

Research Project

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Transnationalism and Elite Formation in Latin America: the Case Study of the Arabs in Honduras

1. Introduction

Honduran elites emerged and evolved differently from the rest of the Central American region and Latin America. Instead of consolidating a traditional landed elite, or oligarchy, with direct ties to the land and monopoly of agrarian production, Honduras' elites remained regional and local dedicating mainly to commerce, trade and, later, manufacturing. A weak production system and state apparatus, and political instability hindered the consolidation of state power during the country's state formation process in the nineteenth century, hence the consolidation of a national market and a national elite (Euraque 1993, Torres-Rivas 1993). Honduran authorities were forced to use alternative ways for modernizing the traditional production system to enter the world market. They established a concessionary system that allowed foreign companies and investors to extract resources. Concessions enabled foreign companies to monopolize production and exportation (particularly of bananas) while establishing commercial and trading ties with the regional and local elites. Hence, Honduran elites emerged with deep ties to foreign capital and actors. As indicated in Soluri's (2005) study the banana enclave would have never been successful without the local/regional elites' international and transnational networks with foreign companies and actors.

One group that helped establish these commercial and transnational networks is the Arabs and, to a lesser degree, the Jews. Arriving in the late nineteenth century, Arabs and Jews dedicated to commerce and trade. By the 1920s, Arabs had taken control over the commercial

infrastructures in the North Coast (Euraque 1996, MAS). Yet, the Arab/Jews' networking during this period and the posterior decades is unexplored just as little is known about Arabs' emergence or transformation into a political and economical elite. Initially facing discrimination and exclusion from Honduras' main institutions, in the second half of the twentieth century Arabs and Jews were not only incorporated into the country's macro-economic structures, but also became involved in the country's politics through political alliances with the North Coast elites and other regional elites (most noticeably the strong conservative political-elite from Tegucigalpa). Also, they joined Honduras' main political parties (Liberal Party and National Party), married local elites and set up various institutions (The Arab Honduran Association, schools, the Orthodox Church, etc.) through which Arabs established social, cultural and political participation spaces.

Solien's (1992) study indicates that Arabs –most noticeably the Arab Palestinians- established commercial and family ties with their homeland (Palestine), which contributed to overcome challenges faced in the host land as well as setting up commercial and cultural exchanges between Honduras and Palestine/Israel (Middle East region). However, Arabs' commercial and family networks in other countries and regions, such as United States and Central America, where other family/business members immigrated remains to be studied¹.

Arabs' transregional networks are at the heart of their commercial and, most likely, political consolidation as an elite in Honduras. This study sets out to answer whether transregional networks are a central feature of Honduran elites. It aims at studying the various networks set up by Arab elites within Honduras and in other regions (such as United States, Palestine, Central America, etc.) that contributed to their establishment as an economic and political elite with transnational traits. Thus, this study seeks to answer, on the one hand, *which*

¹ Fellow Victor Acuña made me aware of this. I thank him for his insight and comments.

networks did Arab elites establish in Honduras and abroad? And on the other hand, how did the local and transregional networks contribute to Arabs' establishment as a political and economical elite in Honduras?

Specifically, this research aims at understanding not only how Arab elites accumulated wealth and power, but also how the transregional networking enabled them to set up or reproduce the rigid political and economic structures that have characterized Honduras.

2. Brief Literature Review

2.1. Elites in Honduras, Central America, and Latin America

Honduran elites have hardly received scholarly attention. One relevant aspect that has been dismissed is the country's elite formation. Torres-Rivas (1973) drew attention by claiming that, contrary to the rest of Central America, an oligarchy had never emerged in Honduras. This was due to political instability in the first three decades of the twentieth century and local elites early integration into the world market through the enclave economy. However, other aspects not mentioned and that are relevant for the non-emergence of landed elite is the country's historical weak production system, low demography, scattered population settlements, and most importantly, the non existence of a viable national space through which to integrate the peoples, territories and economies (Gutiérrez Rivera 2009).

The 'absent oligarchy' thesis has predominated in scholarship to explain various aspects of Honduran politics understood from the framework of developing capitalism. Euraque (1993, 1996, 2005) uses a historical dimension to understand elite emergence in the North Coast region. Central is the early penetration of foreign capital for the appearance of a new elite which was commercially oriented. Honduran elites emerged as regional and local elites, not as a unified national elite. This led to the multiple foci of power among the dominant regional

and local elites which surface in various historical periods and persisted in postcolonial Honduras (see Dym 2006, García Buchard 2008, Gutiérrez Rivera 2009).

Elites in the other countries of Central America followed the classic Latin American elite formation, namely the landed oligarchy. Existing scholarship on Central America show that this is due to these countries' state formation process and that the emergence of a national crop (Paige 1997, Torres Rivas 1993, Woodward 1991, Williams 1994, Pérez-Brignoli 1989, Mahoney 2001, Dunkerley 1998, Torres-Rivas 1993,). Studies do not focus on elite formation on Central America but more on state formation and political economy in order to understand the predominant agrarian structures.

The 1950s mark a change of elites in Central America, as a new more modern sector emerged in the political scene. These lived in urban areas, contrary to predominant rural oligarch, and were involved in secondary trade and handicrafts. Changes in the international market favored this new urban middle class, enabling them to pressure the traditional landed elite and challenge the social structure.

Transnationalism has only recently been introduced as feature in Central American elites. The emergence of global economy, politics, and culture as well as neoliberalization processes have restructured Central American elites into transnational elites (Robinson 2003). Elites were forced to restructure institutions and the political economy in order take part of the global economy. Honduras was one of the least resistant countries because of its absence of a strong classic elite and a central left political party. Robinson, however, overlooks the elite's long history with foreign capital.

Elites have been studied in other Latin American countries focusing on the regimes in which

elites are a central variable of change (*see* O' Donnell, G. and P. Schmitter 1986, Putnam, R. 1976, Linz, J. 1975, Diamond, L and J.J. Linz 1989, and Diamond, L, J. Linz, and S. Martin Lipset eds. 1988). Higley and Gunther (1992) identify types of elites that determine their structural integration (that is, the inclusiveness of formal and informal networks of communication) and functioning (this means the agreement among elites on formal and informal rules and on legitimacy of existing political institutions). There are three types of elites: disunified elite, the consensually unified elite, and the ideologically unified elite. Higley and Gunther are interested in understanding the transformation from one type of elite to another, which consequently leads to a regime change. Transformation of elites and the consolidation and/or stability of a regime depend mostly on their settlements, agreements, or pacts.

Studies on Latin American elites have centered mainly on Mexico, Argentina, Chile, and lately Venezuela and Bolivia. Elites are traditionally associated with the birth of the nation and the nation-state (Sabato 2007, Burns 1979, Oszlak 1981). Elites tend to exclude vast sectors of the population due to the permanence of colonial practices where ethnic, racial and social divisions emerged. The exclusionary feature has led to instable and authoritarian regimes or recently to delegative and defective democracies (Waldmann 2002, 2007, O'Donnell 1994, Collier 1979, Puhle 2003).

Traditional political elites have become increasingly transnationalized, that is, establishing networks and transactions beyond national borders (Adler-Lomnitz and Mendieta 2004, Adler-Lomnitz, Pérez, and Salazar 2007, Maihold 2007a, 2007b, Werz 2007). Today elites are technocrats, more financially oriented, and educated in foreign institutions (Maihold 2007a). Waldmann (2007) and Bernecker and Zöller (2007) are quick to point out that historically Latin American elites have always looked 'outwards', particularly Europe as a

model for establishing the state apparatus and institutions, though unequally.

2.2. Arabs in Honduras in Latin America

Studies on Arabs in Latin America are generally understood within migration, mobility, and diaspora studies. The conceptual and methodological frameworks have basically sought to understand: a) migration flows to Latin America; b) Arabs' activities in the host country; c) integration strategies in Latin American societies; d) Arabs' relationship with their homeland; and e) identity (re)construction.

Arabs mainly from Syria, Lebanon, and Palestine started to arrive to various countries of Latin America in the second half of the nineteenth century. Arabs continued to arrive throughout the twentieth century maintaining steady migration flows. Alfaro- Velcamp (2007) and Truzzi (1998) observe the establishment of networks between settled immigrants in the host country and potential emigrants in homelands. Networks were basically between family members and were central for an easier arrival and establishment in the host country, as it helped newcomers to position themselves in the host society.

Studies have also look at the immigration policies of the host countries where Arabs arrived. Klich (1998) points out that basically all Latin American countries developed immigration polices to attract foreigners. However, these policies were aimed chiefly at attracting white European for 'civilizing' the country and 'cleaning' the race. Nevertheless, Arabs and Jews started to arrive. Neither was expected in the region and Middle Easterners suffered from negative construction, which indeed continues.

The consolidation of Arabs in commerce and manufacturing is due chiefly to their introduction of the credit system or *abono*, then unknown in Latin America (Velcamp 2007,

Solien 1992). Solien names this *pariah capitalism*, that is, “a despised population that is maintained to serve the elites because their activities serve their interest”. Furthermore, Arabs were able to find a place or niche within the economy because this minority is virtually unchallenged or at a competitive advantage.

Arabs that immigrated and settled in Latin America continued to maintain ties not only with their homelands, but also with family members who had emigrated and settled in other countries in Latin America as well as the United States. Thus, studies perceive Arabs as a diasporic community; however, Alfaro-Velcamp and Solien coin them as transnational citizens. Studies show that Arabs maintained communication with their homelands through various networks, namely reinvesting in their homeland and sending remittances.

Arabs in Honduras and Central America have received very little scholarly attention. Existing scholarship comes down to two studies; the last one published ten years ago (Amaya Banegas 2000, Soliene 1992). Arabs arrived in the late nineteenth century and their early engagement in local commerce. Most Arabs came from Palestine, Syria, and Lebanon were mainly Christian Orthodox. Solien’s anthropological study gives information on Arab-Palestinian’s commercial abilities, as the Ottoman Empire did not allow Christians to own land, Arabs dedicated to trade and commerce.

Euraque (1996) and López and Speer (2006) perceive the 1960s as a turning point in the Arabs’ situation. First, many Arabs had become chief capitalists of the North Coast thus displaying economic and potentially political power. Second, the Honduran state apparatus and institutions underwent considerable modernization in the 1950s. The creation of a central bank and other main financial institutions required the conservative elites from Tegucigalpa to include capitalists from the North Coast, the economic and financial centre of the country.

Third, the creation of a Central American Common Market in 1960 required the participation of Honduras' main capitalists, which were of Arab-Palestinian descent.

The incorporation into Honduras's macroeconomic structures contributed to Arabs' political involvement from 'above'. But changes were also occurring from below. Second and third generation Arabs changed the traditional ethnic endogamous relationships, marrying local wealthy Hondurans. Furthermore, they started setting up associations and organizations, which facilitated their incorporation into Honduran mainstream *mestizo* society and economic macrostructures.

3. Conceptual-Analytical Framework (*Work-in-progress*)

The study of networks and lately transnational (regional) networks is relatively new due to the increase of immigration and the exchange of all sorts of capital (cultural, symbolic, material) in various parts of the world, particularly the so-called Global North and Global South. Furthermore, most networks are understood within the notion of transnationalism, which is perceived as ties and interactions linking people and institutions across borders and nation states (Vertovec 1999). It is closely linked to globalization processes and the rise of global capital. As Robinson (2003) and Vertovec (1999) point out, production processes, mobility, interactions, exchanges, and a system of ties not only have increased notoriously because of innovation in communications and new technologies, but also they have helped establish networks among communities, institutions, organizations, spaces, and territories. Castells (1996, 1998) links transnationalism with the easy access to information (especially information technology), which produces delocalized places (such as chat rooms) and a new communication space, which is also a social space where power is decided. In turn, Sassen (1991) links it with the mobility of capital, which leads to the emergence of new specific forms of articulation among different geographic areas and the modification in the role played

by these areas in the global economy (e.g. free trade zones, offshore banking).

Portes, Guarnizo and Landolt point out that transnationalism studies, especially those that look at migration, not only have recently emerged, but also “form a highly fragmented, emergent field which still lacks both a well-defined theoretical framework and analytical rigour” (1999: 218). This is the case of labeling a migrant ‘transnational’; what make a migrant transnational are the sustained activities, i.e. “the intensity of exchanges, the new modes of transacting, etc. that require cross-border travel and contacts on a sustained basis” (Portes, Guarnizo and Landolt 1999: 219).

Thus, it only makes sense that the unit of analysis is the individual/group and their *networks*. In this study, this is the Arab elite families and their networks with local/regional elites (groups, families) as well as with members/groups in other regions and countries (e.g. Palestine, United States, Central America, etc.).

To study the Arab elite families and their networks, it is necessary to, first, identify who the political and economical Arab elite families are. Though most Arab-Hondurans are successful in commerce, this does not necessarily mean that all became powerful political and economical elites. Second, it is important to look at the **macro level**, this is, the historical, economic, and political processes involved in the emergence of these Arab families as a political and economical elite. Finally, **on a micro level**, the study looks at the local, regional, national and transregional networks of the Arab elites in Honduras and abroad.

This research has three work phases. The **first phase** is data collection in Honduras’ main cities, Tegucigalpa and San Pedro Sula. Fieldwork is planned and is scheduled to last six-eight months. The fieldwork aims at: a) mapping the regional and local elites in Honduras; b)

mapping the Arab elite families; c) establishing contact and interviewing main Arab businessmen and politicians as well as members of other regional and local elites; d) visiting Arab institutions, organizations and businesses; e) initiate archive research at government institutions; e) do literature review at local libraries and research institutions.

Mapping, semi-structured interviews, and archival work aim at gathering information of the *networks* of the Arab elites for which it is important to understand, first, how Arab families emerged and consolidated as political and economical elite, that is, how Arabs accumulated wealth, what type of business they set up, how and where Arabs invested their money and profit, what institutions and organizations they set up. Second, it is important to understand who did Arab elites commerce and trade with in Honduras and abroad (Palestine, Syria, United States, Central America, etc.) as well as collecting data on types of networks or exchanges such as trips, remittances, chats, telephone calls, etc. that contribute to Arab families establishment as a political and economic elite.

Arab organizations and institutions will be visited for data collection of the micro level processes (that is, transnational networks) of the case study. Most Arab organizations and institutions are located in San Pedro Sula: *Arab Social Club, Orthodox Church, Arab-Honduran Association, and Association of Arab Wives.*

Data will also be collected for understanding the *macro level processes* that enabled the consolidation of the Arab elite and their incorporation into the country's macro economic structures and the Honduran political system. The following non-state and governmental institutions will be visited for collecting official documents and material:

National Institute of Statistics (Instituto Nacional de Estadística, Chamber of Commerce and Industry of Cortés, Chamber of Commerce of Honduras National Association of Industries of Honduras, Political Parties (Liberal Party, National Party), Council of Private Companies of Honduras (Consejo Nacional de la Empresa Privada), Ministry of Foreign Relations, Interior Ministry.

Finally, the following local libraries and research centres will be visited to do literature review on the topic of Arabs and elites in Honduras: *Centro de Documentación de Honduras (CEDOH), Instituto Hondureño de Antropología e Historia (Institute of Anthropology and History of Honduras), National Library of Honduras.*

The **second phase** focuses on data organization and analysis of collected material. This period is scheduled for nine months. The first eight months interviews will be transcribed and the gathered material will be organized under the macro and micro processes. Further categorization of the data will enable the understanding of institutional, political, and economic processes that lead to the transnational networks of the Arab elite. The initial results of this fieldwork will be discussed with the researchers of the network. One month will be used to write and publish working papers.

The **third phase** is the write up. It is scheduled for nine months and aims at writing articles for peer-reviewed journals and a book manuscript. Also, participation and team work at the research network.

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