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# Honduras in the Central American Conflict: Trends and Recent Developments (Dialogue #109)

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**HONDURAS IN THE CENTRAL AMERICAN CONFLICT:  
TRENDS AND RECENT DEVELOPMENTS**

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## PREFACE

Mark B. Rosenberg, professor of political science, has been director of the Latin American and Caribbean Center at Florida International University since 1977. He has written or co-edited three books on Central American affairs and a number of articles focusing on Costa Rica, Honduras, and El Salvador. Professor Rosenberg has served on a consultative group for the U.S. Agency for International Development, which drafted a strategy statement for the support of democracy in Latin America. At present, he is program committee chair for the Latin American Studies Association XV International Congress, to be held in San Juan, Puerto Rico, in September 1989.

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Richard Tardanico  
Editor  
Occasional Papers Series Dialogues

## HONDURAS IN THE CENTRAL AMERICAN CONFLICT:

### TRENDS AND RECENT DEVELOPMENTS

Against a backdrop of regional conflict, a stagnating economy, festering border hostilities with neighboring Nicaragua, and a growing refugee and exile presence in the country, a new milestone was achieved in Honduras with the presidential elections of 1985. For the first time since World War II, one democratically elected civilian president was succeeded by another, Jose Azcona Hoya replacing his fellow Liberal Party colleague Roberto Suazo Cordova.

Even though formal democratic governance was consolidated with Azcona's election, the Honduran military continued its role as the country's key political actor. U.S. regional policy enhanced the Honduran military's security capacity while civilian political discord ensured the military's continuing role as the ultimate moderator of political conflict.

#### The Regional Context

During the 1980s, Central America has suffered through the double impact of continuing economic decline and extreme political and military conflict in at least three of the region's five countries. Historians will later write that this decade was indeed a "lost decade" in terms of development for Central America.

Although there has finally been some positive economic growth in Central America (see Table 1.A), the region's economy continued to show zero or negative economic growth on a per capita basis (see Table 1.B).

Table 1  
The Central American Economy, 1981-1986

	1981	1982	1983	1984	1985	1986
<u>A. Total Gross Domestic Product</u>						
Costa Rica	-2.4	-7.3	2.7	7.9	0.9	3.0
El Salvador	-8.4	-5.7	0.6	1.4	1.4	-0.5
Guatemala	1.0	-3.4	-2.7	0.4	-0.9	-
Honduras	1.0	-1.6	-0.6	3.1	1.4	2.0
Nicaragua	5.4	-0.8	4.4	-1.4	-2.6	-
<u>B. Annual Per Capita Growth Rate</u>						
Costa Rica	-5.0	-9.7	-0.2	5.1	-1.7	0.4
El Salvador	-9.6	-6.3	-0.2	0.5	0.1	-1.8
Guatemala	-1.8	-6.1	-5.4	-2.8	-3.7	-2.8
Honduras	-2.4	-4.9	-3.9	-0.3	-1.8	-1.2
Nicaragua	2.0	-4.4	1.3	-4.8	-5.9	-3.1

Source: Comision Economica para America Latina, "Centroamerica: notas sobre la evolucion economica en 1986," Notas sobre la economia y el desarrollo, No. 444, marzo 1987; and Helio Fallas Venegas, "La politica agricola en la crisis de centroamerica," Miami: Latin American and Caribbean Center, Florida International University, 1986.

Stagnating agricultural production, de-industrialization, deteriorating terms of trade, the continuing problems of the Central American Common Market, the decline of international financial reserves, a real salary decline, increasing unemployment and under-employment characterize the region's continuing economic crisis.<1> Although almost all countries have received significant amounts of foreign aid during this period, at least one country has acknowledged that financial remittances from immigrants and exiles overseas constitute an important source of the country's revenue.<2>

Despite restrictive stabilization programs designed to limit imports, and despite expansive public policy initiatives to promote non-traditional exports, only two countries (Guatemala and Costa Rica) managed to export more (in total dollar value) during 1986 than they imported. Debt servicing continued to absorb large amounts of export income, reaching a high of 40 per cent in El Salvador and a low of 25 per cent in Honduras.<3>

United States' initiatives continued to have a contradictory impact on the region. Costa Rica, Honduras and El Salvador were increasingly dependent on U.S. economic assistance, which tended to strengthen the region's public sector, even while U.S. counter-pressures for privatization were especially strong in the first two countries. A general consensus seemed to be emerging that the Caribbean Basin Initiative (CBI) could have no significant impact on the region's economies;<4> however, measures such as the recently announced reduction in Central America's U.S. sugar quota (see Table 2) were perceived to be damaging to regional economic efforts.<5>

Table 2

United States Sugar Importation Quotas for Central America, 1983-1987

(in millions of quintales)

	1983-84	1984-85	1985-86	1986-87
Guatemala	2.9	2.4	1.6	0.9
El Salvador	1.8	1.5	1.0	0.5
Honduras	1.1	1.0	0.6	0.3
Nicaragua	0.1	0.1	---	---
Costa Rica	1.2	1.0	0.7	0.4
TOTAL	7.1	6.0	3.9	2.1

Source: Inforpress Centroamericana, 8 de enero de 1987, p. 3.

In the politico-military field, President Reagan's regional concerns continued to be driven by his support for the anti-Sandinista forces known as the contras. When, in mid-June 1986, the U.S. Congress approved \$100 million in aid to the guerrillas, President Reagan finally had the consensus necessary to pursue vigorously his efforts to oust the Sandinistas. Reagan's earnest support for the contra coincided with a major effort by the U.S. Department of State and other executive branch agencies to convince other Latin American countries that they should be supporting the anti-Sandinista forces. However, when American mercenary Eugene Hasenfus survived the crash of his contra supply plane in Nicaragua, a chain of events unfolded through Congressional hearings which linked the President and his National Security Council to covert support and funding of the contra during a period when Congress had specifically prohibited or limited government support.<6> Despite revelations of questionable U.S. foreign policy behavior in the region, and despite evidence that the White House had broken laws, President Reagan reiterated his support for the contra even while the Department of State confirmed its growing interest in regional peace efforts.<7>

Regional efforts to forestall open hostilities were given an important boost with the peace plan initiated by Costa Rican president Oscar Arias in February 1987.<8> Although Nicaragua still insisted that U.S. willingness to negotiate was critical to regional peace efforts, both Honduras and El Salvador provided qualified support for the political features of the initiative. Both countries emphasized however that security arrangements would need more attention. Continuing its policy of "active neutrality," Guatemala was instrumental in its support for the inclusion of Nicaragua in any regional peace discussions. In the United States, the Arias plan generated

great interest, particularly on Capitol Hill, where significant support for the effort seemed to be emerging. On the heels of the diminution of the importance of Contadora, the Arias efforts finally began to place the burden of diplomacy on the Central American countries themselves, and provided a forum for talks directly among the region's five presidents.<9>

An important by-product of the continuing regional hostilities has been the enhanced military capacity of Central America's regular and irregular armies. Nicaragua, Honduras, El Salvador and Guatemala have expanded the size of their standing armies and have developed sophisticated logistical capabilities (see Table 3). Official military expenditures in each country of the region have taken larger bites of the national budgets (see Table 4), and military/national security concerns have come to dominate the decision-making agenda of each country at the cost of attention to other pressing social and economic needs. The growing military capabilities of Central America's armies have increased the capacity for destruction while not necessarily making for more stable societies. Continued insurgency in El Salvador, problems in northern Guatemala with guerrilla groups there and periodic rebel efforts in Honduras coincide with a more sophisticated contra fighting force. Destruction and conflict have become the leitmotiv of Central America's existence during the 1980s.

#### I. The Political Process and Institutions in Honduras

Following a decade of military rule in the 1970s, Honduras is now in its most serious attempt at institutionalizing civilian democratic rule. Given the continuing regional strife and Honduras' very dynamic population growth, the current democratic efforts will play a large role in determining the quality of the country's political life in the future.



Table 3

The Military Balance in Central America, 1985  
Size of Militaries

	Nicaragua	El Salvador	Guatemala	Honduras	Costa Rica
<b>I. Armed Forces</b>					
Regular Army	44,000	39,000	38,000	15,500	-
Air Force	1,500	2,350	1,000	1,200	-
Navy	300	300	1,000	500	-
Security Forces	-	9,500a	11,600c	4,500b	9,800e
Active Reserves	12,000	-	-	-	-
Border Guards	4,000	-	-	-	-
Sub-Total	61,800	51,150	51,600	21,700	9,800
<b>II. Paramilitary Forces</b>					
	-	-	-	-	10,000f
<b>III. Militia or Civil Defense</b>					
	30,000	-	500,000d	-	-
<b>IV. Anti-Government Forces</b>					
	15,000	10,000	-	-	-

## Notes:

- (a) 2,500 from the National Guard; 4,500 from the National Police; 2,500 from the Treasury Police.  
 (b) Public Security Forces (FUSEP) has 4,500 officers.  
 (c) 9,500 from the National Police and 2,100 from the Treasury Police.  
 (d) This amount varies with the source of information.  
 (e) Civil and Rural Guard.  
 (f) Members of the Organization for National Emergency (OPEN).  
 There are other paramilitary forces, such as the Agency for Judicial Investigation (OIJ), the Office of Intelligence and Security (DIS) and the Anti-Terrorist Brigade.

Source: Adapted from Ricardo Cordova Macias, "Los efectos de la militarización en la region centroamericana," (Miami: Latin American and Caribbean Center, Florida International University, 1987), pp. 6, 10.

Table 4

Central American Military Expenditure  
as a Percentage of National Budgets

	1983	1986
Costa Rica	-	5.70
Honduras	5.92	7.15
Guatemala	14.60	17.00
El Salvador	19.10	28.30
Nicaragua	18.05	37.99*

\*1985 information

Source: Ricardo Cordova, "Los efectos economicos de la militarizacion en la region centroamericana," (Miami: Latin American and Caribbean Center, Florida International University, 1986), pp. 16-23.

### The Political Process

Since the 1950s, the country has been run alternatively by military-civilian coalitions and civil-military coalitions. Honduran politics, whether in their authoritarian or democratic mode, have a number of predictable characteristics which help to explain the country's recent political experience:

1. Personalism, centralization and authoritarianism are critical characteristics of the Honduran polity. Power tends to be concentrated at the top; few leaders like to delegate authority because such is interpreted as a loss of power. Influence is structured along vertical lines through patronage networks which are reinforced by family networks.

2. The formal rules of political life, which have changed so frequently in the country's history, do not effectively govern the conduct of office-holders. Politics in Honduras is not yet governed by regulations which prevent the arbitrary exercise of power.

3. Politics in the country during the last three decades have tended toward a personal struggle to capture or influence the national government. Coalitions become critical to the personal leader because they give organizational coherence to the political aspirant's efforts and help to define his/her horizontal power relations with other elites (and their coalitions) and vertically with the masses who can provide support through voting.

4. The political process in Honduras has been almost totally absorbed with issues directly related to the maintenance and use of power. The political attention span of leaders of necessity is consumed with the tyranny of the short-term. Forward strategies for development are reduced to minimal efforts at incrementalism. Leadership tends to respond to particularistic interests of the moment. There is no tradition of public interest that can be defined beyond the narrow interests of the personal ruler and his coalition in power.

5. Critical actors in the Honduran political process include political parties and their respective leaders of the moment; the military, which plays a very active political role; the country's chief executive, who has extraordinary discretionary power; the country's urban and rural labor unions, and the private businessmen's associations, which periodically mobilize public opinion; and the U.S. Embassy, which is often involved in the promotion and resolution of internal political disputes.

It is within this context that Dr. Roberto Suazo Cordova, the country's first democratically elected president since 1971, made every effort possible to continue his rule beyond his mandated four-year period ending in early 1986. Suazo's last year in office was highlighted by his provocation of an "institutional crisis" between the executive and legislative branches and by his near-ouster by the military in coalition with the private sector

and organized labor. Suazo's machinations ran so deep that he allegedly spent over \$22 million from the presidential confidential fund to manufacture and ensure loyalist support and when that failed, he engineered a major split within his own party as a means by which to place one of his cronies on the 1985 election ballot.<10>

Indeed, when elections were held in November 1985, major modifications had to be made to the balloting system to accommodate Suazo's candidate, who nevertheless was defeated in party voting by former Suazo loyalist turned archenemy, the engineer Jose Azcona Hoyo. Using the Lemus system of voting adopted from Uruguay, the combined votes for the four factions of the Liberal Party gave the incumbent organization a narrow presidential victory over popular National Party candidate Rafael Leonardo Callejas, who actually outpolled Azcona by over 200,000 votes (See Table 5).<11>

There was great relief in Honduras and elsewhere that Suazo would not be continuing as president. He was generally seen as programmatically inept, venal and corrupting. But the nature of Azcona's victory and the clear ascendancy of Callejas, whose party was now unified and rejuvenated by the charismatic leader, immediately cast a long shadow over the new government. Azcona responded by crafting a close working relationship, known as a "pact of national unity," with the Callejista forces. This pact was necessary because the victorious Liberal Party failed to unite behind the new president. If he would govern with any effectiveness, it would have to be in alliance with the National Party, which dominated in the National Congress.<12>

Table 5

## Voting Results from the 1985 Presidential Elections in Honduras

Party/Faction	Candidate	Votes Cast
Liberal Party		786,594
Liberal Azconista Movement	Jose Azcona	424,358
Liberal Rodista Movement	O. Mejia Arellano*	250,519
Liberal Rodista Movement	E. Bu-Giron	62,230
Liberal Dem. Rev. Movement (for the party itself)	C. Roberto Reina	43,373 4,114
National Party		701,406
MONARCA	R.L. Callejas	656,882
Unity and Change Movement (for the party itself)	J.P. Urrutia* F. Lardizabal G.	20,121 22,163 2,240
Christian Democratic Party	H. Corrales P.	30,173
Innovation and Unity Party	E. Aguilar P.	23,705
Null Votes		27,733
Blank Votes		28,230
TOTAL VOTES		1,597,481

\*Imposed by Suazo

Source: FBIS, 26 December 1985.

Azcona's presidency was initially viewed by many Hondurans as an opportunity to rectify the anti-popular and anti-national efforts of Suazo. But it has been a disappointment. The pact with the National Party has had little programmatic content and has generated much discontent among opinion leaders in both leading parties. Indeed, it appears to have functioned solely as a means by which to ensure the division of government jobs on an orderly basis between the two parties. A similar arrangement in 1971 following the election of the Nationalist Ramon Ernesto Cruz failed, ushering in the ten-year military dictatorship.<13>

The Liberal Party president has had few public policy successes: the executive branch has been gripped with an inability to make decisions. In many instances, the previously moribund National Congress has seized the initiative. Expanded in the last election to include 134 deputies, the unicameral body has exhibited an uncharacteristic independence from executive and military control. For instance, in response to a hunger strike by political prisoners in March 1986, the Congress took the unprecedented initiative of granting amnesty to these individuals.

While some of this independence can be explained by the 1989 presidential aspirations of the Liberal deputy Carlos Montoya, who presides over the body, there seems to be a genuine effort among deputies to address issues of concern to their constituencies. Commissions have been created to examine problems of national importance before they receive a full congressional hearing and there is a nascent but perceptible sense of professionalism among deputies. Intra-party competition is as fierce in the National Congress as inter-party competition,<sup>14</sup> but there is a sense among deputies that their efforts can begin to make a difference.

Azcona's ministerial appointments (See Table 6) have raised many questions about his leadership style. While he has forged a working consensus with some of the more enlightened elements in his own party and subsequently named a few to high level government positions, other executive appointments are more directly related to patronage imperatives than to effective program implementation. His appointee to head the important National Agrarian Agency had little previous background in agricultural matters. The organized peasantry was swift to criticize the president; around this issue and others, rural labor has been mobilizing ever since.

Table 6

The Government  
(as of April 16, 1987)

President	Jose Azcona Hoyo
Presidential Designate	Jaime Rosenthal Oliva
	Alfredo Fortin Inestroza
	Jose Pineda Gomez
Foreign Relations	Carlos Lopez Contreras
Government and Justice	Raul Elvir Colindres
Finance and Public Credit	Efrain Bu Giron
Economy and Commerce	Reginaldo Panting
Natural Resources	Rodrigo Castillo Aguilar
Communications, Public Works	Juan Fernando Lopez
Labor and Social Welfare	Adalberto Discua Rodriguez
Public Health	Ruben Villeda Bermudez
Public Education	Elisa Valle de Martinez
Tourism and Culture	Arturo Rendon Pineda
National Defense	Luis Cardona Macias
Presidency	Celeo Arias Moncada
President of Congress	Carlos Montoya
Armed Forces Chief	Gen. Humberto Regalado Hernandez
Supreme Court President	Salomon Jimenez Castro
Central Bank President	Gonzalo Carias

Political Institutions

The 1985 presidential elections revealed that the country's two traditional parties continue to maintain strong electoral appeal. As Table 5 indicates, neither the Christian Democratic Party nor the Innovation and Unity Party were able to mount a serious electoral challenge. Indeed, the recent elections illustrated the important cohesive roles which the National and Liberal Parties play in the organization of the country's political life. Although there may have been noteworthy differences between these two parties in the past, today there are few substantive issues which separate the organizations.

In the past three decades party politics have rarely focused on policy issues which could directly improve the socio-political environment. Instead, party politics have tended to focus on internal leadership struggles within each organization. During the 1950s and 1960s, the National Party

had difficulty consolidating under one leader. In the last two decades, the Liberal Party has shown a marked tendency toward atomization. Despite the 1985 electoral victory by Azcona, the Liberal Party is currently divided into at least four factions and perhaps as many as seven. The National Party has unified itself under Callejas' strong leadership.

If parties have not been central to the resolution of critical political issues in the country, why do they still enjoy such popularity? First, unlike in other emergent democracies where party affiliation may largely be a function of pragmatic choice (e.g. Ecuador),<sup><15></sup> in Honduras both pragmatic and emotional factors determine party identification. Thus, voters realize that access, favors and potentially a job are related to "militancy" in one of the two dominant parties and their respective factions. The parties' continuing concern for finding jobs for their loyalists reinforces the perception that party affiliation does matter.

Party politics, especially in the 1980s, have tended to be cross-class in nature, reinforcing the vertical, patronage-oriented tendency in the country. Because employment opportunities are limited and because there are few performance requirements, party participation offers the potential reward of a job, or at the very least, access to a friend or patron in a position to help. The two dominant parties have never forgotten this critical and primary dimension of citizen need. The tendency to formal "pacts" or agreements over the division of public jobs between the two dominant parties is evidence of this reality. Both parties tend to remain popular because of their ability to deliver patronage.

One of the major problems hampering the development of party politics is the lack of party financing. This problem is particularly acute for the minor parties, whose lack of extensive organization throughout the country



even further limits their ability to mount campaigns and promote party cohesiveness.<16>

A decisive factor in limiting the development of party politics has been the military, often considered in Honduras as the country's most important party. Like a number of Central America's pragmatic political parties, Honduras' military has been in active coalition with almost every significant political group in the country, from labor to the oligarchy.

The flexibility and pragmatism characteristic of the Honduran military can be attributed to internal (institutional) as well as external factors. As an organization, the Honduran armed forces is but three decades old, dating from the mid-1950s. By comparison with Guatemala or El Salvador, where the military emerged in the late 1800s, the Honduran military tradition is nascent. The Honduran armed forces has not yet developed the caste-like characteristics of many Latin American military establishments and it has not found the need to isolate itself in social discourse from civilians.

The most important external factor associated with the pragmatism of the Honduran military relates to its style of association with civilians. Civilian political leadership has tended to view the military in two essential ways: as an important coalition partner and as an indispensable moderating force in times of civilian deadlock. Unlike in many other Latin American countries, where the military tends to be vilified and despised by significant sectors within civil society, the Honduran military is accorded an uncommon political legitimacy which gives it a powerful role in the country's political life. In or out of formal office, the military plays a singularly important and determinative role in national political decisions.

With the return to democratic rule in 1981, the military's role as the country's ultimate political actor and its organizational autonomy have been enhanced, not debilitated. There are three explanations:

1. The resurgence of the military in the context of democratic politics can be explained by the pattern of coalition politics followed by the elected civilian president (Roberto Suazo Cordova), who eschewing his electoral mandate, opted for a close association with hard-line military officers. While Suazo has been succeeded by another elected civilian president (Azcona), preference for close association with the military continues.

2. U.S. interest in Honduras has continued to give primacy to the regional security situation, alternatively evincing concern for the guerrilla struggle in El Salvador and/or the potential for Sandinista consolidation and expansion. Both military and civilian leadership in Honduras have skillfully manipulated U.S. security concerns.

3. Civilian factionalism and partisanship have fostered a high profile for the military in political affairs. A presidentially engendered institutional crisis in mid-1985 led Church, labor and business leaders to appeal to the military for a resolution. This was one of numerous instances since the return to democratic rule when civilians have had greater confidence in military mediation than in their own political capabilities.

While the Honduran military is the most powerful domestic political actor in the country, there has nonetheless been a great degree of instability within the institution. Leadership style, branch rivalries, generational struggles, and policy differences over relations with neighbors have continually generated problems within the armed forces. The result has been four military commanders in five years, the exile of nearly a dozen senior

military leaders in the same period, and extreme internal tension within the organization.

Since the military ouster of General Oswaldo Lopez Arellano in 1975, who was also the country's president, there has been an agreement within the armed forces that military decisions are to be made on the basis of consensus. When the autocratic General Gustavo Alvarez attempted to centralize his control over the armed forces in 1984, he was booted from the country by rebellious military subordinates who resented his growing power. Increasingly, the senior military leader's role has come to be viewed as that of a mediator and moderator between contending military factions. Alvarez forgot this role and it cost him his job. The current military chief, General Humberto Regalado, appears to be a master at moderation.

Branch rivalries are a continuing problem within the armed forces. General Oswaldo Lopez and his cousin, General Walter Lopez, who succeeded General Alvarez, were both air force officers. However, the lesson of the 1969 border war with El Salvador was that the country needed improved infantry logistics capabilities, only achievable by a military commander who had intimate experience with troops in the field. Even though the Honduran air force has established itself as a dominant regional force, senior Honduran military leaders seem to prefer their chief to be from the army.

Despite the relative newness of the Honduran armed forces, generational rivalries have emerged as significant sources of tension within the institution. The military generation, known in Honduras as a promocion, has been one of the key sources of group cohesion and factionalism during the last decade. In the same way in which politically oriented Honduran civilians seek high-level government employment, so upwardly mobile Honduran military officers seek direct troop command positions, of which there are eighteen

key appointments. Command of the three brigades, 14 battalions, and the police (FUSEP) are prize appointments because of the status they bring and the possibilities for personal enrichment. Moreover brigade and battalion commanders have a fair degree of autonomy because of the consensual and decentralized nature of military decision-making. Thus, there is real competition for control of these military posts. Promociones are the primary vehicle for ensuring that mobility can occur.

Public institutions such as the unicameral Congress, the judicial system, and the National Electoral Tribunal (TNE) are secondary actors in the Honduran political process because of the distinctive nature of personal and coalition politics which has resulted in their partisan political intervention and because the military tends to be the ultimate arbiter of political conflict.

In its most recent incarnation, the Congress of Honduras has had several important functions, many of which had little to do with the legislative process and the representation of constituency interests.

Under President Roberto Suazo Cordova (1982-1986), the Congress tended to rubber-stamp his efforts. There was little interest or capacity to promote independent policy initiatives. The Congress only became a source of opposition when its president's political aspirations became manifest.

The Congress elected in 1986 is now more interested in policy initiatives and has not been as servile to the president as its predecessor. However, it serves primarily as a source of political patronage for the two dominant parties; loyal and popular party militants have been rewarded with the opportunity to occupy a Congressional seat by senior party leaders, giving them important patronage possibilities in their home districts and throughout the government. The measure of a Congressman's value to his

party is a function of his loyalty to senior party leaders and his ability to gain access for his constituents.

By tradition, the Congress has also served as an important platform for ambitious political leaders. The body's president tends to be a candidate in the next presidential elections. The current president, Carlos Montoya, has been campaigning for the high post since he took the position with the change of governments in 1986.

The country's judicial system has not played a strong, independent role in promoting democracy. Traditionally, the judiciary has been used as an instrument by the executive to promote the party in power. Political penetration starts at the top with the Supreme Court, which is nominally named by the Congress, but which in practice has been empowered by top party leadership. In turn, the president of the Court names lower court judges, numbering about 400. Judges are rewarded for political loyalty, not for the quality of their legal decisions. Indeed, a technical report on the Honduran judiciary found that recent military governments "have been characterized by the quality of the Supreme Courts they empanelled and the lack of serious interference in judicial operations." Control of the judiciary has been important to the party in power because of the on-going distrust among leaders. However, like the Congress, the judiciary has tended to be more important for patronage and political support functions than for the fair administration of justice.

Patronage possibilities through the judiciary are particularly compelling. Through four levels of the court system (the Supreme Court, the Appeals Courts, the Juzgados de Letras and the Juzgados de Paz), about 400 judges are appointed every four years. While the Supreme Court is selected by the Congress, lower court judges are appointed by the Court, which also

has primary administrative responsibilities for the entire system. The political pact arranged by Azcona to govern the country gave control of the Court to the National Party, which has generally favored a more apolitical management of legal issues. However, until a professionalized career judiciary is established, the Court's politicization will continue to be a feature of political life.

The country's National Election Tribunal (TNE) has direct and immediate responsibility for the administration of elections, which are still the most conspicuous form of mass political participation in the country. Three important functions exercised by the TNE are (1) the inscription and registration of political parties and their candidates; (2) the coordination and supervision of elections; and (3) the administration of the National Registry of Persons (RNP), which registers voters and prepares the national electoral census.<19>

Because of the tradition of fraudulent elections, inter- and intra-party competition and the personal political ambitions of senior party leaders, the TNE is a major arena of political conflict in the country. Party representatives to the TNE are selected on the basis of their loyalty to superiors rather than because of their national stature and credibility. They are under continual pressure from party leaders and followers to represent first the immediate needs of their parties; consensus in decision-making is fragile and subject to intense consultation and debate. Rather than being a neutral and apolitical arbiter of political tensions in the country, the TNE reflects and reinforces these tensions, frictions and hostilities, especially within and through the parties. Because each of the 18 administrative departments of the country has its own TNE, these problems are ramified throughout the system. In a real sense, while the TNE is

mandated to be an important arbiter of political conflict, it usually reinforces and maintains tension.

One of the major issues of contention in the TNE focuses on the administration of the National Registry of Persons (RNP), which has three functions: to create a civil register recording births, deaths, marriages, adoptions, and other vital statistics (name changes, etc.); to issue valid identity cards; and to update and maintain a national electoral census. The work of the RNP is nominally technical in nature: without a smooth and efficient tracking mechanism of Honduran citizens, an accurate voting list would be impossible.

However, there is very little confidence among rival political factions within the country that the RNP can be run apolitically. Like the leadership of the TNE, the RNP's presidency changes every year to give each party equal participation in its administration. Thus, like other aspects of the public sector, the RNP has continually been assaulted by rival party officials eager to ensure short-term enrollment advantages for their organizations. While the possibilities for significant list manipulation appear to be minimal, the administrative and personnel discontinuities promoted by the RNP's politicization has weakened the political systems' overall capability to promote greater confidence in the democratic process.

The smooth functioning of democratic politics through the Congress, the judiciary and the TNE/RNP, complicated by personal political ambition, party politics and patronage pressures, is further complicated by the military's political legitimacy among most of the country's socio-political groups. Whenever tensions become too great in the political system, the military either intervenes directly in the political process or is invited in by civilian groups to moderate conflict resolution. Thus, the military is a

critical actor in politics through both "push" and "pull" factors. The military plays a key role because power is more often than not checked by countervailing power rather than by institutional rules in the Honduran political system.

## II. Foreign Policy and National Security

Two issues continued to dominate the country's foreign policy and national security agenda: relations with the United States and relations with Nicaragua. Although foreign policy decision-making has been strongly influenced by military considerations, the Foreign Ministry has come to play a more central role in policy formulation. This role has contributed to a growing realization among Honduran foreign policy decision-makers of the need to diversify Honduran dependence.

### U.S.-Honduran Relations

During the past two years, Honduran relations with the United States have increasingly become dominated by issues related to Honduran support for the U.S. sponsored contra. On one hand, Honduran decision-makers have consistently used the contra and the presence of the Sandinista government as a device to increase U.S. economic and security assistance to Honduras. Under President Suazo's government, Honduras was able to deny the presence of the contras publicly while negotiating privately with the United States on this issue. President Suazo even attempted to manipulate his support for the contra into U.S. approval for a continuation of his rule.

Under President Azcona, Honduras has come to admit publicly that contras are on Honduran territory, even while stating that the contra is a U.S. problem.<20> However, while the contra presence was largely a problem of Honduran foreign policy during the Suazo presidency, it has now become a



domestic politics issue as a result of contra related human rights violation in Honduras and serious economic dislocations in the coffee producing regions where Nicaraguan refugees and the contra are located (see below).

Honduran leaders have gradually recognized the need to establish greater balance in relations with the United States. The military showed its limits with the ouster of the hardline, pro-U.S. General Alvarez in 1984. The State Department's abrupt removal in mid-1986 of Ambassador John Ferch occasioned great consternation in Honduras among many leaders who had welcomed the ambassador's economic development interests and capabilities. Subsequently, politicians from the two dominant parties have increasingly registered dissatisfaction with U.S. policy. Liberal Party leader Jaime Rosenthal has been a consistent critic of U.S. assistance efforts<sup><21></sup> and conservative National Party deputy Nicolas Cruz Torres introduced a resolution in Congress in October 1986 calling for the ouster from Honduras of the irregular army of Nicaraguan counterrevolutionaries. In general, the growing criticism of the United States in Honduran leadership circles tends to follow Honduran public opinion, which as Table 7 shows, believes that the United States interferes "too much in the country's internal affairs."

However, U.S. policy inconsistency regarding the contra has been the largest single factor in eroding Honduran confidence in the United States. The Iran-contra hearings in Washington, the continuing visits of U.S. Congressmen to the country who have publicly questioned the wisdom of Honduran support for the contra and who have threatened to reduce Honduran aid, the inability of the United States to sustain a consistent aid and trade package and the unending flow of reports detailing Honduran mismanagement and often corruption in contra support activities<sup><22></sup> have promoted a reassessment in Honduran decision-making circles about the advisability of continued support

for the contra and about the real intentions and capabilities of U.S. policy toward Honduras and the region.

Table 7

Which Country Interferes Too Much in Our Country's Internal Affairs?

	1st	Total
Cuba	2	8
Nicaragua	14	25
Soviet Union	3	6
El Salvador	3	6
Venezuela	1	2
United States	59	68
Panama	-	1
Guatemala	1	2
Costa Rica	*	1
Mexico	*	2
Colombia	*	1
Others	1	2
None	6	6
Don't Know	10	10

Source: CID, S. A., "1985 Survey of Public Opinion in Central America: Document 1367," Table 23-27.

Honduran frustration with the United States has reached such an extreme that the country has initiated negotiations with the Soviet Union to normalize commercial and trade relations. While the details of the agreement are not completed, the political context of the relation is central to an understanding of the growing limits of U.S. influence in Honduras. In early May, a Soviet commercial attache from Costa Rica sustained a number of meetings in Honduras with government and private sector officials. Negotiations with the Soviets followed on the heels of visits to Honduras by U.S. Senator Christopher Dodd, who apparently told Honduran officials that the contra was a Honduran problem and then warned of impending aid cuts.<23> His visit

prompted the president of the Honduran Congress, Carlos Montoya to declare that the United States was a "mediocre ally."<24>

Another issue which Honduras has been using to gauge U.S. support is the U.S. willingness to provide sophisticated F-5E jet aircraft to replace Honduras' aging Super-Mystere jet fighters. Like other Central American policy choices made by the Reagan administration, the decision to provide the jets to Honduras has elicited much debate in Washington. In early May 1987, 60 members of the House of Representatives wrote to President Reagan to ask him to postpone the F-5E transaction because it would "increase tension in Central America."<25> Subsequently the Senate Foreign Relations Committee voted 10-9 to reject the new aid measure.<26> In all likelihood, the measure would gain final approval, but with prospects of further diminishing Honduran confidence in U.S. policy.

Finally, the contra presence in Honduras has become an issue of debate in domestic politics.<27> The United States' inability to guarantee Honduras that support will be forthcoming for the contra if the U.S. Congress cuts off aid, the continuation of contra-related human rights violations, the sizable economic costs to the country of contra occupation of fertile agricultural areas, and the low national (see Table 8) and international prestige of the anti-Sandinistas are forcing the issue of the contra into the domestic debating fora. The logical spill-over has been to force politicians to raise this point in discussions with the United States. Indeed, Honduran politicians are now by-passing the U.S. Embassy and taking the matter directly to the U.S. Congress, further politicizing the issue in both Honduras and the U.S.<28>

Table 8

Do you have a good or bad opinion of the contras?

Good opinion	18%
Bad opinion	78%
Don't know	34%

Source: SIN Television Network, The Political Pulse of Latin America (New York: SIN Television Network, 1986), p. 29.

Even though there have been some important changes in U.S.-Honduran relations, both countries continued to work together in joint military maneuvers in Honduras. Indeed, the latest exercises throughout the early part of 1987, "General Vicente Tosta '87," included a simulated attack by Nicaragua against Honduras. Resulting maneuvers placed U.S. and Honduran troops in almost every Honduran department bordering with Nicaragua. According to one analysis, the maneuvers marked a new stage in the U.S. presence in the country because of their openness and because they went far beyond simply support for the Honduran armed forces.<29>

#### Honduran Relations with Nicaragua

While there are some differences within the Honduran military over the nature of the security threat to the country from El Salvador and Nicaragua, there now seems to be consensus among government decision-makers that the Sandinistas are the country's primary immediate threat. This consensus tends to reflect public opinion in the country, which as Table 9 shows, identifies Nicaragua as a perceived source of serious problems. Almost 66 per cent of those polled in 1986 felt that an attack from another country was probable and almost the same amount of people mentioned Nicaragua first as the likely aggressor.

Table 9

Honduran Public Opinion Survey on Regional Security Issues

1. What are Honduras' most serious problems with other countries?
 

Nicaragua	26.8%
The border with Nicaragua	62.7%
Other Central American countries	21.7%
  
2. Which country is a military threat to Honduras (first mention):
 

Nicaragua	82.1%
El Salvador	9.3%
  
3. Probability that Honduras would be attacked by another country?
 

Very probable	27.9%
Probable	40.0%
Improbable	22.3%
Very improbable	8.1%
  
4. What country might attack Honduras (first mention)?
 

Nicaragua	62.8%
El Salvador	3.7%

Border tensions with Nicaragua have continued to dominate Honduran security concerns. In general, the Hondurans have attempted to downplay their differences with the Sandinistas, but on at least two occasions in the recent past there have been serious incidents between the two countries. During Easter 1986, a Nicaraguan incursion into Honduras prompted the United States to demand that Honduras request emergency help to repel the entering Sandinistas. President Azcona at first refused to acknowledge the Sandinistas' presence, but U.S. pressure, motivated by a raging debate on Capitol Hill about U.S. aid to the contra, prevailed and the Honduran president requested an emergency U.S. airlift of Honduran soldiers to the border. The main casualty of the affair was Honduran pride.

Another incident in December 1986 was far more serious. Following a Sandinista attack on a Honduran military post, Honduran air force jets

bombed Sandinista targets in the northern Nicaraguan border towns of Wiwili and Murra. The Honduran military indicated that further Sandinista incursions would be met with more of the same.<30> Throughout the affair, Presidents Azcona and Ortega of Nicaragua made efforts to defuse the tensions.<31>

There also seems to be a consensus among both military and civilian leaders that direct war with Nicaragua is genuinely not desirable, but for a variety of reasons. First, as long as the United States perceives a threat from the Sandinistas, economic aid and military hardware will continue to be available: Honduran leaders are aware that the country is an experimental ground for new U.S. approaches to low-intensity conflict. They also believe that a high cost must be exacted from the United States because of the long-term inconsistency of U.S. policy. Second, if a war is fought (and won) by the United States, military and economic assistance to the country would diminish or cease altogether, an option which would have greater costs (in short-run terms) than a continuation of hostilities. Third, the Honduran military understands that any war which would be fought must ultimately involve U.S. troops, obviating the possibility that the Honduran armed forces could get any credit for defeating the Sandinistas. Finally, the possibilities for personal gain as a result of cooperation with U.S. security managers and operatives are quite attractive, particularly given the country's continuing economic stagnation and limited growth potential. The continuing presence of the contra gives some opportunistic Honduran officials the triple opportunity to negotiate with the United States, the contra and the Sandinistas.

### III. The Economy and the Honduran Business Environment

Within the context of a region whose economy continued its stagnation in 1986, the Honduran economy showed very modest signs of growth in 1986 (see Table 1). However, given the historical weakness of the Honduran private sector, the Honduran economy continued to depend on U.S. economic assistance. While new policy measures (e.g. privatization) were implemented to stimulate investment and new trade partners were sought, there was little success in addressing the larger structural issues which constrain the Honduran economy.

#### The Honduran Economy: Critical Issues

During 1986, the Honduran economy showed some positive signs: economic growth reached three per cent; inflation was held to about five per cent; exports, aided by high coffee prices, increased by over 16 per cent; and the country's balance of trade deficit was cut by one-third to about \$82 million. Notwithstanding, the country continued to maintain a large fiscal deficit, unemployment exceeded 40 per cent of the economically active population (and as high as 89 per cent under-employment in rural areas); and the minimum wage which has declined by about 25 per cent since 1974, continued at about 5.6 lempiras/day<32>. The debt service ratio rose to about 30 per cent of export earnings in 1986 compared to about 27 per cent in 1985. Real private sector investment registered some growth, but remained mid-1970s levels.

One analyst recently stated that "the real economic problems in Honduras are only imperfectly glimpsed in the [above] statistics: (1) the lack of market power and poor production; (2) continued dependence on the United States; (3) the Central American war and militarization; (4) the continued sway of an obsolete export-led development model; (5) the postponement of

real economic reform; and (6) a weak, corrupt and incompetent institutional structure in both public and private sectors."<33>

Within this context, the Azcona government has focused its efforts on a number of discrete issues: enhancing economic assistance from the United States and other countries, resisting devaluation and promoting privatization of state-owned enterprises. Despite the growing urgency of the situation in the countryside, the government has not seriously addressed the agrarian reform question.

#### Enhancing Economic Assistance

Both the Azcona and the Suazo governments (1982-86) have made major efforts to increase the amount of economic (and military) assistance from the United States. Indeed, President Suazo made U.S. support a major topic of his 1983 visit to the United States; President Azcona has similarly emphasized the need for continuing U.S. support.

In recent years, the United States has channeled much of its aid to economic support funds (ESF). Designed to support economic policy change and stabilization, including reduction of the government's fiscal and balance of payments deficits, ESF has been a critical element in helping the government of Honduras to meet its international obligations. As Table 10 indicates, by 1987 the United States will have disbursed about \$440 million in ESF.

Development assistance, which has grown steadily since 1982, is oriented to the promotion of economic growth in agriculture, exports and small business. In agriculture, Caribbean Basin Initiative (CBI) oriented aid has resulted in about \$2 million in exports of winter vegetables, including cantaloupes, cucumbers and plantains.<34> In the area of exports, the government introduced new CBI-oriented legislation to promote the develop-



ment of industrial parks and to facilitate the development of exports.<24> Small business development has been bolstered through the emergence of AID-sponsored business associations, the Fundacion para la Investigacion y Desarrollo Empresarial (FIDE) and the Federacion de Asociaciones de Productores y Exportadores Agropecuarios Agroindustriales de Honduras (FEPROEXAAH), both of which have entered into cooperative agreements with the government's Ministry of Economy and Commerce.

Table 10

U.S. Assistance to Honduras, 1982-1987

	FY82	FY83	(millions \$)		FY86 (est.)	FY87 (req.)
			FY84	FY85		
Development Aid	31.1	31.3	31.0	44.3	43.2	51.0
(Loans)	19.5	24.0	17.3	19.8	15.6	20.3
(Grants)	11.6	7.3	13.7	24.5	27.6	30.7
Other Economic Aid	2.7	3.2	3.8	5.0	5.3	5.4
(Loans)	-	-	-	-	-	-
(Grants)	2.7	3.2	3.8	5.0	5.3	5.4
Food Aid	10.1	15.5	20.2	18.4	18.3	17.8
(Loans)	7.0	10.0	15.0	15.0	15.0	14.0
(Grants)	3.1	5.5	5.2	3.4	3.3	3.8
ESF	36.8	56.0	40.0	147.5	61.2	90.0
(Loans)	35.0	11.0	6.0	-	-	-
(Grants)	1.8	45.0	34.0	147.5	61.2	90.0
Military Aid	31.3	48.3	77.4	73.9	79.7	88.8
(Loans)	19.0	9.0	-	-	-	-
(Grants)	12.3	39.3	77.4	73.9	79.7	88.8
TOTAL	112.0	154.3	172.3	289.1	207.8	253.0
(Loans)	80.5	54.0	38.3	34.8	30.6	34.3
(Grants)	31.5	100.3	134.1	254.3	157.3	218.7

Total U.S. Aid FY46-86: \$1,334.25 million (current \$)  
 \$1,998.30 million (constant 1987 \$)

Source: Jonathan E. Sanford, "Honduras: U.S. Foreign Assistance Facts: Updated 12/19/86," (Washington: Congressional Research Service, 1986), p. 3.

Even though the government of Honduras has consistently indicated that it needs greater amounts of aid to maintain democracy and arrest the possibility of Nicaraguan intervention, there has been much questioning in the United States about the wisdom of U.S. aid toward Honduras. Two critical questions raised in a recent U.S. government report focused on (1) Honduras' capacity to administer and absorb expanded U.S. assistance and (2) AID's ability to "influence the recipient governments to undertake needed macro-economic policy reforms...."<35>

In particular, use of ESF as a policy instrument has been the subject of much debate. The Comptroller General's Report issued in July 1985, acknowledged that Agency for International Development Programs (AID) in Honduras "differ from typical AID programs because they are operating in a highly charged political environment, where the United States is supporting development of a democratic process--a process which is relatively new

Even though no definitive policy shifts were forthcoming as a result of the concerns about economic assistance to Honduras, other economics-related issues forced the Honduran government to act to diversify its dependence on U.S. support. Cuts in the U.S. sugar quota for Honduras (see above), uncertainty over the looming protectionism in the United States and falling coffee prices prompted Honduras to open new markets for sugar and other commodities with the Soviet Union. Indeed, a draft trade agreement had been written with the Soviet Union in late May 1987. The document called for Honduran trade of coffee, sugar and bananas; while Honduran officials indicated their preference to be paid in dollars, they did expect to do some barter as a means by which to obtain Soviet heavy equipment.<37> Agreement with the Soviets was just one example of creative efforts by President Azcona to promote the country's economic growth. In May 1987, the chief

executive traveled to Western Europe and the Middle East to discuss trade and security issues with leaders there.

### Devaluation

Unlike every other Central American country, Honduras has managed to avoid devaluation of its national currency, the lempira, which is officially pegged at two to the U.S. dollar. President Suazo first came under intense pressure from the United States and the International Monetary Fund (IMF) starting in 1982 when he took office. However, when his central bank president stated that "the lempira should not be devalued at any cost. It is possible to survive without money from the IMF or AID,"<sup><38></sup> and when it became apparent that consensus on the dangers of devaluation was emerging within the Honduran private sector, the United States reduced pressure for this measure.

Like his predecessor, President Azcona shows no predilection toward devaluation. Indeed, the lempira's parallel market value has returned to greater parity with the official exchange rate, dropping from a high of 2.8 to one dollar in 1985 to about 2.25 to one dollar as of June 1987. Understanding that the government simply was not going to yield on this issue, the U.S. government has apparently reduced its pressure for the measure. Barring unforeseen circumstances, Azcona will avoid devaluation during his term. The issue has become one of the few that Honduras could proudly point to as not subject to negotiation.

### Privatization

The buoyant development efforts and heady economic growth rates of the 1970s in Honduras left a legacy of staggering public indebtedness in the 1980s. A state development bank established in 1974 by the military populist government, the National Investment Corporation (CONADI), had become a

"white elephant" by the late 1980s, with over 50 companies under its control and over \$150 million in indebtedness. A commission appointed by President Azcona in 1986 provided an important study of the sloppy and corrupt management of the para-statal organization. It revealed that many of the country's top businessmen had taken advantage of the loose credit policies and loan guarantees provided by the organization in the late 1970s. The disastrous results left CONADI with ownership of largely bankrupt or in some instances, non-existent companies (see Table 11) which had been de-capitalized by their managers and stockholders.<39>

Table 11

Leading CONADI Companies and Their Indebtedness

Company	Total Debt (in million \$)
	<hr/>
Mejores Alimentos y Agricola de Honduras	31.0
Azucarera Central	20.0
Aceros Industriales	13.0
Cementos de Honduras	8.0
Industrias Quimicas Conrad	7.0
Hoteles Lincoln	6.5
Contessa Industrial	5.5
Capitales de Honduras	5.0

Source: El Heraldo, 7 de agosto de 1986, p. 3

Long under pressure from the United States and the World Bank to divest itself of this economic burden, the Honduran government set about late in 1986 to urge these companies' privatization. Indeed, a plan was developed to sell off 20 of the enterprises over a two-year period (1986-88). To promote the government efforts, U.S. assistance of about \$4 million was provided, largely to facilitate the technical studies necessary to dispose legally of the companies. However, by mid-1987, the Azcona government had managed few successful privatization cases. Indeed, the low profitability

of most of the companies in the government portfolio, the lack of local or international investment capital, and the highly politicized nature of the project, kept potential investors away from the many bargains which the government was offering.

### The Agrarian Question

One of the major sources of political tension in Honduras since the 1960s has been the agrarian question. Except for a brief period of land distribution during the 1970s, there has been little systematic attention to the needs of organized rural labor. When President Suazo did get involved in the problem, he would inevitably defuse conflict by co-opting leadership cadres and promoting internally debilitating conflicts which left peasants and other organized interests fighting among themselves.<40>

Unlike his predecessor, President Azcona's political style has been to ignore problems altogether. Thus, it was only following the occupation of the National Agrarian Institute by an association of leading peasant unions that Azcona promised to inject the dormant land distribution process with new life. But his commitment is further complicated by growing conflict between the Institute's union and the peasants' leadership. The latter claims that little is being accomplished in the agrarian sector because of entrenched and unionized bureaucratic interests.<41> Tension was so high in late 1986 over these and other issues that Azcona threatened to declare a state of emergency.

In his state of the union address before the Congress of Honduras in early 1987, President Azcona defended his record on agrarian reform. He pointed out that the National Agrarian Institute (INA) had distributed more than 12,000 hectares to 2,000 peasant families during his presidency in addition to other efforts to promote agrarian transformation.<42> However,

by May 1987, peasant frustration with government measures peaked. A concerted peasant effort resulted in land takeovers throughout the country, demands for the ouster of the director of the agrarian reform agency and new lines of state credit. When President Azcona firmly stated that he would rather resign than accede to peasant demands, contending forces agreed to form a commission to study alternatives. However, independent analyses concluded that the peasant movement's inability to extract reforms from the government did not augur well for peaceful agrarian changes in the near future.<43>

#### IV. Human Rights

Recrudescing political and civil violence has characterized the human rights environment in Honduras since the start of the twentieth century. Even though elected democratic governments have been in power for six years, political disappearances, assassinations, kidnappings, bombings, illegal detentions and torture have not been eliminated as means to deal with political differences. Indeed, the country has recently emerged from an especially intense period in which political disappearances and assassinations were weekly occurrences. In the past two years, there has been greater public awareness about the necessity of aggressive efforts to maintain the human rights environment.

##### The Long Shadow of General Alvarez

Even though he was ousted as chief of the military in 1984, the repressive General Gustavo Alvarez continues to cast a long shadow over human rights conditions in Honduras. Thus, while there were only eleven disappearances reported in 1985 and another six between January 1986 and February

1987, new recriminations about the Alvarez epoch are a continual reminder about the extra-legal excesses of the Suazo government.

Americas Watch has detailed the procedures and techniques used by Alvarez' Battalion 316 in kidnapping, torturing, and murdering detainees. The batallion, a para-military death squad, has been linked to over 200 deaths between 1980 and 1984. While the charges are not new, the recent confession of one of Alvarez' CIA-trained interrogators sheds new light on the operation of a government sponsored clandestine unit. The battalion apparently has not had major political activity since Alvarez' departure, but neither has it been disbanded. Indeed, one army official linked to its activities continues to maintain a high profile in the country's armed forces.<44>

#### The Current Situation

The number of politically related disappearances and assassinations has dropped considerably in the last two years. However, there has been a proliferation of less severe problems which if viewed together suggest that much still needs to be done to improve the human rights environment. These problems include the periodic murders of delinquents, non-fatal car bombings of political activists, bomb threats against two embassies and a newspaper office, the circulation of a so-called "hit list" of revolutionary leaders, and a web of problems engendered by the presence of the contra in Honduras' Las Vegas salient.<45>

About 7,000 Hondurans have been displaced by the contras in this coffee-rich region; another 24 Honduran civilians have been killed as a result of contra generated tensions and about 34 villages have disappeared. In addition the contra have been linked to the murder of civilians in the region,<46> to forced recruitment of Nicaraguan Mennonites, and to CIA-

related death squad activities. The coffee growers' association, AHPROCAFE, has been increasingly critical of the contra presence and will most likely step up its criticism.<47>

One of the major problems engendered by the exile/refugee presence in the country is the growing number of children, an estimated 2,500, who are stateless because of the government's refusal since 1984 to issue birth certificates. While the government justifies this position because it is afraid that the parents of children will demand residency in the country, a more likely explanation is fear of upsetting the political balance between the two dominant parties. National Party leaders in particular have expressed concern that thousands of Nicaraguans voted illegally in the last presidential elections.<48>

#### Administration of Justice

Human rights abuses and excessive judicial politicization under the Suazo government had the effect of mobilizing diverse constituencies in Honduras and elsewhere to demand more serious government and private sector efforts in the promotion of civil and social justice. In the human rights field, the activism of the Committee for the Defense of Human Rights has been increasingly matched by efforts through the Human Rights Committee of the Honduran Bar Association. In response to human rights concerns expressed by a number of international organizations, the government recently established a human rights commission through the Ministry of Foreign Affairs. Thus, a constituency for human rights concerns is emerging which should augur well for enhanced awareness of the continuing human rights in the country.

During the past two years, there has been enhanced concern for promoting a more effective judicial administration system. Serious discussions



among the parties have focused on the implementation of the judicial career service law, which would limit presidential and party interference in the naming of judges and promote greater professionalism at all levels of the court system. Through lobbying efforts of the Honduran Bar Association, the Congress of Honduras provided a significant budget increase to the Supreme Court, which has responsibility for administering the country's court system.<49> In addition, recent studies have revealed serious need for reform in the administration of police and penal functions.<50> Thus, efforts are being made to strengthen one of the key institutions which can help the country's democracy to promote enhanced civic well-being.

#### V. Conclusion

As the Central American conflict enters its eighth year, evidence indicates that Honduras is finally giving its own interests priority over U.S. concerns. Catalysts for this process include greater self-confidence about their own political process and the emergence of more pluralist forces in the country, the continuing presence of contras in the country and their growing impact in national politics, growing frustration with the United States and the spill-over of the Iran-contra scandal in terms of U.S.-Honduran relations.

There are limits to this effort. Honduras continues to be a poor and weak country in a strategic, geopolitical position; and Honduran political leadership has demonstrated a capacity for political self-destruction in the past that has resulted in the return of formal military. The current period of civilian rule may be different however because Hondurans seem to have a better sense of their regional role and the political costs involved in not responding to national needs and problems.

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