

SOCIAL AND INSTITUTIONAL PROFILE

(SIP)

HONDURAS

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CHAPTER I. BY WAY OF INTRODUCTION

1. Background¹

Since 1976 the USAID Mission in Honduras has been gathering data and conducting social analyses for sector assessments, project documents, and CDSS preparations. For example, the 1978 Agricultural Sector Assessment was based in part on a survey of 2000 small farmers and in-depth ethnographic case studies of two Central Honduran farming communities. A recently-completed Urban Assessment sponsored extensive analysis of the causes and distinguishing features of urban poverty, and subsequent project-related research and individual social analyses have examined the characteristics of a variety of target groups and expanded the missions's data base for project design and implementation.

Thus the corpus of data that has been accumulated by the Honduras USAID is substantial, but it is in large measure quantitative and specific to discrete sectors and activities. The Mission has concluded that it is necessary to step back from those accumulated facts and examine their meaning in a fuller context of accelerating sociopolitical and socioeconomic change.

2. The Purpose of the Socio-Institutional Profile (SIP)

The purpose set forth for the Socio-Institutional Profile (SIP) was to provide an understanding of the human environment in a time of stress and change. To use the language in the original Scope of Work:

"Honduras is experiencing a growing intensity and number of pressures from internal and external sources. The SIP is intended to provide a clearer understanding of those pressures, how they are felt at different levels in different sectors of Honduran society, and what might be said predictively about their longer-term implications. Such understanding is expected to enhance the probability that AID's activities will be coherent, appropriate, and adaptive in a time of flux, and be based on more than purely economic justification...."

Both stress and response to stress can be either positive or negative for the human or social organism. Thus a study of this sort also requires some comprehension of what structures and forces provide the flexibility, resilience, or sheer strength that permit the organism in question to cope with the stress presented. The SIP, then, would describe the social,

(1) The Background and Purpose sections of this chapter are based directly on: P. Harrison and J. Kelley, DRAFT SCOPE OF WORK, SIP, Washington, D.C., AID, 28 April 1982; USAID/Tegucigalpa, Telegram 3027, April 1982; and SecState/WashDC, Telegram 126128, May 1982.

cultural, and political factors that contribute to the cohesiveness of Honduran society, identify actual and potential sources of strain in the social system and, in general, examine a broad range of conflictive and cohesive dynamics.

The pragmatic objective of the SIP exercise was to contribute to the determination of priority substantive² areas for the AID program in Honduras for the next four to five years. The central research question was to be: how are contemporary macro-social and macro-economic dynamics affecting Honduran social structure and political culture, and what does this mean for the AID program?

3. Methodology

The SIP is an experiment. As such, the methodologies used are of more interest than usual. The Honduras SIP was even more experimental because it incorporated the concept of the on-going dialogue and was more concerned with analysis than with data. The Honduras SIP was meant to have value both as a product and as process. The product was to be the final report outlined below. The process was to be "part of a continuing, open, and flexible dialogue among a variety of direct and indirect participants, and the social science role (was) viewed as an important catalyst in this process."

The SIP research team consisted of: 1) a North American development anthropologist with ample background in the Central American region; 2) a Honduran social psychologist employed by AID, whose area of specialization was the agrarian sector but whose area of understanding was far broader, detailed full-time to the SIP exercise; and 3) a Honduran sociologist who had recently completed a major urban research project, contracted to the SIP on a half-time basis.

The main research methodology for the SIP was straightforward. About half the research emphasis was on continuous immersion in the published and unpublished literature about Honduras, including internal AID documents, unpublished research, doctoral dissertations, Honduran sociopolitical and economic analyses and history, and systematic reading of newspapers and journals. The literature largely provided the historical and quantitative data needed and the emphasis on the literature was congenial with an underlying assumption (Morton, 1981) that Social-Institutional Profiles would be based principally on secondary data; the only new data to be gathered would be through low-cost, rapid reconnaissance data-gathering techniques.

(2) The original Scope of Work (reftel State 126128) indicated that geographical priorities would be signalled as well. However, the forthcoming final reports and conclusions of the Urban-Regional Assessment are designed to respond precisely and thoroughly to the goal of geographical determinations; the SIP deals, then, with geographical considerations only in the broadest of terms.

Accordingly, the second major research emphasis was on a two-step series of interviews. The first group of interviews was largely exploratory, oriented toward the identification of research questions, working hypotheses, and alternative theories about current events and conditions and their causes. These interviews consisted of a number of long, often shapeless and certainly open-ended conversations with AID and Embassy personnel, local social scientists and, very importantly, among the members of the team. The value of such ongoing interchange is usually left unmentioned in research reports but, in fact, is more often than not a key dynamic. This is especially the case in an effort such as this, where cross-cultural comprehension is a sine qua non.

The second round of interviews lay methodologically somewhere between the sociological "expert survey" and the key informant approach that has been the methodological mainstay of anthropologists. Sociologists assume that some people just know or understand more than others and thus become experts. The anthropological assumption is that informants are specialists in their own cultures who, in effect, "teach" anthropologists and consequently become collaborators in the production of cultural descriptions or ethnographies (Spradley, 1979). Some informants are more expert than others and may be regarded not only as sources of cultural information but as guides to appropriate research directions (Iwao and Child, 1966).

In the case of the SIP, the first round of conversations and readings produced a universe of potential 'experts', from which a final selection was made of Hondurans known to be particularly thoughtful analysts of their own culture and society, or particularly knowledgeable in areas we anticipated would be crucial, such as agrarian reform or bureaucratic culture. The objective of the entire interview process was to be able to look through the eyes of Hondurans at their own society and to use these perspectives and secondary data as, in effect, tests of each other. The entire procedure involved working back and forth among preliminary theories, our own hypotheses and those of others, and various types of written material in search of "answers" and still other hypotheses.

This selection should in no way be construed as a sample since it was utterly non-random, but it did represent an earnest attempt to reflect the perspectives of the major institutions and interest groups in the Honduran polity, to present as broad a spectrum as possible of political thought, and to represent, through the views of leaders, the thoughts of important memberships and followings. Interviews were topical and open-ended, structured by a set of guide questions.³ A total of 44 interviews were held; modal interview time was two hours, but the majority of interviews ran longer.

Some cautionary observations seem wise here. Methodologies of this ilk can occasion high anxiety in those who are quantitatively oriented. Other anxieties can be awakened in those who not only want large numbers of respondents but want them from the less-advantaged members of society, not from opinion leaders. Both sorts of concern are certainly defensible, but there are some hopefully soothing observations that can be made.

(3) A list of those interviewed is provided in Appendix A. A sample interview guide is provided in Appendix B.

First, for better or worse, this has been the way in which most AID evaluations and assessments have been carried out, so that the style should be neither unknown nor unacceptable.

Second, it is widely accepted that each social research methodology has strengths and weaknesses, and that validity is most closely approximated when several approaches are "triangulated," as they are in this study. Purely quantitative analysis, be it macroeconomic or microstatistical, has been cited as limited in its capacity to capture such subtleties as the texture of attitudes, the elusiveness of current change, and the power of ambivalence; perhaps for that reason, one hears increasingly about the psychological dimensions of apparently macroeconomic events. Furthermore, it became obvious to us, as interviews went on well past the stated hour of termination, that a number of interviewees actively wanted to talk, to theorize, and to transmit; we doubt that this would have occurred in a formal, more mechanistic, survey interview. Although we could not have anticipated this, the open interview also seemed peculiarly suited to a historical juncture when the Honduran need to communicate with North Americans is palpable.

Third, for those concerned with the possibility of elite bias in such an interviewee universe, one might answer that, for anthropology, it is about time. Anthropologists have, more often than not, concerned themselves with groups and strata who are, for a variety of reasons and in a variety of ways, margined from the larger power centers. One can argue that it is what goes on in those nodes of power that keep those groups and strata margined and it is necessary and appropriate for anthropologists to apply their research skills at leadership levels.

A final word about methodology. A concept not fully elaborated in the Scope of Work was that the SIP would entail a regularized series of contacts with the Mission working group, which turned out to be composed of the Deputy Director and Office Directors or their delegates. At the outset of the exercise, these encounters were to concern themselves with elaboration of working hypotheses; subsequently, the sessions would address sets of team findings and tentative hypotheses. It was the Mission's desire to see the main topics of inquiry evolve from the SIP exercise itself and not from its own preconceptions.

This only partially occurred and it is only fair to report this for any future SIP ventures. There were several reasons for this partialness that will be more or less endemic to most AID field missions. It is difficult for heavily-burdened field mission management to find time to sit around and muse for any longish period during office hours; for security reasons, after-hours meetings were not feasible. Furthermore, the musing mode is not a natural one for many AID pragmatists and some participants indicated that they would have felt more comfortable with some paper to react to. Unfortunately, the need for an unexpected series of clearances before the bulk of the interviewing could begin, condensed the time available and made the production of interim documents increasingly difficult as time in country drew to a close.

Finally, the simultaneous direction of a process and the production of a product (about which expectations were widely various and diffuse) may only be possible in a two-month time frame with the addition of at least a short period of up-front preparation. In the case of the Honduras SIP, the process was revitalized through sincere Mission interest. Draft portions of the document were used as the engine of a weekend seminar in November, 1982 to initiate the elaboration of the Country Development Strategy Statement (CDSS).

4. Organization of the Report

The Scope of Work required a "sociopolitical profile of Honduras which identifies and analyzes the institutional, sociocultural, and politicoeconomic forces bearing on contemporary national structure." There are obviously a number of ways such as a large pie can be filled and sliced. The original concept of a sectoral approach was rejected as too close to the standard mission document structure. Another possibility, a geographical division, or at least an urban-rural division, was seen as duplicative of the Urban-Regional Assessment. A tentative decision to examine horizontal and vertical societal subdivisions and issues as separate subjects seemed redundant. The organization finally chosen blends elements of the outline suggested in the SIP Discussion Paper (Morton, 1981), the idea of institutional and interest groups presented by Morris (1974), and the Contents outline given in the Draft Scope of Work.

Chapter II sets forth the guiding questions, theories, or hypotheses that were developed in the first stage of the SIP and which oriented the research. Since the exercise was conceived of as a "rolling" activity (Morton, 1981) and as a stimulus to thought rather than the last word, other hypotheses and questions were expected to emerge. While theory and hypothesis are both often used colloquially to mean an untested idea or opinion, a theory properly is a more or less verified or established explanation accounting for known facts or phenomena; a hypothesis is a conjecture put forth as a possible explanation of certain phenomena or relations, which serves as a basis of argument or experimentation by which to reach the truth. Guiding questions are simply queries that organize investigation and analysis and imply no necessary relationships.

A theme throughout the document is the concept of alternative hypotheses or theories about events, conditions, or causes. The appearance of such alternatives is, therefore, part of the action and does not imply endorsement. They are noted as valid in themselves because they command support in certain quarters and are therefore real and motivating whether or not authors or readers agree with them. Only in the Conclusions section are the most plausible explanations selected for consideration as development strategy issues.

Chapter III combines history and what Kelley (1982) has called "political ethnography," to provide a background for examining the validity of the hypotheses which evolved out of this study. The chapter was not planned as such until the SIP literature and field experience were over and data analysis

began. At that point it became apparent that there were themes and puzzles in the contemporary condition that were unintelligible and perhaps even unsolvable without a look at the country's political, cultural, and economic evolution. This sort of analysis is not customary for AID and may be seen as irrelevant to development interests, unduly long, and just plain irritating. However, the conviction of the SIP team is that it is far from irrelevant, together with the surprising amount of interest expressed by members of the USAID mission in Honduras in such evolutionary issues, has persuaded us to produce the chapter as it stands.

Chapter III is divided into four main sections. The first is a rather detailed exploration of the values and patterns of belief and behavior that the colonial experience bequeathed to the province of Honduras. The second is a briefer identification of the additional forces and effects generated by Independence and the post-Independence period, followed by a summary of the major trends in the period since 1876 and the presidency of Marco Aurelio Soto, generally considered the beginning of Honduras' modern era. The third and final section is a discussion of the contemporary Honduran state and its public sector, and their relations with other major institutions and interest groups that currently constitute sources either of pressure, weakness, and erosion, or of flexibility, resistance, and strength. Since all these subjects are large enough for a number of books, the emphasis throughout this chapter is on aspects of the past that are relevant to aspects of socioeconomic development today.

Chapter IV expands on interest-group evolution and current forces in the agrarian sector, considered separately because forces and events in that sector dominate in so many ways the fortunes of this most agricultural country.

Chapter V examines the related trends of migration and urbanization, which are in great measure emergents from trends in the agrarian sector and which we hypothesized as potential, if not actual, sources of pressure that cross-cut the institutional differentiation among pressure groups.

Chapter VI summarizes the major themes, patterns, and issues that emerged from the SIP exercise, comments on their relevance to the theories or hypotheses that were an ongoing product of that exercise, and conjectures about what these say about the key points of contemporary stress and vulnerability in Honduras and the counterweights to those, and about their implications for the AID program in that country.

The emphasis in this report is less on forms and description than on dynamics, more on strategies and attitudes than on numbers and structures. Economic and environmental issues are incorporated but not enlarged upon; a Country Environmental Profile was completed in the summer of 1982 and the AID mission and the International Monetary Fund (IMF) have carried out exhaustive economic analysis, well beyond the competence or province of this document. From a stylistic standpoint, we would like to observe that chapters had different principal writers with different disciplinary backgrounds and were not

always written first in English. This gives a sense of unevenness to the document which could have been edited or rewritten out but a decision was made not to do this. The SIP exercise was meant to be a bicultural and multidisciplinary effort (although within the social sciences). There was nothing to be gained but a cosmetic homogeneity and something to be lost in terms of the integrity and unorthodoxy that the Honduran mission expected from the Social and Institutional Profile.

Finally, we are aware of the political delicacy of the national, regional, and international situations in which Honduras now finds itself. That delicacy has not made it easier for us to do this analysis, at the same time that it may make such analysis more useful. We have tried to be objective without being bland and frank without being offensive, guided by real affection and respect for the subject of this document, the country of Honduras.

CHAPTER II. PRELIMINARY THEORIES, HYPOTHESES, AND GUIDING QUESTIONS

All countries have theories about themselves which are more (or less) accurate, more (or less) shared by outside observers, and more (or less) important in shaping national behavior. These may be termed myths or national self-images or political symbol sets. Or they may be viewed as cultural traits or as distinguishing features of something called "national character." Whatever they are called, they are understood to transcend somehow, at least some of the time, the undeniable heterogeneity of class, ethnicity, group interests, and local geography. And whatever these theories are called, they are strangely durable and rarely trivial.

For Honduras, the primary theory has been that it is different, a sort of special place which, for a variety of reasons, has remained relatively stable and peaceful in the heart of its neighbors' turmoil. Not only stable and peaceful, but democratic: Honduras, it has been said, has a "vocation for democracy," a disposition toward compromise and working things out, for allowing social forces to have their play, for letting people have their voice.

Another theory departs from the perception that Honduran society is comparatively equitable. While few deny Honduras' economic poverty, no one group of Hondurans is perceived as blatantly and very, very rich; there is no easily identifiable and utterly oppressive elite; and the country lacks the extremes of well- and ill-being and the severe, hate-ridden schisms of class that are traditional in much of the Isthmus. By extension, the government has tended to be seen as "just there," and not as the repressive tool of a power elite; the other standard tools of repression, such as a throttled press, arbitrary arrest, and torture, are seen to have been generally absent.

Yet another commonly-heard theory, not unrelated to the concept of peaceableness, is that Hondurans are by nature passive; the local term is "dejado" or, in current parlance, "laid back." The argument goes that Hondurans have been almost singularly lacking in regional irascibility and essentially reactive in their external postures. This supposed passivity is said to be a trait of national character which is also expressed in an apparent conformity with the status quo; relative lack of sociopolitical agitation, despite acute and widespread poverty; satisfaction with modest and non-violent solutions to social problems; limited expectations of the government and corresponding reluctance to blame it when things go wrong; and a tepid overall interest in real social change.

A corollary of the assumed disposition for compromise and an apparent non-violent ideology is that, in all of Central America, only Costa Rica and Honduras have ever evolved or enjoyed anything like a "social compact." This is not unrelated to, yet not the same as, Rousseau's "social contract." The social contract is the agreement of individuals to subordinate their judgement, rights, and powers to the needs and judgement of the community as a whole, in return for the protection of communal laws and the deposit of the sovereign power of the state in the "general will" of the polity. A social compact is more pragmatic and represents an agreement among different interest

groups which substantially circumscribes a way of going about resolving conflicting pressures generated by these groups, and reflects consensus about how the system is to work so that it will not be consumed by dissent. A social compact comprises the rules of the political game and is predicated on at least implicitly shared assumptions about what the society is about and what its objectives are.

In sum, the theories advanced stated that, at least relative to all the other Central American countries except for Costa Rica, Honduras is: different; more equitable; more peaceful and more peacefully disposed; more practiced in compromise as opposed to conflict; lacking bitter hatred of race or class; passive, conformist, and/or displaying only limited expectations; and, most importantly, as functioning in at least some rough accord with some sort of social compact.

At a time of anxiety and apprehension, when Hondurans see themselves in economic, social, and perhaps political jeopardy and are unsure of its meaning, it is important to examine such theories well, and ask:

- Do these theories or hypotheses enjoy any real support and is there any change in that support?
- Is there truly a social compact, what is it, and what is the historical evidence for it?
- What is its meaning to different segments of the population?
- What are the pressures for change within that set of understandings?
- What is the strength and resilience of that compact, assuming its authenticity?
- What capacity and prospects does the society have for adapting to the stresses it now confronts?

And, beyond all this, is there any shared vision about how Honduras should grow or change or, for lack of a less culture-bound word, develop? In other words, what do Hondurans want for Honduras?

The exploration of such theories is a particularly difficult task in a society under stress, when people's sense of events and cause is elusive and erratic, and in a country where a major cultural pattern seems to be ambivalence, certainly with regard to the United States and with regard to its own identity and self-image. Nonetheless, they are theories seldom explored in any organized way and they are, even in their broadest outlines, most germane to the conduct of development assistance. They add up, in effect, to something like a national will and purpose which must underlie the capacity to collaborate in the achievement of growth and equity.

CHAPTER III. A POLITICAL ETHNOGRAPHY

1. The Colonial Heritage

There seem to be two schools of analytical behavior with regard to the colonial experience and its relationship to contemporary Latin American conditions: either that experience is ignored or referred to perfunctorily as a sort of museum piece in the surge of modern economic and agropolitical dynamics; or, it is called upon as a "super-explanation" of almost everything. This ethnography proceeds according to three convictions. One is that, despite the attacks to which the concept has been subjected and the temptations it offers for dangerous stereotyping, there is such a thing as "national character" and there are "uniformities of group behavior and outlook between societies and also within them" (Macrae, 1961). One of the most thoughtful and far from conservative Honduran analysts with whom we spoke commented: "Underdevelopment is not in the environment but in the man" ("El subdesarrollo no está en el medio pero en el hombre").

The second is that Hispanic America cannot be analyzed without reference to its Spanish antecedents, whatever the current popularity of primarily economic interpretations. As Octavio Paz observed, "New Spain did not seek or invent; it applied and adapted. All its creations, including itself, were reflections of Spain."

And the third is that it is neither historically nor culturally deterministic to seek in the events and perceptions of the past, understanding of the present. Such an analysis does not deny external economic and geopolitical stresses, nor will this study ignore them. It is just that there has been a lot of economic and political analysis but little analysis which has jointly examined historical, cultural, and institutional dynamics and their relationship to socioeconomic development. This is partly because such approaches are now unfashionable, partly because history and culture and institutions are so unwieldy and so resistant to change, and partly because the systematic analysis of the colonial documentary record (particularly in Central America) is still in its infancy. Yet every nation is, nonetheless, an emergent of itself. In that respect Honduras is no different from, for instance, the contemporary Dominican Republic, about which a prominent Dominican social scientist recently had this to say:

"With your permission, I'd like to take this opportunity to reflect on some of the causes of our incapacity to overcome our development problems. For twenty years we Dominicans, together with representatives of various international development agencies, have produced hundreds of global and sectoral studies and have held hundreds of courses, seminars, round tables, conferences, and meetings in which we've become acquainted with and discussed excellent diagnoses of agriculture, commerce, industry, construction, health, public finance, education, and the balance of payments. The content of those studies has been of undeniably high quality and has been useful in designing projects and development programs which have contributed to the resolution of some problems, but which apparently have not been enough to set the country on a dynamic path of self-sustaining growth coupled with an equitable distribution of income.

"In fact, despite all these efforts, the country's economic situation is more precarious today than it has ever been; if there is any

consensus now about the economic condition of the Dominican Republic, it is that the new government which came to power last August 16th confronts a state on the edge of bankruptcy, with financial problems so serious that they demand not only swift but courageous solutions.

"Many of the possible solutions have been proposed for years in the same studies and diagnoses I mentioned, and they have been part of a number of economic policy plans presented by a number of previous governments. However, even though we are aware of these essentially technical responses, we still ask ourselves if they really and adequately address the totality of the Dominican problem.

"Many of us continue to ask ourselves: why, if we know what our most important problems are and at least theoretically know their solutions, do our state enterprises go from bad to worse, why is the State Sugar Corporation almost broke, why do our fiscal resources decrease proportionately every year, why do businesses fail to prosper and why is industry operating under its capacity, why are there complaints from the commercial sector, and why is the private sector taking its money out of the country? Why has foreign investment in the Dominican Republic dropped off? Why is there so much tension between the private sector and the government?

"I think I have an explanation and I'd like you to listen to it. It seems to me that a great part of our problems derived from a fundamental nucleus of structures which we Dominicans have inherited and which we almost always disregard when we are examining solutions to our problems. These structures evolved long before we were born, they are not the creation of any government we have known in the course of our lives, nor are they in fact the creation of any single government in the past, despite apparent coincidences..."¹

To explore the foundation of those "structures" in the Honduran case, we have to first engage in the frustrating task of returning to the time of the colony, as academic as this may seem and as remote as it may appear from the issues of contemporary development. A historical return, in the case of Central America in general and Honduras in particular, is frustrating because there has been relatively little systematic historical analysis done to date, a task which is made more difficult by the fact that the most valuable and useful of the colonial documents are in private hands rather than in the national archives (Duncan, 1978). Furthermore, ethnographic analysis in Honduras, either in Indian or ladino communities, has been virtually nil, and there has been no ethnohistorical analyses.

There are a couple of other problems in going back through history that are revealed as one does so. One is that, as different as the Central

(1) This quotation, and subsequent quotations throughout this chapter, are from a speech made by Dr. Frank Moya Pons to a meeting of the American Chamber of Commerce on October 17, 1982, in Santo Domingo.

American countries may be today, it is no clear that, other than their geographical locations, they were so dramatically different from one another when the Spaniards first made contact. Another is that there is no easily-identified single reason for their contemporary disparity: if Honduras was victimized and shaken by piracy, so was Costa Rica and, in lesser degree, Guatemala and Nicaragua; if Honduras' early colonists were fractious, so were Nicaragua's; if Honduras was negatively affected by the power of Guatemala, so was Costa Rica; if Honduras met the conquistadores with hostile Indians, so did Guatemala and El Salvador; if Honduras became colonially uninteresting to the Spanish Crown in the 17th and 18th centuries, that may also be said to be true in greater or lesser degree of all Central America. And so forth. Sellers, who has been doing some of the most creative and broad-ranging analytical work on Central America, specifically on Costa Rica, hypothesizes that the divergence among the Isthmian countries is not due to any single cause at any single point in time, but took place instead through a series of cumulative steps. This makes our present analytical job that much harder, but potentially more interesting.

The elusiveness of simple explanations also has a lot to do with the fact that the Spanish tutelage was neither monolithic or consistent. As Schurz (1964) commented "There were, and are, several Spains." Historical vicissitudes on the Iberian peninsula not only produced differences among kingdoms and states, but produced variation in policy and strategy toward the Indies. The conquistadores themselves varied in class, provincial background, and personal qualities. The provinces of Spain were the territorial expression of that linchping of Spanish character, individualism, and the conquistadores were its living, breathing embodiment. To these powerful sources of variation, the ecological and cultural differences found in the New World added another diversifying dimension, as did the lags and discontinuities produced by distance and the discrepancies found in every society between the ideal and the concrete, the rule and reality.

Spain was, at the time of Conquest, a heterogenous place, marked by the uneven imprints of the various cultures and social forces that had moved across it - - Celts, Greeks, Carthaginians, Romans, Barbarians, Muslims, and Jews. Medievalism, the reformation and Counter-Reformation, the Enlightenment, and the French Revolution would also make their influence felt, as would the dynasties and other cultures of Europe, despite periodic Spanish effort to seal itself off hermetically from threatening prosperity, education, and general enlightenment among the different states of Spain, among whom there was little cohesion. The tradition of the concejo and the fueros²

(2) The concejo, a semi-autonomous municipality comprising a town (villa) and its surrounding comarca, dates from the 11th century when it was institutionalized to attract settlers to newly reconquered areas. A concejo was implemented through a royal grant or franchise (fuero), giving the concejo in perpetuity a large measure of control over its own affairs, its own legal code, militia, and right to form independent alliances. The system of fueros, or local privileges, would be pitted against the attempts of Spanish rulers into the present century, to concentrate all power in central hands.

and the divisive effect of royal inheritance patterns further contributed to a centrifugal tendency to anarchical partisanship, particularism, and resistance to royal authority -- not to mention a relative profusion of administrative, legislative, and judicial institutions, cultural traditions, and some linguistic divergence. The energy, initiative, and rough democracy of the Castilian municipalities were countered by the obsession in would-be absolute monarchs, with centralization and unification, efforts that were, in the view of one leading Central American theorist, stifling and counterproductive (Mendieta, 1926).³ Spain alternated or strained between liberalism and authoritarianism, enlightenment and the worst sort of repression, innovation and conservatism, reform and retrogression, religious openness and African fanaticism or medieval intolerance, super-Catholicism and anti-papalism; isolationism and aggressive extraterritorial involvement (Koenigsberger, 1958; Lynch, 1964). Some of these oppositions were rooted in geography and some in class but, in one form or another, they were ultimately felt in the New World, and the Iberian patterns of individualism of place and person, of localist independence versus centralist absolutism would be transported whole to Central America.

These essentially political stresses produced social and economic stresses which would also reverberate overseas. The expulsion of the Jews and Moors would deprive Spain of its most economically active citizens, its commercial class, and an educated elite which filled many administrative and financial posts; lay the country open to exploitation by foreign financiers; lose important agricultural and mechanical skills, labor, and tax income; and weaken the middle class as an economic and political force. Endless wars, most often undertaken for religious and dynastic rather than for economic purposes, together with the inflationary flood of precious metals from the Americas, kept Spain in almost constant economic crisis and in a poor posture for any consistent or thoughtful socioeconomic development, at home or in the colonies.

In turn, economic and political disequilibrium fostered social disequilibrium. The monarchy bought the loyalty of the nobility with exemptions from rising tax burdens, thereby diminishing Crown income at the same time that poorer strata were required to overcontribute. In order to cope with daily monetary needs,

"the Spanish monarchs trafficked in and thereby degraded justice, jobs, decorations, military orders, grandeeships, knightships, provincial governorships, vice-royalties, and clerical privilege; positions and titles were granted in gratitude for political support or sold to the highest bidder" (Mendieta, 1926).

(3) Salvador Mendieta (1879-1958) was a Nicaraguan who was a distinguished diagnostician of his region's ills and who dedicated his life to the rebuilding of the Central American Union. While given to a certain hyperbole of style, his criticism of the negative effect of the Spanish heritage on Central American development is encyclopedic and incisive. His three-volume work, La Enfermedad de Centro-América, was written and published over a 25-year period beginning in 1906.

In Spain these practices reinforced the traditions of the grandees and hidalgos which had been forged out of the combined heritage from decadent Greece, imperial Rome, and the subsequent centuries of struggle against the Moors. The hidalguismo syndrome, in Mendieta's view, had profound effect on the collective Spanish soul -- slaves and, later, the reconquered Moors, did the agricultural work and were the artisans and mechanics; commerce was handled by an intermediary class which enjoyed little social status; citizens and patricians assumed state functions and leadership in battle; and the advent of Catholicism created a large and powerful ecclesiastical class which accrued to itself all sorts of economic privileges. Both Mendieta and Koenigsberger (1958) note that the Spanish nobility was even more averse to economic activities than the rest of European nobility. They invested their money in land without, however, improving agriculture, and preferred careers in the army, the church, and the civil service. So embedded and pervasive did this seigneurial mentality become that both Charles II and III, concerned with economic development, felt compelled to promulgate orders that commercial and manufacturing activities were not incompatible with aristocratic or gentle status (Lynch, 1964). There is little evidence that these orders had any lasting impact, and the combined effect of these several forces was to exacerbate social divisions within Spain, impede growth of a middle class, generate a mass of poor, and establish the phenomenon of untitled latifundia held by an essentially parasitic and overprivileged landowning aristocracy.

The entrenchment of this landed aristocracy was complete by the end of the 17th century and institutionalized the rule of the "válidos" or court favorites and the entire system of thought and behavior connoted by the term favoritismo. Mendieta comments:

"No one believed any longer in talent, learning, initiative, character, courage, in any virtue, as germane to achievement. Everything was now expected from protectors (padrinos), from defenders (valedores) at Court. From that time began the absolute reign of the court favorites (validos), individuals of the worst quality and most dubious morality; valets, procurers, concubines, and their ilk, had in their hands the supply of jobs, offices, and honors, influencing by whim the destinies of the monarchy....

"Children came to be socialized to expect their fortune or advancement exclusively through parents, directly or indirectly, or through some friend or contact with some client or patron, so that no one believed in the need for his own efforts or even abilities.... The system consisted of advancement via petition, flattery, servility, and the suppression of all individuality. This terrible germ of Spanish decadence passed in its entirety to the children of New Spain..."

The correlates of favoritismo were compadrismo and familismo, the former rooted in ritual kinship relations, the latter in blood ties. Not only was trust outside those boundaries dangerously placed, but kinship was the fount of all welfare throughout whole lifetimes. Iberian favoritism produced

corregidores, alcaldes mayores, and subdelegados who had gotten their colonial posts not because of aptitude or dedication to the public good, but through servility, intrigue, bribery, and/or flat cash payments. Since these administrators were named for periods of as little as two years and a maximum of six years, they had to recover the "investment" they had made in getting a post in the first place and to fill their own personal coffers before leaving the country. In Mendieta's words, "they fell upon their administrative responsibilities like plagues"; since they had a wide range of powers and ways of eluding control, there were plenty of opportunities for enrichment, some within the legitimate bounds of their roles and some, like contraband and commercial exploitation, outside. The net effect was to concentrate both power and wealth in a relatively few hands and to encourage graft and corruption as an institutionalized dimension of public office. Callahan (1982) observes that it was in the nature of absolute monarchy not to permit its subjects true formal participation in governance and adds:

"In such societies a form of politics did exist, but it was the politics of family connections, influence peddling, court intrigue, and the like. Denied any formal political role, the privileged used whatever means were available to preserve their social and economic dominance."

Honduras, like all the colonies, reflected quite naturally, if erratically, the faults and virtues of the mother country, and not a few of its strains and contradictions; some of these were amplified by newness, distance and, as indicated earlier, the variability of its conquerors and settlers. Despite the frequent contemporary depiction of Honduras as a historically neglected backwater, the country was at the first, "a meeting-place for cross-currents of Spanish expansion," a bone for contending interests which produced "confusion, treachery, violence, and civil war...to the serious detriment of the development of the province." Chamberlain explains:

"The history of Honduras to 1550 is extremely complex and is the story of one of the most perpetually turbulent provinces of the Indies for the first two decades of its history. Its remoteness from other centers of colonization gave wide scope for individual action, to governors and colonists alike. The fact that thrusts of Spanish expansion from several directions (over from Santo Domingo, down from Mexico, and up from Panama) met there, created rivalry and violence among the Spaniards from the first. The close connection which later developed between nearby Guatemala and Honduras, and the interrelation between the conquest of Yucatan and that of Honduras caused further jurisdictional confusion.

"It is no exaggeration to say that rivalry and bloodshed among captains and governors so engaged the efforts of the Spaniards that they were long diverted from their main purpose. Although the province was discovered in 1502, conquest did not begin until 1524. Yet only as late as 1539 did the Spaniards achieve definitive dominion, and it was five years more before the royal government was able

finally able to bring order to the province, through installation of the audiencia, a commission system of government.

"The constitutional story involves not only the first rivalries of newly arrived captains, but also later conflicts between powerful conquistador-governors . . . and . . . jurisdictional competition between the highest agencies of government in the northern sections of the Spanish Indies, the Viceroy and Audiencia of New Spain on the one hand and the Audiencia of Santo Domingo on the other. The trend of this governmental evolution in Honduras is symbolic of the broader evolution of Castilian overseas administration, even though, because of its exceptional turbulence, the province represents an exaggerated case."

And Cristobal de Pedraza, respected churchman, protector of the Indians, royal judge, and first historian of Honduras, wrote in despair in 1544, as preface to a detailed description of almost Byzantine behavior throughout the colony:

"I do not know, Your Holy Catholic Majesty, what evil fortune it can be which pursues this land, nor what saturnine planet reigns over it, for since the Christians first came to conquer, pacify and settle it, dissension and mutinies have never ceased among the governors who until this time have held authority . . ." (quoted in Chamberlain, 1953).

There were a number of reasons for this anarchic condition, which originated in a pernicious dynamic among personality, administrative structure, and geography. The hundreds of men who came to Honduras -- in total "more than Pizarro needed to overthrow the vast, populous, and fabulously rich Inca Empire" -- emerge in the chronicles as "daring, truculent, and unbending soldiers," hijosdalgo, and pobladores who were rugged individualists, most lacking a true colonizing motive. They were the embodiment of the individualism (personalismo) said by many analysts (Blanco-Fombona, 1922; Fillol, 1961; Foster, 1960; Madariaga, 1923) to be the central component of Hispanic world view: the individual, not society, not in the abstract but in the concrete, is of paramount importance. Thus effective working relationships are not with institutions, but with the right people with whom one can establish informal contracts and enduring interactions on the basis of certain kinds of mutual trust and benefit not available in formal institutions. From there it is just a step to the "personalization of power" (personalización del poder) that the Honduran sociologist, Melba Zúñiga, finds characteristic of national politics, which is crystallized in patron-clientage and caudillo politics (Zúñiga, 1975). This value orientation, coupled with the desire for gold or power or both, made orderly political and economic growth unlikely. Although several of the captains and governors of early Honduras were men of quality, conscience and vision, problems of resurgent factionalism, personal friction, rivalries, and the colonists' fickleness, denied the colony the strong, continuous leadership and unity of purpose that could have fostered development or at least a less ferocious national infancy.

The chronic chaos and flouting of authority was partially an expression of Hispanic individualism but also a function of certain of the administrative structures that came to Honduras from the Peninsula, vestiges of earlier Castilian democracy that had so far escaped the net of monarchic centralization. It was traditional Castilian constitutional practice to hold yearly elections of municipal officials and the municipal council (cabildo). However, in the colonial context, perhaps because the cast of characters was somewhat different and the reach of the law shorter and slower than it might have been back in the mother country, the practice "led to factionalism, jealousy, and strife among the colonists, who formed rival parties and quarrelled violently not only among themselves but also with the higher provincial officials" (Chamberlain, 1953).

Because these elections were often closely controlled by colonial governors and sometimes encouraged any predisposition to be cynical about government institutions, colonists frequently selected their own independent agents to carry dissenting views to the Crown in Castile or to higher agencies of colonial government via petition. Colonists were not shy about using this avenue of protest, which was in any event not disharmonious with their world view as it has subsequently been interpreted by Iberian analysts, to wit:

"The Spaniard is an individualist; he can be devout mystically . . . but socially, externally, he distrusts everything and everybody, even his priests and his kings." (Santayana, cited in Schurz, 1965)

"Anarchy is the natural state of the Spaniard." (Madariaga, 1945)

"All down through history every class in Spain displays its hatred for politicians." (Ortega y Gasset, 1937)

"The Spaniard is too much of a realist to attach much importance to his vote, and too much of an individualist to multiply its importance by co-operation with other voters." (Madariaga, 1928).

To be sure, the subject under the scalpel is the Peninsular Spaniard, but there is little indication that what Madariaga termed "the brittle quality of the collective self" was left at the dock in Cadiz when the Spaniards set sail for the Americas.

Thus administrative abuse of the democratically-designed cabildo forced resort to what amounted to legalized factionalism through the petition, which Chamberlain sees as having functioned as a sort of primitive opposition party. As a strategy for addressing problems during the periods of sometimes lengthy delay in communication by petition through official channels, colonists resorted to intrigue and force; as a group they had no other shared model for establishing in the New World alternative procedures for reasonably autonomous, agile, participatory problem solving.

The paradox is that the same characteristics of purchased offices, favoritismo, and rigged cabildo elections which moved the mistrustful

colonists to bypass colonial officials through direct petition, also inspired distrust in Peninsular authorities. A distinguishing feature of the design of colonial administrative structures was the division of authority and of supervisory responsibility as a control mechanism; the design militated against any organic, collaborative relationship among administrative parts. At the same time, distance and problems of communication did provide some autonomy for local administrators so that, once more, there developed a sort of schizophrenia between the Iberian ideal and reality and between the law and actual behavior.

The subject of "the law" merits a brief comment, not altogether a digression. Mendieta makes the distinction that what he terms "the pathologies" transmitted by the colonizers to the colonies did not derive from a disease endemic to the Spanish system but from a disease of decay, that is, the period of Iberian decadence that coincided with the birth and childhood of Hispanic America. The example he offers is the body of laws that, over time, reached the New World. These were often just and farsighted, yet effectively dead, "not rooted in something living and breathing but tied to a skeleton of justice, like bodies without souls, simple metaphysical creations with no practical counterpart in real Iberian life." If this is an accurate interpretation, we can further hypothesize that the gap between the law and the fact ("el derecho y el hecho") and the underlying rebelliousness against the very spirit of law noted by some Latin American analysts (Ots, 1934; Foster, 1960; Mendieta, 1926) may have their roots in this lifelessness.

A number of analysts have noted that Spanish governmental institutions, including law in Latin America, evolved by trial and error, the product of experience and circumstance, an accretion rather than an organic development. Nonetheless, despite some important later alterations, the system's major lines and its philosophy were established by 1550, in great measure by the New Laws of 1542-43. Without understanding of those Laws and their effects, Mendieta (1926) insists that there is no understanding of Central America. They were the supreme expression, although in many regards highly enlightened, of the centralist and absolutist tendencies of Iberian government of the period. Their zealous supervision, even with the best of intentions, had the effect of stultifying initiative in the new countries, depriving them of their collective will, and encouraging passivity and lethargy ("abulia") that Mendieta perceived as a chronic and close to inerradicable curse on Central America. The colonies could do nothing of significance without the express order of Madrid, which in turn could only respond too little or too late, particularly to abuses which were often attended by lengthy litigation. Mendieta theorizes that in the Laws lie the origins of Central America's indifference toward issues of government, its cynicism about the fruits of government, at the same time that everything is expected from it, at the same time that it is blamed for "everything bad." It is reasonable to accept the hypothesis that Spanish absolutism sapped the colonies' sense of participation in their own governance, but the unruliness of which Honduras was the supreme example and the uneven quality of the colonial administrators were part of an unbroken circle in which another piece of the arc was that endemic Hispanic personalismo and engrained mistrust.

It is revealing to compare Mendieta's hypothesis with that of Stokes, who wrote in 1950 from a North American perspective. Stokes agrees that "the roots of the chaos, confusion, and revolution which have characterized the history of governmental development in Honduras are found partly in the experience of the colonial period," but then proceeds to take an almost diametrically opposed position, adding: "The structure of the Spanish system was too loosely drawn and too carelessly administered in Honduras to provide more than a minimum of the advantages of Spanish authoritarianism." In one view, Honduras suffers from too much authoritarianism, in another from not enough, a conflict of perspectives that still operates in contemporary political and administrative affairs and, in some ways, in the country's geopolitical relations with the outside world.

What the drive toward absolutism did do was to establish preconditions for a self-fulfilling prophecy that continues to haunt much of Latin America: anarchy led to centralism which led to different sorts of deviousness, corruption, and evasion of control, which led to further absolutism and, ultimately, rebellion. The supreme irony of this paternalistic tale was that, by the time the modernizing Bourbon kings appeared in Spain in the 18th century, the harm was done: the honest Bourbon attempt to reform and professionalize public administration at home and in the colonies, and its commitment to a broad range of economic, educational, and cultural improvements, would confront systems of hostile and entrenched vested interests Spain itself had engendered and which had learned their lessons well. The merger of such interests, desirous of more power, with those who took the Spanish expressions of European liberalism at face value and came to be desirous of greater political freedom, would set the stage for revolution by the early 19th century (Callahan, 1982). The philosophical divergences between the two types of interests would persist to the present day, as it perhaps does everywhere; however, Spanish America had been taught no orderly ways to reconcile such interests or give each some kind of legitimate voice.

The same prickliness of spirit manifested by Honduran citizens and cabildos that was discussed earlier was also expressed in their ambivalence and, later, frank hostility toward the idea of subordination to any other province; of special concern was Guatemala, which was engaged in policies perceived as inimical to Honduran interests and, by some, as exploitative. The perception was accurate enough. Honduras'⁴ legitimate desire for colonial autonomy was frustrated not only by the Spanish determination to establish order but by what E.G. Squier, diplomat and historiographer, would refer to 350 years later as "that selfish spirit of localism which has been the bane of

(4) "Honduras" in 1540 was actually "Honduras-Higüeras." The Honduras portion referred to the eastern districts of the combined province, the territory westward from Cabo Camaron, including Trujillo, to a point some leagues west of Trujillo itself. Higueras extended along the coast west and north to an undefined point in the Rio Dulce-Golfo Dulce region and toward the vague boundaries of Guatemala and the Yucatan. The Valley of Olancho, behind Trujillo, was included in Honduras, and all territory westward from the coast of the Caribbean south to Nicaragua, San Salvador, and San Miguel was encompassed by Honduras. Limits were vague, to say the least, and confusing directives from the Crown made those limits a persistent focus of dispute.

the Spanish American provinces" (Squier, 1870); what Mendieta would, in the early 20th century, call "that small-town mentality" (literally, "la atmósfera de pequeñez aldeana"); and what Moya Pons, speaking in 1982 of the Dominican Republic, would term "aldeanismo."

That localist mentality on the part of Guatemala, Panama, and Mexico, would have serious and lasting effect on Honduran development. Beginning in 1540, there was periodic interest in Honduras as the focus of an overland route between the oceans; the founding of Valladolid (Comayagua) was in obedience to royal instructions to establish a healthful, halfway, depot city on the proposed transit between Puerto Caballos (Puerto Cortés) and Trujillo and Fonseca (Squier, 1970; Chamberlain, 1953). Comayagua was visualized by such visionary colonial leaders as Montejo and Bishop Pedraza as the eventual administrative and commercial center of Central America. The selection of the city in 1543 as the site of the new Central American audiencia⁵ followed this line of thought and brought a sense of purpose and promise of stability to the tormented province, if only briefly. The localism and regionalism which brought the removal of the audiencia to Gracias a Dios and then to Guatemala only five years later, further denied Honduras the hoped-for centrality; the Honduran historian, Durón, hypothesizes that the path of the province and its level of prosperity might have been quite different if Comayagua had been permitted to enact the entirety of those early developmental visions (Durón, 1927). The refusal by its neighbors to permit Honduran autonomy in the early colonial period presaged a national lifetime of what Posas and Del Cid (1981) would describe over four centuries later as "persistent intervention from the rest of Central America." Even this long ago, a basic paradox of Honduran socioeconomic evolution was visible, that is, the contrast between its geopolitical centrality and the permeability of its terrestrial and maritime frontiers, countered by the forbidding texture of its internal topography which would render it so resistant to integration and development.

Honduras itself was not innocent of responsibility for its apparent weakness before the claims of more aggressive, better organized colonial forces. As already indicated, it had not shown itself capable of maintaining itself in relative independence, although it was the opinion of the Crown and its representatives that its resources were sufficient for it to have been able to do so (Chamberlain, 1953). In addition, its jumbled and broken highland topography acted from the outset to hinder communication and foster intense internal localism, competition, and suspicion (Stokes, 1950), a campanilismo⁶ which

(5) The audiencia was assigned to each captaincy general (districts distant from the viceregal capital) to exercise judicial and advisory powers; the captain general sat as its president.

(6) "Campanilismo" refers to the definition of the outer limits of one's loyalties according to the distance at which one still hears the bell (campanile) in the steeple of the local church. This is a different order of cultural things from the hostile localism among indigenous settlements encountered by some of the conquistadores, for example among the Aztec and the Inca. The indigenous model of hostility was predicated on tribal economic and religious issues; the Iberian model evolved out of Spanish individualism.

echoed Iberian attitudes. Geography and cultural heritage interacted to generate counterproductive, demoralizing, internecine conflict and an erratic developmental trajectory.

The behavior of the city of Trujillo was the first documented expression of Honduran campanilismo (Chamberlain, 1953), but perhaps the quintessential expression was the enduring rivalry established by the end of the 16th century between Comayagua and Tegucigalpa (Duron, 1927; Stokes, 1950). Zuniga et al. (1982) observe that Tegucigalpa was very different in character from Comayagua right from the beginning, in ways that would quickly divide the country in two geographically, north and south, with important political effects. Comayagua seems virtually from its beginnings to have been conservatively oriented toward the holding of land as wealth, the ownership of livestock, and that synthesis of those major resources, the traditional hacienda.

In contrast, Tegucigalpa evolved from its origins as a silver-rush town in 1578 and was not formally founded like other Honduran colonial cities. It was a conglomeration of Spanish prospectors, Spanish merchants, Indians in surrounding settlements (reducciones or pueblos), and a good number of black slaves who worked the mines. The nature of the city's economic base, predicated on adventurousness of spirit and the fickleness of fortunes predicated on mining, together with a concurrent and thorough mestization, produced a population with "a very liberal spirit" (McLeod, 1973). By 1600, in fact, Pedraza would inform the Crown that there was already a large, identifiable body of mestizos⁷ in Honduras.

It is Stokes' view that the anti-aristocratic social and political style he finds characteristic of Honduras, its relative flexibility, its racial openness and fluidity, derive from the effects of that early mestization. Mendieta, on the other hand, finds lack of interest in "things royal" to be a generalized Central American attribute and cautions us not to equate mestization with equality. Pre-Independence Central America had its share of social stratification, as did all of Latin America; in fact, some analysts have commented that the New World was more elaborately stratified and less egalitarian than Spain itself (Schurz, 1969). For three centuries the Peninsulares occupied the state and church positions at the top of the pyramid of power; Indians and blacks ground away at the bottom; criollos got the secondary posts and could rise socially only in a few, well-defined professional areas; and the mass of mestizos was more or less dedicated to work in agriculture and livestock production and mercantile and mechanical occupations.

(7) The terms "ladino" and "mestizo" are often used interchangeably. However, the former is more a cultural and the latter a more racial term. "Ladino" was first applied in colonial times to acculturated Indians and individuals of mixed heritage who lived in a Spanish settlement, accepting the Spanish language and many Hispanic customs; it was later extended to all groups who did not espouse an Indian life style. "Mestizo" refers to the mixing of white and Indian ancestry (Dombrowski, 1970). A ladino need not be a mestizo and a mestizo could conceivably not be a ladino.

The self-seeking orientation of the majority of the first colonists led them to a series of abuses which, together with adverse circumstance, would daunt hopes for well-rooted prosperity and place them in an adversary relationship with the Crown and some of its representatives. The issue was the treatment of the Indians. Stokes theorizes that this issue, of which early mestization is one facet, is central to understanding the eventual social homogeneity of the Honduran state and the lack of any real racial hatred or fundamental political divisions along ethnic lines. He comments on the inherent contradiction between the Cross and the Sword that was a major ethical problem for colonizing Spain -- the moral concern with Christianizing the "primitives" and, in some quarters, considerable respect for many of the qualities of indigenous cultures (Schurz, 1969), versus the need for gold and power and its corresponding need for labor. In Honduras, the moral concern was manifested in the humane and just dispositions of some of the early Honduran colonial governors, of whom Montejo and Pedraza were the most distinguished examples, and the colonial officials who followed them and attempted to administer the new laws designed to protect Indian lands and well-being (Chamberlain, 1953; Stokes, 1950; Vallejo, 1911).

It is Stokes' opinion that the Indians were much less harshly treated in Honduras than in most other Latin American countries, because of relative lack of Spanish interest in exploiting the country; this resulted in fewer demands for Indian labor and subsequently attracted a type of settler more disposed toward mestization than massacre. Mendieta (1926) also came to the conclusion that the scarcity of large-scale enterprises in Honduras meant less subjection of the Indian population than, for instance, in Guatemala, but also observed that the Indians' periodic rebellion and/or withdrawal into more remote areas also afforded them protection. Helms (1976) concludes that the Indians, at least those of the western highlands, were easily subjugated (and assimilated) because they had not achieved a high degree of centralization. The unification of the western highland Indians under Lempira raises at least one question about this conclusion, but it is reasonably certain that the indigenous tribes of Honduras at the time of Conquest were not concentrated or organized like the highland Indian nations of Guatemala during the same period.

There is also some question about the supposed benignness toward the Indian in Honduras. Father Bartolomé de las Casas, defender of the Indians, wrote hair-raising accounts of Spanish treatment of Honduran Indians (cited in Wells, 1857), although he gives no authoritative sense of the prevalence of such treatment. Chamberlain, that meticulous scrutinizer of the archival record, describes the treatment of the Indian in the Honduran colony as an erratic alternation between kindness and cruelty, which varied according to the philosophy of the current administrator and the degree to which the colonists were able to assert their own preferences. On the basis of almost no ethnographic or ethnohistorical study of Honduran Indian groups (Duncan, 1978) and relatively little archival analysis, we must remain with the uncomfortable hypothesis that each of these views may contain grains of truth, but that the most reliable credentials fall to Chamberlain.

The Indian problem, in Honduras as everywhere in the colony, was persistently difficult of solution because it was not only inseparable from

the early economic structure of the colony but tied to two different sets of perceptions about the nature of conquest and the best route to economic development and enduring prosperity. The colonists were convinced that large amounts of Indian labor were essential to that development, labor most of them were neither accustomed to nor culturally disposed to perform themselves; they had expended great effort and faced many dangers in occupying the New World and felt that "compensation for their services could only be obtained through precious metals and the untrammelled exploitation of the Indian" (Chamberlain, 1953). The more compassionate and far-sighted of the governors, and in fact the Crown itself, saw a protected, healthy, productive Indian population as the basis for longer-term prosperity. The clash between the two perspectives lay at the heart of Honduran colonial disorder and pitted colonists against administrators and the Crown, colonists against Indians, and finally meant resort to that contradictory solution, importation of Negro slaves.

The will of the wiser eventually triumphed but, by the mid-15th century, much damage had been done. The use of force of arms, enslavement and sale of Indians, their exploitation by encomenderos, use for burden-bearing, and forced labor in the mines, planted the seeds of resentment and revolt in Indian hearts. Rebellion grew and those who did not rebel, fled into inaccessible mountain reaches. The total indigenous population, beset by warfare, neglect, ill-treatment, exhaustion, disease, and hunger, decreased alarmingly. Honduras-Higueras had been reported to be heavily peopled at the time of contact, with perhaps as many as 500,000 Indians (Blutstein, et al., 1971), although scholars increasingly raise doubts about the validity of those earliest figures. By 1547, Pedraza recorded the total disappearance of numerous villages and his calculation of an Indian population numbering somewhere around 36,000 (Chamberlain, 1953).

The colonists paid dearly for their short-sightedness. Decimated villages could not produce for consumption and hostile ones would not. Constant warfare bred insecurity and hampered trade. Imports from Castile did not reach the colonists, the Indians no longer provided, and Spaniards were eating roots and herbs to survive. Mining became difficult, in some places impossible.

But the most disruptive result of Indian abuse, in Chamberlain's view, was its effect on the encomiendas. The loss and dispersion of the Indian work force simply made some existing encomiendas unviable or diminished their size and productivity. The lack of adequate numbers and the small dimensions of the feasible encomiendas were a cause of bitter discontent among the existing colonists, who were also unhappy about the inhibitions placed by the New Laws on their capacity to exploit indigenous labor. Distribution (repartimiento) of land and labor to the satisfaction of conquistador-colonists was crucial to the stability of any province, to its growth and, some said, to the attraction of new settlers. Problems of distribution in early colonial Honduras were a major contributor to the low morale and lack of commitment to the colony, and to the bickering, jealousy, seemingly endless litigation, and the dirty dealings which tore the province apart. It is ironic and not irrelevant to contemporary development concerns that, although the Spaniards did perceive the encomienda as lying at the heart of their sustenance and long-range well-being (Chamberlain, 1953), Iberian attitudes toward land, labor, and their place in

the social order, made wise husbandry of those resources difficult both as a concept and as a behavior.

In some respects, wise husbandry may have made only limited sense in view of the man-land relationships dictated by the Crown during the first period of colonization.⁸ The encomienda/repartimiento was intended only as a royal grant in usufruct and as access to labor levies. Title to land that was not, at least theoretically, Indian land, was in the Crown. The purpose of the Crown was that encomienda land would be neither personal property nor inheritable; the encomendero was, again theoretically, only a trustee entitled to tribute collectible in gold, in labor, or in kind (Chamberlain, 1953). Since distribution was used by some early administrators as a way of punishing disloyalty and rewarding adherents, an encomendero could feel that his hold was tenuous at best. In such a context, prudent use of resources was unappealing. Land and indigenous labor were viewed like the mines -- to be plumbed as much as possible for the greatest immediate profit. Wells, writing in 1857, theorized that the obsession with mining begot, "particularly in Honduras, a distaste for agricultural pursuits," but this relatively brief early period left durable traces on the way the country would evolve. First, lack of ownership was a disincentive to identification with the land as a resource to be conserved; it was also a disincentive to the attraction of the kind of settlers who would enter into productive relationships with the land.⁹ Second, the decimation of the Indian labor supply placed limits on certain kinds of agriculture; the early development of livestock, which would have such impact on the social and environmental structure, had as much to do with labor shortages as it did with memories of the great Iberian estancias, the appropriateness of the Honduran ecology, and the importation of cattle by the conquistadores (Meléndez, 1977). Third, the Crown's apprehension about abuses in the colonies and its increasing disposition to keep the reins tight at the same time that distance made this difficult, again led to or permitted abuse. Chamberlain explains:

"The vicious practice of selling encomiendas as though they were personal property existed in Honduras-Higueras, contrary to all royal law Encomenderos throughout the Indies during the first period of colonization, and before the legal form of the encomienda was finally fixed by royal legislation, wished to turn their towns into permanent holdings, with title in themselves and their descendants. Encomiendas were also exchanged among colonists

(8) Durón (1927) divides the Honduran Colonial period into five parts: 1) 1502-1544, discovery, conquest, the first governors; 2) 1544-1579, organization of the colony; 3) 1579-1788, Tegucigalpa and Comayagua; 4) 1788-1812, incorporation of Tegucigalpa to Comayagua; and 5) the final years of the colonial period.

(9) Meléndez (1977) notes the same dynamic in Costa Rica and hypothesizes that it was an apparently aberrational decision by the Crown to grant titles in the Central Plateau that allowed the implantation of the yeoman settler who is said to be at the core of that country's distinctive evolution.

without due process. Naborías, or Indian household servants, were likewise exchanged, and sometimes sold, entirely contrary to law."

The process of the transformation in Honduras from the concept of land as the source of usufruct to legal ownership of land as the foundation of agrarian structure has not yet been subjected to careful scholarly analysis, and what analysis has been done is sometimes divergent and even contradictory. Nevertheless, as far removed in time as it may seem, it is central to an understanding of present-day Honduran social structure and certain dimensions of Honduran national character.

A plausible sequence is the following. The original trustee role of the first colonial grantees, those early franchised entrepreneurs, was modified by the New Laws to give them more limited but legitimate responsibilities for governance and tax collection; thus they acquired, simultaneously, administrative and political power, which came to be fused with economic strength as some of them prospered even amidst the tumult and spasmodic fortunes of the colony. Despite the regulations against it, an illegal land market did develop, as Chamberlain indicates. By 1591 the financially straitened Crown was willing to sell or adjudicate at least some titles to royal lands (tierras realengas) (PADCO, 1977; CMDC, 1982); these were termed "haciendas" or "heredades" and were usually located in coastal areas and valleys near roads. At the same time, the mechanism of ejidal lands,¹⁰ an Iberian concept, was used to designate lands for soldiers and workers (peones). Ejidal tenancy was a sort of rental (arrendamiento) administered by local alcaldias and, although individuals could use such land and pass it to their heirs, ejidal land was not personal property and could not be sold; later, after distribution to heirs served to divide the land into small units, it did enter the land market, but still only with usufructuary rights ("uso y goce"/dominio útil), not full title (dominio pleno) which includes the legal right to sell. And, as the Spaniards secured control of more and more Indian land (despite Spanish protective laws), converting whole villages to tenancy, the repartimiento succumbed, to be replaced by peonage -- a system by which debt (which came to be inherited) tied the worker to the landlord until it was paid. With the landlord keeping the records, few peons worked their way out of debt (Bernstein, 1971). The sequence of transformation produced a structural concentration of ownership of capital, land, economic power and, eventually, political power, about which Parsons (1975) has this to say:

"The colonial policies of Spain, particularly in concessional grants of land for the establishment of encomiendas, as well as other kind of rewards, fastened upon Honduras a profound inequality. Benjamin Villanueva indicates the roots of this inequality in his characterization of the continuities from and the transformation of the earlier encomienda system:

(10) The other major tenancy types at the time of the colony were tribal and Crown (royal) lands; the latter became national lands at Independence (PADCO, 1977).

"The small privileged minority of colonial times in Honduras came to see in private ownership of large tracts of land, rather than in management of the encomienda system, the basis of their own survival. Livestock production came to be a highly profitable enterprise in the large landholding units held primarily by those who acquired full property rights in land, the early privileged minority. For at the beginning of the colonial period, private ownership of land was given to the knights, captains and squires of the imperial state in amounts measured by caballerías (loosely translated as knight's units) while private property in land was given to the Spanish soldiers and peons -- in the lower echelons of colonial society -- in amounts measured by peonías (i.e., peon's units), with the former units being hundreds of times larger than the latter ones. In this way the encomienda system tended historically to disappear at the beginning of the XVII century and to be substituted by private property in land, mostly in the hands of the aristocracy. At the same time, the owners of smaller amounts of land, the Spanish soldiers and peons, plus the new ethnic groups formed by the mixture of Spanish with Indians and negroes with Indians, tended to transform themselves into dependents of the landowning class, the present peasant culture." (Villanueva, 1968)."

In other words, the Iberian 16th-century model of a dichotomous, hierarchical society was installed and functioning in Honduras very early in the colonial period (White, 1972).

At the same time, there is another characteristic of Honduran social organization which transverses this vertical split and which derives from the apparently deep-rooted presence of an independent smallholder component. One explanation for this is primarily cultural. Stokes comments, unfortunately without documentary support:

"Honduras was not as attractive to the important Spaniards as other regions, and the result was that a relatively large number of middle-class and peasant stock settled in the country -- Spaniards who carried on small business and farming largely through their own labor. These people found it easy to intermarry with the Indian and to cooperate with him and assist him on a basis of equality."

Wells, discussing the reports of Bernal Diaz on his 1526 expedition into Olancho, suggests a very early presence of such a component:

"The continued discovery of gold mines in Olancho and Yoro . . . brought a numerous population into that part of Honduras, many of whom, charmed with its climate and picturesque scenery, renounced the occupation of miners, and commencing with small stocks imported from Spain, gave the first impulse in the subsequent pastoral employment of the people."

There is also an economic explanation which is importantly linked to the cultural explanation. Duncan describes the Honduran smallholder component, these "children of Conquest," as "frontier peasants." Such peasants were

either recipients of ejidal land and/or members of corporate groups which purchased communal land. Because they have typically been located in remote areas and have been able to function more or less independently from the regional and national economies, they have been only minimally subject to the demands and sanctions of powerholders outside their social stratum. Such groups are typically egalitarian in their internal social relations and display a high degree of political autonomy and control over the land they cultivate. The provision of such land to such groups in the colonial period was continued after Independence. The first agrarian law was promulgated in 1829 and ordered sale of royal lands, and the first titling law was written in 1836. It appears that, quite early in Honduran history, priority was assigned to enabling smaller farmers to acquire land and hold title, a priority reinforced by the perennial need of the state for capital and its growing conviction about the desirability of settling the frontier. Thus ideology, economics, and pragmatism interacted to implant concepts about land to the tiller and the value of independent farming in Honduras.

This orientation would be repeatedly comprised by the basic dichotomous inequality White speaks of; thus, relatively soon after its birth, two themes were established for Honduran history, themes which continue to characterize the country and confound conclusions about its essential nature. One is the profound, endemic inequality remarked by Parsons and Villanueva; the other is a smallholder orientation which has another set of characteristics, although we must remember that all are offspring of the same culture.

Again, Meléndez' analysis of the Costa Rican case is relevant to that of Honduras. He notes (1977) that it is not useful to think in terms of a single homogeneous national agrarian structure, since different regions with different ecologies, histories, demographic trajectories and so forth, will have different meaning for the shape and direction of a nation. He concludes:

"The tracks of these structures are still fresh, despite their colonial origins. This proves the force of tradition and testifies to the fact that the cultural landscape is not a new invention. Some of these structures -- for example, the farm (chacra) -- have constituted a solid basis for the process of democratization and the achievement of social justice, even though the process has not been linear. Others, like the hacienda, have contributed to social distance and the maintenance of a system which is clearly discriminatory and improper."

The "clearly discriminatory and improper" system of the hacienda¹¹ shaped geographic, economic, social, and cultural space in Honduras from its infancy and, in many ways, continues to do so. First, the hacienda contributed both to certain types of population concentration and to dispersion. Livestock production on the Spanish model required flatland and, from the outset the

(11) 'Hacienda' here is understood as "a large-scale, internally-hierarchized, family-owned agricultural enterprise" (Sellers, n.d.).

cattle hacienda occupied the best lands -- the grassy floors of the upland basins (valles) and the lowland savannas. The effect was to concentrate subsistence farming largely in the mountains (West and Augelli, 1969). Furthermore, the first and most significant exploitative activities of the colony were mining and livestock production; in fact, the mining industry in Honduras encouraged stock raising since the mining centers offered markets for quantities of animal products and the most important population centers grew up around those enterprises (Villanueva, 1968).

At the same time, livestock production could also, and did, function in relative isolation and dispersion. It required large extensions of land and could, if necessary, operate with relatively little labor; the hacienda was not uncommonly owned by an absentee landlord who resided in an urban center at some remove, while the enterprise's daily operation was in charge of an administrator. The hacienda generated a low population density and little demand for urban joys and services, since there were few people and fewer elites to demand them (Melendez, 1977). White comments that the hacienda model intensified the Spanish tradition of concentration of elites in urban centers and the identification of the literate superior cultures with the town and city life. He goes on:

"While the English and Germanic gentry tended to maintain their manors in the rural areas closer to the peasantry, the Mediterranean overlords gravitated toward the cities (Redfield: 1960). In America this was emphasized even more since the Spanish tended to congregate in urban enclaves, somewhat fearful of the Indians and the wildness of the backlands, and reluctant to live cut off from Spanish culture on an isolated hacienda. Thus, the political, racial, and cultural division also became a geographical urban-rural division. To live in the rural areas in itself carried a stigma of inferiority."
(White, 1972)

Secondly, the hacienda became the core of a new aristocracy. The earliest Honduran elite had had its base in administrative positions and in ownership of the mines, which were active by the early 1520s (Chamberlain, 1953). As the land market developed, another aristocracy gained strength, the Spanish property-owners whose main economic benefits were derived from livestock and other agricultural pursuits (Villanueva, 1968). Villanueva feels that "the struggle for political power between the old established aristocracy and the newly emerging agricultural elite . . . gave rise to the Independence movement in Honduras." This definition of the cast of characters varies from others (e.g., Zuniga, Kawas, and Conroy, 1982), but it is clear that this new mode of production did give rise to some crucial social facts. One of these was the institutionalization of the identification among land, money, and political power.

Fillol (1961), in his analysis of the terrateniente and gaucho cultures in Argentina and their implications for modern government and entrepreneurship, comments on the symbolism of land in those cultures. The ownership of land (and he is not talking about smallholding) is in itself aristocratic, not only because the earliest landholders of Spanish America were a new aristocracy and ownership reflected birth-derived status, but because it entailed

control over people who assumed the responsibility for manual labor, an intrinsically unaristocratic and undesirable activity.

Fillol goes on to say that this, in turn, has had its meaning for the value put on money and for the choice of profession. Money has no moral value, in the sense that the possession of money is not by itself honorable or a basis for social recognition. Only in recent times have income and wealth been added to the list of things that determine social status in Latin America. Morally, money is neutral, and even the way it is acquired is per se not subject to serious moral judgement, a dimension that is surely germane to corruption and its uses. It is the way that money is spent that counts; thus the patron or politician who distributes money with what has traditionally been termed 'generosity' is behaving appropriately and necessarily; Fillol cites the Peronista example as the quintessence of this set of values and expectations. Land was the route to both power and money, and money was employed in the maintenance of power. The modern modification of this cultural logic is that, as land in power-quantities becomes an increasingly scarce good, money is more and more sought for itself because it continues to permit the purchase of social prestige and different kinds of leverage, as well as the avoidance of manual labor. Landowning classes, or their descendants who must work, turn to the professions rather than to business, to the acquisition of intellectual rather than technical expertise.

In this regard, the livestock hacienda has had two other noteworthy impacts on Honduras. It has created a "territorial aristocracy" which has come to control economic and political power in some regions and has, with frequency in the country's political history, allied itself with national power through which it conserves its traditional prerogatives. It has also provided a core of symbols -- land, money, and power -- which are an integral part of the country's primary leadership model, the caudillo.

Thirdly, the hacienda put into place and, of course, relied upon, the patron-peón symbiosis. This relationship was fixed by economic relations which combined low wages with supplementation by sharecropping (aparcería a medias), also an Iberian import (Foster, 1960); the exchanges intrinsic to such relationships incorporated various mixes of labor, crop, cash rentals, credit, deference, compliance, gratitude, respect, political favors and support, and even sometimes fictive kinship (compadrazgo). The symbiosis typically produces a peculiar blend of dependency and alienation: the peon is obviously dependent on the patron, especially at times of crisis, but nevertheless somewhat alienated from the land, because he does not own it, and from the possibility of autonomy, since customarily low wages prohibit any accumulation.¹² To use current parlance, the hacienda was the progenitor of Latin

(12) This need not be the case. As Sellers (n.d.) points out, haciendas differ in size, form, and function. Research in the Reventazón Valley in Costa Rica (Harrison, et al., 1981) indicated that a large, well-run coffee-and-cane hacienda can offer resident peons and neighboring small farmers opportunity for meaningful accumulation and consequent upward mobility.

America's rural proletariat. Melendez concludes that the hacienda and the hacendado must be conservative since there is so much to conserve.

Finally, the livestock hacienda can function and produce at a low level of capitalization and traditionally in Spain had done so. In fact, a reasonable hypothesis is that the economic ideology of the hacienda underlies an observed propensity in the Latin American private sector (e.g., Fillol, 1960) to keep capital investment as low and the extractive gain as high as possible. Whatever its exploitative implications, and they were ample, the hacienda did introduce stability, some would say rigidity and inertia, into Honduran agrarian structure. A sad irony in modern Honduras (though not limited to that country--see, for example, Gudeman, 1978; CSUCA, 1978; and Seligson, 1980) was that, when change came, it would seriously shake the stability, fail to eliminate the exploitation, and exacerbate the alienation. As the world market would expand in the mid-20th century and commercialization of agriculture become more attractive to hacendados and larger farmers, the social and economic relations of the traditional hacienda would begin to crumble. A "modernization" of hacendado mentality would produce an increase in capital investment; a decrease in labor-intensity in some regions and, almost corollarily, in wages; a rise in land rental costs and in land concentration; changes in marketing arrangements and, correspondingly, overall changes in patron-client relationships and perceptions of mutual obligations. Whatever their exploitative dimensions, these relationships had customarily implied a benign paternalism and a certain generosity or, at worst, simple non-contact (White, 1972). The almost simultaneous shifts in both fundamental economic and human relations would produce in the peasantry of the affected areas another kind of alienation composed of a new sensitivity about exploitation, a removal from the yearly cycle of traditional agriculture, shifts in the character of dependency relationships, a different kind of social distance, and even a sort of nostalgia for the good old days (White, 1972). Fiedler (1964) would describe a similar process in a similar place, Costa Rica's Guanacaste Province, as "the dissolving bargain"; in Honduras that erosion in traditional relationships would help form the base for peasant activism in the 1960s. This would not mean that the hierarchical patron-client model would disappear: sharecropping and rental arrangements would continue to characterize political behavior, interest-group ideologies, and institutional expectations to the present day.

In sum, not long after the colony was founded, the two agrarian structures that were to form the bedrock of this most agrarian country were already established: the independent subsistence farmer with small or medium holdings, with or without livestock as an important productive component, sometimes a member of a surviving Indian community, dedicated to grains and slash-and-burn agriculture; and the flatlands largeholder, smaller in number because of the low percentage of valley land in Honduras, sometimes with thousands of hectares which often contained substantial stands of virgin forest, and with a complement of resident peons. In the latter structure, the heart of agricultural life was livestock, in the latter the milpa; one was the potential basis for the development of a kind of "rural, agrarian democracy" (Stokes, 1950), the other an eventual force in opposition.

The encomienda and its offspring, the latifundio, also fostered the leadership principle which would become institutionalized in Honduran political life,

caudillismo or, as Stokes translates it, "bossism." The caudillo was not, however, a purely Spanish invention, but a cultural mating with the indigenous cacique or Indian chieftain. Mendieta explains, rather intemperately, how he thinks this occurred:

"Before the Spaniard arrived in Central America there was the autochthonous cacique, localist, cruel, bloody, and primitive, served by cannibal priests. The Spaniards brought the foreign cacique, rapacious, cruel, ignorant, and served by a clergy which, while not cannibalistic, was parasitic enough to be considered so The Spaniards found a form of government characterized by the supremacy of one Indian over the others . . . who united in his person all tribal power and authority. This was fine for the colonial encomienda system. The governor gave his relatives and closest friends certain pueblos in encomienda. To facilitate administration, the encomendero designated among the Indians of the pueblo one to run the milpas, another livestock, another indigo, another to collect tribute, each one thus becoming a new cacique among his own people. Thus each province had the following hierarchy: the governor; each comarca had a corregidor with the same powers; and in each settlement or important hacienda, there was a manager (encomendero gamonal) who had in charge of each hacienda or enterprise, an Indian responsible for executing his orders. These entities were effectively family enterprises, with each position below governor occupied by family or quasi-family, chosen without regard to merit or capacity Thus in each level of responsibility a given family customarily dominated the available authority and the fruits thereof Individual families came, therefore, to acquire absolute power within their respective areas, power exercised almost exclusively for their own benefit"

Beyond these practical manifestations, the caudillo synthesized the colonial concepts of executive domination, hierarchical structure, and the principle of authoritarianism (Stokes, 1950); disaffection with government (Mendieta, 1926); the intertwined ideas of personalismo and the personalization of power (White, 1972; Zuniga, 1975); and machismo (Paz, 1961). In the isolation and fragmentation of the Honduran natural environment, localism evolved logically and provided a hothouse for the blossoming of numerous local bosses; it also favored dependence on them.

Nevertheless, this brutal picture appears to have been softened, as it so often was in Honduras, by either a disposition toward or expectation of (or both) more benevolence from the caudillo and his own commitment to a system of mutual obligations. Zúñiga notes that, while caudillistic charisma may be generated by land ownership, that alone is insufficient. A leader must be disposed to establish exchange relationships based on personal contact, to be generous and helpful, to be in effect truly paternalistic. We do not have the data nor does time permit more profound pursuit of the reasons for these tempering expectations. We can only hypothesize that they lie somewhere in the early mestization and the backgrounds and personal qualities of the early Honduran settlers of whom we know so little.

The fortunes of the colony also left their mark on the evolution in Honduras of that other major Spanish import, Catholicism. The Church in Honduras-Higüeras was poor for many years; tithes from Spaniards and tribute in kind from Indians were small; war, unsettled political conditions, and dislocation of the native population hampered collections. Although the territory was made an independent bishopric in 1527, the rebelliousness of the Indians made the first missionary expeditions largely unsuccessful (Wells, 1857) and there were few permanent churches until the mid-16th century. Even then the colony never saw the lavish cathedrals and churches of the sort built in Guatemala, Colombia, Peru, and Mexico where the Church was more organized and more powerful (Chamberlain, 1953). Durón (1927) reports complaints from the colony to the Crown that there were no priests who wanted to stay in the tumultuous, isolated, and needy province. In consequence, the Church showed no signs of being established until the late 16th century, primarily due to the efforts of the Franciscans based in Comayagua, to whom the first implantation of Catholicism in Honduras is attributed (Blutstein et al., 1971).

At the beginning of the 17th century, the Church seems to have profited from a relative stabilization of conditions; more churchmen arrived, Church organization grew in strength, ecclesiastical conditions improved (Chamberlain, 1952), and the Spanish ideal of church-state unity was realized as Comayagua became the political and ecclesiastical capital (Duron 1927). At the same time, due to Spanish wariness about Church acquisition of power, the ecclesiastical courts never competed effectively with the powerful secular tribunals in Honduras (Stokes, 1950).

The history of the Honduran Church in the 17th and 18th centuries has been little analyzed, but the impression given by secondary sources is of an institution plagued by recurring financial problems and political difficulties within and outside its hierarchy (Blutstein, 1971) and chronically short of personnel: according to Durón, in 1791 there were 35 parishes in "an area the size of Spain" with a population of over 93,000.¹³ The insistence of the Crown that only Spaniards and criollos should occupy the upper ranks of the clergy and the apparently limited attractiveness of the colony to Peninsular priests reduced the effective reach of the Honduran Church. Nevertheless, it acquired enough power and influence by the early 1800s so that it would be a prime target at Independence.

A reasonable hypothesis for explaining this apparent contradiction is that there were several manifestations of the Honduran Church. One appeared in the figure of the parish priest who, in more remote areas, was sometimes so adapted to local life as to have a family of his own (Wells, 1857; Squier, 1870). Such figures seem to have been closest to the spiritual Church which was embodied in the sentiment, values, and traditions which evolved at the community level; these somehow acquired their own cultural momentum and more

(13) At the same time, if all parishes had a functioning curate, the ratio then was still better than the 1 priest:10,000 population that would prevail in 1968 (Blutstein, 1971).

or less maintained themselves with little institutional support. The other was the institutional Church represented by the higher-ranking clergy in more urbanized areas who would constitute the conservative elements that would draw Liberal fire at the end of the colonial period. In consequence of Morazan's personal and intellectual antipathy to the priesthood (Wells, 1857) and the perceived identification of the organized church with the royalist aristocracy, a series of liberal governments would enact measures to restrict church activities and forcibly remove the church from access to state power and support (Blutstein et al., 1971; Durón, 1927; Wells, 1857). From 1826 on, the Honduran Catholic Church would see its tithes reduced, its revenue-producing property eliminated, monastic orders dissolved, exclusivity eliminated, government subsidies, and the separation of Church and State complete (Blutstein et al., 1971). By the end of the 19th century, the Church would be a greatly diminished presence (Mendieta, 1926; Stokes, 1950), and be found as a living body primarily in its manifestations in community devotions and rituals and in personalistic relations with intermediary patron saints, more accessible than an unpredictable, remote, and crotchety God (Fillol, 1961; Zúñiga, 1975). The poor beginnings and uneven trajectory of the evolution of the Honduran Church only partly justify Morris's statement that "the presence of the Church was reduced before its cultural influence was firmly established" (1974): the colonial Church did achieve a durable cultural influence in Honduras but the political and institutional influence it achieved was brief indeed.

The final element of this attempt to understand the colonial roots of contemporary Honduras is the country's developmental foundations. There are two standard views which need to be examined here. One is that the official Spanish posture toward the New World was utterly exploitative, extractive, and fundamentally anti-developmental; a sub-theory is that this posture was especially acute with regard to mineral extraction. The other is that Honduras was on the frontier of the Spanish Empire, with little to attract the interest of the Spaniards other than several early discoveries of small amounts of gold and silver, with little promise of large deposits, a small and scattered indigenous population, no vast tracts of fertile land, a climate unsuited for cultivation of cacao, and difficult of communication (Duncan, 1978).

First, while the behavior of many of the conquistadores and colonizers does tend to support an image of mindless ruthlessness, Crown policy was, at least in the early colonial years, constructive, and certainly so for the historical period. In the case of Honduras, as we noted earlier, the country was taken seriously as a potential focus of growth and a possible administrative center. From the first, the Spaniards introduced European cultigens, including grapes, olives, cane, rice, and wheat, as well as domestic animals and fowl, and Indians, where these were available, were taught to produce them, although indigenous agriculture was not tampered with. A number of the first administrators, particularly Montejo, promoted with the Crown the sending of more Spanish settlers; support for the rational development of mining and port facilities; and assistance with road and fort construction. The crown responded favorably and also acquiesced in exoneration from certain export and import duties and permitting half of the Crown tithe to be used for the economic development of Honduras-Higüeras, e.g., building construction, acquisition of land and stock for cattle-raising and specialized agriculture, and further-

ance of mining and local industrial and commercial activities. Finally, Spain helped relieve the province from exploitation by Guatemala and San Salvador which were mining and smelting Honduran gold and silver, in so doing not only diminishing the provincial royal treasury but diminishing the status of the province at a time when the importance of a colony was measured by the immediate revenues it produced. Again, and early, Honduras suffered at the hands of its neighbors.

In only one area was Spain not responsive: the colonists' petition for unrestricted slaving and indigenous labor exploitation was rejected by the Crown and by local authorities; the issue, as noted earlier, was central in fomenting internal political dissent. It was, in fact, this dissent and internal scrabbling for power that constrained development. Jurisdictional controversy and administrative confusion impeded implementation of developmental measures, particularly on the north coast and in the building of a road system; commercial development of the province was retarded and imports costly and few, all of which lessened the province's attractiveness to settlement and general growth (Chamberlain, 1953).

Ironically, as the unruly colony did begin to see some stability and a glimmer of possible orderly development, it faced the onset of two anti-developmental forces that contributed to keeping it off balance and poor for the rest of the colonial period. The interminable European wars in which Spain was embroiled depleted the Spanish fleet and its capacity for trade and protection, and eventually involved both Honduran coasts in a persistent variety of piratical incursions. This caused fluctuations in the fortunes of coastal settlements, curtailed the free flow of trade at the same time it fostered a thriving contraband, and actually produced a British presence in northern and eastern Honduras which lasted until the end of the 19th century (Duron, 1927). The north coast, so invitingly near the Panamanian transshipment point for mineral wealth bound for Spain, particularly suffered; instead of becoming a commercial pole, an idea contemplated by early colonial administrators, it languished, physically unhealthy, politically and economically removed from the rest of the country, until the end of the 19th century. Its major function seems to have been as a base for British-provoked raids into the interior, further destabilizing the struggling province (Blutstein et al., 1971).

Partially paralleling these events and not unrelated to them was the shift from the reasonably liberal Spanish trade policies of the early colony to a series of rigid, monopolistic, erratic, and protectionist policies which were, de jure or de facto, disincentives to colonial industrial growth and overall development (Mendieta, 1926; Wells, 1857). The productive decline this generated made the provinces feel more keenly the grasp of the royal colonial treasury, particularly during the period of 17th-century Peninsular decadence which produced chronic economic crisis in Spain, with corresponding self-absorption and lack of interest and capacity to invest in colonial development. Mendieta observes that the royal treasury, under the jurisdiction of Guatemala, instead of promoting or protecting the public wealth, increasingly acted as a parasite on the energies of the Isthmian countries, and

Duron notes the growing prevalence of fraud related to payment of the royal taxes throughout the colonial period.

Finally, the Crown's own economic limitations meant that it had to assign some priorities among the colonies; some simply could command or were seen to merit what energies the mother country could manage to devote to them. In the 17th and 18th centuries, the choices were made, if in some cases only by default or inertia, and both Honduras and Costa Rica appear to have been assigned inferior status.¹⁴ They were neglected by the governors in Guatemala and Managua, who were dedicated to advancing their own interests, got no trade concessions and so particularly suffered from restrictive Peninsular trade policies, and could not offer ample Indian labor supplies. The fact that Costa Rica was "at the end of the road" and the fact that Honduras had become sidelined administratively and was militarily beset on its coasts may have been further disincentives in Spanish eyes. There is evidence that mining continued to be economically important around Tegucigalpa through the 19th century (West and Augelli, 1969), but there is also evidence that at least some of the profits were falling into British hands rather than into Iberian coffers (Durón, 1927), a situation which could also have dampened Spanish interest in the colony. Unfortunately, because little systematic analysis has been undertaken of the later colonial period and because the most valuable and useful of Honduran documentary holdings are in private collections rather than in the national archives (Duncan, 1978), many important conclusions about the Honduran colony during this period must remain at the level of hypothesis.

In conclusion, Mendieta ascribes to these combined factors the increasing isolation, decline of agriculture, deterioration of a nascent but vigorous local industry, overall developmental deterioration, poverty, and passivity which characterized much of Central America and Honduras in particular at the end of the 18th century. Toward the end of that century, Peninsular echoes of the French revolution were beginning to be heard in the colonies, and Spanish trade policies were liberalized as part of overall economic and administrative reform in Spain and commerce flourished again in the Indies. Nevertheless, analysts of the Honduran condition on the eve of Independence describe it as one of economic and cultural backwardness and misery (Durón, 1927; Wells, 1857), and Mendieta added that, in late colonial Honduras, "land of gold and silver, misery leveled all social classes."

2. The Heritage of Independence

The population of Honduras in 1801 was 130,000 Indians, ladinos, and Spaniards in 249 settlements, plus Indian groups in the mountains (Durón, 1927). At the time of Independence, Mendieta describes Central America as undeveloped, unmapped, unmarked by roads, but tranquil, "without hate but without ambition." Nationalistic and ideological unrest was restricted to small groups in most of the Central American countries, and economic and social resentments were largely the province of upper-strata criollos. Honduras, like most of Central America between 1800 and 1821, virtually

(14) The theories about Costa Rica are based on personal conversations with S. Sellers.

drifted into Independence, not as a result of the area's own forceful initiative but rather as a side-effect of the successful Mexican independence movement led by Agustín de Iturbide (Blutstein, et al., 1971).

The tranquility was short-lived; what Independence brought Honduras was decades of turmoil. The first division, predictably enough, was between Tegucigalpa and Comayagua, the former in favor of allegiance with Guatemala, the latter in favor of Central American union with Mexico. While external events resolved the issue after a brief annexation to the Mexican Empire, and the experience served to dissipate "the soporific indifference of the Central Americans toward public questions and . . . raised the standard of absolute independence as a common ideal," on balance the internal negative effects were more weighty. The issue pitted provinces and cities against each other, awakened localism and envy at all political levels, made Central American divisions and lack of capacity for productive regional autonomy a regional embarrassment, and encouraged intrigue and force as national problem-solving devices (Mendieta, 1926). The turmoil would also encourage foreign intervention and erode the new country's national self-image.

The life span of the United Provinces of Central America, from 1824 to 1838, represented federation in name only; its failure was the child of the Spanish tutelage and itself became father to various sorts of disruption that would last, in some cases, until the present day. Throughout Central America, differences soon arose between liberals and conservatives vying for power, convinced that the primary problem of the new republics was a political one. The Liberals were, in general, led by the intellectuals of the cities; were more oriented toward northern Europe and the United States; favored a federal type of government with narrowly delimited executive power; and were so committed to liberty and individual rights that they preferred disintegration to tyranny. The Conservatives were directed by the rural aristocracy and were essentially Spanish in their outlook, encouraged the Church as interpreter of the social value system, and desired efficient, centralized states directed by strong executives to such an extent that they seem to prefer tyranny to disintegration (Johnson, 1971). In the Honduran case, the Liberals pressed for political autonomy for each republic and were largely associated with Tegucigalpa; the Conservatives were largely associated with Comayagua and favored a large role for the Church and strong central control rooted in Guatemala. The constitution of 1824 provided for a weak federal government for Central America, with authority only in foreign affairs and with almost no income or independent military force to keep order. The product of the divergence of ideology and lack of organizing force was civil war, local revolt, and in sum, utter chaos. As Paulino Valladares put it, Honduran politics was born in a field of blood (Oquelí, 1972).

The ideological and political opposition between Liberals and Conservatives also changed the role of the military. In order to achieve supremacy over the intellectuals, the landholding elites turned to the military forces that had been nurtured to maturity during the wars of Independence. Armies soon came to serve a dual political function: they acted as the final arbiters of political matters and prevented the formation of a power vacuum into which the masses might conceivably rush (Johnson, 1964).

As a focal point of liberal sentiment and the home of two major figures of the period, Francisco Morazán and Jose Cecilio del Valle, Honduras became deeply embroiled in controversy (Blutstein, et al., 1971). The nation was literally torn between the two dominant forces of desire for union and revolution, each in its own way retarding the development of stable political institutions and mass participation in government (Stokes, 1950).

Mendieta, committed as he was to the concept of union, finds the federal period, though brief, to be comparable to the decisive events of human adolescence in the importance and durability of its effects on Central American character. He catalogues and analyzes those effects; the federal wars --

- 1) incapacitated the region for recuperation from the economic depressive effects of the colonial experience;
- 2) shattered the potential for progressive leadership forces which might have united to overcome that heritage;
- 3) maintained and increased regional isolation;
- 4) enhanced the power of the military;
- 5) confirmed the tendency toward cynicism about government, and
- 6) introduced the element of fear of governments which extract "goods, money, blood, and blows";
- 7) diverted money and energies from development, learning, and the arts, and destabilized what productive enterprises were in place;
- 8) left the region exhausted, discouraged, and lethargic; and
- 9) institutionalized the power of the caudillos and proliferated the caudillo model and caciquismo as the major forces in Isthmian post-Independence politics;
- 10) elevated violence to the level of a political fundamental;
- 11) gradually persuaded liberals to concede that, in practice if not in theory, a strong executive was absolutely essential to orderly government. Thus in later years, liberalism would be invoked to impose tyranny; the shift would shape the directions of the constitutional and political processes for years to come.

It is at this point that Mendieta completes his analysis of caudillismo and describes how the process started in the colonial era was completed after Independence by the disappearance of Spanish authoritarian control and by general anarchy:

"The localism awakened by the Mexican empire found rich sustenance in the Federation. The federal authorities had no economic support and no public force, were seen as intruders, and were placed in an

adversary relationship with the individual chiefs of state . . . The enormous lack of education of the masses, economic misery, dispersed and small populations, lack of roads and established maritime communication, and absence of any sentiment of national unity, produced throughout the Isthmus a terrible localist hypersensitivity and an incalculable and endless number of Lilliputian caudillos, local heroes whose only idea was parasitic exploitation and tribal display. Both plagues, localism and caudillismo, merged in the single mold of caciquismo. So it was that small interests triumphed over greater ones and the politicians of the hamlet overcame the giants of the nation. . . ."

The caudillo model was quickly and naturally elevated to the presidential level where it was manifested in chiefs of state who owed their positions to more or less fraudulent elections or force, who had their own armies for use at whim, who treated the public treasury as a private purse, and perceived themselves as having absolute authority. The colonial traditions of favoritism, compadrisimo, and familism were perfectly congenial to caudillismo; new ideologies and even new institutions crumpled under the weight of cultural inheritance.

Octavio Paz, the acknowledged analyst of the Mexican (and Latin American) soul, traces a direct ancestral line from the conquistadors, caciques, feudal lords, and hacienda-owners of the colony, to the politicians and dictators, the generals of the army and the captains of industry, of modern Hispanic America (1961).

Not one of the republics of Latin America was spared the price of political tumult born of caudillismo, and no major area of activity was spared the pervasive anarchy they generated. In Honduras there were, and would be until 1980 with few exceptions, essentially two routes to the social and political power represented by the presidency: compadrazgo relationships, or, armed revolution supported by a military wooed and purchased by power-seekers: The presidency was a monarchy by assault, not by merit. In yet another of his stern descriptions of Central American post-Independence political life, Mendieta analyzes the caudillistic tradition of the presidency and its characteristics at the turn of the 20th century, noting that with few exceptions, the institution had been nothing more nor less than a colonial encomienda on a grand scale:

" . . . The basis of these governments is the army and the police, at bottom the same thing Ministers are incompetent and completely subject to presidential will and sanction. The president signs everything, the private secretary is the only one who knows everything, life is lived from day to day, laws are written and revoked, systems are adopted and abandoned, administrators are poorly educated and trained, modern systems of politics and administration unknown, posts are created to reward political allegiance, departmental visits are circuses, hours are wasted in audiences seeking favors since no one but the president can grant them The president is the milk cow of the truly and fictiously needy . . . "

Because of the tenuousness of political power under such conditions, differences of opinion are not seen as a reasonable dimension of human intellectual behavior but as representing the intent of an opposition to destroy or oust incumbents, often an accurate perception. Thus opposition is not well tolerated and he who is not with me is against me; compromise fits into such a model only with great difficulty. Mendieta describes Tegucigalpa in the early 20th century as a city living and breathing politics, profoundly divided by political rancor, not a compact society but one composed of intransigent little circles that centered on political criticism or defensiveness. In such an environment, insurrection is always latent: "Governments say that they are oppressive so as to avoid revolutions, and revolutionaries say that they arise to free the people from the oppression of governments."

The statistical output of this sort of political system would be astonishing. From 1842 and the effective separation of the Central American federation, there would be about 25 formal attempts, some by force, to reconstitute a Central American nation (Karnes, 1971). In Honduras between 1824 and 1876 there would be 82 presidents; between 1824 and 1900 there would be 98 changes of government, with an average duration of eight months (Posas and Del Cid, 1981). Over the period of 113 years between 1826 and 1939, Honduras would be torn by 264 civil wars, an average of 2.34 per year; although two-thirds of these would occur before 1879, with a peak of 190 between 1860 and 1879, there would be yet another 90 civil wars before the advent of the Carias dictatorship in 1933 (see Table III-I).

Poised against all these centrifugal forces were persistent efforts at centralization (which would not be realized until the Carias period), somewhat reminiscent of Spanish attempts. While some of this was attempted by will and by force, there was a parallel strain -- another of those Honduran countercurrents that contribute to national distinctiveness -- expressed in persistent attempts to find constitutional answers to the country's problems. Between 1824 and 1965, 16 constitutions would be written in Honduras, with an average life span of 11-1/2 years (Stokes, 1950). The changes in constitutions were not, in Stokes's view, as much a function of political turmoil as they were efforts to reconcile the three major influences on the constitution of 1824, which would in turn influence all subsequent constitutions. The confusion to be resolved was among the juridical inheritances from Spain, the philosophical impact of the French Revolution, and the desire for the perceived stability of Anglo-American political institutions.

Paz (1961) has dismissed the liberal democratic constitutions of Latin America as nothing more than "modern trappings for the survival of the colonial system" which disguised rather than expressed the concrete Spanish American historical situation; as a result, in his view, Latin American constitutions may be seen as "political lies." In contrast, Stokes's rather extensive analysis (1950) of the Honduran constitutions leads him to the conclusion that problems of workability of those constitutions have derived from lack of real understanding of the separation of powers and the meaning of federalism, rather than from self-deception or some kind of ill will. He sees the constitutional process in Honduras as an honest and laborious

Table III-1.

Civil Wars: 1826-1939

<u>Date</u>	<u>Number</u>	<u>Absolute Percent</u>	<u>Cumulative Percent</u>
1826-29	20	7.6	7.6
1830-39	17	6.5	14.1
1840-49	17	6.4	20.5
1850-59	11	4.2	24.7
1860-69	45	17.1	41.8
1870-79	64	24.2	66.0
1880-89	3	1.1	67.1
1890-99	19	7.2	74.2
1900-09	17	6.4	80.7
1910-19	20	7.6	88.3
1920-29	18	6.8	95.1
1930-39	13	4.9	100.0
TOTAL	<u>264</u>	<u>100.0</u>	<u>100.0</u>

Source: F. Díaz Chávez. Carías: El Ultimo Caudillo Frutero. Tegucigalpa: Editorial Guaymuras. 1982.

sequence of trial-and-error which repeatedly restated "representative principles," "unswerving faith in democratic institutions," and "the ideal of government of the majority." Since acquiring independence, Honduras has been described constitutionally as a democratic, representative, unitary state with power divided among legislative, executive, and judicial branches.

Nevertheless, there has frequently been a wide gap between what constitutions have said about government and politics and what happens in practice. Power has frequently been mobilized and changed by undemocratic means and Honduran elections would be prone to violence and excessive manipulation by both the major political parties; the more serious violations would occur at the local levels with the party faithfuls insuring proper electoral results (Morris, 1974). Although the legislature was constitutionally given the power to pass laws, practically all important legislation would come to be typically drafted by the executive and his assistants. Although the congress would be given great authority to check the administrative activities of the president, this authority would rarely be effective. Although separation of powers would be theoretically present, counterweights to excessive executive power would generally be more theoretical than real and only the chief of the armed forces, an almost autonomous official, would acquire (constitutionally in 1965) real power of interposition against presidential orders. Nonetheless, Stokes finds that the divergence between theory and practice is not seen as a source of chagrin by Hondurans but as normal contradiction that will eventually be reconciled through economic development and social improvement. From this perspective, Honduran attitudes toward political processes could be defined as "transitional," in passage from cavalier attitudes about the law and assumptions that discrepancy between the law and practice is a natural condition, to a determination that discrepancy between law and practice is unacceptable.

Mendieta, perhaps because he wrote earlier in the 20th century, is less optimistic. He found, that political divisions were deeply rooted, socialized at home and at school, and a pattern of partidarismo well established whereby political groups commanded loyalties by habit, regional tradition, family affiliation (Morris, 1974). Yet despite such socialization and despite a proliferation of political labels, there really were no political parties understood as groups that shared an ideology to be translated into governance. Instead he saw "partidas de políticos" (factious bands or gangs of politicians), not even nuclei but "nucléolos" (tiny nuclei) of scant vitality, weak attraction, and great incoherence. The only guiding political theory shared by these groups was gaining access to the national budget. Since power is money, sharing power with those outside the group diminished the spoils available to the political "clan"; the other side of the coin is that public posts that are available must be distributed so as to keep the spoils in the clan and keep opposition in general out of the channels of access. The fact that opposition is an intellectual concept culturally alien to personalistic, caudillistic politics (as well as to practical considerations of money and power), meant homogeneous legislatures and an uncritical press. Given the short life spans of most governments for the first century of republican life, rapid gain was mandatory; as each new group came to power, the public treasury was liable again to fresh pillage. Theft in office came to be considered not only endemic and prudent, but as laudatory; bureaucratic shrewdness at such activity (viveza) came to be admired. Real political agglomeration fell along

lines of allegiance to particular leaders; power was effectively decentralized and a pattern of unintegrated regional and local fiefdoms was set that would characterize Honduras until the early 1930's (Kelley, 1982).

Nineteenth-century anarchy in Honduras and developmental paralysis were exacerbated by and contributed to foreign intervention, and produced a fragile and elusive national self-image. Virtually from the time Honduras declared its absolute independence in 1838, it was nibbled at, fought over, and interfered with by Guatemala, Nicaragua, and in lesser measure El Salvador, and by Great Britain and the United States, for a variety of political, economic, and strategic reasons. Exhaustion, shame, and something akin to despair led a number of Hondurans to lose faith in the country's capacity to govern or develop itself and to feel that only North American involvement in Honduran political and economic life could right the listing ship of state (Mendieta, 1926; Squier, 1870; Wells, 1857); even annexation would be seriously contemplated. Luis Bográn, president in the 1880's, would describe his country as "an uncivilized and anarchic desert" (Brand, 1972). Such attitudes would set the stage for increasing U.S. influence on Honduran internal affairs, including involvement by U.S.-owned corporations (Blutstein, et al., 1971). A certain national dignity, fatalistic attitudes, and the flow of events would generate a pervasive ambivalence about North-South relations -- a combination of pride, self-doubt, dependence, and an alternatively passive or prickly resistance to U.S. presence and its entailments that is still unresolved.

Mendieta's final diagnosis of the Central American condition at the turn of the 20th century was that the region as a whole was suffering from a deep depression and a corresponding apathy deriving from 400 years of authoritarianism and chaos. He notes, however, that, even in the 19th century, Honduras displayed signs of having emerged from its difficult infancy and childhood looking importantly unlike El Salvador, Guatemala, and Nicaragua, and more like Costa Rica despite substantial discrepancies in different measures of prosperity. Hondurans had long abandoned practices of forced or exploitative labor levies and were "unskilled babies" at methods of torture and abuse. There was relatively little economic venality in the judicial branch of government (although political "flexibility" was not unknown) and the country operated on the belief that it had no right to exert undue influence on neighbor states. Finally, Honduras had been historically the least localist from a regional perspective and was for many years the Central American state most disposed toward integration. Stokes (1950) would observe that the country also displayed from Independence a pattern of semi-parliamentary experimentation alternating with dictatorship, which he seems to feel reflected an underlying concern with a more orderly and just political life, albeit a concern more thwarted than otherwise.

Finally, Stokes (1947) would also remark the appearance in the first official publication of the new republic (Gaceta de Gobierno, 10 August 1830) of provisions for aiding and developing agriculture and increasing land ownership. In this, the independent country appears to have continued a tradition from the colony whereby Spaniards desiring to settle permanently in Honduras had been able to obtain the land they needed for their interests without reducing all the Indians to a landless class (Stokes, 1950); ample quantities of land, a sparse population, and a dispersed Indian distribution had made that possible. In fact, on the eve of Independence the cortes (legislature) of

Spain issued a decree under which part of the idle and Crown (realengas) lands were to be sold as private property for the avowed purpose of "responding to the needs of citizens who owned no land" (CMDC, 1982); since half the idle lands were legally made alienable and thus utilizable as payment for Crown debts to the new republic, the maneuver was not entirely altruistic. In fact, it simply followed the pattern, set so early in the colony, of exploiting land for the public treasury through sale and taxation, regulation of titles, re-surveying, and granting of land in payment of public debts (Stokes, 1947 and 1950).

The impoverished nation at first followed in the steps of the impoverished Crown in treating land as a treasury resource, but simultaneously pursued the practice of making ejidal or communal lands available gratis (CMDC, 1982). After mid-century the notion would appear of distributing "family lots" gratis or at low cost to create a class of smallholders who would in turn serve as the foundation of agricultural and national development. The by-product of the colonial and post-Independence patterns of land management was a basically agrarian nation in which smallholders and communal tillers of the soil could live peacefully (politics aside) with the parallel agrarian structure of the latifundia. Stokes comments that, out of the latifundia substructure came a number of Honduran politicians who were farmers, more or less, whose orientation and power base were rural even if their residence may sometimes have been urban; given lack of competition for land at the time, they could afford to display "a tender sympathy" for agrarian policies.

The fact that, later in the 19th century, key leaders would be captivated by the North American homesteading concept would add impetus to the Honduran predisposition, still not well understood, to see land as a sort of basic right, as well as a developmental tool. The homestead perception would produce a series of increasingly progressive agrarian laws and the independent pioneering frontier peasant component described earlier in this chapter.

3. The Modern Era

Posas and Del Cid (1981), in their important historical analysis of the evolution of the Honduran state and its public sector, define three periods in that evolution. The first, 1877-1948, begins with the administration of Marco Aurelio Soto, and ends with the termination of the dictatorship of Tiburcio Carías Andino. The period is one of consolidation of the state apparatus and the legitimization of a centralizing power, continually defied by the centrifugal forces of local and regional caudillismo. During this period, differentiation of state structure was modest.

The second period, 1949-1972, begins with the modernizing regime of Juan Manuel Gálvez and ends with the failure of the bipartisan experiment of Ramon Ernesto Cruz. It is a period of major growth and functional differentiation of the state apparatus, and a time in which social issues come to be expressed institutionally and in which there is growing militarization of political power.

The third period, 1972 until 1979, unfolded under frank military aegis, at first reformist and subsequently authoritarian, and brought still more growth and differentiation of state structure.

The fourth, 1980 to the present, not dealt with by Posas and Del Cid, sees the Honduran state move to a democratic mode whose trajectory and implications are still unclear.

The Soto administration was the ideological beginning of the Honduran modern era; the Gálvez administration would be its pragmatic beginning. The regime of Soto and his minister, Ramon Rosa, derived some of its power from the backing of Guatemalan strongman, Justo Ruffino Barrios, and much of its philosophy from liberal reformist thought then current in Central America. In fact, the appearance of individuals like Soto and Rosa, like the earlier appearance of Morazan and del Valle, embodied the Honduran national capacity to somehow produce men of stature in times of need, even amidst that peculiar combination of turmoil and apathy described by Mendieta; this capacity suggests that a "great man" hypothesis of historical explanation is a propos in the Honduran case, although certainly incomplete. While one is less comfortable, perhaps, in citing the crucial roles of subsequent caudillistic strongmen like Carías and López Arellano as falling into the same category of explanation, there is nonetheless a pattern in Honduran history of periodic appearances of leaders who in some way altered the direction of the nation and/or gave it time to breathe.

Soto enhanced his strength by the atypical behavior of refusing to persecute former enemies and by demonstrating a tolerance of all political groups which permitted him to devote considerable attention to other tasks (Blutstein et al., 1971): civil, penal, criminal, mining, and commercial codes were elaborated; a new constitution was drafted and approved; an attempt was made to institutionalize the armed forces; church property was secularized; the post office was restructured and a telegraphic network built; a road to the Pacific ports was begun; and free primary education became obligatory. Apparently for the first time since Montejo dreamed of a flourishing Honduras in the early 16th century, the country saw an administration attempt to put an aggressive developmental strategy into place: the monetary system was organized; tax collections increased; the public debt was consolidated, with particular

attention to those debts incurred in the preceding administration of Medina for the corruption-riddled interoceanic railroad (Yeager, 1975). Soto was firmly committed to the promotion of agriculture, particularly export agriculture, as the link between Honduras and the modern world system and as expressing the country's true destiny; he established incentives for tobacco, coffee, and sugar and relieved the tax burden on the sector, in a belief, later articulated by Bográn, that would long dominate Honduran approaches to development, that:

"It will be a long time before Honduras can be a manufacturing country; it must be, by virtue of its very makeup and the skills of its people, an essentially agricultural country. We must, at any cost, protect and develop agriculture." (Perez Brignoli, 1973)

Immigration and colonization were encouraged and ample incentives given to foreign mining companies, in a combination of liberal optimism and the pessimism, remarked earlier, about the ability of Hondurans to provide the necessary skills, capital, or plant to develop those resources itself. The Constitution of 1880 embodied a new principle in Honduran republican history: the state as promoter of the country's development. The program of liberal reforms begun by Soto continued under his Liberal successors, Bográn (1883-91) and Policarpo Bonilla (1894-99); the developmental emphasis of the period was "peace, progress, and roads" ("paz, progreso, y caminos") and the perceived keys to development were foreign investment and a policy of generous concessions.

Unfortunately, only foreign investment was relatively easy; internal development was relentlessly frustrated by caudillismo and civil war in the quest of public sector spoils. Posas and Del Cid (1981) explain:

"In a social system in which the dominant sectors have not managed to build a solid economic base, the control of the state apparatus becomes the main source of wealth and privilege for the various groups in the political arena. From bureaucratic involvement in public sector activity, the dominant factions derived a mass of benefits which included: employment for party members; favoritism in the letting of state contracts for liquor or tobacco; generous compensation for supposed damages due to civil war; direct access to negotiations with foreign investors, to whom in many cases they gave legal assistance and from whom they obtained in return such favors as employment and education for their children (Brand, 1972); and easy appropriation of national lands which they customarily used to financially exploit the peasant population and thus insure their political control. The peasantry thus came to serve as the base for political maneuvers, either in electoral processes when these occurred, or in the armies of rebellious caudillos or of the incumbent government trying to defend itself.

"Due to the multiple benefits derived from the operation of the state apparatus, perpetuation in power becomes a fundamental preoccupation. This is accomplished either by "imposition" "imposición" -- which means the continuation of the same 'political class' -- through rigged elections, or through self-perpetuation ("continuismo") of the president achieved by constitutional amendment or by refusal to turn over the presidency to the legally-elected opponent."

An additional political refinement, which Posas and Del Cid describe elsewhere, was "candidatura única" (single candidacy).

Honduras paid high costs, both economic and social, for civil disruption. In the last decade of the 19th century, an average of 30% of the national budget was spent on war, as much as 50% if other costs of maintaining public order and political stability are included in the calculation; these figures were just as high, if not higher, in the first decade of the 20th century. By way of comparison, the war budget in 1928-29, a period of relative political tranquility, accounted for only 15% of the national total (Posas and Del Cid, 1981). In a meticulous study done in the early 1920s, Young (1921) comments:

"The history of Honduras clearly demonstrates the effects of civil war on public finances. The expenses of the War Department completely dominate the situation during a revolution and for many succeeding months. The additional expenses required cannot be completely covered by ordinary revenues, which are reduced as a result of disruptions in the country's economic life. Consequently, the government must borrow money on hard terms or impose levies which substantially increase the public debt. In addition, there is war damage to public property that may amount to hundreds of pesos. The payment of public sector salaries . . . may fall months behind and public employees become demoralized."

Tardiness in paying public sector salaries was not restricted to wartime but came to be an administrative habit which reinforced a predilection toward seeing public administration as a "spoils system" (Stokes, 1950). This vulnerability of public sector employees and of the sector itself was exacerbated by another tradition, recorded as established as early as 1894, of massive employee turnovers ("reemplazo") of as much as 100% of all public sector personnel; this was invariably along partisan lines as each, often illegitimate, administration came all too frequently along. Favoritism in the public sector also governed repayment of loans along partisan lines, so that there could be no systematic and impartial strategy for reducing the burden of public debt, which would further constrain socioeconomic development (Young, 1921) until its consolidation in the late 1920s; full repayment would not occur until 1953. In this environment, even the military was factionalized and impossible to organize and discipline (Ropp, 1974).

The observation has been made that the presence of a less constrained budget would not necessarily have meant that what was available would have been spent on development. This is a reasonable demurrer; still, the intent of Soto and his ideological successors was clear and it is true that, once the national debt was restructured under Paz Baraona and some political stability was achieved, there was immediate attention to development action in infrastructure and human services, together with attempts to reduce foreign dependence. These historical junctures are not proof but they are suggestive.

The capital base to support these various financial drains was both narrow and fragile. The political economy of Honduras at the beginning of the 1870s was virtually precapitalist (Posas and Del Cid, 1981). What entrepreneurship there was, was directed primarily at land acquisition for extensive livestock production, and the export economy was rudimentary. Honduras, unlike other Latin American countries, had no characteristic, relatively high-volume export crop such as sugar, indigo, cotton, or coffee; lumber exports were in the hands of the British on the Atlantic coast; mining was in a slump

due to low world market prices, political instability, and limitations of technology and the basic size of the lodes themselves (Pérez Brignoli, 1973). National revenues came mostly from taxes on exports and imports and the state monopolies (liquor, gunpowder), and from sale of fiscal stamps and land. Violence, communication and transportation problems, and lack of investment capital were the major obstacles; there was almost no entrepreneurship in 19th-century Honduras, only a dispersed, semi-feudal productive landscape (Informe de la Secretaría de Hacienda, 1888).

In summary, by the beginning of the 20th century, some crucial dynamics of Honduran political and institutional culture were in place. The colonial period had bequeathed to the New World the idea from declining Spain that public administration meant wealth, an idea whose embodiment became the *encomienda*. The lack of a strong and broad capital base in a poor, underdeveloped country made the government treasury the major national resource, and the desire for access to that resource encouraged a tradition of post-Independence political volatility and spoiling in public office. Fiscal poverty and political instability perpetuated underdevelopment of alternative resources and, together with the view that public service was extractive rather than productive, produced poor-quality public service. Corruption and perceived incompetence reinforced the tendency toward cynicism about government that had been inherited from Spain; the resulting, almost constant criticism of government added yet another element of instability. Ideological antipathy and endemic mistrust between incumbents and opposition produced repeated employee turnovers and made commitment to the concept of public service unlikely. Government as the source of all wealth and power became the new *patrón*; lack of confidence in government was forged side by side with a terrible dependence.

The balance of Posas and Del Cid's 'first phase' was a hinge period for Honduras: some of the country's most destructive traditions continued to be acted out, with vehemence, while at the same time whole new sets of factors, some external and some internal, began to play a part in national life. These years saw the organization of a second major political party; the establishment of foreign-owned banana companies; economic depression; and the birth of the Honduran labor movement; and some embryonic stirrings of other future interest groups.¹⁵

(15) Morris (1974) uses the following definition of interest groups: associations of individuals who share more or less common goals; which articulate the desires, need, and objectives of various sectors and classes; and which enter the political system when they seek to promote or protect these goals by influencing political decision-making processes. Institutions are understood as formal agencies with established roles in the political system. Very roughly, institutions have ascribed roles in a society; interest groups, which are consciously organized, have achieved roles. Interest groups do not directly exercise political power but seek to affect it; institutions, at least theoretically, have it, or, at the very least, have legitimized authority.

Two current examples of this are: 1) the double role of Julián Méndez as head of the National Association of Honduran Peasants (ANACH) (an interest group) and as deputy to the national Congress (an institution) for the National Party of Innovation and Unity (PINU); and 2) the current National Party candidacy of Fernando Lardizabal, head of the National Association of Farmers and Livestock Raisers (FENAGH).⁴⁷

Except for the politically stable and economically progressive regime of Miguel Paz Baraona (1925-29), the period also saw continued instability; civil war; an almost breathtaking peak of corruption under López Gutierrez (1920-24); and different sorts of U.S. involvement, including four Marine landings in 1903, 1907, 1924, and 1925 (Ellsworth, 1974). The period slammed shut with the 16-year authoritarian dictatorship of Tiburcio Carías Andino.

The traditional political parties evolved from the historical clash of private factions predicated on private interests, and not along the traditional Central American liberal-versus-conservative ideological split. The Partido Liberal had been established by Policarpo Bonilla around 1890 as a permanent, integrated organization but one which did not renounce revolution as a solution and caudillismo as a model (Stokes, 1950; Morris, 1974). The continuance of strife and Liberal dominance of the presidency spawned a series of "nationalist" parties from which the Partido Nacional emerged formally in 1923 under the godfatherhood of Manuel Bonilla, whose presidencies had begun the Nacionalista succession which would last virtually unbroken until 1981. The ideology expressed by the two parties differed only slightly and variation was due more to geography and structural access to power and funds. The Liberals were to have so little time in office that they would be without access to the legal and illegal benefits of dominating the public sector. In 1974, political scientist James Morris would describe the basic difference between the two parties as they evolved:

"The National Party appears to have had more influence in the rural areas of the country. Being the party in power, the ability to provide positions in the bureaucracy, perform governmental favors, and manipulate elections has bolstered national organization and maintained loyalties. In the urban centers, control has been more difficult as economic alternatives existed and social structures are less hierarchical. The Liberal Party has tended to support the socioeconomic reforms which culminated in the Villeda Morales regime. Although both parties are policlasista -- encompassing all social levels and regions in their voting ranks -- the Liberals tend to dominate in the urbanized departments and have wider representation within the middle and working classes. The relative weakness of the Liberal Party is further compounded by a perennial factionalism. As the Nationals have continued to consolidate their internal ranks, the Liberals struggle among themselves to be first in line in case the opportunity to take power presents itself once again. These internal conflicts often surface and are reflected in any party convention."

The arrival of the U.S.-owned banana companies beginning in 1899 had, among its many effects, three which are of particular interest for this analysis. It shaped the directions of growth of the embryonic Honduran entrepreneurial class, the patterns of migration and the growth of cities, and certain aspects of political life.

The burgeoning of the foreign banana enterprises both encouraged and discouraged local entrepreneurial efforts. The banana production that had been

begun by small and medium growers under independent marketing arrangements toward the end of the 19th century on the North Coast could not compete in the end with the size and resources of the foreign companies; faced with the great depression, which also caused the foreign companies to cut back, they withered away and were gone by the mid-1930s (Posas and Del Cid, 1981).

As for other productive and industrial activities, by the beginning of the 1920s the banana companies controlled all the railroads on the North Coast, all the country's docking facilities, all the banana boats, the largest sugar mills, the country's largest bank, the power plants in their zones of operation, laundries, and ice factories, in addition to major, if not controlling, investments in national industry (soap, shoes, lard, vegetable oils, beer, sodas), not to mention control over supplies of meat and dairy products and of small commercial activities through its network of company stores. Posas and Del Cid (1981) go on to conclude that the net effect of all this was to cut national initiative off at the pass, as it were, and impede the development of the independent national enterprise which might have grown up around new populations with new money. To be sure, we cannot be sure that the Honduran private sector would have behaved imaginatively and aggressively, given the chance, but it is fairly sure that the chance was not given.

At the same time, the banana business did stimulate the immigration of thousands of national and foreign workers and promoted the birth, growth, or re-creation of North Coast urban settlements, particularly San Pedro Sula. While not all these settlements would develop a life independent of the banana companies and so survive the vicissitudes of the industry's contractions and expansions, the overall effect was to awaken the area from its long slumber.

While there is consensus that the companies produced an enclave effect whose benefits were largely concentrated within enclave boundaries or left the country (Boatman-Guillán, n.d., cited in Posas and Del Cid, 1981), there is also consensus that the ultimate effect of North Coast revival and growth was eventually catalytic in development terms. In demographic terms alone, the coastal expansion would attract two kinds of migrants who would, in turn, produce new political and economic effects; one was the immigrant to the fields and docks of the banana companies who would form the backbone of the national labor movement, the other the foreign commercial entrepreneur. The majority of the latter came from the Middle East; they were "los Arabes," who would provide, according to the newspapers of the day, a new "intelligence, openness, and humanitarianism" to commercial life (Diario de Honduras, 11 May 1904, cited in Posas and Del Cid, 1981). They would also come to constitute the backbone of the country's industrial development, while the local elites would form alliances with the banana companies. This divergence marked the beginnings of a schism in the Honduran business sector which would affect its growth and behavior until the present day. The Arabes, by virtue of their newness, ethnicity, and commercial orientations (by definition in direct competition with local banana company interests), did not enter into alliances with the companies, remaining independent and even hostile. The local elites, on the other hand, were quickly drawn into alliances for reasons of mutual interest, and embarked on a long-term relationship of mutual political and economic dependency; the former were attracted by enticements, money, and favors, the latter by the ties of local elites to political power at the

regional and national levels and the corresponding rewards of concessions and protection (Kepner and Soothill, 1967; Morris, 1964; Posas and Del Cid, 1981).

Just as the fundamental split in the business community originated in this 'first phase' of the modern era, in large measure due to north coast developments, so did an ideological and pragmatic split in the Honduran labor movement.¹⁶ The movement as a whole was born between 1908 and 1932. At the beginning of this period, what industry existed in Honduras was artisan industry; from these had evolved what were in essence self-help associations ("sociedades") whose concerns, as they expressed them at regional labor congresses in 1911 and 1921, were to improve living and working conditions. Their interests centered on an eight-hour working day; regulated employer-employee relations; adequate worker housing, paid education for workers' children; institution of production, consumer, and credit cooperatives; and basic and vocational education for workers. The first national labor federation (FOH) emerged from the 1921 Congress; its orientation was predictably mutualist (Meza, 1980).

The banana enclaves gave birth to quite another style of labor organization, the militant ("reivindicativa") movement whose basic concern was change in labor policy and whose basic pressure tool was the strike. The first efforts of this type were the isolated, company-based strikes of 1916, 1917, 1920, 1924, and 1925, whose goals were basically economic: modification of company store coupon and pricing policies, payroll policy changes, medical care, and an eight-day week. Essential unresponsiveness and punitive action by the companies, together with communist proselytizing and organization, led to creation of the Honduran Union Federation (FSH) in 1929. The FSH, whose concerns were sharpened and membership increased by the depression and banana industry cutbacks, continued to be politically active and expanded the universe of its demands, including the right to organize and strike, until 1933 when Carías came to power. Carías made Honduras signatory to the 1935 Central American Anti-Communist Pact, which had an anti-strike clause. This, in conjunction with his authoritarian determination to bring internal order at any cost, quickly drove the Honduran labor movement underground. No Honduran union obtained legal recognition and activity between 1933 and 1953 was limited to what Morris (1974) terms "sporadic and intermittent rebellion."

The Carías regime (1933-1948) came to power through an elaborate combination and recombination of legal democratic process; force; U.S. intervention and United Fruit Company support; manipulation of democratic process to assure continuation in office (continuismo); initial political tolerance followed by a policy of "jail, exile, and burial" ("encierro, destierro, y entierro"; Posas and Del Cid, 1981); and by the regime's distinguishing feature, administrative centralization. Kelley (1982) comments that the Carías "Pax Romana" was possible because

". . . of the arrival on the Honduran scene of two technologies: the airplane and the radio. The radio provided the central government with a means of rapid communication, providing early

(16) Unless otherwise indicated, the analysis of the history of the Honduran labor movement is based on work by team member Orlando Hernández.

warning of uprisings in highland towns. The airplane provided the Carias dictatorship with a means of rapid deployment of its forces based on radio communication messages."

While repressive force was increasingly a tool of Carista absolutism, it is Kelley's view that the Carías dictatorship was more benign than those of his contemporaries, Ubico in Guatemala and Martínez in El Salvador. It also is the case that the regime reflected a growing view in Honduran politics that proper political solutions did not lie in force but in democratic processes, although attention to such processes might sometimes consist in lip-service and a rather cynical manipulation of those processes. The administrations that preceded Carías, that of Paz Baraona (1925-29) and of Mejía Colindres (1928-31), comprised a period of intense parliamentary activity and attempts to put the national political and economic house in order, including debt renegotiation, an effort to put some reins on banana company profits and abuses, elaboration of a (subsequently tabled) labor law, and expansion of governmental administrative capacity (Posas and Del Cid, 1981). The period's promise was truncated by a variety of spinoffs from the world depression and the consequent turmoil was suited to the appearance of a Carias.

Nevertheless, some new styles in public sector behavior had been introduced, if not set. A reflection of this is the fact that Carias did not, or could not, choose to impose order by force alone. He turned to administrative restructuring of the lines of authority from the center to the periphery. The building blocks of the revamped system were the newly-established departmental, sectional, and local "districts," with powers like those of the municipalities but directly dependent on and appointed and paid by the executive. The effect was to dilute the autonomy of the municipalities and their elected alcaldes. Stokes finds this the most important change in local government in Honduras in over 100 years in its meaning for national integration. One of the products of the new creation was the Concejo del Distrito Central.

The Carías regime, logically enough given its predilection for control, also made an attempt to organize and professionalize the armed forces, with the help of U.S. military experts but without enduring effect. This period also saw the beginning of U.S. technical assistance to Honduras, with the appearance in 1940 of the Interamerican Cooperative Public Health Service (SCISP) which undertook programs of environmental sanitation and potable water (Posas and Del Cid, 1981). Nevertheless, while the Carías administration pacified Honduras, it did not advance it. Carías was not only politically conservative but economically unsophisticated.

"While the rest of Central America built more roads, established an industrial capacity, and created a financial superstructure, Honduras stagnated economically and socially and lived off its agricultural exports, latifundia production, and subsistence agriculture. The sixteen years of praetorian rule left most of the population marginal to Honduran national life. Government and political activity were the privilege of the urban sector and local elites of the departmental capitals. Stability had been imposed upon Honduras at a price of continued economic and social backwardness."

The Carías period also expressed yet another basic conflict in the soul of Honduran politics, between a commitment that had been accruing support since the Soto period to the orderly transfer of power through popular elections, and the seductiveness of peace through continuismo. The 1948 election of Carías' hand-picked successor, Juan Manuel Gálvez, may have indicated a preference for continuismo, as Stokes (1950) suggests, but it is also true that the Liberal Party was at the time leaderless and too factionalized to offer a viable alternative. The birth of new political alliances toward the end of the Carías period, which had at least something to do with his departure from office, reflected a growing desire for popular participation and frustration over the persistent by-products of economic crisis. In the mid-1940s the Honduran Democratic Revolutionary Party (PDRH) took shape, the first stirrings of a distinctive and important alliance between sectors of the metropolitan bourgeoisie, nuclei of an incipient bourgeoisie on the North Coast, and workers (Posas and Del Cid, 1981).

One hypothesis that we can extract from various modern political analyses and explorations into Honduran national psyche is that Hondurans may prefer the honest play of democratic processes but lack confidence in their capacity to escape a need for continuismo and such alternative political forms. The self-doubt that Mendieta described for 19th-century Honduras was continuing side by side with increasing determination to redirect national destiny.

4. The Period of Take-Off

The period from 1950 to the present lends support to this hypothesis and to the concept of a sort of political schizophrenia that makes Honduras so resistant to facile characterizations. Kelley (1982) describes the political patterning over the last three decades:

"The Honduran political system in the 1950-1980 period closely resembles the gumsa/gumlao alternation in Burmese political systems. These systems, described by Leach, represent cyclical alternations between authoritarian and centralized power (gumsa) and democratic decentralized power (gumlao). Government has alternated between benign military dictatorships and democratically elected administrations. Under the democratic governments, greater political power has tended to be decentralized in local municipalities and departmental governments. The trend under military regimes has been to increase the power of the central government. Thus, between 1972 and 1980, the three successive military regimes increasingly emphasized central planning for development and implementation of development policies by central government agencies rather than local governments. In contrast, the 1970-71 government under Ramón Ernesto Cruz has been described as bipartisan anarchy, with very little effective central control of any government functions."

The post-1950 decades are so densely packed with political and economic events and convoluted change that they are most quickly described and digested in tabular form. Table III-2 summarizes the principal points of political change in Honduras between 1949 and the present, and Table III-3 cuts across that table to summarize the main issues at points where the democratic process

has been contravened, largely by the military; included in that table, in brackets, are two important intervening episodes where popular reaction produced at least relatively open and free elections. Table III-3 may certainly be charged with oversimplifying very complicated events; very rarely is only one issue involved in major junctures of political change. The table is meant only to spotlight the principal forces, not all of them.

Table III-2 lends support to the hypothesis that corruption and problems of effectiveness in public administration have been, more and more, central to political crises, whether these have derived from vox populi expressions or from illegal assumptions of power. Vox populi expressions have also tended to be, more and more, concerned with issues of participation in governance. What the table only partly expresses is the degree to which popular unrest has been the cause of political interventions; still, if popular unrest is taken together with demands for elections, then it would seem that, however illegally or imperfectly, the Honduran political systems has responded, on the average, more positively to popular pressure than it has repressively. This does not mean that there has not been, nor is there now, repression in Honduras, nor even that the system has been very successful in satisfying the needs expressed. It does indicate that, as flawed and erratic as it may be and as overly dominated by military force, the Honduras political system is not (as in Guatemala, for example) impervious to social demand.

Nevertheless, using this opportunity to look back over the totality of Honduran political history, it is clear that, whatever the growing commitment to democratic processes and the substitution of legal or pseudo-legal mechanisms for violent political solutions, the roots of democracy in Honduras are very new, very tender, and still fairly near the surface.

The socioeconomic (cum political) forces of this same eventful period are also most quickly understood in a comparative table. Table III-4 is an effort to set the major sectoral dynamics historically side by side, to provide a "horizontal" view of dynamics between and among sectors and a "vertical" view of dynamics within sectors.

Table III-2. Political Events in Honduras from 1949 to the Present (1982)

Dates	Administration	Dominant Party	Related Characteristics and Events	General Description of the Period ¹
1949-54	Juan Manuel Gálvez	National	1948 direct elections = imposition and single candidate; Gálvez hand-picked by Carías, opposition withdraws.	"Capitalistic development and institutional modernization"
1954-56	Julio Lozano Díaz	National	Unconstitutional political arrangements. 1954 elections = 2 Nacional fractions (Carías for Partido Nacional, Calderón for Partido Nacional Reformista) versus Villeda Morales and small and medium bourgeoisie. Villeda fails to get absolute majority constitutionally required; deadlock over succession. Lozano (Gálvez' vice-president and acting president in Gálvez' absence from country) seizes control of government, dissolves Parliament, and sets up Council of State made up of the three groups who had contended in elections.	"The crisis of oligarchic domination"
1956-57	Military Junta: Genl. Roque Rivera, Col. Hector Caraccioli Maj. Roberto Gálvez Barnes	Military	Golpe. In face of fraud in elections of National Assembly in 1956, military coup removes Lozano forcibly, sustains popular support, and fulfills promise to relinquish power.	"The brief military interregnum"
1957-63	Ramon Villeda Morales	Liberal	Direct elections. Military Junta convokes elections for delegates to a Constituent Assembly. Liberals led by Villeda win 70% of delegates and win in every department in first free and open election since 1932, in apparent reaction to Nacionalista excesses. Assembly chooses Villeda.	"Villedista reformism"

Table III-2. (Continued)

Dates	Administration	Dominant Party	Related Characteristics and Events	General Description of the Period
Oct. 1963- June 1971	Osvaldo López Arellano	Military	Golpe. Air Force Colonel López ousts Villeda in apparent response to turbulence, financial instability, supposed communist infiltration, and alleged preelectoral illegalities; more plausible reason was concerns of oligarchy and older military about reforms and populist base of Villeda's power. In 1965, elections held for another Constituent Assembly. Lopez allies self with Nacional Party and its leader, Ricardo Zúñiga. A combination of local repression and control over election machinery assures Nacional victory at the polls. Constituent Assembly promotes López to General and proclaims him president, thereby extending his term to June 1971.	"The military <u>golpe</u> and conservative reaction"
1971-72	Ramón Ernesto Cruz	National	Direct elections. Widespread concern over Lopez' intention to retain power, corruption, increasing political violence and ineffectiveness of public administration in face of national economic decline. National Unity Pact (Pacto) precedes election, includes power-sharing arrangement and collaboration between Liberales and Nacionales to implement reforms, devise effective administration and stimulate economy. Cruz and Nacionales win presidency and deciding vote in Congress over Liberal candidate Jorge Bueso Arias, contrary to expectations, due to Liberales' internal division, lackluster leadership, last-minute failure of confidence, 50% abstention from polls.	"The postwar juncture and the regime of 'national unity'"

Table III-2. (Continued)

Dates	Administration	Dominant Party	Related Characteristics and Events	General Description of the Period
1972-75	Osvaldo López Arellano	Military	Golpe. Lackluster Pacto administration under Cruz collapses and López returns to power in 1972 with popular sector support. Justifications for takeover: agriculture sector instability, general inefficiency, administrative corruption, severe fiscal crisis, stagnant private investment, cost-of-living increases, lack of programs and policies. Military assumes frank role as "axis" of public life. Political balance of power shifts toward popular sectors in implicit alliance with military.	"Military reformism"
1975-78	Juan Alberto Melgar Castro	Military	Military change. Scandal involving Standard Fruit Company forces López out. Melgar put in by military as compromise figure between reformist and conservative elements in armed forces. Period of slow movement toward conservatism, shifting of military alliance with popular sectors to traditional elements of private sector. Ideological splits in labor movement, army, private sector. Alliance evolves between Melgar and bureaucracy identified with Nacional party. Entire 1973-80 period sees increasingly conservative measures interspersed with weak attempts to open the political process. Policy decisions and political power gradually centered in Superior Council of the Armed Forces.	"Crisis and exhaustion of military reformism"
1978-80	Junta: Policarpo Paz García Domingo Alvarez Martínez Amilcar Zelaya Rodríguez	Military	Military change. Revelations of corruption, evidence of alliance between Nacional leaders and Melgar to "constitutionalize" his presidency, protests at anomalies in pre-electoral process, lead to Melgar's "resignation" in late 1978.	Transition to democratic government

Table III-2. (Continued)

Dates	Administration	Dominant Party	Related Characteristics and Events	General Description of the Period
1980			Direct elections. Regional and international (especially U.S.) pressure for open, orderly, honest elections; internal pressure from opposition parties (Liberal, Christian Democrat, PINU) and popular groups, threat of boycott. Result Constituent Assembly elected in clean elections, over 80% of voters turn out, Liberales get about 54% of vote, newly-registered PINU wins three seats. Assembly drafts new constitution and revises electoral law in time for presidential and congressional elections scheduled for August 1981.	"The civic fiesta"
1981-	Roberto Suazo Córdova	Liberal	Direct elections. Return to civilian rule after clear Liberal victory in open and undisputed elections. Consensus that vote against military-Zúñigista/Nacional alliance, corruption, monopoly. Army maintains open power presence amidst economic and regional crisis.	After the party

Sources: J. Morris, "Socioeconomic characteristics of political party support in Honduras: an empirical look." Unpublished paper, New Mexico State University/University of New Mexico, March 1981; M. Posas and R. Del Cid, LA CONSTRUCCION DEL SECTOR PUBLICO Y DEL ESTADO NACIONAL EN HONDURAS, 1876-1979, San José, EDUCA/ICAP, 1981; L. Salomón, MILITARISMO Y REFORMISMO EN HONDURAS, Tegucigalpa, Editorial Guaymuras, 1982.

1 Titles for each period derive from Posas and Del Cid (1981).

Table III-3. Principal Issues/Causes in Political Crises and Turnovers

	1954 (Lozano and oligarchy take over)	1956 (Military oust Lozano)	1963 (Military/ Lopez oust Villeda)	1968-70* (pressure for elections, non- continuance of Lopez in office)	1972 (Military/ Lopez take- over at col- lapse of Cruz government)	1975 (Fall of Lopez)	1978 (Fall of Melgar)	1978-81* (Pressure for elections, Liberal victory)
Concern about growing power of popular sectors/"excessive" reforms	X		X			?		
Corruption/problems of efficiency in pub- lic administration				[X]	X	X	X	[X]
Economic and fiscal crisis				[X]	X			[X]
Electoral abuse/ lack of participa- tion		X		[X]				[X]
Popular unrest	X	X			X			

* Items in brackets refer to political crisis and change engendered by popular pressure which, in both cases, resulted in legal elections. Items not so indicated refer to episodes of illegal assumption of power.

Sources: This table is based on some interviews but primarily on secondary data, including: research by Orlando Hernández on the labor movement; J.A. Morris, INTEREST GROUPS AND POLITICAS IN HONDURAS, Ph.D. dissertation, University of New Mexico, 1974; M. Posas and R. Del Cid, LA CONSTRUCCION DEL SECTOR PUBLICO Y DEL ESTADO NACIONAL EN HONDURAS, 1876-1979, San Jose, EDUCA/ICAP, 1981; L. Salomón, MILITARISMO Y REFORMISMO EN HONDURAS, Tegucigalpa, Editorial Guaymuras, 1982; H.I. Blutstein et al., AREA HANDBOOK FOR HONDURAS, Washington, D.C. Foreign Area Studies, 1971; C. Joel, HONDURAS: MACRO-ECONOMIC ASSESSMENT, Guatemala, ROCAP, 1980.

Table III-6. Historical View of Inter- and Intra-sectoral Dynamics, Post-Carras Period (1949-1982)

Date/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
<u>The post-Carras adjustment</u>	The state rises to preeminence as the promoter of economic development	Liberalisation of political life	Creation of agrarian bourgeoisie tied to livestock and cotton, coffee (producers, marketers, processors)	(1947: Rio Treaty, Inter-American Mutual Assistance)	Period of labor movement revival 1948-54	Enclosure of national lands by owners begins
Gálvez (1949-54) Nacional	The modernisation of institutions Roads a continued priority: in 1955-64 accounted for 73% of all loans State concessions for cultivation of abaca, cacao, African palm; in consequence of (welcomed) IOP visit, 15% tax to GCM on net earnings & Diversification and reordering of productive activities of banana companies. Capital development of agriculture, concentrated on livestock development in North and South, cotton, coffee Establishment of agro-industrial processing facilities for cotton, dairy products, feed; later passed to private sector. Promotion of cooperative movement, 1934 Law established DIFOCOOP Establishment of Central Bank and control of currency emission Establishment of National Development Bank (BANAFON) to provide credit to agriculture and industry Faculty of Economic Sciences established at UNAM to train cadres for process of institutional differentiation and economic development Nine ministries in existence: government and justice, foreign affairs, defense, education, economy and treasury, development, health and welfare, social security, natural resources and labor (established 1954) Spiralling public debt: 1949 = L26 million; 1954 = L60.8 million, partly financed by loans and grants from U.S. 1951: Servicio Técnico Interamericano de Cooperación Agrícola (STICA) stimulates establishment of Ministry of Agriculture, subsequently called Natural Resources 1951: Servicio Cooperativo Interamericano de Educación (SCIDE); establishment of three normal schools, vocational schools	Movimiento Nacional Reformista formed by Gálvez to break caudillic domination of party PDRH strengthens ranks to include small and medium urban bourgeoisie, workers, peasants; Communist Party (PCH) forms from splinter Liberal under Villeda modernizes along Figueras, Betancourt lines, expands traditional landowner/peasant base to subsume labor, some urban groups, petty bourgeoisie Weakening of leverage of banana companies because no longer virtually sole source of credit 1950-57: clash of awakening working and middle classes with old guard begins Improvement of Church relations with the State after steady erosion of Church privileges between 1880 and 1936		1951: Mutual Security Agreement 1952: Military Assistance Program begins in L.A. 1954: Caracas Declaration 1954: military assistance agreement signed with U.S., 1st Infantry Battalion set up Estab. of first Honduran military academy Escuela Militar Fco. Morazán "Milicia" becomes "military" 1950-69: training of over 1,000 officers and enlisted men in U.S. and Panama 1954: estab. Organic Military Law, first serious attempt to systematic professionalization of armed forces	1949 Honduras ratifies OAS charter recognizing labor rights Re-emergence of unions, labor newspapers 1954 - 59-day banana workers' strikes, others: alliance of workers, students, urban petty bourgeoisie, intellectuals Gains: structural changes in salaries, some increase medical services improved living and working conditions overt and legal establishment of unions estab. Ministry of Labor 1954 Losses: aggravation of industry decline (disease, hurricanes) technological modifications in banana industry layoffs of 50% of workers	Flight of workers to subsistence Creation of rural proletariats that would organize and form base for campesino organizations

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Dates/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
Lozano Díaz (1934-36) Nacional	<p>Creation of National Economic Council 1935 (first state agency for inter-institutional coordination and economic planning) under ISRD tutelage</p> <p>1935: Income Tax Law; increased taxes on net earnings of banana companies, from 15% set under Gilvas, to 30%</p> <p>State begins to assume important functions in reproduction of labor force</p> <p>Earnings of banana companies down, grave economic crises; some of excess employment absorbed by road construction</p> <p>First Five-Year Plan, 1935</p> <p>CEPAL economic development study becomes basis for planning</p>	<p>Open opposition of classes, fractions of classes, and social groups vs. regime as latter's position hardens</p> <p>1936 Decree 206, "Law for Defense of Democracy" proscribes Communist Party</p> <p>Growing importance of alliance among urban groups (intellectuals, students in university and secondary schools, some liberal nuclei) and popular sectors (peasants and workers) demanding expansion of power base; student takeover of military installation in Tegucigalpa; repressive response by government, some military</p> <p>Differentiation between Nacionales and Liberales (popular sectors, petty and medium bourgeoisie, urban groups) and Nacionales (ruling classes: state bureaucracy, terratenientes, commercial bourgeoisie)</p> <p>Nacional divided into pro-Carías group and Movimiento Nacional Reformista (MNR) under Williams Calderón, prosperous ganadero.</p> <p>Lozano forms Partido Unión Nacional (PUN) composed of MNR and anti-Carías splinters</p> <p>Women vote for first time 1936</p> <p>Illegal elections 1936</p>	<p>Lozano defends banana company interests vs. worker demands</p>	<p>Repression of student strike Tegucigalpa 1936 under Velásquez Cerrato</p> <p>Golpe 1936 after illegal elections to Constituent Assembly</p>	<p>1935: Constituting Letter for Labor Guarantees</p> <p>1935: Mediation Law</p> <p>1935: Law for Labor Unions</p> <p>1936: Labor Contracts Law</p> <p>1936: May 1 declared</p> <p>Repression of labor movement, leftist unions</p>	

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Date/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
Military Interregnum (1956-57) Rivers Cálvez Barnes Caraccioli	<p>Creation of department of Gracias a Dios</p> <p>Development priorities identified: 1) roads; 2) electric power</p> <p>Sustained road-building program begun in 1950 unchanged by political vicissitudes</p> <p>Creation of ENEE 1957 to construct hydroelectric projects (Yojoa and Rio Lindo) and gradually absorb foreign companies supplying power to San Pedro Sula, La Ceiba</p> <p>Increase in expenses for health, housing, education; creation of Junta Planiificadora de Salud Pública, PAMI, INVA, School of Social Service, 1957</p> <p>Consejo Nacional de Economía made Ministry, 1956</p> <p>Estab. Controloría General de la República, 1956</p> <p>Body of labor law completed with Railroad Work Law and Law for Collective Bargaining</p> <p>Decree 170 establishes university autonomy</p> <p>Trade agreements signed with Guatemala (1956) and El Salvador (1957), precedent to signing of Central American Common Market Treaty in 1958</p>	<p>Illegal elections nullified</p> <p>Death penalty abolished</p> <p>Prohibition of public concentrations</p> <p>Press controls</p> <p>Despite military infighting, elections for Constituent Assembly, 1957</p>		<p>Military infighting produces dismissal of Rivers; Cálvez Barnes resigns to be replaced by Minister of Defense, Lt. Col. López Arellano</p> <p>Counterplot by Velásquez Cerrato nipped in bud, 1957</p> <p>Interregnum consolidates new role for army in the exercise of power as "permanent guardian of national institutions"</p>	<p>Proliferation of unions after strike; 15 with qualifications for legal status</p> <p>Schism in movement between reformist, democratic "ORITera" unions and confrontational, classist, Communist-influenced unions</p> <p>Growing importance of ORIT</p> <p>Estab. of SITRATERCO, SITRASFRUCO/SUTRAFSCO, PESITRANH</p>	

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Dates/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
<p>The Liberal Interlude (1957-63): Villeda Morales (1957-63)</p>	<p>1957 Constitution sanctions state intervention in economy and role of state as active participant, defines nature of autonomous institutions and state's role in reproduction and training of labor force</p> <p>State assuming new functions in civil society not only in relation to interests of dominant classes but to popular sector interests as well; populist overtones to public sector development in this period</p> <p>Estab. of Civil Service, Attorney General's Office (Procuraduría), Junta Nacional de Bienestar Social, Social Security Institute (IHSS), Patronato for Rehabilitation</p> <p>Labor Code, 1959</p> <p>Law of Industrial Development, 1958 (exemptions, investment guarantees, etc. for national and foreign investors)</p> <p>New state enterprises: SAMAA, National Railroad</p> <p>Executive capacity and autonomy of municipalities strengthened, estab. of Autonomous Municipal Bank (BANMA), 1961, concept of municipalities as development tool</p> <p>Estab. of Agrarian Reform Institute (INA), 1961</p> <p>Notable increase in public debt 1957: L31.3 million (external L5.5 million); 1964: L95.0 million (external L50.3 million)</p> <p>Beginning of meat exports 1958</p> <p>Heavy influence on industrial promotion</p> <p>Increase in social expenditures, e.g., schoolbuilding, -increase UNAH budget</p> <p>Four-Year Development Plan, 1962-65</p> <p>Two-Year Public Investment Plan, 1963-64; first practical Honduran planning exercise</p> <p>1960-71: 340 businesses certified under 1958 Industrial Development Law</p>	<p>Liberal majority in legislature; political understanding between Villeda and army in gratitude for latter's sanctioning of elections; source of Liberal power emergent middle classes and navy-formed labor movement</p> <p>Operating alliances: emerging nuclei of industrial and financial bourgeoisie</p> <p>Urban middle class</p> <p>Military bureaucracy</p> <p>Workers and peasants</p> <p>Verduzco</p> <p>Terratenientes</p> <p>Commercial bourgeoisie</p> <p>Banana companies</p> <p>Conservative reaction to reforms leads to alliances between armed forces/banana companies/terratenientes/Nacionales; series of armed conspiracies and eventual overthrow of Villeda in 1963 when sure victory by Liberal candidate Rodas Alverado</p>	<p>As of early 1950s, 94% of all establishments had less than 5 employees</p> <p>1957, estab. of Chamber of Commerce and Industry of Cortes, more progressive than Tegucigalpa Chamber (founded in 1918), less commercially oriented, more independent of government</p> <p>1958, Asociación Nacional de Industriales (ANDI) founded 1957, Asociación Nacional de Agricultores y Ganaderos (predecessor of FENAGH) founded</p>	<p>National Police dissolved and substituted by Civil Guard, intended to offset growing political influence of armed forces</p> <p>Army becomes basic element in all class alliances; key element in overthrow of Villeda</p> <p>Amidst perceived threat to military as an institution, increased political liberty and leftist activity in wake of 1959 Castro victory in Cuba, 1963 "anti-Communist" coup led by López Arellano</p>	<p>1957, FENITRANH founded (North Coast union federation)</p> <p>1958, FECESTILIN founded (Tegucigalpa base), political orientation</p> <p>Private-sector (ANDI, Cámaras) resistance to Labor Code</p>	<p>Peasants become important political force</p> <p>1962, FENAGH organized on core of renters and squatters, those fired in banana zones; does not receive legal recognition</p> <p>1962, ANAGH created, ORLtera, gets legal recognition 1963; organized by SITRATERCO</p> <p>1962; 1st real Agrarian Reform Law in Honduran history</p> <p>Banana company resistance to 1962 U.S. pressure</p> <p>Apparently minor revisions in Law emasculate powers to implement real Agrarian Reform</p>

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Date/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
1963 to Present: Period of Military Dominance	Increased influence of international lending institutions, especially Alianza 1965, National Economic Planning Council (CONSUPLANE) established	Political parties turn inward for survival, leaving participatory and progressive efforts to campesino organizations	COMEF, private enterprise umbrella organization estab. 1967	Civil Guard dissolved; army creates new police force, Special Security Force (CIS) under military control, which later becomes FUSEP	Unity with progressive business community (q.v.)	Sandoval named as head of INA and CONSUPLANE; responds to pressure from AMACH, SITRATERCO, CTH, and PESITRAMH, brings in FAO technicians to begin new phase of agrarian reform; collective farming
1963-69: Period of Reactionary Conservatism, López Arellano, Military	The birth of a cadre of planning technicians National Development Plan, 1963-69 1967, CONSUPLANE head, Rivera, denounces incompetence, lassitude, and political obstacles to Plan implementation; Rivera fired 1968, Protocol of San José, to resolve Central American balance-of-payments problems by 30% surcharge on imports into region, plus 10-20% consumer tax in each country; approved by Congress; precipitates 1968 strike 1969, war with El Salvador together with subsequent hurricane, leaves economy in a shambles, clarifies Honduras's unfavorable position in CACM Increase in size of bureaucracy 1966: 28,166 employees 1971: 35,692 (1974: 38,378)	1968, fraudulent municipal elections; appearance of "mancha brava" using force to influence elections; U.S. protests Beginnings of a new alliance North Coast organized labor Modernising/progressive elements of North Coast industrial-financial and agro-industrial business community versus Tarrateniente oligarchy, National Party, foreign business, and urban conservative industrial, financial, and commercial interests 1969 War serves as escape valve for socio-political pressures, brings national unity	New alliances: labor and North Coast business leaders; protest fraudulent 1968 elections, lack of implementation of 1963-69 Plan, concern about 1971 Presidential elections, taxes implied by San José Protocol, López' continuance in office, administrative incompetence ("inecapacidad, inoperancia, corrupción"), of economic recession, political instability FENACH re-forms, AMDI split off in favor of Protocol 1968-73, FENACH leads conservative reaction to land invasions, attacks Church hierarchy 1969, spogoes of split in business community which lasts till 1973 between more progressive entrepreneurs and more traditionally conservative business interests, North Coast vs. Tegucigalpa Beginning 1968, period of dialogue among different groups, groups and López; interrupted by strike, war	Early 1960s, involvement in Civic Action programs, attempt to change image; peak expenditure years 1968-69 Armed forces identified in "Llammamiento" as real factor of power due to vacuum created by lack of participatory democracy	1968, SITRATERCO and PESITRAMH call general strike protesting San José Protocol and consumer taxes which would negate salary increases from recent collective contracts, basic discontent from past political abuses, inflation, lack of development Strike broken by force, media manipulation, failure to gain support outside North Coast Confederación de Trabajadores de Honduras (CTH) formed 1964, becomes predominant federation; sponsored by ORIT; anti-Communist; includes two labor federations (PESITRAMH, FECESTITLH) and one campesino organization, AMACH CTH takes initiative and proposes project of political reform (Llammamiento); deplores political instability and abuse, lack of integration of popular sectors into political life and economic growth, asks for creation of a Civil Service and a judiciary career service, restructuring of public sector, liberalization of electoral law to permit participation of other parties, tax reform, controls on foreign investment, and an effective agrarian reform	1968, beginning massive land invasions, peak to 1973 with at least tacit INA support, to "recuperate" national and ejidal lands illegally in hands of tarratenientes INA gets larger budget, more leadership, concept of land reform broadened from simple parcelization to developmental, and as tool for "social peace"

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Date/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
1969-72: <u>The Post-war Juncture</u> López 1969-71 Cruz 1971-72	Decree 97, 1970, unilateral withdrawal of Honduras from CACM, invalidates 1968 Protocol June 1971, Zúñiga becomes Minister of Government, crucial in implementing Pactito; grave abuses of power Economy in crisis: 1968-71 three consecutive years of no-growth, prices up, little private-sector investment Continuance of exclusionary National-dominated public administration and political control, intolerance of opposition and sharing of power, dominance of court system, budgetary distortions, obsession with personal power, corruption, authoritarianism, lack of policies, ineffectiveness and vacillation Decree 129 reduces or eliminates tax benefits and import exemptions, against general opposition, 1971, galvanizes private sector and labor	1969-70, reestablishment of dialogue between sectors and government Early 1970, approaches to López re Llamamiento refused; end-1970 López prepared to discuss, after realizing no chance for reelection and that intersectoral unity real Early 1971 agreement to Pacto Político de Unidad Nacional, free elections, power sharing, and a "minimal plan" of reform based on CONEP-CTH "plantamiento" Just before elections, Liberal and National Parties announce "Pactito", agreement to divide up major administrative posts in clear violation of spirit of Pacto Orderly campaign, free elections produce upset National victory March 1971, SOX abstentionism Early 1972, campesino and CES confrontation at Talanquera and dismissal of two popular Liberal ministers create general distress The Pacto dissolves after re-evaluation in multi-sector group meeting Threatened hunger march and growing chaos precipitate Golpe in December 1972, return of López, general relief New alliances: López, labor peasants, progressive business vs. Zúñiga, traditional parties and forces	October 1969, CONEP supports Llamamiento November 1969, Conferencia de "Fuerzas Vivas", meeting of business, government officials, labor, peasant union representatives, sponsored by CONEP and CCIC Split in business center: differences over role of private sector and labor-management relations; nature of political ties (closer in Tegucigalpa); land reform CONEP, FENACH protest invasions, independently seek policies for resolution of land problem; fleeting existence of Sectoral Analysis Commission (peasant group, FENACH, CTH, government representatives) to seek solution to agrarian crisis Birth of private sector as political interest group(s)	1969 War with El Salvador exposes military ineptness, corruption at high levels; lower-level officers questioning, influenced by 1969 Peruvian military reforms; however, army also uses war to construct ideology of armed forces as "defender of the nation" instead of repressor Salvadoran conflict, economic stagnation, interest-group demands create armed forces awareness that traditional political institutions obsolete, risk of chaos and possible drift to Left 1972, military assumes "directly the political affairs of the Nation" End-result: military never really leaves power from 1963 onward, despite civilian interlude	1970, Central General de Trabajadores (CGT) formed, combining two small unions (FASH and FESISUR) and national campesino organization, UNC; sponsored by CLAT; Social Christian orientation CTH continues cooperation with CONEP in pressing for change; central role in political events of period	1969 War reveals bravery and competence of peasantry; López promotes resulting change in self-image and sense of political efficacy Agrarian reform increasingly an issue, supported by almost all sectors and interest groups, albeit with differing emphases 1972, ANACH prepares members for "hunger march" on Tegucigalpa scheduled for December; prepared to march after presidency non-responsive to ANACH petition for agrarian policy actions; threat of chaos precipitates Golpe 1972, Church supports transformation of agrarian structure National rural organizations begin to act like political interest groups Leveling-off of invasions and occupations 1970-71; lack of action in reforms specified in Pacto and Talanquera affair precipitate new crisis, but no lasting resolution of ideological differences in peasant movement nor any durable alliance between urban and rural popular sectors

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Date/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
<p><u>1972-79: Militarization of the State</u></p> <p>López Arellano, 1972-75</p>	<p>Cabinet selected from all political sectors and based on competence</p> <p>López' initial (New Year's 1973) priorities: agrarian reform, and to political patronage (compadres) in public administration, enlightened use of forest resources, programs of preventive medicine, educational reform, modernization and decentralization of public administration, tax reform</p> <p>Decree 3, 1972, eliminates obligatory political contributions from public employees</p> <p>Decree 33, July 1973, fixes prices on essential items; Decree 91, Nov. 1973, further consumer protection laws</p> <p>January 1974, PND (Plan Nacional de Desarrollo) presented based on 1973 López speech; pillars agrarian reform and concept of forests as nation's primary resource</p> <p>Results:</p> <p>January 1974 CCHDEFOR estab.</p> <p>January 1975, Decree 170, Agrarian Reform Law</p> <p>May 1974, Minimum Wage Law 1974, estab. CONADI, CORFINO, FIAPSA, ACANSA, HONDUTEL, FINAVI, INMA, RAMASUPRO, EDUCREDITO</p> <p>1974, limitations on auto imports, tax on banana exports and some restrictions on companies</p> <p>Public administration reform accomplished only at upper levels, remainder inherited from previous National Administrations, not involved in/committed to PND</p> <p>Period of inflation, CPI of 115.2 in 1972, 135.5 in 1974; drop in world market prices for chief exports</p> <p>1974, Hurricane Fifi brings higher prices, lower production, unemployment</p>	<p>National Legislature disbanded, 1965 Constitution retained, military to rule by decree laws and to be in power a minimum of 3 years</p> <p>New alliances at outset of new López administration: "Pro"; organized working classes, all CNE campesino groups, urban middle class, certain portions of private sector (North Coast primarily), and critical support of Liberals, Christian Democrats, Communists, and intellectuals, students, and peasants of those persuasions; "Anti"; large landlords (primarily absentees), businessmen with ties to foreign investors, urban caseñantes, professional politicians of both parties (especially National), upper middle traditional bureaucrats commercial importers</p> <p>Growing conservative concern over increasing power of labor and peasants, reforms, especially Decrees 8 and 30, produce vacillation as government attempts to hold on to popular support while improving private sector relations</p> <p>January 1974 popular sectors concentrate to express support for PND; peak of euphoria; open AID support and financial commitment; however, popular sectors cannot coalesce PND support for PND</p> <p>Polarization produced by PND increased by Fifi as traditional political parties press for return to constitutional order, conservative sectors press for delay in reforms, popular sectors demand "reconstruction with reforms," against continued López vacillation, juggling, seeking the elusive middle path</p> <p>Repeated rumors of a right golpe</p>	<p>FENACH opposition to Decree 8, similar to its opposition to 1962 Agrarian Reform Law; win major concessions, concede little</p> <p>De facto alliance deriving from interrelation of personal contacts and economic interests among Landowners, ganaderos, businessmen and higher government officials</p> <p>Decree 129 cancelled 1972, rescoring tax exemptions and import privileges to many businesses</p> <p>COHEP criticizes López foot dragging, requests action on PND</p> <p>June 1973, national multisector meeting on Industrial Promotion, mixed-venture emphasis (supported by AID which also supports agrarian reform publicly)</p> <p>COHEP makes statement in early December 1973 pro colonization and unification of communal production, anti reform on private lands, requesting assignment of development priority to forests</p> <p>Anti-PND reactions: some parts of private sector, commercial sub-sector, Nicaraguans, banana companies, foreign lumber companies</p>	<p>Period of military reform</p> <p>General national flux, in conjunction with heritage of events in late 1960s, accusations of corruption, produces internal crisis in army</p> <p>Decree 180, January 1973, restructures top command, establishes Superior Council composed of younger lieutenant colonels, agrees to curtail López power in several ways and dismisses 28 colonels, many of whom accused of corruption</p> <p>Effect to consolidate institutionalization of army, strengthen it, involve it more directly in governance, professionalize it, reduce ideological strains, increase its power and possibilities of continuance</p> <p>In wake of accusations of bribe-taking and refusal to provide data on his Swiss bank accounts to Investigative Commission, López removed</p>	<p>Decree 30 authorizes unions to collect dues from workers benefited by union gains; meets resistance from conservatives</p> <p>Instituto de Formación Profesional (INFOP), establ. 1972, highly admired by movement</p> <p>Labor has good access to Ministers, Head of State, a change after 1963-70 period of adversary relation between labor and López</p> <p>López indecisiveness reflected in first declaration of strike illegality since 1972 against Tela Railroad Workers in late 1974, but in general labor quiet and expectant of results of promised reforms, and Minimum Wage Law</p>	<p>López indebted to peasant movement because of its overt action precipitating golpe</p> <p>Fourth phase of agrarian reform begins with Decree 8, December 1972; goal to alleviate immediate demands, stem flow of urban migration; provided forced rental or transfer of idle or sub-utilized lands, and temporary access to national or ejidal lands; effect to relieve pressure but increase demand; mild to no support from campesino organizations</p> <p>FENACH campaign produces revisions in early 1973 to Decree 3; peasant movement unwilling to jeopardize new power relationship with López government</p> <p>Asentamientos continue, labor/campesinos enter waiting period ("compás de espera")</p> <p>1973, creation of campesino training program (PROCCARA) with FAO support</p> <p>AMACH Reponde negatively in late December 1973 to COHEP land reform statement, suggesting that colonization be reserved for social migrants and landowners with enough resources to develop frontiers, and rejecting communal production as the only model</p> <p>Early 1975 Decree 8 replaced by new Agrarian Reform law which limits holding size to 500 ha. except lands in export crops, and promises distribution of 600,000 ha. in 5 years; encouraged formation of cooperatives; and outlawed land seizures; followed by two years in which 95,000 hectares distributed to 23,318 families (of which only 19% were private lands)</p>

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Date/Administration	The Public Sector and Development	Political Evolution	The Private Sector	Armed Forces	Labor Movement	Agrarian Sector
1975-79: <u>The Waning of Military Dominance</u> Melgar Castro, 1975-79	<p>New Cabinet, with few exceptions, received with dismay reforms "technically mediocre" and politically conservative"</p> <p>Stated goals of new government:</p> <ol style="list-style-type: none"> 1) continue with FND 2) eliminate administrative corruption 3) Agrarian Reform 4) Resolution of conflict with El Salvador 5) Produce conditions for return to constitutional government <p>1975 - new government sets up Advisory Council on Banana Policy with multisectoral base - resulting reforms were moderate in effect but included creation of COMBANA, acquisition of North Coast docks and railroads, and some land expropriation</p> <p>Changes in public sector financial structure: notable increases from 1973-78 in public investment as % of total investment, and in role of debt and external financing, despite reforms in tax collections</p> <p>The state moves away from earlier conceptions of its role as national developer and away from role of modernizing industrial sector, to perception of self as producer of raw materials</p> <p>1976-78, coffee boom; gov't revenue rise rapidly, producing new infrastructure investment (El Cajón hydroelectric plant and Olancho paper-and-pulp mill); new autonomous corporations</p>	<p>Selection of Melgar reveals military restructuring as a product of negotiation between reformist and more moderate wings; Melgar a conservative compromise candidate</p> <p>Wave of anti-Communist rhetoric in response to invasions</p> <p>Political parties step up demands for "return to constitutional order," end to invasions, electoral law</p> <p>New lines of alliance:</p> <ol style="list-style-type: none"> 1) conservative elements of private sector and traditional parties, terratenientes, military 2) peasants, unions, liberal Church, students <p>1976 - year of transition to open conservatism</p> <p>Melgar government announces general elections for 1979, amidst recognition of growing unpopularity of military in most sectors and pressure from traditional parties wanting return to control over state apparatus</p> <p>August 1978, weakened by continual charges of corruption and ongoing power struggles in the military, Melgar overthrown in bloodless coup</p>	<p>Private business sector first to endorse new government, with 3 demands:</p> <ol style="list-style-type: none"> 1) temporariness 2) respect for free enterprise 3) modification of Agrarian Reform Law <p>FENAGH accused of fomenting chaos by Investigatory Commission named after "Morcones Massacre"</p> <p>Eventual success of FENAGH groups halting agrarian reform encourages reactionary moves in other areas, e.g., military</p> <p>Private sector and traditional parties force revisions in implementation of FND</p>	<p>The Movement of the Young Officers takes ascendancy</p> <p>Polarization almost from outset; Melgar with a certain independence of action, and the Superior Council controlled by the lieutenant-colonels who lacked a unifying political platform and enough military power to consolidate their positions</p> <p>Some sectors of army make common cause with terratenientes and landowners against campesinos</p> <p>Reformists resist increasing move to conservative dominance by such acts as naming a progressive director of INA, constitution of investigative commissions (bribery case, Morcones Massacre); Advisory Council on banana policy, and Advisory Council of the Chief of State (a multi-sector body), all eventually annulled or emasculated</p> <p>Conservative forces win out and remove last of young reformist officers from power</p> <p>Increased military build-up:</p> <p>1980 - 4th largest arms importer in Central American/Caribbean region</p> <p>1971-80 - U.S. trains 2,259 military personnel, almost twice the number between 1951-70</p> <p>1976-80 - 100 officers to Command and General Staff courses in Canal Zone, three times more than any other Latin American country</p> <p>Military increasingly charged with corruption, including involvement in drug trade</p>	<p>Labor adopts a watchful, independent posture and makes 2 demands:</p> <ol style="list-style-type: none"> 1) justice to wrongdoers in bribery case 2) no reversal of reform process, and criticizes quality of new Cabinet <p>Progressive Minister of Labor (Valeriano) removed and replaced with conservative, who succeeds in displacing militant leadership which had evolved in SITRATERCCO and SITRATERCCO in 1960s</p> <p>1977: a series of 4 anti-labor repressive actions (Taxaco, Ielotas, Guaymas, Standard Fruit)</p> <p>1978: realignment in labor movement - SITRATERCCO becomes independent</p>	<p>Hardened adversary positions between organized peasantry and landowners, organized peasantry and INA</p> <p>Concept of Associative Enterprises exacerbates INA-movement relations but also divides movement vertically and horizontally; head of INA, Maldonado, focus of controversy</p> <p>Campesinos impatient in face of government foot-dragging; May 1975 wave of occupations prompted by UNG, on private lands; then blockade of bridges; UNG leads Hunger March on Tegucigalpa</p> <p>Armed confrontations, in some cases supported by army, landowners vs. campesinos; attacks on labor, church; disappearances and killings ("Morcones Massacre")</p> <p>1975, year of resurgence of campesino activism after general lull during Lopez period; membership ("base") of AMACH resist moderate postures of leadership; FUNC (Campesino Unity Front) formed Oct. 1975 (AMACH, FECCORAB, UNG) and deliver ultimatum to government</p> <p>Lack of Melgar response brings continued violence, but also pressure from neighbor states to crush movement</p> <p>Melgar response is to oust Maldonado, distribute 13,000 ha. of ejidal land in the northeast, name an enlightened director of INA, Sandoval, eventually supplanted in authority by newly-appointed Agrarian Reform Sector Coordinating Committee, and then discharged; period 1975-77 one of rising and falling hopes for campesino movement, ending with period of durable stagnation.</p> <p>Policy orientation effectively leaves latifundistas alone and focuses on the Concentrated Reform Sector in non-controversial and agro-industrial areas</p> <p>PROCCASA terminated, 1977</p> <p>Increase in invasions at end of Melgar period</p>

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<u>Pas Garcia and the Junta Militar, 1978-81</u>	<p>U.S. economic and military aid FY 1978-82 highest in region</p> <p>Inflation and deterioration in standard of living</p> <p>Continued dependence on agricultural exports</p> <p>Unfavorable terms of trade</p> <p>Increasing balance of trade deficit</p> <p>Increased foreign debt</p> <p>Declining growth rates: 1977 - 8.4%, 1979 - 6.8%</p> <p>Culmination of end-of-grace periods on some international debt</p> <p>Sizeable negative balance of payments</p> <p>IMF visit early 1981 produces import tax, business problems</p> <p>Plan Global Sector Público 1979-83</p> <p>Substantial increase in budgetary deficit 1979-80</p> <p>Sharp increases in gov't expenditures, especially for autonomous institutions</p> <p>Creation of Juntas Regionales de Desarrollo, CONSUPLAN idea for regional development under civilian direction; Junta decides to give the responsibility to military zone commanders</p> <p>1979: beginning of capital flight from public sector, through reported military corruption, and private sector alarmed by Nicaraguan events</p>	<p>1978 - over 90% of new mayors named are Nacionales, to potential detriment of electoral process</p> <p>Junta immediately promises elections to be held in 1980, said by some to be a quid pro Carter administration promise of aid</p> <p>July 1979: Sandinistas take power in Nicaragua; pressure for elections</p> <p>April 1980: elections for Constituent Assembly to pave way to civilian rule; Liberals win upset victory in heavy voting in consequence of popular repudiation of military rule and U.S. pressure for clean elections</p> <p>Lacking absolute majority, Liberal stymied in attempt to form government, ask Pas to stay as interim president</p> <p>October 1980, Honduras, El Salvador sign peace treaty</p> <p>Elections postponed twice, once on the basis of anomalies in electoral census process</p> <p>Popular Liberal Alliance (ALIPO) gains legitimacy, with difficulty; based on mix of university leftists, mildly progressive business people, and press presence; PDCH allowed to participate, as is FIM (Nacional Innovation and Unity Party), but access to campaign funds weighted and therefore limiting.</p> <p>Leftist front (FFS) formed and puts up independent candidates</p> <p>Suazo Cordón selected as Rodas' successor and Liberal candidate vs. the discredited Zúñiga</p> <p>Pre-election repression, especially with regard to leftist Patriotic Front representatives</p> <p>Honest elections held as scheduled</p> <p>November 1981, producing stunning Liberal victory on platform of effective public administration, anti-corruption, and resolution of the economic crisis through increased productivity</p>	<p>Increasing disenchantment with military and private-sector determination to oust</p> <p>Credit to private sector sharply constricted relative to credit to public sector; loss of foreign credit reluctant to loan in Central America</p>	<p>Military continues in state of flux after Pas accused of involvement in land scandal</p> <p>25 liberal young officers dismissed by Pas, 1980</p> <p>Military launches Movement of Patriotic Renovation (MORP) in 1981 under Maldonado</p> <p>Alvarez becomes head of Superior Council of the Armed Forces</p> <p>Increasing accusations of military corruption and rumors of golpe</p>	<p>Labor unions point to wave of repression since Pas takeover</p> <p>Increased strike activity</p>	<p>Stagnation in agrarian reform</p>

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An exercise of the sort reflected in the foregoing table is certainly flawed, incomplete, and open to dispute, but it does permit a fairly rapid digesting of a very complex period in Honduran national life. The trends and patterns which emerged in these years should be summarized before going on to our final discussion of how a reasonably representative group of Honduran theorists in different sectors perceive themselves and their society.¹⁷

In the political arena, there were have been five major categories of change since Carías, all of which, as usual, overlap: 1) the decline of traditional politics; 2) political differentiation; 3) alternation in the nature of power; 4) the growth of sanctioned channels for dissent; and 5) the beginning of public opinion as a force in government. The reluctance of the Nacional and Liberal parties to be adequately responsive to popular sector demands and their obsession with the control of the public treasury, led at various times to military rejection of traditional political institutions, including the bureaucracies of both political parties. That refusal, in conjunction with corruption, favoritism, and economic crisis brought on by a number of internal and external economic causes, also led to periodic popular repudiation. At the same time that they have continued to concentrate a great deal of political power, the two major parties have showed over the period, every sign of atrophy. Only within the last few years have they been brought, kicking and screaming, into accepting certain compromises that have resulted in a more innovative, more open, more differentiated political system.

Political history in Honduras has been increasingly shaped by the appearance of new interest groups and political parties. Since the end of the Carías dictatorship, the country has seen major economic and social change which has led to (and been produced by) the emergence of new social forces: a small but effective labor movement, viewed by many as the most mature in Central America; a more or less progressive business community; an aggressive and adaptive peasant movement; an articulate urban middle class; and a more participatory stance in some quarters of the Catholic Church. More recently, new political parties have not only emerged but have been able to participate in the political action, in ways that have reflected a certain capacity to unify opposition to traditional political -- and military -- forms and attract some generalized support. In fact, the entire evolution of interest groups and new political parties has demonstrated a surprising capacity to unite when pushed, at the same time that the country as a whole has demonstrated on several occasions an ahistorical ability for intense national unity under stress.

The evolution of the new social forces has not been easy and has in its turn also produced refinement in less progressive counter-forces, for instance the historically rather laissez-faire terrateniente sector. This has meant that popular forces have been limited in their capacity to elicit satisfaction to many of their demands and certainly their needs. The counterforces have

(17) This section derives from the same sources as Table III-4.

been successful in turning back many of those demands and, at certain periods, the government has been able to ignore or postpone those demands. Nevertheless, periodically, the political equation has been forced to change because of economic crisis or the prospect of some kind of chaos, and the system caves, if briefly and unsatisfactorily, to pressures from the popular sectors. This has meant that the popular sectors have, since their birth, developed some ambivalence about themselves and about the government; they have come to have a sense of political efficacy at the same time that they have become cynical about the durability of the government's commitment and ability to come through on its promises. Thus, through these years there have been stretches of real dialogue, contradicting the myth that Hondurans could not cooperate and talk with one another, and stretches of unresponsiveness and even repression. This variability may be one of the reasons why leftists and conservatives alike talk of periods of dialogue (and especially populism) as little more than demagoguery, while middle-of-the-roaders and moderate leftists speak of them as democracy in the making.

While there certainly has been a fair share of demagoguery during the period in question, it is also hard not to see a general opening of the political system, more variability, and more accessibility. There is, to be sure, a certain class-based quality to the major interest groups -- the campesino organizations, the labor unions, the private-sector institutions -- but the traditional parties have nevertheless, in their muddled way, always cut across classes. This, plus the fact that the different subgroups of each interest group have different objectives, has produced a sort of political cross-hatching which could turn out to be either constructive, or anarchic in the traditional Honduran factional way, or present a tempting target for authoritarianism.

At the same time, culture is culture and history is history. The opening and variegation of the political systems and a move toward a more associational style of interest articulation over the period we are looking at, did not mean the disappearance of personalism, particularism, paternalism, or hierarchical authoritarianism. Political activity based on primary relationships, person-to-person politics, still have continued to be very important, especially at the local level. The National and Liberal parties have continued to control mobilization of voters at the municipal level, and historical loyalties that followed family lines, patron-client relations, and regional custom were politically prior through the last elections; traditional party ability to offer patronage and influence electoral procedure did not vanish. The centralized authority of the executive branch did not really get diluted very much and personalistic politics and backroom deals went on alongside meetings, dialogues, convenios, and pacts to share political power.

The meaning of the emergence of interest groups in Honduras for the non-elite sectors of society was not only the possibility of more social differentiation out of the traditional, rigid, dual society inherited from the colony, but the availability of alternative channels not only for opinion but for dissent. The beginning of public opinion as a force in government from the 1920s on seems to have implied an increasing tendency to reject revolution as a political device. More and more, Honduran history came to be shaped by

the pressures and counter-pressures mobilized by the peasant organizations and labor unions and resistant components of the public and private sectors. The concept of dialogue grew to be so important that strikes, invasions, and marches came to be considered last-ditch efforts and evidence of failure. Honduras moved from being a country of "aguerridos" to being the most peaceful country in Central America except for Costa Rica. In general, the country managed to maintain relative equilibrium without resort to violence; peace and the image of peacefulness became almost national obsessions. The paradox of Honduras was, and is, that the obsession with peace has, at some junctures, led to an obsession with anything that would disturb it, so that the episodes of repression that the country experienced over the years since Carias had to do with the containment of Communism, or at least the perceived threat of Communism.

And, to turn the coin over once again, the appearance not only of repression but of a strategy for repression (or at least controls empowered by decree law) has been accompanied by a resistance to repression and a national distaste for violence that comes out of the new national pacific ideal. We hypothesize that the older generations became tired of turmoil and the two generations born in a time of relative peacefulness accepted that peacefulness as part of the national landscape.

A correlated development since 1950 was a new kind of alternation in the nature of power. Before 1950, alternation was between anarchy and a few periods of some peace and/or progress. After 1950, the nation entered into a cyclical alternation between essentially benign military dictatorships and democratically-elected administrations. The former have tended to increase the power of central government, emphasize central planning and implementation for development, the latter to decentralize power to local municipalities and departmental governments. The current operating theory is that the nation has just entered into a decentralizing period, although there is some cynicism about the government's and the Armed Forces' willingness to permit the municipal elections scheduled for 1983 that will permit this to happen.

Finally, over the post-1950 decades, the country has seen a pattern of reformism and populism which bump up against a fear of too much reform on the part of traditional political and economic elites. It is at the resulting points of confrontation that dialogue between and among sectors, if not always in time and if sometimes stifling of the desired reforms, has come to be a real political strategy. In fact, such dialogues and any reforms which have occurred have acted as escape valves for societal pressures, permitting Honduras to avoid convulsion. Even amidst a disturbing vacillation in social commitment, the political system has been able to accommodate demands placed on it by what are perhaps the most important pressure groups, the landless and quasi-landless and large landowners, because of a relative abundance of land. This has permitted some land redistribution to occur and has been at least part of the reason for the change in the base of the Honduran political system from a dual economy; this change has also been tied to the incipient industrialization of the two metropoli, transformation of agriculture in highland valleys, and establishment of a thriving coffee production system on the piedmont in various parts of the country. Of these the most distinctive has been the development of a coffee industry (very late compared to its genesis

in the rest of Central America) in which productive resources have been distributed relatively equitably. Nevertheless, changes in productive strategies in the flatlands, increases in land values, land enclosure, population growth, and their by-products of unemployment and landlessness, have altered traditional peasant/terrateniente relationships in ways that have made reformism a difficult business. Still, as imperfect as it is and as cynical as one might be about it, it is still distinctive of Honduras that it has looked to reform as the dominant national strategy, rather than to the repression that is characteristic of its neighbors.

We referred earlier to the durability of certain cultural styles which, we saw in preceding sections, date from the colonial period, modelled, according to one Honduran analyst, on the Mediterranean rural father-son tradition. These same styles have not only typified much of political behavior but, by extension, have continued to typify the way public administration has worked and still works, even with the introduction of technocratic expertise. The tradition of paternalism and the patron-client model are still firmly embedded, structurally and functionally, in the way government business is done. There has been a straight-line historical evolution from the repartimiento /encomienda to the hacienda, the cacique/caudillo, the banana companies, and the central government and its agencies. The ganadero/parcelero relationship has endured in some areas and, where it has not, contemporary theorists comment that the land reform institute, INA, has taken on the patron role. Other critics note that the more moderate union and campesino federations have been, and are, more paternalistic than they are participatory. For this reason and related reasons of personalistic orientation, there is some consensus that the various interest-group alliances formed and re-formed over the last 30 years were not intellectual, thoughtful, ideological, or philosophical alliances, but spontaneous, practical, ad hoc mergers of passing mutual interests. Alliances were responses to perceived opportunity, in this view, based on present or anticipated reciprocity, not intentional agreements to reach some longer-term objective. That this is at least partly the case is attested to by the fluidity of interest-group mergers that can be tracked by scrutiny of Table III-4 -- it is hard to pin down just who is allied with whom over any length of time. However, as we will see below, there is some reason to feel that if this is an accurate description of the post-1950 decades, it may be changing.

There is also a fair amount of justification for feeling that, at least in the internal structure and operation of some of the new interest groups and political parties, the paternalistic model has been breaking down. Yet it is still true that those same interest groups continue to focus their demands on the executive branch, partly because the system itself continues to be highly centralized; it is not really very different from the way Stokes described it in 1950 when he said: "The structure is hierarchical; the working principle, authoritarian." Despite the proliferation in sheer numbers of offices and bureaucrats to fill them, the president has continued to be responsible for day-to-day operations and many problems are directed to him instead of to more appropriate lower administrative levels. The last 30 years have not eliminated personalism and that mistrust of government that came from Spain.

Not all of the mistrust has been misplaced. The last 30 years have not eliminated the perception of government as the source of wealth. However, one of the patterns that emerges in the tabular analysis is that there has been an increasing revulsion to corruption and an increase of the importance of corruption as a reason for attempted ousters of incumbents that go beyond the simple, selfish desires of outsiders to get a piece of the insider pie. Along with this have come understandings that the problems of corruption in public administration are both structural and cultural, that they not only are tied to what is expressed in organigrams but to ideological commitment to a clean house and qualified public servants.

The chief contributor to the problems of public administration in historical terms has been anarchic growth in numbers, complexity, and the cost of the public sector as the economy has grown and diversified and as the state has assumed the role of chief promoter of national development. In recent years, the Honduran state has become not only promoter but investor and planner, a process stimulated and assisted by the ever more influential international financial and technical aid programs. The ordering of the state apparatus has responded to, and engendered, the process of diversification which started with the reordering of the productive activities of the banana companies early in the period under consideration. This diversification also produced the socioeconomic diversification that resulted in the emergence of an urban middle sector, a progressive commercial and industrial bourgeoisie, and organized labor and peasant movements, each of which in its turn required an additional complexity in the public sector's capacity for response. Each new development step, from the expansion of the road and communication network to the newer role of the state as entrepreneur, has meant more offices, more people, and more money. While there have certainly been major exogenous political and world-market conditions which have helped throw Honduras into almost chronic economic crisis, corruption and the expense of the state apparatus and its investments have been major contributors to the mounting debt burden which has accumulated since the early 1950s when Honduras finally and conscientiously paid off its 19th-century obligations.

Somewhat ironically, concern about corruption and disorder in the state apparatus contributed to the interventions of the armed forces in the country's political life. One of the most important trends in the period under analysis was the legitimation of the political power of the armed forces in the 1957 Constitution after the 1956 golpe, the legal consolidation of that power through the 1963 golpe and 1965 Constitution; and the practical concretization of military power through the professionalization of the force, development of its institutional identity, and the demonstration of its capacity to respond to pressure and so maintain itself in the forefront of national life with rather more agility than the stereotypical, Latin American military. Since the Honduran military is also a historical offspring, it has not been immune from abuses of the state apparatus, despite its anti-corruption rationale for intervention. Thus, while all four national elections since 1957 were held under the auspices of a military regime, there has been waxing and waning of enthusiasm in the various sectors of the electorate about unconstitutional, military political solutions, even in times of national stress.

In sum, it appears that a dominant characteristic of Honduran political life since 1950 has been the expression, sometimes alternating, sometimes simultaneous, of almost polar attitudes and behaviors. Factionalism and compromise, corruption and revulsion, greediness and social awareness, exploitation and equity, authoritarianism and participation, have all been present and it is the country's attempt to resolve the ambivalences and strains between these that perhaps describe its national character as well as anything.

5. Perceptions of Today

The preceding sections of this chapter have attempted to analyze the simultaneous evolution of Honduran cultural and politico-economic life which, it was understood, was to be the focus of the Social-Institutional Analysis. This concluding section will present the way contemporary Hondurans (as represented by the individuals the SIP team talked with) see the various sectors of their society and, where appropriate, the sectors of which they are members. The discussion will focus on the public and private sectors. The point is to go beyond organigrams and outsider conceptualizations of Honduran society to record what anthropologists call "emic" concepts, which are nothing more than the insider's view. Because this was not a survey in the sense of working with a randomized sample of the entire population, but rather an "expert survey" among a relatively small number of individuals, the argument can be made that the views presented are idiosyncratic. We have tried to anticipate this by indicating where there appears to be consensus and where the perceptions offered are either very personal, patently political, or in some way notably atypical. This, of course, does not make them necessarily less interesting or provocative.

5.1 The Contemporary Political Scene

Any discussion of any public sector must necessarily begin with at least some reference to political culture and events; in Honduras public-sector and political life are, as we have seen, virtually inseparable.

The most striking contemporary perception of Honduran politics, on the part of those directly involved in it and on the part of those outside it, is that (with the exception of one's own political party), little has really changed in the way politics proceed. There is a deprecatory posture toward politics in general which is not, of course, peculiar to Honduras and has even been identified in North America. Although, as we indicated earlier, there is pride in having managed to get through free and honest elections, there is a well-generalized sense of the fragility of this achievement, a feeling of not quite believing that it really happened or can last. Few targets escape a largely cynical appraisal, with the exception of the incumbent president who, at the time of the study, was still profiting from a wait-and-see disposition on the part of even the most predictably opposed; with that exception, the following perceptions appear to prevail: "What is a political party? At bottom, it is nothing; political parties are shining examples of vested interests." There are no real differences among them and little has changed from colonial times when Honduras was riddled with factionalism, a battleground for national and international political spoilers. The Liberal Party, as one example, is nothing more than a bunch of "personalist gangs" (pandiPlas

personalistas) with different economic interests; one may reasonably expect that the Liberals will try to delay municipal elections and the implied dispersion of power the same way Villeda did in the last period when the Liberals had access to the public apparatus. The political parties are essentially organized as caciquist political troops (partidos de cuadros caciquistas) and, in fact, new sorts of caciques are sprouting up, among whom the most notable and potentially powerful may be the "coffee caciques" (caficaciques). There is a whole language of disdain for political groupings; they are "camarillas", "grupúsculos", "argollas" ("bands or coteries," "little grouplets," "rings") and bands of caudillo hangers-on, all symptomatic of what is described as "political underdevelopment." Party ties are still traditionally inherited, especially at the local level where everything is political and people are said to not want to convert to Protestantism because they do not want to give up quasi-political compadrazgo (fictive kinship) relationships. In fact, the term "co-religionario" is still in common usage and recently appeared in a call for support in a full-page press advertisement by Melgar Castro. At the local level, the major social force is the political party; new institutional forms, like the patronato,¹⁸ can become irrelevant or ineffective unless they participate in that force in some way.

A recent book by an ex-Minister of Labor (Fonseca, 1982) describes how the Honduran political process works at the local level:

"The most prominent figures at the local level, such as the municipal mayors, some school teachers, the most prosperous hacendados, and old, idle, illiterate militares, are those who make up the initial lists of candidates, which are later made official by the local councils or committees of the party in question.

"In the departmental capitals, the screen is made up by the political governors, for one or another mayor, by the recognized spokesmen of associations of hacendados, industrialists, and comerciantes, . . . by not a few white-collar types, and by the 'politician' in each of the richest families who usually has an academic title. The respective departmental council or committee takes the slate (planilla) made up in this fashion to the highest level of the party.

(18) There are basically two types of organization at the local level which have political and administrative functions. One is the municipal political structure, represented in most villages by an assistant mayor who is responsible to the mayor (alcalde) in the municipal seat. The second type is the patronato, associations of villagers usually formed ad hoc to carry out community betterment projects such as school building or repair, introduction of public water service, and other small community development projects. Patronatos are to be found in almost any village and more than half of all villagers belong to patronatos at any given time and the large majority have belonged at least once during their lifetimes. All adults are tied, by law, to the alcaldia municipal structure (Rural Education survey in the Ocotepeque area, cited in the Rural Trails Project Paper, USAID, Tegucigalpa, and unlocatable otherwise).

"At the central level, which is where the final selection of candidates is made, is the 'caudillo', the 'maximum leader', the 'chief', the 'mandamás', the owner of the party. In this task he is usually assisted by one, two, three, and even four people, each of whom has a different degree of influence.

"From the formal perspective, the designations are made by the Central Executive Committee or Council of the group in question, because its statutes, to give a sense of participation, say so."

The same source goes on to say that the criteria for party selection of candidates are based on loyalty to the chief, whose personal will defines the best interests of the party; the amount of militancy and activity displayed during the preceding campaign; possession of some local-level support; and, above all, subservience. He goes on to lay the entire responsibility for the Honduran plight at the political doorstep:

". . . Thus neither the best of the party nor the best of the country are chosen, only friends and friends of friends. The entire history of Honduras since Independence has been determined by the political parties who have bloodied our country, given away our most important national resources or stolen them, have in more or less systematic fashion sacked the treasury and converted bribery into a respectable institution; who have motivated and deepened our dependency; who have made justice something to be bought and sold; who, in sum, have for their own benefit converted illiteracy into a system and deepened our terrible underdevelopment Since the Liberales and the Nacionales have had an obvious monopoly on our politics, no one else can be blamed for the crimes and abuses which have been committed over time for sectarian reasons; for our institutional instability; for our false democracy; for the ruin in which the mass of the population find themselves. They are the people who are responsible for what we have been and what we are." (Fonseca, 1982)

While it is not clear how widely this passionate disregard is shared, there does appear to be some real consensus around the idea that people who enter politics are almost always looking for something ("buscando algo") and the clear implication that the "something" is access to the public till. In other words, the sense is that, in this respect, little has changed from the pattern set in the colonial period discussed earlier of identifying political power and administrative posts with economic power and gain.

It is helpful to think of the Honduran political system perceived in this fashion as a case of what Chaffee (1976) has called "political entrepreneurship." The political entrepreneur is one who seeks profit from the production and supply of public goods, a perspective that runs counter to the mainstream of traditional American political thought, built on the belief that democratic government is the creation of the governed. The power of the political patron

is not so much a function of the paternalistic image and of strength of prestige, but of the owner's capacity to satisfy the "regalía" (perquisites) demands of supporters. One manifestation of this in Honduras is the public sector post; another is the utilization of services delivery, i.e., visits by party doctors on weekends to give free medical care and medicines, as a way of eliciting adherence. It is this sort of phenomenon that leads a number of Honduran analysts to comment that Hondurans do not vote "theoretically," nor do they have a good idea of what they are voting for. They vote out of tradition, out of response to such factors as who gives out free drinks and tamales, who transports them to the polls, and who provides other actual or potential favors. In this vein it has been said that there is no real populist movement in Honduras, only demagoguery. It is also said that the traditional political parties lack any definite, structured, well-articulated ideology, so that the constituency casts its votes for things and personalistic considerations. The point was often made that there is a sort of voting schizophrenia which finds groups, for example labor unions, behaving progressively in many ways and making progressive demands, and yet voting traditionally; a union member may even cast his vote for quite radical union leadership and vote Nacional, which some theorists find symptomatic of the lack of ideological content available to the electorate to select from. The hypothesized effect of this is to make national politics very vulnerable to any number of stresses, because there is not yet the habit of democratic, constitutional alternation of power, nor is there any ideological glue to hold the political structure together and keep it from being opportunistic and providential.

When the perquisites referred to above are no longer forthcoming, the patronal figure loses all its effective authority. Chaffee goes on to say in effect what Posas and Del Cid said in the citation presented earlier: "In an economically static situation, there tends to be a point when politics becomes dominated primarily by an inter-elite struggle for office as a means of securing or gaining economic power" (Chaffee, 1976). Thus the greatest industry becomes politics, which absorbs entrepreneurship that has no other place to go because economic activities are for some reason not available or open; politics (and the army) are the principal paths to upward mobility. Blackburn (1963) has argued that the lack of revolution in Costa Rica derived from the relative freedom of the national entrepreneurial sector. We can set up a hypothesis for all this that should provoke some hard thinking about the path of development assistance, that is, that while increase in alternative sources of wealth and power is no guarantee that public administration can reorient itself, the continued burgeoning of the public sector as the main fount of power and gain holds little promise in the absence of alternative entrepreneurial possibilities.

Much of the evidence for theories about the bankruptcy, stagnation and/or atrophy of the two traditional parties, and popular alienation from political tradition is drawn from two sources: one is the birth of the various popular movements -- labor unions, empresas asociativas, cooperatives, campesino organizations -- which arose primarily because of the unresponsiveness and exclusionary nature of the Liberal and Nacional parties, primarily the latter. Such forms are said to do infinitely better in terms of representation and participation than the political parties. The question is one of access, not power.

The second source of evidence is the country's most recent voting behavior, which for many observers reflected rejection of the military-Zúñigista alliance and, by extension, corruption and the Nationalist way of doing politics; it also reflected a desire for reforms in the way of governing and in the country's social structure.

This rather sobering picture is not shared in equal degree by everyone -- some analysts find encouraging signs of change, looking at the post-1950s period through to the immediate present -- but there is, overall, little rock-hard confidence that the system as it has evolved will necessarily hold together. Neither of the traditional parties is as monolithic as it seems; in fact, the Liberales until the elections were chronically split by factionalism, and recent events suggest that the Nacionales are not yet free of factionalism as they struggle for the presidency of the Central Committee of the party. However, a recent op-ed analysis by Durón in Prensa (October 1981) comments that the profound division in the Nacional party is more apparent than real; there are not real ideological differences and what is showing are "personalismos individualistas," rather than any distinct political plans.

At the same time, there are perceptible differences in voting behavior identified by Morris (1981) in a statistical analysis of the 1957, 1965, 1971, and 1980 elections which builds correlations with selected economic indicators. Morris found that support for the Liberal and Nacional parties are associated with distinct social and economic characteristics. Liberal voting through all four elections correlated with urbanization, migration to departments, and the extent of union membership; Nacional voting was negatively correlated with those characteristics. Illiteracy was positively correlated with Nacional voting and negatively with Liberal voting, in the last three elections, and ratio of industrial to agricultural employment tended to associate positively with Liberal voting. Thus the more developed urban regions have come to constitute the base of Liberal support, while the Nacional traditional stronghold continues to be rural and in areas that are relatively less developed. There are also signs that the basis of Liberal support is changing more than that of the Nacionales, perhaps due to the less disciplined Liberal structure, the more open urban electoral environment, and perhaps electoral inroads achieved in urban areas by the new political parties since those parties are competitive for the Liberal rather than the Nacional vote. Any significant increase of political competition in the urban-developed areas would, Morris hypothesizes, enhance Nacional strength in its rural base in areas of highest out-migration, and introduce more change into Liberal voting patterns. Morris sees this as a potential source of political revitalization but if things get too splintered, the net effect could be regressive.

In addition to Morris's statistical argument, Honduran political analysts are pointing to some identifiable signs of party differentiation which can be said to reflect at least some implicit ideological attraction. These differences go something like this:

Nacional Party -- since 1932, the party of the status quo which has traditionally expressed the interests of large rural landowners, rich peasants, and urban middle classes tied to the bureaucracy and in alliance with transnational interests. Currently divided into officialistas or

Zúñigistas, the linea recta orientation; Movimiento Unidad y Cambio; and the Frente Nacional Melgarista.

Liberal Party -- more unified than before, it expresses the interests of the rural petty bourgeoisie, particularly the highly-organized and dynamic smaller and medium coffee-growers, and claims to have "purely popular" roots with its greatest support among workers and peasants, youth, and the professional middle class; it prides itself on the breadth of its base. Its philosophy is said to be democratic, pluralist, participatory, non-interventionist, peaceful, integrative, and conciliatory to free enterprise. The Liberal subgroups are the Alianza Liberal del Pueblo (ALIPO, a wing of the party dating back to the 1950s with Social Democratic sentiments), the Movimiento Liberal Rodista (MLR), and a non-official Frente de Unidad Liberal (FUL).

Partido de Innovación y Unidad (PINU) -- the party which emerged from the 1969 crisis, it draws its greatest strength from the urban middle class in the departments of greatest capitalist development (Francisco Morazan, Cortes, Atlantida, y Choluteca), a group which is growing slowly in a context of economic crisis. Its orientation is said to be humanist, concerned with individual and human rights, and social, economic, and political democracy. It believes in the obligation to provide a minimum safety net for needy sectors; in an agricultural emphasis and an agrarian reform which is productive, not just redistributive; in state planning; and an independent, nationalist, reformist regional identity.

Partido Demócrata Cristiano de Honduras (PDCH) -- Began as a peasant-student movement in 1964, incorporated as a political party in 1968, and participated in its first election in 1981. It is considered by some to be slightly more radical than its Christian Democratic counterparts elsewhere in Latin America, largely because of its association with the militant peasant union, UNC, and its inroads into the labor movement.

Frente Patriótico Hondureño (FPH) - A grouping of the country's leftist parties, including the pro-Moscow Honduran Communist Party (PCH), the Maoist Marxist-Leninist Communist Party of Honduras (PCMLH), and the Honduran Socialist Party (PASOH). While the Frente brought more unity into the left, which some people claim has been intensified by repression, the left has lost positions of power in recent years, i.e., places on labor union directivas.

6. The Public Sector

The point of this section is not to describe public sector problems --AID is aware from its own experience of what the problems are and how they manifest themselves -- but to present a contemporary Honduran view of the sector and some Honduran hypotheses about why the way it is the way it is. These hypotheses are not unrelated to our foregoing historical analysis and may repeat some of it. Also, because of their intimate interrelation, there may be some overlap with what has been said about the political sector. That may be boring but it is instructive.

An organigram of the public sector follows. Like most structural descriptions it is a dead document, but it provides a background for the perceptual discussion which follows. Its elaborateness and size we have already discussed; what is striking, however, is the sheer number of decentralized entities, about which more will follow.

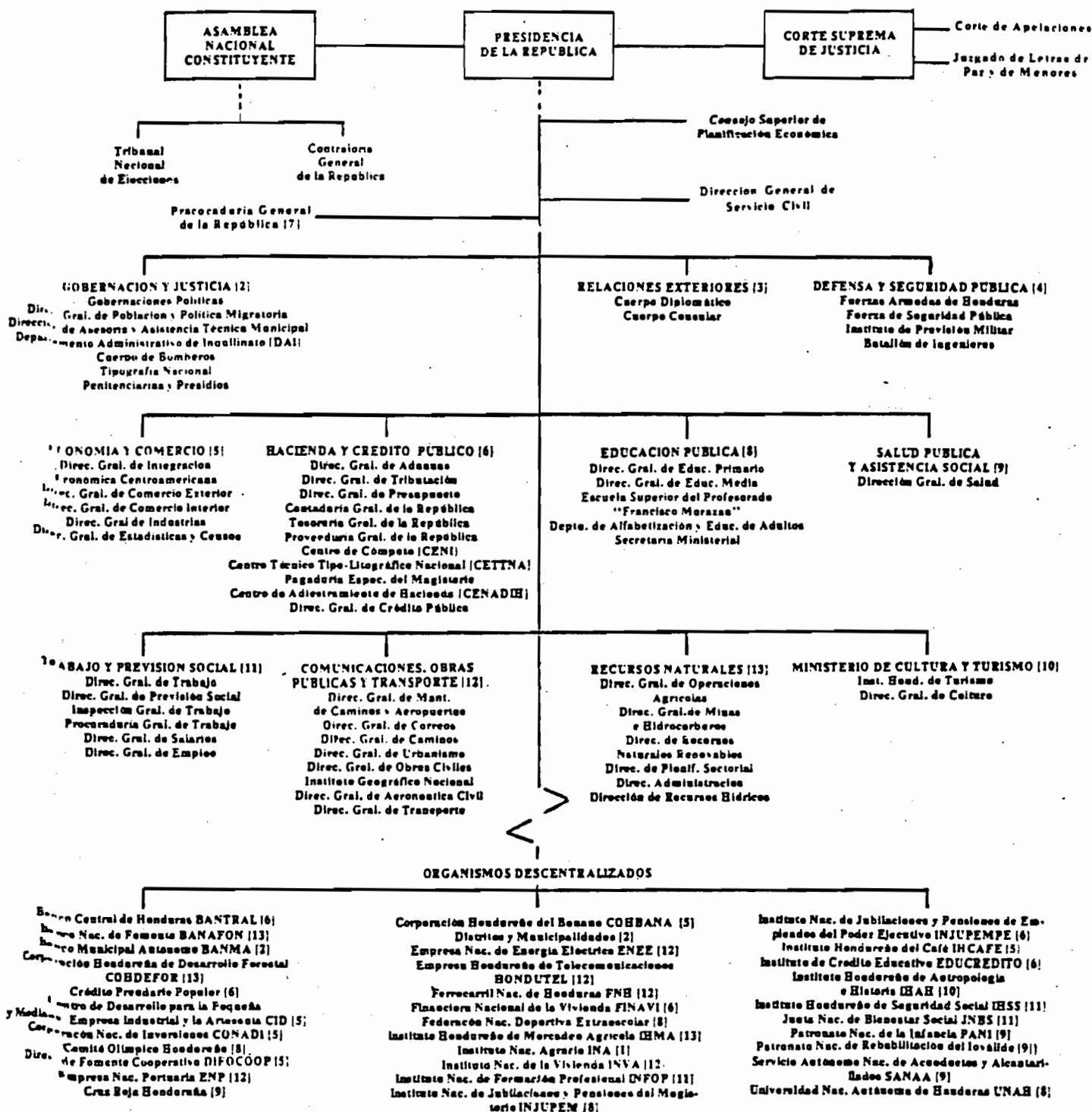
It is the Honduran tradition to see central government as inherently corrupt and incompetent. There is a persistent disposition to see corruption everywhere, even where it does not exist, and yet to assume that, for a number of reasons, it is the smart and necessary way to function. From a historical perspective, corruption and incompetence lie at the root of the rise to power of the military in this century, but in historical fact, corruption has been a political issue for a long time, beginning in the mid-1870s, again in 1910, in the early 1920s, and so forth; as observed earlier, corruption has in fact triggered periodic crisis points in the life of the Honduran public sector.

A concomitant of corruption, and one of its causes, is the phenomenon variously described as clientelismo, amiguismo, favoritismo, and so forth. Several observers commented rather forcefully that, even given the troubled economy and Central American political turmoil, perhaps the most destabilizing current force has been the abuse of the electoral mandate for political payoff purposes. The greatest error of the new government to date (fall 1982) were the mass firings and cabinet appointments which were not based on merit, with only scanty reintegration of those discharged. The "Operación Escoba Roja" (Operation Red Broom, the "red" referring to the Liberal party color) was described as "fatal" and the comment was made that it represented the greatest regression in public administration in 15 years, to what was described as "a spoils system." Another term that was used was "political cannibalism" which was considered a different order of things from the corruption that everyone more or less expects.

Particularly distressing to some commentators was that amiguismo was prevalent in effect even in agencies which were supposed to be helping agencies (e.g., IHMA); there was a spate of particularly disconcerting talk about superpoliticization, hints of corruption, accusations of incompetence, unconscious or conscious obstructionism, undue friendship with the military, and political trampolining with regard to the Agrarian Reform Institute (INA). Attacks on INA can well arise from political differences, personal fears, or just plain malice, and must be regarded with caution. However, the sources of criticism were numerous and varied enough to give pause and to constitute a real threat to an agency which is always, perhaps by definition, under stress. INA is often seen to be in the wrong "political place," can almost by definition please no one or count on any single, enduring source of support; and is particularly important at this historical juncture. Accusations of different sorts of corruption are decidedly destabilizing in this crucial context.

The whole experience of political turnover in the Suazo Córdova administration has, in sum, been extreme and worrisome, in terms of the potential for it has offered for disruption of the social peace, in the violation it represents of the intent of an electorate looking for new ways of doing things, in terms of accrued resentment and the potential for stress within the public sector itself, in terms of the alienation of the labor movement, in terms of

Figure III.1. Structure of the Honduran Public Sector, 1982



NOTAS:

- a) Los niveles no indican subordinación o categorías diferentes.
- b) Los números entre paréntesis de los Organismos descentralizados indican una relación directa con determinada Secretaría de Estado.

the calibre of the selections made, in terms of the commitment of public employees, and in terms of confidence in the capacity of the new government to govern. There is also the issue of cost. The estimated number of firings was running at around 12,000, with rates as high as 95% in some agencies reported, and there were about 3,000 claims for damages between January and July 1982, compared to 30 for comparable periods in the past. While such claims are slow in being paid, if at all, the manpower used to process the claims is considerable and the comment was made that the instability of public employees was also affecting the levels of treasury collections and damaging an already stressed economy. We were not able to go beyond these figures and to get harder facts about the extent and durability of the damage, but the extent of the perception itself is damaging enough to a country with plenty of other things on its mind.

While, as one might expect, concerns about conditions and events in the public sector were felt with special vehemence among non-Liberales, party members, even those quite close to the incumbent leadership, were surprisingly critical. At the same time, there is an almost ubiquitous expectation that winvolvement in the public sector means that, sometime or other, everyone will have to have their turn "en la llanura" (literally, "out to pasture"). Being en la llanura is considered logical and integral to the system: everyone gets a turn at eating from the public pie, especially important when economic times are tough and the size of the pie is even more limited than usual -- a simple case of the political entrepreneurship talked about earlier. In a country somewhat habituated to political turnover -- in 1894, 1903, 1911, and 1920, post-election turnovers of public employees ran at 100% and the Carías ousters were massive -- no one is really surprised about the recent turnovers. Nevertheless, as someone observed, "We are trying to be a new Honduras."

An ironic aspect of all this is the widely-shared perception that civilians cannot administer, will never be as efficient as the private sector or the army, and are in many cases dishonest. A particularly blistering commentary in Alcaravan, repeated by one person we interviewed, referred to the incumbent civilian administration as one of "predictable mediocrity," "an amalgam of improvised initiatives." This is very harsh and perhaps unfair, but it does seem to reflect a majority view of civilian competence. It was interesting that a number of individuals, with no particularly consistent ideological or political orientation, spoke rather wistfully about the "Super-Cabinet" of the López reformist period as being the only time in modern public-sector life that there had been a consistent display of merit appointments.

The dominant theory about the reason for the generally low quality of public employees, aside from the manner of their recruitment, was centered on issues of motivation. It was understood that many employees would not be adequately prepared or educated for their positions, due to the perceived inadequacies of the educational system. That was considered more easily remedied, something on which a technical fix could be put. The question of motivation was quite different, because it is seen as a by-product of political structure and culture which are considered overriding. Even given inadequate preparation, it is almost impossible for most public employees to learn much about what they are doing, simply because they are not usually

around long enough to do so. The other dimension is that, since there are no guarantees of any kind, fear of losing a job (since turnover is expected) is acute and defines much bureaucratic behavior.

An important dimension of the turnover phenomenon, for AID and other international organizations contemplating training as part of their development portfolios, is the implication that turnover has for the training investment. One Honduran theorist felt that loss was limited by the determining factor of scarcity. The argument goes that, since there is a relatively small pool in Honduras of individuals with administrative and technical expertise and since there has been relatively little brain drain, individuals with such expertise stay in country and form part of a sort of unwritten list; they move in and out of public life with the political tides but are rarely completely lost. The counter-arguments are that there is no guarantee that this absence of brain drain will continue, especially given a worsening economic and political climate, and that there is in any case some diminution in returns to the training investment due to loss of continuity.

At the heart of the problem is, of course, the lack of a meaningful Civil Service. Institutionally, the Civil Service is, together with CONSUPLANE and the Press Secretariat, one of the three direct dependencies of the Office of the Presidency. Its charge is, according to the institutional summaries in the 1981 Budget Volumes, "to establish the career of administration so as to prepare, empower, and elevate the status of the servants of the State and thereby increase the effectiveness of public office."

The placement of the Civil Service as a dependency of the Presidency is agreed by Honduran experts in public administration to be not only generally inappropriate but fraught with potential for abuse. Because it is not autonomous, the Civil Service is effectively impotent; there can be no real policy for recruitment of public employees nor any mechanism to assure continuity, when all levels of appointed office are based more on whim and political identity than they are on merit. What little power the Service does have is restricted to the lower tiers of the personnel hierarchy and even that power is diluted by the fact that approvals of all personnel determinations in the system are signed by the President; it goes without saying that all tiers of the personnel hierarchy are also accessible to patronage uses. The Civil Service Law now in force is toothless; while it prohibits firing without cause, the universe of causes is defined ad hoc by management and remains undefined by law. Periodic attempts to strengthen the Civil Service Law remain in the desk drawers of would-be reformers and hopes of reform in the near future are generally perceived as dim. One analyst observed that any Civil Service Director who tried to modify the system empirically in any substantial way would be summarily dismissed.

The control of the executive over the Civil Service is another important example of the centralist tradition in Honduras and has painful repercussions on the functioning and effective growth of the sector. As it now functions, the sector absorbs energies from the executive branch that could be more profitably be used elsewhere, dilutes any sense of bureaucratic responsibility, and emasculates initiative at municipal and departmental levels. Unfortunately, the centralist model in the Honduran context does not compensate with

competence, agility, or speed for its authoritarian style; a great web of red tape constrains even the most minimal bureaucratic activities. 19

In sum, the paternalistic, centralist, authoritarian model inherited from Spain continues to dominate and constrain the public sector, despite the earnest efforts of the Honduran polity to move toward democratic models. One of the by-products of continuance in this tradition is, as it always has been, the two-edged sword of dependency and resentment. The experience of INA is a good example of how these relationships play out. The clientele of INA, that is, campesinos, vigorously demand support from the agency which, despite its semi-autonomous character, is decidedly the representative of the central government. At the same time, campesinos on reform settlements do not want interference in their affairs by INA or, for that matter, by any other government agency. The increasing demand for services by organized campesinos is agreed by all parties and by outside observers of the scene to be a major source of stress and destabilization in the society, particularly for a government with stringently limited economic and human resources and correspondingly limited capacity to respond to even the most justifiable requests. Yet even campesino leaders most alert to those limitations, as well as those most cynical about its technical competence for response, share the conviction that the government is still obliged to respond, a conviction that the government helped to form when it decided to become the chief actor in the development process. The government opted for an essentially paternal role in that process, continuing in the best Iberian centralist tradition, enhanced by social sensitivity and political need; it is not surprising that its constituencies, socialized to paternalism, entered naturally into the game. One critic of INA described its structure and functioning as predicated on "a plantation design"; another observed that the new AID Titling Project would be interesting to watch as a U.S. interpretation of that design. It is nevertheless important to remember that in full-blown plantation and utterly authoritarian systems, voices of demand are rarely raised and almost never responded to. In Honduras that has not been the case and it is that quality that distinguishes it from its neighbors.

It would be surprising if the paternalist heritage did not carry over into the government's other significant relations. The SIP team was startled, perhaps naively so, by the degree of ambivalence and even hostility toward American foreign assistance, particularly AID. The ambivalence seems to arise largely from the strain between the recognition that foreign assistance is so necessary and the way in which it is provided. A widely-shared view is that the help comes too little, too late, and erratically, and is customarily distributed and imposed through what are termed "los paquetes de la AID" ("AID's packages"). The AID packages are viewed as AID productions which are unduly complex and unwieldy and which typically involved little if any real participation by Hondurans in their conception and design. The result is the same two-edged phenomenon implicit in any paternalistic set of relationships: dependency and resentment, with their corresponding load of ambivalence.

(19) The Honduran government does not hold the monopoly on red tape. Some interviewees commented acidly on how long it took AID to get things done, adding that the combination of the two "enredos" (tangles) was disastrous. One wag suggested that AID and the Honduran public sector brought out the worst in each other.

Some Honduran analysts are nonetheless quick to point out that this not all the fault of AID or other donors. The Honduran government is seen as "super-vulnerable" to donor pressure and as lacking power to truly negotiate terms of reference. This is so for several reasons: a) the government does not really know what it is doing in development and therefore does not understand what its options are or how to exercise them; b) the government has not been able to develop the capacity to design programs and projects itself; and c) these crucial disabilities combine unhappily with financial and political realities to weaken governmental disposition to seize the initiative in project planning.

In this same vein, one analyst commented that a good definition of underdevelopment was "the inability to generate ideas or to constructively utilize those that do get generated." Thus the national plans that are produced go largely unheeded and the country ends up with projects that further indebt it, projects over which it has very little real control, projects in which there is little sense of national participation. The prime example of governmental inability to hold its own was the economic policy of the incumbent government; this was viewed by some interviewees as effectively non-existent, by others as taking too long to be articulated in any useful way and, by those who did perceive an articulated policy, as an incoherent and palliative attempt, half socialist and half obsessed with monetary destabilization. It is important to note that these harsh criticisms, while they are characteristically aimed at the incumbent government, are often criticisms as well of a more generalized Honduran incapacity to perform or cope.

The observation was made several times that Hondurans are not very good at saying "no," yet another reason why the government is likely to find itself involved in programs not entirely to its liking. There were different theories about why this is the case. One was that the government assumes that the money can somehow be made to come in handy, another that a refusal would be politically imprudent for reasons of national or international origin, and another that the plain fact of saying "no" is alien to Spanish American culture.

We conclude that each of these explanations has a certain validity and hypothesize that their correlate is the phenomenon we choose to term "passive resistance." We argue that at least part of the unresponsiveness in the public sector that is manifested in implementation problems in Honduran development projects derives from a sort of passive resistance; the resistance in its turn derives from the fact that consensus and commitment did not characterize the project identification and design processes. This phenomenon is akin to the question of participation in community development work; the current wisdom in that field is that, although participation is not always a sine qua non, its absence in the early phases of a program often produces failure at any subsequent stage of a program's life and certainly its after-life.

None of this is to say that there are no other factors which come to bear on project implementation. Human resource limitations, organizational muddles, antiquated accretions of regulations, political realities, and funding constraints, all affect implementation. Our claim is that the lack of true institutional involvement from the outset of projects, in a context of

increasing concern that assumption of debt be rooted in nationally-felt needs, is a major factor in bureaucratic alienation.

Another problem for the public sector comes from its history of anarchic growth. A major component of that growth has been the creation of institutions in response to perceptions by donors that such institutions were necessary for the implementation of projects. Some Honduran analysts feel that, in at least some of those instances, enabling legislation or some sort of legal adjustment might have sufficed for the development task in question and eliminated the entailments (including recurrent costs) of adding to the permanent bureaucracy. The responsibility for this was not, however, solely attributed to the institution-building "manias" of AID and the World Bank. Some analysts commented that a certain portion of blame should be attributed to the political nature of the public sector: AID projects are perceived as a fine source of "chambas,"²⁰ often juicy plums for political patronage.

The result of growth has been duplication of structures and functions among the different government entities, lack of coordination and continuity of plans and personnel, and overall inefficiency. Thus it has come to pass that the legal structures in some bureaucracies have become "anti-developmental," residues of a Roman legal tradition, a heritage of mistrust, and a by-product of haphazard accumulation. A favorite example was the number of steps (37) required for the full transaction of land acquisition through INA.

The favorite target for critics of the public sector were the autonomous agencies. They were often described in quite intemperate language as "a destructive centrifugal force," renegades, "parasites," "crimes against the nation," "bleeders of the treasury," and corrupt, inefficient, pork barrels. There was great readiness to point accusing fingers at specific institutions; fortunately, there were similar readiness to single out institutions that were competent, well run, and productive of honorable service.

In this welter of criticism, one positive comment stands out. It is possible, noted the observer, to perceive the Honduran state as an impediment to Honduran development. However, it is also possible to perceive it as having been crucial to what development has occurred, especially in view of a relative lack of developmental activity on the part of the private sector and that sector's customary lack of involvement in social service activities. It is easy to forget that the public sector as the principal agent of socioeconomic development is relatively new in Honduras, in general embryonic until the administration of Gálvez (1949-54).

Before terminating the discussion of the public sector, we should return to the subject of perceptions of AID, since it is with the public sector that AID has been most closely related.

(20) A chamba is a job. The word carries as well the overtones of a job that is a fluke or a lucky break, in contrast to a job which is a serious part of a real career. The frequent use of the term in reference to work in the public sector tells a lot about attitudes there.

The most striking finding about perceptions of AID is that it is not well understood. There is no really sense of how the institution functions, what its goals are, what constraints bind it, what the reasons are for the most onerous manifestations of its seemingly impenetrable bureaucracy. Particularly germane at this point in political time is the vision of AID not as a helping agency but as an instrument of policy. This should not be dismissed as the mere product of leftist dogma; it is fairly well distributed and the most kindly version was that AID was well-meaning. The leftist perspective on AID is that it is part of a formula which combines repression, which is expressed in military aid, and reform, which is expressed in AID programs; the purpose of both is to serve U.S. interests and not to help Honduras. A term used was "preventive aid," defined as a peculiar combination of encouraging political stability and an opening for democracy, with support of repressive activity. Even among those who did credit AID with being concerned and with being necessary, and who viewed military assistance as required by geopolitical realities in the region, there was genuine concern about the efficacy of AID. The end-product of any combination of such lack of understanding, ignorance, doubt, and/or lack of enthusiasm about the way AID does business, is hostility, cynicism, ambivalence, irritation, or a mild despair. AID, as it probably must be, is caught in a whole set of mixed emotions about the United States, its relations with Honduras and the rest of Central America, Honduras's variable feelings about Isthmian events, its desire for peace, and its own sense of national dignity. It would be surprising if AID were not a target.

In practical terms, in rather random format, the observations about AID, its general developmental approach, and its modus operandi, went as follows:

AID's goals are too long-term in a period when there are a lot of immediate problems.

The development ideas that get put into place are AID, not Honduran ideas, e.g., titling, reforestation.

AID should bypass the public sector.

A lot of assistance money has been spent on things that are inappropriate to the country's needs, out of scale as it were, and the result is to place the country in debt and make it worse off.

AID has no knowledge of its own history, so that it keeps reinventing the wheel.

AID needs to reevaluate its whole strategy, if it has one. If it does, it would appear that it needs rationalizing or narrowing of focus. As it is, there are many projects, very elaborate projects, in which there is little movement, much dispersion of effort, and little intra-donor coordination.

AID program management is deficient and the procedures (tramites) excessive.

Though there are exceptions, in general there is a sense of a lack of contact with Hondurans at policy levels and in intellectual circles; where that occurs, there is usually very little "sharing" and a sense of isolation.

There were other, project-specific comments as well:

AID housing project activities are essentially political responses, with a consumerist rather than developmental emphasis in terms of the productive benefits generated. Such projects should either generate a lot of employment or be minimalist self-help activities. The level of housing solutions is too high, the loan burdens too great, the CP's anti-developmental.

The titling project will end in creation of a land market. Titling was not a first priority, but a foreign idea, a private-sector idea. Land reform is more than titling, and land and services are, in either order, the main priority for campesinos in both the organized and disorganized subsectors.

AID's focus on ANACH to the exclusion of ANACH and FECORAH (sic) is not only unfair but unwise.

7. The Private Sector

Morris (1974) tells us:

"Before Honduras entered the Central American Common Market, the private business sector was composed mostly of commercial and small agribusiness enterprises. The modern agriculture export industry had a significant economic impact, and its political influence was no small factor before 1950. But this sector of the Honduran economy was foreign-owned. The domestic industrial and financial institutions were dependent and largely underdeveloped. During the latter part of the 1950's and throughout the 1960's, the Honduran private sector expanded with increased investment and the stimulus to industry presented by the Common Market. The concomitant economic growth and social change affected attitudes within the business community, but the more traditional business elements failed to see the import of modern investment techniques, government planning, and more cooperative relations with the new labor organizations. New investments and rapid industrial growth brought into being a new breed of entrepreneur in Honduras. This particular business element carried out its role with vigor -- taking advantage of the capital provided under the aegis of the Alliance for Progress.

"Private sector influence is not easily cast aside despite contemporary (early 1970's) disunity and the ascendance of the popular sectors. High-level government officials, businessmen, bankers, and private sector interest-group leaders know each other well and belong to the same social circles. Access to government is facilitated because of similar class background, but also because of the economic resources controlled by business. Thus, appeals for sound economic policy emanating from the more progressive business elements have found an official audience, and political influence on the part of the North Coast business community has increased relative to the more conservative business interests."

The contemporary differences that were hypothesized for Honduras at the very outset of this study may also be hypothesized to have something to do with the nature of the country's private sector, which is different from other private sectors in Central America. In the early 1950s, 94% of the industrial establishments in Honduras had less than five workers; by 1965, 336 out of 510 businesses had 5-19 workers (Morris, 1974). There was no real local economic oligarchy in Honduras until the late 1950s because of the predominance of the foreign agro-exporting firms and because of the continuance of what were earlier described as precapitalist forms of land tenure. The Honduran agrarian structure was strongly influenced by the country's very low population density and by the government's habit of selling off national lands periodically to help out when economic times were hard; this meant that there was less motivation to destroy older communal forms of landowning. Coffee became a major export crop much later than it did in the rest of Central America and was organized in small and medium holdings which were not dependent on great masses of colónos or forced labor. The local landed power groups remained content to rent out their holdings to peasant farmers, limiting their role to

more of a political than economic alliance with foreign companies; in fact, they saw as their main activity the creation and maintenance of the legal and political conditions for the functioning of foreign capitalists (NACLA, 1981).

As of 1974, the formal structure of the Honduran private sector was accurately described by Figure III.2. It has changed little since then, except for the number of entities under the aegis of the umbrella organization ("organizacion cúpula"), the Consejo Hondureño de la Empresa Privada (COHEP).

There is also an increasing amount of non-formal differentiation in the sector, expressed in groupings which cut across the boundaries of the organigram's formal structure. These are primarily investor groups which may or may not be bounded by kinship relations, which may have different geographic bases, and which are sometimes referred to as "argollas," or "rings." The major differences among these derive from their investment focuses, but even these differences may be somewhat blurred since investors in one group may well be investors in another. There is a fair amount of consensus about who the most important of these groups are:

The Standard Fruit group. National in the sense of its geographical distribution, and the biggest from the standpoint of capital investment. Includes La Blanquita, BANCOMER, the brewery, and some national enterprises.

United Fruit Company group. Based in Cortés. Includes Numar, Polymer.

Banco Atlántida (FISA). The biggest national group, diversified into sugar, banking, industry, with investments in San Pedro Sula and Tegucigalpa.

Continental. In the north. Financieras, insurance, bank, and minority participation in other businesses.

Sogerín. Financing, commerce, tourism. Concentrated in the North. Described as an "incipient" group.

Larach. Family group which includes the Canahuati. Concentrated in the North. Pepsi Cola, Prensa, commerce.

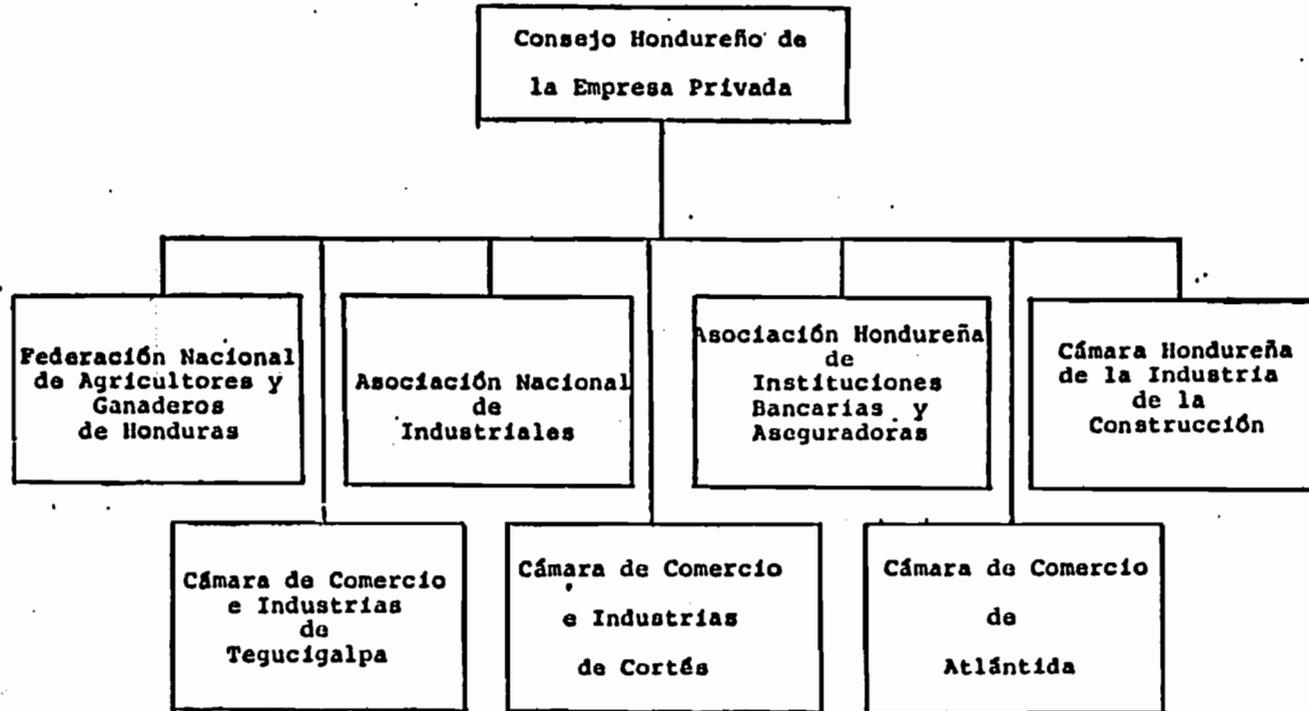
Químicas Dinam, Facussé. Basically a family group. Central base.

Ahorro Hondureño. National presence. Includes Banco de Ahorro and BANCAHSA, insurance company, savings and loan associations like La Vivienda.

Faraj and Abufeles. New family group; not big but growing.

In addition to these more easily identified groups, there are also other private-sector power foci among ganaderos and cafetaleros, but these are generally outside the investment groups, although, again, members of these

Figure III.2. Structure of the Honduran Private Sector



Nationally Important Business Organizations in Honduras.

essentially agricultural groups may be investors elsewhere. There has clearly been some proliferation of these non-formal organisms and some elaboration of the ties among them, if for no other reason that a certain amount of inter-marriage has occurred. The private sector also includes some "pseudo-empresarios," that is, politicians and militares who have invested in one or another of the industries involved; these add a little variety to the sector but are not really of it and do not seem to affect its essential structure.

There was some difference of opinion as to whether there was any noteworthy political differentiation among these groups. The consensus was that all groups were supporting the incumbent government, whatever reservations they might sustain about the way things, particularly economic things, were going. The shared perception was that there were no extremists of either end of the political spectrum in the private sector, which is defined primarily as an entrepreneurial class concentrated politically on the right and center. The Larach group was seen as the most conservative, although not extreme rightist in orientation; the Banco Atlantida group was perceived as center-rightist; and the Facusse, Sogerín, and Continental groups were located approximately in the center.

The most important political differentiation in the private sector is found in the residue of the divergence that began in the late 1950s, between the Federación Nacional de Agricultores y Ganaderos Hondureños (FENAGH) and the most progressive new businessmen working within the COHEP who joined cause with the popular sectors (see Table III-4). There is some feeling that the split may have narrowed somewhat in response to political events elsewhere in Central America and episodes of terrorism in Honduras. However, the FENAGH is still identified politically with the National Party, while the rest of the private sector is not easily categorizable and party membership in the sector is not predictable, excluding, of course, the Left. This reflects both the growing fluidity of national political life and some considerable perplexity in the sector as its members try to sort out their positions at a time of great uncertainty.

One of these positions, which has marked political difference in the sector over the last two decades, has to do with the issue of agrarian reform. The FENAGH group has characteristically been opposed, sometimes violently (see Chapter IV), to any reform. In the rest of the private sector, attitudes have been more fluid and, in the mid-1970s, there was substantial support for some kind of land distribution; the COHEP committed itself publicly to the concept of the social function of land and the justness of campesino demands for adequate land to till, while the FENAGH defined itself clearly as the antagonist. The gap between the two groups has shrunk perceptibly in recent years. This is partly due to: disenchantment with INA, juridical conflicts over land, alleged corruption in the reform sector, demagoguery and the use of land reform as a political tool, alleged destruction of viable productive capacity, the hypothesized weakening of the municipalities through the loss of the ejidal land absorbed by the reform, and the general incapacity of the public sector to provide the necessary technical assistance and inputs to make the reform work. There is a great deal of talk about the sacredness of private property and the theory is that there is still enough remaining national, ejidal, and frontier land to supply current demands without recourse to

expropriation. Those who do support the land reform theoretically endorse cooperative forms of organization for the agrarian settlements; the objective is to build a base of small rural entrepreneurs who expand the market and provide food and raw material for agro-industry. We spoke to no one in the private sector who saw a major land redistribution as the main solution to problems in the agrarian sector or as the way of forestalling potential volatility.

There is also an enduring sense of geographical differentiation within the private sector. This has grown out of the historical variation in the growth of Tegucigalpa and the North Coast and out of the landholding-livestock orientation of the other major component of the sector. Tegucigalpa has traditionally been seen as Honduras' political city; San Pedro Sula has increasingly been seen as its industrial city, inherently different because of its base in the banana industry. In addition to the diverse sorts of social and physical arrangements typically fostered by banana production, the banana companies generated considerably more cash to circulate locally in the area. What money there was around Tegucigalpa was from mining, which did not generate the employment, cash, or commerce that the banana companies did. In Tegucigalpa, the principal business has been, and continues to be, government. In San Pedro the principal business is business, and the work of government is decidedly of secondary interest, particularly the business of central government.

The Tegucigalpa private sector is said, in fact, to look to San Pedro for the stimuli of competition and new ideas. San Pedro is said to provide these largely because of the dominant presence of Middle Eastern entrepreneurs, "los Arabes." The Arabes have been, according to some of its members, the principal promoters of development in the Honduran private sector; since there are more Arabes in the northern part of Honduras, innovation and growth have been concentrated there. The record indicates that the initial presence of this ethnic group occurred in the north, in response to the advent of the banana companies; the synergistic effects of market growth produced the expansion of that early presence.

Historically, the Arabes have distanced themselves socially and are sometimes criticized by their own brethren for "behaving like immigrants" and not permitting themselves to become assimilated into the larger Honduran society. Some Arabes retort that they have not been invited to join that society, but the evidence is that, in the main, they have preferred the strength and safety of sustained familial integrity. This is, like all else, changing, partly because of some intermarriage and partly because of increasing sophistication in the younger generation educated outside Honduras.

Empresarios in Tegucigalpa, because of the habitual presence of the central bureaucracy there, are more disposed to accede to government wishes and to understand them better; correspondingly, they have more ready access to the halls of government. In contrast, the San Pedro private sector is more independent, tends to see government more as an incomprehensible obstacle than as an ally, and sometimes seems almost eager to assume adversary positions. Some San Pedranos relish the distance from Tegucigalpa, despite occasional inconvenience, since a certain amount of red tape can be circumvented and

bureaucratic decisions are less blatantly political.

There is another discriminating factor operating in the private sector which cuts across the groupings and orientations discussed above. That is the difference between the commercial and industrial subsectors. The commercial subsector is more driven by, and comfortable with, private initiative. Ideologically, its members are more laissez-faire and committed to the maintenance of an open, non-intervened, free market; corollarily, they are happy to have the government stay out of their business as independent entrepreneurs and out of the market in general.

Honduran industrialists tend to look at protectionism for solutions to market problems, thus they not only tolerate but sometimes actively seek government intervention. However, like the agrarian reform sector, the industrial component of the Honduran private sector is selective in its disposition to have the central government involved in its affairs. Like private sectors everywhere, it wants its market protected and its earnings untaxed. The commercial subsector is somewhat less sophisticated in its views on training for business; for the most part, comerciantes were not themselves educated in any special way, although they may have been socialized to mercantile behavior by their fathers or grandfathers. They are, perhaps predictably, less interested in formal training for the children who follow their footsteps into family enterprises. In contrast, the industrial subsector, because it is newer and the demands of industry are somewhat different, is more inclined to groom its children to assume managerial positions in family or argolla industry and business. It is this group which is more likely to send its children to business schools in the United States or Monterrey, Mexico, and more likely to contribute members to the Junior Chamber of Commerce and such new institutions as GEMAH (Gerentes y Empresarios Asociados de Honduras).

Finally, there is an attitudinal divergence between the two subsectors which has to do with ideas about the role and destiny of the private sector as a whole. The industrialist group is more prone to have a concept of the sector as a sector, as a portion of society which is in some way distinct, which shares certain needs and objectives, and which has some special function in that society. Correspondingly, its members are more likely to articulate theories about the sector and, more broadly, about the free enterprise system itself as, for example, "the only system which has permitted increased well-being in a climate of individual freedom." Given this belief, one would not expect representatives of the private sector to see themselves as exploitative; however, there was some criticism among industrialists of private sector members who were not judged to be sufficiently attentive to their social responsibilities. It is also in this group that one finds socially responsive behavior that is pre-emptive, such as anticipation of labor demands. The exceptions in the commercial subsector in this regard are the banks, perhaps because they tend to be more technified and less traditional in their orientations. At the same time, there appears to be little sympathy for enterprises that have a primarily social *raison d'être*: the state autonomous institutions and the land reform empresas are, in the main, seen as inefficient, artificial, wasteful of

limited national resources, and worse than the problems they set out to correct.

The industrial and commercial subsectors do not, however, differ in their attitudes about the inclusion of family members in their enterprises. They agree that nepotism, far from being Machiavellian or corrupt by definition, is only a matter of common sense: it is the way to keep assets in the family or to merge them with others through marriage or very carefully thought-out friendship links. The family as the logical foundation for the development of enterprise also has its roots in Mediterranean cynicism about the trustworthiness of the world beyond the family. The observation was frequently made that, in Honduras, the basic unit for the commercial component of the private sector is the pulpería, the small family store that usually had its beginnings in the front window of a small home; for the industrial subsector, that basic unit is the pequeño taller, the little repair shop that usually had its beginnings in the back patio. Critics say that it is this family orientation that most constrains the innovative development of the private sector. Others say that it is not only a product of historical logic, but is especially logical right now: given a credit market that has been strangulated for the past two years, the pooling of family wealth is the only feasible route for the few private sector enterprises willing to take a chance on expansion.

The private sector's faith in free enterprise as the best road to growth with equity is not unrelated to its avowed feelings about Honduras. The private sector appears to be the repository of the concept -- some say myth -- that there are no classes in Honduras; that everyone has a little something; that the country is socioeconomically homogeneous; that it is a nation of joiners, whose propensity is to seek intersectoral consensus, a nation of individualistic, unostentatious people in which no single group feels inherently superior to any other. The horrible examples of Guatemala and El Salvador are often brought forth by way of contrast. The sense that Honduras is "different" is nowhere more lively than in the private sector.

In the context of contemporary turmoil in the Isthmus, the Honduran private sector is distinguished by its self-perception as the only real hope of the nation. The only other group in Honduras which has a similar self-perception is the armed forces, a view decidedly not shared by the private sector, which sees the army as relentlessly corrupt and dangerous by definition. Representatives of the private sector also hold a dim view of the public sector's competence to cope with the multitude of current problems, despite the fact that the incumbent government is said to owe its existence to the private sector's campaign for the return to civilian rule. There is a sense in some quarters that the new Liberal regime owes something to the private sector, which is said to have effectively fought the necessary battles against the armed forces' determination to hang onto the reins of power and the United States' purported interest in keeping them there.

Following this line of argument, then, the private sector perceives its role at this historical juncture as the point of equilibrium among the armed forces, the central government, U.S. and Nicaraguan regional interests, and "the new classes," that is, the Honduran popular and new urban sectors. In

this drama, each component of the society has a special role: the armed forces have the "convocational" role (la fuerza convocatoria); the private sector and the American Ambassador share the role of "interlocutor;" and everyone else constitutes the "forces of disequilibrium (la fuerza desequilibradora)", in which the Church, interestingly, is included. While there was acknowledgement of members of the business community who were leaving the country or moving capital out, these were said to be a small minority. At the same time, despite the recognition that it was crucial for the private sector to be investing and even expanding, there was rather generous tolerance for those who were opting for a holding pattern. This suggests a rather somewhat more conservative stance than might be hoped for.

In spite of the existence of individual, personalistic alliances between some members of the armed forces and some members of the private sector, the typical attitude in the sector ranges from hostile to negative. The list of complaints is lengthy: the military is committed to getting all it can out of the public till, at which it has become quite skilled; it is a major force in contraband, which is particularly damaging for the private sector since it pulls objects of trade out of proper channels and drains resources that should be available to the wider society; it monopolizes certain productive activities and plays favorites with businesses in which it has interests; it is the major culprit in sending money out of the country and establishing a dollar market; and, most importantly, it continues to be the major governmental power and maker of decisions, even though it is officially out of office. Only one voice was raised in defense of the armed forces as nonetheless not quite like the typical Latin American military establishment, as somehow constrained, largely by Honduran nation will from becoming frankly and repressively dictatorial. At best, the armed forces were seen as a necessary evil in a setting of regional turmoil; it was interesting, however, that the responsibility for equipping and training the services adequately lay with the United States, not with Honduras. There was real concern that, regardless of the need to keep the Communist threat well checked, the military not be permitted to engage in mindless, unfocused, and potentially destabilizing repression. Analysts in the private sector shared the well-generalized preoccupation with the risks of repressive anti-Communist militarism as a violation of certain values Hondurans have come increasingly to cherish.

It appears that the military view of the private sector is little more flattering and the general impression is of little love lost. The private sector image is of a sector which is inherently weak, adequate in times of prosperity but ill prepared to address times of crisis; lacking any real definition of itself and its role; as not really Honduran in its commitments; as needful of a thorough restructuring; as profiting from favorable exemptions but unwilling to reinvest its earnings to the benefit of national growth; as reactionary and reactive; as frightened; and as the major contributor to capital flight. The bloc stereotype is that the private sector is running out on Honduras, which needs its knowledge, money, and jobs, while only the armed forces are prepared to stay and fight.

The Honduran private sector's self-image is far from completely self-adulatory. It is not a sector given to consistent introspection yet, when prodded, some of its representatives produced the following analytical observations:

The sector is perhaps anarchic, by temperament and/or by structure, expressive of typical Honduran independence and the differing interests of comerciantes, producers, and industrialists. The sector needs a vision that transcends itself. As it is, except in time of national crisis, each group presses on the government in isolated fashion. It is not consolidated, has no common language, is not "formed" but rather spontaneous and empirical, and is emotionally rather than intellectually motivated. The private sector needs a philosophy.

The private sector has no sense of responsibility, largely because the government has assumed so much of what are properly private sector responsibilities. The private sector does not participate and is only the recipient of the laws which affect it, but is itself culpable because it permits this to happen.

Private sector institutions do not have a clear concept of their power. As things stand, the government knows that the sector is not going to give it any problems. There is an important cultural inhibition on participation in open forums: private-sector representatives are unwilling to speak up in meetings because people will think they are in bed with the government or looking for favors.

The sector suffers from its lack of professionals and lack of concepts of training for business, and has no real entrepreneurial heritage. The contemporary private sector is composed largely of merchants-become-industrialists who fix their own machinery, who employ family members and train them with no real plan in mind, and who only unite when they have problems or are afraid. There is little if any coordination among banking institutions and few enterprises of any kind really concern themselves with worker needs or benefits.

And, finally, Honduras is technically the most retarded country in the Central America. Entrepreneurs are empirical and labor is unqualified. The person who goes into business is the one with the most initiative but not necessarily the best prepared. Unlike Guatemala and El Salvador, there is neither an old nor a new tradition of private enterprise and a trained work force. This state of affairs reflects a market that does not demand quality products, a nation of novice empresarios and novice consumers. The sector is essentially commercial, a transforming rather than an extractive sector, since it does not have the money to extract, a role which has historically been dominated by foreign capital and, later, by the state. The sector as a whole lacks mystique, vision, and social conscience; its goal is the greatest profit at the lowest cost.

If we accept this description, then the Honduran private sector is not unlike the Argentine private sector described by Fillol in 1961. At that time, Argentine entrepreneurs were widely criticized for their tendencies toward cartels, monopolies, nepotism, general concentration of ownership, unwillingness to take risks and reinvest earnings "productively," and for

their prevailing philosophy of high profits per unit of sale rather than mass markets at low unit profits. It is Fillol's theory that these characteristics were not purposeful but were an automatic response to largely identifiable causes, which meant that the practices would remain until the causes changed. Among these causes were: a "trader" mentality which induces the Argentine to maximize immediate advantage to the neglect of long-term goals and profitability; the lack of mass markets to encourage high-volume orientations; the possibility of unpredictable and arbitrary government action; management by rule of thumb rather than orthodox profit maximization strategies, partly out of managerial ignorance, and partly out of subordination of pure business ends and material goals to prestige, family, or friendship considerations; and lack of real innovation and competition. Fillol saw Argentine industry much as Hondurans currently seem to see themselves: as in transition from personal to functional management, from largely immigrant entrepreneurship on a small scale, founded on an individual or family personnel base, and from a condition of foreign-capital dominance. The absence of professionally-developed managerial and administrative skills reflected traditional Iberian attitudes toward commerce and industry, over-valuing of the professions and purely academic preparation when there was any at all, and lack of a tradition of middle-level private-sector functional training, or for that matter any middle-level training at all.

The dominant value orientations Fillol hypothesized for the Argentine private sector were those which affected the society as a whole, its public sector, and its public life: paternalism; patron-clientage; personalism; and hierarchical, authoritarian, centralized societal ordering. Individuals in positions of power or prestige were reluctant to delegate authority and a business or factory tended to be identified with its owner or owning family rather than viewed as a collective, impersonal organization. People in positions of power were by definition superior so that autocratic behavior was logical. By extension, subordinates were inferior by definition and not to be trusted in the performance of their functions. Since failure reflected personally on owners and their families, delegation was risky. In such a context, subordinates dare not challenge directly, in a face-to-face situation, the authority of an individual defined as superior.

The evidence from the contemporary Honduran private sector is that much of Fillol's description of the Argentine private sector at the turn of the 1960s is not inappropriate. It would be surprising if there were any major variation; the phenomena described have their roots in the same Iberian culture, although Argentina varies importantly in resource endowment, size, and historical patterns of immigration. The hierarchical model is well embedded in the way most Honduran business is commonly done, despite the advent of more participatory forms of behavior in the political arena. These forms are young and not yet deeply rooted and, despite the growth of labor unions, have not yet been transferred to the private sector. The basic private sector model is still paternalist.

The list of problems its representatives see in the sector is long and, in many cases, highly resistant to change or even the most minimal modification. In their view, the undeniable underdevelopment of the sector derives from a variety of causes, many of them interacting:

Lack of plant capacity/poor-quality plant.

Difficulty in accumulating capital.

Lack of internal and external markets; the former is immature and thin, the latter inaccessible by virtue of protectionism and unfair quotas.

Excessive government centralization and red tape which cripple even the simplest transactions, e.g., the securing of export permits.

Lack of a clear national economic policy.

A volatile legal system and whimsical imposition of laws that affect the private sector (usually negatively), which is unable to predict or participate in the decisions which affect it, e.g., levels of import/export taxes and foreign exchange regulations.

The high costs of mounting new businesses and the high cost of capital.

The high cost of labor and social benefits.

Dependence on imports amidst general stagnation.

Lack of raw materials.

Lack of trained personnel at intermediate levels.

Vulnerability of the export economy to world market vicissitudes.

Lack of responsiveness or competence in those public-sector institutions theoretically supposed to serve various levels of the private sector.

Lack of venture capital/illiquidity in the bank/loss of foreign capital for political reasons and loss of confidence because of financiera failure.

Conflicts within the sector among vested interests (e.g., industry wants protection and commerce wants an open market; ganaderos want to sell on the hoof and packing plants want to sell processed meat).

Quotas.

Lack of ongoing communication with government because of its newness and some mutually negative perceptions.

Competition with state industries and the reform sector, for energy and resources.

The weakness of private-sector institutions and lack of perception of the role of those institutions as potential economic and productive pressure groups, rather than as solely political interest groups.

We have not mentioned the largest and highest-priority problem, which is the political situation in Central America. It is perhaps unfair in such a volatile geopolitical context to speak of "the Honduran private sector's attitudes toward the current crisis" and we would prefer to present this as a snapshot taken at a given point in historical time, that is, September-October 1982; the private-sector interviews were held both before and after the San Pedro Sula hostage incident.

There was, at least at the time, generally long-term optimism that the political situation would eventually "get better" and that the world economy would also improve. When that happened, Honduras could conceivably be in better shape than its neighbors, if for no other reason than the fact that it is the only Central American country with a developed Atlantic Coast and with an economy not built on the "fictitious" industries typical of much CACM development. There is little question that business is worried, that some have left the country, that a number are reducing inventories and not reinvesting profits, and that some are sending capital out.

It is perhaps symptomatic of the private sector's ambivalence about the current political and economic situation, about the role and intent of AID, about U.S. government policy, and about itself and its future, that there was little real enthusiasm for the Caribbean Basin Initiative or little clear sense of priorities about the best use of what was called "the famous \$50 million." The CBI is agreed to be too little too late, too long-term, and not likely to spark the moribund sectoral interest in expansionary activity. There was some perception of the need for basic investment and upgrading of human resources and for technical assistance in organization and marketing. Of higher priority was the perceived need for untied credit through the private (not the public) banking system, although it was not clear that many people would be prepared to use it for much more than replacing inventory, in the absence of any feeling of control over current events. In fact, there was some feeling that any new credit money would be best spent on small- and medium-sized enterprises owned and operated by individuals who would be less likely to take the money and run off to Miami. The observation was made that it is at these levels that employment can be generated at relatively low cost; a large Honduran industry must spend L6,000 to develop one job, while a small business can hire five people with a L1,000 investment. It is also these businesses which suffer most from lack of access to credit and the high costs of the private credit market, because they are prisoners of their own illiquidity. And, finally, it is these small enterprises, which generate the largest total amount of employment at the lowest development cost, which will suffer most from the imposition of new salary policies requiring payment for the seventh day and 13th month, policies over which the United States has little control.

In sum, it was difficult to identify any cross-sectoral determination in the business community to do much more than watch and wait. There was a certain heightening of sectoral unity in the wake of the San Pedro Sula incident

and some inspiration taken from the announcement of United Fruit's commitment to go forward with major investment in the Sula Valley. Some of this came from the euphoria of having avoided a nasty outcome, from having behaved well, and from a brief welling up of national consensus about leftist terrorism, but there were no clear signs that this would be durable or of how it might translate into action. Action in the private sector is likely to be, in the collective view of our private sector analysts, cautious and incremental; the risks are high and the tradition of the sector is fundamentally conservative.

CHAPTER IV. THE AGRARIAN QUESTION*

1. Characteristics of the Country's Agrarian Structure

1.1 The Lack of Dynamism Within the Agricultural Sector

The Honduran economy is predominantly agricultural. In 1981, the agricultural sector contributed 27.4% to the Honduran GNP (BCH, 1981), 65% of the economically active population was dedicated to agriculture, and an estimated 56.8% of national exports were agricultural (IMF, 1982). Furthermore, the effects of agricultural activity go beyond the limits of the primary sector, since so much secondary and tertiary activity leans on the basic transformation and commercialization of manufactured agricultural products (Gomez, 1975). The multiplier effect of agricultural activity is substantial: one agricultural job generates as many as 6.7 jobs in other economic sectors (AID, 1978).

Unfortunately, given its weight in the economy and its potential for employment generation, the agricultural sector is far from dynamic. While between 1960 and 1981 the contribution of the agricultural sector to the GNP increased in absolute value from \$113.5 to \$751 million, its relative contribution decreased 10%.

1.2 Land Concentration

Studies made by international organizations have estimated the amount of arable hectares in Honduras at 2,730,000. Gomez (1975) calculates that if this land were to be equally distributed among the country's 300,000 rural families, each one would have 9.1 hectares. When the calculation is made more rigorous by excluding the hectares of arable land not yet integrated into agricultural production in areas of low demographic density and lack of adequate infrastructure, the average area per family is 6.3 hectares. Assuming that there are two laborers per family working permanently during all of the agricultural cycle, the land/laborer ratio is 3.15 hectares; this should guarantee full employment of the family labor force, using traditional technology (Gomez, 1975).

Nevertheless, IHDER (1980) describes the Honduran agrarian structure as characterized by high levels of land concentration, which results in both artificial shortage and under-utilization. IHDER (1980), Del Cid (1977) and Gomez (1975) agree that the land tenure system in Honduras is accurately described as "latifundio-minifundio", which entails on the one hand a reduced number of large property owners, using traditional technology and engaged in extensive production and on the other, important peasant (campesino) groups with little or no land, engaged in intensive production, and using rudimentary technology in a basically semi-autarchical, subsistence economy. The size of the former group is estimated at 800 landholding families (Gomez, 1975; INA, 1975) and the latter 120,000 minifundista families. There are also an approximate 100,000 (GAFICA) to 120,000 families without land (Del Cid, 1977).

* The principal author of this chapter, originally written in Spanish, was Dr. Orlando Hernandez.

Table IV-1 gives an idea of the distribution of the land resource in the country for the agricultural year 1965-66. This year was chosen to allow comparability with the 1974 Agricultural Census. According to the Census, average size for all small farms was 2.5 hectares; these constituted approximately 67% of all farms in the country, but controlled only 12% of the total area in farms. Latifundia, with an average size of 1000 hectares, accounted for less than 1% of farms and controlled over 27% of total farm area.¹

Some Honduran analysts are persuaded that land concentration is in reality even greater than this, for two reasons: 1) the majority of farms under 4 hectares are leased parcels and, as such, are really subdivisions within latifundia (Del Cid, 1977; Gómez, 1975); 2) latifundistas generally own more than one piece of property (Murga, 1973), due to the alliances by marriage among latifundista families; landholdings in such families may be legally recorded as being the property of a variety of individuals but, in actuality, only one part or even one member of the family is using and managing all the property involved (Del Cid, 1977).

Comparing the 1966 and 1974 Agriculture Censuses, based on IHDER tabulations (1980), the following observations can be made about changes in Honduran agrarian structure in that intercensal period:

- (1) The number of minifundia increased by 8.3% and average size increased by 0.8 hectare.
- (2) 100,034 more hectares were incorporated into the family-farm category, even though the absolute number of landholdings in this category decreased by 25%. Consequently, the average size of family farms increased by 4.9 hectares.
- (3) 88,859 more hectares were incorporated into the medium-sized multi-family farm category, even though there was a 27% reduction in the absolute number of such farms. The average size of medium-sized multi-family farms increased by 40.3 hectares.
- (4) There was a 33% decrease in the number of large family farms and the amount of land controlled by the larger farms was decreased by 87,446 hectares. Finally, in 1966 average latifundia size was 1,000 hectares; in 1974 it was 1,301 hectares.

(1) The farm sizes used in this study differ from those used by CIDA (Interamerican Committee for Agricultural Development) in 1975 for the classification of the country's agricultural land use, even though the same categories are used. According to CIDA, minifundias have less than 7 hectares, family farms have between 7 and 34.9 hectares, between 35 and 350 hectares constitute a medium-size farm, and large farms are over 350 hectares. The CIDA categories capture a larger number of minifundia and a correspondingly smaller number of family farms, but for purposes of comparison with the 1974 Agricultural Census, we have had to use the sizes that appear in Table IV-1.

Table IV-1. Number and Area in Hectares of Farms
by Farm Type, the Agricultural Year 1965-66

Type of Farm	Size (in hectares)	Number of Farms		Area of Farms		Average Size
		Units	Percentage	Hectares	Percentage	
Minifundia (sub-family)	Less than 5	84,032	47.2	131,230	5.4	1.6
Small or Family	From 5 to 49.9	83,456	46.8	830,601	34.3	9.9
Medium	From 50 to 500	10,195	5.72	793,065	32.73	77.8
Latifundia (Large farms)	Over 500	667	0.37	667,211	27.54	1000.0
Total		178,350	100.0	2,423,068	100.0	13.6

Source: Agricultural Census, 1966.

We interpret that information as follows:

- (1) Between 1966 and 1974, there was no decrease and, most likely, an increase in migratory agriculture; minifundistas looked to new areas to slash and burn.
- (2) Poor productivity of some family farms brought them to bankruptcy. More successful or more entrepreneurial family-farmers acquired such farms, thus increasing average farm size for this category.
- (3) The agrarian reform initiated under Law Decree No. 8 increased the number of medium-sized multi-family farms through distribution of 115,513 hectares to different campesino groups.
- (4) Latifundista fear of being dispossessed, particularly in more fertile areas where property ceilings were lower, led large landowners to redistribute their holdings within their families, so that they became, in effect and to all appearances, medium-sized multi-family farms.
- (5) Latifundias with more marginal land, and therefore less possibility of being affected by the agrarian reform, remained the same.

In 1974 additional changes in the country's agrarian structure took place, which further affected the distributional profile of family and medium-sized multi-family farms. Nonetheless, the latifundio-minifundio complex still describes that structure, since reduction in the number of latifundia was more cosmetic than real, while the number of minifundias increased substantially.

1.3. Land Use

There is an unfortunate and unproductive relationship between land concentration and the lack of dynamism in the agricultural sector, most especially the relation between holding size of parcel and land use. Table IV-2 displays this relationship and leads us to the following conclusions:

- (1) Minifundia and latifundia differ in the amount of land used for agricultural production and in type of land use. In 1974 minifundia used 82% of the land they had, while latifundia used only 68%. Minifundia tended to plant annual and permanent crops, while the latifundios were largely in unimproved, improved, or cultivated pasture land. Annual and permanent crops increased by 71% in minifundia, and by only 8% in latifundia. 11% of the smaller holdings and 66% of the larger ones were in pasture.
- (2) The largest amount of idle land was in the family-farm category, that is, those between 5 and 50 hectares.

The observation that agriculture is more intense in smaller farms than in large ones is not new (Del Cid, 1977; Kelley, 1978). Low agricultural yields on minifundia, due to poor land and low level of technology, have forced

**Table IV-2. Land Use According to Farm Size
(Percentages)**

Type	Size (in hectares)	Annual Crops	Perma- nent Crops	Natural Pasture/ Improved Natu- ral Pasture	Culti- vated Pasture	Pines and Trees	Fallow	Other Idle	Uses	Total
Minifundia (Sub-family)	Less than 5	56	15	6	5	1	7	9	1	100
Small or family	5 to 49.9	17	10	17	24	2	9	19	2	100
Medium Size	50 to 500	6	5	19	47	7	4	9	1	100
Latifundia (Large farms)	Over 500	2	6	19	41	15	2	13	2	100

Source: General Directorate of Census and Statistics. 1974 Agricultural Census. (Data re-grouped).

utilization of all available land. There is evidence that in places with the lowest agricultural potential in the country (i.e., Choluteca and Valle), agricultural yields have shown a persistent tendency to decrease (DeWalt, 1981). There is no reason to expect that the need for minifundia to incorporate more land into agricultural production will decrease.

Perhaps ironically, the percentage of idle land is higher for family farms than for any other size category. Del Cid (1977), working from the 1952 Agricultural Census, concludes that there is a linear relationship between idle land and size of farm: the greater the amount of land available, the greater the amount of land not utilized. If this conclusion is accepted and interpreted in the light of 1974 Census data, it would seem that large properties have incorporated portions of their idle land for natural or cultivated pastures. DeWalt (1981) comes to the same conclusion and points out that, between 1952 and 1974, the proportion of pasture land increased from 41.9% to 61.1%. Even though DeWalt feels that this increase derives from forest clearing rather than from idle land already in latifundia, he notes that between 1959 and 1974 beef production increased from 18,500 to 61,000 metric tons. Rivera-Henry (1982) explains the increase in pastures between these census periods as a result of the opening of the North American markets to Central American beef and DeWalt (1981) adds that another factor may have been the policy of all current Central American governments to promote diversified production. In the 70's, however, this change in land use can best be explained in terms of fears, shared by latifundistas and small property-owners, of being dispossessed as a result of the 1972 agrarian reform law decree, under which idle lands which do not comply with their "social function" are subject to expropriation. To convert land previously uncultivated to pasture would assure the farmer that he would keep his farm.

Massive conversion of land to pasture and substantial increases in beef exports do not necessarily reflect rational land use (see Table IV-3). According to a study carried out in Puerto Rico, one hectare of elephant grass in relatively broken terrain can support between 1.0 and 8.9 head of cattle, depending on the fertilizer used (Crowder, 1977). Using these figures as reasonable parameters for the Honduran case, we would have to conclude that pasture land in Honduras is underutilized in proportion to the increase in farm size. Underutilization may be even more severe on larger farms: we know (GAFICA, 1974) from the 1974 Census that there is in Honduras an inverse relationship between farm size and soil quality and farm size and pasture quality. Thus farms that could be expected to display the best cattle/hectare ratios are actually displaying the worst ratios: maintenance capacity decreases, population increases, and vice versa. While the minifundio is in effect overpopulated by cattle, the latifundio is underpopulated. Murga Frassinetti (1977), after studying 111 latifundia, reports that 12 of them, with a total extension of 15,640 hectares, accounted for 8,123 hectares in pasture but did not own even one head of cattle. Kelley (1978) has offered some explanations for the characteristic idleness of the family farm. Family farms may lack either labor or credit or both. The ratio of family labor per hectare is 2.4:1 for farms with less than two hectares and 0.6:1 for holdings of between 10 and 35 hectares. Mutual help between farmers in certain areas and the salaried manual labor that can be contracted by most family farms constitutes only a palliative for the real labor needs faced by such farms.

Because of cash income shortages, small farmers cannot hire the additional labor required to cultivate larger portions of their holdings and the lack of formal credit has a negative effect on modernization. According to Kelley (1978), during the farm year 1975-1976 only 25% of farms between 20 and 35 hectares obtained bank credit.

Table IV-3. Average Number of Head of Cattle per Hectare of Pasture, by Farm Size

Type	Size (In hectares)	Hectares In Pasture	Head of Cattle	Ratio Head of Cattle/Hectare
Minifundias (Sub-family)	Less than 5	25,459	192,500	7.5
Small or Family	5 to 49.9	379,376	794,069	2.09
Medium Size	50 to 500	597,689	938,446	1.5
Latifundias (Large farms)	Over 500	344,961	481,256	1.4

In summary:

- (1) The minifundista increases his numbers and gradually integrates more land into agriculture as a consequence of the constant deterioration of his farm's productive capacity, with the prospect that the phenomenon of lower yields per hectare will repeat itself in the future, if it does not worsen.
- (2) The small farmer does not have the necessary resources for more intensive cultivation of his parcel; and
- (3) The medium- and large-farm owner, in spite of his control over the most fertile soil in the country, dedicates approximately two-thirds of his farm to pasture and is not optimizing the use of the land that he owns.

1.4 Employment in Rural Areas

Land concentration and underutilization is increasingly generating serious unemployment in rural areas. Table IV-4 summarizes estimates of employment and unemployment for 1970 and permits the following observations:

- (1) In 1970, excess workers that could not be absorbed by the agricultural sector increased to 247,900. Of these, 179,800 were laborers without land and 67,500 laborers who, in spite of belonging to family groups with access to land, were forced to find employment outside the farm.

- (2) Even though minifundia could not absorb all the labor they had available, the percentage of jobs they created is almost equal to that of farms of over 350 hectares.
- (3) Farms between 7 and 34.9 hectares, or family farms, created the greatest number of jobs and were able to employ all but 5% of the labor available to them.
- (4) Despite their agricultural potential, larger farms were not able to absorb the excess labor from smaller farm-size categories, nor can they absorb the landless laborers already mentioned.

Table IV-4. Employment and Unemployment in Rural Areas
(1970 estimates)

Size of Farms in Hectares (Re-grouping)	Percent of the Area	Amount of Jobs Created		Existing Labor Force (Producer/Proprietor and Economically Active Parents)		Deficit or Excess ²
		Number	Percentage	Number	Percentage	
1 to 6.9	12.4	85,200	27.2	264,800	47.3	+179,600
7 to 34.9	27.4	98,300	31.2	103,500	18.4	+5,200
35 to 349.9	32.7	41,300	13.1	11,500	2.0	-29,200
+ from 350	27.5	88,300	28.2	800	0.2	-87,500
Landless Laborers				179,800	32.1	+179,800
Total	100.0	313,100	100.0	560,400	100.0	+247,900

Source: Advisory Group from FAO for Central American Economic Integration (GAFICA). Perspectives for the Development and the Integration of Agriculture in Central America.

As it does almost everywhere, rural unemployment in Honduras varies seasonally (IHDER, 1980). Table IV-5 shows the monthly variations in rural employment and unemployment indices according to estimates made by CONSUPLANE in 1973. The unemployment rate in rural areas varied in 1973 between 15% and 70%, with an annual average of 41.7%. February and March are typically the months of greatest unemployment, while May, July and October show greater employment; the unemployment peak is the end of the dry season and the employ-

(2) "Deficit" means the need to hire manual labor outside of the family. "Excess" means the excess labor in relation to the possibilities/necessities for on-farm labor.

ment peak comprises the sowing and harvesting seasons for annual crops.

Gomez (1975) and IHDER (1980) agree that the latifundio structure effectively determines unemployment in rural areas in ways which impedes those who are landless either from getting access to land or from finding salaried jobs in agriculture. Others have suggested that the concentration of agrarian property favors more extensive agriculture in general and gives rise to other unproductive and retrogressive land uses such as grazing or sharecropping or some combination of both. According to Mercado (1980), between 1952 and 1974 there was an increase in small farm leases (average size, 1.5 hectares) and the percentage of leased farms almost tripled. The departments where this phenomenon generally became more acute were Copan, Cortes, Choluteca, Valle and Yoro and it cannot be coincidental that Cortes, Choluteca and Yoro are the departments characterized by larger concentrations of land, according to data from the 1952 and 1974 Agricultural Censuses.

Table IV-5. Rural Employment and Unemployment
According to Month of the Year, 1973
(Percentage of Rural Labor Force)

Months	Employment		Total	
	Direct	Indirect	Employment	Unemployment
January	41.8	8.2	50.0	50.0
February	8.7	21.3	30.0	70.0
March	9.8	20.2	30.0	70.0
April	19.7	35.3	55.0	45.0
May	54.8	30.2	15.0	85.0
June	28.2	41.8	30.0	70.0
July	51.3	28.7	80.0	20.0
August	13.5	30.5	50.0	50.0
September	28.9	11.1	40.0	60.0
October	58.9	21.1	80.0	20.0
November	49.3	20.7	80.0	20.0
December	35.1	24.9	60.0	40.0
Average Annual	33.3	25.0	58.3	41.7

Source: Technical Secretariat of the Superior Council for Economic Planning, Human Resources Unit.

1.5. Income Levels

The country's agrarian structure and its land use also determine rural income levels. According to Gomez (1975) and the data provided by the previously-cited GAFICA study (1974), in Honduras there are two basic groups

of rural inhabitants, clearly defined by the production factors they own and the income they receive. In 1970 landless campesinos and those working on parcels of under 3.5 hectares represented 65.3% of the agricultural population and received only 23% of the national agricultural income. In that same year, owners of farms larger than 350 hectares constituted 0.3% of the agricultural population and likewise received 23% of the same income. The average income per inhabitant of the minifundio sector in 1974 was \$40.00, an average proportion equivalent to \$10,820 per person in the latifundio sector. If these numbers are converted into family income and we suppose each rural family to include an average of six members, the average annual income for the first group would have been \$240 per family and the average annual income for the second group would have been \$64,920. Thus each family of the second group would have received an average annual income equivalent to the total income of 270 families from the low-income group. Gomez (1975) has argued that 800 families received a higher income than the total sum of incomes of approximately 200,000 campesino families.

2. The Unified Community

Despite the inequities in rural Honduras in access to land, farm use, and family income, the country has not experienced the social violence of most of the other Central American countries. While Kelley (1982) states that this phenomenon is essentially the result of a less unequal distribution of resources in comparison to the rest of the region, White (1972) suggests that the sources of stability in Honduras have been the values and the social institutions characteristic of the campesino community.

For White (1972) typical campesino communities in Honduras are generally composed of no more than 100 families. These tend to be communities relatively united by such factors as their descendance from trunk families united by marriage among members, membership in the same political party or worship of the same patron saint, dedication to certain economic activities through which the community is recognized regionally, and the tendency to use the same network of services such as schools. White has suggested that if Honduran campesino communities are distinguished by anything, it is their sense of localism. The majority of the country's villages and towns have had conflicts either with other communities or with special interest and/or power groups outside the community, and consequently, have had to identify themselves mutually against what existed outside. White (1972) says, "the dynamic base of communal solidarity that resides in conscious and deliberate collaboration results from having a common destiny."

Being communities where a subsistence and semi-autarchical economy is practiced, campesinos typically have three predominant aspirations: (1) to obtain harvests sufficiently abundant to feed the family; (2) to keep themselves healthy; and (3) to be respected and prestigious within their community.

White notes that, over time, the campesino economy has been deteriorating as a result of the size and type of land cultivated, and also because of technological constraints. Considerable ecological changes, in consequence of resource abuses which have in turn generated important modifications in the

climate, have had a negative effect on agricultural yields. The typical adaptive strategies followed by affected campesino families are: (1) trying to minimize risk-taking; (2) lowering aspirations, sometimes to the level of fatalism; (3) securing traditional bonds to establish symmetrical alliances of interdependence with peers; and (4) developing and consolidating asymmetrical alliances of dependence with those in different and perhaps privileged socio-economic conditions.

One of the most important and perhaps unpredictable outcomes of the tendency to minimize risks, particularly in the southern part of Honduras, has been the adoption of new crops. DeWalt (1981) reports that there, the planting of sorghum has become generalized because it is a multi-purpose crop (i.e., human and animal feed) and because it is much more resistant than corn during the dry seasons. Rodney Stares, an economist associated with White, summarizes the lower-risk strategy: the campesino tries to minimize maximum losses at the price of minimizing greater achievements. By planting sorghum instead of corn, he avoids losing his harvest to drought, even though sorghum provides less nourishment or the market price is lower.

Inter-dependent symmetrical alliances are the mechanisms of cooperation that develop among individuals with the same level of power and resources. Participants in these alliances are relatives of extended families and loyal friends. Lopez (1971) has suggested that in a society where there is no government mechanism to provide social security to campesinos, the family serves as a basis for this security and protects the individual during illnesses, economic crises, or personal tragedies. Close friends also perform this function; however, if in the case of the family this solidarity is mechanical, with friends it is probably more organic. The loyalty that is created amongst friends is the result of demonstrations of generosity, availability, and courtesy which create a sense of moral debt. White points out that within Honduran campesino society there is a tendency to admire people who are generous or "formal"; it is expected that individuals be generous in the sense that the interests of others prevail over their own and that they make available to others resources such as money, time, or simply advice. The "formality" in this case is associated with responsibility. Generosity and formality are basic values that guide the formation of inter-personal relations and solidify symmetrical alliances of interdependence.

White observes that solidarity between family members has an economic function; relatives contribute to the exploitation of the land, which affords a farmer some margin for survival. A brief example is enlightening: a farmer can save the equivalent of approximately 31 pounds of harvested corn, for each day worked by a non-salaried family worker. White also attributes an economic function to friends: if those hired are both salaried manual labor and loyal friends, one is assured that their incentive to work will not only be economic but be based on the quality of the relationship. That is, hired day workers will perform their work adequately more out of friendship than for wages received.

Asymmetrical alliances tend to be established with those individuals who control the necessary resources for the survival of the small farmer. According to White (1972), these alliances imply reciprocal exchange, forcing those

who do not have any resources to offer the only thing which they can offer: submission. The exchange of submission for assistance in cases of crisis permits the establishment of dependency relationships that constitute the basis of the social power structure within rural communities.

The persons who control the necessary resources for these communities tend to be members of prominent families who achieved their current status (1) by establishing themselves in the region when there were still national or public lands available, and (2) because of their administrative capacity and the success they have had in their businesses. The power of such families derives from the fact that they can lease land, provide employment, and buy regional small farmers' production for subsequent placing in the national market. Moreover, because they have the necessary economic resources to educate their children in nearby municipalities or even in the capital city, they have become links or "brokers" between the local community and the rest of society. As such, they also tend to be the families whose members occupy important local political posts.

White suggests that Honduran political parties have little or no explicit, classifiable ideology. Essentially they constitute the means to acquire privileged access to the public services controlled by the Central Government. The members of important families tend to associate with one of two traditional political parties and, once they join it, very rarely risk taking a different position from those outlined by the regional or national leader. An outstanding member of a prominent rural family who becomes a politician secures his power not only through his lineage but also through favors he grants to the population of his community through government contracts. These favors may be of a personal nature or have implications for the whole village: sometimes the local politician is requested to interfere judicially so that cases in the court system are resolved favorably or a prisoner set free; or a patronato may turn to the local politician to get government support to carry out specific community development projects. The policy of government subsidies through the Ministry of the Interior to the country's municipalities, part of the traditional strategy to induce converts to a party, also serves to reinforce the system of dependence on village leaders and prominent rural families.

For White, there are two variables that might have produced important socioeconomic changes within the campesino communities where both a hierarchical social structure and paternalism have been tolerated and accepted. The first of these variables is intervention by government development agencies through their extensionists, and the second is different expectations formed by rural dwellers as a result of greater contact with the urban world. However, the intervention of the extensionists has not had the desired impact because either technicians have not had the necessary education to perform adequately in their jobs or have identified themselves more with the problems of the rural elite than their putative client population; there is, as White puts it, a lack of "homofilia" in the extensionist-campesino relationship and the prejudice of the first with respect to the inferiority of the latter has made the interchange between members of the relationship an unpleasant and generally counterproductive experience.

With respect to a change in expectations, the discovery of the urban world as a result of development of the means of transportation and communication, has integrated isolated campesino communities into both the national communications network as well as the country's economy. The campesino became more conscious of technological opportunities and advantages that the outside world could offer. The most immediate consequence of discovering that world, at times radically different from theirs, was the desire to participate in the national decision-making process. However, this desire could not be satisfied without the political and technical support of urban groups interested in the campesino problem. Due to lack of such support, the socioeconomic situation of the rural dweller was not substantially modified, at least until the mid-1960s.

White concludes that the campesino community in Honduras must be considered as a cohesive body susceptible to modification only through exogenous factors. The main external factor of change is the division of interests within the "urban elites". The country's situation when White wrote made him suppose that the participation of church and university intellectuals, with more liberal ideas on national development, might be crucial for the creation of an ideology of change that could be transferred to the members of those cohesive, provincial, and relatively closed bodies.

3. The Campesino Movement

3.1. The Process

Toward the end of the 1950s a campesino movement started in Honduras which initially spread through villages and later through regions, eventually acquiring a national character. White was partially right to assume that exogenous or external factors would induce change in the campesino community, but wrong to assume that only they would be able to break the internal cohesion of those communities. In fact, internal factors such as the deterioration of the traditional campesino economies and increases in population and unemployment have been articulated with external ideological and political factors to generate a struggle for land and for delivery of services to campesinos with no resources but their own labor.

During the rise, formation, and consolidation of the campesino movement, there were five distinct periods, defined by who the actors were, how they acted, and what caused the action (see Figure IV-1). We speak of periods, not stages, because we do not wish to give the impression that each period must be completely finished before the next one can start, or that one period necessarily leads to another. There are factors and junctions that influence the process and the periods overlap by necessity.

3.1.1. The First Period: Eviction and the Beginning of Organized Collective Action

The keynote of the first period was the series of conflicts at Guanchias and Guaymas on the North Coast and at Monjaras on the South Coast. In each case, campesinos reacted to threats of eviction from lands they had been working for periods of time ranging from two to 25 years.

Figure IV-1.
Periods of Campesino Movements Over Time

Year 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82

Period I - 1959/1964
The eviction and the
beginning of an
organized collective action

Period II - 1962/1970
The organization of the dispossessed

Period III - 1967/1975
The struggle

Period IV - 1974/1980
Alliances and ruptures

Period V -
1980/1982
Independence
from
government
tutelage

In the case of Guanchías, beginning in the 1950s, the Tela Railroad Company asked 8,000 campesinos to move out of the lands bordering on Tela-owned land which the Company had arranged to lease from the Bogran family for the purpose of expanding its dairy operations. The campesinos refused, arguing that these lands, in 12 villages, were family lots granted in 1927 under Decree 1324, issued during the Paz Barahona government (Salgado, 1981).

In the case of Guaymas, the Tela Railroad Company was again the leading character. The Guaymas conflict originated partly in the decision taken in 1957 by the Company to abandon its Manila hemp plantations in the area. The plantation workers petitioned the President of the Republic to be allowed to farm the abandoned land. The Company was reluctant, but subsequently announced its willingness to "yield" to the government 6,000 hectares of land to be divided in lots of 20 hectares each for distribution among the campesinos in the zone. There is no indication that this promise was fulfilled. In 1960, due to a drought in the pastures in the region of La Lima, the company decided to transfer its cattle to Guaymas and requested the campesinos then settled in those lands to move out within 11 days -- a total of approximately 900 campesinos who had put into production a total of 1442 hectares in grains and beans. However, faced with the possibility of seeing its lands affected by the agrarian reform law to be issued in 1962, the Tela R.R. decided to sell its lands under lease for \$38.05 per hectare; the sale was obligatory since it required all those who could not buy their lots to move out within four months. The tenants asked the government to buy the lands at the price stated and resell them to the campesinos at a lower price. By 1961, the campesinos had become tenants.

In the case of Monjarás, the actors were the cattlemen Modesto Rodas Alvarado and Enrique Weddle and a group of 500 campesino families occupying lands under verbal authorization by the President of the Republic (White, 1971). The occupied lands were next to properties of the cattlemen, who wanted to increase their pastures and claimed the occupied lands theirs. In January 1960, after two years of cultivating the lands, the campesino families received orders to move from the departmental authorities of Choluteca (Posas, 1981). The campesinos refused, arguing that these were national lands and their occupation had taken place with prior presidential authorization.

In all three cases, campesinos initially sought recourse at the level of the central government rather than at the local level, where authorities had ties with landholders in the area of conflict. Moreover, the transfer of the conflict to Tegucigalpa offered the possibility of publicity for the problem and potential support from other sectors.

In the case of Guanchías, the government did not initially pay much attention to the matter, campesino leaders were arrested, and the Tela sued for damages against the "invaders" in 1959 and 1960 (Salgado, 1981). In the case of Guaymas, the government gave the occupants five months to harvest and abandon the sites. With respect to Monjarás, the president made verbal promises that the conflict would be resolved favorably, but the civil guard prevented the campesinos from pursuing their agricultural activities in the disputed lands and leaders were arrested (Posas, 1981a).

Confronted with these attitudes, the campesinos decided to organize themselves. In 1959, different villages in Guaymas formed the Colonization and Rural Welfare Committees. In 1960 the Campesino Committee for Defense of Quebrada Seca and the Toyos Campesino Committee were formed in the Guaymas area, and the Campesino Organization for the Defense of Land and Social Welfare was set up in the villages of Monjarás and Marcovia (Posas, 1981a).

The dynamics of conflict in North and South were different; probably due to differences between the parties involved. In Monjaras, campesinos sought the support of the University Students Federation (FEUH). The students, influenced by Cuban experience, became interested in the problem and provided legal assistance for negotiations with the government and organized public demonstrations in support of the campesino position.

The closeness between Guaymas and Guanchias, the fact that they were confronting the same adversary, and the influence exerted by some of the union leaders who had been fired from the Tela after the 1954 strike, fostered the union of the campesino movement on the North Coast. In October 1961, campesino organizations met in the villages and decided to form the Central Committee for Campesino Unification. The objectives of this committee were to gain access to lands that the Tela kept idle or under lease, stimulate campesino organization and the adhesion of new groups to Unification Central, and to fight for agrarian reform at the national level. The elected president of the Committee was Lorenzo Zelaya, ex-union leader and alleged member of the Honduran Communist Party. The Committee proceeded to: (1) provide material support to the labor union at the Standard Fruit Company which struck in 1962 for better salaries, (2) invade 1,429 hectares of land in the Guanchias-Guaymas sector, (3) organize a campesino concentration in El Progreso in March 1962 in support of the Committee's activities, and (4) organize campesino groups in Cortes. The importance acquired by the campesino movement in this region of the country attracted the attention of the elected authorities of the Liberal Party, who proceeded to identify themselves with the campesinos' problems and support the struggle for land.

On August 1962, the Unification Committee became the National Federation of Campesinos in Honduras (FENACH), the first campesino association in the country with a national identity. The organization structure of FENACH resided in Village Campesino Committees in the Departments of Cortes, Atlantida, and Yoro, with Zelaya as leader.

In October 1962, the FENACH leaders were arrested as a political threat, but another campesino demonstration in El Progreso forced the authorities to free the prisoners and the FENACH leaders assumed a more open and confrontational position. It has been argued that the objective of the coup that ousted Villeda Morales in 1963 was to control the volatile environment that had developed in the agricultural sector, particularly in the northern part of the country, due to FENACH belligerency and, indeed, Lorenzo Zelaya and some of his followers were killed by a military group in 1965.

The conflict in Monjarás was eventually resolved in favor of the campesinos. In October 1960, the same year the conflict began, the Office of Lands of the Ministry of Natural Resources purchased 2,440 hectares from the

inheritors of Jose Sturgess to set up 172 family farms of 20 hectares each and in November the campesinos of Monjaras received titles to their lands.

In Guanchías the unfolding of events was different. The arrest of the FENACH leaders in 1962 had split the campesino movement on the North Coast. Some of the Guanchías leaders joined a campesino organization newly formed by the Northern Honduras Labor Federation (FESITRANH), and the government of Villeda Morales sponsored the new campesino organization as a political alternative to FENACH; the organization was the National Association of Honduran Campesinos (ANACH). In 1964, 85 families in the Guanchías zone received authorization from the National Agrarian Reform Institute (INA) to invade 283 hectares within the lands in dispute. Subsequently, between 1968 and 1969, INA purchased 1928 hectares from the Bogan family and Arcensio Echeverry, and obtained a grant for 822 additional hectares from the same family for agrarian reform in the area. Currently, the Guanchías complex is made up of 7 cooperatives that include 450 members with 2258 hectares of land.

The splitting of FENACH and the death of Lorenzo Zelaya marked the end of the first period of the national campesino movement. The struggle to remain on the land initiated by those threatened with eviction gives way to a struggle for land by campesinos without any prior access to that resource.

3.1.2. The Second Period: The Organization of the Dispossessed

As we pointed out previously, the government of Villeda Morales and FESITRANH, with the support of the AFL-CIO and ORIT, tried to reorient the campesino movement on the North Coast by setting up a less aggressive association than FENACH. Between June and September 1962, FESITRANH sponsored six seminars on agrarian reform for the purpose of training potential campesino leaders. When the training period ended, 154 trainees claiming to represent 5,000 campesinos were dispersed around the country and founded ANACH. The organization adopted as its theme the slogan used by the Liberal Party when it committed itself to support agrarian reform: "He who loves the land loves the country." Exequiel Cruz, one of the founders of the Labor Union at the Tela Railroad Company, became Secretary of the organization, and ANACH obtained legal status in November 1962. With FESITRANH's help, ANACH was quickly able to organize landless campesino groups ("sub-sectionals") that wanted to be beneficiaries of the agrarian reform. Subsequently, with the support of IADSL and CARE, the new organization started a series of community development projects in villages where their associates lived, thereby consolidating their internal structure. ANACH established itself from the beginning as an organization of struggle with the principal objectives of "claiming rights and benefits not yet legally recognized" (Erazo and Fajardo, 1980).

There is some consensus that the arrival of Castro to power in Cuba was one of the main reasons why Villeda Morales' government passed an agrarian reform law in 1962. The Cuban experience also had a significant effect on the strategy adopted by the Catholic Church in Honduras to enhance its influence in rural areas. In the early 1960s, the Church started broadcasting an adult education radio program aimed at campesinos; organized religious groups known as "Celebrators of the Word", to discuss and analyze the Bible; and set up housewives' clubs across the country. The philosophy guiding these efforts

was essentially "consciousness-raising"; peasants were to become conscious of the problems of their society and of their capacities to resolve them; education should go beyond literacy and to permit the acquisition of social, political, and religious awareness, so that campesinos could take collective action in the development of their communities, improve their agricultural technology, and modify health practices and domestic hygiene. The peasant was to be an agent, not just a subject of change (AID, 1978). White (1972) describes these church efforts as a "revitalizing movement", with the radio schools as its main support. For White, all revitalizing movements seek to generate in the individual a positive feeling about what he is and his capacity to act, integrating the campesino community through institutions oriented to the solution of local problems and collective decision-making.

A consequence of the activities of the church in rural areas, and particularly in the South, was the emergence in 1964 of the Social-Christian Campesino Association of Honduras (ACASCH). This association was promoted by the Authentic Union Federation of Honduras (FASH), organized a year before as the first labor federation of Social-Christian tendency in the country. ACASCH was a campesino organization made up of patronatos, community development councils, and agricultural pre-cooperatives, with the double objective of land acquisition and community development (Posas 1981b). In 1965, however, as a result of the experience of similar Christian-Democratic groups in the Dominican Republic, the community development component began to disappear and ACASCH became politicized. Peasants were organized into what came to be known as "campesino leagues", the purpose of which was to fight for the acquisition of land for the landless. The politicization of the leagues was later consolidated as a consequence of the successful land seizures in Guanchias; in the hope of support from the new director of INA, Rigoberto Sandoval Corea, an agrarian economist of liberal ideas; and the growing identification of priests with the campesino movement. At the end of 1968 ACASCH became the National Federation of Laborers of the Campo (FENTCH), which in turn became the National Campesino Union (UNC), whose goal was expansion of the radius of action beyond the Departments of Valle and Choluteca and the securing of legal status (personería jurídica).

Even though ANACH and UNC both emerged as "struggling organizations" (Erazo and Fajardo, 1980), the two are in opposition. UNC questions the materialistic version of life adopted by ANACH and criticizes ANACH's relationship with North American unions. More nationalistic, UNC considers that the laborer's struggle should be oriented towards the creation of labor conditions to allow the individual not only a better way of life, but also personal fulfillment. According to UNC, agricultural cooperation permits collective solutions to common problems and a relationship of peers; the campesino struggle should go beyond material demands and the search for immediate economic benefits (Morris and Sanchez, 1976).

Sandoval's arrival at INA in 1967 was the Lopez Arellano government's response to pressure by ANACH, FESITRANH, and SITRATERCO. In order to avoid a massive hunger march on Tegucigalpa organized by ANACH for October 1966, Lopez promised to modify INA management and nominated Sandoval as its director. At the outset, the government's agrarian policy essentially consisted of (1) direct intervention in areas of major conflict, (2) acquisition of lands

in litigation by purchase if private and through "recuperation" if national, and (3) transfer of acquired lands to campesino groups promoting collective production. Groups were to pay for appropriated land and the agricultural projects carried out would be oriented toward the production of either export items or agroindustrial inputs (Posas, 1981b). The manner in which the Guanchias conflict was resolved is a typical example of how the new agrarian policy was applied. Looking for campesino support, INA selected Guanchias as the headquarters for the meeting from which FECORAH would emerge and, in fact, the Federation's first president was Efraín Díaz Galeas, president of the Guanchias Cooperative and former president of ANACH, who had not been allowed to finish his term at ANACH in 1966 because of his association with leftist groups at the National University.

From the beginning FECORAH functioned as an "organization for social stability" (Erazo and Fajardo, 1980), through which members could claim rights and recognized legal benefits. At the same time, FECORAH promoted the invasion of private lands as part of its policy to assist campesino groups which, having "recuperated" a large estate, had organized a production cooperative. Later, FECORAH would support only those campesino groups demanding land with high probability of getting a favorable adjudication; during this later phase, FECORAH would organize or consolidate potential agrarian reform beneficiary groups instead of mobilizing campesinos to carry out direct political activities (AID, 1978). The constitution of FECORAH with legal status marks the end of the second period of campesino movements.

Table IV-6 summarizes the essential characteristics of the principal campesino groups that emerged during this period.

Table IV-6. Summary of the Essential Characteristics of ANACH, UNC, and FECORAH

Organization	Initial Organizational Characteristics	Origin	Ideals/ Principles
ANACH Organized 1962 Legal Status, 1962	Organization of struggle to recover benefits and rights not yet legally recognized.	Recuperation of the campesino movement Support received by RESITRANH, the AFL-CIO, ORIT and the liberal government of Villeda Morales.	"Effective participation" in the market economy. Production organization for survival of cooperatives within a competitive economy.
UNC: Organized 1970 Legal Status, Pending	Organization of struggle for a new role and a new position in the development of society for the campesino.	Desire of the church to consolidate its power in the rural areas and avoid reproducing the Cuban situation in Honduras. Subsequent support of the Christian Democratic Honduran Movement.	The campesino as an agent and not just a subject of socioeconomic development. A more nationalist position. Opposition to participation in internal campesino movements. Employment as mechanism for fulfillment of man.
FECORAH Organized 1970 Legal Status 1974	Organization of social stability. The goal of members is access to legally recognized rights and benefits.	Supported by the government in order to obtain support for its policies by a campesino group.	Integration into marketing system and access to public credit and technical assistance.

3.1.3. Third Period: The Struggle

The basic characteristic of the third period was land invasion. "Invasion" is defined as the violent or non-violent occupation of private or national land not authorized by INA.³

At the beginning of this period, invasions were sporadic but in 1975, they acquired national character as campesino organizations promoted simultaneous invasions ("campesino operations") in different parts of the country.

All three campesino associations were involved in land seizures. According to AID (1978), with the election of Reyes Rodríguez Arevalo as president of ANACH in 1967, the organization doubled its efforts to organize campesinos and maintain constant pressure for agrarian reform. The preferred mechanism for exerting that pressure was the invasion of uncultivated land. During ANACH invasions, whole families participated to make eviction by the army more difficult and the evicted tended to re-invade the same parcels as soon as the military abandoned the area (AID, 1978). For the UNC, the most important invasions were in 1969 in Namasigüe-El Triunfo, 1972 in Talanquera, and the "campesino operation" of 1975.

In the first case, campesinos associated with FENACH, UNC's predecessor, invaded parcels which were part of a medium-sized farm, claiming that these were illegally-seized national lands. In the second case, a campesino league in the area of Talanquera, Olancho, occupied 136.5 hectares over which they claimed to have legitimate right of property, which were idle lands located within the limits of a farm. At the request of the owner of the farm, local police began to evict the campesinos, the campesinos resisted, and the outcome was one policeman and six campesinos dead, three injured, and four arrested; popular organizations spoke of the Talanquera "massacre." Between May 18 and 21, 1975, the year of greatest mobilization, 278 UNC campesino leagues invaded an equal number of parcels. Since the invading groups consisted of families, Posas (1981b) has estimated that approximately 40,000 people participated in this operation. As far as FECORAH is concerned, despite its generally less belligerent posture, the organization did promote invasions indirectly by financing invaders who were committed to collective exploitation of occupied parcels.

Officials from the Judicial Department at INA defend invasions by arguing that the participants are always campesinos affiliated to an organization, conscious of the rights that the law grants them, and motivated to carry out illegal acts because (1) of the material needs they face, (2) of the underutilization of the bigger parcels, and (3) of the procrastination with which their requests for land are attended to by INA itself. Posas (1981b) has pointed out that invasions generally are carried out during the months of May

(3) INA does authorize occupations of private land or of land in usufruct, for agrarian reform purposes, and had the right to authorize occupation of previously uncultivated national lands. However, this last occupation type is tolerated rather than authorized.

and October, prior to the two planting seasons in the agricultural cycle when the peasant is most aware of his need for land.

The invasion boom between 1969 and 1972, recurrent public demonstrations demanding agrarian reform and, particularly, the organization of another hunger march to Tegucigalpa in December 1972 by ANACH, FESITRANH, and CTH, hastened the ousting of President Ramón Cruz in that same month and the assumption of power by the military under the direction of López Arellano. The fact that López became Chief of State without any links to the traditional political parties is said to have allowed him to assume a more reformist position, and several weeks after Cruz was ousted, Decree No. 8 was issued, providing campesinos temporary use of national and ejido lands owned by INA, and obliging temporary leasing of privately-owned idle lands. One of the most important effects of Decree 8 was the easing of tension in rural areas. In January 1975, Law Decree 170 was emitted, the definitive agrarian reform law still in force. Between December 1972 and January 1975, 79,552 hectares were distributed to 23,627 families on 623 asentamientos (INA, 1978; Posas, 1981b).

Accused of having been involved in a bribe, Lopez was replaced by Melgar Castro as President in 1975. With Melgar's ascent to power, campesino organizations perceived a "right turn" of the agrarian reform process based on the argument that, although the law had been issued, the necessary regulations for its application had been delayed. According to Posas (1981b), the campesino operations and the Hunger March organized by UNC in June 1975 which resulted in the death of ten campesino leaders, two priests, and two social workers were undertaken to put pressure on the Melgar government to approve such regulations as soon as possible. These new campesino pressures forced Melgar to put into effect what was known as the "Immediate Action Plan" for the "massive" distribution of lands. Between November 1975 and July 1976, 8,722 hectares were given to 3,160 families (Posas, 1981b).

Land invasions diminished considerably after 1975. According to INA's Judicial Department, between 1975 and 1981 illegal land occupations were basically recurrent invasions in which the same groups claimed their right to cultivate the same parcels. To ease the pressure over land, the current INA administration has attended the demands of those groups and, until recently, the theory has been that the current peace in the rural areas is the result of those recent distributions. According to an important INA officer, "There is peace now because we have tried to attend to the needs of the most desperate."

3.1.4. Fourth Period: Alliances and Ruptures

The fourth campesino period has been one of alliances and ruptures. Alliances had arisen from the need organizations perceive for uniting in order to fight the "stagnation" of the agrarian reform. The ruptures are a consequence of the different political views that have appeared within groupings.

Among the most important alliances were the constitution of the Frente de Unidad Campesina (FUC) in 1975 and the Frente Nacional Campesino Hondureño (FUNACAMH) in 1979. FUC was integrated by ANACH, UNC, and FECORAH for the specific purpose of putting pressure on the Melgar government to expedite the agrarian reform process initiated by Lopez, which resulted in the Immediate

Action Plan previously mentioned. FUNACAMH initially assembled UNC, UNCAH, and a major faction of ANACH which in 1979 had declared itself against Reyes Rodríguez Arévalo; Subsequently, FECORAH, FECOAGROH, FEREACANH, UNACOOOP, and FRENACAIN also joined. FUNACAMH was constituted in order to (1) put pressure on the Paz García government so that demands for land grants submitted to INA by different organizations would be met; (2) secure the freedom of campesinos arrested for land invasion; (3) obtain the removal from office of Fabio Salgado, INA director, accused of corruption, and (4) press for legal status for UNC and UNCAH. According to Posas (1981b), Melgar's government did very little in the area of agrarian reform after implementing the Immediate Action Plan, and the rise to power by Paz García in 1978 only brought further regression in the process of land grants. During Melgar's administration (April 1975 - August 1978), 21,400 hectares were distributed and during Paz García's (August 1978 - January 1982), only 14,713. In 1980, FUNACAMH organized another campesino operation, and in March of that year, campesino groups affiliated to different organizations simultaneously invaded approximately 6,000 hectares of land in the Departments of Cortés, Choluteca, Yoro, and Olancho. Despite the fact that eventually an important percentage of those invaders were evicted, the operation did help obtain freedom for the campesinos arrested (Posas, 1981b).

The most important rupture between 1975 and 1980 occurred in the heart of UNC and ANACH. The rise of the Movimiento para el Socialismo (MAS) within the Honduran Christian Democrats resulted in the formation of the Union Nacional de Campesinos Auténticos de Honduras (UNCAH) in September 1977, whose first members came from UNC. In ANACH, a movement developed in opposition to the administration of Reyes Rodríguez Arévalo, accused of corruption and lack of interest in campesino problems and, during the national convention of 1980, Julián Méndez, director of ANACH's Plan Cooperativo, was elected as substitute for Rodríguez. Rodríguez retired from ANACH and, with his followers, formed the Alianza Campesina de Organizaciones Nacionales de Honduras (ALCONH) that same year.

3.1.5. Fifth Period: The Struggle for "Freedom" from Government Tutelage

Since 1980, the main characteristic of the campesino movement has been its struggle for independence from government interference in the management of the important agricultural projects begun in the reformed sector around 1975-76. What stands out during this period are the quest for eradicating administrative corruption at the Empresa Asociativa Campesina de Isletas and the strike by the members of COAPALMA.

Isletas emerged as a consequence of the damages caused by Hurricane Fifi in 1974 to the banana plantations, roads, railroads, irrigation and drainage systems, buildings, and housing belonging to the Standard Fruit Company in the Department of Colón. Due to the magnitude of the damages and the government's lack of interest in re-negotiating the land concessions to Standard Fruit which were soon to expire, the company chose to abandon the affected plantations. In 1975, in order to forestall the unemployment that this decision would cause, INA decided to expropriate the abandoned lands and form the Empresa Asociativa de Isletas, granting 2,076 hectares to 900 former agricultural laborers (Martínez, 1981; Posas 1981b). The government, through interna-

tional loans administered by COHBANA, would finance the enterprise and, to insure its growth and productivity, would provide the necessary technical assistance. The Standard Fruit Company contracted with COHBANA, as representative for Isletas, for the purchase of the banana production of the association. With the assistance of the World Food Program and COHBANA, members were able to restore the plantations affected by Fifi. According to Coello (1981), in 1975 Isletas produced 42,960 boxes of bananas and by 1980, 4.9 million. Paradoxically, according to Carias (1980), the success in production at Isletas planted seeds of destruction.

Carias (1980), Coello (1981), Martínez (1981), and Posas (1981b) all agree that production increase at Isletas has not brought corresponding improvement in members' income, for three reasons: the interest rates on loans, the costs of technical assistance, and the amount received for the product. Both fixed capital and the associate salaries are financed by COHBANA, funds for which have come primarily from the World Bank at an 8% interest rate. However, because of administration expenses in the use of those funds, COHBANA has raised these rates to 15% and 17%; the government's participation in the project as an intermediary automatically raises the cost of money to members. Furthermore, COHBANA charges 5.5% of the FOB value of the bananas sold to cover technical assistance costs. Coello (1981) has argued that those costs are inflated because the FOB price includes the costs of railroad transportation, stowage at port, packing, customs export costs, and export tax, so that the technical assistance charge derives from an essentially artificial base. Furthermore, COHBANA sees its technical assistance role as limited to supervising the quality of the fruit according to criteria established by the purchasing company, and does not see itself as obliged to assume experimental and laboratory costs. It thus charges, excessively, for assistance that is not given. Finally, the terms of the sales contract signed with Standard Fruit Company require that the associative enterprise sell its production exclusively to the fruit company during a five-year period at FOB prices. By contract, Isletas must pay transportation costs from plant to port and the export tax, although it is not the direct exporter. Substantial increases in transportation costs and prices for agricultural inputs have further pushed Isletas into a loss position. Coello (1981) estimates that, in 1980, the associative enterprise was losing the equivalent of \$0.045 per banana box; since 1981 production was 4.9 million boxes, this represents a loss of U.S. \$110,310. In 1980, the loan Isletas had with COHBANA amounted to U.S. \$6.5 million.

Within Isletas there has been a constant battle over administrative power, rooted in the desire to control the surplus that the enterprise generates. Regional military, members, and COHBANA itself have all been involved in the fray. The military repeatedly accuse the directors of being communists, thereby justifying their interference in the elections of new boards. The members have talked about corruption and illicit prosperity on the part of the directors favored by the military, claiming proof that these directors have transferred assets belonging to the enterprise to private individuals, that they have contracted construction firms and advisors to do work that was never started, and that they have bought broken or overpriced machinery. The alleged corruption caused a strike in September 1980 by the members, demanding the election of a new board of directors. The newly-

elected board proposed a plan of action based on the following points: (1) suspension of payment of the 5.5% to COHBANA for technical assistance, (2) renegotiation of the sales contract between COHBANA and Standard Fruit, and (3) an audit of the enterprise "to make the corruption visible." However, the board was unable even to begin its administration, since it has been accused of involvement in a fraudulent electoral process and of having communist affiliation and eventually, it is alleged, the regional military forced the new board of directors to resign. There was a new call for elections, those that had resigned were ratified in their position, but the division within Isletas has continued and attempts at reorganization have been repeatedly frustrated by dissent, accusations, and partisanship.

The struggle against government intervention has also occurred at the African palm project in Bajo Aguán. This project started in 1971 and boomed during the reconstruction period after Hurricane Fifi. The growth cycle of the palm varies between four and five years. During that period the cooperative members associated with the palm project received a daily salary of \$1.50; once production began, they had the right to receive dividends. Initially, most of the production was sold to Standard Fruit Company, who processed it into oil. In 1980, the Government decided to constitute an agro-industrial cooperative known as COAPALMA to extract the oil. The decree authorizing the creation of COAPALMA stipulated that the cooperative's Board of Directors would be constituted by the Ministers of Finance and Economy, the directors of INA and BANADESA, and a campesino representative. Issuance of the decree provoked a 17-day strike in Bajo Aguán cooperatives. It also provoked the cooperatives of the Guaymas Project, also cultivating African palm, to take over the local facilities of INA and MNR. The campesinos claimed their right to administrate a cooperative whose seed capital was paid by them, and demanded (1) that the board of directors be composed mainly of representatives of the groups producing raw materials, and (2) that this new board have the power to select the candidates for key office within the enterprise, such as General Manager and Auditor. In response to campesino pressure and wider popular support, the government revoked the proposed decree, and limited itself to retaining the power to nominate key employees based on proposals by the cooperative members.

3.2. Interpretation of the Process

Table IV-7 summarizes the principal characters in the campesino movement during each of its periods, and their basic demands.

Table IV-7. Principal Actors and Demands Made by the Campesino Movement, by Periods

Period	Principal Actors	Basic Demands
I. Eviction and beginning of organized collective activity	Former agricultural laborers, "re-campesinos," and those occupying lands considered national	Remain in the occupied land
II. The organization of the dispossessed	Landless campesinos	Acquire land
III. The struggle	Landless campesinos, now organized	Acquire land and services
IV. Alliances and ruptures	Landless campesinos with greater organization	Acquire land and services
V. Independence from state tutelage	Cooperative members	Eradication of administrative and governmental corruption. Elimination of state intervention in management of projects and transfer of profits to the government

In summary, the first peasant pressure groups in Honduras consisted of subsistence farmers, afraid of eviction from parcels they were cultivating and considered theirs either because they had informal authorization to use them or because they had been using them continuously over a period of time. These were followed, with overlap as mentioned earlier, by pressure groups made up of landless campesinos who, because of links with liberal urban groups and because of government concern about areas of potential agricultural conflict, had learned about their legal rights. Their need for land forced them into alliances with groups of varying ideology. The third and most recent pressure group type is composed of cooperative members with ties to agricultural production projects, protesting against administrative corruption and government intervention and demanding greater material benefits from their productive activities.

Government interference seems to have produced ambivalence among agrarian reform beneficiaries, who are both dependent and suspicious. Fear that campesinos will seek more active roles in project management, partly because of the high level of investment and the low level of experience and training of the average peasant, has persuaded government institutions that a paternalistic relationship is wiser or shrewder than a collaborative one. The resulting vertical relationship accustoms the peasant to resort to and sometimes even demand government assistance, whether or not it is appropriate or merited and whether or not the government has the necessary resources to provide it. Yet paradoxically, largely as a consequence of corruption among public-sector employees, more committed to themselves than to the institutions they represent, cooperative members have also developed a mistrust of state interference in cooperative business. It is not unusual to find cooperatives who, when addressing the possibility of financial or technical government assistance, require that it adhere to parameters set by their members.

Smelser (1963) has proposed a theory of collective action that is helpful in understanding the dynamics of the Honduran campesino movement. His two central concepts are: (1) the concept of accumulation and (2) the concept of social action as made up of different components. Smelser theorizes that collective action occurs when individuals prepare themselves to bring about a change in a particular aspect of society, but only when there are no other means of achieving the desired objectives through existing institutions. Therefore, collective action is behavior at the fringes of the institutions which is oriented specifically toward change. According to Smelser there are six cumulative determinants of collective action: (1) conduciveness, (2) structural strain, (3) formation and propagation of a belief or an ideology, (4) other precipitating factors, (5) social mobilization, and (6) social control.

Conduciveness refers to the basic structural characteristics required to carry out a collective episode, conditions that indicate whether an institutional order has become dysfunctional. Structural strain is the lack of articulation among the elements of a system; such strain only becomes significant as a determinant of change where there has been conduciveness, e.g., the suspension of a privilege, and produces a collective episode only when the individuals involved perceive the causes of the strain and have solutions to resolve them. A belief or an ideology is required, which subsumes: (1) an

assessment of the forces and agents causing the strain, and (2) a strategy to eliminate them. Precipitating factors are what provoke mobilization and dramatize the imbalance to the point where the main actors are convinced that the situation can no longer be tolerated. Social mobilization is a self-explanatory term, as is social control. The latter may operate during the entire process to prevent the movement from reaching the point of mobilization or to halt the process after mobilization has started.

As Table IV-8 indicates, the facts of the Honduran case do respond to Smelser's model and suggest that a thorough-going process of collective action has indeed occurred. Furthermore, since all the variables required for the process are more or less still in place, there is no reason to believe that the process is completed.

Table IV-8. Honduran Peasant Movements and Smelser's Theory of Collective Action

Determinant of Collective Action	Variable
Conduciveness	Deterioration of the campesino economy as a consequence of eviction and/or expansion of bigger parcels, deterioration of existing natural resources, and fractioning due to population growth.
Structural Strain	Land concentration.
Belief/Ideology	Ideology of the evicted/dispossessed as a consequence of the participation of the PCH, the free unions, liberal university groups, the church, and the Christian Democrats.
Precipitating Factors	The example of the accomplishments in Guanchias and the rise of a new government with an open agrarian policy initially and subsequently reformist. Government liberalism and benevolence alternating with conservatism and corruption.
Mobilization	The organization of campesino associations, hunger marches, invasions, takeovers of government buildings, and federation of associations.

3.3 The Results of the Process

Table IV-9 lists the major campesino organizations in Honduras and their memberships. Excluded are those organizations without ties to the reformed sector: (1) Asociación Campesina para el Desarrollo Agropecuario Diversificado de Honduras (ACADH), (2) Federación de Cooperativas Agropecuarias de Honduras (FECOAGROH), and (3) Unión Nacional de Cooperativas (UNACOOP). ACADH was constituted in 1978 in response to the needs of small and medium producers neglected because of government concentration on the reformed sector. ACADH concentrates on technical assistance and credit for its members and currently has 15,000 members. FECOAGROH, was established in 1967 by agreement between the Government of Honduras and AID to provide assistance to individual small farmers and, subsequently, small cattlemen. FECOAGROH peaked in 1972 when it included 34 cooperatives and 4,421 members. Due to weather conditions and administrative problems, most of the cooperatives affiliated to FECOAGROH could not repay their loans and the financing institutions they depended on, FACACH and AID, withdrew support; by 1978, FECOAGROH had only 12 active cooperatives and 1,500 members and its main activity was the sale of agricultural inputs. Finally, there is UNACOOP, started in 1978 at CGT initiative, which consolidated the country's resin cooperatives; it currently includes 56 cooperatives with 1,500 members.

Table IV-9. Existing Campesino Organizations and Current (1982) Memberships

Campesino Organization		Number of
Name	Acronym	Active Members
Asociación Nacional de Campesinos de Honduras	ANACH	45,000
Unión Nacional de Campesinos	UNC	19,000
Federación de Cooperativas de la Reforma Agraria	FECORAH	9,300
Asociación Campesina Nacional	ACAN	4,200
Frente Nacional de Campesinos Independientes	FRENACAINH	2,860
Federación de Empresas Asociativas Campesinas	FEDECAM	1,800
Unión Nacional de Campesinos Auténticos	UNCA	1,400
Alianza Campesina de Organizaciones Nacionales	ALCONH	1,115
Total Members at the National Level		84,675

Source: Political Section, American Embassy.

While Honduras has had the largest and most active peasant movement in Central America, with the exception of revolutionary Nicaragua, the proportion of the peasantry involved in that movement is not large. In 1981 65% of the economically active population was dedicated to agricultural activities and

average annual rural unemployment was 41.5%. Since the beneficiaries of the agrarian reform are generally men age 16 and older, the pool of those most likely to have pressed for land can be estimated at around 237,000. We can assume that the 48,499 members of campesino organizations who are not yet agrarian reform beneficiaries are essentially landless, so that campesino organizations have only been able to affiliate about 15% of the most needy rural population. INA's Legal Department hypothesizes that those who are pressuring now for application of the agrarian reform law are essentially the members of the campesino associations. In sum, 85% of the neediest campesinos are looking to other survival strategies than movement membership. Among these, the most outstanding are: land leasing, clearing of new lands at the agricultural frontier, and migration to the cities. Sensitivity to the numbers and needs of this group is gradually persuading INA that it must stop functioning primarily in response to pressure from campesino organization and worry more about the unorganized peasantry that represents the large majority of the rural population.

4. The Effects of the Agrarian Reform

4.1 The Model and its Objectives

IHDER (1980) has pointed out that the Lopez government had five options it might have selected for agrarian reform; these are summarized in Table IV-10.

Through the Plan Nacional de Reforma Agraria (PNRA), the Lopez government, under Decree 170, instituted a "modernizing agrarian reform," with some characteristics of a "tutelary agrarian reform" since Decree 170 authorized individual grants and land colonization on the agricultural border. The technicians who prepared the PNRA predicated it on the concept that the Honduran agriculture sector basically consists of three subsectors: traditional, modern, and contemporary. The traditional subsector is composed of (1) the latifundio-minifundio relationship, (2) small producers with limited financial resources, dedicated to the cultivation of basic grains but with interest in permanent crops and in greater market integration, and (3) a landless campesino mass. The modern subsector embraces great extensions of land dedicated to capital-intensive cultivation of agricultural export crops. The contemporary subsector is composed of medium-size and newly-established farms, characterized largely by collective exploitation of land. The purpose of the agrarian reform was to do away with the traditional subsector, consolidate the contemporary subsector, and allow the modern subsector to continue its course.

4.2 Achievement of Goals

Under the PNRA, 600,000 hectares were to be distributed over a five-year period to 1,200 peasant families organized in 1,200 collective production units. Table IV-11 compares these goals with actual achievement; it includes data on land grants and beneficiaries prior to 1974 to provide an idea of the rhythm of distribution and the total number of beneficiaries.

It would appear that the objectives of the PNRA have only partially been met. The following conclusions are of particular interest:

Table IV-10. Agrarian Reform Options Available
to the Lopez Government

Type of Reform	Characteristics
1. Agricultural Reform	Modernization of agriculture through the integration of new production techniques. No changes in agrarian structure. Incorporation of lands on agricultural frontier through colonization programs.
2. Tutelary Agrarian Reform	Change in the agrarian structure in limited areas. Individual campesino settlements in idle private lands or national lands.
3. Modernizing Agrarian Reform	Changes in agrarian structure, seeking "historical actualization." Land distribution for purpose of expansion of domestic market for manufactured products. Conversion of campesino economy by introducing collective units for agricultural exploitation characterized by self-management. Social function of land considered from an economic point of view.
4. Evolutionary Agrarian Reform	Changes in agrarian structure to create a flexible agrarian context for eventual radical transformation of society. Elimination of landholders. Land grants awarded to self-managed units. "Social function" of land understood from an economic and sociopolitical point of view.
5. Radical Agrarian Reform	Qualitative transformation of productive relations in the agriculture sector. Nationalization of productive resources: land, labor, and capital. Within this type of reform, land is also granted collectively.

- (1) While 22% of the objective in terms of number of hectares distributed was met, the percentage drops to 17% when the calculation is based on hectares of arable land: 29,905 of 132,463 hectares distributed during the PNRA implementation period.
- (2) Approximately 23% of the goal for number of beneficiaries was met, when this is calculated on the basis of number of initial beneficiaries; the figure drops to 17% when the calculation is based on the number of current beneficiaries. During the implementation of the PNRA, the number of beneficiaries who abandoned reform groups was 5,397 out of a total of 27,979. The number of actual deserters may be higher since there were substitutes for some who dropped out of the projects which compensated for some of the losses; a reasonable estimate for the rate of abandonment between 1974 and 1978 is 19%, slightly lower than the 24% attrition between 1962 and 1979.

Table IV-11. Amount of Land Granted and Arable, in Hectares, Number of Groups, and Number of Initial and Actual Beneficiaries of Agrarian Reform Efforts, 1962 to 1979

Asentamiento Year	Campesino Groups	Members		Area Affected	
		Initial	Actual	Granted	Arable
1962	2	60	37	281	246
1963	3	129	80	447	337
1964	2	54	63	194	131
1965	2	60	72	154	154
1966	2	150	106	281	175
1967	4	190	373	2,477	2,142
1968	7	257	251	1,670	1,229
1969	22	1,738	1,303	5,735	4,242
1970	26	1,236	874	6,386	5,411
1971	34	1,871	1,252	7,751	5,269
1972	72	3,331	1,860	10,585	6,771
1973	224	8,674	5,351	32,454	21,120
1974	267	9,828	7,204	47,098	37,849
1975	186	6,751	6,128	37,252	29,959
1976	182	6,274	4,471	26,913	18,787
1977	106	3,381	2,462	15,985	11,568
1978	42	1,745	1,316	5,415	4,396
1979	43	1,161	(1,161)	6,355	4,767
Totals	1,266	46,890	34,364	207,433	154,553

Source: IHDER (1980), corrected.

- (3) During the PNRA implementation period, the ratio for arable hectare/man was 3.7:1 at the time of distribution and 4.7:1 after dropouts; these ratios are close to those for the entire 1962-1979 period, at the beginning of which the ratio was 3.3 hectares of arable land per beneficiary and 4.5 after dropouts. According to IHDER (1980), the amount of arable land is the main reason for desertion, which is how groups adjust to the constraint. The variables "Stability of the Members" and "Agricultural Potential of Land Distributed" are significantly related ($\text{Chi}^2 = 4.0$, $p = .05$); that is, the greater the amount of agricultural land, the greater is group stability, and vice-versa.⁴ The Northern Region of the Atlantic Coast, excluding the Bajo Aguán, displays the greatest stability; the least stability is found in the Southern and Mid-Western regions. The real desertion index in the Bajo Aguán is 60%, disregarding the substitutes who, through the Programa de Migración, substituted for the first deserters. The causes of this high rate of desertion were: (1) debts contracted by groups, (2) poor project administration, (3) poor health and housing conditions, and (4) general problems of adaptation.
- (4) 65% of the goal of number of groups to be established was achieved.
- (5) The rate of land distribution increases rapidly and constantly between 1972 and 1974, and decreases between 1975 and 1978. The amount of land distributed in 1978 is almost equal to that distributed between 1969 and 1971. In other words, the rate of land distribution at the end of the first López administration and the beginning of the Cruz administration, was almost the same as the rate at the beginning of the Paz García administration. Rates were highest during the second López Arellano administration.

According to Flores Silva (1978), until 1977 72% of the land distributed was national land and only 28% private. There is no evidence that those proportions have changed substantially since then (Ladman and Stringer, 1981). On the other hand, as of July 1982 the amount of land distributed totaled 223,891 hectares and the number of beneficiaries 38,149. That amount of land represents approximately 8% of the agricultural land in the country; the number of beneficiaries represents 6.7% of the economically active male agricultural population over 15 years old. Given these percentages, it is difficult to conclude that the agrarian reform has significantly changed the agrarian structure in the country and there is some consensus that there has not been, in fact, a real land reform in Honduras.

4.3 Government Assistance to the Reformed Sector

4.3.1 Structure of the Sector

For purposes of administration and delivery of services, INA initially divided the reformed sector into three subsectors: Concentrated Rural

(4) The variable Stability of Members = the number of current members/number of initial members. The variable Agricultural Potential = amount of arable land/amount of land granted.

Development, Consolidation, and the Less-Privileged Remainder. The first was the subsector where resources, investment, and services could be concentrated to carry out specific agricultural projects and thereby create regional zones of integrated development. The second was that constituted by campesino enterprises with productive and organizational potential outside the area of Concentrated Rural Development. The third was composed of groups who, due to lack of resources and their operational capacity, could not be helped in integrated fashion. By 1978 the third subsector had disappeared and INA spoke only of the Concentrated and Consolidated subsectors.

The Concentrated Subsector is currently made up of nine important agricultural projects scattered throughout the country, characterized by their orientation towards permanent and semi-permanent plantations, such as African palm, cocoa, citrus, sugar cane, cashews, tobacco, cotton, and sesame seed, and one livestock project. In 1980, the campesino groups within this subsector represented 31% of the agrarian reform beneficiaries and owned 54% of the arable land granted to date. Table IV-12 gives us an idea of group distribution on land distributed and arable, and the types of crops by agricultural projects within the Concentrated Subsector.

Table IV-12. Number of Projects, Types of Crops, Groups, and Arable Land Within the Concentrated Rural Development Subsector¹²

Project	Crop	Groups	Land Distributed (Ha.)	Arable Land (Ha.)
Bajo Aguán	Palm, Citrus	86	50,064	50,064
La Masica	Cacao	63	7,390	6,599
Puerto Arturo	Livestock	28	4,233	3,459
Guaymas	Palm	53	6,523	5,746
San Manuel	Cashews, Cotton, Sesame, Melons	85	11,970	8,909
Ola Monjarás	Cane, Cotton, Sesame and Melons	29	2,806	2,466
Jamastrán	Cotton	9	1,943	1,598
Proyecto Tabaco	Tobacco	19	2,214	1,580
Totals		403	92,838	85,800

Sources: INA, Planning Department, reported by Ladman and Stringer (1981); Ihder (1980).

The Consolidated Subsector includes the rest of the groups formed under the agrarian reform. In 1980, groups in this subsector constituted 69% of

those existing and had 46% of the arable land. The distribution of groups and land distributed and arable by agricultural regions appears in Table IV-13.

There is an important contrast between the two subsectors. First, the percentage of arable land distributed is 92% for the Concentrated Subsector, but only 63% for the Consolidated Subsector. Secondly, the amount of arable hectares per member is 6.6:1 for the Concentrated Subsector, and 3.3:1 for the Consolidated Subsector (IHDER, 1980).

In order to have a full picture of the agricultural sector, it is essential to examine the linkages between the "client" or beneficiary components of the sector and the services and service-deliverers who make up what may be considered the "patron" components. A helpful way of doing this is to look at the issues of credit, technical assistance, promotion and training, and marketing as the foci of institutional relationships.

Table IV-13. Number of Groups in the Consolidated Subsector, by Region

Region	Groups	Distributed Land (Ha.)	Arable Land (Ha.)
Atlantic Coast	36	3,264	2,912
North	326	44,375	29,051
West	119	10,774	6,659
Center	106	20,400	10,891
South	108	11,781	6,938
Mid-West	99	18,039	11,237
Olancho	105	8,612	6,333
Total	894	117,245	73,981

Source: INA, Planning Department, reported by Ladman and Stringer (1981).

4.3.2 Credit

BANADESA is the main source of credit for the reformed sector. Table IV-14 presents the profile of support from that bank to the sector during the 1977-80 period. According to these data, the amount loaned to campesino groups in real terms went from \$5.29 million in 1977 to \$16.2 million in 1980, 12% and 26%, respectively, of the bank's credit volume, with a 24% average for the period. Still, even in 1980, the reformed sector was the recipient of only one-quarter of the portfolio; the non-reformed sector received 74% of that portfolio in 1980.

Table IV-14. BANADESA Loans to the Reformed and Non-Reformed Sector
1977-1980 (in thousands of dollars)

Sector	1977		1978		1979		1980	
	Amount	%	Amount	%	Amount	%	Amount	%
Reformed	5,294.5	12	17,122.5	28	15,472.6	23	16,212.6	26
Non-Reformed	40,240.5	88	43,684.7	72	52,884.2	77	46,515.9	74
Total	45,535.0	100	60,796.2	100	68,356.8	100	62,728.5	100

Source: BANADESA, Economic Studies Department, adapted by Ladman and Stringer (1981).

Ladman and Stringer (1981) estimate that, in 1980, 56% of the groups in the reformed sector had received financing. In 57% of these cases, the source of financing was BANADESA; in terms of volume, almost 80% came from BANADESA and only 20% from other institutions. 29% of the groups who received credit from BANADESA also received additional loans from other sources concurrently. The average amount of credit granted by BANADESA was \$16,670; credits from other sources averaged between \$1,425 and \$8,907. The fact that almost a third of the beneficiary groups of government credit require supplementary financing indicates that BANADESA loans do not always provide the necessary liquidity for the operation of those groups, although BANADESA is their principal source of credit.

The bulk of BANADESA loans are used to purchase manual labor; financing from other sources is used, first, for mechanization services and, second, for inputs purchased from commercial firms and raw materials processors. Approximately 90% of BANADESA credit is used for crops and between 0.5 and 1% for livestock. However, the type of crop financed between 1977 and 1980 was not always the same. Financing granted for cultivating basic grains contributed 51.3% of the credit volume granted in 1977, but only 29.3% in 1980. On the other hand, the volume of credit granted for commercial/permanent crop plantations rose from 0.4% in 1977 to 46.1% in 1980 and most of the credit disbursed in 1980 went through BANADESA agencies in Tocoa and El Progreso, cities located within the Concentrated Rural Development project areas.

Delinquent loan payments are a serious problem in the reformed sector, a problem which negatively affects both groups and credit institutions, particularly BANADESA. The delinquent status of groups prevents them from being eligible for refinancing; for BANADESA it means decapitalization. INA is legal trustee for groups in the reformed sector seeking credit and, theoretically, has the obligation to make good on delinquent loans groups have with BANADESA; in practice this never happens, since INA spent the loan guaranty funds some time ago. As of June 1981, 32% of the credits granted to the reformed sector

by BANADESA were delinquent and in the sample analyzed by Ladman and Stringer (1982), 73% of the groups had been delinquent more than once and in 35% of cases, the production units had been refinanced in order to make the delinquent payments and continue functioning; the average amount of delinquent debt per group is estimated at \$13,146. During the last four years, 10% of BANADESA's loan portfolio has been utilized to refinance delinquent debts since BANADESA has a policy of refinancing such debts when the delinquency is not the fault of the borrower.

Ladman and Stringer (1981) explain borrower delinquencies as follows:

- (1) BANADESA has financed campesino groups that are newly organized and as yet have little cohesion or experience and suffer from serious organizational and administrative deficiencies.
- (2) A large portion of the BANADESA credit is used to pay associates' salaries. In the view of a cooperative member, it is contradictory to return to the Bank the wage to which he is entitled for work carried out; according to the logic, a loan is considered as a transfer of income and not as credit.
- (3) A number of campesino groups that receive credit cultivate land in remote areas where flooding, abrupt changes in weather, and problems of getting inputs and marketing threaten the success of agricultural enterprise and the capacity to repay debt.
- (4) Commercial banks and processors which offer services and supplies on credit are effectively functioning as intermediaries to whom groups turn over their crops at harvest; when the creditor pays the producers for that crop, the amount owed is deducted. Thus groups do not have complete autonomous control over the use of the profits and credits from other sources are paid before the BANADESA credits.
- (5) Finally, BANADESA is a government bank and the campesino considers the loan as a government subsidy to which he has the right. As yet, the bank has not acquired the same leverage as local-level informal lenders whose default rates are very low (Cuevas and Graham, 1981; Murray, 1981).

The three most important campesino organizations in the country have demonstrated their concern about delinquency and its implications for future access to credit. As one solution, ANACH has organized regional cooperatives which prepare production plans and define the credit needs of affiliated groups, using the Regional Operative Institutional Teams (EROI) created through the Agriculture Sector II program to coordinate government assistance to the reformed sector. The regional cooperatives also utilize their own funds and turn to other more solvent associated groups to cover the debts of less successful groups.

UNC is still pressuring for full legal status (personería jurídica), without which most of its affiliated groups cannot be eligible for credit. As an interim strategy, three regional service cooperatives have been created

which have obtained legal status. The UNC philosophy is that blood was spilled to obtain land and there is a moral and social obligation to make it produce; credit is a necessary element for reaching this objective.

FECORAH has presented AID with a request for financing to create a series of regional centers which would offer accounting services to its member cooperatives. The theory is that accounting is the key to good management and a determining factor in controlling loss of money, poor investment, and delinquency. Lack of credit is presently preventing some of the FECORAH cooperatives from utilizing all the land they have.

In comparison with the overall size of the agricultural sector, the reformed sector is relatively small. Nonetheless, agrarian reform and related services constitute the principal mechanism for improving distribution of income, promoting social mobility, and increasing political participation in rural areas. Access to credit partially determines economic viability for the groups in the reformed sector, permitting its members to adequately exploit the land, increase production, and theoretically rise out of poverty. Without credit, groups are forced to work the land as individuals, with corresponding loss of the benefits supposed to accrue to joint production and commercialization, or to seek employment off-farm.

They are also obliged to resort to informal credit sources, of which there is a surprising number; in decreasing order of importance, money-lenders (prestamistas, local store-owners/trucheros, and individual farmers who make loans), suppliers of agricultural machinery and transportation services, marketing intermediaries ("coyotes") and crop processors, commercial input and equipment suppliers, and friends and relatives, all serve as informal credit channels for the rural productive population (Cuevas and Graham, 1981; Murray, 1981). The proportion of this population using this heterogeneous set of options is some weighted average between 40% (the minimum percentage who reportedly borrow) and 90% (maximum percentage who reportedly lend), but a fair working approximation is that from one-half to two-thirds of agricultural producers in Honduras engage in such credit activity (Cuevas and Graham, 1981).

Such strategizing may be seen as a positive adaptation that enhances liquidity and consumption levels in the rural economy and extends the reach of formal credit programs (Cuevas and Graham, 1981). However, it may also be seen as an exploitative and negative phenomenon which relays crucial deficiencies in formal private- and public-sector systems primarily to smaller, less-capitalized producers. These are the neediest and those who get the shortest-term and smaller loans and are captive to a more limited universe of options than are larger, more capitalized producers -- to the money-lenders, who are reported to charge usurious rates or who loan under sharecrop or pre-harvest crop commitments, generally understood as either usurious or prejudicial or both; or to individuals like coyotes or larger farmers who may be relending monies obtained through formal loans and must, at their most benign, at least cover their borrowing costs.

4.3.3. Technical Assistance

However, lack of operating capital to operate is not the only constraint on agricultural development (Tinnermeir, 1981). The rate of delinquency among agrarian reform groups indicates a need to combine credit with other elements such as improved production technology, better harvesting and storage methods, and more rational commercialization of production. The National Development Plan for 1974-78 stressed the importance of technical assistance for the agriculture sector and particularly for agrarian reform beneficiaries and the responsibility for technical assistance was delegated to the Ministry of Natural Resources (MNR). INA's participation in the delivery of technical assistance was to be limited to specific crops such as African oil palm, cacao, and sugar. The Office of Agricultural Extension of the MNR estimates that 90% of its agents work with the reformed sector, leaving the non-reformed sector effectively unserved. BANADESA depends almost exclusively on MNR extensionists to provide technical assistance to beneficiaries of its loans.

Most of the efforts in technical assistance to the reformed sector have been associated with (1) the Small Farmer Technologies Project (PROTECPA) which functioned between 1977 and 1980, and (2) the interinstitutional support system which began with Agricultural Sector II in 1980, both projects financed by AID. PROTECPA was a program oriented towards the preparation of production and investment plans with the broader goal of developing the capacity for planning and evaluating crop systems within the public sector. When the project ended, PROTECPA had produced 389 production and investment plans for 127 different groups within the reformed sector, including six of ANACH's regional cooperatives. The plans prepared by PROTECPA comprised: actual use and proposed use of land, alternative combinations of labor and capital, financial status of groups and their payment capacity, implementation, and disbursement size and scheduling.

The interinstitutional support system was intended to efficiently coordinate the services that government institutions offer agrarian reform groups, through three layered institutional entities: the National Interinstitutional Team (EIN), the National Interinstitutional Operative Team (ENOI), and the Regional Interinstitutional Operative Teams (EROI). EIN included representatives from MNR, INA, BANADESA, DIFOCOOP, IHMA, CONSUPLANE, MOE, MOH, SECOPT, ANACH, UNC, and FECORAH and was to function as a technical-political body to define national policies with respect to the reformed sector. ENOI was formed of representatives of the same government institutions, with optional campesino representation, and was to be responsible for implementation of EIN decisions, preparing a yearly work plan, and counselling EROI in different fields. There are now eight functioning EROI and one more is being formed, and their charge is to provide technical and credit assistance and administrative training directly to campesino groups and to work through ANACH regional cooperatives where appropriate. EROI formulate, implement, and evaluate work plans; put accounting and administrative systems into operation; control and supervise use and recuperation of credit; make recommendations on the commercialization of products; and provide training.

Technical assistance to the reformed sector has suffered from an important fault (Tinnermeier, 1981). The tendency has been to emphasize planning and relegate implementation and follow-up to a secondary level. There has been no follow-up on groups for whom production and investment plans were

prepared to assure that the plans were being implemented. In many instances, groups could not implement what was planned because of delays in approval of loans, in delivery of inputs, or because of problems of equipment malfunction; in other words, plans were not realistic. In other cases, groups did not learn from planning exercises because they kept no records, preferred to use familiar technologies because they considered the proposals of technicians to be too risky, or proposed plans were not implemented at all because loans were not approved. During preparation of the production and investment plans for the regional cooperatives, the same assumptions were used for all the associated groups, with no attention to their individual differences. Lack of definition of functions and variation in experience and competence of the members of EROI also had a negative effect on the functions of these teams (Tinnermeier, 1981).

4.3.4 Promotion and Training

The original task of INA promoters was to set up production and service units tied to the turnover of land to campesino groups; it was hoped that the promoter would play an important role in the consolidation of groups. Through training, the campesinos were to be given the necessary tools to manage and make the recently-created enterprises produce. INA had the responsibility for giving campesinos organizational, administrative, and technical-productive training.

In 1980, IHDER did a study of 21 campesino groups located in the North and West of the country, which had been organized about five years before. As part of the study, INA's promotion and training activities were evaluated and IHDER concluded that INA promoters had indeed played an important role during the distribution and legalization processes. However, because promoter functions were not clearly defined, did not include a specific work methodology, and because visits were sporadic, this role has been minimal in the consolidation of organized cooperatives and associated enterprises. The interventions of promoters are oriented to resolving emergencies, and the promoter plays an intermediary role between the government and the group, but not vice versa. The promoter limits himself to interceding when there are threats of division of groups, when there are conflicts between groups, when it is necessary to gather data or communicate directives made to or by INA, when it is necessary to promote migrations to other areas, or when members affected by natural disasters must be helped. White (1977) had noted earlier some of the problems faced by promoters:

"Many of the most experienced promoters and regional supervisors were dismissed, voluntarily left INA, or were promoted to higher supervisory positions so that the current staff and administrators point out as basic problems (in addition to the usual complaints of lack of budget, lack of qualified personnel, and frequent personnel mobility), the constant changes in the Direction of INA, with the consequent shifting and incoherence of the programs of promotions, and the influence in INA of groups which are antagonistic toward serious agrarian reform The promoters themselves indicate as basic problems their lack of training, the excessive number of groups they are expected to assist, the lack of teaching aids, and the lack of trustworthy transportation."

As for training, courses in cooperativism, theory of organization, workshops on collective work and achievement motivation have been numerous, and there is no group which has not received training in cooperativism. The situation is different in the area of administrative and technical-productive training; attention tends to be limited to specific groups, and the majority of groups within the sample have not received training in these areas. The groups attended are those closest to communications facilities, while more isolated groups are generally ignored.

According to IHDER (1980), training impact is minimal. First, because in spite of training in cooperativism, participation by members in decision-making is minimal and power tends to be concentrated in the president, manager, or secretary-general. Second, none of the groups in the sample has been taught or learned enough to set up anything but the most rudimentary accounting systems. Bigger groups, such as those who cultivate African palm oil or sugar cane, contract professional accountants on a seasonal basis. Other groups limit their controls to simple notebooks for income and expenses, without documentation to support them; for others, controls simply do not exist. The concomitant opportunities for failure and abuse are obvious.

4.3.5 Commercialization and Marketing

Agrarian reform groups produce both for the national and international markets. Basic grains are produced primarily for the national market and whatever processing is carried on is largely carried out on-farm. Production for the international market may or may not be processed locally; sugar cane and coffee, for example, are processed in-country, while bananas and grapefruit are generally exported fresh. Marketing, as it usually does, involves a series of intermediaries; in the Honduran case, the gainers are the retailers and the losers the smaller producers, partly for reasons of system inefficiencies and partly for reasons of frank exploitation.

Marketing sequence varies by crop type. For basic grains, the marketing process goes from producer to trucker to warehouseman to wholesaler to retailer to consumer. For export products, the sequence is producer (to processor) to local wholesaler to international market. The IHDER study (1980), which looked at the marketing history of 44 campesino groups, found that between 1971 and 1978, the principal buyer for corn, the most important basic grain crop, was the trucker: 88% and 59% of the spring (primera) and second (postrera) crops, respectively, were sold to the local trucker or intermediary ("coyote"), and rice and beans were similarly handled (See Table IV-15).

Farmers in general have good reasons for engaging in this strategy. First, the coyote purchases the product at the farm gate or in the nearest town, assuming transportation expenses and problems. Second, he does not apply quality control criteria when he purchases, buying basic grains regardless of humidity and damage from home-processing and transport. Third, there is no need to deal with the National Agricultural Marketing Agency (IHMA)⁵ which some farmers claim exhibits favoritism toward larger farmers (the implication being that some silver crosses the palms of IHMA marketing station officials in exchange for preferential treatment), while smaller farmers are turned away or are paid lower prices for theoretically inferior products; some reform groups report

that their deliveries have been turned away, unsold, after several days' wait, while preferred farmers were attended to. Fourth, whatever the degree in which the coyote may be perceived as exploitative by a variety of observers, there appears to be some consensus that sale to the coyote is more profitable than the traditional practice of sale to local landowners, who typically purchase either under sharecrop arrangements or under some sort of up-front sale agreement, and then store for resale later when demand and prices are high, reaping at least a 100% profit on the transaction (Martinson, 1969). The smallest marginal farmers in remote areas are still locked into such arrangements, but farmers in areas where road access has become available (Martinson, 1969), and agrarian reform farms in general, have at least been able to escape this particular type of semi-feudal configuration. And finally, both coyotes and processors are, as indicated earlier, important sources of short-term credit (Cuevas and Graham, 1981); we do not know, however, whether they are lenders of choice or of necessity.

In general, farmers in the reformed and non-reformed sectors share the same problems of commercialization as do all but the larger Honduran producers who have their own processing and transportation facilities or have economical and ready access to such facilities. The reformed sector, as indicated below, does not control such facilities or has had disastrous planning and management experiences with the processing and sale of export crops. Smaller independent farmers who are involved in export-crop production, primarily coffee, have similar problems. Lack of processing plants (beneficios), location in remote highland communities, and/or lack of cash or labor to pay for proper post-harvest processing and storage make it almost mandatory for the large majority of coffee producers (71% in Comayagua in the 1977 crop year; Kawas and Zuniga, 1979) to sell their coffee unprocessed (en uva or en flor) before the final market price is known to local intermediaries or beneficio owners, who may be

(5) The issue of the effectiveness (and integrity) of the IHMA is still in question (Southgate, 1981) and presently the subject of study by the University of Kentucky. At the end of 1978 the responsibility for stabilizing prices for Honduras' four basic grains was transferred from the Banco Nacional de Fomento to IHMA. However, a number of factors, including insufficient information about farm production costs, lack of understanding of the workings of the private marketing sector, inadequate silage capacity, food market disruptions in neighboring Central American countries, and indicated inefficiencies, have combined to make the institution ineffective in addressing a major problem for farmers, so that it has become a virtual disincentive to production (Ibid.).

Reform groups producing basic grains face special and serious problems with regard to prices. First, prices vary significantly for the same product within regions (IHDER, 1980), and also vary seasonally. Seasonal variations are, of course, inherent in agriculture, but the swing in Honduras is very wide. In 1978 the minimum value of a quintal (100 pounds) of corn was US \$3.75, the maximum US \$7.50, a 100% difference between the high and the low (see Table IV-16). Fluctuations in price come primarily from lack of drying and storage facilities which would allow producers to wait for better prices and from lack of accurate knowledge of national market prices. The major source of information with respect to prices is the coyote himself and there might be good reason to suspect either the quality of the information he provides to the farmer as well as his intentions.

The larger campesino organizations have tried to resolve the problem of commercialization of basic grains through centralization of harvests and sale of production through regional cooperatives. Nine out of the fourteen regional cooperatives and one of the two UNC regional centers have signed agreements with IHMA for the sale of their grain production but, as observed above, there are problems with that alternative.

Problems for campesino groups who produce for export are different. The demand for high and consistent quality by international buyers and, therefore, by local wholesalers, limits the proportion of their production that groups can sell for export at higher prices; rejects revert to the local market or are left to rot. In the case of "newer" crops, such as grapefruit, transportation is a major difficulty since the necessary systems are not in place. The second problem is that campesino groups do not have direct access themselves to international markets and are dependent on local marketing entities whose competence and integrity has been subjected to question. Southgate (1981) suggests that the declining prices for bananas, a major export crop for groups in the Concentrated Subsector, provide an economic explanation of why there has not been intense political pressure to establish the same type of marketing controls that were pushed into place for coffee.

Finally, there is a sense among analysts of conditions in the reformed sector that the processing and marketing decisions made for the enterprises in the Concentrated Subsector have not been well thought out, and there have been innuendoes of sharp practices on the part of central government authorities involved in these activities. Whether or not this is the case, it is fairly well documented that the corresponding debt burden for the enterprises has accumulated to extraordinary proportions, represents a depressing obstacle for their stability and ultimate prosperity, and distorts the delinquency profile and viability of BANADESA (Cuevas and Graham, 1981a).

In sum, both the reform and non-reform components of the agricultural sector share the problems of the same marketing system which is apparently inefficient and probably inequitable, a market that is thin and volatile, and a market that is little understood in any systematic way. This only partly explains why development solutions to date have been spasmodic and piecemeal. As discussed in Chapter III, there is a deep-rooted cultural bias against commerce, traditionally the province of marginal ethnic groups or foreigners and not properly the concern of gentlemen. Thus marketing has usually been a

Table IV-16. Intraregional Variations in Farm Prices for a Quintal of Maize between 1973 and 1978 (prices in dollars)

	1973		1974		1975		1976		1977		1978	
	First	Second										
North:												
Minimum	2.00	4.5	4.5	10.0*	2.5	6.2	4.0	3.75	4.0	6.25	3.75	6.25
Maximum	7.50	5.0	5.0		8.6	7.5	5.3	8.75	6.0	7.5	7.5	6.75
West:												
Minimum						7.5	5.0	5.0	6.0	6.0	4.5	6.0
Maximum							10.0	6.25	11.0	6.25	6.0	6.5

*Direct sale to consumer.

residual development category in national plans or reserved to enclave production, and credit for marketing has been virtually non-existent; the major national credit focus has been on production. Correspondingly, and in both a cause and effect relationship, there is a shortage in both the public and private sectors of personnel with appropriate technical expertise in marketing and in related issues of processing and storage. The limited marketing expertise available in government agencies is heavily oriented toward macro-marketing or economic policy issues which are more theoretical and therefore more respectable, so that public programs are devised without benefit of detailed knowledge or understanding of micro-marketing issues and opportunities. The impression given by the portfolios of development agencies over the last 15 years is that they have followed the national lead and treated marketing either as decidedly subsidiary or as an expected natural consequence of other development interventions, primarily road building.

5. Summary and Conclusions

One of the reasons it is difficult to come to swift and easy conclusions about the nature and future directions of events in the Honduran campo is that there are effectively two sorts of campesino, two major prototypes, each of which is well documented and real and not just a figment of the sociological imagination.

On the one hand, there is the campesino described by White (1972), the Honduran expression of the typical peasant of limited aspirations who, in the face of chronic or recurrent scarcity, develops symmetrical alliances which provide him with security during times of need and crisis, and forges asymmetrical alliances of dependence through which he may obtain land to share-crop, a job to do, credit, or a purchaser for his harvest. These alliances, because they are adaptive in a context where there are increasingly fewer available coping strategies, are singularly durable and, from that standpoint, the adaptation they represent may be considered positive. At the same time, they may be considered maladaptive because they often correlate with passivity and cynicism (usually well justified) or translate into behaviors which are determined in a number of ways. Perhaps the most important of these is the symbiotic relationship between the sharecropper who biannually or, more, commonly, yearly, clears a patch of forest to till, and the large landowner who is happy to have him do so, as long as he plants it to pasture at the end of the year or two. These mutually dependent vested interests represent a formidable obstacle to Honduran development, its supply of raw materials, and its rescue from environmental degradation, all embodied in the institutionally distressed figure of the national forestry agency (COHDEFOR).

In contrast to this figure of passive resistance is the peasant described by Posas (1981) and Salgado (1981), the campesino with insufficient land, the settler threatened with eviction, or the landless ex-peasant, all of whom have had their awareness raised through ties to liberal rural organizations or leftist urban groups. This is the campesino who protests, claims his legal rights, who has joined an assembly of his peers for land and, later, services. Such claims for land become violent as needs become more urgent and the government is unresponsive. In contrast, claims for services have not, at least to date, been violent; services are requested, then demanded, but if the government is unresponsive on this score, there is either a relapse into traditional peasant cynicism about government which may be expressed in dropouts from organized groups, or a search by the more determined for alternative solutions. An example of an alternative solution is the ANACH and UNC regional cooperatives and the FECORAH service centers. One must wonder what the reaction will eventually be if these alternatives also fail.

The fact that the number of unauthorized occupations has decreased this year should not be construed as meaning that pressure for land has diminished. There are two plausible explanations for the calm that currently characterizes rural areas. The first is INA's recent track record. The head of INA's legal department reports that the new administration has met all outstanding demands from groups who had been involved between 1975 and 1981 in recurrent land invasions. Furthermore, INA has not shied away from expropriation where that has been called -- 5,832 hectares of the 11,294 distributed in 1982 were

expropriated -- although it is not clear how much of the expropriated land is in litigation, a clue to how successful this institutional strategy can be politically and judicially.

The second reason is the dominant perspective of two of the most important campesino organizations. FECORAH feels that its most urgent current problem is lack of credit and administrative capacity in its associate groups. ANACH feels that its first priority is to make a variety of services, skills, and inputs available to member groups which already have land; the second to resolve the problems of associated groups which have insufficient land; and the third priority is to attend to the needs of the landless.

However, there is also good reason to feel that the present (October 1982) rural tranquility is only apparent or at least temporary. Neither of these two campesino organizations rules out the possibility of other land "recuperations," neither feels it can control its members totally, and both know that isolated invasions are a persistent and distinct possibility. Furthermore, there are other campesino organizations which have indicated that they are not disposed to observe the waiting period ("compás de espera") -- the chance for the new government to define and begin to implement a real agrarian policy and get a handle on the problems of economic recession -- that is the avowed position of ANACH and FECORAH.

We hypothesize that if the government shows indifference, ineptitude, slowness or, of course, reluctance or hostility, the "hopefuls" will become disenchanted or desperate and decide to act. The acid test appears to be the handling of the approximately 2,000 requests for land now pending at INA's different regional office. Should there not be sure signs that reasonable progress is being made on these, planning will begin for the "operations" that will replace or join the present pattern of maverick "recuperations". These have typically occurred before the spring planting, when campesinos are reminded of the severity of their needs and the way in which lack of access to land constrains their options. In the south, this can be as early as March and April, at the end of the dry season when land is cleared and burned, or at the latest in early May when basic grains planting must take place. By January at the latest, most renters and smallholders have run out of the corn harvested earlier and by May some of them will start running out of sorghum if the harvest has been poor; at this point they are forced into the market to buy grains as prices rise, particularly in remote areas, and therefore into borrowing, crop pre-sale at low prices, and different kinds of dependency relationships to address food and cash needs (White, 1972).

Campesino leaders also indicate that they are no longer interested in the remaining national and public lands which they see as largely marginal, but intend to get "good" lands which are presently underutilized in illegally large holdings; this intent is rooted in the perception that many of the problems of producer groups in the reformed sector resided in qualitatively and quantitatively inadequate parcels. The recently reelected leader of a major campesino organization concluded: "The government is a poor administrator. Sometimes it must be pushed if anything is to happen."

One way of cutting across this discussion of the agrarian question is to

examine it, as in the preceding chapter, in terms of strengths and stresses, in terms of those factors which provide balance and stability in the agricultural sector and those which provide balance and stability in the agricultural sector and those which provide or promise imbalance, instability, or even potential violence. Table IV-17 is an attempt to summarize these and to suggest, although the comparisons are necessarily uneven, what factors of stability are offset by what factors of strain, and vice versa.

The table makes several statements that are useful and which can be extended to the larger Honduran context, if for no other reason than the dominance of that sector in the national profile. Perhaps the most important statement is that, in almost all cases, the sources of stability in the sector are being in effect eroded or overcome by sources of strain, sources which are not merely hypothesized or predicted but documented. For example, the characteristics of the traditional peasantry which for so long made it conservative, self-contained, fatalistic, and apparently passive are being counterweighted by newer social, political, economic, and environmental forces which show no signs of abating and even show signs of accelerating. Furthermore, these forces -- for example, land degradation and concentration, commercialization of agriculture and expansion of livestock cultivation, changes in traditional support systems that made survival possible-- are becoming structurally embedded, even though they may once have been circumstantial, and are therefore less easily reversible. Thus while it is fair enough to observe that radical elements are provoking less passive postures among the peasantry, it may be more accurate to observe that there is ample cause for diminution of traditional passivity without any external provocation whatsoever.

Another statement that can be derived from the table is that the ambivalence and schizophrenic manifestations in Honduran history persist and are particularly well crystallized in the issue of land reform. Although there has not yet been a formal pronouncement on land reform strategy, as anxiously as it was awaited, the de facto strategy of the incumbent government is to 1) use the AID-funded titling project to legitimize the landholdings of small coffee farmers as a productive fulcrum and to make some institutional improvements, 2) rationalize the distribution of families on Concentrated and Consolidated reform settlements and enhance the absorptive capacity of those settlements for the inclusion of new claimants or excess from overpopulated settlements, and 3) identify national and public lands which are "lost" due to cadastral deficiencies and look to the more accessible agricultural frontier where at least some resettlement can be accomplished at relatively low cost. The strategy as a whole is regarded, both within INA and by campesino organizations, as piecemeal, problematical, and inadequate to the identified demand and hypothesized need. The land reform is also perceived in some previously supportive quarters with some disillusion as a misused opportunity, either as a wasteful and partially corrupted institutional failure and/or as not having really redressed basic inequities in the country's agrarian structure; in other quarters, largely those traditionally hostile, the land reform, past, present, and future, is viewed as a threat. The dichotomy promises little peace.

Still another conclusion that can be derived from Table IV-16 is that the customary strategies, often referred to as "escape valves", which have served

Table IV-17. Sources of Stability and Strain in the Honduran Agrarian Sector

Sources of Stability	Sources of Strain
- The limited aspirations of the traditional campesino; passivity, conservatism, fatalism	- Deterioration of the traditional campesino economy for technical, ecological, and commercial reasons
- The tradition of security through symmetrical relationships	- Population growth
- Persistent village cohesion through kinship, political affiliation, and cultural, religious, and socio-economic homogeneity	- Deterioration of natural environment
- Localism and isolation	- Land fragmentation
- Concept of Honduras as a country where all share poverty	- Commercialization of agriculture for land-extensive production (e.g., livestock) using capital-intensive technology
- Road construction, enhancing quality of life, potential for agricultural development, emigration	- Dissolution of traditional patron-client relationships
- Emigration as a coping strategy	- Underutilization of land with agricultural potential
- The availability of an agricultural frontier/areas of relatively low population density and potentially	- Rural unemployment
- Political power of traditional forces, e.g., FENAGH, military	- Growing mobility, increased urban conspicuous spending, greater perception of wealth differentials
- The existence of campesino organizations to channel demands and protect members' legal rights' established processes for more or less orderly collective action	- Immigration to settlements unable to respond to demands for land, employment, services
	- Unauthorized land occupations

Table IV-17 (continued)

Sources of Stability	Sources of Strain
<ul style="list-style-type: none"> - Twenty years of institutionalized land reform - Diminution/hiatus in vitality of 1970s ideologies, e.g., <u>concientizacion</u> - Government openness and reformism to date vis-a-vis peasant demands - Tradition of paternalism, institutional dependency - The conviction that the new government must be given time to define and implement its agrarian policies - The desire to avoid the trauma afflicting Honduras's neighbors; anti-Communism - Concern for the new Honduran democracy 	<ul style="list-style-type: none"> - Dwindling of agricultural frontier that can activities be developed at reasonable cost - Evictions - The struggle over forest land among landless peasants or minifundistas, cattlemen, and COHDEFOR - Ambivalence in private sector, army, about success of land reform and, in conservative quarters, its desirability; perceptions of tokenism, ineffectualness, corruption - Organizational capacity and historical success of campesino to simultaneously mobilize associates at national level - Ideological residue from previous decade, subject to remobilization - INA's tendency to react to pressure rather than take innovative and preemptive positions - INA's slowness in responding to peasant group demands for land - Government corruption and interference in internal affairs of campesino groups; campesino mistrust and resentment

Table IV-17 (continued)

Sources of Stability	Sources of Strain
	<ul style="list-style-type: none">- Conservatism in the judicial system and the Supreme Court habit of revoking decisions of expropriation by INA- The Anti-Terrorist Law- Skepticism about the new Honduran democracy.

to release rising political steam over the past few decades, are showing evidence of malfunction or wear. Land reform, with the earlier option of large amounts of national and public lands diminished and the base of its support narrower than it was in the 1970s, is not as available an option as it has been, for both political and practical reasons. The agricultural frontier seems to present more quandaries than opportunities, and migration to urban areas is daily more a development problem than a solution. There are indications that the heritage of paternalistic rural relationships, while it continues to be replicated in some modern forms, is perceived at least by a minority as repressing the social structure more than it steadies it. Some development solutions, such as roads, have introduced destabilization into rural communities through increased options for education, emigration, or changes in marketing relationships which may not yet be instituted by are at least dimly perceived. And the flexibility and vague populism which has distinguished Honduras from most of its neighbors and which favored the political differentiation that contributed to democratic political processes at the turn of the 1980s, is as yet too fragile to be counted on. From some perspectives, yesterday's escape valves have become today's two-edged swords.

Finally, the stabilizing effect of the incumbent government's honeymoon period, while still in place at the time of this writing, cannot be expected to last too much longer, particularly amidst the self-doubts and anxieties reported at the end of Chapter III. The Anti-Terrorist Law, intended to contain threats from the left, is viewed by most campesino groups, with some empirical justification, as a mechanism for suppressing their legitimate demands by force, in the guise of national security, and therefore dampen the enthusiasm or tolerance such groups might otherwise sustain toward the new government for a more generous period of time.

Table IV-18 is an attempt to quantify the weight of potential pressure in the sector in terms of the approximate numbers of individuals involved. The figures are extrapolated from data on campesino organization membership, estimates from the leadership of the larger and most active of those organizations, and projections of the size of the rural economically active population based on CONSUPLANE AND 1974 Agricultural Census data, all of which make the exercise admittedly tenuous.

Nevertheless, some reasonable hypotheses can be drawn from these figures in the context of current events. First, the most vocal and earliest disturbance of the present relative calm will come from the organized sector, primarily those with little or no land, who are estimated at something under 50,000. It is also plausible to expect that there will be, before too long, vociferous pressure for the provision of services and the elimination of corruption in projects under the organized sector; in fact, such pressure can be viewed as simply a continuance of recent efforts of that genre, for example, Guaymas and Guanchias.

The disorganized sector is difficult to quantify, partly because of the age of the available data on migration in particular and the agricultural sector in general, and partly because some of the categories overlap; the 1978 Agricultural Sector Assessment cites a key COHDEFOR administrator's estimate of as many as 200,000 families subsisting in the mountain forest areas of

Table IV-18. The Structure of Demand in the Agrarian Sector
(rounded estimates)

Sector	Potential Beneficiaries	Strategies and/or Demands	Number of Individuals Involved
Organized	Agrarian reform beneficiaries, especially campesino organization members seeking "consolidation" (e.g., ANACH, FECORAH)	Services Agility of government response Administrative honesty	36,176 peasants organized, and concerned or angry about services and/or corruption
	Members of campesino organizations with little or no land	Land first Services later	46,149 peasants organized but with little or no land
	Smallholders Minifundistas	Land rental/sharecropping Crop pre-sale Day labor Local support systems	<u>82,325</u> Subtotal
Disorganized	Migratory and sedentary forest farmers mountain peasants	Forest clearing Opening of frontier areas	
	Emigrants	Permanent employment and	
			<u>190,486</u> Subtotal
			<u><u>272,811</u></u> Total

Honduras, a figure which ethnographic data (e.g., Murray, 1981) and sheer numbers indicate overlap with the category of "the passive". Another reasonable hypothesis is that there is a considerable volume of the passive category which will remain so for one reason or another, probably because their traditional support systems are somehow still functioning. We can also expect that migration will continue to drain off at least some elements in rural areas who might participate in actions of dissent, although some of these may become active later in urbanized situations. On the other hand, there is no reason to expect any lessening of confrontations among peasants, cattlemen, commercial interests, COHDEFOR, and the forest. All in all, while it may be tempting to feel complacent about the figure of over 200,000 peasants who are effectively disorganized, that number is not monolithic and contains some potentially unruly actors. Historically, factions have been successfully disruptive for the Honduran polity and relatively small numbers have in recent years been able to make considerable impress on some directions of national policy.

CHAPTER V. THE FORCES OF MIGRATION AND URBANIZATION

1. Introduction

Stress can be either negative or positive, although the word has increasingly acquired more negative than positive meaning. Migration, while it can eventually produce benefits of growth or change, is rarely without some negative accompaniments, at least in the short term. People and places, what departs and what is left behind, all must adjust. Population movement is in effect an adaptation to the environment, either by changes in numbers of people or their distribution (Gibson, 1970). Hawley (1950) has suggested that such adaptations are a most sensitive index of social change. Migratory displacements will invariably exert some kind of stress; as they accumulate and gather momentum, they must sooner or later strain the social and economic order.

This chapter will examine the question of the actual or potential stressfulness of migration in Honduras. It will proceed by presenting: 1) a brief historical background of population movements and levels, and the evolution of the Honduran system of cities; 2) some possible sources of illumination about the process including a) variability in definitions of 'urban', b) variability in origins and destinations, and c) analysis of causation. Almost by definition, this chapter also addresses urban living conditions, because of the intimacy of the relationship between migration and the evolution of human settlements. The last section of the chapter presents conclusions.

2. Historical Background

2.1. Population Levels and Movements

The standard disclaimers about adequacy of data are particularly appropriate in the Honduran case, where even rudimentary vital-statistics informations available in other Central American states for the colonial period are not available (Squier, 1870). However, there is enough information to permit a hypothetical reconstruction of population changes (Collver, 1965) from random administrative reports, travellers' accounts, tax lists, diocesan records and, beginning in 1971, a series of erratic censuses. Table V-1 summarizes these data.

Population grew in Honduras at an estimated rate of 1.43% annually between 1791 and 1881, close to estimates of 1.5% in Costa Rica and El Salvador for the same period. Between Conquest and 1930, the population of Costa Rica expanded over 17 times, that of El Salvador about 10 times, and that of Honduras about 8-1/2 times (Gibson, 1970).

All three countries evidenced low rates of growth during the colonial era well into the post-Independence period, due to high mortality rates from hardship, disease, and varying amounts of bellicose activity. However, toward the end of the 19th century, all the countries of Central America experienced the beginnings of a process that would remain central to subsequent transformations of their demographic structures: the interaction among population growth, changes in economic activity, ecological factors, and

Table V-1. Estimates of Total Population,
1550-1980, Honduras

Date	Population Estimates *
At conquest	10,000 Indians
1550-1571	250 Spaniards and 25,300 tax-paying Indians multiplied by 4-5 dependents = 10,000 - 127,000
1778	88,140
1791	93,500
1801	130,000
1881	307,289 ¹
1910	553,446
1930	854,184
1940	1,107,859
1950	1,368,605
1961	1,884,800
1974	2,653,900
1980	3,594,700

Source: J.R. Gibson. A Demographic Analysis of Urbanization: Evolution of a System of Cities in Honduras, El Salvador, and Costa Rica. Ph.D. dissertation, Cornell University, 1970.

* Figures for 1791 and 1881 on are from National Censuses. There is consensus among demographers that the many Honduran Censuses since 1791 are of irregular accuracy. The series given here is one of several possibilities that display internal consistency. Figures for 1881 through 1974 are from that selected series; the 1980 figure is a projection (Fox and Huguét, 1977).

population redistribution. In all five countries, percentage population growth rates approximately doubled in the last two or three decades of that century, in large measure due to the introduction, expansion, or intensification of export-oriented cash crops: coffee (Costa Rica, El Salvador, Guatemala, and Nicaragua); livestock (Nicaragua); and bananas (Honduras, Costa Rica).

Each of these crops was inserted into each national economy at slightly different moments in the late 19th century, under different arrangements, with different effect, but in no country were demographic effects inconsequential (Molina Chocano, 1978). In Costa Rica, for example, existing population aggregations in the Central Plateau, and corresponding employment potential, facilitated introduction and intensification of coffee production, and consequently fostered increased population concentration and expulsion (Hall, 1978; Seligson, 1980). In both Costa Rica and Honduras, the introduction of bananas in sparsely-inhabited tropical lowlands attracted both internal and international migrant labor. All population movements and accumulations were not, nevertheless, purely attributable to adjustments in agrarian structure. Honduras also felt the demographic and spatial impacts of a change in capital cities from Comayagua to Tegucigalpa during this period. While it would seem that the effects of natural disaster (earthquake) and civil disaster (warfare) were what brought Comayagua down, what kept the city from recapturing its dominance was Tegucigalpa's simultaneous rise to prominence as an exporter of silver.

2.2. The Evolution of a System of Cities

In a demographic approach to urbanization, cities are viewed as aggregates, points of population collection and concentration. Urbanization occurs as an ecological and historical function of increases in aggregates, either through multiplication of points of concentration or by growth in the size of individual aggregates (Gibson, 1970). It is both cause and effect, a process of interactive social change that both precedes and accompanies the formation of cities (Lampard, 1965). Urbanization is not a single-factor, one-way causal process:

"What is at one point in the system a dependent variable may in time become an independent and explanatory factor. Once cities and towns are formed, the collection at a specific point of population, resources, activities, and opportunities may influence the movement of other individuals or groups to these locations" (Gibson, 1970).

Furthermore, the process is selective: volumes and rates of internal migration contribute differentially to urban growth from one region to another; mortality and fertility levels function differentially to affect size and intra-regional dynamics; environmental differences in expelling and receiving areas generate still other forces for selectivity; different structures and opportunities collect or disperse different types of migrants and population movements; and labor demand will differentially structure the composition of migrant streams. The point of all this is to prepare the reader for the argument that processes of migration and settlement are not monolithic and that the search for uniform explanations, even in as relatively homogeneous a

country as Honduras, is not likely to be a fruitful avenue for development thinking.

The importance of the rather well-generalized sequence of the evolution of cities is its predictive value. There is good evidence (Wilkinson, 1965; Lampard, 1968, among others) that once such a system is in place and its structure (the urban hierarchy) becomes differentiated, the various nodes in the system serve to stimulate further urbanization: in other words, size begets size.

The evolution of a system of cities in Honduras was distinguished by slow differentiation and poor integration. Those aggregates which could be viewed as progressing were either located in the favorable micro-environments of upland basins or had some sort of administrative function. Productive activity centered on mining -- placer mining in the north and north-central regions beginning in the early 16th century, and ore extraction in the central highlands around Tegucigalpa beginning at the end of that century (See Table V-2). Both of these attracted some population displacements (Molina Chocano, 1978) which anticipated in a partial way the bipolar conformation that would emerge later. The rest of the population was engaged in subsistence agriculture and livestock, in that questionable ecological inversion characteristic of much of Central America: crop production on the increasingly fragile hillside soils and cattle on the fertile bottom lands.

As of 1930 there were in Honduras only 20 localities of over 2,000 inhabitants and seven over 5,000. Of the ten dominant aggregates, five dated from the earliest days of the colony. The only significant hierarchical and functional change was the ascendance of Tegucigalpa over Comayagua mentioned earlier. It was not until the turn of the century, with the development of the banana industry, that there was again hierarchical and functional change of significance. The industry grew in three phases -- 1860-1900, production and marketing by Hondurans to local exporters; 1900-1929, consolidation of the banana industry in three large North American companies; and 1929 forward, the supremacy of United Fruit (Kepner and Soothill, 1935). The apogee of the industry between 1914 and 1924 was the period that spurred the rapid growth of the North Coast aggregates, evoked competing population nodes, expanded external linkages, and ultimately produced a second major urban pole in San Pedro Sula.

2.3. Urban Growth and Urbanization

An important distinction should be made before going on, that is, the distinction between 'urbanization' and 'urban growth'. The former refers to the transfer of cities from one size category to another, a transfer which is fed by each city's population increase through natural growth and/or immigration, and by the movement of towns from fewer to more than 10,000 inhabitants during intercensal periods. When these changes are viewed in percentage or proportional terms, they account for changes in urban structure; they do not, however, tell us anything about the pace of growth of cities relative to one another (Fox and Huguet, 1977). 'Urban growth' is simply the process of size and increase in urban aggregates. It is part of the urbanization process,

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V
TABLE 222-2. EVOLUTION OF A SYSTEM OF CITIES IN HONDURAS, CONQUEST TO 1930

<u>16th Century</u>	<u>17th Century</u>	<u>18th Century</u>	<u>19th Century</u>	<u>20th Century (1930)</u>
<u>Choluteca (1580)</u> 20 Spaniards +?			<u>Choluteca</u> <u>Tencoa</u> <u>Yoro</u>	<u>Choluteca</u> <u>La Ceiba (bananas)</u> <u>Tela (bananas)</u>
<u>Trujillo (1571)</u> 10 Spaniards + 2-9,000 Indios Tributarios (mining)	<u>Trujillo (1629)</u> 100 Spaniards +?; sacked by pirates in 1639 and 1643, lay in ruins till late 18th century		<u>Trujillo</u> 500 pop. 1857 (port)	<u>Trujillo (bananas)</u> <u>Puerto Cortés</u> <u>El Progreso</u>
<u>San Pedro Sula (1571)</u> 50 Spaniards + 700 Indios Tributarios (mining)			<u>San Pedro Sula</u>	<u>San Pedro Sula</u>
			<u>Sta. Rosa de Copán</u> 'villa' in 1823 'ciudad' by 1845 (tobacco)	<u>Sta. Rosa de Copán</u>
<u>Comayagua (1571)</u> 100 Spaniards + 2,600 Indios Tribu- tarios (mining)	<u>Comayagua</u> 100 Spaniards +?	<u>Comayagua</u> destroyed by earth- quake in 1774; in 1777 had 115 Indians and 285 slaves.	<u>Comayagua</u> 2,000 pop. prior to civil war destruc- tion in 1827; 1857 pop. 3,000 lost capital status to Tegucigalpa.	<u>Comayagua</u>
<u>Tegucigalpa (1580)</u> 35 Spaniards + 3,000 Indios Tribu- tarios	<u>Tegucigalpa</u> 100 Spaniards plus? (mining)	<u>Tegucigalpa (1777)</u> 3,578 inhabitants (298 Spaniards + 3,268 mulattos 1,213 Indians)	<u>Tegucigalpa</u> 8,000 pop. 1857 (mining); became capital in 1830.	<u>Tegucigalpa</u>
			<u>Yuscarán</u> 6,000 ? pop. 1857 (mining)	
<u>Gracias a Dios (1571)</u> (Lempira) 50 Spaniards + 3,000 Indios Tributarios (mining)			<u>Gracias a Dios</u>	
			<u>San Antonio</u> (1,200 ?)	
			<u>Intibucá</u> 1857 pop. 4,000 ?	
<u>San Jorge de Clanchito (1571)</u> 40 Spaniards + 1000 Indios Tribu- tarios destroyed by volcanic eruption in 1611; surviving settlers moved westward to form Clanchito (mining)	<u>Clanchito</u>		<u>Clanchito</u> <u>Clanchito Viejo</u> <u>Coza (port)</u> <u>Puerto Sal (port)</u> <u>Tribuna de la Cruz (port)</u> <u>Puerto Cortés (port)</u> <u>Caragua (port)</u>	
As of 1550, only 7 Spanish colonies ex- isted, of which Tru- jillo was the largest.		As of 1791, Honduras had 2 districts: Comayagua, pop. 38,265 in 3 cities, 1 town, and 94 villa- ges; and Tegucigalpa, pop. 34,394 in 2 towns (Tegucigalpa and Perds de Cholute- ca), and 6 small towns of Indians, 17 Indian villages, 13 mines, and several farms.	By 1801, Honduras had a pop. of 130,000 in 249 population centers.	By 1930 only 20 local- ities of over 2,000 inhabitants and 7 over 5,000. List above is 10 content aggregates in the 1930 urban hierarchy.

Source: Various sources cited in J.R. Gilman, A Demographic Analysis of Urbanization: Evolution of a System of Cities in Honduras, El Salvador, and Costa Rica, Ph. D. Dissertation, Cornell University, 1970.

inherent in the hierarchy of cities, and can be informative about the speed of change.

Honduras, El Salvador, and Costa Rica represent demographic situations in which there have been relatively low levels of urbanization despite high rates of growth in urban sectors (Gibson, 1970). This does not mean that urbanization has not taken place: urban levels have in fact risen considerably, but they began their ascent from a very low base. In 1950 the lowest urban proportion in Central America was in Honduras, where only one person in ten lived in cities of 10,000 or more, compared to Panama's two in five. In 1950 there were only five urban aggregates of over 10,000 population; these contained a total of 135,000 people, over half (54%) of which was in cities of 50-100,000 (see Table V-3). By 1961 the number of urban aggregates had only risen to seven, with a population of 273,000; about half (47%) of that population was in cities of 100-250,000, the proportion of those in cities of 50-100,000 having dropped by better than half (Fox and Huguet, 1977). Urban growth was occurring but not urbanization.

But by 1967 Wingo noted that Honduras was one of the Latin American countries confronting the "greatest relative urbanization threat":

"These countries with very great composition coefficients and already moderate rural out-migration, seem to be on the threshold of an explosive urbanization experience, which can easily inundate existing urban facilities in these small, rural, but demographically dynamic lands (1967)."

The 'composition coefficient' to which he refers is the ratio of urban to rural population, which indicates the size of the potential set of rural-urban migrants, all things being equal. The measure also indicates the urban growth potential since, if rates of rural emigration were to increase, the volume of migrants would have significant impact on aggregates, particularly the largest ones (Gibson, 1970). It is, as Gibson noted, not levels of urbanization that should draw our attention in the Honduran case, but rates of change.

Wingo's prediction would seem to have been justified, his concern merited. By 1974 the number of persons in urban aggregates was 686,200, a tripling in absolute numbers since 1950, and the proportion of the Honduran population in urbanized areas had better than doubled from the 10% in 1950 to 24% in 1974.¹ And by 1974 the number of urban aggregates had almost doubled, from seven to thirteen in just one intercensal period; the increase occurred primarily in the number of cities from 10-20,000 and from 20-50,000, and there was some smoothing of the distribution of population across city-size ranks as cities between 20-50,000 assumed a greater proportion of the urban population. It would seem that the anticipated process of urbanization was beginning to take off.

TABLE MT-3. URBAN POPULATION DISTRIBUTION BY CITY SIZE CATEGORY,
1950-1974, AND PROJECTED TO 1980

City size category	Number of cities				Population (thousands)				Percentage of urban total			
	1950	1961	1974	1980	1950	1961	1974	1980	1950	1961	1974	1980
10-20	3	4	6	9 ^a	41.4	55.9	79.9	139.5	31	21	12	14
20-50	1	1	3	4	21.1	24.9	149.1	133.9	15	9	22	14
50-100	1	1	-	1	72.4	50.6	-	54.1	54	21	-	5
100-250	-	1	1	1	-	134.1	161.7	238.9	-	49	23	23
250 and more	-	-	1	1	-	-	295.5	465.6	-	-	43	42
TOTAL	5	7	13	16	134.9	273.5	666.2	972.6	100	100	100	100

^a Includes the towns of Choloma, Catacamas, and San Lorenzo, projected to increase from fewer to more than 10,000 inhabitants in the 1974-1980 interval.

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V
 TABLE 1. CITIES WITH 10,000 OR MORE INHABITANTS by 1985

<u>Department and Municipality</u>	<u>1975 Urban Population</u>	<u>1985 Urban Population</u>
Atlántida		
La Ceiba (cab.)	47,781	103,600
Tela	23,473	50,895
Colón		
Comayagua		
Comayagua (cab.)	18,566	25,307
Siguatepeque	14,507	19,774
Copán		
Santa Rosa (cab.)	22,904	22,491
Cortés		
San Pedro Sula (cab.)	203,504	335,029
Choloma	10,878	17,909
Potrerrillos	6,418	10,566
Puerto Cortés	30,656	50,470
Villanueva	7,528	12,394
Choluteca		
Choluteca (cab.)	31,366	56,161
El Paraíso		
Lení	13,569	32,696
El Paraíso	8,410	20,263
Francisco Morasán		
D.C. (Capital)	325,461	539,042
Gracias a Dios		
Intibucá		
Islas de la Bahía		
La Paz		
La Paz (cab.)	8,343	17,437
Lempira		
Ocotepaque		
Ocotepaque (cab.)	7,397	10,748
Olancho		
Jutiaca	12,204	23,579
Catacamas	11,064	21,377
Santa Bárbara		
Sra. Bárbara (cab.)	7,269	16,065
San Pedro Zacapa	13,564	29,978
Valle		
Nacaome (cab.)	7,285	11,575
San Lorenzo	11,197	17,791
Yoro		
Yoro (cab.)	5,366	10,044
El Encopio	20,901	63,448
Chalchote	8,939	16,731

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Projections for 1980¹ and 1985² show no diminution in this trend; it appears that the nascent urbanization process in Honduras is not to be just an aberration of the 1970's. By 1980, the number of cities between 10-20,000 population will have increased by one-third to a total of nine, when Choloma, Catacamas, and San Lorenzo pass the 10,000 mark; these additions will raise the total number of urban aggregates to 16 (Fox and Hugué, 1977). By 1985, 10 more municipalities will have urban populations over 10,000 population (see Table I-4) -- Potrerillos, Villanueva, El Paraíso, La Paz, Ocotepeque, Santa Barbara, Nacaome, Yoro, and Santa Rita -- for a total of 26. Since by 1985 Nueva Arcadia, San Marcos de Colón, and Talanga will have over 9,000 population, it is reasonable to expect that they, too, will be added to the complement of urban aggregates by the end of the decade. Thus by 1990 the total number of such aggregates will be at least 29, almost double the number estimated for 1980.

The effect of this proliferation will be to "smooth" urban population distribution somewhat. However, this smoothing effect will occur among the cities under 100,000 population, since it is clear that the dominant bipolarity which has evolved from the histories, sizes, locations, and functions of Tegucigalpa and San Pedro Sula, persists. Although Tegucigalpa will lose slightly in terms of the percent of urban population it accounts for (down from 43% in 1974 to 42% in 1980), San Pedro Sula will gain in proportionate terms (Table V-3). The rates of growth and increase in absolute numbers in these two urbanized areas constitute the engine of their marked quantitative divergence from other urban areas which assures their continued preeminence. Despite the fact that in no period in the last 24 years has Tegucigalpa's growth rate exceeded San Pedro Sula's (Table V-5), the former will maintain its hegemony in terms of population, at least to the end of the century.

Such growth would also seem to protect the continued preeminence in the dominant hierarchy of the next largest cities, La Ceiba, El Progreso, and Choluteca, as well as rising cities like Siguatepeque and Juticalpa. Between 1974 and the year 2000, while Tegucigalpa and San Pedro Sula are projected to grow at rates of 4.58% and 5.42% per year, respectively, El Progreso, Siguatepeque, Choluteca, and Juticalpa will all grow at rates of over 4.0% per year, well above the projected national annual average of 3.30%.³ At the same time,

(1) Projections are from Fox and Hugué, 1977, and are based on CELADE assumptions that 1) total fertility rate will decline from 7.28 in 1970-75 to 5.23 in 1995-2000; and 2) average life expectancy at birth will rise from 53.5 to 67.0 years during the same period, resulting in a crude birth rate of 38.5 and crude death rate of 6.9 in the 1995-2000 period. International migration is not assumed. Population of urbanized areas was accomplished by allocating the projected national population first to departments, then to urbanized areas, using a modified ratio-trend methodology (Pickard, 1966).

(2) 1985 projections are based on CONSUPLANE calculations made in March 1981.

a number of smaller settlements will also be increasing rapidly in terms of size; for example, by 1985 cities like Catacamas and El Paraíso will be bigger than Tela in 1974, when Tela was the seventh largest urbanized area in the country.

The entry of "new cities" (i.e., those increasing from less than to more than 10,000 inhabitants in any 1950-80 intercensal period) distinguishes Honduras from the rest of its Central American neighbors. For Honduras, the "new city" contribution to total urban population growth between 1950-80 will be 31%, compared to 10% for Panama, 13% for Costa Rica, 15% for Nicaragua, 15% for El Salvador, and 10% for Guatemala (Fox and Huguet, 1977). Without this dynamic, urban growth would be restricted to population increases in already existing, "older" cities, and the pace to urbanization would not only be slowed but skewed.

At the same time, it must be remembered that, while Honduras' pace of urbanization between 1950 and 1980 outstrips its neighbors, the country started with the lowest urban proportion at mid-century. This has very important -- and potentially painful -- implications. The capacity of a given country to absorb total national population gains, its absorption ratio,³ is strongly related to the degree to which the country is urbanized in the first place, another component of the size-begets-size dynamic. Honduras, by that token, will have both for 1980-90 and 1990-2000 the lowest absorption ratio in Central America, 45 and 51 respectively. While Honduras' capacity will accelerate through the rest of the century, the impact on individual cities will be severe. Furthermore, it means that rural areas (and activities) will still have to absorb roughly half of net population gains for at least the next two decades.

Neither rural nor urban areas will get much relief from an average annual rate of population growth that has been the highest in Latin America for at least the last 25 years -- 3.47 between 1970-75, projected to drop to only 3.16% by the 1995-2000 period (CELADE, 1974). Although the combined population of the 13 urban aggregates is growing at a faster rate (4.5% per annum between 1974 and the year 2000) than the non-urbanized areas (2.8% per annum), the non-urbanized areas as a whole will nonetheless continue to grow by greater absolute amounts through the rest of the century (Fox and Huguet, 1977). And although the combined populations of the 13 urbanized areas will triple from 686,000 in 1974 to 2,240,000 (an absolute increase of 1,564,000), the population of non-urbanized areas will grow from 2,211,200 to 4,631,300, an absolute increase of 2,420,100. This means that the potential rural pool of migrants about which Wingo expresses concern will swell at the same time that the process of urbanization will place ever-greater demands on an ever-greater number of urban and quasi-urban places.

3. Possible Sources of Illumination

3.1 The Definition of Urban

One of the factors that confounds understanding about migration is variability in definitions of 'urban' and, by extension, 'urbanized'. For the 1940 and 1950 Honduran censuses, urban places were designated by administrative

(3) Absorption ratio = $\frac{\text{population increase in the urban sector} \times 100}{\text{national population increase}}$

order and not defined by a minimum population or other characteristics. In 1961 a place was classified as urban if it had a population of at least 1,000 persons plus a primary school; mail, telegraph, or telephone service; highways, rail, air, or sea link; water service; and electricity. For the 1974 census urban places were defined as those with at least 2,000 inhabitants with the following four services: water transportation links, primary school, and either postal or telecommunications service; and with either electricity, a sewerage plant, or a health center. According to the 1961 definition, 437,818 people (23.2% of the population) lived in urban areas. And although the 1974 definition is more restrictive, the population defined as 'urban' grew nonetheless to 824,994, or 31.1% of the total, by that year (Fox and Huguet, 1977). At least the variability in language does not disguise the direction of the demographic trend.

In general, then, the definition of urban has usually been made based on some notion of minimum population and the presence of some functional characteristics. To be sure, the term 'urban' also implies some kind of transformation in the social and economic interactions of people; it is not only, as observed earlier, a process of social change, but both cause and effect of a process of cultural change. Some of this change can be captured with statistics but, in general, eludes the precision needed for standard definitions.

An essential part of the Urban-Regional Assessment (URA) carried out by AID and CONSUPLANE was the establishment of a working definition of 'urban'. Lombardo (April 1982) analyzed the distribution of size-classes⁴ and of service functions in Honduran settlements and concluded that a reasonable definition of 'urban' would require that a settlement a) have a minimum population of 2,000 and b) possess at least 25 out of a set of 50 basic and central service functions.

Like the Census definitions, the URA definition rejects the concept of size alone as being an adequate single criterion for decisions about what settlements are or are not urban, and expands to include functional criteria. The URA definition is both less and more restrictive than those of the Census: it permits a larger universe of services from which to derive the parameters of urbanization but requires a carefully weighted minimum mass of services before awarding the urban designation. The concept of using a larger set of services for diagnostic purposes comes from an essential rejection of Central Place Theory, at least in the Honduran context (Derbes, 1981). In a country like Honduras and, indeed, in many developing countries where there is extreme dispersion and incoherence in services availability, there is no single

(4) The size-class limits used for the Assessment were a modification of a constant geometric ratio which ensures that each settlement has an equal chance at relative growth, compensating for the higher absolute growth of larger cities (the size-begets-size dynamic). These limits were: 1-999; 1,000-1,999; 2,000-4,999- 5,000-9,999; 10,000-19,999- 20,000-39,999; 40,000-79,999; 80,000-159,999; and greater than or equal to 160,000 (Gibson, 1970).

central function which can serve consistently as an indicator of centrality or the relative importance of any given settlement.

The application of weighted functional criteria produces five settlements categories for Honduras: National Centers (N=2), Regional Centers (N=7), Market Towns (N=23), Rural Service Centers (N=75), and Non-Central Places (N=818).⁵ According to this categorization, only 107 settlements out of 20,511 in Honduras can be considered Central Places.

As is apparent in Table V-6, except for the two National Centers (Tegucigalpa and San Pedro Sula), all categories overlap substantially in size. Lombardo (April 1982) feels that, mathematically at least, there is a fair enough association to justify combining both size and service categorizations for operational purposes. However, Derbes (1981) finds that the overlap does not withstand the empirical evidence that, in Honduras, there is often only weak correlation between settlement population size and level of services. His working hypothesis is that service functions are more reliable for predicting settlement hierarchy rankings than is population size.

Table V-7 indicates that only a very small proportion of settlements in Honduras have any services at all. The most ubiquitous service, potable water, is found in only 3.48% of the 20,511 settlements in the country. Since the 20,511 places represent all settlements with one or more persons, the real significance of this level of coverage is reflected not so much in the percentage of settlements, but in the percentage of population served by the function. In the case of potable water, these 3.48% of settlements represented 46.83% of the 1980 population of Honduras. The average population of settlements with this service is 2,107 persons, the average population of those without is 86.

The next most ubiquitous function, postal service, is found in less than half of the 925 settlements analyzed, in other words, in less than 2% of all 20,511 settlements in the country. Over half of the 925 settlements have no central services at all, and nearly 98% of all settlements in the country, representing over 56% of the 1980 estimated population, do not contain basic central-place services (Lombardo, April 1982).

According to the functional classification, only settlements classified at Market-Town Level and above would be considered urban: two National Centers, the seven Regional Centers, and the 23 Market Towns, a total of 32 settlements comprising approximately .016% of the settlements in the country and representing 30% of the estimated 1980 populations. While Rural Service Centers may perform some central-place functions, they do not provide enough of a service mass to be termed 'urban'. Therefore 20,479 places (99.84% of all places in Honduras), accounting for 2,248,410 people in 1980, are rural. This represents 70% of the total 1980 population, leaving 30% as 'urban' (Table V-8).

(5) There are 21,222 Non-Central Places in Honduras. Of these, 818 have at least one service function.

This definition of 'urban' is more restrictive than the 1974 Census definition. Based on estimated 1980 populations, the maximum number of settlements that would meet the Honduran national Census criteria of 'urban' is 198, or approximately 10% of all settlements in the country. When the functional classification is applied, that number, as we saw, drops to 32, effectively reducing the number of designated urban settlements by nearly 84%. In the view of the Urban-Regional Assessment team, their more restrictive definition characterizes more faithfully the developmental conditions of the country; the SIP team agrees.

3.2 Variability in Migrant Volumes, Origins and Destinations

Migration has been a demographic, social, and economic force in Honduras since the beginning of the 19th century, in response to the growth of the mining industry, and acquired new momentum at the beginning of the 20th century with the advent of banana production on the North Coast. Common sense and the little written history of migration in Honduras indicate that it has cumulatively assumed the status of a major force. Yet relatively scant national-level data, particularly of recent vintage, have been gathered about migration. In 1970-72 the Centro Latinoamericano de Demografía (CELADE) carried out a large-scale demographic survey (the Encuesta Demográfica Nacional de Honduras/EDENH), which included some migration questions, but the focus was a secondary one and there were data limitations (Arévalo, 1975). In 1974 the National Census asked three migration questions, about department and municipality of birth, year of arrival in country and nationality, and department and municipality of residence as of March 1969.

Other than the CELADE analyses of the EDENH (Arevalo, 1975), very little analysis of national-level information, i.e., the Census, has been accomplished. Gibson (1970) analyzed net intercensal migration by department for the 1930-1961 period, using Census data compared with Vital Statistics for those years and employing a variety of statistical corrective devices; unfortunately, the approaches used indicate the direction of departmental differentials, but not their magnitude. Molina Chocano (1978) analyzes the Census data for 1950 and 1961 but again deals with net flows and the analysis is oriented more toward explanation of migration causation in the Central American context. Mercado de Tomé (1982) performs some very useful analysis of inter- and intra-departmental flows and distances migrated but the analysis only includes migrant streams of 50 or more persons and again deals with net flows. Other studies (Teller, 1972; Croner, 1972; Zúñiga, et al., 1982) are basically microstudies dealing in a partial way with migration into Tegucigalpa or San Pedro Sula. These studies are helpful in understanding the kinds of people who migrate and why they do so but do not address issues of magnitude. Fortunately, albeit tardily, the first official analysis of the 1974 Census data is now in process and the first results unofficially available (CONSUPLANE, October 1982).

There is a consensus that territorial mobility in Honduras is not only high but extremely high (Arevalo, 1975; Fox and Huguet, 1977; Croner, 1972; CONSUPLANE, October 1982). The EDENH appeared to have captured a migration rate of 309/thousand for the 1970-72 period, but Arevalo disbelieves the figure and feels that the EDENH had picked up a lot of transient migrant "noise". Using ratios of temporary/permanent migration from other Latin American

countries as a guide; Arévalo concluded that a per-thousand figure, or half that encountered in the EDENH, would be right, in other words, something around 154 per thousand; this is close to the 1961 Census figure of 152/thousand. Both of these are calculations based on absolute migration totals.

According to the recent CONSUPLANE analysis, there has been geometric growth in the absolute volume of migrants. There has also been growth in the portion of the total national population represented by the migrant component (Table V-9). The number of migrants in 1961 was more than double the number in 1950. By 1974 the number was slightly less than double the 1961 figure and 4.6 times that for 1950. In 1950 migrants represented only 8.2% of the total national population; by 1974 that proportion was 19.3%.

By the way of comparison, although in 1950 Honduras had the smallest absolute number of migrants in all the Central American countries (Molina Chocano, 1978), by 1974 it had the second highest number after Guatemala. Absolute numbers of migrants in Guatemala doubled between 1950 and 1974 (from 326,621 to 757,061), approximately tripled in Nicaragua (from 113,776 to 341,086), and did not even double in Costa Rica (from 261,367 to 350,413).

The absolute figures for Honduras are almost surely understated. First, CELADE has estimated an underenumeration of 8.4% for the 1974 census which, applied to the migrant figure, would increase that figure to 556,626. Second, according to CONSUPLANE, the 1974 migrant total is based only on permanent migration between departments; intra-departmental (inter-municipal) migration is not counted, nor is seasonal or temporary migration. The EDENH found that while the propensity to migrate between grand regions was greater than the propensity to migrate within regions, 50% of the migration within regions and 59% of all migration was between contiguous strata in 1970-72. Mercado's analysis (1982) revealed that 33.2% of migratory flow between 1969 and 1974 was accounted for by redistribution within the same department. If we accept Mercado's more conservative figure and add 33% to the CONSUPLANE total (adjusted by 8.4%), the total number of migrants for 1974 rises to 740,313. This is almost equal to the number of migrants recorded for that year in Guatemala, whose 1973 population was 5,678,455 (U.S. Census adjustment, Fox and Huguet, 1977), almost twice that of Honduras. The population of Honduras in 1974 was 2,898,000 (CELADE). Using unadjusted base figures, the migrant proportion per thousand population is about 914/M; using the upwardly adjusted figure developed above, that proportion becomes 246/M. Whether the reader prefers the lower CONSUPLANE totals or our own expanded figures, it seems safe to claim that what the 1974 Census recorded was a migratory movement of approximately one-quarter to over one-third of the 1974 Honduran population during a 24-year period. CONSUPLANE estimates that the 1984 total will again double; that is, that a million or more Hondurans will have been involved in internal migration by 1984.

We must remember that the nature of the census questions are such that the totals discussed above are effectively cumulative. In other words, they reflect migration that occurred outside the bounds of the intercensal period. When the migration figures presented in Table V-9 are understood as cumulative, we find that the absolute increase in numbers of migrants between 1961 and 1974 was 279,052 (using the CELADE correction), which averages out to 21,466

per year over the 13-year intercensal period. This is a 70% increase over the annual rate of 15,003 for the 1950-1961 period (277,574 -112,542 divided by 11).

Another clue to the hypothesis of increase comes from Derbes'⁷ (1982) analysis of the number of inter- and intra-departmental migrants between 1969 and 1974, the five-year subset mentioned above. Derbes excluded migrant flows under 50 persons from his analysis, so comparison is not neat. Yet even with this exclusion, the number of migrants (28,236 emigrants + 96,592 immigrants) for that period totalled 124,828. This figure represents a minimum of 45% of the 13-year total increase of 279,052 in 39% of the time period involved (5 divided by 13 x 100). The average migrant flow for the 1969-74 period according to the Derbes figures would have been 24,966 per year, higher if one were to add the flows under 50 individuals. A reasonable conclusion is that, as the absolute numbers of persons who have been migrants in Honduras mounts, so does the number of individuals who are migrating annually. In other words, more people are migrating at accelerating rates and migration appears to be generating more migration.

3.3 Analysis of Causation

The forces underlying migration and urbanization in Honduras are essentially the same forces which lie behind the explosive growth of cities in most Latin American countries. The principal of these is the rate of population growth: while the rate has dropped below 3% in several Latin American countries, it is currently about 3.4% in Honduras, one of the highest in the world. Each year upwards of 50,000 Hondurans are entering the labor force.

Table V-9. Migrant/Non-Migrant Composition of the Population, Census Years 1950, 1961, and 1974

Census Year	Population		Composition(%)			
	Total	Migrant	Non-Migrant	Total	Migrant	Non-Migrant
1950	1,368,605	112,542	1,256,063	100.0	8.2	91.8
1961	1,884,765	277,574	1,607,191	100.0	14.7	85.3
1974	2,654,948	513,493	2,143,455	100.0	19.3	80.7

Source: CONSUPLANE. Internal Migration. Tegucigalpa: Unidad de Población. 14 October 1982. (Internal document; draft version).

While there is still a frontier in Honduras, its inaccessibility, absence of amenities, and generally lower-grade land prevent it from becoming an important escape valve for rural population pressure. As is apparent from the preceding chapter, redistribution of land has not made a significant dent on the problem of landlessness and rural poverty. Nor have opportunities for land rental increased.

As a consequence, the campesino's fight for survival has become more tenuous, and migration to an urban setting may increasingly appear to be the only way out. The decision to migrate is often a decision to leave the security offered by the extended rural family. But with so much rural-to-urban migration having taken place in recent years, many campesinos can count on urban extensions of the rural extended family.

There has been no research attention paid to the phenomenon of back migration, so that there is no systematic knowledge about how many migrants return home. The anecdotal evidence is that back-migration does not involve great numbers and that relatively few go "all the way home"; what returns occur are more likely to be to secondary or tertiary urban settlements or to other rural sites of employment opportunities, e.g., agrarian reform settlements.

3.4 Urban Living Conditions⁶

Living conditions for the urban poor, who comprise more than 50% of Tegucigalpa's population, are precarious.

Ingreso, Gasto, Barrio y Familia is a study of four kinds of barrios in Tegucigalpa: (1) barrios which have sprung up around the central market -- the oldest and most densely populated of the barrio areas, the inhabitants of which depend on commercial activity for their livelihood; (2) barrios on the edge of the city, located on what was heretofore rural land and which, because of their distance from the center of the city, often contain enough land for mini-scale production of crops and small animals; (3) low-cost housing developments, promoted principally by public but also by private institutions during the past two decades; and (4) barrios, usually far from the center of the city, formed by squatters -- "families at the most desperate level of poverty" -- who live in the flimsiest dwellings effectively without public services.

We get a further sense of what life is like for these people from the following family statistics:

- average family size is seven people
- 33% of the heads of family are women
- half of the heads of family had entered the labor force before they were 15 years old
- almost half the heads of family are without permanent employment
- the average level of formal education for heads of family is 3.3 years

(6) This section derives principally from the study Ingreso, Gasto, Barrio y Familia: Estrategias de los Pobladores de Barrios de Ingresos Bajos en Tegucigalpa, by Melba Luz Zúñiga M., Celina Kawas Castillo, and Michael E. Conroy.

- 79% of the heads of family had migrated to Tegucigalpa
- more than half of the families have relatives in the same barrio
- more than 40% of the houses are of unfinished wood
- more than 35% of the houses have dirt floors
- only 34% have water
- only 22% have flushing toilets, and in some barrios, as many as 35% of the families have neither toilets nor latrines.

Income and expenditure data further illuminate the reality of living conditions:

- average monthly family income is L408 (in a squatter barrio the average is L234)
- average monthly income per capita is L64.44, which is roughly 60% of the national average
- 55% of family budgets are dedicated to food, yet food intake is at the "acute misery" level by World Bank standards in all but one of the barrios studied.

The acute problems of the urban poor relate above all to low income levels. The strong implication of Ingreso, Gasto, Barrio y Familia is that with increased incomes, families will be able to find improved housing that is not subsidized. A corollary is that the low income levels of the majority of Tegucigalpa's inhabitants make it unfeasible for private construction companies to build low-cost housing.

The problems of Tegucigalpa's poor overwhelm the city's response capacity. The Distrito's budget of about L40 million, the large bulk of which goes to salaries, is inadequate for maintenance of existing services, to say nothing of expansion of services. As one city official observed, "Aquí se trabaja en emergencias; sólo se ponen parches."

The education system of the city, weak and underfunded to start with, confronts burgeoning numbers of students at all levels, acute shortages of teachers, and comparably acute shortages of didactic material. Public health facilities are overwhelmed. Yet, because of budgetary limitations, some medical school graduates are unable to find employment. Public transportation is inadequate and badly overburdened.

The foregoing describes living standards for the urban poor in 1983, with Tegucigalpa's population at about 500,000. In the year 2000, 17 years hence, it will be close to 1,000,000.

CHAPTER VI. SUMMARY AND IMPLICATIONS

1. Background and Purpose of the SIP

Since 1976, the USAID Mission in Honduras has been collecting what now amounts to a fairly large body of data and has performed a number of analyses, most of which have been quantitative and specific to discrete sectors and activities. The Mission concluded that it was necessary to step back from those accumulated facts and examine their meaning in the larger context of accelerating socio-political and socio-economic change.

The purpose of the SIP set forth in the Scope of Work was:

"Honduras is experiencing a growing intensity and number of pressures from internal and external sources. The SIP is intended to provide a clearer understanding of those pressures, how they are felt at different levels in different sectors of Honduran society, and what might be said predictively about their longer-term implications. Such understanding is expected to enhance the probability that AID's activities will be coherent, appropriate, and adaptive in a time of flux, and will be based on more than purely economic justification."

The pragmatic objective of the SIP was to contribute to the determination of priority substantive areas for the AID program in Honduras for the next four to five years. The central research question was to be: How are contemporary macro-social and macro-economic dynamics affecting Honduran social structure and political culture, and what does this mean for the AID program?

2. Methodology and Hypotheses

The heart of the SIP methodology was a dialogue, between the USAID and the SIP team, and between the SIP team and a series of analysts of the contemporary Honduran condition in the most important of the country's sectors and institutions. The theories, or hypotheses, that came out of the early discussions with concerned individuals in AID centered on issues of Honduran national character and its implications. These held that "at least relative to all the other Central American countries except for Costa Rica, Honduras is: different, more equitable; more peaceful and more peacefully disposed; more practiced in compromise as opposed to conflict; lacking bitter hatred of race or class; passive, conformist, and/or displaying only limited expectations; and, most importantly, as functioning in at least some rough accord with some sort of 'social compact'." A corollary of these assumptions was that Honduras was not only stable and peaceful, but democratic and more likely to sustain cohesiveness than crumble into conflict.

3. The Concept of the Political Ethnography

The bulk of the SIP is found in Chapter III, a political ethnography of Honduras. Simply said, an ethnography is a description of a society's structures and functions, its world view and guiding beliefs, as these have evolved through its history. This ethnography is based on five convictions:

a) that there is such a thing as national character and that there are uniformities of group behavior and outlook between societies and within them; b) that underdevelopment is not just a function of national or international environment (that is, the SIP does not partake wholly of dependency theory and other theories that look to external economic and/or geopolitical factors as exclusive explanations of a given nation's condition); c) that no country in contemporary Hispanic America can be understood without reference to its Spanish antecedents and its post-colonial experience; d) that all major sectors and interest groups have to be brought into the analysis for any systematic comprehension of the whole and any other of its parts; and e) that perceptions and the way they are distributed across the society are as important as what are termed, rightly or wrongly, "historical facts."

4. The Purpose of the Summary Chapter

This chapter is meant to serve as a recapitulation of the major themes that emerged in the course of the SIP, to draw some conclusions about the worth of the hypotheses and theories that we list in VI.2 above, and to make some statements about what the SIP suggests about short- and long-term AID priorities. It also serves the purposes of brevity.

5. The Setting at Conquest (See pp. 12-15)

Other than their geographical locations, the Central American countries were not so dramatically different from one another at the time of Conquest and there is no easily identified, single reason for their contemporary disparity. If Honduras has a broken interior and vulnerable coasts, so does Costa Rica. If Honduras was victimized and shaken by piracy, so was Costa Rica and, to lesser degree, Guatemala and Nicaragua. If Honduras' early colonists were fractious, so were Nicaragua's. If Honduras was negatively affected by the power of Guatemala, so was Costa Rica. If Honduras met the conquistadors with hostile Indians, so did Guatemala and El Salvador. If Honduras became colonially uninteresting to the Spanish Crown in the 17th and 18th centuries, that was more or less true in all Central America. The divergences among the Isthmian countries began quite early but they are not due to any single cause at any single point in time; they took place instead through a series of cumulative steps.

The second is that the Spanish tutelage was neither monolithic nor consistent. Historical vicissitudes on the Iberian peninsula produced differences among kingdoms, states, and provinces, and variation and alternations in policy toward the Indies. The conquistadors themselves differed in class, provincial background, and personal qualities. The ecological and cultural differences found in the New World added more diversity, as did the lags and discontinuities produced by distance and by the discrepancies found in every society between the ideal and the concrete, the rule and reality. At Conquest and since, Spain strained or alternated between liberalism and authoritarianism, enlightenment and repression, innovation and conservatism, reform and retrogression, religious openness and African fanaticism or medieval intolerance; super-Catholicism and anti-papalism; localist independence and centralist absolutism; and isolationism and aggressive extraterritorial involvement.

These political stresses produced social and economic stresses which persistently reverberated overseas. Through the expulsion of the Jews and Moors, Spain lost its most economically active citizens, its commercial component, its educated administrative and financial elite and, effectively, its middle class. This, plus its almost constant embroilment in religious dynastic wars, pushed Spain into almost constant economic crisis, a poor posture for any consistent or thoughtful socioeconomic development, and into a largely extractive orientation toward its own population and its colonies. To cope with economic and political disequilibrium, the Crown overtaxed the poor and bought the support of the nobility by exempting them from taxes at the same time it sold them all nature of political and economic office. This reinforced the dominance of the hidalgos, an upper class even more averse to economic activity than the rest of European nobility; which invested its money in land without, however, improving agriculture; and which chose careers in the army, church, and civil service. Others did the agricultural work and were the artisans and mechanics, and commerce was handled by an intermediary class which enjoyed little social status. The combined effects of these forces was to: exacerbate social divisions within Spain, impede growth of a middle class, generate a mass of poor, establish the phenomenon of untitled latifundia held by an essentially parasitic and overprivileged landowning aristocracy, and set the concept of money and selling and doing business as somehow inferior concerns. The model is a familiar one to anyone even marginally knowledgeable about Latin American history.

The entrenchment of this landed aristocracy was complete by the end of the 17th century and institutionalized the system of thought and behavior connoted by the term 'favoritismo'. The road to achievement was not through individual merit but through contact near the seat of power. Children were socialized to expect their advancement through parents, relationships with some client or patron, bribes, petition, flattery, servility, and other tradeoffs. The correlates of favoritismo were compadrismo (ritual kinship) and familismo; a climate of constant intrigue made it natural to believe not only that trust outside the boundaries of family or ritually acquired kin was dangerously placed, but that kinship was the fount of all welfare throughout whole lifetimes.

The colonial voyages also brought administrators who, in many cases, had acquired their posts not through ability or dedication but through different sorts of bribery. Since the bribery was often in the form of cash payment and posts were usually of short duration, investments had to be recovered and personal coffers quickly filled. Very early in colonial history, what power and wealth there was, was concentrated in relatively few hands, and graft and corruption were institutionalized as dimensions of public office.

6. The Colonial Residue (See pp. 15-35)

The colonial period established in Honduras patterns of thought and behavior and revealed the characteristics that would shape the nature of its growth until the present.

a) Earliest Honduras was not a backwater but a battleground for the rivalries of conquerors, administrators, and jurisdictions, and one of the most turbulent provinces of the Indies.

b) Local jealousies, constant violence, and persistent interventions thwarted administrative dreams of Honduras as the natural commercial and jurisdictional center of Central America.

c) Honduras suffered from the beginning from its paradoxical condition of geopolitical centrality, permeable terrestrial and maritime frontiers, and an internal topography hostile to integration and development.

d) The most used avenues of dissent and problem-solving were factionalism, intrigue, and force. The dominant theme was the central component of Hispanic world view, individualism (personalismo) -- the concrete individual, not the concrete or abstract society, is of paramount importance. Effective working relationships are not with institutions but, as favoritismo and familismo predict (see VI.5 above), with individuals with whom one can establish understandings and contracts on the basis of mutual trust and benefit not believed to be available in formal insititutions.

e) Personalismo, familismo, and favoritismo fused into the concept of personalization of power (personalizacion del poder), were crystallized in patron-clientage, and developed into the traditions of localism and caudillo politics.

f) Localism (aldeanismo) interacted with broken topography to hinder communication and foster internal competition and suspicion. Rivalry between Tegucigalpa and Comayagua divided the country geographically north-south and, politically, into liberal-conservative alignments.

g) The Crown's response to anarchy was administrative divisionism (vertical separation of authority and supervisory responsibility) and hierarchic absolutism (central government as the source of all decisions). This made organic, collaborative relationships among administrative parts impossible; stunted initiative; fostered passivity; and set a public sector tradition that persists.

h) Lack of central government responsiveness engendered cynicism in its dependents who, at the same time, saw it as the only source of power and potential benefit.

i) Early mestization established the basis for an anti-aristocratic social and political style, racial openness and fluidity, and absence of any real racial hatred or political divisions along ethnic lines.

j) Mistreatment of the indigenous population, although less than elsewhere in Central America, reduced the available labor supply, kept the encomienda from dominating agrarian structure, and encouraged the development of the livestock hacienda.

k) Development of the hacienda as the foundation of Honduran agrarian structure established the following patterns:

- Land use. Livestock husbandry on the extensive Spanish model occupied the best lands, the upland valles and the lowland savannas; subsistence farming was driven largely to the slopes.

- Social structure. Colonial grantees of land came to monopolize land and then capital; economic power and then political power. Soldiers, peons, and mestizos who were given access to land largely through rental (arrendamiento) became the dependent peasant culture. The hacienda in Honduras replicated the 16th-century Iberian model of a polar, hierarchic society.

- Population distribution and urbanization. Absentee landlordism and dispersed populations kept rural amenities from being developed and intensified the Spanish tradition of elite concentration in urban centers.

- Patron-clientage. The exchanges intrinsic to hacienda relationships -- mixes of labor, crop, cash rentals, credit, deference, compliance, gratitude, respect, political favors and support, and sometimes fictive kinship -- became the core of social and, eventually, political relationships in Honduras, and bred a potentially troublesome combination of dependency and alienation.

- Private sector development. The livestock hacienda typically functioned and produced at low levels of capitalization, a model that set the pattern for the Latin American private sector of keeping capital investment as low and extractive gain as high as possible.

- Political structure. The hacienda became the practical and symbolic base for caudillo politics in Honduras, synthesizing Iberian and colonial values of: executive domination; hierarchic structure; authoritarianism; personalismo and the personalization of power; and machismo. Isolation and fragmentation of the Honduran natural environment fostered remoteness from formal government in a population already cynical about its value, and provided for the blossoming of numerous local bosses and fiefdoms and strong systems of interdependence. The political dimensions of this interdependence meant that, while caudillistic control could be established by land ownership and money, it could only be maintained by a certain benevolence from the caudillo and his own commitment to a system of obligations, generosity, helpfulness, and the provision of favors and support, in other words, true paternalism.

1) Establishment of a counterpoise to these traditional patterns, the early presence of an independent smallholder component. Honduras, like Costa Rica, soon became less attractive to the important Spaniards because of its relatively more difficult access and less ample offerings of labor. It increasingly attracted more middle-class and yeoman types who carried on small business and farming, largely with their own family labor. Early grants of land encouraged this development and set an enduring national priority for enabling smaller farmers to acquire land and hold title, and assigned value to independent farming. The result was two agrarian structures: that based on the independent subsistence farmer with small or medium holdings, with or without livestock as an important productive component, sometimes a member of a surviving Indian community, dedicated to grains and slash-and-burn agriculture; and the flatlands largeholder, fewer in number because of the low percentage of valley land in Honduras, sometimes with thousands of hectares which often contained substantial stands of virgin forest, and with a complement of resident peons. In the latter structure, the heart of agricultural life was livestock, in the former the milpa; one was the basis for the development of a kind of rural, agrarian democracy, the other an eventual force in opposition.

m) The Catholic Church never acquired the political and institutional influence it had elsewhere in Spanish America. Poor and chronically short of personnel, it acquired some stature and power only to lose it.

n) Piracy, location, counterproductive trade policies, and mineral endowments less attractive than other countries', led the financially straitened Crown to sideline Honduras (and Costa Rica). By Independence, Honduras had become an economic and cultural backwater, its agriculture deteriorated and nascent industry aborted. In late colonial Honduras, "land of gold and silver, money leveled all social classes."

7. The Heritage of Independence (See pp. 35-43)

a) Independence brought Honduras decades of turmoil. The federal wars:

- Incapacitated the region for recuperation from the economic depressive effects of the colonial experience.

- Shattered the potential for progressive leadership forces which might have united to overcome that heritage.

- Maintained and increased regional isolation.

- Enhanced the power of the military.

- Confirmed the tendency toward cynicism about government.

- Diverted money and energies from development, learning, and the arts, and destabilized what productive enterprises were in place.

- Left the region exhausted, discouraged, and lethargic.

- Institutionalized the power of the caudillos and proliferated the caudillo model and caciquismo as the major forces in Isthmian post-Independence politics.

- Elevated violence to the level of a political fundamental.

- Gradually persuaded liberals to concede that, in practice if not in theory, a strong executive was essential to orderly government, so that, in later years, liberalism would be invoked to impose tyranny. The shift would shape the directions of constitutional and political processes for years to come.

b) The statistical output of the politics that evolved was astonishing:

- From 1842 to 1876, there would be 82 presidents.

- From 1824 to 1900, there would be 98 changes of government, with an average duration of eight months.

- From 1926 to 1939, Honduras would be torn by 264 civil wars, an average of 2.34 per year, with a peak of 190 between 1860 and 1879.

- From 1824 to 1965, 16 constitutions would be written, with an average life span of 11-1/2 years.

c) Political divisions became deeply rooted and partidarismo firmly entrenched, so that political groups commanded loyalties by habit, regional tradition, and family affiliation.

d) Political parties were basically factions, guided only by interest in gaining access to the national budget. Theft in office came to be endemic, considered prudent, and even lauded. Real political agglomeration fell along lines of allegiance to particular leaders, power was decentralized, and a pattern of unintegrated regional and local fiefdoms was set that would characterize Honduras until the early 1930s.

e) Anarchy and developmental paralysis were exacerbated by and contributed to foreign intervention, and produced a fragile and elusive national self-image, together with a pervasive ambivalence about North-South relations; a combination of pride, self-doubt, dependence; and an alternatively passive or prickly resistance to U.S. presence and its implications that is still unresolved.

f) The new nation continued the colonial policy of exploiting land for the public treasury through sale and taxation, regulation of titles; resurveying and granting of land in payment of public debts, but also pursued the practice of making ejidal or communal lands available gratis to encourage the development of smallholder class as the foundation of agricultural and national growth.

8. The Modern Era: The Evolution of the Honduran State and Its Public Sector (See pp. 44-73)

a) The first period, 1877-1948, began with the administration of Marco Aurelio Soto and ended with the termination of the dictatorship of Tiburcio Carías Andino. The period was one of consolidation of the state apparatus and legitimization of a centralizing power, continually defied by the centrifugal forces of local and regional caudillismo. During this period, differentiation of state structure was modest.

- Due to the multiple benefits derived from the operation of the state apparatus, perpetuation in power became a fundamental preoccupation. This was accomplished either by imposition through rigged elections; through self-perpetuation (continuismo), achieved by constitutional amendment; or by refusal to turn over the presidency to the legally-elected opponent. The third strategy was "single candidacy."

- Tardiness in paying public sector salaries became an administrative habit which reinforced a predilection toward seeing public administration as a "spoils system."

- The tradition of massive political turnover came into being.

- By the beginning of the 20th century, some crucial dynamics of modern Honduran political and institutional culture were in place. The colonial period had bequeathed to the New World the idea from declining Spain that public administration meant wealth, an idea whose embodiment became the encomienda. The lack of a strong and broad capital base in a poor, underdeveloped country made the government treasury the major national resource, and the desire for access to that resource encouraged a tradition of post-Independence political volatility and spoiling in public office. Fiscal poverty and political instability perpetuated under-development of alternative resources and, together with the view that public service was extractive rather than productive, produced poor-quality public service. Corruption and perceived incompetence reinforced the tendency toward cynicism about government that had been inherited from Spain; the resulting, almost constant criticism of government added yet another element of instability. Ideological antipathy and endemic mistrust between incumbents and opposition produced repeated employee turnovers and made commitment to the concept of public service unlikely. Government as the source of all wealth and power became the new patron; lack of confidence in government was forged side by side with a terrible dependence.

- At the same time, the end of this period saw whole new sets of factors, some external and some internal, begin to play a part in national life: the organization of a second major political party; the establishment of foreign-owned banana companies; economic depression; the birth of the Honduran labor movement; the embryonic stirrings of other future interest groups; and the birth of new political alliances.

- The Carias regime accomplished administrative centralization and brought peace through a combination of repression and administrative restructuring of the lines of authority from the center to the periphery.

b) The second period, 1949-1972, began with the modernizing regime of Juan Manuel Galvez and ended with the failure of the bipartisan experiment of Ramon Ernesto Cruz. It was a period of major growth and functional differentiation of the state apparatus, a time in which social issues came to be expressed institutionally, and in which there was growing militarization of political power.

- Politically, the period was marked by cyclical alternations between authoritarian and centralized power and democratic, decentralized power; between benign military dictatorships and democratically elected administrations.

- Popular forces acquired some muscle and, on two occasions, popular reaction produced at least relatively open and free elections.

- Corruption and problems of effectiveness in public administration became increasingly central to political crises, whether these derived from vox populi expressions or from illegal assumptions of power. Vox populi expressions increasingly tended to be concerned with issues of participation in governance.

- This phase brought the following periods:

- 1949-54 (Galvez) - capitalistic development and institutional modernization
- 1954-56 (Lozano Diaz) - the crisis of oligarchic domination
- 1956-57 (Junta) - a brief military interregnum
- 1957-63 (Villeda Morales) - reformism
- 1963-71 (Lopez) - military golpe and conservative reaction
- 1971-72 (Cruz) - the postwar juncture and the regime of national unity.

c) The third period, 1972-79, unfolded under frank military aegis, at first reformist and subsequently authoritarian, and brought still more growth and differentiation of state structure.

- This phase brought the following periods:

- 1972-75 (Lopez) - military reformism
- 1975-78 (Melgar) - crisis and exhaustion of military reformism
- 1978-80 (Junta) - under various sorts of pressure, gradual transition to democratic government.

d) The fourth period, 1980 to the present, saw the Honduran state move to a democratic mode whose trajectory and implications are still unclear.

- This phase has seen the following periods:

- 1980 Direct elections; the civic fiesta
- 1981 (Suazo) - direct elections; return to civilian rule after clear Liberal victory in open and undisputed elections; consensus that the vote was against military-Zunigista/Nacional alliance, corruption, monopoly; Armed Forces maintain open power presence amidst economic and regional crisis.

e) Summary of political changes since Carias:

- Decline of traditional politics. Military and popular sectors periodically repudiate two traditional parties on grounds of unresponsiveness, obsession with control of the public treasury, corruption, favoritism, and economic crisis.

- Political differentiation. New social forces emerge: labor, private sector, peasant movement, urban middle class, activist Catholic Church, new political parties.

- A new church alternation in the nature of power. Before 1950, alternation was between anarchy and brief periods of some peace and/or progress. After 1950, alternation is between largely benign military dictatorship and democratically-elected administrations.

- Growth of sanctioned channels for dissent. The implication has been an increasing tendency to reject revolution as a political solution and to increasingly depend on dialogue. Honduras moves from being a country of aguerridos and becomes a nation obsessed with peace and with a marked distaste for violence and repression.

- Beginning of public opinion as a force in government. New social forces begin to have a sense of their own political efficacy; patterns of changing alliances maintain flexibility and produce escape valves for internal pressures.

f) The Political system continues to be able to accomodate demands from the most important pressure groups -- the landless and quasi-landless and large landowners -- by land distribution, some industrialization in the two metropoli, development of the coffee industry, and transformation of agriculture in highland valleys.

g) Continuation of: personalism, paternalism or hierarchical authoritarianism, loyalist politics, patron-clientage relationships within the public sector and between the public sector and its clientele, and perception of government as the source of wealth and employment.

h) The central government moves from not only being the chief promoter of national development, but investor and planner, a process stimulated by the increasingly influential international financial and technical aid programs. One result is anarchic growth in the size, complexity, and cost of the public sector.

i) The political power of the armed forces is legitimated, legally consolidated, and practically concretized through the professionalization of the force, development of its institutional identity, and demonstration of its capacity to respond to pressure and maintain itself in the forefront of national life.

j) Summary. The dominant characteristic of Honduras political life since 1950 has been the expression, sometimes alternating, sometimes simultaneous, of almost polar attitudes and behaviors. Factionalism and compromise, corruption and revulsion, greediness and social awareness, exploitation and equity, authoritarianism and participation, have all been present. It is the country's attempt to resolve the ambivalences and strains between these that perhaps describe its national character as well as anything.

9. Perceptions of Today: The Contemporary Political Scene (See pp. 74-79)

a) Despite the changes noted above and despite pride in having managed to get through free and honest elections, the most striking contemporary perceptions are that little has changed; that the democratic achievement is fragile and perhaps not durable; that Honduran political behavior is still primarily factionalist, personalist, caciquist, ad hoc, profit-motivated, clientelist, without ideology, and still embedded in two bankrupt and stagnant political parties that inspire substantial popular alienation.

b) Recent statistical analysis, however, shows increasing association between political party membership and distinct social and economic characteristics. Liberal voting through all four elections since 1957 has correlated with higher rates of urbanization, migration to departments, union membership, literacy, and high ratios of industrial to agricultural employment. Nacional voting correlates contrarily. Because of more volatility in urban areas in terms of social change, the greatest changes in party support are likeliest to occur there and primarily affect the Liberal constituency.

10. Perceptions of Today: The Public Sector (See pp. 79-88)

a) There is a persistent disposition to see corruption everywhere, even where it does not exist, and yet to assume that it is a smart and necessary way to function. Paradoxically, excessive corruption has triggered periodic crisis points in Honduras public life.

b) Clientelismo, amiguismo, favoritismo, and partidarismo are seen as the relentless companions of corruption, correlated with incompetence and inefficiency in public sector services delivery and overall functioning.

c) The experience of political turnover in the wake of the advent of the new Liberal administration is seen as highly destabilizing, as an abuse of the electoral mandate for patronage purposes, as a major regression in public administration to the tradition of the spoils system, as demoralizing to the sector and to the country's tentative new image of itself, as raising questions about the competence of the new administration to govern, and as costly in time and money.

d) The perception of civilian administrators is, at best, one of mediocrity. The assumption is that they are, in the main, poorly motivated, poorly prepared, poorly paid, insecure, and temporary.

e) The Civil Service is unable to offer solutions because it is a dependency of the Office of the President. As such, it is particularly sensitive to patronage pressures, effectively impotent, limited to the lowest tiers of personnel, and legally toothless.

f) The continuance of the deeply-rooted centralist tradition negatively affects both the office of the executive, which is unduly concerned with day-to-day operations, and the public sector, which feels less sense of bureaucratic responsibility and disposition to innovate. Responsibility and initiative at municipal and regional levels are correspondingly constrained. Centralization does not compensate with competence, agility, or speed and, instead spins a great web of red tape.

g) INA is a special target of a wide variety of criticism for: superpoliticization, corruption, incompetence, unconscious or conscious obstructionism, undue friendship with the military, political "trampolining", and being in the wrong "political place", and cowardice. This is probably natural for an agency that by definition can fully satisfy no one nor count on single, enduring source of support, but the prevalence and intensity of criticism is worthy of note at a time when the agency is so pivotal.

h) INA has also become, in the view of a number of observers across the political spectrum, the quintessential example of the durability of the paternalistic, centralist, authoritarian model, with its characteristic by-products of dependency, resentment, and ambivalence. Its clientele increasingly press on it for different sorts of response and feel entitled to do so, at the same time its members resist any intrusion by INA into their affairs.

i) The paternalist heritage carries over into the government's other significant relations: its relationships with AID are marked by ambivalence and even hostility, deriving from the strain between the recognition that foreign assistance is so necessary and the way it is provided. AID is viewed widely as too little, too late, too erratic, and as externally designed and imposed in the form of "little packages." AID's red tape is commented on with some acidity.

j) At the same time, the Honduran government -- any government -- is seen as vulnerable to donor pressure because of: its lack of capacity to plan; to understand its own priorities and options and how to exercise them; and to design programs and projects itself; as well as a cultural, economic, and political inability to say "no."

k) A plausible theory is that at least part of the unresponsiveness manifested in implementation problems in Honduras development projects derives from lack of real participation in project identification and design and a resulting passive resistance to what is seen as imposition.

l) The result of anarchic, excessive public sector growth, particularly the proliferation of semi-autonomous agencies, has been duplication of structures and functions, lack of coordination and continuity, and overall inefficiency. Institution-building pressure from donors contribute to this: AID projects, for example, are perceived as excellent sources of patronage jobs.

m) AID -- its goals, functions, constraints, bureaucratic exigencies -- is poorly understood. In the prevailing geopolitical climate, it is seen by some as a purveyor of "preventive aid" and reforms, which constitute the policy balance to the military aid which fosters repression.

n) The universe of commentary about AID included the following: AID's goals are too long-term in a time of immediate crisis; development concepts that are programmed are AID, not Honduran, ideas; AID should by-pass the public sector altogether; AID has no institutional memory, so keeps reinventing the wheel; AID strategy, if it has one, needs rationalizing, narrowing, intra-donor coordination, simplification, more input from Hondurans at policy levels and in intellectual circles; and its projects need better management and less complicated procedures.

Comments on specific projects included criticism of AID housing activities as consumerist, non-developmental, and basically political in their motivation; titling is a foreign idea which will foster creation of a land market, and is not in any case a main priority for campesinos in either the organized or unorganized subsectors; AID is excluding certain unions and campesino organizations from its sources of support due to real political misunderstanding.

11. The Private Sector

a) The Honduran private sector is different from other private sectors in Central America. There was no real local economic oligarchy in Honduras until the late 1950s, partly because of the predominance of foreign agro-exporting firms, partly because of low population density, and partly because of the government's habit of selling off national lands periodically to help out with fiscal problems. This meant that the smallholder component of the agrarian structure could remain important and counterbalance the hacienda component, and that there was less motivation to destroy older communal forms of landowning. Coffee became a major export crop much later than it did in the rest of Central America and was organized in small and medium holdings not dependent on great masses of colono or forced labor. (p. 89).

b) The major changes in the sector in the last two decades derive largely from the development of the Central American Common Market, although Honduran participation in the CACM was quantitatively and qualitatively less than that of its other members. The umbrella organization for the sector is the Honduran Private Sector Council (COHEP), which has seen modest increases in the number of its subsidiary organizations, which are primarily locally-based chambers of commerce and some groups with shared productive interest, e.g., the National Association of Industries.

There has also been an increasing amount of non-formal differentiation in the sector in the form of investor groups which may or may not be bounded by kinship relations, which may have different geographic bases, which sometimes share members, and which display increasingly elaborate interrelations based largely on intermarriage. (pp. 89-90)

c) Political differences in the sector are not extreme, ranging from conservative to centrist. The most important political differentiation comes from the divergence that began in the late 1950s, between the National Federation of Farmers and Cattlemen (FENAGH) and the most progressive new businessmen working within the COHEP who joined cause with the popular sectors in the early 1970s. FENAGH is largely identified with the National Party, is conservative, and has been consistently opposed, sometimes violently, to land reform. The rest of the private sector is not easily categorizable and party membership is not predictable, except, of course, the Left. (p. 92)

d) Support in the private sector for land reform has dwindled during the last decade, due partly to: disenchantment with INA, juridical conflicts over land, alleged corruption in the reform sector, demagoguery and use of land reform as a political tool, alleged destruction of viable productive capacity, hypothesized weakening of municipalities through loss of ejidal land absorbed

by the reform, and general public sector incapacity to make the reform work. What support there is, is for cooperative forms of organization for agrarian settlements, to provide a base of small rural entrepreneurs who expand the market and provide food and raw material for agro-industry. Land redistribution is not seen as the solution to problems in the agrarian sector or as a good way to forestall potential volatility. (pp. 92-93)

e) There is an enduring sense of geographic differentiation in the private sector. The North Coast component is primarily industrial, seen as more vigorous and innovative, and anti-central-government. The component based in Tegucigalpa is more oriented toward politics as business, more accustomed to working with central government, and has until recently been more traditional. (pp. 93-94)

f) The private sector is also differentiated into commercial and industrial subsectors. The commercial subsector is more driven by and comfortable with private initiative; more laissez-faire and committed to the maintenance of an open, non-intervened, free market; happy to have the government stay out of its business; less sophisticated in its views on the need for any special training in business; and generally disinclined to have a concept of the sector as in some way distinct, with shared needs and objectives, and with some special function in society.

The industrial subsector selectively seeks government intervention and wants its markets protected (and its earning untaxed), is more inclined to educate its children to assume managerial positions, and more disposed to see the private sector as not only a sector but with a special societal role. This subsector holds to the theology of free enterprise as the best road to growth with equity and is the repository of conceptualizations about Honduras as classless, roughly equitable, homogeneous, tolerant, and different. (p. 95)

g) In the context of current turmoil, the sector sees itself as the only hope of the nation, the point of equilibrium among the armed forces; the central government, U.S. and Nicaraguan regional interests, and the Honduran popular and new urban sectors. The armed forces are seen as corrupt, excessively powerful, potentially repressive, but, nevertheless, necessary to combat the Communist threat. The central government is seen as incompetent and not self-controlling; the popular sectors are seen as potentially troublesome; the Sandinistas inspire grave concern; and the United States presence is seen as necessary, but is attended with substantial ambivalence about its intentions, capacity, and degree of commitment. (pp. 95-96)

h) The family is the logical foundation for the development of enterprise, for reasons of common sense, economics, trust, and general cultural predisposition. In the current strangulated credit market, the pooling of family wealth is the only feasible route for the few private sector enterprises willing to take a chance on expansion or reconstitution of inventories. (p. 95)

i) The sector perceives itself as anarchic, without vision, spontaneous, empirical, emotionally motivated, lacking a sense of responsibility and a concept of its own power, politically timid, suffering from lack of professionals and comprehension of the need for training, without an entrepreneurial heritage, and unwilling to risk and reinvest productively. In general, the sector responds

to Fillol's analysis of the Argentine private sector in 1961: preferring high profits per unit of sale rather than mass markets at low unit profits; maximizers of immediate advantage in lieu of long-term goals and profitability; uninnovative and characterized by a trader mentality. The sector is in transition from personal to functional management; from largely immigrant entrepreneurship, founded on an individual or family personnel base on a small scale; and from a condition of foreign-capital dominance. However, it continues to share some of the wider cultural values of paternalism, patron-clientage, personalism, and hierarchical and centralized authoritarianism. (pp. 97-98)

j) The problems identified in the private sector by its own representatives were: limited plant capacity; difficulty in accumulating capital; lack of internal and external markets; excessive government involvement; lack of a clear national economic policy; a volatile and whimsical legal system; high costs of capital, labor, and social benefits; dependence on imports; lack of raw materials; lack of middle-level trained personnel; vulnerability to the world market; public sector incompetence and unresponsiveness; lack of venture capital; internal sectoral conflicts; quotas; poor communication with government; competition with state industries and the reform sector for energy and resources; and weakness of private-sector institutions. (pp. 99-100)

k) The major problem for the sector is the Central American situation. There was little conviction that even the stimulus of the Caribbean Basin Initiative money and other rewards for Honduras' role in the regional conflict would be sufficient to inspire the necessary levels of private sector growth that would generate enough jobs and help recuperate the faltering economy. The best focus for such funds was said to be small and medium enterprises whose owners were less likely to take the money and run, and which would also generate more employment at lower cost. The prediction for the private sector is that its stance will continue to be conservative, cautious, and incremental. (pp. 100-

12. The Agrarian Question

a) Between 1960 and 1981, the contribution of the agricultural sector to GNP increased in absolute value from \$113.5 to \$751 million, but its relative contribution decreased 10%. (p. 102)

b) Between 1966 and 1974, the number of minifundia increased; the average size of family and multi-family farms increased; and the number of latifundia decreased, while average latifundia size increased. This suggests that there was an increase in migratory agriculture; that poor productivity brought some family farms to bankruptcy and that these were then absorbed by surviving farms; that the agrarian reform increased the number of medium-sized multi-family farms; that latifundistas redistributed their holdings within their families to avoid confiscation; and that latifundias with more marginal land and with correspondingly less possibility of being affected by reform, remained the same. (pp. 102-105)

c) Intensity of agriculture on smaller farms is greater than on larger ones, with emphasis on annual crops; larger farms are largely in unimproved, improved, or cultivated pasture land. Agricultural yields on small farms display a persistent tendency to decrease, while the amount of pasture land is increasing steadily and is associated both with forest clearing and substantial increases

in beef production in response to world market enticements. However, pasture land is grossly underutilized on family farms because of lack of adequate technology, labor, and/or credit, and on latifundia because livestock production is in many cases a strategy for holding on to large tracts of land without threat from land reform criteria. (pp. 107-108)

d) Land concentration and underutilization is increasingly generating serious unemployment in rural areas. In 1970, the number of excess agricultural workers was close to 250,000. In absolute numbers, the greatest excess comes from the small-farm and landless categories. Unemployment varies seasonally from 15% to 70%, with an annual average of 41.7%. The months of greatest unemployment are February and March; May, July, and October are employment peaks. (pp. 108-110)

e) The phenomenon of the underutilized latifundio affects unemployment in rural areas by keeping the landless from getting access to land or from finding salaried jobs in agriculture, and gives rise to other unproductive and possibly regressive land uses such as grazing or sharecropping, or some combination of both. Between 1950 and 1974, the percentage of leased farms almost tripled; the phenomenon was most acute in the departments with greatest land concentration. This suggests that sharecropping is proliferating drastically. (p. 110)

f) Income distortions in the agricultural sector are severe. Average income per rural landless family and per family on holding of 3.5 hectares or less in 1970 was \$240, while average income of families on holdings over 350 hectares was \$64,920. (p. 111)

g) The two theories advanced for the lack of social violence in the agrarian sector compared to other Central American countries are: 1) that resources are less unequally distributed or that 2) rural communities are more intrinsically stable because of communal solidarity. (p. 112)

h) Predominant campesino aspirations have been said to be: to obtain adequate harvests to feed the family, to maintain health, and to be respected and prestigious within the community. The adaptive strategies used to achieve this in the face of diminishing yields and technological constraints have been: minimizing risk, lowering aspirations, establishing symmetrical alliances of interdependence with peers, and developing asymmetrical alliances of dependence with superiors. This basically conservative posture suggests that the substantial cohesion that has been traditionally typical of the agrarian sector has persisted and is susceptible to modification only through external factors. This has proved to be only partly true, as internal factors such as deterioration of traditional campesino economies and increases in population and unemployment have articulated with external ideological and political factors to generate a struggle for land and services. (pp. 111-114)

i) Toward the end of the 1950s, a campesino movement started in Honduras and soon acquired a national character. During the rise, formation, and consolidation of the movement, there were five distinct periods, defined by who the actors were, how they acted, and what caused the action. These were: 1) eviction and beginning of organized collective action (1959-1964); 2) the

organization of the dispossessed (1962-70); 3) the struggle (1967-75); 4) alliances and ruptures (1974-80); and independence from government tutelage (1980-82). (pp. 114-115)

j) Each of the three major campesino organizations born during the second period was organized for somewhat different reasons and currently operates according to different philosophies. ANACH is concerned with effective participation in the market economy and with organization of cooperatives. UNC views the campesino as an agent and not just a subject of development, is more nationalistic, and has a broader view of its role. FECORAH is concerned with integration into the market system and access to credit and technical assistance. (p. 121)

k) Demands of the campesino movement have changed over time, from the right to remain on occupied land, to acquire land and services and, most recently, to eliminate corruption and state intervention in project management. The first peasant pressure groups in Honduras consisted of subsistence farmers, resisting eviction from parcels they were cultivating, followed by pressure groups of landless campesinos in various alliances. The most recent pressure group type is composed of cooperative members with ties to agricultural production projects, protesting against corruption and government intervention and demanding greater material benefits from their productive activities. (pp. 130-131)

l) In 1982, the estimated number of active members in the eight major campesino organizations was 85,000. Campesino organizations have affiliated only 15% of the most needy rural population and it appears that 85% of that population is resorting to other strategies, particularly land leasing, clearing of new lands at the agricultural frontier, and migration to urban settlements. Sensitivity to the numbers of needs of this group suggests that INA must function less in response to pressure from campesino organizations and worry more about the unorganized peasantry that represents the bulk of the rural population. (pp. 130-131)

m) Until 1977, 72% of the land distributed by the land reform program was national land and only 28% was private; there is no evidence that those proportions have changed substantially since then. As of July 1982, the amount of land distributed was 224,000 hectares and the number of beneficiaries 38,000, which represents approximately 8% of the agricultural land in the country and 6.7% of the economically active male agricultural population over 15 years old. Given these percentages, it does not seem that the reform has significantly changed agrarian structure or that there has been, in fact, a real reform. (pp. 131-134)

n) The need for credit in the sector is acute. The bulk of the portfolio of the principal lender has gone to the non-reformed sector and only half of the reform groups had received financing in 1980. Most of the credit is used for labor purchases, and the volume of credit for commercial/permanent crop production has increased substantially. Delinquency is a major problem which negatively affects both borrowers and lenders. Alternative credit options for the smaller, less-capitalized producers are generally prejudicial in terms of interest, despite relative ease of access and a certain flexibility. (pp. 136-139)

o) The quality and quantity of technical assistance to both sectors has typically been deficient. Technical assistance efforts are limited by an emphasis on planning, with implementation and follow-up relegated to secondary importance. (pp. 140-141)

p) Levels of training are low, the impact of what training has been given is miniscule, and education in project management and accounting in the reform sector virtually non-existent. The lack of the latter has been particularly prejudicial. (pp. 141-142)

q) Both the reform and non-reform components of the agricultural sector share the problems of the same marketing system. This system appears to be inefficient and probably inequitable, thin and volatile, and surely little understood in any systematic way. There is a cultural bias against commerce, and marketing has typically been a residual development category in national plans or reserved to enclave production. Credit for marketing has been virtually non-existent; the major national credit focus has been on production. Correspondingly, and in both a cause and effect relationship, there is a shortage in both the public and private sectors of personnel with appropriate technical expertise in marketing and in related issues of processing and storage. What expertise there is, is oriented toward macro-marketing or economic policy issues which are more theoretical and therefore more "respectable," so that public programs are devised without benefit of detailed knowledge or understanding of micro-marketing issues and opportunities. (pp. 142-147)

r) The documented existence of both a passive and an aggressive peasantry makes prediction about future trends in the sector difficult. However, the following conclusions emerged from analysis: 1) the present (October 1982) rural tranquility is only apparent and probably temporary, since no campesino organization has ruled out land occupations; 2) if the government shows indifference, ineptitude, slowness, reluctance, or hostility, campesinos who have opted for legal approaches will turn to illegal ones; 3) pressure can be expected as early as January, when corn supplies start to run out, or, more likely, in March and April when land must be cleared for planting; 4) campesino organizations are increasingly interested in pressing for good land.

It appears that the sources of stability in the sector are being eroded or overcome by sources of strain. Land degradation and concentration, commercialization of agriculture and expansion of livestock cultivation, and changes in traditional support systems that made survival possible, are becoming structurally embedded and less easily reversible. There is ample cause for diminution of traditional passivity without any external provocation whatsoever. The customary "escape valves" which served to release rising political steam over the past few decades are showing signs of malfunction or wear. Land reform strategies are piecemeal, problematic, inadequate to demand, seem to have lost or be losing what constituency they had, and command less easy resources. The agricultural frontier that is viable without major infrastructural investment is shrinking. Migration to urban settlements is daily more a development problem than a solution. The heritage of patron-client relationships which once stabilized the sector is increasingly seen as repressive. The flexibility and vague populism which contributed to the establishment of democratic process

is still fragile. The current honeymoon period of the new government must end as do all such honeymoons. And, finally, repression to counter the Communist threat may prove to be further destabilizing, although it might keep the lid on for the short term. (pp. 148-156)

s) A reasonable prediction is that the most vocal and earliest disturbance of the present relative calm will come from the organized sector (primarily those with little or no land, estimated at about 50,000), followed by pressure for the provision of services and elimination of corruption in projects under the organized sector. The unorganized component of the agrarian sector, numbering about 200,000, contains some potentially unruly actors that are difficult to quantify, and there are potentially volatile situations which may elicit confrontation. There is no reason to expect any lessening of confrontations among peasants, cattlemen, commercial interests, and COHDEFOR, nor is there any reason to expect that migration will decrease or urban conditions improve, all things being equal. (pp. 154-157)

13. The Forces of Migration and Urbanization

a) Two hypotheses are important for development thinking about changes in migration and urbanization in Honduras. One is that migratory displacement will invariably exert different kinds of stress and, as these accumulate and gather momentum, they must sooner or later strain the social and economic order. The other is that, even in as relatively homogeneous a country as Honduras, there are no uniform explanations for the processes of migration and settlement. (pp. 157-158)

b) Until 1930, population growth rate in Honduras was slow: between Conquest and 1930, the population of Costa Rica expanded over 17 times; that of El Salvador about 10 times; and that of Honduras about 8-1/2 times. Estimated population in 1571 was 127,000; in 1881, it was 307,000; in 1930, 850,000; and the 1980 projected population was 3.5 million. (pp. 191-92).

c) Toward the end of the 19th century, Honduras, like all the countries of Central America, began to feel the dynamic that would remain central to all subsequent transformation of their demographic structures: the interaction among population growth, changes in economic activity, ecological factors, and population redistribution. In Honduras, the percentage population growth rate doubled in the last two decades of the century, due to the introduction of bananas in sparsely-inhabited tropical lowlands, which attracted both national and international labor. (pp. 157-159)

d) As of 1930, there were in Honduras only 20 localities of over 2,000 inhabitants and seven over 5,000. Of the 10 dominant aggregates, five dated from the 16th century. By 1950 the lowest urban proportion in Central America was in Honduras, where only one person in ten lived in cities of 10,000 or more (compared to Panama's two in five), and there were only five urban aggregates of 10,000 or more. However, by 1974 the number of persons in urban aggregates was 686,000, a tripling in absolute numbers since 1950, and the proportion of the Honduran population had better than doubled, from 10% in 1950 to 24% in 1974.

And, by 1974, the number of urban aggregates almost doubled, from seven to thirteen in just one intercensal period. The projections for 1990 are for 29 such aggregates, almost double the number estimated for 1980.

e) The effect of this proliferation will be to "smooth" urban distribution, mainly in cities of under 100,000 population. Tegucigalpa and San Pedro Sula will maintain their bipolar dominance. Tegucigalpa will continue to be the largest city of the two in terms of absolute numbers, but San Pedro will continue to show higher percentage growth rates. (p. 165)

f) The entry of "new cities" (those increasing from under to over 10,000 in any 1950-80 intercensal period) distinguishes Honduras from the rest of Central America. But, while Honduras' pace of urbanization outstrips its neighbors, it started with the lowest urban proportion at mid-century. This has important and potentially painful implications, since Honduras until the year 2000 will have the lowest absorption ratio (the capacity of a given country to absorb total national population growth). This means that the impact on individual cities will be severe and that rural areas (and activities) will still have to absorb roughly half of net population gains for at least the next two decades. (p. 167)

g) Neither rural nor urban areas will get much relief from an average annual rate of population growth that has been the highest in Latin America for at least the last 25 years -- 3.47 between 1970-75, projected to drop to only 3.16% by 1995-2000. Although the combined population of the 13 urban aggregates is growing at a faster average rate (4.5% per annum in the period 1974-2000), than the non-urbanized areas (2.8% per annum), the non-urbanized areas as a whole will continue to grow by greater absolute amounts through the rest of the century. This means that the process of urbanization will place ever-greater demands on an ever-greater number of urban and quasi-urban places. (p. 167)

h) The recent Urban-Regional Assessment (URA) carried out by AID and CONSUPLANE established a definition of "urban" that more closely approximates Honduran reality than do traditional census definitions. To be "urban", a settlement must 1) have a minimum population of 2,000 and 2) possess at least 25 out of a set of 50 basic and central service functions. (p. 168)

i) Using criteria of weighted service functions, the URA produced five settlement categories for Honduras: National Centers (N=2), Regional Centers (N=7), Market Towns (N=23), Rural Service Centers (N=75), and Non-Central Places (N=21,222 with no service function whatsoever; of these 818 have at least one service function). Only a very small proportion of settlements in Honduras have any services at all; the most ubiquitous service, potable water, is found in only 3.5% of the 20,511 settlements in the country. Classified functionally, only settlements at the market-town level and above would be considered urban, a total of 32 settlements comprising about 0.16% of the settlements in the country and 30% of the estimated 1980 population. Thus 20,479 places (99.84% of all places in Honduras), accounting for 2.5 million people in 1980, are rural. (pp. 169-75)

j) There is consensus that territorial mobility in Honduras is extremely high, with an estimated minimum migration rate of 154 per thousand for 1970-72, and a probable maximum of 246/M. According to recent CONSUPLANE analysis, there has been geometric growth in the absolute volume of migrants and there has also been growth in the portion of the total national population represented by the migrant component. By 1974 the number of migrants was 4.6 times that for 1950; in 1950, migrants represented only 8.2% of the total national population and by 1974, that proportion was 19.3%. Although in 1950 Honduras had the smallest absolute number of migrants in all Central America, by 1974 it had the second highest number after Guatemala. (p. 175)

k) Estimated total number of migrants for 1974 was 740,313, almost equal to the total number of migrants recorded for that year in Guatemala, whose total national population in 1973 (5.7 million) was almost twice that of Honduras. The 1974 Census recorded a migratory movement of approximately one-quarter to over one-third of the 1974 Honduran population during a 24-year period. CONSUPLANE estimates that the 1984 total will again double; that is, that a million or more Hondurans will have been involved in internal migration by 1984. The absolute increase in numbers of migrants between 1961 and 1974 was 279,000, which averages out to 21,500 per year over the 13-year intercensal period, a 70% increase over the annual rate of 15,000 between 1950-61. A minimum estimate of average annual migrant flow is 25,000 per year. As the absolute numbers of persons who have been migrants mounts, so does the number of individuals who are migrating annually. In other words, more people are migrating at accelerating rates and migration appears to be generating more migration. (pp. 175-76)

l) While the tendency to migrate between "grand regions" was greater than the tendency to migrate within regions, nevertheless 50% of the migration within regions and 59% of all migration was between contiguous strata in 1970-72. Between 1969 and 1974, 33% of migratory flow was accounted for by redistribution within the same department. (p. 175)

m) The forces underlying migration and urbanization in Honduras are essentially the same forces which lie behind the explosive growth of cities in most Latin American countries: population growth; swelling in the ranks of the labor force (50,000/year in Honduras); shrinking agricultural frontiers; unequal distribution and diminishing availability of land; the increase in urban extensions of the rural family which attract more migrants; and absence of services, amenities, and jobs in rural areas. Because of lack of research, there is no systematic knowledge about how many non-seasonal migrants return home. The anecdotal evidence is that back-migration does not involve great numbers and that relatively few go "all the way home"; what "returns" occur are more likely to be to secondary or tertiary urban settlements or to other rural sites of employment opportunities, e.g., agrarian reform settlements. (p. 176-77)

n) Living conditions for the urban poor (who constitute over 50% of Tegucigalpa's population) are precarious. Average family size is seven people, 33% of heads of family are women, half of the heads of family had entered the labor force before age 15, almost half of the heads of family are without permanent employment, average level of formal education for heads of family is 3.3 years, 79% of the heads of families had migrated to Tegucigalpa,

more than half of the families have relatives in the same barrio, more than 40% of the houses are of unfinished wood, more than 35% have dirt floors, only 34% have water, only 22% have flush toilets and, in some barrios, as many as 35% of families have neither toilets nor latrines. (pp. 177-78)

o) Average monthly family income is L408; in squatter barrios, it is L234. The average monthly per capita income is L64.44, roughly 60% of the national average. 55% of family budgets are dedicated to food, yet food intake is at the "acute misery" level of World Bank Standards in all but one of the barrios studied. (p. 178)

p) The problems of Tegucigalpa's poor overwhelm the city's response capacity. The bulk of the Distrito's budget goes to salaries and is, in any case, inadequate even for maintenance of existing services. The education system of the city, weak and underfunded to start with, confronts burgeoning numbers of students at all levels and acute shortages of teachers and didactic material. All services are, in fact, underfunded and overstressed. (p. 178)

14. A Return to Hypotheses

Throughout the several sectoral and issues analyses that formed the SIP, the team carried the themes and hypotheses identified early in the SIP process (see chapter II and section VI-2 above). We want to return to these, to discuss the support that the analytical process was able to marshal for the initial theories advanced.

First, the issue of passivity. Our examination of more distant Honduran history hardly supports the concept of a peaceful nation. Honduras made itself, and was made, a battleground from the very first. The available, analyzed documentation is very unsatisfactory in scholarly terms. However, there are also clues in the nature of its geography, which made it vulnerable but also protected and relatively unpopulated; the nature of its early settlers, who may not have been Costa Rican yeoman farmers but were enough different to make a difference; and the nature of a few early colonial administrators of more responsibility than rapacity, who forestalled a racial bloodbath; all introduced an elusive quality into Honduran life which was identifiable as distinctive in the earliest travel accounts.

Still, to repeat, the country was not in many ways peaceful and, if for any portion of the colonial period it was left alone, it certainly did not remain so after Independence. What seems to better describe Honduran national character as it evolved is that, throughout its history, the country has displayed two identifiable strains: a desire for peace and order, alternating with a perception that unruly, sometimes violent, solutions were the only available options. Somehow -- and there is some consensus that it was because of a lack of ethnic schism and the availability of land -- the country stumbled toward a conclusion that constitutional procedures were a goal preferable to anarchy. The fact that there was enough of a frontier mentality around and enough of a smallholder population to offset the servility and peon mentality of a wholly latifundista society, seems to have made it possible for Hondurans to speak out, at least to one another. The shuffling huasipunguero of Ecuador or the stereotype of the deferential Guatemalan Indian simply is not part of the Honduran scene.

In recent years, two generations have grown up in or after the *Carias Pax Romana*, which, whatever one wants to say about its repressive characteristics, gave the country a chance to calm down and more or less take a look at itself. Generations who were tired of conflict, and generations who never really knew it, now live side by side.

The consensus we encountered was, to quote one Honduran analyst, that Hondurans are not passive but pacific, essentially unattracted by violent solutions and almost temperamentally reformist. Honduras has not typically been an intervener in Central American affairs and was usually the leader in attempts to unify the region. This makes its current role on the Nicaraguan frontier somewhat ironic, as does the fact that it is only since the 1950s that it has had anything that could even remotely be termed an army.

Another irony is that Honduras' increasing commitment to peacefulness has led it to the expressions of repression that have appeared periodically since the 1920s. It has been a relative rarity for repression to occur in Honduras because of political differences, a not uncommon occurrence elsewhere in Latin America. What has produced repression of different sorts is concern for the threat Communism is perceived to represent for a country that simply wants to be left alone. This generates a rather terrible paradox: that the drive for peace will engender repression at levels which are generally repudiated by Hondurans and so end in disturbing the peace. One analyst commented that, because peace is such a value in Honduras, the loss of it could in itself be destabilizing.

A corollary of this increasingly peaceful orientation has been the pattern of doing everything possible to change situations without jeopardizing stability: to talk; to open interpersonal lines among even those most diametrically opposed ideologically; to develop interest groups; to record a long history of relative freedom of association; to develop an army (even with its well-recognized tendency toward the *movida*) which responds to pressure and demand for dialogue. It is not irrelevant that one finds a historical pattern of insistence on dialogue; the cessation of dialogue has typically been one of the major contributors, along with repudiation of corruption, to political instability.

The question of political instability brings up the issue of democracy and the hypothesized "social compact." One of the most widely shared ideas we encountered was the absence of belief, not in the fact that there had been a real democratic process in 1980 and 1981, but in its capacity to hold up under the economic, geopolitical, and military strains to which the country is increasingly subject. If there is any agreement about anything, it is that the democratic experiment in Honduras, whatever its roots may be in a tradition of compromise, also has its roots in a long period of unconstitutional behavior that is far from remote. In this regard, the concept of the social compact does not hold up very well. There have been social compacts in Honduras, some more formal than others, to wit, the *Pacto* itself, but these have been largely ad hoc. One of the things that comes quite clear (see Table III-4) is that there has been a pattern of shifting alliances since the 1950s; this responds both to some vague sense of social justice (not any the less worthy for being vague), and to special interests of the moment. There does not appear to be, other than the

self-image of peacefulness, a well-articulated national philosophy about national goals. This in itself is seen by some to be potentially unstabilizing, especially if peacefulness goes out the window for any reason. One is reminded of the destabilizing effect of the temporary loss of its neutrality experienced by Costa Rica during the late Somoza/early Sandinista period. The sense of national shame and error, of having violated an idea central to national self-concept, was palpable and not unrelated to the problems eventually experienced by the president responsible for the violation. This anxiety about its democracy, lack of confidence in its durability, and absence of a clear sense of national direction is in itself a potential source of social stress; this elevates the value of continuing dialogue, and of establishing some set of national objectives, to the first order of business. We encountered the feeling that Honduras is out of control of its own destiny, and that, whatever it does, sooner or later things are going to fall apart. There is also a sense, perhaps a corollary but also a theme which has appeared and reappeared in Honduran history, that the country cannot make it on its own but must depend on the United States.

This sense of dependency, which is fairly well distributed across sectors and classes, is accompanied by a sense of imposition, also fairly well distributed in the society. Even those who find the U.S. presence geopolitically logical, appropriate, and even desirable, still display a peculiar blend of cynicism, ambivalence, and even tacit resistance to the United States government. There is a sort of passive resistance that is increasingly displayed in public-sector responses to AID programs and efforts; to be sure, some of this resistance also derives from attitudes toward particular projects or from financial or bureaucratic realities. Whatever the individual or combined reasons for this passive resistance in some parts of the public sector, it does not mesh very productively with the traditional strains in that sector which we analyze in some detail in Chapter III; one of the most important of these is the perception that the state is the source of all wealth, a perception that derives special reinforcement from the fact that the society still provides relatively few alternative sources of wealth to its citizens. Passive resistance also merges, to detrimental effect, with the apathy and timidity characteristic of a public sector that does not have enough stability for its employees to grow and learn. There is consensus that one of the most destabilizing factors in the last year (1982) has been the long-lasting turnover of public sector personnel which has been demoralizing, disruptive of the process of governance, damaging to the image of a new democratic society, and destructive to a national desire to move away from a historical tradition of vindictive political housecleanings.

At the time that the SIP was being carried out, the impression we got was of a country made up of a lot of small social and political pieces, bound together by the residual unity produced during the pre-electoral period; by some post-electoral euphoria; by a disposition, albeit one beginning to wane, to observe what was being termed a compas de espera (waiting period) that would give the new government a chance. The attitude toward episodes of repression and apparent guerrilla activity was a peculiar combination of apprehension and skepticism, an alternation between a feeling that these were omens of more to come and a belief that these could only be ephemeral in Honduras, the oasis of peace and democracy.

During the subsequent months of writing the SIP, there have been changes in this picture which make one wonder if it was only a snapshot of a brief halcyon period. Since October 1982, the following things have happened: the mood of political conciliation set when Suazo Cordova took office seems to have been replaced by a heavy-handed adversary posture on the part of the incumbent faction, with effective opposition being effaced in the name of national security; politically-motivated replacements of public sector personnel have not stopped and the sector continues unstable and disaffected. The open primacy of the military, the president's own anti-communism, and U.S. interests in Honduras and the region, define an alliance which effectively governs the country. There is growing doubt about the authenticity of democracy and the impossibility of the "democracy-with-militarization" model, particularly in the wake of defense decisions perceived to have been made in unconstitutional fashion. There are even rumours of constitutional amendments to extend the current presidential incumbency, which would be a return to the old tradition of continuismo. The channels of dissent still seem to be open and there is dialogue, but the voices that customarily speak through them are muted; in the case of unions and campesino organizations, these have either been co-opted, feel repressed, or believe that there is little hope of response. The "internationalization of the peace" model advanced by the Foreign Ministry throughout the middle months of 1982, which argued for regional disarmament, reduction of foreign advisors, and border supervision, appears to have been jettisoned in favor of regional defense and the military unity of Central America. There seems to be less concern with social development or reform and some feeling of actual social and political regression.

The net effect has been a narrowing of political space as groups and individuals try to adapt to their confusion about what is occurring. There is fear of the military, fear of repression, fear of regression, and fear of what this will mean for Honduras both in the short and the long term. At the same time, there is no evidence of sympathy for the Nicaraguan model or for Sandinista methods. This and the strong desire for peace, that Honduran "vocation", produces an intense ambivalence.

The same ambivalence extends to the dilemma of the increasing U.S. presence, of arms, men, and money. The ambivalence is not new, as we discussed earlier, but the general tolerance that has been more typical than not is being replaced by a view of the U.S. as a necessary evil, although still known and preferable to the leftist authoritarian alternative. There is much talk about polarization of attitudes towards Americans and some evidence that the passive resistance in the public sector which has affected the progress of development programs could become more prevalent and perhaps even less passive.

Throughout this analysis we have spoken of the dominant characteristic of Honduran political life as the expression, sometimes alternating, sometimes simultaneous, of polar attitudes and behaviors. Factionalism and compromise, corruption and revulsion, greed and social awareness, exploitation and equity, authoritarianism and participation, militarism and anti-militarism, have all been present. It has been the country's attempts to resolve the strains between these that have largely described its character, but the contemporary presence of very powerful external forces can only cause grave concern about Honduras' capacity to continue this pattern, at least for the foreseeable future, and its ability to emerge unscathed from what is a major crisis in values.

15. Implications for the AID Program

While we were not asked for recommendations on the general contours and specific contents of the USAID/Honduras portfolio, we were asked to discuss the implications of the findings of the SIP for the country program. We were asked where we thought the major areas of both stress and need were and what they could mean for development activities. We will try to do this systematically, rather than by sector.

A major issue is that of the public sector and institution-building. There is consensus among the Honduran analysts who participated in the SIP exercise that there has been too much institution-building, not always well thought-out, and that any benefits have been outweighed by the costs of an overblown sector, an overly-complicated bureaucracy, and an excessive assumption of debt for very little return in the way of improved public services. The persistent patronage abuse of the sector and acute partisanship make its members insecure and there is reason to expect resistance, if not resentment, to U.S. advisors if pressure for accomplishment, large inflows, and increased debt burden further stress the sector. As Chapter III makes abundantly clear, the problems in the public sector have deep cultural, economic, and political roots; thus it is by definition going to change slowly.

We hypothesize that there will only be major change in the Honduran public sector as competence levels are raised, as people have other alternatives for employment and social mobility, and as the government evolves its own concepts and laws of civil service, as eventually it must. The technical assistance that can be provided should be incremental and focused on well-defined technical areas that can produce reasonably rapid and visible results or that produce some sort of real financial savings to the sector. An additional area of effort which seems reasonably safe and fruitful is straightforward, well-targeted, low-and medium-cost training, in large enough numbers in any single ministry or autonomous agency to generate a critical mass. In general, however, the implications of the SIP for public sector activities is that they should be reduced and carefully directed; where systems development is sought, the understanding should be that things will go exceedingly slowly. In no way should the sector be abandoned; it will continue to be, as it is everywhere, the sector that provides the services to the component of the population that the private sector has not been willing or able to serve.

The SIP also indicates that the Honduran private sector, by definition and by its nature and history, is not going to be the automatic panacea that is suggested by current rhetoric. We did not get any sense of a massive disposition in the upper levels of the sector to invest at this time in a degree adequate to recuperate a worsening economy. Nor is it clear that the government will make the administrative and legal changes necessary to encourage private sector growth, although leverage could certainly be brought to bear in the company of large amounts of funding. Finally, it is clear that regional instability is a major disincentive and, while the U.S. military presence might introduce the sort of stability business might find reassuring, the issue of regional markets remains.

It was the opinion of more thoughtful private-sector analysts that a wiser focus for private sector portfolio attention would be the small and medium enterprises that generate more employment in the aggregate at lower cost, whose owners are less likely to "go to Miami", and who are typically under-capitalized. Given the trends of intensifying migration not only to the two metropoli but to secondary and tertiary settlements, there is a strong argument for development of such enterprises in such settlements as a way of addressing the central economic problem -- unemployment. If funding levels assume very large proportions, they could be well used not only for such development, but for the installation of infrastructure. The low level of services in Honduras is, with unemployment, a major contribution to emigration. Infrastructure is not only attractive in itself, but the jobs generated by construction and the channeling funds to municipalities can reduce (though probably not eliminate) the loss in time and money involved in working with the central government.

This leaves the question of what to do with the two metropoli. The urban volatility often associated with massive migration did occur in the pre-election period and was expressed in land occupations and demand for services. At the time of the SIP, there did not seem to be much urban volatility on the horizon but there was certainly limited capacity in Tegucigalpa to anticipate any problem, never mind confront those the city already has. There are persistent and major economic and political problems; the latter may be logically prior and unresolvable until there are municipal elections, assuming that these are permitted to occur. The construction of housing -- and a major effort in self-help, truly low-cost, sites and services projects is worth contemplating -- is still hampered by large issues of land ownership and legal constraints, and it is not clear that this is an area that is very permeable to outside intervention. Given a choice and a need for choice, emphasis on secondary and tertiary settlement development, plus job creation, makes more sense in the light of the SIP process.

The issue of agrarian reform, given the increased resistance to the concept outside the popular sectors, is probably best addressed by a strategy that is deliberately piecemeal, despite the criticism of INA this has occasioned. We were not persuaded of the priority of the titling effort but that is a fait accompli and we will be happy to be wrong; if the project does nothing more than institutionalize more rational procedures in INA, it will have done a great deal. The possibility of induced migration is now under consideration; well thought-out, truly voluntary, and adequately supported with technical assistance, it could form another piece of a strategy, but the risks are high. INA's attempt to establish a process of identifying "hidden" unused, underused, or abandoned land is also worthy of pursuit, although it might be worth testing the process in one promising department or region to see if the effort produces enough such land to merit the cost and time involved.

Another dimension of the strategy should be extension of services to the reformed sector. INA has not been successful in this; perhaps a model worth exploring would be decentralized, regional service centers which would also serve cooperatives, with personnel support from PVOs and the Peace Corps through some systematic arrangement in large enough numbers to make a difference. The Ministry of Agriculture does not have a good record in extension, as is the case almost everywhere, and one has to be skeptical about the capacity of the Honduran public sector to do any better in this area.

A final -- a major -- dimension of strategy in both the organized and unorganized agrarian subsectors is markets. We found some consensus, which we share, that perhaps more than production, it is problems of marketing that choke or inhibit the sector and which may be more productive of inequity than other limitations such as credit and technical assistance with production. In Costa Rica, for example, it was the proliferation of small beneficios, often cooperatively owned, that redressed the inequities in the coffee subsector to an important degree. Analyses of coffee production in Honduras have led to conclusions that there is equity in the coffee-producing component if the only criterion used is land-holding size; however, the income differentials caused by market domination by middlemen and processors appear to have been ignored.

In fact, the question of marketing has been almost studiously avoided for years, both in AID portfolios and in GOH development plans; the recent excuse has been the existence of IHMA. However, the market system in Honduras, not only for basic grains but other agricultural commodities, is poorly understood, apparently inequitable, and erratic in function. If the Honduran USAID follows the current administration's push for exports, attraction of foreign investment, and private sector development in general, then market constraints across the agricultural and industrial sectors must be better understood than they seemed to be at the time of the SIP. The grapefruit experience of the Bajo Aguan in October 1982 is anecdotal but suggestive of problems that affect the sector more broadly. Systematic thinking about markets, together with ancillary interventions such as construction of small processing facilities, apparently effective programs of feeder road construction and small-scale irrigation, and the development of market points seems to us to be a logical way of thinking. Large inflows of economic assistance could make this feasible in dimensions large enough to be meaningful.

Another facet of need for both the private and public sectors is education and training. The shortage of classrooms and excess of teachers is one issue that we did not, frankly, explore in enough depth to justify comment. However, the issue of training needs was explored. Our conclusion is that problems of management capacity are of high priority. Reform settlements, cooperatives, campesino organizations, unions, small and large private enterprises alike, all complained about deficiencies in management and accounting that left them prey to error and exploitation; the public sector is classically mismanaged. An important area of attention for the USAID could be a mini-strategy for developing management skills at different levels, perhaps using PVOs, other private-sector sources of expertise, regional entities such as INCAE, and local entities such as INFOP. The middle levels of management are particularly wanting.

We have not dealt with problems of health and family planning, not because the service sectors are out of fashion but because needs in those areas are to us obvious. The emphasis on trickle-down growth should be counterbalanced in the Mission portfolio by upward-thrusting development efforts (e.g., market access improvement and job creation at smaller growth poles) and by selective attention to areas of health and family planning services delivery that can

both provide greatest impact and financial savings to the system. Given the magnitude of poverty in Honduras, a country where 70% of the population is below the poverty line and 40% below the level of indigence, and given traditionally low levels of productivity in both the public and private sectors, support must be given to both.

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