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Next steps for Honduras

I. A democratic triumph?

The political crisis in Honduras in the second half of 2009 is, almost certainly, the most important event in inter-American relations of the past year. A complex set of circumstances and characters turned a rather typical power struggle in a small Central American country into a full-blown political and diplomatic crisis with hemisphere-wide implications. In different ways, this episode threw into the open very significant questions about the geopolitical disputes that are raging in Latin America, the United States' continued influence in the region, the soundness of the Obama administration's approach towards its southern neighbors, the effectiveness of the Organization of American States as the guarantor of choice of the Inter-American Democratic Charter, the limits of the international community's ability to reverse a perceived democratic breakdown, and the roots of populist authoritarianism in the region.

The interpretation of the events that led to former President Manuel Zelaya's ousting from power, arrest by the Honduran military and forced exile on June 28, 2009, remains highly contentious to this day. What for a large part of the Honduran society –and of the Honduran elite, in particular— was a legal intervention to save democracy from an imminent authoritarian danger, was perceived by other sectors within Honduras as well as by nearly the whole of the international community as a crass deposition of a legitimate President and a throwback to a dark age in Latin American political history. The starkly different lenses of the main actors both inside and outside Honduras were a major factor in the escalation of the crisis, and in the difficulties faced in all the efforts to reach a negotiated settlement. I will pointedly avoid the temptation of revisiting that discussion in this statement. Indeed, the debate about the legal and constitutional nuances surrounding the events of June 28, 2009, in Tegucigalpa, which often reached a baffling level of detail, was of very limited value when the crisis was raging, and is of even less value now. For what was missing throughout, was some reflection as to how the Honduran political system had got to that point, and what could and should be done to prevent a similar crisis in the future. This much is indisputable: the events of June 28 and the following months were *not* inevitable. That they happened at all is suggestive of deep rifts within the Honduran society, of the poor leadership abilities of much of the country's political elite, and of very serious flaws in the country's constitutional architecture.

We may wax lyrical –and a lot of people have—about the supposedly happy ending to the crisis provided by the November 29, 2009, election. The truth is that the election was, at most, a moment of collective sanity that prevented the country's democratic institutions from totally collapsing due to the failings of its political elite. Neither former President Zelaya's unabashed populism, erratic governing style and repeated disregard of the law; nor the increasingly strident rhetoric used by his opponents and most of the Honduran press, reminiscent of the worst of the Cold War; nor the open courtship of the military by both Zelaya and his adversaries; nor the sight of a president held at gunpoint by soldiers and put on a plane to a foreign country; nor the serious –if not widespread— repression of journalists and activists sympathetic to Zelaya by his replacement, Roberto Micheletti; nor the exceptionally high levels of political polarization that preceded and followed Zelaya's removal from power were anything other than symptoms of grave political pathologies. They are failings of a kind that cannot be corrected by one barely adequate election. Recognizing the results of the November 29, 2009, election in Honduras was, no doubt, the right thing to do. Had the United States and part of the international community not done so, this sorry and damaging political episode would have lingered on *sine die*. But let us be clear: the decision to accept the election ought to be taken as recognition of a state of necessity, not as a ringing endorsement of the virtues of the Honduran political system.

All this points to a simple implication, which is the starting point of this analysis. The election of Porfirio Lobo as President of Honduras in a reasonably free and fair contest was, at most, an important part of the solution to the *immediate* political crisis in this small nation. The deeper social and political causes of the crisis remain, however, untouched to this day. When talking about next steps in Honduras, the crucial task for both the country's political actors and the international community is how to prevent a similar crisis from erupting in the future. This calls for more than simply returning to the status quo prior to the crisis. It requires addressing underlying factors such as the low levels of trust in political institutions, the astonishing level of social exclusion that pervades Honduras, and the serious rigidities of the country's constitutional design.

In saying this, I am disputing a specific interpretation of the crisis according to which at the root of it were *solely* the perversity and irresponsibility of Manuel Zelaya, and the devious machinations of Venezuelan President Hugo Chavez, and that once both factors were removed Honduras is once again safe ground for democracy. I do not share this optimism. While both factors certainly merit attention, the story of what happened and what might be done in Honduras is far more complex and calls for more subtlety.

In the following pages I will examine, first, the main short- and long-term tasks in the hands of Honduras' political actors and, second, those that the international community should undertake to help nudge the processes of national reconciliation and social and political reform in Honduras in the right direction.

II. President Lobo's burden

To his credit, ever since the night of his election, President Lobo has given hints that he understands the complexity of Honduras' situation. He appears to grasp that the main political actors in Honduras have two crucial endeavors in their hands: the first is giving the country a sense of political and economic normalcy; the second is preventing a similar future crisis.

Returning to normalcy

The election of November 29, 2009, and the subsequent recognition of its results by a critical mass of countries, particularly the United States, were decisive steps in pulling Honduras from the brink. But a return to normalcy takes far more than this. Three tasks ought to be taken care of swiftly and decisively: reconciliation, normalization of foreign relations, and economic recovery.

Reconciliation. No undertaking is more urgent in Honduras than a genuine effort –led by President Lobo—to decrease the intensity of political polarization and foster national reconciliation after the trauma of 2009. A significant part of the road map to do this is laid out in the texts of the San Jose and Tegucigalpa Accords of July and October of 2009, signed by negotiators appointed by former President Zelaya and Roberto Micheletti. While neither of these agreements managed to solve the intractable (and now no longer relevant) issue of Zelaya's reinstatement, they embody a remarkable consensus as to how to deal effectively with the political and legal consequences stemming from the crisis. Implementing in good faith the text and spirit of these agreements is key not just to bringing back into the political system the groups that felt aggrieved by the interruption of Zelaya's term, but to normalizing Honduras' relations with the international community.

While it is still early days in his administration, President Lobo's record of implementing the San Jose/Tegucigalpa agreements is mixed so far. Three clauses of the agreements deserve close attention:

- The first one is the integration of a national unity government. President Lobo has appointed as members of his cabinet persons related to political parties other than his own. This is a valuable gesture, but it does not amount to forming a national unity government. The appointed members are there in their *personal* capacity, not because they hold a formal representation of any political sector. Moreover, no member closely associated to former President Zelaya's political movement has been appointed in Lobo's government. Nonetheless, the new President's decision is a courageous one and should be commended.

- The second one is the implementation of a blanket amnesty for political offenses. The Honduran Congress did this on January 26, 2010, largely at the

insistence of Lobo (who was President elect at the time), and against the opposition of a significant part of the political elite, including the Liberal Party, which rejected the amnesty. Building upon a clause originally approved as part of the San Jose Accord, this decree covers offenses such as disobedience, abuse of authority or dereliction of duties. While turning a blind eye to egregious legal violations is not an edifying principle in any democracy, in this case it avoids an endless cycle of recrimination and counter-recrimination that could paralyze the political system for years, as well as the obvious danger of the political manipulation of justice. Appropriately, this amnesty does not apply to corruption-related offenses or, crucially, to human right abuses.

- The third one is the installation of a Truth Commission, which according to the agreements is in charge of "clarifying the events that took place before and after the 28th of June of 2009." Originally scheduled for the 25th of February, 2010, the launch of the Commission had to be postponed due to delays in appointing its three international members (in addition to two national members). This is not necessarily a problem, considering that the agreements give the Honduran government until the end of July to appoint and install the Commission. The real problem here is the Honduran government's ambivalence towards allowing the investigation of the human rights abuses that followed the events of June 28, 2009, as part of the Truth Commission's mandate. The Inter-American Commission of Human Rights and many other human rights organizations have documented and denounced these abuses. As of February of 2010, the Inter-American Commission identified at least 50 cases of illegal detention, 8 cases of torture, 2 kidnappings and 2 rapes perpetrated against journalists, trade union leaders and members of groups supportive of former President Zelaya. There is no justification for leaving these cases outside the Truth Commission's purview. It is serious enough that some of these abuses may well go unpunished by cloaking them under the figure of "abuse of authority" covered by the amnesty voted by Honduras's Congress. But at the very least these violations must not be hidden behind a wall of secrecy. A wide body of international experience, ranging from Argentina to South Africa, demonstrates that even when Human Rights violators are left off the hook, there is a strong case for bringing these abuses to light and shaming their perpetrators in the strongest possible terms. Hopefully, in this case, they will also have their visas to the United States permanently revoked. The current reluctance to accept the natural mandate of the Truth Commission is simply a deviation from the spirit and the letter of the San Jose/Tegucigalpa agreements, and, as such, must be rebuked by the international community in very strong terms, as I will argue below.

Ultimately, the truthful implementation of these clauses and the task of reconciling Honduras demand that political actors across the board perform a deep introspection and admit that no party or politician is exclusively responsible for what happened in 2009. While there is no point in denying the very special responsibility that accrues to former

President Zelaya for leading the country down a legally dubious and politically suicidal road, there is hardly any doubt that both sides played fast and loose with the Constitution in the days leading to and following June 28, 2009. The sorry sight of a president hell bent on carrying out a popular consultation against the orders of the Supreme Court, more than met its match by the sorry sight of his opponents in Congress anointing the Armed Forces as the ultimate guarantors of the Constitution, or by the sight of the military expelling Zelaya from Honduras without even a hint of a due process, or by the sight of critical media outlets being harassed and silenced by the Micheletti government. Let us be clear: there are no clean slates here. When it comes to last year's events in Honduras, the moral high ground is a missing place. It was the Honduran political elite that collectively pushed the country to the brink.

That President Lobo clearly grasps the importance of this point is shown by his decision to treat former President Zelaya in a dignified manner in allowing him to leave Honduras on the same day the new government was sworn in. Like the political amnesty, this decision was bitterly criticized by a significant part of the Honduran political class. This points to an obvious danger. Honduras will not be governable if the events of 2009 are simply seen by part of the elite as the unconditional victory of the forces of democracy over a perceived totalitarian menace, and not as the collective democratic failure they so clearly were. Honduras will not be reconciled if a winner-takes-all mentality is allowed to take hold of the political system.

Normalization of foreign relations. Patching up the country's relations with the international community, on the diplomatic as well as the economic front, is nearly as urgent as achieving national reconciliation. Over the past three months, and particularly since being sworn in, Lobo has given priority to this task, with the support, it must be said, of leaders across the political spectrum. At this point, bilateral relations between Honduras and some of its crucial partners, such as the United States and the Central American countries (except for Nicaragua), are almost back to normal. The United States, in particular, has already resumed its bilateral aid, including $30 million to be disbursed in the short run. In the meantime, multi-lateral institutions such as the World Bank, the International Monetary Fund, and the Central American Bank of Economic Integration, which severed links with the country after June 28, 2009, have resumed their working relationship with the new Honduran authorities. The main problems continues to be Honduras's isolation from the Organization of American States (and, by implication, from the Inter-American Development Bank), its continuing suspension from the Central American Integration System, and the refusal of several Latin American countries (9 at last count) to grant diplomatic recognition to the new government. While some of these countries, including Brazil, are of marginal economic importance for Honduras, their refusal to normalize their diplomatic links continues to generate headaches to the Central American country. Most recently, Honduras was pointedly excluded from the Cancun Summit of the Rio Group and CARICOM, an event that Cuba, remarkably, could freely attend. While it is very clear that some of this diplomatic resistance will ease in due course, the perception that the new Honduran government is taking genuine and significant steps towards political reconciliation on the domestic front would certainly accelerate the process.

Economic reactivation. Normalizing relations with the international community is essential for the success of President Lobo's third urgent imperative: reactivating a frail economy that suffered a massive blow as a result of the political crisis. While the costs derived from the political conflict are difficult to extricate from those stemming from the global economic crisis it is safe to say that political uncertainty in the second half of 2009 harmed the Honduran economy to the tune of 2-3% of GDP. Last year saw a fall of more than 20% in exports and 40% in Foreign Direct Investment into Honduras, enough to make the contraction of the Honduran economy (-3% of GDP) more serious than any other in Central America. In the process, the country's unemployment rate doubled to approximately 7%, with a devastating effect on poverty levels. Given the dire context, it is easy to understand President Lobo's urgent pleads to unlock the disbursement of more than $700 million in loans from multi-lateral sources that were retained after June 28, 2009. Amongst other things, these resources are critical to set in motion an ambitious program of public investment that could help to accelerate economic activity and tame unemployment. All this gives inordinate relevance to the IMF mission to Honduras of March 15-25, 2010. If as a result of this mission a one year agreement between Honduras and the IMF is approved by the latter's Board of Directors this would almost certainly ease Honduras's access to external credit and its path to economic recovery. The critical importance of this agreement for the Honduran government and economy is a point to which I will return below.

All this is the urgent part of President Lobo's job. The other part is probably less urgent but more important and far more complex.

Preventing future political crises

The second major task is for the long run, but its implementation must start as soon as possible. The Honduran political elite –and not just the elite, rather the society as a whole— ought to take a close look in the mirror and deal, for once, with the very thorny issues that lie beneath the near-political breakdown of 2009. Three issues are particularly crucial: social exclusion, low levels of trust in political institutions, and a problematic constitutional design.

Social exclusion. The extent to which social exclusion pervades Honduras is astonishing. Seventy percent of the Honduran population lives below the poverty line. Just as egregious is the fact that the wealthiest 10% of the population concentrates six times more income than the bottom 40%. This makes for a Gini coefficient (a widely used indicator of income inequality, ranging from 0 – absolute equality, to 1 – absolute inequality) of 0.580 in 2007, which is bad for Latin American standards, a dismal benchmark if there was ever one when it comes to inequality.

These figures can hardly be dented if the fiscal base of the state is precarious and basic public goods –like education, healthcare and security—are grossly under-provided. Honduras' current tax burden stands at 14.8% of GDP, below the average for Latin America (once again a poor benchmark), and considerably less than half the median for

the industrialized OECD countries. Worse still, nearly two third of that revenue is collected by means of indirect taxes, i.e. taxes not sensitive to the income of the tax payer. At 5.1% of GDP direct taxation in Honduras stands at less than a third the average figure for developed countries.

One could make a very compelling normative argument as to why all those figures are incompatible with democracy. But for the time being a couple of rather practical arguments are more useful. Indeed, two things are known to happen when a society has to contend with such levels of social exclusion. The first is that it becomes a violent society. A very clear correlation between murder rates and income inequality has repeatedly emerged for empirical studies done all over the world, including inside the United States. Inequality is one the factors that goes a long way towards explaining why at 61 homicides per 100,000 people, Honduras had the world's highest murder rate in 2008. Let us put these figures in perspective: Honduras murder rate is more than ten times as high as that of the United States; at 119 murders per 100,000 people, living is San Pedro Sula is more than twice as risky an experience as living in Baghdad. The second thing that follows widespread social exclusion as day follows night is a political style in which political populism –the *us*, the poor, versus *them*, the rich—becomes a permanent temptation. Neither phenomenon –violence or populism—is good news for democratic stability. Let us put it this way: Manuel Zelaya is, most likely, gone from Honduras' politics for good; but with these levels of social exclusion, we can be sure that *zelayismo* or a similar brand of brash populism will return. Good or bad, the events of June 28, 2009, got rid of *this* Zelaya. That's all.

At the very least, Honduras needs a serious effort to negotiate a "fiscal pact," that allows for a significant increase in taxation and a fairer distribution of the tax burden. Historically, fiscal pacts have always been politically toxic, even deadly, in Latin America. Moreover, in the light of the fierce reaction of Honduras's business lobbies against the hike of the minimum wage in late 2008, the odds of a serious fiscal reform happening in the country are particularly low. That is the case despite the fact that both Lobo and his main rival, Elvin Santos, committed themselves to this goal during the previous presidential campaign. If he really wants to transform his country for the better, Lobo must try his hand at fiscal reform. In his case, no one will be able to accuse him of being Hugo Chavez's puppet for doing so.

Low trust in institutions. The second major issue is the very low level of trust in political institutions exhibited by Honduras. According to 2008 figures from *Latinobarometro*, a regional survey, trust in Congress (26%), the Judiciary (28%) and political parties (20%) in Honduras was below the already low averages for Latin America, significantly so in the case of Congress. And all this was *before* the rather unedifying political fracas of 2009. While the factors underlying these figures are always complex, it is hard to avoid the conclusion that these levels of trust are heavily determined by the pervasive corruption in the country. Alongside Nicaragua, Honduras stands at the bottom of Central America in the Corruption Perception Index elaborated by Transparency International with a score of 2.5 points out of a possible 10. Moreover, while 38% of Latin Americans,

on average, believe that there has been recent progress in fighting corruption in their countries, the figure is 28% in Honduras.

The implications of these figures are multi-fold, but one consequence is peculiarly important. These figures make very attractive for any president the exercise of bashing political parties and the other branches of the state as foci of corruption and dispensable obstacles to social progress. The authoritarian tendencies that lurk in most strands of populism are seeds that fall on very fertile ground in the Honduran case. At this point, Manuel Zelaya starts to appear less as a loose political cannon bent on destroying his country, than a rational politician tapping into a vast reserve of social disaffection. He grossly overplayed his hand and failed to understand the political constraints he was operating under. But he was not crazy.

While Porfirio Lobo is not the first Honduran president to promise a tough stand against corruption, it would be wonderful if he were the first that takes to heart issues of transparency and accountability. At a minimum he should make a real effort to depoliticize some of the institutions charged with controlling the exercise of power –from the Supreme Court, to the Republic's General Comptroller, the National Ombudsman, and the Supreme Electoral Tribunal—that in Honduras have very little autonomy from political parties and routinely do their bidding.

Poor constitutional design. The third issue is Honduras' constitutional design. This is a thorny issue, for it was precisely Manuel Zelaya's avowed intention of calling a Constituent Assembly by means of a referendum that unleashed the 2009 political crisis. Unsurprisingly, the San Jose/Tegucigalpa agreements included a specific clause to forestall any future discussion about convening such an assembly or reforming presidential term limits.

Still, the days that preceded the events of June 28, 2009, provided ample evidence that some aspects of Honduras' 1982 Constitution are problematic. One such aspect is the lack of an explicit process of political impeachment against the President, which introduces a dangerous element of rigidity in a presidential regime that already lacks flexibility to deal with grave political upheavals. An even more troubling source of rigidity is the peculiar way in which certain constitutional norms –including, remarkably, presidential term limits—have been rendered unchangeable by any means and *ad infinitum*. In other cases, constitutional norms leave crucial questions unanswered. A case in point is the notorious article 239, which decrees that any person that so much as suggests the reform of presidential term limits, as well as anyone that directly or indirectly supports such an idea, shall cease immediately in the exercise of any public function. The Constitution, however, does not clarify which authority holds the power to enforce this exceptionally drastic principle. Finally, there is the rather confusing way in which the Constitution soundly establishes the subordination of the Chief of the Armed Forces to the President, while giving to Congress alone the power to discharge the top military officer. The myriad confusions created by these rules and the wildly contradictory interpretations they allowed played a decisive role in pushing the country to the brink last June.

It is obvious that, to the extent that it is legally possible, retooling some of these norms is a task for the Honduran people alone. Yet, the reluctance of the Honduran political actors to engage in a meaningful conversation about the country's constitutional architecture is an odd reaction to a major political crisis in which the shortcomings of that design were rendered all too apparent. This is not an argument for constitutional iconoclasm. Rather is a gentle reminder that some of these clauses introduce dangerous elements that make the Honduran democracy prone to conflicts between branches of power and, eventually, political breakdowns. It may well be that the country prefers to live with such a risk, but it should be aware of it and of the options to manage it.

All these pending issues are fairly substantive and require broad-based social agreements. Hence, they also have a methodological implication. More than most countries, Honduras needs a comprehensive, sincere and inclusive process of national dialogue, where the main political parties and social groups share their expectations and visions about the future. This process must include the sectors that supported former President Zelaya. What is more, to the extent that his legal situation allows it, even Zelaya himself ought to be involved in this dynamic. While it is clear that President Lobo should take the lead in convening this process, the facilitation of the discussion and the crafting of the eventual agreements is something in which international organizations, such as the United Nations, could potentially play a valuable role.

The latter point naturally leads to the next question: What are the next steps for the international community with regard to Honduras?

III. What role for the international community?

The most significant steps to overcome the legacy of the political crisis in Honduras are for the Hondurans to take. In the wake of the November 29, 2009, election and the swearing in of the new government, by and large the international community can play a limited role in helping this process. This role is two-fold. On the one hand, it should end Honduras' diplomatic isolation as soon as possible; on the other hand it should nudge political actors in Honduras towards dealing effectively with both the short-term task of reconciliation and the long-term assignments outlined above. In some cases this may well require using financial tools to exert pressure.

Ending diplomatic isolation

It is hard to see any justification in prolonging Honduras' diplomatic isolation, particularly from the Central American Integration System and the OAS. Regardless of what may have happened on June 28th of 2009, the current government is the result of an election that, while not devoid of problems, was widely considered free and fair. Moreover, as implied by the analysis of the previous pages there is no evidence that Porfirio Lobo's government is exercising power in ways other than fully compatible with democratic principles.

Aside from normative considerations, it is difficult to see any practical value in Honduras's diplomatic isolation, either for Honduras or for the Hemisphere as a whole. To begin with, with the exception of Nicaragua, all the other Central American countries are strongly urging the international community to normalize its relations with Honduras. In many ways, the unfortunate diplomatic legacy of the Honduran crisis has harmed the whole of Central America. For one, it threw a spanner in the engine of the negotiation of a bi-regional trade and co-operation agreement with the European Union, a process that got off to a promising start only to stall after June 2009. More broadly, the events in Honduras have confirmed the political prejudices that prevail in many international financial circles that continue to see Central America as a chronically unstable region that investors ought to steer clear of. This is very unfortunate for a region that has made enormous political strides since the dark days of the Civil Wars in the 1970s and 1980s. Normalizing Honduras's relations with the world will not erase the past, but will help to contain the damage to the region as a whole.

If there is no value whatsoever for Central America in Honduras' diplomatic isolation, there is even less value for the rest of the Hemisphere. It is a useless, even counter-productive way of protecting democracy, one that damages Honduras but also the credibility of countries and organizations in our region. Chastising Honduras after a new democratically elected government is in place is no way to create a precedent, if such a measure coexists with Latin America's deafening silence regarding the very serious threats to democracy in countries such as Venezuela or Nicaragua, or with the region's apparent enthusiasm for revoking Cuba's suspension from the OAS with very few questions asked.

The latter, in particular, is a sign of crass hypocrisy, of the kind that fatally undermines the legitimacy of any international forum. Such is the hypocrisy that it is inevitable to conclude that the only countries that are bent on prolonging Honduras's diplomatic isolation are those that want to use a small country to score cheap geopolitical points against the United States or to turn attention away from their own slide towards authoritarianism.

Last but not least, punishing Honduras in order to defend the integrity of the Inter-American Democratic Charter helps to create the dangerous fiction that the system to uphold the Charter is effective and adequate. Just as the Honduran crisis laid bare the limits of the country's constitutional design, it also revealed the serious shortcomings in the diplomatic tools available to prevent and address a breach of the Charter. These weaknesses range from the OAS Secretary General's limited power to intervene to prevent the escalation of a national political crisis, to the fact that only the countries' executive authorities have the power to activate the protective measures foreseen by the Charter. Rather than creating a mirage of effectiveness, what should be encouraged is a serious effort to rethink the tools available to the OAS as the guarantor of choice of the Inter-American Democratic Charter. Neither Honduras nor any other country should be treated as a fig's leave to hide the systemic failures that have impeded an effective defense of the Charter.

In sum, normalizing diplomatic relations with Honduras and, in particular, admitting the country back into the OAS' fold as soon as possible is a major contribution that the international community could make in this situation. Not just for the sake of Honduras, but also for the sake of the OAS' future credibility and effectiveness.

Nudging Honduras towards the future

One of the unfortunate facts about this crisis is that the international community failed to seize the best moment to influence the processes of reconciliation and long-term reform in Honduras. When the United States, in particular, for all practical purposes announced *in advance* that it would recognize the results of the election of November 29, 2009, it forewent the possibility of exacting some conditions from the Micheletti government, desperate at the time to secure the mantle of international legitimacy for the poll. No demands were formulated, for instance, to accelerate the process of reconciliation by forming a veritable government of national unity, or to convene a process of national dialogue, or to commit the political system to approving desperately needed social and political reforms. In the end, despite legitimate doubts as to the way they acquired and exerted power, the post-June 28 Honduran authorities paid no price whatsoever in return for the election's recognition by an important group of countries. This was a pity. As argued above, a significant part of the Honduran political elite simply interpreted this result as a vindication of all their actions before and after June 28, 2009, and, essentially, as a license to go back to business as usual. The critical moment of the crisis was wasted as an opportunity to foster the reform of a sub-optimal social and political status quo. It must be said again, recognizing the election was the right to do; recognizing it unconditionally was not.

Once this pivotal instant was allowed to pass, the leverage of the international community, and especially of the United States, was severely constrained. It is true that Honduras' exclusion from the OAS and the Inter-American Development Bank preserves some of the remaining leverage. However, as argued in the previous section, the counter-productive nature of this exclusion for Central America and the Hemisphere as a whole make it advisable to reverse it in the short run.

Other limited mechanisms to exert influence remain, however. Many Latin American countries, as well as the United States and the European Union, could play a valuable role in supporting President Lobo's efforts to reconcile the nation, craft a fiscal pact, depoliticize controlling institutions, and convene a serious conversation about possible constitutional amendments in Honduras. This is good and useful. Yet, in other cases the only way to *nudge* Honduran political actors towards dealing with the underlying causes of the crisis will be by means of delaying the normalization of economic relations.

In this sense, the eventual agreement between the IMF and the government of Honduras presents an interesting opportunity. As seen above, this negotiation holds the key to unlocking Honduras' access to the external credit it urgently needs to reactivate its economy. This is a valuable lever that the international community should not give away

just yet. Certainly not when the critical discussion about the mandate of the Truth Commission created by the San Jose/Tegucigalpa agreements is yet to be defined.

It is thus desirable that the United States and the European Union member states use their leverage in the IMF and other multilateral financial institutions to postpone the normalization of economic relations with Honduras until the Truth Commission is guaranteed a full and untrammeled mandate to inquire on the events leading up and following the June 28, 2009, deposition of former President Zelaya, including the human right abuses perpetrated after that date. No normalization of economic links should take place until the Honduran authorities explicitly guarantee the full cooperation of the Honduran state with the Commission's work. Making sure that this indeed happens would be a major contribution to Honduras' political health by the United States and the rest of the international community.

IV. A final word

The previous analysis is infused with a very cautious optimism about Honduras. The country went through a deeply traumatic episode in 2009, and it is unreasonable to expect quick fixes to the very basic problems that the political conflict evinced. It is clear that the good election of November 2009 and the swearing in of a new government were essential steps in pulling the country back from the abyss. But there is no point in denying that the road to democratic health in Honduras is long, winding and steep. In a way, this calls for accepting that the status quo in Honduras prior to June 28, 2009, and even before former President Zelaya ever took the stage, was riddled with all sorts of political pathologies, ranging from pervasive inequality to endemic corruption.

As acknowledged by U.S. Assistant Secretary of State for Western Hemisphere Affairs, Arturo Valenzuela, and OAS Secretary General Jose Miguel Insulza, among many others, President Porfirio Lobo should be commended for understanding the complexity of the crisis' legacy and making valuable gestures towards national reconciliation. But a lot remains to be done. The international community should support as well as follow closely the actions of the new government. And it certainly should use the significant influence it still commands over Honduras to gently push the country towards confronting collectively some of its most difficult development challenges. Proclaiming under a banner of "mission accomplished" that Honduras's political crisis is over is simply a poor service to the Honduran people and an invitation for future debacles. Unrewarding as it may seem, the exercise of gauging the significant obstacles that lie in the road ahead for this small Central American nation is a much more useful, realistic and worthy endeavor.

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