

**Statement of Cynthia J. Arnson
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before the
House Committee on Foreign Affairs
Subcommittee on the Western Hemisphere**

**The Crisis in Honduras
July 10, 2009**

Mr. Chairman and Members of the Subcommittee:

I am pleased to provide this statement concerning the current political crisis in Honduras, the international response thus far, and the appropriate U.S. policy response. I welcome the Subcommittee's focus on Central America, a continuation of the historic role it played during the Central American wars of the 1980s in El Salvador, Nicaragua, and Guatemala, and their subsequent resolution in the 1990s. Honduras was a sideshow during those earlier decades, understood primarily as a staging ground for the Contra war against Nicaragua, rather than in terms of its own politics, economics, or the aspirations of its people.

Quite apart from the immediate crisis in Honduras, the Central American region as a whole faces numerous and daunting challenges. Countries of the region have made significant advances in political democratization, including respect for human rights and fundamental liberties, since the end of insurgency/counterinsurgency wars. But current trends threaten to undermine that progress. The global economic recession has reduced demand for the region's exports. The close ties to the U.S. economy as a result of the Central American Free Trade Agreement have brought many benefits, but have also heightened the region's vulnerability to recession in the United States. Remittances, a key source of foreign exchange and an economic lifeline for hundreds of thousands of poor families, have also declined sharply. The global increase in food and energy prices in 2007-08 took an especially heavy toll on the poor. In El Salvador, Guatemala, and Honduras in particular, transnational gangs threaten citizen security, and government measures to address gang violence have not served to enhance the rule of law. Transnational organized crime linked to drug trafficking is a growing threat, and the Central American dimension of Mexico's exploding drug violence has received insufficient attention in the United States and elsewhere. Organized crime has a vast capacity to penetrate and corrupt democratic institutions that have had little time to consolidate in the aftermath of civil war.

Against this complex and disheartening regional backdrop, the crisis of governance reflected in the coup against elected President Manuel Zelaya and his replacement by a de facto government headed by Robert Micheletti has both proximate and deeper antecedents. The proximate cause was Zelaya's insistence on a national referendum that the Honduran Congress as well as Supreme Court considered unconstitutional. The end game of that referendum would have been to permit changing the constitution to allow

Zelaya to run for a second term, and, apparently, to eventually convene a Constituent Assembly to draft a new constitution. Should these changes have taken place, Honduras would, indeed, have embarked on a path similar to that in Venezuela, Bolivia, Ecuador, and, to a lesser extent in Nicaragua, where elected presidents have spearheaded processes of constitutional reform that erode checks and balances, strengthen the power of the executive branch, and create alternative participatory mechanisms for the exercise of so-called “popular” democracy.

Quite apart from the immediate sequence of events that triggered the Honduran crisis, its deeper roots can be found precisely in the weaknesses and limitations that make the populist temptation in Latin America not only attractive but feasible: the weakness of Honduran democratic institutions, including its political party and judicial systems, the inadequacy of mechanisms of representation, and the failure of Honduras’ economic growth and greater insertion into the international economy to overcome the country’s endemic poverty and inequality. In Honduras as well as in other Latin American countries, weak institutions combined with various forms of political, economic, and social exclusion have provided the backdrop for the rise of new forms of populist leadership and governance. The growing friendship between President Zelaya and Venezuelan President Hugo Chávez—cemented by if not based on generous oil subsidies—and the Zelaya government’s decision to join the Chávez-sponsored Bolivarian Alternative for the Americas (ALBA) were certainly factors contributing to greater polarization in Honduras. As political elites expressed fears about the country’s direction, Zelaya himself reached out to popular sectors to consolidate his support base. The coup and the military’s role in throwing Zelaya out of the country reflect the Honduran political system’s inherent weakness and the absence of mechanisms and a legal framework to resolve political conflict through political means. Overcoming this basic crisis of governance must be an essential feature of any long-term, enduring solution to the current and highly unstable impasse.

International organizations—led by the Organization of American States—as well as numerous governments, including the United States, have rightly condemned the military’s removal of an elected president from office and called for Zelaya’s reinstatement. Latin American nations which have been timid in condemning democratic reversals short out outright coups have been unanimous in invoking the Inter-American Democratic Charter and other basic documents of the inter-American system as the basis for demanding Zelaya’s return to power. Despite intense diplomatic efforts, the Organization of American States, under the leadership of Secretary-General José Miguel Insulza, has not been able thus far to broker a political compromise that would permit Zelaya’s return to office. The acceptance of President Óscar Arias of Costa Rica as a mediator in the crisis is extremely positive, even though the first efforts to get the two sides together have been frustrated. President Arias has broad credibility in the region as well as world-recognized experience in brokering peace. It is notable that the Central American peace plan he devised in the 1980s linked the end of civil war to internal democratic reforms as an essential ingredient of peace.

The Obama administration has thus far handled the crisis in admirable fashion. U.S. officials have honored the commitment made to Latin American governments at the Fifth Summit of the Americas last April, to work collaboratively with regional leaders in the search for multilateral solutions to regional problems. President Obama joined other Latin American countries in condemning Zelaya's ouster (stopping short of calling it a coup) and has suspended U.S. military aid to the Honduran armed forces. The support for the efforts of the OAS, and now for President Arias, reflect an understanding of the value of partnership over unilateralism. I also believe that the Obama administration has been appropriately restrained and prudent with respect to the elimination of U.S. economic aid in response to the coup. The example of Haiti should stand as a sober reminder that harsh economic sanctions against a desperately poor country can be counter-productive and have disastrous effects over the medium- and long-term.

Harder questions for U.S. policy will inevitably arise should violence in Honduras increase and the mediation undertaken by President Arias reach an impasse or break down altogether. The United States, in partnership with countries throughout Latin America, should urge restraint and compromise on the part of all parties to the conflict and avoid taking actions that inflame passions on either side. Just as it is difficult to envision a solution that does not entail President Zelaya's return to power, it is hard to imagine his return in circumstances that will simply revert to the status quo ante. Should a compromise be reached—and especially if the date for Honduran elections now scheduled for late November of this year be advanced—the United States and other members of the international community should provide all necessary resources before, during, and after the elections to guarantee that they take place in an atmosphere free of threat to the peaceful exercise of democratic rights. Long-term accompaniment, similar to the UN and OAS missions that accompanied peace processes in El Salvador, Guatemala, and Nicaragua, should not be ruled out.

Ultimately, the Honduran crisis should serve as a wake-up call—to the extent that it is still needed—that despite huge advances in electoral democracy throughout Latin America over the last two decades, the quality of democracy and the scope of social inclusion remain deeply flawed and at times, fundamentally compromised. Supporting the capacity of democratic institutions and fostering strategies for inclusionary growth remain the central challenges, even more urgent in a time of economic hardship and reversal.