



Confronting Government Corruption in Guatemala and Honduras

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Recently, citizens in the Central American nations of Guatemala and Honduras have mounted unprecedented efforts to fight government corruption. In Guatemala, the drama started in April 2015 with the exposure of a criminal conspiracy in the customs agency, followed a month later by revelations about a fraudulent contract for dialysis services that prompted the attorney general to order the arrest of all board members of the nation's social security agency. In Honduras, a similar scandal broke following news that top officials in that country's social security institute had inflated contracts and created fictitious companies to embezzle state funds. Investigators found that much of the stolen money was funneled into the campaign coffers of the ruling party.

Although Central Americans have long suspected the presence of state corruption at the highest levels, recent revelations show the staggering scope and scale of illicit dealings. Corruption presents a fundamental challenge to democratic governance and the rule of law in a region already beset by astonishing levels of violence. This challenge is well understood by U.S. authorities, who see Central America as vital to the security of the United States, which has provided over \$800 million in security assistance to the region since 2008. Funneling more resources in to Central American security efforts cannot work in the absence of domestic political leaderships committed to doing things honestly and efficiently.

Sources of Government Corruption

The roots of public corruption in Guatemala and Honduras are multiple and varied.

- Scholars trace public corruption in **Guatemala** to a 36-year civil war in which counterinsurgent campaigns paved the way for illicit trades in arms, drugs, and other contraband. Despite the transition to civilian rule in 1986 and the signing of peace accords in 1996, institutional reforms failed to establish effective oversight or purge corrupt officials who had flourished in wartime. Processes for nominating judges undermine judicial independence and grant undue influence to powerful political and economic interests. Guatemala's weak party system is profoundly distrusted by citizens and recent investigations have shown that parties are partly financed by organized crime. Judges and legislators coopted by criminal interests have allowed corrupt practices to continue long after the civil war came to an end.
- The roots of corruption in **Honduras** are similar. Although Honduras was not torn apart by a civil war, decades of military dictatorship and instability allowed criminal actors to maneuver on the margins of the law. Another political crisis occurred in 2009, when a military coup ousted leftist president Manuel Zelaya after he sought to relax presidential term limits. Organized criminal activities increased as limited government resources were diverted to quell the crisis. The national police force is a prime site of corruption, with police committing abuses ranging from bribery to extortion and extra-judicial

killings. Crisis also recently gripped the courts, after Congress removed four Supreme Court justices who tried to veto a police vetting law, further undermining judicial independence.

In both Guatemala and Honduras, corruption has infected not just isolated agencies but the entire executive, legislative, and judicial branches. As these nations struggle with faltering health and security systems and soaring levels of poverty, officials ransack government funds, stealing as much as the entire annual budgets of some ministries. Far from guaranteeing citizen wellbeing, the Guatemalan and Honduran states are little more than sites for official personal enrichment.

Domestic and International Responses

Despite reform efforts, domestic resources, professionalization, and political will have been insufficient to establish the rule of law. Anti-corruption commissions were formed in both Guatemala and Honduras to enhance transparency and combat official criminal activity. In 2012, Guatemala created the Presidential Commission for Transparency and Electronic Government to strengthen public administration and foster open government, but recent revelations suggest that the commission served as a tool of political interference. In Honduras, meanwhile, the National Anti-Corruption Commission, an independent civil society body, was revitalized in 2013 and has been a key actor in uncovering high-level corruption at the local and national levels. Yet the country's track record for investigating and prosecuting corruption cases is not promising, so guilty officials are often not held accountable. Both countries have undertaken police reforms to enhance training and professionalization. But low wages, political interference, and weak internal and external oversight mechanisms allow corrupt practices to persist. Every four years, a new government takes office and undertakes yet another round of police reforms, signaling that previous efforts have fallen short and interrupting the continuity necessary for any true progress.

Given the limits of domestic anti-corruption initiatives, foreign governments and multilateral organizations have dedicated significant resources to strengthening the rule of law – most notably through the United Nations International Commission against Impunity in Guatemala formed in 2007. Created to assist the public prosecutor's office in trying emblematic corruption cases, this commission has helped win convictions for top drug traffickers, ex-ministers, and even a former president. In September 2015, Honduran lawmakers caved to pressures for a similar entity to be led by the Organization of American States; its results remain to be seen.

Concerned about persistent corruption, the United States recently proposed a \$1 billion Alliance for Prosperity program to enhance transparency, security, and development in Guatemala, Honduras, and El Salvador. But the most recent revelations about corruption have led many U.S. officials and Congressional leaders to doubt that new assistance can be used effectively.

The Need for New Domestic Political Leadership

Addressing entrenched corruption goes beyond marshalling resources and technical capacity: it requires committed political leadership. So long as legislators and judicial officials are beholden to narrow factional interests, entrenched corrupt practices will likely endure. Well-designed reforms cannot work without the political will to see them through. In Guatemala and Honduras, seeds of new leadership have been sown, as diverse sectors of civil society mobilized to formulate and back plans to overcome divisions and eliminate room for official corruption. International actors who want to help should encourage these civil society movements to turn themselves into viable political parties that can effect governmental change from within.

