

(DEMO 02)

Honduras: Militarism and Democratization in Troubled Waters

J. Mark Ruhl

Dickinson College

Prepared for delivery at the 1998 meeting of the Latin American Studies Association, The Palmer House Hotel, Chicago, Illinois, September 24-26, 1998.

Note: This is a draft of Chapter 5 in Repression, Resistance, and Democratic Transition in Central America, Thomas W. Walker and Ariel C. Armony, Eds. (Wilmington, DE: Scholarly Resources, 1999). Not for citation without permission. Comments welcome: ruhl@dickinson.edu

Unlike its Central American neighbors, Honduras never became engulfed in civil war during the late 1970s and 1980s. Several small guerrilla groups did begin operation during this period, but none of them won significant popular support or ever posed a threat to the Honduran government's survival. Although Honduras shared many of the social and economic problems that contributed to national revolts in neighboring countries, its distinctive political traditions promoted stability. Honduran political and military elites historically have been much less repressive than their counterparts in Nicaragua, El Salvador, or Guatemala and more willing to implement modest reforms to accommodate popular demands.

Honduras maintained political order during the turbulent 1980s and reinstated electoral politics, however, its democratic transition was more apparent than real. Behind a formal democratic facade, the Honduran military remained the dominant political actor. Indeed, the armed forces grew stronger than ever as U.S. military aid soared in exchange for Honduras' willingness to host the Nicaraguan Contras. Human rights abuses increased rather than decreased in the 1980s as the Honduran armed forces hunted down suspected subversives and intimidated popular sector groups. Most Honduran civilian politicians showed scarcely more respect for democratic principles than did the armed forces. Leaders of the two traditional parties concentrated on amassing spoils for themselves and their followers rather than on developing effective public policy or promoting meaningful political participation. Moreover, the first scheduled executive succession precipitated a constitutional crisis requiring mediation by the military and the U.S. Embassy when a corrupt civilian president illegally attempted to keep himself in power beyond the end of his term.

Honduras' democratic transition moved slowly until the 1990s when the power of the military began to decline. With the end of the Cold War and the Central American civil wars, the United States drastically cut its military aid to Honduras and became a strong critic of the armed forces. As the United States reversed its policies, Honduran civil society and civilian politicians grew bolder in contesting military prerogatives. In a series of dramatic reforms, the military was stripped of many of its privileges and much of its political influence. Civilian leaders also had begun to show greater respect for basic democratic rules beginning in the late 1980s. The holding of three consecutive free and fair elections (1989, 1993, 1997) without presidential interference produced two democratic turnovers between competing parties and institutionalized the electoral process. As the century approached its end, Honduras finally neared completion of its long transition from authoritarian rule to procedural democracy¹. The anticipated passage of a 1999 constitutional reform placing the military under the direct control of the president for the first time since 1957 promised to be the next crucial step in this process.

After thirty-five years of domination by the armed forces, a completed transition to procedural democracy in Honduras must be regarded as a major accomplishment. The consolidation of Honduran democracy, however, will be much more difficult to achieve. The civilian political class has learned to abide by the results of democratic elections, but the depth of its commitment to electoral democracy was still uncertain in 1998. In addition, most senior military officers were unreconciled to civilian control over their institution. The mass public also was increasingly disenchanted with democracy because of the low quality of democratic governance in Honduras in the late 1990s. Corruption by public officials was widespread and was seldom punished. Street crime had exploded to completely overwhelm an antiquated and corrupt

criminal justice system. The government had improved its macroeconomic policy making, yet poverty and inequality continued to grow as neoliberal economic reforms were implemented. With a GNP per capita of only about \$600 in 1998 and with 70 percent of the population living below the poverty line, this Pennsylvania-sized nation (112, 088 square kilometers) of 5.9 million remained the third poorest in the Americas².

Sources of Political Stability: Historical Contrasts Between Honduras and its Neighbors

Compared with El Salvador, Guatemala, or Nicaragua, Honduras was an oasis of relative political stability during the late 1970s and 1980s. Although the repression of popular sector groups did increase, Honduran political and military leaders acted with far more restraint than elites in neighboring countries. Despite the deteriorating political climate, labor unions, peasant groups, and other opposition forces continued to work within the existing system. This less polarized and more accommodative elite-mass relationship was, in large part, a product of the country's distinctive late 19th century and 20th century history.

Honduras was the only Central American country in which coffee did not become the principal export by the late 19th century. No cohesive, politically dominant coffee oligarchy intent on capturing peasant lands and labor ever formed. Instead of promoting coffee, late 19th century Liberal reformers like President Marco Aurelio Soto (1876-1883) collaborated with American silver mining ventures. Other enterprising Honduran elites moved to the largely unoccupied North Coast to establish banana export enterprises³. The vast majority of Honduras' large landowners continued to raise cattle for local markets. None of these elite economic activities threatened the peasantry. In fact, because of the country's small population relative to its size, Honduran peasants had no difficulty acquiring lands to cultivate until well into the 20th century. Although there was little friction between Honduran campesinos and large landowners in this period, intra-elite political conflicts over state control were more persistent and more violent in Honduras than in any other Central American country⁴.

United Fruit and other American companies arrived at the turn of the century to vastly expand the banana export industry on the North Coast. They built huge plantations but displaced few peasants. The workers on these banana plantations gradually organized and formed the core of what would become Central America's strongest trade union movement. Although banana companies gained great influence over Honduran governments, they could not always count on Honduran authorities to suppress striking workers. Dictator Tiburcio Carias Andino (1932-1949) of the National Party proved a dependable ally of United Fruit, but leaders of the weaker Liberal Party tended to be more friendly to labor⁵. In addition, Carias' National Party successor Juan Manuel Galvez (1949-1954) was a political moderate who negotiated a reasonably fair settlement to the critical 1954 banana workers' strike. Such concessions discouraged radicalism within the banana worker unions which affiliated with pro-U.S. international labor federations. In addition, a new commercial and industrial elite with an important immigrant Arab component formed on the North Coast which benefitted from increased worker purchasing power and often endorsed banana union demands⁶. This cross-class coalition of progressive urban entrepreneurs and organized workers had no counterpart in neighboring countries. The reformist North Coast coalition provided crucial support to the resurgent Liberals led by social democrat Ramon Villeda

Morales during the 1950s and early 1960s and to the populist military regime of General Oswaldo Lopez Arellano in the 1970s.

The Honduran military was a late arrival on the political scene. Civilian elite divisions and the lack of serious elite-mass conflicts delayed the creation of a professional military in Honduras until the 1940s. The U.S.-trained military, however, soon became an important political player and first intervened in politics in 1956 to depose an interim president who had become unpopular with both traditional parties. The armed forces governed for over a year then held constituent assembly elections that resulted in a landslide victory for the Liberals. Before leaving power, the military negotiated a constitutional guarantee of institutional autonomy. The 1957 constitution stripped the incoming president of his right to choose or to remove the chief of the armed forces, or to give orders to the military except through its commander.

Reformist President Villeda Morales (1957-1963) instituted a new labor code and a social security system. He also launched a small agrarian reform in response to land scarcity problems that had developed in the late 1940s due to population growth and the rapid expansion of new agricultural exports (cotton, beef, sugar, coffee). Although coffee was grown on small and medium-sized farms in Honduras, cotton plantations and modern cattle ranches were large-scale enterprises that illegally enclosed public lands traditionally farmed by the peasantry⁷. Villeda's reformism was opposed by the new agricultural export elites and conservative rural bosses in his own party. He also angered the military by founding an armed Civil Guard under Liberal control. Although the Liberals' candidate to succeed Villeda, Modesto Rodas Alvarado, represented the traditionalist wing of the party, he pledged continued reform and promised to end the armed forces' autonomy. In response, the military allied itself with the National Party and intervened in 1963 to prevent a certain Liberal victory. The Civil Guard was replaced by a national police force commanded by regular military officers.

General Oswaldo Lopez Arellano ruled Honduras from 1963 to 1971 in league with National Party boss Ricardo Zuniga Agustinus. Lopez initially repressed the new peasant groups that had organized to resist land enclosures, and he also clashed with North Coast business and labor organizations. By 1967, however, the politically pragmatic air force general had begun to allow some peasant groups to retake enclosed properties. He also tried to defuse the rural land tenure crisis by evicting tens of thousands of Salvadoran peasants who had moved into Honduras because of the much more acute land scarcity situation in their own country. During the subsequent war with El Salvador in 1969, Honduran peasants, trade unions, and North Coast entrepreneurs won military approval when they rallied patriotically to support the armed forces⁸. The following year, Lopez broke with the National Party and formed a new progressive political alliance with these groups. When a bipartisan civilian government elected in 1971 failed to enact reforms, General Lopez staged another military coup in late 1972.

From 1972 to 1975, Lopez led a populist military government that redistributed land to about one-fifth of the peasants identified as landless or land poor⁹ at a time when the governments of El Salvador, Nicaragua, and Guatemala still rigidly opposed peasant organization and land redistribution. The Honduran military's more conciliatory policy effectively co-opted peasant organizations that gained land¹⁰ and convinced other groups to keep pressing their demands within acceptable political channels. The military government also enlarged the economic role of the Honduran state and provided trade protection for North Coast entrepreneurs who had been

battered by their Central American Common Market (CACM) competitors. Industrial growth had been slower in Honduras than in any of the other CACM nations, but fortunately, this meant that urban inequalities also had not grown as quickly¹¹.

General Lopez's policies won wide popular sector support for the military, but his monopolization of power within the armed forces caused dissension. After an internal struggle, Lopez was forced to give up the post of armed forces chief in 1975, and a new constituent law of the armed forces created the Superior Council of the Armed Forces (CONSUFFAA) to serve as a collegial decision-making body for the military. Shortly thereafter, Lopez also lost the presidency after being accused of taking a bribe from United Brands. Recently appointed armed forces chief Colonel Juan Melgar Castro (1975-1978) became president. Under conservative officers like Melgar and his successor as head of the armed forces, General Policarpo Paz Garcia, the military again moved closer to the National Party and large landowner interests. General Paz (1978-1981) replaced Melgar in the presidency after an internal coup in 1978.

Although both Melgar and Paz, at times, repressed popular sector protests, the healthy pluralism that had come to characterize Honduran civil society persisted. Basic civil and political liberties remained intact and relatively few human rights abuses occurred. Trade unions still pressed their demands, and real wages increased for the urban working class during the late 1970s¹². The Honduran government also continued to spend more on education and health care than any of its three neighbors. The pace of agrarian reform slowed considerably under Melgar and especially Paz, but land redistribution did not end. At a time when the repressive excesses of the armed forces in neighboring countries were radicalizing opposition forces, the Honduran military still acted with restraint and maintained a dialogue with popular sector groups. The military rulers' behavior was consistent with Honduras' authoritarian but accommodative political traditions.

Counterfeit Democratization in the 1980s

The military's popularity faded in the late 1970s. Peasant and labor support eroded as social reform slowed, while the private sector blamed military economic mismanagement for rising fiscal deficits and foreign debt. In 1979, after the collapse of the Somoza regime, the Carter administration stepped up its campaign to convince the Honduran military to return to the barracks. After receiving assurances of increased U.S. military and economic aid, the armed forces agreed to go. General Paz, however, kept tight control over the transition process which began in 1980 with constituent assembly elections.

The Liberal Party defeated the military-linked National Party in the 1980 race, winning 52 percent of valid votes to their rivals' 44 percent¹³. In an election marked by high turnout, a new reformist National Innovation and Unity Party (PINU) collected the remaining votes. These results were interpreted as a rebuke to the military, yet General Paz stayed on as chief executive with a civil-military cabinet weighted against the Liberals and demanded that the constitutional assembly maintain the armed forces' autonomous status. In the 1982 constitution, which is still in force, the armed forces chief is selected, not by the president, but by the Honduran Congress from a three-person list of nominees provided by CONSUFFAA. He can be dismissed only by a two-thirds congressional vote. Presidential orders to the armed forces still have to be approved by the

armed forces chief. General Paz also compelled the two leading presidential candidates to agree to a list of military demands that included a veto over cabinet appointments, exclusive control of all security policy, and a ban on investigations into military corruption¹⁴.

The 1981 elections again stimulated a large and enthusiastic turnout. The presidential race pitted longtime National Party boss Ricardo Zuniga against Roberto Suazo Cordova, an unknown country doctor from the conservative wing of the Liberal Party. Anti-military sentiment contributed to another Liberal victory with an even larger margin (54 percent to 42 percent). PINU and a new left-of-center Christian Democratic Party divided the remaining votes. Honduran electoral rules prevented split-ticket voting (until 1997) so that in addition to winning the Presidency the Liberals captured a large majority in Congress.

In January 1982, Roberto Suazo (1982-1986) became the first civilian president in a decade, but any hopes that his inauguration would bring genuine democratization soon evaporated. Indeed, the military grew even more formidable than before as the United States converted Honduras into a platform from which to implement its Central America policy. In return for allowing the Nicaraguan Contras to be based in Honduras, the Reagan administration gave the Hondurans unprecedented military and economic assistance. Military aid skyrocketed from \$3.9 million in 1980 to \$77.5 million in 1984, enabling the armed forces to expand to over 26,000 men and to improve their equipment and training¹⁵. Frequent joint exercises with U.S. forces also raised the Honduran military's professional capabilities. Rather than trying to reduce the political influence of the expanding armed forces, President Suazo formed a close alliance with General Gustavo Alvarez Martinez who became the country's new military strongman.

General Alvarez was one of the Honduran army's most professional and most fervently anti-communist officers. He was intensely committed to the overthrow of the Sandinista government in Nicaragua and, on his own initiative, had been aiding anti-Sandinista rebels since early 1980. He hoped that Nicaraguan rebel forces would provoke a Sandinista attack on Honduran territory that could be used as a pretext for an American invasion¹⁶. Alvarez also was determined to eliminate the small Marxist guerrilla organizations that had formed in Honduras. The most important of these were the Morazanist Front for the Liberation of Honduras (FMLH), which had about 300 armed fighters at its height, and the smaller Cinchoneros Popular Liberation Movement (MPLC) and Lorenzo Zelaya Popular Revolutionary Front (FPR-LZ). These three groups carried out sporadic bombings, kidnappings, political assassinations, and attacks on U.S. military personnel, but never attracted appreciable popular support.

The Argentine-trained Alvarez began a systematic "dirty war" against suspected subversives soon after he became armed forces chief. Battalion 3-16, a special counter-terrorist unit, along with the National Directorate of Investigations (DNI) and other Public Security Force (FUSEP) police elements carried out a campaign of torture and assassination to destroy the Honduran guerrillas as well as any groups providing support to leftist insurgents in El Salvador. The security forces also infiltrated unions, student groups, and peasant organizations suspected of radical political leanings. Although the number of individuals "disappeared" by Honduran death squads was small in comparison with the thousands who suffered a similar fate in neighboring countries, such extreme violence by government forces constituted a sharp break with Honduras' less polarized political traditions. Much of the private sector and middle class, however, tacitly accepted the dirty war as a necessary evil to combat the revolutionary threat to the region. Most

of the rest of Honduran civil society with the exception of some courageous human rights organizations such as the Committee for the Defense of Human Rights (CODEH) were too frightened to resist¹⁷. The vast majority of civilian politicians either supported the military's repressive policies or kept silent.

President Suazo and the U.S. Embassy lost their principal military ally when a bloodless military coup deposed General Alvarez in 1984. The most important reasons for Alvarez's fall were his professional arrogance and his quest for total control over the armed forces¹⁸. Collegial direction of the armed forces by CONSUFFAA resumed under new armed forces chief General Walter Lopez Reyes (nephew of General Lopez Arellano) as the military factionalized more deeply into generational and personalist cliques. The armed forces began to drive a harder bargain with the United States over Contra aid and ended an Alvarez-negotiated program to train Salvadoran soldiers in Honduras. Although frictions between the military and its American and Contra partners increased, the Honduran armed forces continued to collaborate with U.S. policy. American officials boosted military aid to an all-time high of \$81.1 million in 1986 and continued to turn a blind eye to military corruption and human rights violations. While Lopez Reyes was armed forces chief, the repression of internal dissent did subside. The military allowed somewhat greater political space to civilian authorities and civil society, and Honduras' traditional political pluralism began to reassert itself.

Honduras failed to make substantial progress toward democratization during the early 1980s not only because of the military's supremacy but also because of the failings of civilian political leaders such as President Suazo Cordova. Like most Honduran politicians, Suazo had entered politics in order to gain wealth and power for himself and *chamba* (patronage) for his followers, not to achieve any particular policy goals or to strengthen the country's political institutions¹⁹. Corruption was widespread in his administration, and policy-making was based on short-term power calculations. Suazo resisted U.S. Embassy pressures for a neoliberal austerity program, for example, not so much because he disagreed with its economic logic, but because its adoption would have damaged his popularity and reduced the government spoils on which he depended. Suazo also correctly calculated that as long as Honduras was the lynchpin in its Central America policy, the United States would always provide the funds needed to stave off economic collapse. When new elections approached, President Suazo used bribery and his control of the Supreme Court and National Electoral Tribunal to interfere in the presidential nomination process. His attempts to retain office beyond the one-term limit or to impose a pliable ally worsened factional divisions within both parties and led to a constitutional clash with Congress. Much of Honduran civil society mobilized to protest his abuse of power, but it was military mediation strongly backed by the United States that ultimately resolved the crisis.. A compromise agreement permitted all party factions to run separate candidates in the 1985 election.

The four Liberal factions as a whole out-pollled the three National Party factions by 51 percent to 45.5 percent in 1985, hence the Liberal winning the most votes (27.5 percent), Jose Azcona del Hoyo, became president. President Azcona (1986-1990), a civil engineer and Suazo opponent, was much more respectful of constitutional rules than his corrupt predecessor²⁰. Nevertheless, his public policy achievements were few. A traditional politician from the conservative side of the party, Azcona showed little interest in developing coherent policy initiatives. In addition, the divided Liberal Party never provided him with a reliable base of

congressional support. For a time, he formed a coalition with National Party leader Rafael Callejas who had won the most votes in the 1985 presidential race, but beyond dividing up patronage appointments this arrangement accomplished little.

As Honduras' fiscal and balance of payments deficits mounted during the late 1980s, Azcona did strongly oppose U.S. pressures for neoliberal economic reform. With the Contras declining in importance, however, the United States no longer tolerated Honduran economic intransigence and saw to it that international financial institutions denied further external funding. The nation's foreign reserves were soon exhausted making it impossible to import enough energy and other needed inputs to sustain economic growth. Unemployment and inflation ballooned while labor unrest spread rapidly. As the Contras became increasingly unpopular, the Liberal president also demonstrated a degree of autonomy from the United States in the Central American peace process. However, President Azcona never challenged the powerful Honduran armed forces.

After a CONSUFFAA majority removed General Lopez Reyes in 1986, in part for being too accommodating to civilians, hardline General Humberto Regalado Hernandez became chief of the armed forces. Political disappearances again increased and military corruption reached new extremes. Allegedly, Regalado and other senior officers became wealthy by misappropriating military funds and by participating in the international narcotics trade²¹. Honduras had by this time become an important transshipment point for Colombian cocaine, and the new drug money further divided the officer corps. The Azcona government was too weak to challenge General Regalado and the politically dominant armed forces over their linkages to narcotics trafficking or their human rights violations. Although the military allowed Azcona and the Liberal Congress to control non-security related policy, key decisions about internal and external security were still largely a product of negotiations between the military and the U.S. Embassy²². As the decade came to a close, Honduras was a classic example of what O'Donnell and Schmitter have called a "democradura"--a nominally democratic country that actually is dominated by its armed forces²³.

Progress Toward Democracy

The democratic electoral process that President Suazo had undermined strengthened beginning in the late 1980s, but the most important advances in democratization were achieved by curbing the power of the military during the 1990s. The end of the Cold War and the collapse of communism removed the principal security threats that justified the existence of the Honduran armed forces²⁴. The Central American civil wars came to an end, and by 1991, virtually all Honduran guerrillas had accepted amnesty. The subsequent downsizing of the Nicaraguan and Salvadoran armies made it hard to rationalize a large Honduran army. Any lingering concerns about a security threat from El Salvador largely disappeared when the World Court resolved remaining border disputes in 1992. In this post-Cold War context, U.S. policy-makers began to see the Honduran army not as an ally against communism, but as a corrupt and costly obstacle to democratization. American military aid plummeted, and the U.S. Embassy became strongly critical of the armed forces. Encouraged by the new U.S. Embassy stance, student groups, unions, human rights organizations, business associations, and the Catholic Church collaborated in publicly attacking the military's power and prerogatives. Investigative journalists fueled the growing anti-military movement with regular exposes of military corruption, human rights abuses,

and other criminal activity. The participation of private sector business groups such as the powerful Honduran Council of Private Enterprise (COHEP) in the anti-military coalition was especially important. Tired of the expense of financing the corrupt military and no longer fearful of regional revolution, Honduran business organizations joined in demanding that the armed forces be downsized and subordinated to civilian authority. This unusually broad anti-military coalition gradually persuaded traditional party politicians to challenge the armed forces on a range of issues. The decline of the military began during the administration of National Party leader Rafael Callejas (1990-1994) but greatly accelerated under his Liberal successor, Carlos Roberto Reina (1994-1998).

Rafael Callejas, a U.S.-trained agricultural economist from a prominent landowning family, won the presidency in 1989 with 51 percent of the vote as Hondurans penalized the Liberals for the deepening economic crisis of the late 1980s. Liberal Carlos Flores Facusse, a newspaper publisher from an important Arab-Honduran family of North Coast industrialists, finished a distant second with 43 percent. Callejas' inauguration was a milestone in the nation's democratic transition because it represented the first democratic transfer of power between competing political parties in more than a half-century. The rightist Callejas, however, was a loyal friend of the military and had no plans to weaken the armed forces. Actions by the United States and Honduran civil society forced his hand.

Beginning in 1990, the United States made sharp cuts in its military aid to Honduras which fell from \$41.1 million in 1989 to only \$ 2.7 million by 1993. In addition, after the military attempted to cover up a rape/murder allegedly committed by a Honduran colonel, U.S. ambassador Cresencio Arcos began a public campaign against military impunity. This U.S. policy reversal promoted the growth of a vocal anti-military movement that drew from almost all segments of Honduran civil society. Under increasing external and internal pressure, Callejas named Leo Valladares, a widely respected law professor, to the new post of human rights commissioner and appointed an Ad Hoc Commission for Institutional Reform headed by Archbishop Oscar Andres Rodriguez. The Ad Hoc Commission investigated the military's FUSEP police branch which had been implicated in many crimes and recommended that its notorious DNI be replaced by an independent investigative agency. Later, the human rights commissioner published a report detailing the military's responsibility for the disappearances of 184 persons during the 1980s²⁵. Faced with the opposition of a broad anti-military coalition which included former allies like the U.S. Embassy and the Honduran private sector, the military gradually began to give ground. Putting aside his earlier belligerence toward the military's critics, armed forces chief General Luis Discua Elvir adopted a more conciliatory tone and formally accepted the recommendations of the Ad Hoc Commission. The colonel accused in the rape/murder case as well as another senior officer implicated in narcotics trafficking were turned over to civilian authorities and later convicted.

The once unassailable Honduran military was put on the defensive while Callejas was president, but the National Party leader deserved scant praise for this development. The U.S.-led international credit boycott of Honduras also left him little choice but to impose the orthodox economic reforms Honduras so long had resisted. Callejas cut the nation's chronic fiscal deficit by shrinking the size of the overlarge bureaucracy and by increasing taxes and charges for public services. His structural adjustment program also liberalized trade, and drastically devalued the

nation's currency²⁶. These policies restored external financial support, reduced inflation, and, after a sharp recession, re-ignited economic growth. In addition, Callejas' pro-business reputation helped to attract new foreign investment in maquiladora assembly plants on the North Coast. Although, trade unionists and other popular sector groups saw their real incomes shrink and protested neoliberal policies, Callejas used his excellent public relations skills to persuade most Hondurans that his harsh economic reforms were necessary. Unfortunately, during his final year in office, the president subverted his own program by raising government capital spending by almost 50 percent and by distributing large wage increases to public employees²⁷. These ill-considered moves drove the fiscal deficit back up to an unmanageable 10 percent of GDP and rekindled inflation. Callejas' policy reversal sent the country back into economic crisis and forced the long suffering Honduran public to endure a much longer period of economic hardship. Many believe that increased capital spending made it possible for Callejas and other members of his cabinet to collect hefty kickbacks from contractors. This is only one of the many charges of official corruption that have been leveled against what many Hondurans regard as the most corrupt administration in their country's modern history.

The Liberals returned to power and Honduras completed its second consecutive democratic turnover of parties when Carlos Roberto Reina, a 67-year-old former diplomat, won the 1993 election by a margin of 53 percent to 43 percent over Oswaldo Ramos Soto. As a social democrat from the Liberal left and former president of the Inter-American Court of Human Rights, Reina was determined to reduce military power further. Following the recommendations of the Ad Hoc Commission, Reina quickly replaced the DNI with a new, American-trained Directorate of Criminal Investigation (DIC) under a new civilian Public Ministry. In addition, the president endorsed a constitutional reform that, by late 1997, removed the entire the national police force from military command for the first time since 1963. Carlos Flores Facusse, the Liberal president of Congress and leader of the largest Liberal congressional faction, also played a key role in creating the new National Civilian Police (PNC).

The separation of the police from the military was a major achievement, but Reina's most popular accomplishment was his passage of constitutional reforms in 1994 and 1995 that abolished press-gang recruitment by the armed forces. The new all-volunteer system caused a rapid decline in the size of the armed forces. Low military salaries and the inability to resort to forced recruitment shrank the armed forces to only about 12,000 men by early 1997 (of whom about 6,000 were police who would soon be under civilian leadership)²⁸. Despite protests from the high command, Reina also cut the military budget from \$50 million in 1993 to \$35 million by 1996. U.S. military aid, which fell to only \$425,000 in 1997, provided little cushion. Military units no longer had sufficient funds to carry out basic functions, and officers' salaries eroded so seriously that many younger officers resigned.

Reina also denied the armed forces major sources of illicit funding when he ended the military's longstanding control of the Honduran telecommunications system, the immigration department, and the merchant marine. The military, however, still operates the controversial Military Pension Institute (IPM) which owns enterprises whose total book-value rank it as the fifth largest financial group in the country²⁹. The IPM gives military officers undue economic influence, but the institute has been weakened by chronic liquidity problems allegedly caused by profit-skimming by some of the retired and active-duty officers who direct it. Remaining IPM

profits are distributed to its retired beneficiaries rather than to the armed forces budget.

Finally, in contrast to earlier Honduran presidents, Reina took advantage of the few military appointment privileges granted to him by the constitution. He chose a reformist military professional hated by corrupt armed forces chief Discua to be the head of his presidential guard and selected a highly respected U.S. Army War College graduate as his minister of defense after explicitly rejecting every candidate proposed by the high command.

President Reina greatly reduced the power and prerogatives of the armed forces, but he was unable to fully subordinate the military to civilian authority. During 1995, about two dozen current or former military personnel were called to testify in Honduran courts about 1980s human rights abuses, but nearly all refused to cooperate and fled prosecution. Many fugitive officers went into hiding on military bases, and the armed forces refused to turn them over to civilian authorities. The military argued that its personnel were shielded from prosecution by amnesties passed during the Callejas administration, but Honduran courts have made inconsistent rulings on this issue. In the interest of national reconciliation, Reina sometimes appeared to favor amnesty for the accused military personnel. He made no attempt to force the armed forces to give up fugitive officers, although the independent DIC continued efforts to apprehend those who ventured outside of military protection.

Insubordinate military intelligence officers also reportedly collaborated with right-wing Cuban exiles in 1995 and 1996 in a series of bombings that targeted President Reina, the Supreme Court, Congress, and human rights groups³⁰. In addition, there were death threats against judges assigned to human rights cases involving military personnel, and several possible witnesses died in suspicious circumstances.. Military coup threats would be unconvincing in Honduras today because of the anticipated reaction of the United States and civil society to a military takeover and the unreliability of current enlisted forces, however, these actions make clear that military officers still have the power to intimidate their enemies. Some officers also continued to defy civilian authority by participating in bank robberies, car theft rings, narcotics trafficking, and other ordinary criminal activity, although they now face an increasing risk of arrest and prosecution for such non-political crimes.

In addition to trimming military power, the Reina administration capably implemented the nation's structural economic reform program. After some early indecision and renewed pressure from international lenders, the Liberal government instituted austerity measures to rectify the economic crisis left by Callejas. The recession that followed, coupled with a severe, drought-induced energy shortage, cost Reina much of his popular support. Moreover, his attempts to control government personnel costs precipitated frequent strikes by unionized public school teachers and hospital workers. His need to raise fuel prices and public service charges repeatedly also brought protests from the public at large. Greater concessions were made to organized labor than the International Monetary Fund (IMF) recommended and no important state enterprises were privatized, but, otherwise, the Liberal government made a concerted effort to meet IMF guidelines. The fiscal deficit was quickly reduced and the economy resumed growth by 1995 although inflation did not subside until 1997. By the end of Reina's term, the Honduran economy was stronger than it had been in many years; foreign investment was on the increase, and real income was finally rising. Unusually high coffee export prices, falling oil import prices, and earnings from the booming maquiladora industries raised Honduras' foreign exchange reserves to

record levels making the country's heavy \$4 billion foreign debt a little easier to manage. After several years of criticism for its delay in beginning privatization and for its failure to control inflation, international financial institutions praised the Reina team's economic management as it left office and indicated that substantial debt relief would soon be forthcoming.

After an issue-less 1997 campaign, Liberal congressional leader Carlos Flores easily defeated former Tegucigalpa mayor Nora Gunera de Melgar, the candidate of a deeply factionalized National Party by 53 percent of the vote to 43 percent. Flores' victory represented the fourth Liberal triumph in the five presidential contests held since civilian government was restored. The Liberals also won a majority in Congress with 67 seats to the Nationals' 55 seats in the first election to permit split-ticket voting³¹. Three minor parties divided the remaining six seats. During his first year in office, President Flores sought to build on the demilitarization and economic reform policies of his predecessor. Most importantly, he won an agreement from armed forces chief General Mario Hung Pacheco to a constitutional reform that would bring the military under the direct control of the president via his defense minister. Both the post of armed forces chief and CONSUFFAA were scheduled to be abolished by the reform. Although there were reports of dissension within the officer corps over this impending loss of institutional autonomy, the reform was expected to be passed by early 1999³². In addition, as crime rates continued to rise, Flores backed the interim civilian junta directing the national police, now merged with the more professional DIC, in its efforts to purge corrupt senior officers and others guilty of criminal conduct. He also promised to double the size of the new PNC and introduced legislation to improve its pay and equipment.

Flores stayed in the good graces of international financial institutions by deepening the country's neoliberal structural economic reform program despite problems associated with a new drought and energy shortages caused by El Nino. He continued fiscal austerity and initiated the country's first serious privatization program. Although Flores often spoke of the need to alleviate the misery of the country's poor majority, the conservative president believed that the solution to poverty lay not in redistribution but in stimulating new private sector investment. His initial tax reform lowered taxes on businesses but increased the value-added tax paid by all.

The Limits of Democratization in Honduras

By late 1998, Honduras was on the verge of completing a transition to procedural democracy that had begun almost two decades earlier³³. A system of free and fair elections open to all adults finally had become institutionalized and an acceptable level of civil and political liberties had been attained. Honduras' pluralist civil society was well established. Although the armed forces still enjoyed considerable de jure and de facto institutional autonomy, their political influence had declined dramatically. The downsized, demoralized military no longer posed a credible coup threat. An anticipated constitutional reform was expected to bring the armed forces under the president's direct control for the first time since 1957. The end of military dominance and the acceptance of electoral rules by all competing civilian political elites were historic achievements. Nevertheless, as the century drew to a close, few Hondurans were rejoicing in their democratic good fortune. Instead, they were increasingly disillusioned with the poor quality of what passed for democratic governance in Honduras. They were also not entirely convinced that

democracy would endure, or even that it should endure.

Democratic consolidation will be difficult to achieve in Honduras. The ongoing spoils battle among Honduran politicians was still intense in 1998, and their new willingness to respect electoral rules stood to be seriously tested if the United States and its allies were ever to lose interest in maintaining electoral democracy anytime soon. Honduran politicians in the late 1990s believed that they would be severely penalized by the United States and the international community if they gained power by electoral fraud or force. Even the least democratically minded had learned to play the electoral game by its rules. Thus, it was difficult to know what proportion of the Honduran political class had really come to believe in these rules as the best way to permanently keep the struggle for chamba from raging out of control. The level of trust among competing political factions was still low. Although Honduran general elections were now free of serious fraud, several primary elections, which attracted almost no international attention, had been marred by charges of vote-tampering.

Military elites also obviously posed an obstacle to democratic consolidation. With some important exceptions, most senior army officers were unreconciled to their loss of power. They had no respect whatsoever for the civilian political class that they perceived to be even more self-interested and venal than themselves. The military grudgingly had accepted a series of major political defeats in the 1990s because, without its former external or internal allies, it had had little choice. Military officers could still intimidate their enemies and refuse to cooperate in human rights prosecutions, but they could no longer credibly threaten to overthrow the government. Some hoped that civil-military relations would improve as the current generation of senior military officers retired, but any future breakdown in electoral rule observance could be expected to open political space for the armed forces again. Many partisan politicians would seek military support or mediation under these circumstances. Other analysts worried that widespread, sustained popular sector unrest directed against the continued failure of elected governments to improve social conditions could also revive the military's sagging political fortunes. They reasoned that if the expanded PNC proved unable to manage such a situation, the army might again become an important ally of a fearful economic elite or, as was admittedly unimaginable in the late 1990s, of an angry popular sector.

Linz and Stepan³⁴ argue that democratic consolidation requires that the mass public as well as political elites accept the democratic process as legitimate and as the "only game in town." Unfortunately, just as Honduran political and military elites were learning to abide by democratic rules in the late 1990s, ordinary Hondurans seemed to have become increasingly ambivalent about democracy. In a 1996 survey of public opinion in Latin American countries, Hondurans voiced less enthusiasm for democracy than any other Latin Americans interviewed³⁵. Hondurans said that they preferred democracy over authoritarianism by a 42 percent to 14 percent margin but with fully 30 percent of the population saying that they did not care what sort of government they lived under. Although they continued to turn out to vote in respectable numbers (75 percent voted in 1997) and told interviewers that they would still be willing to defend the current democratic system if it were threatened, the politically cynical Hondurans also demonstrated the lowest level of belief in the efficacy of voting.

Hondurans were becoming disenchanted with their political system during the late 1990s because their "low-quality" democracy³⁶ bore little resemblance to the established democratic

regimes of Western Europe or the United States. Corruption may have declined during the Reina administration, but it was still widespread and few public officials were ever punished. Despite mounting evidence of misuse of his office for personal gain, ex-president Callejas enjoyed immunity from prosecution as a member of the new Congress. The criminal justice system, from the police to the courts, was itself corrupt and unable to defend the rule of law. The government's ability to manage the Honduran economy had improved in recent years, but inequalities had increased with the imposition of neoliberal economic reforms. Most Hondurans remained extremely poor; nearly half subsisted on less than one dollar a day³⁷. Honduran governments also had failed to deal effectively with rising crime which had become the number one issue of concern to the Honduran public. Moreover, the traditional patron-client political parties had remained focused on capturing the spoils of office rather than on developing coherent policy alternatives for dealing with these critical national problems. They poorly represented the lively pluralism of Honduran civil society. Under these circumstances, it was little wonder that many citizen groups increasingly resorted to direct action to pressure the government instead of working through politicians and parties. During the 1990s, urban slum dwellers, indigenous groups, peasant organizations, and trade unions repeatedly marched on the capital or blocked key road junctions to demand government assistance.

For Honduran democracy to improve in quality and consolidate, it was clear in 1998 that Honduran political elites would have to dramatically change their traditional values and behavior. Elected officials would have to concentrate more on policy-making than on *chamba*. They would also have to be ready to be held accountable for their actions by an independent and much strengthened judiciary. Such fundamental changes in elite political culture do not come easily. Moreover, political leaders would have to find ways to convince most Hondurans that their elected government could really improve the lives of ordinary people. The Reina government had abolished the hated military press gangs and created the DIC and PNC which promised to reduce crime, but it had done little to ensure that the country's poor majority would one day begin to share in the benefits of economic growth. Expanded programs to alleviate extreme poverty and to improve public education were desperately needed in the late 1990s, but the Liberal government of Carlos Flores was operating under tight financial constraints and believed that business stimulation must come first.

The Honduran political system was deeply flawed in 1998, and the chances that it would reform itself in the ways needed were less than even. Nevertheless, it seemed likely that Honduras' low-quality, unconsolidated democracy would survive for many years. There was no viable authoritarian alternatives for disillusioned Hondurans to embrace, and United States policy toward Honduras was strongly pro-democratic. However, these advantageous conditions were unlikely to last forever. Unless Honduran political elites took advantage of the favorable current situation to improve democratic governance and to raise the living standards of the poor majority, the mass public's belief in democracy's legitimacy was certain to erode further. Such a shallow base of support for democracy would make Honduras highly vulnerable to a future democratic breakdown.

Notes

*The author wishes to thank Don Schulz for his comments on an earlier draft of this paper.

1. I define democracy in procedural terms following guidelines offered in Larry Diamond, Juan J. Linz, and Seymour Martin Lipset, eds, Politics in Developing Countries: Comparing Experiences with Democracy (Boulder, CO: Lynne Rienner Publishers, 1995), 6-9. According to Diamond et al., the transition from authoritarian rule is complete when the system of government satisfies three requirements: free and fair competitive elections for all effective positions of government power (i.e., the unelected military must not control policy-making from behind the scenes), a highly inclusive level of political participation in the selection of leaders and policies with no major social group excluded, and a level of civil and political liberties sufficient to ensure that citizens can advocate their views and contest offices and policies vigorously. I assume that a democracy has become consolidated when both elites and the mass public accept the democratic system as legitimate and as the “only game in town”. This definition is drawn from Juan J. Linz and Alfred Stepan, Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe (Baltimore: Johns Hopkins University Press, 1996), 5-6.

2. The World Bank, World Development Report 1997 (New York: Oxford University Press, 1997), 214. At purchasing power parity, the Honduran GNP would be about \$1,900.

3. Dario A. Euraque, Reinterpreting the Banana Republic: Region and State in Honduras, 1870-1972 (Chapel Hill: University of North Carolina Press, 1996), 5-13.

4. Victor Bulmer-Thomas, The Political Economy of Central America since 1920 (New York: Cambridge University Press, 1987), 17-18.

5. Euraque, Reinterpreting the Banana Republic, 52-59.

6. Ibid., 96-97.

7. William H. Durham, Scarcity and Survival in Central America: Ecological Origins of the Soccer War (Stanford: Stanford University Press, 1979), 117-123.

8. Euraque, Reinterpreting the Banana Republic, 137-140.

9. J. Mark Ruhl, “Agrarian Structure and Political Stability in Honduras,” Journal of Interamerican Studies and World Affairs 26, no. 1 (February 1984), 55.

10. Rachel Sieder, “Honduras: The Politics of Exception and Military Reformism, 1972-1978,” Journal of Latin American Studies 27, no. 1 (February 1995), 120-121.

11. John A. Booth, “Socioeconomic and Political Roots of National Revolts in Central America,” Latin American Research Review 26, no.1 (1991): 47.

12. Bulmer-Thomas, The Political Economy of Central America, 215, 219.

13. Electoral data for the 1980-1989 period are taken from the Honduras chapter in Ronald H. McDonald and J. Mark Ruhl, Party Politics and Elections in Latin America (Boulder, CO: Westview Press, 1989), 111-122.

14. Donald E. Schulz and Deborah S. Schulz, The United States, Honduras, and the Crisis in Central America (Boulder, CO: Westview Press, 1994), 71-72.

15. U.S. military aid figures cited in this chapter are from J. Mark Ruhl, “Redefining Civil-Military Relations in Honduras,” Journal of Interamerican Studies and World Affairs 38, no. 1 (Spring 1996): 39, 44; and Adam Isacson, Altered States: Security and Demilitarization in Central

America (Washington: Center for International Policy and Arias Foundation for Peace and Human Progress, 1997), 173.

16. Schulz and Schulz, The United States, Honduras and the Crisis, 65.
17. Victor Meza, "The Military: Willing to Deal," NACLA Report on the Americas 22, no.1 (January/February 1988): 16.
18. Schulz and Schulz, The United States, Honduras, and the Crisis, 99-102.
19. Mark B. Rosenberg, "Can Democracy Survive the Democrats?: From Transition to Consolidation in Honduras," in Elections and Democracy in Central America, eds. John A. Booth and Mitchell A. Seligson (Chapel Hill: University of North Carolina Press, 1989), 41-56.
20. On the Azcona administration, see J. Mark Ruhl, "Honduras," in Latin America and Caribbean Contemporary Record, Volume 8 (1988-89), eds. James M. Malloy and Eduardo A. Gamarra (New York: Holmes and Meier, 1996), B271-B284.
21. Schulz and Schulz, The United States, Honduras, and the Crisis, 169-170, 271-272.
22. Mark B. Rosenberg, "Narcos and Politicos: The Politics of Drug Trafficking in Honduras," Journal of Interamerican Studies and World Affairs 30, nos. 2 and 3 (Summer/Fall 1988): 152-153.
23. Guillermo O'Donnell and Philippe C. Schmitter, Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies (Baltimore: Johns Hopkins University Press, 1986), 9
24. The analysis of Honduran politics in the 1990s draws heavily from J. Mark Ruhl, "Redefining Civil-Military Relations," 41-53; and J. Mark Ruhl, "Doubting Democracy in Honduras," Current History 96, no. 607 (February 1997): 82-86.
25. Center for Justice and International Law and Human Rights Watch/Americas, The Facts Speak for Themselves: Preliminary Report on Disappearances of the National Commissioner for the Protection of Human Rights in Honduras (New York: Human Rights Watch, 1994).
26. The discussion of Honduran economic performance draws on Ruhl, "Doubting Democracy," 84-85.
27. Economic statistics are from the Economic Commission for Latin America and the Caribbean (CEPAL), Estudio economico de America Latina y el Caribe, 1993: Honduras (Santiago, Chile, United Nations, 1995) and subsequent United Nations studies.
28. Military size and budgetary data are from Isacson, Altered States, 62-63, 173.
29. *Ibid.*, 65.
30. Miami Herald, September 28, 1997.
31. Honduras This Week, January 3, 1998.
32. La Prensa, July 2, 1998.
33. Freedom House raised Honduras to its "free" (democratic) category in 1997.. See Adrian Karatnycky, ed., Freedom in the World :The Annual Survey of Political Rights & Civil Liberties, 1997-1998 (New Brunswick: NJ: Transaction Publishers, 1998), 271.
34. Linz and Stepan, Problems of Democratic Transition, 5-6.
35. Marta Lagos, "Latin America's Smiling Mask," Journal of Democracy 8, no. 3 (July 1997): 13-133.
36. Variations in the quality of democracies are discussed in Linz and Stepan, Problems of

Democratic Transition, 6.

37. The World Bank, World Development Report, 214.