

## The invisible price women have to pay for privatisation

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Within the framework of the free trade treaties progress is being made in the process of public service privatisation in Honduras. The disappearance of State responsibility for maintaining public services has led to women having to double or treble their workday to take on a greater workload at home, with more hours of voluntary work in the communities and in activities generating income, to the detriment of their health, quality of life and leisure.

### Political context

In January 2002, Ricardo Maduro, a nationalist conservative, took office to head the government. Maduro presented himself as a leader breaking with conservative models and managed to receive most of the votes because of his campaign's central proposal: the promise to solve the problems causing citizen insecurity in a country showing a rapid rise of violence.

Although the National Party won the presidency with an ample majority, it does not control the National Congress, and thus the minority parties can play a role in legislative decisions. However, in practice this has not implied a greater capacity for negotiation due to the political compromises neutralising these parties.

In spite of the apparent democratisation implied by the electoral process, women are poorly represented in the legislature, although the Equal Opportunities Act established a quota of 30% female participation in the posts elected by the people. The electoral results reflected only 5% and 17% female participation in Congress in permanent and alternate posts respectively, as compared to 9% and 11% during the previous period. This situation has not favoured the promotion of gender equity policies.

### Unpopular macro-economic measures

The government is facing serious problems with the fiscal deficit exceeding 10% of the GDP and is therefore studying new income-tax increases and the possibility of raising the value added tax from 12% to 15%. The macro-economic measures taken by the present government, such as the Financial Balance and Social Protection Law, known as «the package», continue to implement unpopular structural adjustment models. These policies are aimed at increasing direct taxation for the middle class and indirect taxation for the population in general; reducing taxes and tax incentives for the large and transnational companies; and privatising state services while leaving the informal and small-enterprise sector unprotected, where women have considerable participation.

Six months after taking office, the new administration submitted its plan for government, characterised by superficiality in addressing issues such as gender equity and human rights.

The government plan adheres to the Free Trade Agreement for the Americas (FTAA) and has no country proposal, not even foreseeing measures to buffer the repercussions expected from increased poverty, which will affect the majority of the population. The government's economic policy continues to be one of opening up frontiers and markets, to the detriment of national production and food security. Honduras is negotiating free entry of North American products without taking measures to guarantee minimal protection of national rural producers and other sectors of the economy.

The multi-year government plan contemplates the creation of incentives for the installation of the maquila<sup>1</sup> industry and the improvement of highway

infrastructure within the framework of the free trade treaties. According to those defending these treaties, another important component is the development of tourism. However, on examining the figures for Central America, this item represents only 4% of the total loans to be granted, and 96% will be divided between highway intercommunication and improvement of the telephone network, benefiting traffic in trade.

Tourism as a strategic item in the government's economic plan promotes the eviction of ethnic Garifuna peoples from the Caribbean coast to make way for the installation of transnational tourist developments, an industry linked to the promotion of prostitution and the sexual exploitation of minors in the region.

### Foreign debt and HIPC

According to World Bank figures, Honduras foreign debt was USD 5,121 million (80.2% of GDP) in 2001.<sup>2</sup> Through the application of the HIPC initiative, the country will receive a reduction in debt service over the next seven years, provided a series of conditions that the international financial institutions have negotiated with the government are fulfilled.<sup>3</sup>

The lack of «agreement» with the International Monetary Fund has prevented Honduras from achieving finalisation of the HIPC initiative foreseen for mid-2002. The Poverty Reduction Strategy (PRS) and an alleviation of the foreign debt are closely linked to this «agreement», which demands a substantial improvement in fiscal deficit management and «freezing» of salary expenditure in the government sector, presently accounting for 70% of the total public expenditure.

### Moving towards privatisation

Within the framework of the free trade treaties, as part of the United States' strategy to have greater control over world and regional markets, progress is being made in the process of public service privatisation in Honduras. The service for reading the meters belonging to the state electricity company has been privatised and is managed by the SEMEH Company, and 60% of energy generation is in the hands of private companies. This situation is more serious considering that the energy is produced in thermal plants fuelled by oil, while Honduras has the greatest hydraulic energy potential in Central America.

Airport operations have been leased under disadvantageous conditions for the country. Critical sectors of private enterprise have denounced the bid as fraudulent. The North American company INTERAPORT was favoured, which has involved a drastic increase in the price of airport use and no improvement in the quality of service.

1 Translator's note: Maquila: sweatshops or factories producing consumer goods for the US market.

2 World Bank, [http://www.worldbank.org/data/countrydata/aag/hnd\\_aag.pdf](http://www.worldbank.org/data/countrydata/aag/hnd_aag.pdf)

3 These conditions are set out in documents such as the Letter of Intent with the IMF and the Poverty Reduction Strategy.

The National Congress is presently discussing the Water Law Framework, which is in fact the elimination of the state company SANAA presently managing these services. Under this law, management of water supply systems is handed over to the municipalities, which in turn can lease them to private companies. In San Pedro Sula, the second largest city in the country, the state company DIMA was replaced by the private company Aguas de San Pedro, an Italian company that has increased costs while failing to achieve any improvement in coverage or quality.

Basic health packages<sup>4</sup> will be implemented in the framework of the PRS. These packages—a total of 100,000—will be managed by private organisations as a first step towards privatising the health care system. Since the previous administration, this system is no longer a «public» health system. It should be noted that the health care service units operate with a shortage of human and material resources, and the shortage of drugs is chronic.

The weakened educational system is also tending towards privatisation. In the secondary education sector, 39% of the services have already been privatised. Out of the total number of schools corresponding to the first six years of primary education, 81% have fewer than six teachers, and of these, 62.2% have only one teacher.<sup>5</sup> According to the first school census carried out in 2000, 6% of the schools in Honduras did not have any teachers.

The municipality of Tegucigalpa, the capital city, implemented a privatised system for monitoring parking, involving the application of heavy fines. Various media have denounced the fact that the company is managed by a recognised violator of human rights responsible for the disappearance and torture of civilians during the 1980s.

The present government administration has maintained a reduced allocation of state resources to the institutions set up during the 1990s in the framework of state gender equity policies, such as the Special Public Prosecutor's Office for Women and the Family Departments, which defended and cared for women affected by violence. This reduction in resources for these services is accentuating the trend towards their dismantling. Over the past few years, the budget increase for basic health, education and the Public Ministry (public defence) has been two percentage points per year, lower than the annual average growth rate of the population (2.4%).

### The gender impact of privatisations

The disappearance of State responsibility for maintaining public services has led to women having to double or treble their workday to take on a greater workload at home, with more hours of voluntary work in the communities and in activities generating income, to the detriment of their health, quality of life and leisure.

The government's economic plan is characterised by privatisation of public services and adherence to free trade treaties under the assumption that sources of employment for young women will be opened up with the operation of the maquilas. However, women, and especially young women, have paid a high price for it. These processes generate new forms of concealed inequality for women, preventing them from finishing their education and prolonging their productive working hours, causing damage among the young, female work force.

This damage of women's labour has produced multiple adverse effects due to the deplorable working conditions: for example, in agro-industries such as melon growing or shrimp farms high concentrations of toxic products are used, causing women to become disabled at an early age. These working

conditions seriously affect women's rights, such as violation of the right to personal integrity, sexual abuse and harassment, induction to abortion, forced sterilisation, and violation of the right to liberty and freedom of expression.

### Anti-democratic retrogression and the reaction of women's and civil society movements

During the first months of government, the National Congress, without the participation of organised civil society, concentrated on reforming and approving a series of laws. The reform of article 205, item 10 of the Constitution of the Republic increased the powers of the National Congress, granting it the ability to «construe the Constitution of the Republic at regular sessions, in a single legislature, with two thirds of the votes of the totality of the members.» This act is considered by civil society as a technical coup d'état—throughout the whole of Honduran constitutional history, the interpretation of the Constitution has never been a power of the National Congress but has always been performed by the Supreme Court of Justice through its Constitutional Chamber. With this action, the National Congress has upset the balance of State powers by appropriating a power that belongs to the Supreme Court of Justice.

In January 2002, Congress adopted and ratified the reforms to the Constitution of the Republic, establishing the creation of a Supreme Auditing Office, responsible for preventing and fighting corruption. This proposal is considered by civil society and women's organisations as incomplete and having hidden interests as the proposal does not guarantee the independence of the Office, nor are the participation of civil society or mechanisms for social auditing clear in this law.

In July 2002, civil society became organised in a forum, in which women's organisations were represented, under the name of Civil Society Coalition for an independent Supreme Auditing Office, generating a national debate about guaranteeing a real and true participation of society. However, in spite of the fact that consultations were held all over the country, there are serious fears that the recommendations set forth will not be considered by the deputies, as many politicians are accused of corruption.

The National Women's Institute (INAM) is operating with foreign cooperation resources, outside the priority interests of the government, without a dialogue with most of the women's movements. INAM spends resources on international consultations, the results of which have never been seen, and uses strategies for division to neutralise the discontent of organised women in the face of poverty, exclusion and institutional weakening.

It is also important to note that the measures set up for the reduction of domestic violence are being undermined, as in the case of the Public Ministry's Special Prosecutor's Office for Women. The Investigation Police have been separated from the Public Ministry and incorporated into the Security Secretariat, leaving the Special Prosecutor's Offices unprotected. Consequently, this creates obstacles for women to denounce violence as there are no resources for the investigation and implementation of immediate protection measures as established in the Law against Domestic Violence. ■

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4 As a first stage, these basic packages are aimed at communities with difficulties in accessing the health system and consist of displacing a technical team, to provide care in the various Health Secretariat programmes: clinical health care, training of voluntary personnel, house visits and follow up on cases. This Programme for strengthening the health system (PRIESS) is financed with IDB funds, available until 2005.

5 The average teacher-student ratio is one teacher per 34 students.