilian deaths being 28 in 2004.<sup>xi</sup>
- (-) Refugees and asylum seekers originating from Honduras: rising from 2,060 in 2008 to 3,402 in 2012.<sup>xii</sup>

**Assessment:** High levels of historical intra-gang violence (as well as violence against civilians) continue to exert pressure on state security structures and destabilize the country.

### Demographic Stress ↓ Condition Deteriorating

- (+) Population growth low and decreasing (only 2%, down from previous 3% in 2006).<sup>xiii</sup>
- (+) Youth bulge decreasing (from 29.3% in 2006 to 21.3%) and also applies to 0-14 age group (decreasing from 39.9% to 36%).<sup>xiv</sup>
- (-) Highest murder rate in the world (2012: 86/100,000 people),<sup>xv</sup> which is negatively impacting foreign investment.<sup>xvi</sup>
- (-) Urban population growing (up to 53% from previous 46% in 2006).<sup>xvii</sup>
- (-) Low sense of safety among the population at only 45% responding “yes” to feeling safe.<sup>xviii</sup>

**Assessment:** The decreasing number of youth in Honduras may eventually result in fewer recruits to “maras” (youth gangs) or military organizations. The number of youth in the future is not projected to increase rapidly, as population growth remains low and the rate is decreasing. However, the increase in urban population will create a strain on resources and municipal services, possibly turning more youth toward criminal activities. The high murder rate is attributable to organized crime. Since violence is concentrated in urban areas, more people will be affected by it as urbanization rates continue to grow annually, creating a greater threat to social stability.

### International Linkages → Condition Stable

- (+) Major counter narcotics agreements with the United States, Mexico, Columbia, Venezuela, Belize, and Jamaica.<sup>xix</sup>
- (+) Party to the Dominican Republic–Central America Free Trade Agreement (CAFTA), which includes Central America and the U.S.
- (+) Member of the Organization of American States (OAS), which has often played mediator in domestic disputes.<sup>xx</sup>
- (+) U.S. Special Forces and DEA agents are actively involved in partnerships with Honduran authorities to close drug routes.<sup>xxi</sup>
- (+/-) Honduras has signed an agreement with foreign investors to establish export zones, but this is subject to domestic challenges.<sup>xxii</sup>
- (-) Honduras is a major transit point in the international drug trade and a number of transnational crime groups have an established presence in the country. It is estimated that 79% of all cocaine smuggling flights departing South America land in Honduras.<sup>xxiii</sup>

**Assessment:** Although the transnational flow of drugs remains a major destabilizing factor in Honduras, the country has a rather robust set of international linkages. Regionally, it has bilateral counter narcotics agreements with most neighboring states, which enhance its efforts to tackle crime. Honduras is also a member of the regional trade bloc (CAFTA), which has increased its market access. Additionally, it is a member of the OAS, which has frequently been a mediator in domestic political disputes, preventing them from escalating out of control. These political, economic, and security linkages all serve to enhance the stability of Honduras.

### Economic Performance ↓ Condition Deteriorating

- (+) Foreign Direct Investment is increasing, but is still below 2008 levels (8.65% of GDP in 2008 and 5.98% of GDP in 2011).<sup>xxiv</sup>
- (+/-) GDP growth and GDP per capita have seen moderate growth, however GDP per capita is low at \$4193.00 per year. <sup>xxv</sup>
- (+/-) Honduras’ unemployment rates have declined (4.5% in 2012), but one third of the workforce is underemployed.<sup>xxvi</sup>
- (-) Inequality of wealth distribution in Honduras continues to be very high with a GINI coefficient of 57.0 in 2011.<sup>xxvii</sup>
- (-) Increasing debt servicing (3.53% in 2010 – 6.12% in 2011) and a decrease in trade following 2008.<sup>xxviii</sup>

**Assessment:** While the economy has seen a moderate recovery since 2008, Honduras continues to struggle with widespread poverty and income inequality, which could lead to social unrest. Underemployment is contributing to dissatisfaction with the current economic/ political system. High payments for debt servicing have reduced government spending on basic services, which is creating civil unrest.

### Human Development ↑ Condition Improving

<p>(+) Development of urban and rural water sources and sanitation has improved. Access to sanitation for urban and rural populations increased from 83 to 85 percent, and access to water sources through improved piping has increased from 86 to 89 percent.<sup>xxxix</sup></p> <p>(+) The infant mortality rate has decreased from 23 per 1000 births in 2008 to 19 in 2012.<sup>xxx</sup></p> <p>(+) The maternal mortality rate was 100 per 100,000 live births in 2010. This is a decrease from 130 in 2005.<sup>xxxi</sup></p> <p>(+) The prevalence of HIV/AIDS in the school population (aged 15-24) has decreased from 0.7% in 2006 to 0.3 % in 2008.<sup>xxxii</sup></p> <p>(+/-) Life expectancy at birth has increased from 72 to 73 years. However, it has remained stagnant at 73 since 2009.<sup>xxxiii</sup></p>
<p><b>Assessment:</b> Improved access to water sources and sanitation, as well as decreasing infant and maternal mortality rates is indicative of an upward swing in human development.</p>
<p style="text-align: center;"><b>Environmental Stress ↓ Condition Deteriorating</b></p>
<p>(-) High levels of illegal logging and clear cutting result in steady rates of deforestation at 2% per year reducing forest cover by 45%.<sup>xxxiv</sup></p> <p>(-) Improper land use practices and urbanization is increasing the rate of soil contamination and erosion.<sup>xxxv</sup></p> <p>(-) Honduras' largest freshwater resources are polluted with heavy metals from mining activities.<sup>xxxvi</sup></p> <p>(-) Vulnerable to natural disasters (7 in the 1990s) linked to climate change and variability.<sup>xxxvii</sup></p>
<p><b>Assessment:</b> Environmental degradation continues unabated, as the government has not developed a strategy to address illegal logging, pollution, or soil erosion. Honduras' vulnerability to natural disasters increases the risk of economic and social instability.<sup>xxxviii</sup></p>
<p style="text-align: center;"><b>Militarization → Condition Stable</b></p>
<p>(+) Military expenditure as a fraction of regional total decreased from 0.025 % in 2008 to 0.022 % in 2012.<sup>xxxix</sup></p> <p>(+/-) The total armed forces per 1000 people have remained steady at 0.025.<sup>xl</sup></p> <p>(-) Military expenditure in million USD (adjusted to 2011) increased from \$156 Million in 2008 to \$201 million in 2011, decreasing to \$192 million in 2012. Military expenditure as a percentage of GDP also increased from 1.0 % in 2008 to 1.1 % in 2012.<sup>xli</sup></p> <p>(-) In order to combat the high murder rate, Congress voted to allow troops to take on police duties in 2011.<sup>xlii</sup></p>
<p><b>Assessment:</b> While military expenditure did increase within country, levels of military enrolment have remained steady. Military expenditure as a fraction of regional total is not high. Given the high number of drug-related traffic in-country, the potential exists for the military to be used as a stabilizing force.</p>
<p style="text-align: center;"><b>Population Heterogeneity → Condition Stable</b></p>
<p>(+) Ethnic Diversity: Mestizo 90%, Amerindian 7%, Black 2%, and White 1%.<sup>xliii</sup></p> <p>(+) Religious Diversity: Roman Catholic 97% and Protestant 3%.<sup>xliv</sup></p> <p>(+) Satisfaction with community: 82.8% responding "yes."<sup>xlv</sup></p> <p>(+/-) Conflict over fertile land in Bajo Aguán region between campesinos and wealthy landowners in northeastern Honduras.<sup>xlvi</sup></p>
<p><b>Assessment:</b> As a highly homogenous society, Honduras has little potential for ethnic or religious conflict. The conflict over land rights between peasants and landowners in northern Honduras intensified in 2012, with tens of people (many members of peasant associations) having been killed since November 2009.<sup>xlvii</sup> Clashes occurred between peasants, private security forces, and state forces. However, over the last year the government has awarded land titles representing 7% of Honduran land to indigenous/peasant communities.<sup>xlviii</sup></p>
<p style="text-align: center;"><b>Internal Stakeholders:</b></p>

**(+/-) Government** (primary stakeholder): In addition to institutional conflicts between the legislature, judiciary, and executive branches, there are also growing tensions between major political parties. This infighting has frequently been the cause of uncertainty and political instability.<sup>xliv</sup> The legislature and executive has, however, initiated several important efforts to tackle crime.<sup>i</sup>

**(+/-) MS-13 and M-18 criminal gangs** (primary stakeholders): The largest criminal gangs in Central America. Both are currently in a truce in Honduras and El Salvador. However, the peace process is stalled. The large numbers of imprisoned gang members are a strain on state security forces and prison infrastructure. Observers worry that ongoing peace efforts allow gangs to plan further criminal activity.<sup>li</sup>

**(+/-) Peasants/campesinos** (primary stakeholder): Conflict regarding land ownership over the last 40 years has resulted in repression and human rights abuses of peasant communities.<sup>lii</sup> Recent victories have awarded land titles to indigenous communities (Miskitos).<sup>liii</sup>

### External Stakeholders

**(+) The United States** (primary stakeholder): The U.S. is a source of stability in Honduras. In addition to being a major source of economic support, the United States is actively involved in Honduran efforts to combat the drug trade.<sup>liv</sup> This partnership is, however, at risk due to Congressional alarm over the violation of human rights by government forces.<sup>lv</sup> If Honduras does little to improve its compliance with human rights, it may lose this source of stability.

**(+) Foreign investors/donors** (secondary stakeholder): Investors provide FDI which contributes to continued economic growth and job creation. Foreign donors (e.g. World Bank) provide significant funding for debt reduction and poverty alleviation strategies.

**(+/-) Diaspora:** (secondary stakeholder): Source of economic support through remittances, which assist with poverty alleviation (US \$2.6 billion in 2010).<sup>lvi</sup> However, certain diasporas facilitate cross-border gang linkages and increase the power of gangs in Honduras.

**(+/-) Regional governments** (secondary stakeholder): Human and narcotic trafficking occurs largely between Mexico, Honduras, Nicaragua, Panama and El Salvador. All governments have a stake in controlling the illegal flow of narcotics and undocumented migrants through their territory. The large open coastline border areas are porous and often difficult to secure, facilitating criminal activity.<sup>lvii</sup>

### Scenarios

**Best Case Scenario:** The November 2013 presidential election is carried out under free and fair conditions and all constitutional issues are resolved peacefully. US counternarcotic efforts and regional anti-crime initiatives yield positive security gains. New transparency measures are instituted, leading to a reduction in corruption and a continued rise in human development indicators. Reduced corruption also increases investor confidence, leading to increased and more stable foreign direct investment and increased GDP growth.

**Worst Case Scenario:** Continued police repression of civil liberties calls into question legitimacy of the upcoming election. Popular challenge of election results lead to further suppression of civil liberties. U.S. reacts by withdrawing assistance to Honduras. Anti-crime and transparency measures suffer as a result, which further exacerbates rampant crime and corruption. Economy continues to suffer and public trust in government hits an all time low, thereby increasing support for gangs. Criminal violence continues and government institutions remain mired in corruption. Honduras makes little substantive progress towards economic growth or human development.

**Most Likely Scenario:** The November 2013 presidential elections are won with only small factions contesting the validity of the results. Capacity issues impede implementation of the government's transparency measures and corruption levels remain high. Gang-related violence continues to escalate with military and US forces seeing little impact on the flow of narcotics through the country. The economy experiences modest growth, while the government begins establishing foreign export zones, however, high levels of insecurity limit their success. The government honours its land obligations to indigenous communities in northern Honduras.

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