

# *Reframing Fragility and Resilience*

Honduras: From Oasis of  
Tranquility to Killing Field

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*Series: Reframing Fragility and Resilience*

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## EXECUTIVE SUMMARY

“Honduras is one of those nations which, left to its own devices, might have lingered indefinitely in relative obscurity,” wrote Laura Macdonald in her review of *The Making of a Banana Republic* by Alison Acher.<sup>1</sup> For a period (the 1980s), Honduras leapt to the center of world politics by becoming the forward military operating base for the U.S. war supporting the Contras, a counter-revolutionary guerrilla group that opposed the left wing Sandinista government in Nicaragua. However, it dropped back into obscurity when the Americans scaled down their support at the end of the Contra war in 1990.

Obscurity allowed the country to promote a positive self-image—it was portrayed as an oasis of tranquility with pristine beaches, archeological ruins, coral reefs, botanical gardens, and luxury hotels in a tropical paradise that spans two oceans and three international borders (see Figure 1). The reputation for tranquility also referred to the absence of violent Marxist revolutions that had raged in neighboring Guatemala, Nicaragua, and El Salvador in the 1970s and 1980s.

However, this idyllic image is currently belied by two other distinctions: it has most unequal income distribution in Latin America, and it is known as the “murder capital of the world.” On a per capita basis, Honduras has the greatest number of deaths for a country not at war<sup>2</sup> (see Figures 2 and 3).

What is driving the violence? It comes from several quarters. President Juan Orlando Hernández attributed 80 percent of the country’s criminal acts to drug trafficking by cartels, saying it has left a “trail of death.”<sup>3</sup> Government officials have also blamed local gangs that have a monopoly on violence in their realms. Gangs have been estimated to be present in 40 percent of the country’s territory, having expanded from urban slums into middle class neighborhoods.<sup>4</sup> Military and police forces have likewise been accused of extra-judicial

killings. Much of the violence goes unpunished. In 2006, of more than 63,000 criminal complaints filed, only about 1,000—less than .02 percent—resulted in convictions.<sup>5</sup> An independent group found that only four percent of homicide cases result in a conviction.<sup>6</sup>

Besides the human cost, the violence has had a serious impact on the economy. The World Bank estimates that Honduras is losing 10 percent of its annual GDP from violence, far more than the 1.25 percent average annual cost of civil wars worldwide, as calculated by the Harvard Center for International Development.<sup>7</sup> According to the government, over 17,000 small businesses closed in 2012 because of extortion.<sup>8</sup> Furthermore, violence was one of the factors behind the 2014 U.S. migration crisis, which saw a surge of child migrants into the U.S. from Honduras and other Central American countries to in a continuing stream that has created political controversy at home and abroad.

How has Honduras gone from being an oasis of tranquility to one the most lethal killing fields in the world?<sup>9</sup> The idyllic image was superficial, and there are many factors to consider, including the decade of the 1980s, when the Contra war militarized Honduran society. Violence was prevalent for decades, largely from drug and gang activities. However, a major turning point that deepened grievances came with the 2009 military coup d’état, in which the military overthrew President Jose Manuel Zelaya Rossales (nicknamed “Mel”) who had been elected in 2006. Although a civilian interim government was appointed and elections held shortly afterward, the country has been struggling with a crisis of legitimacy ever since. The quality of governance has deteriorated, inequality has increased, and corruption has worsened.<sup>10</sup> Eventually, triggered by a government scandal in the summer of 2015, members of disaffected communities came together by the tens

of thousands to call for the president to step down.

Staging peaceful, weekly, torch-lit demonstrations, protestors launched a grassroots movement known as Oposición Indignados (Indignant Opposition, or “The Outraged”), which condemned economic injustice, lack of security, and the erosion of democracy.<sup>11</sup>

Participants came from all classes and regions: media savvy youth joined peasants, unionists, feminists, and indigenous activists to march in Tegucigalpa and cities across the country,<sup>12</sup> creating what one commentator called a “pivotal moment for the country.”<sup>13</sup> Similar demonstrations were going on at the same time in Guatemala.

Could this be the beginning of a Honduran or Central American Spring?<sup>14</sup> Or is it merely another passing phase in the traditional struggle for power between elites, cartels, gangs, and civil society? Will Honduras trend toward greater political resilience and economic justice? Or will the rich and powerful prevail, permitting the country to drift back to its default status as an obscure country plagued by poverty and lawlessness? Is it doomed to remain a killing field or can tranquility become a reality?

## SECTION I: BACKGROUND

In the summer of 2015, tens of thousands of people in towns across Honduras poured into the streets in unprecedented numbers to call for the resignation of President Juan Orlando Hernandez. News had leaked out that his 2013 election was partially funded by stolen assets from the country's social security agency, though he claimed he did not know about it at the time. Incensed citizens called for an independent United Nations (UN) investigation of the scandal, similar to one appointed in Guatemala that was ripping open corruption involving high-level officials.<sup>15</sup> The \$200 million Honduran corruption scandal tapped into deep grievances over institutionalized corruption. This time, however, the alleged diversion of funds from a social security agency reportedly resulted in sick people dying from the lack of medicine and proper health care. Protestors from all walks of life formed a common front comprised of opposition political parties, grassroots activists, landless campesinos, indigenous communities, labor unions, and youth. They were known collectively as Oposición Indignados (Indignant Opposition, or "The Outraged").

Except for human rights activists and development experts, the world took little note of the country's growing internal turmoil. However, Honduran public demonstrations, coming in concert with protests in Guatemala, led some to speculate that this was evidence of deeper change, possibly a Central American Spring.<sup>16</sup> Others argued that it was more likely that the crisis would simply run its course, having no lasting effect—until, that is, the next scandal erupts. President Hernandez seemed to shrug the whole thing off, scheduling a trip to Asia while the protests were still going on outside his office, as if nothing had changed.

Perhaps it had not. This small nation of 8.6 million people (2013 figures) nestled in the isthmus linking North and South America has a history of foreign domination and economic deprivation. (See Fig. 1)

FIGURE 1: MAP OF HONDURAS AND THE REGION



Honduras was part of the ancient Mayan civilization. Christopher Columbus landed there in 1502 on his fourth trip to the New World. Spanish conquistadores colonized the land, with British buccaneers dominating the northern coast. Honduras became part of Mexico in 1821 and joined a federation known as the United Provinces of Central America in 1823, together with El Salvador, Costa Rica, Guatemala, and Nicaragua. In 1840, Honduras gained independence as a sovereign nation. The next several decades were typified by economic domination by multinational companies (United Fruit Company controlled two-thirds of its banana exports by 1913), successive right wing military dictatorships, and a series of immigration and border skirmishes with neighbors.

Electoral democracy did not come until 1981, when Roberto Suazo Cordova became the first popularly



elected president and the first civilian leader. The armed forces, led by General Gustavo Alvarez Martinez, an avid anti-communist who graduated from the U.S. Army School of the Americas, retained considerable influence in the Cordova administration, especially after the Reagan Administration established U.S.-run camps for training local fighters in counter-insurgency. The mission of the Contras was to overthrow Nicaragua's leftist Sandinista government, but U.S. support also included training and equipping the Honduran military, which, under the leadership of Alvarez, embarked upon a new wave of repression. In essence, the armed forces had a free hand to crack down on opponents, including allegedly forming death squads, and carrying out the kidnapping, torture, and assassination of subversives. Alvarez was removed by fellow officers during anti-American demonstrations in Tegucigalpa in 1984, and some of the training camps were closed. However, in return for substantial American aid, the Honduran government continued to cooperate with the anti-Sandinista campaign. By the end of the decade, an agreement was reached in a summit of Central American presidents to demobilize the Contras, but reports of abuses in Honduras continued. Years of court cases followed which attempted to hold accountable and prosecute military officers for offenses, but most of them have not been resolved.

Successive elected governments attempted to restrain the military by setting up investigations, promising reforms of the justice system, and using other means to limit the power of the armed forces. Compulsory military service was abolished in 1995, and control of the police was transferred from military to civilian authorities in 1998. In 2000, the Supreme Court ruled that atrocities committed in the 1980s were not covered by a 1987 amnesty, reversing the immunity granted to both military and left wing guerillas for abuses committed during the Contra campaign. Nevertheless, mysterious deaths and disappearances

continued. In 2001, the Honduran Committee for the Defense of Human Rights reported that more than 1,000 street children had been murdered in 2000 by police death squads, showing that extra-judicial killings had become common not only against dissidents, but against any civilians who were considered undesirable.

The combination of the weakness of the Honduras state, the erosion of human rights, natural disasters, continued poverty and forced repatriation of Central American immigrants permitted a gang culture to take root. The gangs originated in Los Angeles among Salvadoran refugees who had fled to the U.S. during the regional civil wars in Central America. They emerged from U.S. prisons and were sent home when the Central American civil wars ended in the 1990s. Over time, they evolved into transnational criminal organizations spanning the Northern Triangle, as the three countries of Honduras, El Salvador, and Guatemala are known. Gangs collaborate with similarly named counterparts in neighboring countries, though there is no central command. They arm themselves with military-grade heavy weapons, seal their identities with intimidating tattoos, and carve out neighborhood fiefdoms. Gangs are most prominent in the main cities, particularly in San Pedro Sula—the commercial capital of the country, which has the highest murder rate in the world—and in Tegucigalpa, the political capital. Two have risen to prominence: Mara Savatrucha (M13) and Barrio 18. In total, Honduran authorities have estimated that there over 100 different local gangs across the country, though some may be local affiliates of the larger gangs.<sup>17</sup>

By 2015, there were about 116,000 gang members in Honduras, according to UNICEF and La Prensa.<sup>18</sup> They have become increasingly sophisticated, diversifying their activities and recruiting lawyers, architects, engineers, and doctors who help identify safe houses, manage group finances, provide health

care, and assist in money laundering. Using Honduras as an air bridge, large Mexican cartels work with local Honduran gangs to ship a variety of contraband across borders. Seventy-five percent of all shipments of cocaine and other contraband from South America to the U.S. pass through Honduras.<sup>19</sup>

It is not only the history of the country and the growth of criminality that have shaped Honduran society, but the inequitable socio-economic and cultural divides, in particular, the three “Cs”—classes, clans and cartels. These factors are discussed in detail in Section III, showing where wealth, status, and power lie. Suffice it to say at this point that dissatisfaction and discontent are widespread in a severely polarized society, divided economically between the rich and the poor; ideologically between the left and the right; and politically between the rural and the urban populations.

It is against this background that the 2009 coup d’état occurred, ousting left wing President Manuel Zelaya. Opposition stemmed from his ties to Venezuela and other left wing governments, from initiating land reform and other anti-poverty measures, from defying the Congress and the Supreme Court, both of which had opposed his proposal to change the constitution to allow presidential tenure beyond one term, and from continuing violence (See Fig. 2 and Fig. 3).

The military, backed by wealthy elites who feared Zelaya’s left-leaning policies, were alarmed by Zelaya’s attempt to hold a referendum on changing the constitution to extend his tenure in office. They forcibly removed a democratically elected president, triggering widespread condemnation by the Organization of American States (OAS), the European Union, many states in Latin America, as well as the U.S. Some, however, believed that Washington was actually behind the move. Following the coup, Honduras was suspended from the OAS, and several countries broke diplomatic relations.

The putsch was approved by the Honduran

FIGURE 2: MURDERS PER 100,000 IN THE NORTHERN TRIANGLE, 1999-2012

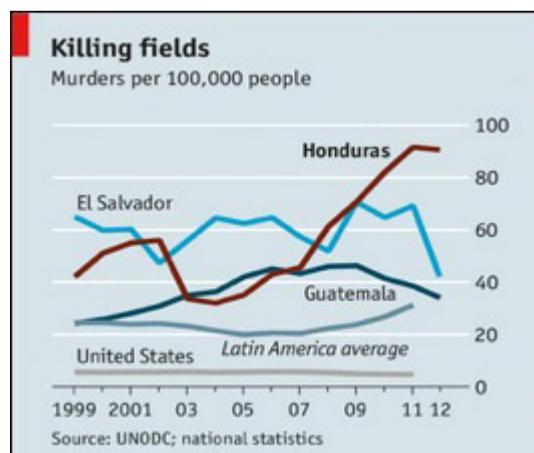


FIGURE 3: HOMICIDE RATES IN CONTEXT



Congress and the Supreme Court, which had dismissed charges against the six military commanders who had roused the former president from his bed, still in his pajamas, and hustled him off to Costa Rica. After a few months, the government held another election and restored diplomatic relations with most countries, including the U.S.

In 2011, after several frustrated attempts to return from forced exile, the ousted president was allowed back in the country. Zelaya became an instant folk hero with a popular following of farm workers who were occupying land they argued had been stolen from them by rich oligarchs and business interests. The heart of their agrarian rebellion was in Bajo Aguán Valley, where approximately 150 campesino activists had been killed since 2010. Zelaya championed their cause. After his return to Honduras, he was not permitted to run in the 2013 election. Instead, he formed LIBRE, a new left wing party that nominated his wife Xiomara Castro to stand in for him in an unsuccessful run for the presidency against the conservative National Party's candidate, Juan Orlando Hernandez Alvarado. In his campaign, Hernandez, a wealthy businessman, with investments in coffee plantations, media outlets and the hotel industry, promised "a soldier on every corner." He fulfilled that pledge after his inauguration by creating a 5,000 military police force that has since been accused of human rights violations.

In an ironic twist, a five-member panel of the Honduran Supreme Court unanimously voted in April 2015 to strike down the constitutional provision that upheld term limits—a law that they had previously supported. Thus, Hernandez was allowed to do what Zelaya was not—run for re-election for a second term—by virtue of a simple judicial ruling by a court that he had personally appointed.

## SECTION II: FINDINGS FROM THE QUANTITATIVE DATA

This section contains a summary of the six main findings in the author's previous paper "Exploring the Correlates of Economic Growth and Inequality in Conflict Affected Environments," hereinafter referred to as the Correlates paper. It analyzed data from 91 countries, which was then compared to data collected for Honduras. Regression analyses on eight indicators selected from the Fragile States Index (FSI) was conducted to test for correlations between them and conflict risk (as measured by the World Bank and other statistical data sources). Data sources from 66 other organizations were also consulted. In addition, six countries that had reversed course (either improving or declining) were examined to identify factors most responsible for the change in direction in particular cases. Highlights of the main findings of the aggregate analyses are recounted below, in numeric order, followed by a discussion (in bulleted sections) of the findings for Honduras. The original correlates paper can be found [here](#).

The charts below show FSI conflict risk trends from 2005 to 2012, the latest year when FSI data was available at the time of this writing. The variables measured with World Bank data go up through 2014.

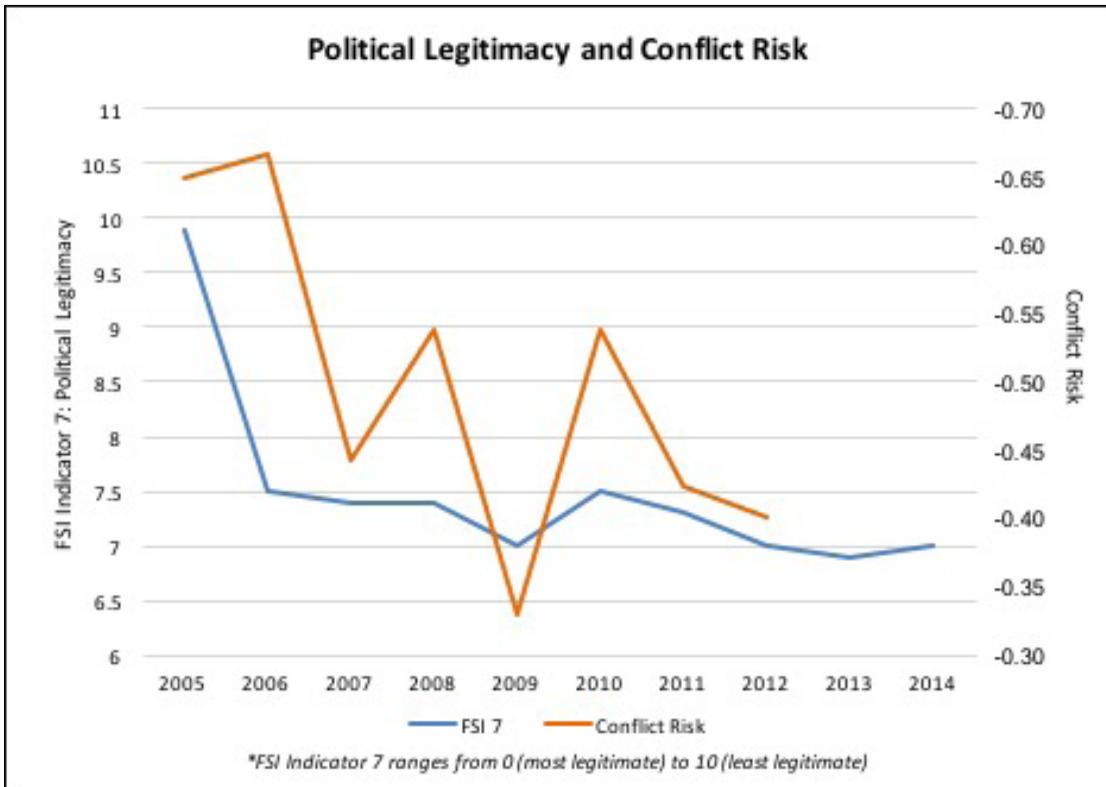
**1. THE CENTRAL IMPORTANCE OF STATE LEGITIMACY.** In the Correlates paper, of the eight indicators measured for 91 countries from ratings taken from the Fund for Peace's Fragile States Index, one stood out as a leading early warning factor, perhaps even a "driver of the drivers," pulling other indicators in the same direction. If there is one "canary in the coalmine" factor that analysts should look for in anticipating the onset or continuation of imminent conflict, a change in the state's legitimacy is probably the one to watch most closely.

- Hondurans have lived in a state of insecurity for decades. However, as seen in Figure 5, the highest conflict risk during the time period examined was in 2005-2006 around Zelaya's election. The sharpest drop in conflict risk occurred in 2009, the year of the coup d'état, when it appeared

that the controversy over Zelaya's policies and actions had been reduced. The coup had a boomerang effect, however, because it increased tensions rather than relieved them. In fact, the peaks and valleys in the chart point to a deeper reality: extreme political polarization (the rise of the left triggered resistance from the right and vice versa). Conflict risk peaked sharply in 2010, the year that the OAS-sponsored Honduran Truth and Reconciliation Commission concluded that Zelaya's removal had been unconstitutional.

Note: Political legitimacy refers to the general belief by the people and the international community that the government or political leadership does not have the authoritative right to govern or make collective decisions for the country; that is, the indicator measures the lack of state legitimacy. In this graph, Political Legitimacy (FSI 7 indicator) ranges from high (10) to low (zero). (A ten means that political legitimacy is extremely poor; seven means legitimacy is in a danger zone; zero means that political legitimacy is extremely good). This chart shows that the country's political legitimacy improved significantly after the 2005 election and then leveled off. It deteriorated somewhat after the 2009 coup, but has not improved beyond a rating of seven since then. This suggests a long-term "crisis of political legitimacy."

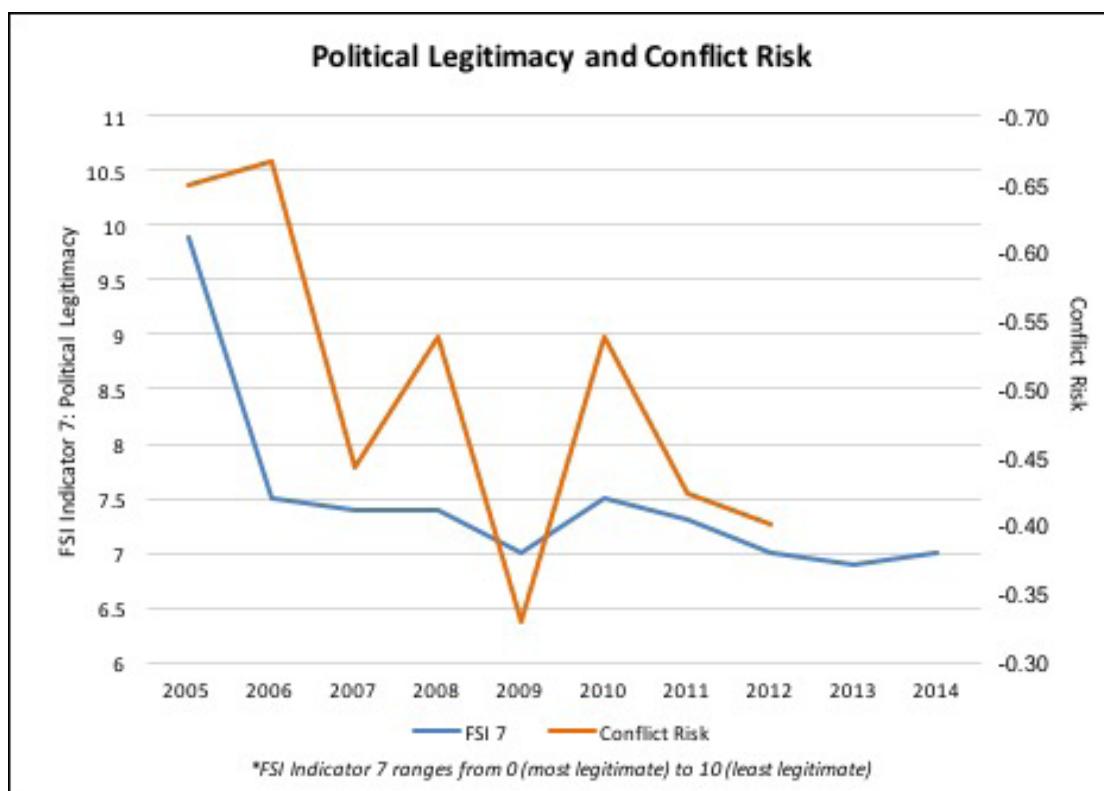
FIGURE 5: LEGITIMACY AND CONFLICT RISK.



Group grievance occupies a close second in shaping conflict risk. In Figure 6, this indicator shows an unusually sharp increase after the 2009 coup, with a sharp rise for years afterwards. Public demonstrations in 2015 against President Hernandez represented the culmination of this strong upward slope in public grievances, which encompass several issues—inequality, class conflict, exclusive governance,

peasant protests, land disputes, discrimination against indigenous communities, widespread corruption, and political instability. The trigger for the protests was a scandal involving embezzlement of approximately \$200 million from the Social Security Institute, a fraud that allegedly resulted in the deaths of sick patients. It tapped into a deep well of public frustration over systematic government corruption and impunity that has existed for decades.

FIGURE 6: GROUP GRIEVANCE AND CONFLICT RISK



2. GROWTH AND EQUALITY—TWO DIFFERENT DEVELOPMENT GOALS—have a differential impact on conflict risk over different time spans. Growth, as measured by macroeconomic indicators, seems to have less of an impact on promoting long-term stability than usually thought. Growth may be important for economic development, but it does not appear to be as critical for promoting political stability. Reducing inequality seems to be a more influential long-term contributor to stability overall. This may explain why middle income and rapidly growing economies with good macroeconomic performance often remain fragile states. To achieve greater stability, such states also need to address the disproportionate distribution of new wealth within their societies.

- The relationship between legitimacy, group grievance, and economic performance comes into sharp relief in the case of Honduras. Figure 7 shows the economic growth rate in Honduras from 1961-2013. Relatively high growth rates occurred in the 1960s and 1970s, but there were setbacks over the years. More recently, sluggish growth has hovered between two and four percent since the 2009 coup.

Inequality also worsened during that period. In the two years after the 2009 coup (also during the worldwide recession), over 100 percent of all real income gains went to the top 10 percent of households while the bottom 90 percent had a dramatic contraction of income. This is a major factor fueling conflict risk.

Honduras is a prime example of the tensions

between economic growth and economic justice. The former does not necessarily produce the latter. For long-term stability in a country as socially divided as Honduras, inequality must be addressed with as much, if not greater, attention, and sooner rather than later.

**3. GENDER INEQUALITY, CONFLICT AND STABILITY SEEN IN A NEW LIGHT.** Based on data from a variety of sources, one of the most interesting findings of the Correlates study was that gender inequality was closely correlated with conflict risk. Statistically, gender inequality was even more strongly correlated with state instability than income inequality across the entire population. This suggests that economic development policies should strive for gender equality, not only to relieve extreme poverty among a vulnerable population or to achieve equity on ethical grounds, but also as a strategy to stabilize states.

- As can be seen in Figure 8, the year 2009 marked a turning point for women as well as the larger society. A sharp and sudden rise in women's youth unemployment was correlated with a sharp and sudden rise in conflict risk. As the economy tanked, women, it appears, were the first to go. Discrimination against women is not limited to the workplace. Violence

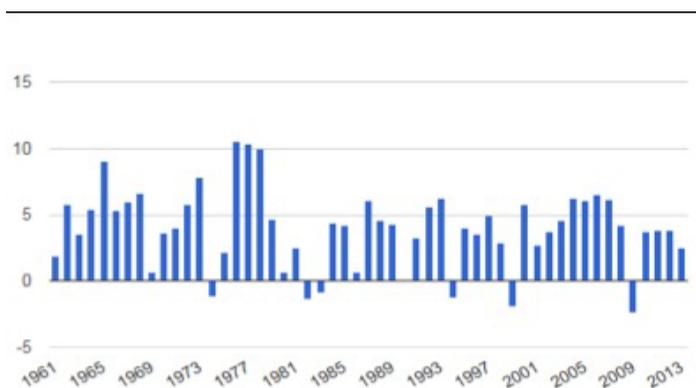


FIGURE 7: WORLD BANK: ANNUAL RATES OF ECONOMIC GROWTH IN HONDURAS, 1961- 2013.

against women has reached epidemic proportions in Honduras. Female homicides are growing at a faster rate than that of society in general. The UN Special Rapporteur on Violence against Women reported that violent deaths of women in the country increased by 263.4 percent between 2005 and 2013, as a result of domestic violence, femicide, and sexual assault. There is a 95 percent impunity rate for such crimes; in 2013, less than two percent of femicides were investigated in Honduras.<sup>20</sup> Although the timeframe in this study is too short to assert a direct correlation between women's deaths and other variables of state fragility, the trend line over this period suggests that as gender differences in employment decline, conflict risk also declines. This is consistent with worldwide data, though there have been exceptions.<sup>21</sup>

**4. EXTREME POVERTY MAY NOT ONLY BE A CONSEQUENCE,** or characteristic, of state fragility, but possibly a conflict driver itself. This is an underappreciated aspect of state fragility. Political stabilization strategies have tended to target urban populations, especially unemployed youth and the middle class, which are more often the sources of public protest and political mobilization. By contrast, the "poorest of the poor" are usually deemed politically docile. Thus, political (and military) stabilization policies often direct more resources toward the relatively better-off segments of the population. Given the political salience of gender inequality found in this research, more study is needed to examine whether the urban bias is sound. Are women marginalized, in part, by a misplaced emphasis on urban and middle class populations in political stabilization strategies? Could economic development policies correct the bias by strengthening the role and influence of women?

- This issue is complicated and requires a somewhat lengthier explanation. An extensive literature exists on the linkage between poverty and violence, often asserting an association between poverty and terrorism, or poverty and civil war. However, *The Economist*



asked appropriately, are countries violent because they are poor or poor because they are violent?<sup>22</sup> Thus far, research has not yet found a conclusive answer. Evidence can be cited to support both theories, depending upon circumstances.

Honduras, however, is one example of how poverty can be a conflict driver in itself. In several respects, the country shares the same characteristics that breed violence in Guatemala and El Salvador: economic desperation, arms supply, organized crime, gang violence, state-sponsored violence, banditry, and domestic violence.<sup>23</sup> Indeed, gangs in the Northern Triangle share many similarities (origin, names, and operational tactics). Nonetheless, gang culture in Honduras had not evolved out of ideological clashes, religious rivalries, or ethnic friction. This is partly why Honduras had been labeled an “oasis of tranquility.”

Honduran violence may be better understood as an outgrowth of “structural poverty”—deprivation stemming from a closed, hierarchical social structure in a Limited Access Order (LAO), as described by North, Wallis and Weingast.<sup>24</sup> In a LAO, key resources, such as land, education, wealth, control of trade, protection under the law, access to employment, and social mobility, are not generally available to the majority. In such an environment, poverty is pervasive and persistent, competition over resources is intense, and violence is common. In an Open Access Order (OAO), by contrast, the majority has access to key resources, and there is more political and economic mobility, less winner-take-all competition, and reduced potential for violence. Not all societies are perfect models of either order, and the model has its limitations.<sup>25</sup> However, it helps explain why violence in Honduras differs from non-state violence in other countries. Basically, in Honduras, poverty drives conflict. To be sure, once the process starts, it can be self-generating, with poverty and violence feeding each other in an unending cycle of mutually reinforcing factors that ultimately become intertwined into one massive problem leading to state

fragility (see Section III: Challenges for Development for a discussion of “the locust effect.”)

Besides a social structure of “limited access order,” Honduras adopted neoliberal economic policies at the end of the Cold War that have negatively affected the poor. These policies stressed export-led growth and promoted light manufacturing in urban areas to attract foreign investment. Government shifted away from improving social conditions in favor promoting market-friendly opportunities that tended to benefit the wealthy. In addition, Hurricane Mitch, which struck in 1998, left thousands dead or missing, and displaced approximately 1.5 million people, roughly 25 percent of the population at the time. These factors helped entrench inequality and poverty, intensify competition, stoke gang warfare, encourage emigration, and generate violence, creating what some have called a “poverty trap” or a “violence trap.”

**5. THREE INDICATORS OF STATE DECAY WERE IDENTIFIED.** A fault line for detecting state decline was a cluster of three factors: the loss of political legitimacy, growing group grievance, and poor macroeconomic performance. This combination of factors was correlated with impending instability.

- These three factors have been very much in play in Honduras. Since 2009, Honduras has been struggling with a crisis of legitimacy. Six years after the coup d'état, political legitimacy has not recovered to the level it was in 2005, the year that Zelaya was elected. Even more striking is the sharp increase in the group grievance indicator, which increased substantially after Zelaya was forcibly removed from office.<sup>26</sup> In addition, macroeconomic performance has been disappointing since the coup. There was negative growth (-2.4 percent) in 2010, and a moderate recovery from 2011-2012. In 2013 and 2014, growth did not exceed 3.1 percent. Economic inequality began trending upward in 2010, social spending fell, and poverty increased. The lack of economic development has contributed to street protests that have called for the resignation

of the Hernandez government, the appointment of an independent commission to investigate corruption, and a rejection of neoliberal economic policies.

6. A POSSIBLE ROUTE OF RECOVERY IS BASED ON A CLUSTER OF SIX FACTORS: IMPROVED STATE LEGITIMACY, BETTER PUBLIC SERVICES, DECREASED DEMOGRAPHIC PRESSURES, REDUCED INEQUALITY, GOOD MACROECONOMIC GROWTH, AND RESPECT FOR HUMAN RIGHTS. Note that both economic factors (growth and inequality) are present in this profile, suggesting that both are needed—the first (growth) for short-term recovery and the latter (reduced inequality) for sustainable peace and security.

- This cluster of factors would vastly improve the outlook for Honduras. While the root of its problems lie in the basic economic and political structure of society, this is unlikely to change soon. Nonetheless, policies could be adopted to enable an environment for change. Among them is the need to address the ongoing issues of low political legitimacy and high group grievance. Unlike many fragile states, group grievance in Honduras is mostly vertical, not horizontal. Over 90 percent of the population consists of mestizos, people of mixed European and Amerindian descent. Group grievance is mostly class-based (including marginalized ethnic groups) due to wide disparities in wealth, education, and status between a small group of wealthy and powerful elites at the top and a broad base of low income and extremely poor people at the bottom. Rural peasants, urban youths, and women represent the most vulnerable groups within society. All have expressed their frustrations through resistance movements, street demonstrations and, in the case of urban youth, criminal gangs. In addition, there are growing grievances from ethnic minorities, notably indigenous peoples and blacks. Until significant progress is made along the lines of this cluster of six factors, Honduras will move further away from a path of sustainable resilience.

## SECTION III: THE STORY BEHIND THE DATA

### THE “THREE CS”

In a small country like Honduras with extensive corruption, one might expect the governing structure to revolve around a single strongman, his family and their immediate supporters—a simple kleptocracy. However, kleptocratic regimes need not be monolithic or simple. They can be democratically elected, have relatively open markets, serve as attractive tourist destinations, and have a record of peace and security. Behind the scenes, however, the picture may be very different. Honduras is such a country. It is a highly stratified society of competing classes, clans, and cartels (the “three Cs”). The leaders of these groups constitute the power-wielders or what many refer to as the “oligarchy,” though there may be deep rivalries and cleavages among them.

Honduras is neither a closed dictatorship nor a fully functioning democracy. It may be best understood as a Limited Access Order (LAO), a semi-authoritarian state which permits political competition, freedom of assembly, a free if somewhat co-opted press, and elections (albeit often flawed). The military has played a strong role and exercises considerable influence, including in civilian regimes. Inequality, particularly with respect to land rights, has given rise to peasant uprisings, land occupations, deadly clashes between landowners and peasant advocates, unsolved assassinations, and periodic public protests. Indeed, access to, and ownership of, land is at the heart of nearly all conflicts, from gang turf wars to cartel operations to rural disputes. In both rural and urban areas, the quest to own and control land animates conflict and is often the flashpoint for the outbreak of violence.

The result is a sharp divide between the powerful and the powerless, liberals and conservatives, the landed and landless, and the rich and the poor. The middle class, which usually has a moderating influence in divided societies, consists mostly of public service employees and businesspeople with the right connections. The

manufacturing sector of assembly line plants, called maquilas, employs around 120,000 workers, mostly women, who are a potential source of a growing middle class. The maquilas account for 65 percent of Honduras’ total exports to the U.S. However, their workers’ salaries are not comparable to the minimum wage standards applied to other workers in the country. Moreover, labor conditions and benefits are below international standards. Since most are women, plant workers are more vulnerable to sexual abuse and assaults that are rarely, if ever, prosecuted.<sup>27</sup>

One trait that cuts across Honduran society is the preeminence of family ties. Whether an oligarch or peasant, drug trafficker or factory worker, gang member or businessperson, family identity, either through a bloodline or blood oath, defines an individual’s place in society. Families (including gang networks, which act as “families”) provide a sense of social belonging, a measure of personal security, and a form of refuge in a society plagued by insecurity and poverty.

Another unifying characteristic is the country’s religious identity, though that may not be the same as religious observance. Honduras is overwhelming Catholic; the Roman Catholic Church reports a membership that comprises slightly more than 80% of the country’s total population. However, according to estimates based on a 2002 poll of citizens 18 or older, only 63% of the population identify themselves as Roman Catholic. Approximately 23% report themselves to be evangelical Christians, and 14% designate themselves as belonging to other religious groups.<sup>28</sup> Nevertheless, in the past, the Catholic Church has played an active role in articulating the grievances of the poor.

Apart from family and religion, society is divided by three main identity groups: 1) classes (divisions by socio-economic status), 2) clans (familial groups), and 3) cartels (transnational drug syndicates and local gangs).

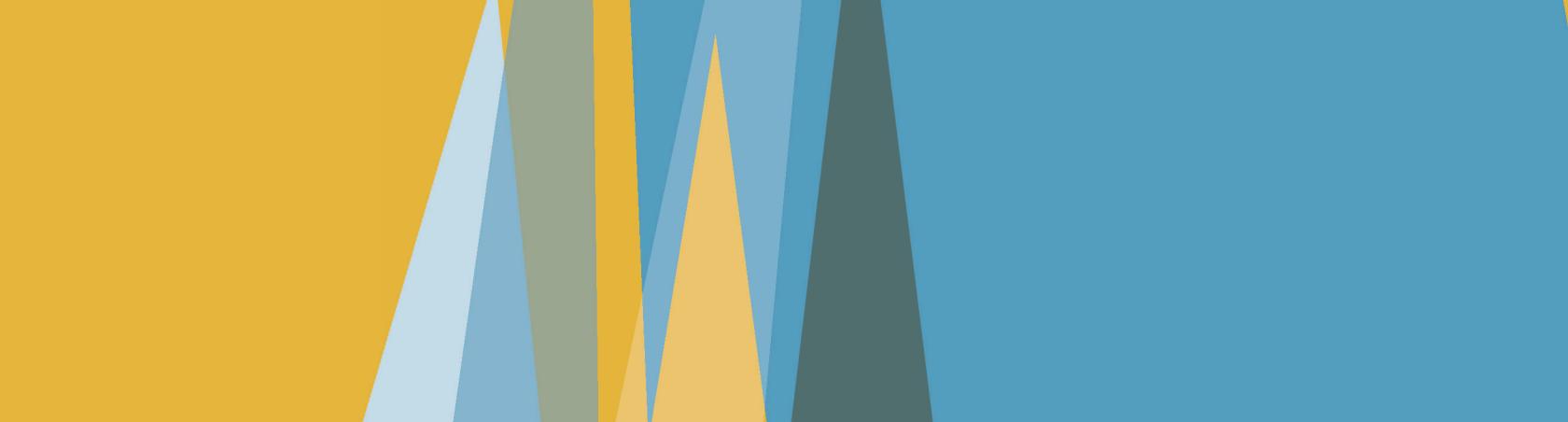
• **CLASSES:** Honduras has the least equitable distribution of wealth in Latin America. Its Gini coefficient, a measurement of inequality, is 57.0 (2013), according to the UNDP.<sup>29</sup> This shows that Honduran inequality is higher than that of Brazil (54.7), but lower than that of South Africa (63.1). Approximately two-thirds of the population is classified as poor or extremely poor.<sup>30</sup> This includes most of the minority communities (seven percent American Indian, two percent black, and one percent other ethnic groups), and about half of the mestizo community. The “poorest of the poor” reside mostly in rural areas. Farmers in the interior highlands and in the western region depend upon subsistence and low-income crops for survival.

Traditionally, the economy has depended largely upon agriculture, even though most of the land is mountainous, a feature that accounts for the country’s nickname as the “Tibet of Central America.”<sup>31</sup> Roughly half of arable land is used for crops, with the rest used for cattle pastures, forestation, or plantations operated by the government or multinational corporations. The bulk of cultivable land is owned by the government, the two main banana companies—Chiquita Brands International and Dole Food Company—and by local conglomerates run by wealthy and influential clans. The multinational companies originally acquired their landholdings in the early 20th century in exchange for building railroads to transport exportable crops, mostly bananas, from the interior to the coast, but much of the land remained unused due to lack of irrigation. Eventually, the multinational companies and local private landowners expanded into other crops, such as coffee, and, in the last decade, African palm oil, which is used for biofuels and food products. Land consolidation by multinationals and local conglomerates was partly financed by loans from the World Bank, the Inter-American Development Bank, and other international financial institutions, which advocated

neoliberal economic policies that stressed export crops, privatization, and low social spending. Since these policies benefited landowners more than the poor, international financial institutions and development agencies have been sharply criticized for contributing to the impoverishment of the poor and violation of their human rights. Peasant farmers began organizing in the 1960s and 1970s to form cooperatives and collectives.<sup>32</sup> Their resistance partly paid off with limited land reform, but most of that progress has either been reversed or suspended. Echoes of rural resistance are appearing, however, in urban demonstrations against the Hernandez government.

The Bajo Aguán region continues to be the epicenter of the conflict-ridden struggle between rich landowners and peasants. It has been the scene of murders, kidnappings, mass evictions, and the destruction of homes and communities built by peasants on disputed land. At the center of the Bajo Aguán conflict is the Dinant Corporation, a family-owned consumer products manufacturer founded in 1960 by the late Miguel Facusse Barjum, one of the country’s wealthiest individuals. Facusse was a member of a tightly knit group of Christian Palestinians who first arrived in Honduras in the early 1900s. According to local media, he was linked to drug trafficking, the 2009 coup d’état, and the assassination of activists and leaders of the peasant movement. Atrocities committed in connection with land disputes and power struggles have largely gone unpunished. A 2014 government report revealed that 73 killings had been recorded in connection with land rights conflicts, but only seven were brought to trial and not one resulted in a conviction.<sup>33</sup> The pattern of impunity applies to both official security forces and private guards employed by large landowners. After Facusse died in 2015, his corporation selected his son, Miguel Mauricio Facusse, to lead the organization.

There have been several attempts at land reform



through the years, beginning when the government began to distribute acreage to rural cooperatives in the early 1960s. A military coup in 1963 stopped the program. Peasants then began squatting to gain access, spurring the government to launch more land reform programs in the 1970s. That, too, was shut down, leading to peasant occupations of unused land in greater numbers. They built functioning communities, with schools, radio stations, stores, and crops for food self-sufficiency, but security forces often bulldozed these at the behest of landowners without warning or compensation. Conflict between peasants and the Honduran security forces have increased ever since. Deaths and disappearances grew, with little effort to find or prosecute perpetrators. Peasants established security camps on the periphery of their communities, but they became sites for armed conflict with private security guards paid by landowners.

Then more actors came into the picture, with discharged soldiers forcibly claiming land from peasants, including allotments that had already been legally awarded to peasant organizations in the 1970s. A turning point came with the enactment of an Agricultural Modernization Law in 1992, which permitted members of the cooperatives to break up their holdings into small parcels that could be sold individually. Some small producers, exhausted or pressured into conceding defeat, decided to sell to the big corporations in what activists said were “divide and rule” tactics that tricked the sellers and fragmented the peasant movement. In 2011, a new law was enacted banning private citizens from carrying weapons, leaving the farmers vulnerable to attack. Nevertheless, the peasants still refused to vacate land they believe was theirs.

Peasants have received small grants, some credit, retitling agreements, and occasional court verdicts favoring their land claims, but these amounted to incremental gains that did not unlock the doors of

poverty. After President Zelaya was elected in 2006, the government decreed that unused land had to be redistributed to landless peasants, and Zelaya announced he was going to hold hearings on land title claims by farmers who asserted they were defrauded. Nothing came of these initiatives after he was overthrown in the 2009 coup d'état.

The LIBRE party, which contested the 2013 election, was formed after the coup and supported by peasant cooperatives and others to press ahead with land reform. Violence was directed at LIBRE candidates and party activists, with assassinations and harassment. Despite the abuses and LIBRE's election loss, this represented a new level of effort by the peasant population, suggesting that the resistance is gaining in numerical strength, organizational sophistication and—as evidenced in the 2015 anti-government and anti-corruption mass demonstrations—common cause with other sections of the population.

Poverty is not limited to the rural areas. Approximately 60 percent of the urban population lives below the urban poverty line, and this number is growing.<sup>34</sup> The official unemployment rate is about 4.5 percent, but that is likely an undercount. Forty percent of the population are underemployed (do not work enough hours to generate sufficient income) while others work full time at wages below the minimum established by law.<sup>35</sup> Youths are pouring into the cities, attracted by work at the maquilas. Many work in sweatshop conditions with long hours, few benefits, comparatively low wages, and no unemployment insurance.

An even more telling indicator of urban poverty is the more than 10,000 children reported by local newspaper *La Prensa*, to be living in the streets of Tegucigalpa and San Pedro Sula, of which 94 percent are believed to be on drugs.<sup>36</sup> Children have also been fleeing Honduras in

record numbers, undergoing the dangerous journey to the U.S. unaccompanied by adults. Unemployed youths in the cities are targets of gang recruitment, confronted with the choice of either joining a gang, being killed, or fleeing the country. Fifteen thousand minors fled in 2013 and 2104, and another nine thousand migrated without parents in the first half of 2015, despite policies adopted to limit the flow.<sup>37</sup>

• **CLANS:** Observers often refer to the “oligarchy” when describing upper class or business elites in Honduras. However, the business aristocracy is a relatively recent phenomenon. The economy was dominated in the 19th century by large multinational fruit companies, which focused on exporting bananas. Local hacienda owners with rural estates represented traditional local elite, but they were small in number and could not rival the large multinationals. Cattle, coffee, cotton, sugar, timber, and tobacco production after World War II resulted in the acceleration of land acquisition for export, crowding out lands formerly used for local food production. Gradually, the economy diversified into small industrial enterprises, telecommunications companies, and financial enterprises, but agriculture remained the primary source of income for the majority. However, unreliable commodity prices, a string of natural disasters, and large foreign aid during the 1980s created a dependency on external sources of capital, encouraging fiscal deficits and foreign debt.

In the late 19th and early 20th centuries, Christian Palestinians and some Jewish immigrants who were successful merchants and entrepreneurs arrived in Latin America, with Honduras being one of the major areas of settlement. The core of the business elite today are descendants of those immigrants, who formed dynastic clans, or extended families headed by a patriarch. They built their wealth through land acquisition, plantation

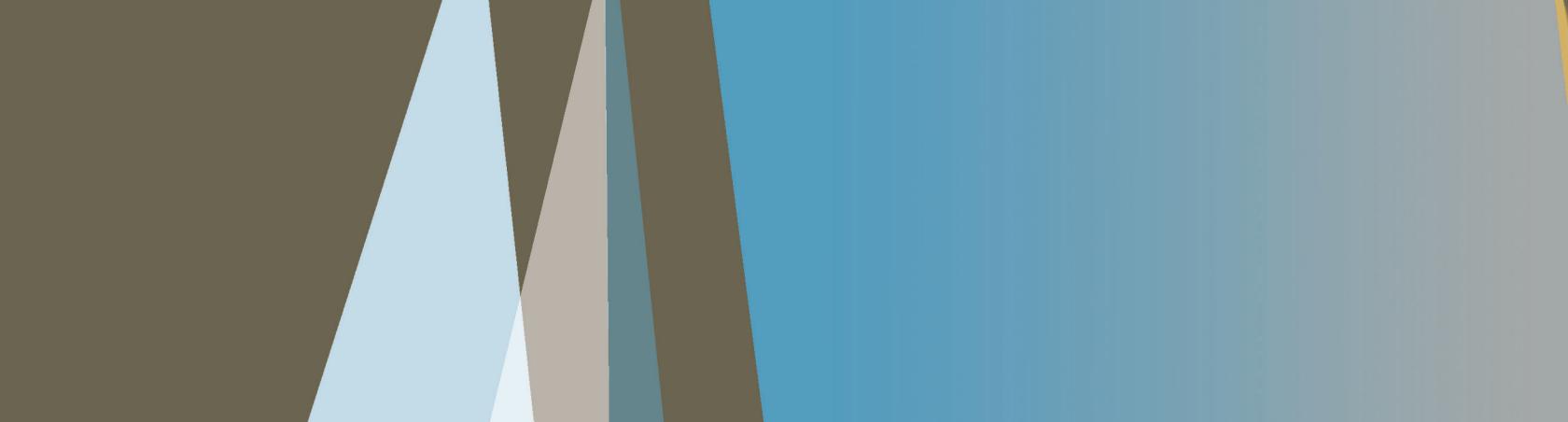
farming, and diversified business operations.

Observers have variously described the elite as consisting of ten to hundred families. However, a recent study identified 23 top dynastic clans, of which ten were Palestinian.<sup>38</sup> Most of the original Palestinians were Christians from Bethlehem. They are colloquially referred to as “turcos” (Turks), allegedly because they carried passports from the collapsing Turkish Ottoman Empire when they arrived in Honduras.

One particularly controversial Palestinian was the late Miguel Facussé Barjum, referenced earlier. As head of the Dinant Corporation, a leading African palm oil producer, he was a central figure in the Bajo Aguán land conflict. Facussé exercised considerable political influence throughout his life. In 2012, he was accused of crimes against humanity in the International Criminal Court based on the deadly conflict in the Aguán dispute, notably, the assassination of peasant farmers and the 2012 murder of human rights attorney Antonio Trejo, who was defending displaced families. Wikileaks documents released in 2011 indicated that the U.S. Embassy in Honduras believed as early as 2004 that Facussé was involved in drug trafficking.<sup>39</sup>

How does a foreign group, like the Palestinian business community, with no cultural affinities to a host country, rise to the top of the social and economic ladder? How does it overcome local hostility, retain its identity, and capture resources that are not available to the local population? The answers lie in the history of the country and the way in which an LAO operates.

Libio Rivera, a Colombian scholar, noted that at the time “processes occurring globally and nationally... favored Palestinian immigrant entrepreneurs and merchants, particularly through the accumulation of different forms of capital—i.e., economic, cultural, and social capital...albeit facing discrimination in the host society.”<sup>40</sup> The North Coast of Honduras, a



thriving economic center where the immigrants first settled, was dominated by transnational companies, but the Honduran government provided land to foreign companies and immigrants with minimal or no taxation. In addition, the Palestinians had access to education in their original homeland, as they were part of the Arab Christian elite of the Ottoman and British empires. They used their international networks and kinship ties to raise capital. Policy changes, such as the establishment of the Central American Common Market (CACM), joint ventures with local businessmen, and the introduction of neoliberal policies in the 1990s, also favored their expansion. The Palestinians did not displace an indigenous oligarchy, which might have more successfully resisted foreign competition.

Palestinians also reached out to other sectors of society. They formed pacts with regional and local elites, such as the military and traditional landowners. They entered politics and ran for public office. Carlos Flores Facussé, the nephew of Miguel Farcusse Barjum, was president of Honduras from 1998 to 2002). They also bankrolled presidential and congressional campaigns, formed business and political associations, and drafted and lobbied for specific policy recommendations. Most of the business tycoons allied with the two main political parties, chiefly the conservative National Party; others, such as Jamie Rosenthal, a leading figure of Romanian Jewish descent, and his son Yani Rosenthal, supported the left-of-center Liberal Party and President Zelaya. Jamie Rosenthal also served as a Vice President (1986-1990) and a member of Congress (2002-2006). Business elites have also exercised influence in other state institutions. It is widely believed that they influence the judiciary, including the Supreme Court, and collaborate with the military, including backing the 2009 coup.

Members of the business elite have been politically cohesive.<sup>41</sup> Bankers, industrialists, hoteliers, and media barons, for example, were largely opposed to President

Zelaya's left-leaning policies. They were especially riled when he imposed a 60 percent increase in the minimum wage during the global economic crisis. He also refused to submit a budget to Congress in 2008, suggesting that government spending was personally driven, and he allocated more resources to social programs. These steps are what turned the business community against Zelaya, a man who was himself a wealthy member of the elite when he came to office. When interviewed after he was deposed, Zelaya said, "We underestimated the conservatism of the Honduran political class and the military leadership."<sup>42</sup>

Members of the Indignados movement and other social protesters say that the acquisition of land by the wealthy clans displaced peasants and mistreated rural workers. Over time, the Palestinians came to be regarded not merely as the business elite but, quite literally, as "powerful owners" of the country.<sup>43</sup> However, there have been some changes in the composition of the elite. The major clans still represent the wealthiest people, but the elite today also include politicians and military officers. Across Latin America and in Honduras in particular, the term "turcos" has widened; it has come to refer not only to the Palestinians and their descendants, but also to other Arabs, such as Lebanese and Syrians, as well as Armenians, Jews and Greeks.

More importantly, those who feel marginalized are challenging the social exclusivity of elites in unprecedented ways. Protest movements are coming together to resist corruption and impunity. Besides the general outrage over government embezzlement of social security funds, urban workers are upset over privatization, regressive taxation, and unemployment; rural peasants and indigenous peoples are resentful of land grabs and grinding poverty; and young university students who are using social media to amplify the impact of the demonstrations oppose corruption, impunity, and the lack of job opportunities.

• **CARTELS:** A third center of power revolves around complex networks of cartels that operate a transnational criminal black market. Cartels have undermined the rule of law, infiltrated government institutions, distorted legitimate businesses to launder money, and further criminalized communities already terrorized by local gangs.

The Central American isthmus is an ideal location for illicit transactions, since it has fragile state institutions, widespread corruption, extreme poverty, and a legacy of armed conflict and military rule. Honduras also has the highest proportional number of gang members of any country in the region, a feature that allows cartels to hire them as hit men to do their dirty work and keep locals in check.

Beginning in 2007, as Mexico embarked upon an anti-drug campaign, there was a notable uptick in drug trafficking in Central America.<sup>44</sup> A power vacuum that emerged after the 2009 Honduran coup d'état provided an opening for Mexican cartels to move in. As a result, roughly 90 percent of cocaine going to North America and large quantities of other contraband now travel through Central America, with Honduras as the main transit station.<sup>45</sup>

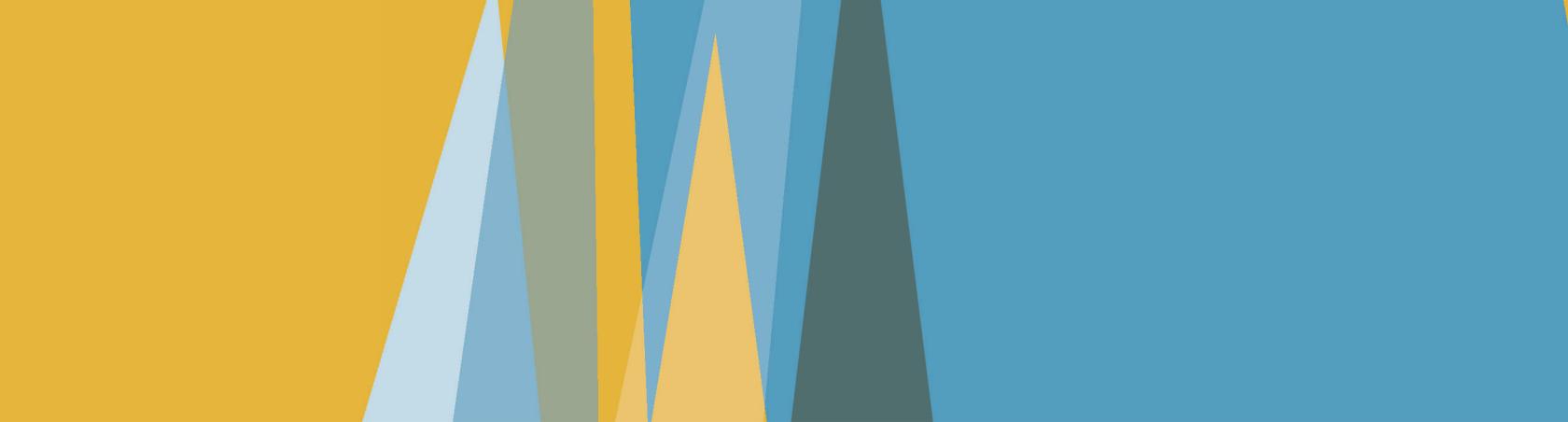
Besides the bloodshed that comes from drug wars, the economic cost of this illicit business is high. The World Bank estimates that eight percent of Honduras' GDP is lost because of this trade.<sup>46</sup> There has also been a spectacular rise in the cost of security. In fact, private security agents vastly outnumber the official police, who are unable or unwilling to protect civilians. Drug trafficking has also had other demographic and environmental impacts. Cartels have displaced indigenous people, mowed down virgin forests, and disrupted wildlife ecosystems to clear access for their landing strips, and they have converted farmland that produced local foodstuffs into agribusinesses to launder profits. One observer decried, "When drug traffickers moved in, they brought ecological devastation with them."<sup>47</sup>

A 2012 UN study divided the drug cartels into three categories, each having a different set of operations in the value chain:<sup>48</sup>

1. Territorially-based buyer cartels operate in both rural and urban areas where the government lacks control. They have a clear hierarchy of leadership, are highly involved in local matters in areas where they stake their territorial claims, and engage in a range of criminal activities, including extortion, loan sharking, labor racketeering (dictating working conditions), as well as drug trafficking. These cartels are fiercely defensive of their turf. The UN concluded that these cartel families try to avoid attention and shun the use of violence unless defending their geographical area of control.

2. Transporters, or transportistas, operate as subcontractors to the territorially-based buyer families. They transfer the goods across borders on a contract basis, and may work with several cartels at once. Transportistas are network-dependent, so they have ties to political officials, state officials, and business elites. Though they are not as territorially-based as the buyer cartels, they have extensive investments in diverse properties, including landholdings, hotels, gas stations, agribusinesses, construction, zoos, retail stores and, in one known case, thoroughbred horses. Because their essential function in the value chain is to move goods across borders, they tend to be linked more closely to the big Mexican cartels, like the Zetas, the Gulf Cartel, or the Sinaloa Cartel, and sometimes form an alliance with one territorial group.

3. A third set of cartels operate as wild cards. They have been called tumbadores (technically, conga drums or dances), "disruptive groups that prey on crime families and transportistas opportunistically, to take drug shipments and sell them to others."<sup>49</sup> They are the criminals' criminals, who hijack goods, extort transportistas, and compete for territory with the major crime families. They have infiltrated the police in the areas in which they operate, and have been



linked to contract killings, including those of reporters investigating drug operations and police collusion.

4. Street gangs (*maras*) are not part of the cartel organizational structure and, according to the UN, they “have little connection to the transnational drug trade, and focus primarily on extortion and other local power struggles.” Other reports claim that this is changing, as some gangs are beginning to consume hard drugs and elbow their way into the value chain by seeking deals directly with suppliers. The UN stated that because the cartels and gangs are autonomous entities, government policies that target the cartels would not necessarily reduce the high level of violence in the cities, as much of it is perpetrated by gangs to defend their turf or continue their extortion. However, limiting gang activity could help counter drug trafficking.<sup>51</sup>

The cartels and gangs have different motivations. Gangs are not primarily driven by profits from illicit drugs; they earn most of their income from imposing “war taxes” on the population, local distribution of drugs, kidnapping for ransom, extortion of local individuals (taxis, bus drivers, and merchants), contract murder, and common theft. Their main motivation is not material, but self-protection. Gangs are socially embedded identity groups, or “families” whose members watch out for each other, even when some are convicted and sent to prison.

The main connection between the gangs and the cartels is through the *transportistas*. *Transportistas* hire gang members as hit men to provide security and logistical support for their activities. Normally, the rural sources of violence are different from the urban sources, but in the Bajo Aguán valley, the UN reported that there was evidence of Mexican Zetas hiring *Mara 18* members to conduct contract killings to protect their lines of supply.

In recent years, there have been many allegations of collusion between the underworld and economic and

political elites, including government officials. In fact, the government that succeeded Zelaya after the 2009 coup d'état launched a vigorous campaign alleging that Zelaya had been involved in drug trafficking. Zelaya dismissed the charges as political propaganda. This was not the only attempt to link government officials with criminals. A former U.S. Ambassador, Charles Ford, publicly charged that a large portion of remittances sent by U.S.-based Hondurans back home were profits from illicit trafficking. Ford asserted that 30 percent of the remittances were from money laundering, implying that the government knowingly permitted this to go on. Furthermore, the television network *Telemundo* reported that Zelaya's son, Hector Zelaya, was a possible kingpin who may have been linked to Venezuelan and Colombian drug traffickers.

No government has systematically explored these linkages. Allegations are rife but rarely pursued by law enforcement authorities, which further feeds public grievances over corruption. The weekly public protests in Honduras have been shaped in part by a widespread belief that the wealthy business and landowning clans, criminal cartels, and corrupt government officials are in league together.

## CHALLENGES FOR DEVELOPMENT

### 1) Tackling Inequality and Violence

In a country whose total population is approximately equal to that of New York City, one might think that tackling poverty—the biggest development challenge in Honduras—would be less difficult than in countries with larger and more heterogeneous populations. But Honduras shows that complexity and context are just as important to the development challenge as scale. The main problem is to find ways to address violence and poverty simultaneously. Typically, violence is seen as a security issue while poverty is viewed as an economic one. In reality, they are part and parcel of the same problem—which, at its root, is a political issue revolving

around the control and distribution of wealth and power.

Failure to recognize this basic linkage has resulted in the juxtaposition of two very different pictures of the country's progress. In a review of the country's economy, the IMF reported "Macroeconomic performance in 2014 generally exceeded program expectations. Real GDP growth is estimated to have risen to a solid 3.1 percent while inflation ended at 5.8 percent—well below the program projection—owing mainly to lower fuels prices...The 2015 outlook of the Honduran economy is more positive than envisaged previously as a result of the macroeconomic over performance in 2014, the lower oil prices and a steady U.S. recovery."<sup>52</sup> The World Bank gave a similar positive report, noting that while emigration represented a negative outflow of people, it contributed to the growth curve, with Honduras "leading the pack" of Central Americans sending money home: "The US \$3.3 billion overseas Hondurans sent home represented 16.9 percent of the country's total GDP in 2013."<sup>53</sup>

Despite progress in macroeconomic performance, the majority of Hondurans continues to be poor or extremely poor. The poverty rate since the 2009 coup has risen, with roughly two-thirds of the population living on less than US \$2.00 a day. If growth has the effect of enriching the rich in a society that is one of the most unequal in the world, then it is not really meeting the development challenge. Overall growth is certainly welcome. But what does it really mean if tens of thousands of Honduran children are fleeing the country every year, and another 10,000 children are cast out of homes to fend for themselves in the street?

Two economic philosophies have been prevalent in the development debate over Honduras. Simply put, one approach calls for macroeconomic policies aimed at export-led growth, combined with a friendlier business environment, fewer taxes, and less regulation. This so-called neoliberal approach has been advanced by the IMF, the World Bank, and the business

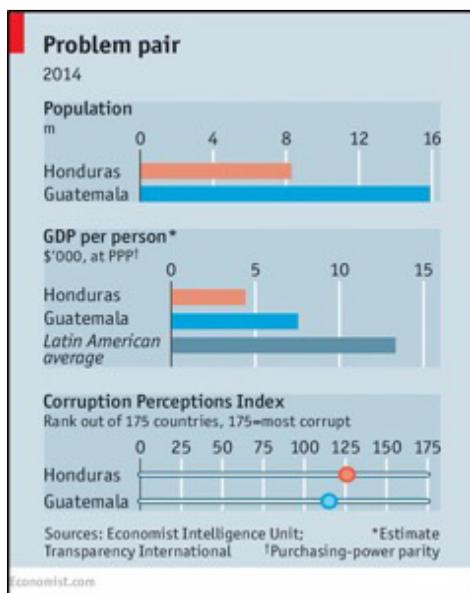
community. The assumption is that generating more revenue for business will allow companies to create jobs, promote a middle class, increase consumer demand, and thereby generate more wealth that will eventually trickle down to the poor. The other narrative, which has been associated with left-leaning movements in Latin America, argues for more government-led income and asset redistribution, higher taxes for the wealthy, business regulation, and higher expenditures on social services, including cash payments to the poor. For example, a U.S.-based think tank, the Center for Economic Policy and Research, warned that Honduras could face prolonged economic problems if it implements the IMF agreement signed in December 2014, which provides US \$189 million over three years based on austerity measures that will negatively affect the most vulnerable sectors of society.<sup>54</sup> The agreement limits social spending to 1.6 percent of GDP, which the report said was alarming because less than 50 percent of Honduran workers occupy jobs that pay wages, instead receiving payment in goods or portions of the agricultural crop.

In fact, neither approach sufficiently addresses the core factors that are sustaining poverty and violence in Honduras. Nor do they highlight the role of corruption, which has triggered mass demonstrations. A Honduran marcher, Ariel Varela, emphasized that "Corruption generates poverty and poverty leads to violence."<sup>55</sup> (See Figure 9 for a comparison of corruption in Honduras and Guatemala.)

The link between violence and poverty has also been stressed in *The Locust Effect*, by Gary A. Haugen and Victor Boutros.<sup>56</sup>

*We have come to call the unique pestilence of violence and the punishing impact it has on efforts to lift the global poor out of poverty the locust effect. The plague of predatory violence is different from other problems facing the poor, and so, the remedy to the locust effect must also be different. In the lives of the*

FIGURE 9: CORRUPTION IN HONDURAS AND GUATEMALA



poor, violence has the power to destroy everything—and it is unstoppable by our other responses to their poverty.<sup>57</sup>

In many respects, Honduras is the poster child of the locust effect, as the authors describe the condition. To address poverty without also addressing the violent environment in which the poor live is akin to prescribing aspirin to alleviate the symptoms of cancer without treating the condition itself. The remedy, in the view of the authors, is meaningful and effective law enforcement to stop the “bullies” who use violence for their own ends, condemning the poor to a “state of de facto lawlessness.”<sup>58</sup> They caution that effective law enforcement, while critical, is not the only thing needed to protect the poor, and many other contributing factors have to be addressed. But they insist that, in the absence of a credible law enforcement deterrent, other approaches to stop violence and alleviate poverty will fail.

This important insight has huge implications for the anti-drug wars, international aid programs, and the private sector. Current anti-drug campaigns focus on

capturing kingpins. Some will be detained, but they often continue to run their operations out of prison or plan their escapes with their collaborators on the outside. Those that are imprisoned for long periods are replaced by successors or rivals, leaving the cartels and their operations in place or spawning fragmentation of the cartels that lead to more violence. Leadership transitions often trigger turf wars that kill innocent civilians caught in the crossfire. Criminal leaders should be held accountable, of course, but that alone is not sufficient.

Like anti-drug programs, many international development programs have also had limited impact on transforming the way society works. Operating at the grassroots, they can do wonders in impacting the lives of the individuals involved, particularly youth programs that get teenagers off the streets and train them in productive skills, projects that empower women to be economically independent, and workshops that enable minorities to build self-esteem and self-employment. These are valuable and constructive measures. But they do not transform the way society works. Despite large amounts of foreign aid to fight drug trafficking and reduce poverty, Honduras continues to have the lowest education indicators in Latin America and a corrupt health care system (as revealed sensationally in the social security scandal). Gangs have even penetrated public schools in the capital.

The private sector has also tried to innovate, but in ways that have proven to be highly controversial. In a plan allegedly advanced to alleviate poverty and create jobs, private investors have advocated the creation of self-contained investment enclaves called “Zones for Economic Development and Employment (ZEDES)” (also called “charter cities” or “model cities”). These are quasi-sovereign entities built on Honduran soil with government allocated land grants. They operate autonomously by enacting their own laws, collecting their own taxes, establishing their own courts, and

maintaining their own police forces. Free-market champions hail them as a way to operate without the encumbrance of local corruption, bureaucratic hassles, or criminal threats. But they are, at best, enclave economies that do not bring the rule of law or additional revenue to Honduras. To the contrary, they essentially bypass the Honduran state. And by recruiting workers worldwide, ZEDES are not likely to have a big impact on local job creation, despite claims to the contrary, unless Honduran workers, like those that work in the maquilas, are underpaid and unprotected. Thus, critics have asserted that the ZEDES are “predatory, privatized utopias, with far-reaching negative implications for Honduran sovereignty and the well-being of poor communities.”<sup>60</sup> Nonetheless, with the approval of the legislature and the Supreme Court, the government has decided to set up these free-market zones. President Hernandez pressed for their establishment on a trip to Asia in July 2015, in the face of continuing anti-government protests at home.

## 2) The Predicament of Women

Like most of Latin America, Honduras is a patriarchal society in which machismo reigns, an attitude that sees the male as the head of the household and the dominant gender in society as a whole. In Honduras, this has reinforced the other drivers of violence, discussed above. Statistics on the status of women’s rights are consistent with trends in other indicators. Since the 2009 coup, there has been a rise in domestic violence, femicide, and sexual violence. A UN expert reported that women in Honduras live in a “climate of fear, in both the public and private spheres.”<sup>61</sup> There was a 263.4 percent increase in violent deaths of women between 2005 and 2013.<sup>62</sup> However, in 2013, less than two percent of all murders of women were investigated.<sup>63</sup>

The link between violence and poverty is most evident in women’s lives. They bear the lion’s share of both conditions, especially rural women and those

belonging to indigenous populations.<sup>64</sup> While the law gives women and men equal rights—both can vote, own and inherit property, and run for public office—traditional culture views women as a source of cheap labor and sexual prey. In the rural areas, women are caretakers, field workers, water bearers, wood collectors, and homemakers.<sup>65</sup>

Many of them are breadwinners as well, though making significantly less money than their male counterparts. An FAO study found that women headed 20 percent of rural households.<sup>66</sup> It would not be surprising to find the same percentage in urban areas, partly because of the widespread acceptance of men walking away from their paternity responsibilities. As Kent Norsworthy put it, “few women and men formally marry owing to the inordinate expense and the male-dominated culture. Peasant men commonly leave their wives and children to start new families elsewhere and only rarely feel responsible for the sustenance of their offspring.”<sup>67</sup>

Women in gangs are part of another pecking order. They are expected to take on male roles, including perpetrating and withstanding violence, wearing particular clothes or tattoos selected by the gang, committing crimes, and cooking and caring for men and children.<sup>68</sup> Violence is glorified in an initiation rite that tests a woman’s loyalty to the group and to a male partner. They are given the choice between enduring a beating (as men are required to do) and allowing multiple gang members to rape them. If a woman enters the gang as the girlfriend of an existing male member, she may be granted automatic membership. Male members are not required to be faithful to their female partners, but female members are expected to be loyal to their men under penalty of death.

Why would women willfully elect to join a gang under these terms? For the same reasons as men—they have protection, are part of a “family,” and gain a sense of belonging. For some, it is also because they



have an ongoing relationship with a gang member. For others, it is because they have been victims of violence and sexual abuse at home from family members who are virtually free to act at will due to the failure of the justice system. Child victims of sexual molestation are particularly vulnerable.<sup>69</sup> Most women who join gangs are young teenagers, subject to manipulation. A 2012 study found that women make up 20 percent of gang membership.<sup>70</sup> They are used as couriers, to gather intelligence on rival gangs, as messengers to visit gang members in prison (male members want to avoid the police), as “mules” smuggling goods into jails, and to provide sexual favors and care for the male members.

Honduran laws are fairly liberal on women’s issues. Social and economic factors prevent women from escaping poverty and violence, not the written law. For example, the law guarantees equal opportunities to women in land ownership, but they own only one-quarter of all land in the countryside. Social norms favor men as the heads of the families and, thus, they are the principal landowners. Land can be registered in the name of both spouses or partners, but that rarely happens. Not having access to land means not having access to loans or credit.<sup>71</sup>

Women have the legal right to 10 weeks of paid maternity leave, with social security paying two-thirds of their leave pay and the employer paying the rest. It is illegal to fire women who are pregnant or nursing for the three months after birth. However, since the majority of women work in the informal sector, as domestics, or in the maquilas, which regularly ignore labor rights, most women do not benefit from these provisions.<sup>72</sup> They serve in Congress and occupy some top posts in the other branches of government, but patriarchal norms are prevalent, with women vastly underrepresented in public institutions and political parties.

Women have been asserting leadership over the last few decades, especially in labor matters, land disputes, and anti-corruption marches. They work in fruit packing

plants, textile factories, and other maquilas, where they have established unions that have had some success in gaining advances in collective bargaining, job protection, and educational opportunities.<sup>73</sup> Women have been courageous advocates of the poor, pressing for the rights of peasants and indigenous peoples.

Women were active in lobbying for the vote in the 1950s. In the 1970s, they began to organize the peasant movement. The women’s movement has been pressing for greater voice in public life, challenging gender discrimination, femicide, labor conditions, and rural injustice. Since the 2009 coup, women have increasingly become victims of physical attacks, imprisonment, and assassinations.<sup>74</sup> Thus, while there has been notable progress in legislation, there has also been meager law enforcement and a lag in cultural change.

The data show that as women’s role in the workforce grows, conflict risk declines. Women’s rights would improve political legitimacy and group grievance. Women, in short, could play a leading role in moving the country toward a more constructive path of resilience, if they are permitted to do so.

### **3) The Security Apparatus**

One of the essential characteristics of a sovereign state is its ability to sustain a monopoly on the use of force. In Honduras, no one has a monopoly on the use of force. Security is divided among various state and non-state entities, from police, military, and paramilitary forces on the government side to drug traffickers, gang bangers, private security firms, and vigilantes on the non-government side. The security apparatus consists of a collection of fiefdoms, each with its own territory. No central authority has the power and will to control the realm, secure the borders, pacify the cities, and demilitarize the rural countryside.

The police are considered thoroughly corrupt and ineffective. Human Rights Watch asserted that police killed 149 people between 2011 and 2012, more

than were ever officially reported.<sup>75</sup> Just three out of 230 officers recommended for dismissal by a public commission in 2012, on the grounds of committing corrupt offenses, were actually relieved of their duties.<sup>76</sup> Police are suspected of demanding bribes, passing information to criminal groups, permitting drug trafficking across borders and, in some cases, participating in violent criminal operations. It is one of the most mistrusted police forces in Latin America.<sup>77</sup>

The military is seen as an ally of wealthy elites and politicians. The armed forces have overthrown elected governments (the latest in 2009, after more than three decades of civilian rule). In 2014, in an effort to control gangs, they were given the authority to create a military police force that can arrest people, creating fears that the country may be inching back toward the 1980s era when military officers committed human rights abuses.

Street gangs, which account for a large proportion of the violence, are concentrated in three municipalities, according to figures released by the government in July 2015. The cities of Tegucigalpa, San Pedro Sula, and La Ceiba registered over 1,100, or 40 percent, of all murders in the first six months of 2015. The government stresses that the homicide rate is coming down and is concentrated in just 27 percent of the population.<sup>78</sup> Of 298 municipalities, 57 had no homicide reports during that period.<sup>79</sup> Nonetheless, in 2013, the murder rate in Honduras (from all sources) was 90.4 per 100,000, higher than Iraq's civilian casualty rate of 89 per 100,000 in 2007, when the insurgency was at its height.<sup>80</sup>

The UN Office on Drugs and Crime (UNODC) estimated that there are more than twice as many gang members as police officers in Honduras. There are also more private security guards than police, a general trend in Central America as a whole.<sup>81</sup> In the absence of state protection, people provide for themselves. The wealthy can afford high-priced guards while the poor form vigilante groups. Private security is a big business

and when people cannot afford to outsource their security, they form their own crudely armed sentries who, by and large, have not been able to stand up against well-armed professionals.

Organized criminal syndicates, another source of violence, are mobile and flexible. They adapt to changing circumstances. When Mexican authorities escalated drug enforcement in 2006, drug cartels were pushed out of their former strongholds, but they were able to relocate elsewhere. After the 2009 coup d'état, they moved into Honduras. Drug traffickers are also comparatively self-sufficient. They cooperate with the maras (gangs) and have links to politicians, officials, and business elites. Some allege that, working together, the drug barons and business tycoons can pick presidents, dictate the news agenda, and finance political campaigns (an allegation that is central to the grievances of the demonstrators). Cartels also are adaptable. They can generate revenue from other crimes if drug supplies are cut off.

The primary response of regional governments has been a show of force, aiming at capturing the kingpins. However, experience in Mexico and El Salvador demonstrates that, absent other measures, an iron fist approach runs the risk of fragmentation and heightened violence.<sup>82</sup> Ultimately, UNODC concluded, "regardless of the state of the cocaine trade, [drug barons]... will continue to use violence to control their areas of influence until they are dislodged. Long-term change will require improvement to governance in the underserved regions so that surrogate authorities do not emerge."<sup>83</sup>

The centrality of violence in Honduras does not auger well for the challenge of development. Like Haugen and Boutros, cited earlier, the World Bank warned that "violence is not just one cause of poverty among many; it is becoming the primary cause. Countries that are prey to violence are often trapped in it."<sup>84</sup>

## SECTION IV: FRAGILITY VERSUS RESILIENCE: SIGNPOSTS OF THE FUTURE

Honduras is poised at a delicate point in its history. It could tilt toward the familiar path of continued fragility and obscurity or forge a new route of meaningful change toward resilience. The later goal would be advanced by the cluster of six recovery indicators suggested in the Correlates paper, namely, improved state legitimacy, better public services, decreased demographic pressures, reduced inequality, good macroeconomic growth, and respect for human rights.

Primary among these is the need for rebuilding political legitimacy. Elections are not the only, or even the primary way, to achieve this. Honduras has held elections since the coup, but they were seen as flawed, and the country has not moved on. Instead, grievances have grown, elites have dug in, poverty has intensified, and violence has increased. Professor Dana Frank, an expert on Honduras, said that the “2009 coup that deposed democratically elected President Manuel Zelaya...opened the door to a free-for-all of criminality in Honduras. Since then, organized crime, drug traffickers, and gangs have flourished, worming their way ever higher within the Honduran government, courts, attorney general’s office, and congress.”<sup>85</sup>

The corruption scandal over the theft of social security funds and their use in political campaigns ignited public anger that had been growing for years. But outrage over corruption is a symptom of the depth of inequality in the country—and the associated powerlessness it engenders. Land, or lack of access to it, is central to the country’s problems; it has spawned rural uprisings, urban gang wars, cartel rivalries, and gang wars. Thus far, various governments and the international community have tried to reduce extreme poverty by increasing economic growth, stimulating more foreign remittances, and attracting international aid and investment. While these measures help, they

are limited in impact without meaningful land reform, improvement of the justice system, and reduction of corruption. These are the reforms that are necessary if the poverty and violence created by the “three Cs”—classes, clans and cartels—are to be reduced.

Being a small country may offer some advantages in diminishing state fragility, but the country’s small size has had the opposite effect. It has enabled wealthy business elites, drug dealers, and local gangs to impose an economic and political stranglehold that is difficult to dislodge. Moreover, Honduras’ problems are tied to outside forces—Latin American cartels operate from Colombia to the U.S.; neighborhood gangs span Central America with links to Mexico and the U.S.; and the U.S. has had an enormous influence within the country, from the Contra wars to the Zelaya coup.<sup>86</sup> The issues that Honduras face cannot be resolved in isolation of these relationships.

But Honduras is also displaying signs of resilience, mostly notably in civil society. People are organizing in unprecedented ways, combining diverse constituencies in a protest strategy that displays unity of purpose and growing solidarity. Despite a culture of violence and a history of repression, the Indignados movement has been peaceful and disciplined. Unlike bloody confrontations elsewhere, such as the 2011 revolution in Egypt’s Tahrir Square and the 1989 democracy uprising in China’s Tiananmen Square, protesters in Honduras (and in Guatemala) are using civil disobedience strategies common to civil rights movements. They are not camping out in a central public square where they would be vulnerable to a crackdown by the security forces or throwing stones at police in pitched battles that would allow authorities to suppress the demonstrators to preserve public order.

Instead of Che Guevara, Karl Marx, or Fidel Castro, the demonstrators have followed in the footsteps of

Mahatma Gandhi and Martin Luther King, Jr. This is a hopeful development, and especially significant in light of the passionate ideological wars that have plagued the region in the past. The protests constitute the most serious internal challenge to wealthy elites and corruption in Honduras to date. The movement has grown in scale (spreading beyond the two major cities), duration (months of protests every Friday night by torch-bearing marchers), size (turning out by the tens of thousands), and intensity (hunger strikes by urban leaders and indigenous groups and calls for the UN and the OAS to step in).

The OAS appointed a mediator to open up a dialogue to resolve the impasse, but it has not gotten protestors off the streets. Like neighboring Guatemala, which also experienced similar protests, Hondurans may settle for an independent corruption probe. However, transformative change will require far more than that. An important test of democracy is under way in Honduras, but it has been overshadowed by global headlines that focus on immigration, the escape of a Mexican drug lord, and other developments, including the arms deal with Iran and China's economic problems. Shining more light on this small country and its potential for change could go a long way toward resolving deep-rooted injustices that imperil the security of the region, the future of democracy in the hemisphere, and development challenges worldwide.

#### A NOTE ON METHODOLOGY AND DATA

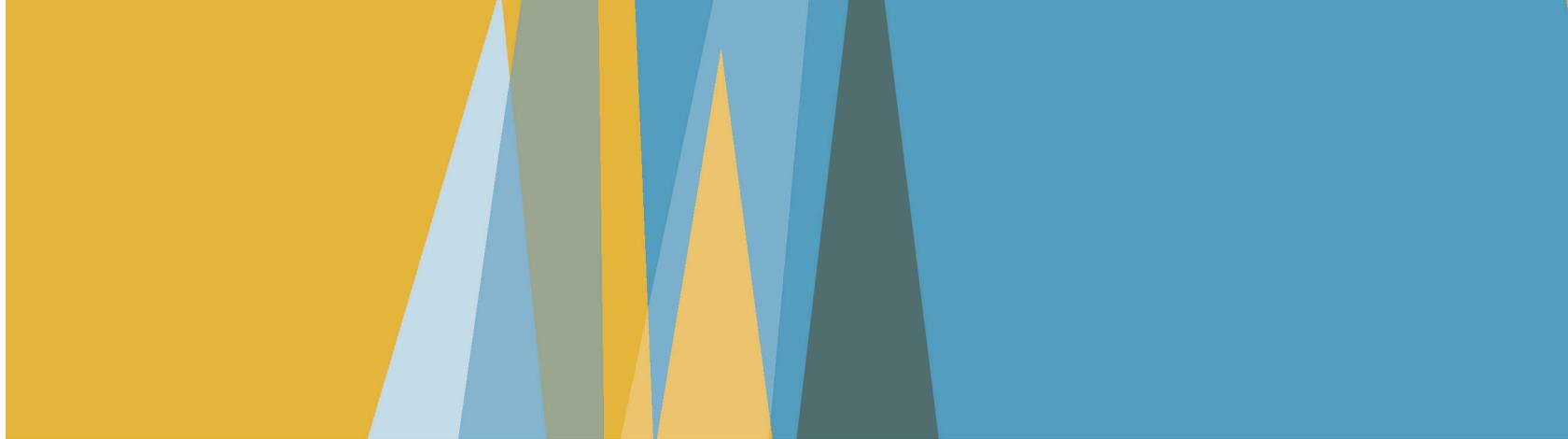
This paper relied on both quantitative and qualitative data. The quantitative data was derived from the following sources: The Fund for Peace's Fragile States Index, the World Bank's Worldwide Governance Indicators, the World Bank's Development Indicators, Transparency International, the United Nations Human Development Reports, the International Labor Organization, and the United Nations Millennium

Development Goal Statistics. Some graphs were reproduced from open sources on the Internet, as indicated.

Data from the World Bank's Worldwide Governance indicators (Measures of Political Stability and Absence of Violence) measure perceptions of the likelihood of politically-motivated violence. It does not measure perceptions of non-political violence as a separate category. In places like Egypt and Pakistan, which has considerable politically-inspired violence, this definition is applicable, but in Honduras, much of the violence is criminally-inspired. It does not appear that the World Bank differentiated between the two forms of violence in their global analysis, which still rated violence high in Honduras. It is worth noting the difference, however, for future research. For this study, the World Bank data was employed because it captured the data on violence notwithstanding the World Bank's narrower definition, and because it was useful for comparative purposes. In an abundance of caution, to ensure that the analysis was accurate for Honduras despite the different context, we pushed back the research to 2002 instead of 2005 (the base line for the aggregate analysis) and we dug deeper into both the quantitative and qualitative data. All other information came from sources indicated in the footnotes.

The principal framework of analysis was assessing fragility and resilience during the period 2005-2014 with an emphasis on how patterns during that time affect the state's efforts in balancing between fragility and resilience in the future. This departs from predominant perspectives, which usually focus on terrorism and/or the tension between democracy and authoritarianism.

The basic task of this paper was to assess where Honduras stands on this journey, not only in an institutional sense but also in the wider sense of building a cohesive identity as a nation and providing a better life for its citizens. In weighing the scales on the



continuum between fragility and resilience, Honduras is highly fragile, but it also has elements of resilience, particularly in civil society. The hope is that Honduran leaders will direct the country toward a path of genuine transformation called for by the people.

Charles Fiertz assisted in the quantitative research for this paper. The author, however, is solely responsible for the analysis and conclusions.

## ENDNOTES

- 1 Laura Macdonald, "Honduras: Peeling Away the Myths," *Studies in Political Economy*, 31, Spring 1990.
- 2 Palash Ghost, "Honduras: The Bloodiest Nation in the World," *International Business Times*, June 1, 2012. Honduras vies with El Salvador and Guatemala in having the highest number of killings per capita. Overall, however, Honduras tends to have the most consistently high death rate over time.
- 3 "JOH: at least 80% of crimes in Honduras are guilty of drug trafficking," *National News*, December 16, 2014.
- 4 Freddy Cuevas, "Gangs are in Forty Percent of Honduras, Officials Say," *Latino Voice/Huff Post*, July 11, 2015.
- 5 Ghost, *ibid.*
- 6 "Facing the Giant of Impunity," *Association for a More Just Society (AJS)*, n.d., <http://www.ajs-us.org/news/facing-giant-impunity>.
- 7 Geoffrey Ramset, "Violence Costs Honduras 10% of Annual GDP," *InsightCrime*, March 29, 2012, and
- 8 Cuevas, *op. cit.*
- 9 In common usage, the term "killing field" usually refers to high civilian murder rates, not killings of combatants from civil wars or insurgencies, which are typically described as "armed conflicts." Urban warfare, rural land wars, and drug-inspired violence can be as harmful and destructive as civil wars. Besides definitional issues, there are other problems in how analysts depict the kind of violence that Honduras experiences. For one, coders frequently categorize deaths in different ways. Some separate war deaths ("battle-related" deaths involving the state) from criminal killings (non-state, non-political atrocities). Others calculate non-war related violent deaths on the basis of population ratios that include births and migration. Scholars have only recently begun to look at urban violence as something more than a criminal problem. It is also a political and security problem—a form of warfare that can be equally, if not more, devastating for civilians and society.
- 10 Jake Johnston and Stephen Lefebvre, "Honduras Since the Coup: Economic and Social Outcomes," *Center for Economic and Policy Research*, Washington D.C.: November, 2013).
- 11 "Honduran Outraged Movement Marches on Against Gov't Corruption," *Telesur*, July 18, 2015.
- 12 Thelma Mejia, "Young Hondurans Lead Unprecedented Anti-Corruption Movement," *Interpress Service News Agency*, July 21, 2015.
- 13 "Honduras: As Protests over corruption swell, many see 'positive moment,'" *Christian Science Monitor*, July 21, 2015.
- 14 See Mejia. *Ibid.* Author declared that the marches meant, "A Honduran Spring is happening." Louisa Reynolds wrote, "Frustration over rampant corruption in Guatemala and Honduras may have finally lit the fuse in countries long accustomed to sleaze and scandal" in "Are We Witnessing a Central American Spring?" *Foreign Policy*, June 26, 2015.
- 15 The call was to set up an International Commission against Impunity similar to the one established in Guatemala in 2007. The International Commission against Corruption in Guatemala (CICIG) is a UN established body responsible for investigating government corruption and fraud. In 2015, it triggered the arrest of dozens of top government officials for bribery and influence peddling in Guatemala.
- 16 Louisa Reynolds, "Are We Witnessing a Central American Spring?" *Foreign Policy*, June 26, 2015.
- 17 James Bosworth, "Honduras: Organized Gangs Gained Amid Political Crisis," in Cynthia J. Arnson and Eric L. Olson, eds., *Organized Crime in Central America: The Northern Triangle*. Washington DC: Woodrow Wilson Center for International Scholars: 2011.
- 18 Kyra Gurney, "A Snapshot of Honduras' Most Powerful Gangs," *InsightCrime*, February 2, 2015. Gang strength is a matter of informed speculation, as there has been no "census" taken. However, various credible organizations have reported steady growth: 36,000 in 2005; 79,000 in 2011; and 116,000 in 2015. Gang membership more than tripled over ten years! See Bosworth, *op. cit.*, who used figures from the United Nations Office on Drugs and Crime (UNODC).
- 19 Kyra Gurney, "Honduras Gang Evolution Spurred by Transnational Crime," *InsightCrime*, August 8, 2014. The estimate was made by the U.S. State Department in 2012.
- 20 Thomas D. Williams, "'No More Femicide in Honduras' Cardinal Pleads," *Breitbart*, April 4, 2015.
- 21 Research in this project found the opposite in Pakistan: as gender employment increased, so did conflict risk, reflecting the deep-seated cultural opposition to women's advancement in that country.
- 22 "The Economics of Violence," *The Economist*, April 14, 2011.
- 23 Paula LeRoy, "Violence and Poverty Entangled in El Salvador," *University for Peace: Peace and Conflict Monitor, Analysis II*, April 16, 2012.
- 24 Douglass C. North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. Cambridge: Cambridge Univ. Press: 2009.
- 25 The paradigm has its critics, mainly because there are historical examples of countries and circumstances where the model does not fit well. However, it is useful to understanding a particularly category of poverty-stricken countries that are unusually resistant to traditional methods of preventing or mitigating conflict.
- 26 Zelaya seized upon public discontent to assert himself as a champion of democracy and social justice. His biography suggests a more complex picture. Zelaya comes from a wealthy family with interests in logging and timber. Indeed, he ran on a conservative platform

and shifted to the left while in office. He sparked a constitutional crisis over the legality of his efforts to change the constitution, in a confrontation with the Supreme Court and Congress, both of which challenged the decree he issued to hold a referendum on changing term limits. Significant accomplishments were made during the two years (2006-2008) of his presidency: free education for all children, subsidies to small farmers, an 80 percent increase of the minimum wage, and a 10 percent drop in poverty. Yet his administration was also accused of corruption, nepotism, and authoritarianism. Thousands of protesters called for his resignation in marches in the capital before the military removed him from office. He went into exile until 2011, when the government negotiated his return to the country.

<sup>27</sup> Mataeo Crossa, "Maquiladore Industry Wages in Central America Are Not Living Wages, Global Reach: Center for Economic and Policy Research, May 20, 2015.

<sup>28</sup> <http://www.nationsencyclopedia.com/Americas/Honduras-RELIGIONS.html#ixzz3hkqrnFB6>.

<sup>29</sup> The Gini coefficient is a measure of individual and household income on a scale in which zero represents perfect equality and one equals perfect inequality. That measure might mask even deeper inequality because the income from black market activities is not included. For more information, see <http://hdr.undp.org/en/content/income-gini-coefficient>.

<sup>30</sup> Different sources provide different percentages of poverty, ranging from 60 percent (the UN's International Fund for Agricultural Development) to 69 percent (National Institute of Statistics of Honduras).

<sup>31</sup> "Rural Poverty in Honduras," Rural Poverty Portal, IFAD, n.d.

<sup>32</sup> Some of the most prominent collectives are the Authentic Peasant Protest Movement of Aguán (MARCA), Unified Movement of Aguán (MUCA), and the Campesino Movement of the Aguán

<sup>33</sup> "Lower Aguán in Honduras and the Deadly Battle Over Land Rights," Carnegie Council for Ethnicity in International Affairs, May 6, 2014.

<sup>34</sup> World Development Indicators, July, 2015.

<sup>35</sup> Diario Tiempo, July 23, 2015.

<sup>36</sup> "Honduras-Over 10,000 Children Living in the Streets," Prensa Latina, July 23, 2015.

<sup>37</sup> "Honduras-Over 10,000 Children Living in the Streets," Caribbean Digital Network, July 31, 2015.

<sup>38</sup> Lirio Gutiérrez Rivera, "Assimilation or Cultural Difference: Palestinian Immigrants in Honduras," *Revista de Estudios Sociales*, University of

Los Andes, No. 48, pp. 57-68. The 23 family-owned businesses that were identified as the economic elite in 2014 were: Sogerin, Facussé Investments, Continental Investments, Bancatlán S.A., Goldstein Group, Andonie Fernández Investments, Inversiones Williams, El Ahorro Hondureño S.A., Bendeck Investments, Fasquell Investments, Kafati Investments S.A., Kattán Investments, Military Investments, Larach Investments, Canahuati Investments, Maduto Investments, Grupo Hasbun, Flores Rodil Investments, Callejas Investments, Sikkaffy Investments, Handal Investments and Transnational Companies. Names in bold are owned by families of Palestinian descent. Others include the Atala family (banking and finance) and the Nasser family (energy and fuel sector).

<sup>39</sup> Tracy Wilkinson, "Miguel Facusse dies at 90; colorful, ruthless Honduran tycoon," *Los Angeles Times*, June 23, 2015.

<sup>40</sup> Rivera, op. cit. p. 60.

<sup>41</sup> In an interview, William Finnegan said that the social and business elite in Honduras "get along swimmingly" and, except for Rosenthal and his businesses (including a TV station and a newspaper), they were "mostly solidly pro-coup." He added that "other opposition TV stations, radio stations, and newspapers—outlets not owned by an influential figure, like Rosenthal—have been, it's important to note, shut down, censored, physically attacked, and comprehensively hounded by the coup regime." In Avi Zenilman, "William Finnegan on the Coup in Honduras," *New Yorker*, November 23, 2009.

<sup>42</sup> "Military coup ensued after president betrayed 'his own kind,'" *Associated Press*, August 6, 2009.

<sup>43</sup> Cecilia Baeza, "Palestinians in Latin America: Between Assimilation and Long-distance Nationalism," talk delivered November 21, 2013, sponsored by The Jerusalem Fund and the Institute for Palestine Studies

<sup>44</sup> Sudeshna Chowdhury, "Drug Trafficking in Central America wreaking havoc on forests, study finds," *Monitor Breakfast*, January 31, 2014.

<sup>45</sup> "Outgunned: The Honduran Fight Against Transnational Cocaine Traffickers," *Columbia/SIPA: Journal of International Affairs*, November 25, 2012.

<sup>46</sup> *Ibid.* This is to be distinguished from the World Bank estimate of a ten percent loss of GDP from overall violence. See Ramset, op. cit.

<sup>47</sup> Kendra McSweeney, Associate Professor of Geography at Ohio State University, quoted in Chowdhury, op. cit.

<sup>48</sup> "Transnational Organized Crime in Central America and the Carib-

bean: A Threat Assessment," United Nations Office on Drugs and Crime (UNODC), Vienna, September, 2012. Information in this section was also gleaned from "Honduras and the Political Uses of the Drug War, NACLA: Reporting on the Americas Since 1967, n.d., <https://nacla.org>, and Steven S. Dudley, Drug Trafficking Organizations in Central America: Transportistas, Mexican Cartels and Maras, Woodrow Wilson International Center for Scholars, February 26, 2010.

<sup>49</sup> UNODC, op. cit. Also, see Honduras Culture and Politics, October 8, 2014. <http://www.hondurasculturepolitics.blogspot.com/>

<sup>50</sup> Honduras Culture and Politics blog, op. cit., October 8, 2014.

<sup>51</sup> Nikolas Kozloff and Bill Weinberg, "Honduras and the Political Uses of the Drug War," NACLA: Reporting on the Americas Since 1967, n.d., <http://nacla.org>.

<sup>52</sup> "Honduras: IMF Concludes Review," EIN News, March 17, 2015.

<sup>53</sup> Larry Luxner, "World Bank offers encouraging prognosis for Central America in 2015," The Tico Times, December 14, 2014.

<sup>54</sup> "Report: Honduras to Continue Facing Economic Struggles" September 19, 2015. [www.telesurtv.net/english/news/Report-Honduras-to-Continue-Facing-Economic-Struggles-20150915-0028.html](http://www.telesurtv.net/english/news/Report-Honduras-to-Continue-Facing-Economic-Struggles-20150915-0028.html)

<sup>55</sup> Sibylla Brodenzinsky, "Our Central American Spring: protesters demand an end to decades of corruption," The Guardian, August 14, 2015.

<sup>56</sup> Gary A. Haugen and Victor Boutros, *The Locust Effect: Why the End of Poverty Requires the End of Violence*, Oxford, UK: Oxford University Press, 2014.

<sup>57</sup> Haugen, op. cit. p.xiii.

<sup>58</sup> Ibid.

<sup>59</sup> Alberto Arce, "In Honduran Schools, Gangs Are In Control," Huffington Post, December 8, 2014.

<sup>60</sup> Maya Kroth, "Under New Management," Foreign Policy, September/October 2014.

<sup>61</sup> Statistics from the report on the "Status of violence against women in Honduras," Americas Program, July 15, 2014. Quote is by UN Special Rapporteur Rashinda Manjoo in "Honduras must address widespread impunity for crimes against women: UN," India Blooms News Service, July 11, 2014.

<sup>62</sup> Manjoo, Ibid.

<sup>63</sup> Americas Program, op. cit.

<sup>64</sup> Garifuna are Afro-Caribbean people, descendants of African, Carib, and Arawak Indians. They have owned land communally for over 200

years but have been victims of violence by drug dealers, extractive industry, land barons, and state authorities. Approximately half the population between the ages of 12 and 30 has left the country since 2013. Ancestral land is passed down through the generations by mothers through their children. Thus, Garifuna women are leading the fight to reclaim land, making them particularly vulnerable to physical attacks. See Ana Maria Enríquez, "In Honduras, Female Land Rights Need More Help," Women's eNews, November 25, 2014.

<sup>65</sup> An insightful look into the life of rural women is in the story of Elvia Alvarado, in *Don't Be Afraid, Gringo: A Honduran Women Speaks from the Heart*, translated and edited by Media Benjamin. San Francisco, CA: The Institute for Food and Development Policy, 1987.

<sup>66</sup> FAO Corporate Document Repository, n.d.

<sup>67</sup> Kent Norworthy with Tom Barry, *Inside Honduras*. Albuquerque, New Mexico: Resource Center Press, 1994.

<sup>68</sup> Margaret Crawley, "The Mara Women: Gender Policy in CentAm Street Gangs," InSight Crime, September 5, 2013.

<sup>69</sup> Holly Burkhalter, "Forgotten Victims: Curbing the Central American migration crisis begins with battling sexual abuse," Washington Post, July 27, 2014.

<sup>70</sup> Ibid.

<sup>71</sup> "Gender Equality in Honduras," Social Institutions and Gender Index (SIGI), n.d., <http://genderindex.org/country/honduras>.

<sup>72</sup> Ibid.

<sup>73</sup> "Working Women Empowered: Honduran Women Build Leadership," Solidarity Center AFL/CIO, March 6, 2013.

<sup>74</sup> Catalina Ruiz-Navarro, "Honduran women refuse to be silenced in face of another setback," The Guardian, March 18, 2015; "Young Honduran Women Fight Back Against Culture of Femicide," TelesurTV, December 5, 2014, [www.telesurtv.net](http://www.telesurtv.net); "Honduras: Women's Rights Defender Gladys Lanza Ochoa Continuing to Face Intimidation and Harassment," Association for Women's Rights in Development (AWID), May 26, 2015; Marco Caceres, "The Killing of Margarita Murillo in Honduras," Huffington Post, August 30, 2014; Enríquez, op. cit.

<sup>75</sup> "World Report 2015: Honduras," Human Rights Watch Events of 2014, <https://www.hrw.org/world-report/2015>. The source on the number of killings is the Observatory on Violence at the National Autonomous University of Honduras and the Preventive Police Commissioner Alex Villanueva, both cited in the Human Rights Watch report.

<sup>76</sup> Ibid.

<sup>77</sup> "Honduras: Executive Summary, InSight, n.d., <http://www.insight-crime.org/honduras-organized-crime-news/honduras>

<sup>78</sup> "Honduras Govt Identifies Murder Hotspots," InSight: Security Assistance Monitor, July 23, 2015.

<sup>79</sup> Ibid.

<sup>80</sup> Nadia Prupis, "Crime Fueled by Police and Gangs in Honduras Causing Children to Flee," Common Dreams, August 12, 2014.

<sup>81</sup> "Transnational Organized Crime in Central America and the Caribbean: A Threat Assessment," United Nations Office on Drugs and Crime (UNODC), September 2012.

<sup>82</sup> William Neuman, "Cartels Fracture in Mexico as Drug Kingpins Fall, and Violence Surges," The New York Times, August 13, 2015; Elizabeth Malkin, "A Battle with Gangs Convulses El Salvador," The New York Times, August 12, 2015.

<sup>83</sup> UNODC, *op. cit.*

<sup>84</sup> "The Economics of Violence," The Economist, April 14, 2011.

<sup>85</sup> "Hillary Clinton Emails Reveal Questionable Support for Overthrow of Elected Government in Honduras," ALLGOV, August 24, 2015.

<sup>86</sup> The U.S. acted as if it supported the coup, despite formally condemning it. Washington blocked an OAS resolution that would have required Zelaya's return as a pre-condition for holding an election, refused to call the change in government a coup which would have required an aid cutoff, and endorsed the 2009 election as free, fair and transparent, though many observers said the opposite. Ibid.



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