

## First the crisis, then dictatorship



Honduras is one of the poorest countries in Latin America. The international financial crisis already predicted that life would be even more difficult for the Honduran population, but the coup d'état, supported by the most reactionary sectors of society – in particular the defenders of the patriarchal culture – has exacerbated the situation. Social organizations, in particular women's movements, are organizing the resistance against the de facto regime.

Centro de Estudios de la Mujer – Honduras (CEM-H)

Suyapa Martínez  
Ana Ferrera  
Mauricio Aguilar

The following report is comprised of two sections. The first one was written before the coup d'état of 28 June 2009, and refers to the impacts of the world crisis on the Honduran economy and society. The second addresses the social movements' – in particular women's organizations – response to the coup.

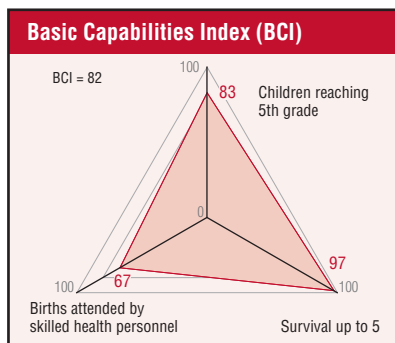
Honduras is the third poorest country in Latin America, after Haiti and Nicaragua. Although poverty was reduced from 63.7% in 2005 to 59.2% in 2008 and extreme poverty from 46% to 36.2% in the same period,<sup>1</sup> these figures do not represent any great progress. Despite 73,831 households no longer being classified as in extreme poverty, there are now 121,390 new households in relative poverty (i.e., many households moved from extreme poverty to relative poverty while some are newly poor).<sup>2</sup>

The aim of the Poverty Reduction Strategy (PRS) – developed in order to reach the Millennium Development Goals (MDGs) by 2015 – is that relative poverty should drop to 42% and extreme poverty to 19%.<sup>3</sup> Clearly this goal will not be reached; added to the country's existing problems are the consequences of the current worldwide crisis. The Ministry of Labour has reported that over 10,745 people were laid off between late 2008 and early 2009. Moreover, it is estimated that inflation exceeded 11% in 2008.

Family remittances from the United States and Spain have begun to slow down. Their contribution to GDP decreased from 21% in 2007 to 20% in 2008 and is expected to fall again to 18% in 2009.<sup>4</sup>

### The Zelaya plan

The Government of Manuel Zelaya Rosales has retained its populist welfare policies which, according to the World Bank, have limited coverage, most of them lacking in control and evaluation. It has also continued the confrontation between the three state powers, with the Executive on one side and the Legislative and Judicial bodies on the other. For example,

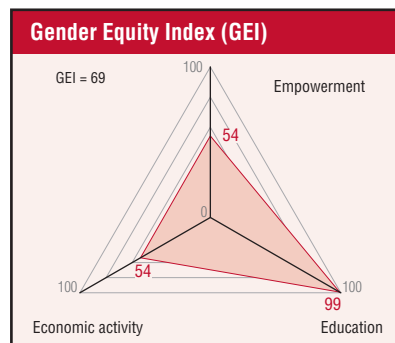


actions taken by the Executive to promote fuel saving have been challenged as unconstitutional and the Supreme Court of Justice has accepted the appeal. In addition, the signing of the *Alternativa Bolivariana para América Latina y El Caribe* (ALBA) [Bolivarian Alternative for Latin America and the Caribbean] – an agreement promoted by Venezuela – was endorsed by the Executive without the support of the Legislature. This has led to an escalation of the country's principal problems, such as the energy crisis and the lack of citizen security.

Since the PRS was approved in 1999 after Hurricane Mitch, each government has carried out its own modifications to the document. For his part, President Zelaya has weakened its institutional framework. On his own initiative he created the Ministry of Social Development and the *Red Solidaria* [Solidarity Network], which automatically reduced the standing of the PRS Consultative Council in which civil society and government organizations were represented.

### Some expectations but further regression

Over the strong opposition of private enterprises, the Government increased the minimum wage to HNL 5,500 (USD 297), though it exempted bonded assembly plants and domestic work from the increase. In addition, the signing of ALBA in August 2008 gave rise to a great deal of expectation in the population, particularly among the more vulnerable. The agreement includes medical and educational aid, donations of machinery and equipment and the "Petrocaribe" initiative, which will make it possible to purchase oil with long-term financing and very low interest.<sup>5</sup> The savings generated by this transaction



are to be put into a trust fund that will be used to finance social development projects.

Although the Ministry of Security's budget rose from USD 140.6 million to USD 156.6 million, drug trafficking and corruption are on the increase. In March 2008 human rights organizations, women's and feminist movements, churches and popular movements gave their support to a group of public prosecutors who went on a hunger strike as a way of denouncing the corruption prevalent in the Public Prosecutor's Office. This event triggered a series of similar allegations regarding the State Attorney General, magistrates of the Supreme Court of Justice, the National Human Rights Commissioner and magistrates of the Supreme Electoral Court.

Furthermore, delay in submitting the general budget for 2007, which was sent to the National Congress in April 2008 – while the 2008 budget had not yet been submitted in April 2009 – makes it possible to use public funds unlawfully and delays the implementation of anti-crisis projects.

### The impact of the crisis and mitigating measures

The recession resulting from the global crisis makes existing problems even worse.

#### The energy crisis

The increase by over 100% of the international price of crude oil and oil products during 2008 caused the cost of transport and the production of goods and food to shoot up. This in turn led to a dramatic increase in the basic food basket and a drop in the purchasing power of the population. The cost of producing electricity also increased – at present over 70% of the energy consumed in the country is generated by plants that operate on fuel oil – and rates have

1 National Statistics Institute (INE) database.

2 See Mauricio Díaz Burdett. "Honduras: ¿Cómo afrontar la crisis financiera internacional?"

3 World Bank. "Informe sobre el gasto público 2007"

4 Government of Honduras. Plan to Face the Effects of the International Economic and Financial Crisis. March 2009.

5 Report by the Committee for the Administration of Oil, November 2008.

shot up 30%, affecting the poorer sectors, the middle class, small businesses and small producers in particular. The Government tried to contain the impact by granting around USD 6 million in subsidies, but this only benefited 3.3%<sup>6</sup> of the poorest quintile of the population – some 100 thousand families.<sup>7</sup> Despite the subsequent drop in the price of crude oil on the world market, the electricity rates in Honduras remain as high as at the worst moment of the energy crisis.

In early 2009 the President of the National Congress submitted a bill aimed at dramatically cutting the electricity rates. However, this measure, which did not stipulate any means of control, would aggravate the already critical situation of the National Electric Energy Company while substantially benefiting private plants. In response, social and popular organizations carried out a series of marches and public demonstrations in order to demand that the Government nationalize all of the energy generation plants.

### The financial crisis

The Honduran economy is very dependent on the United States; over 85% of the goods produced are exported to that market. One of the sectors that has been directly affected by the crisis is the free zone area or bonded assembly plants. The National Association of Bonded Assembly Plants announced in November 2008 the loss of 25,000 jobs – 85% of them held by women – due to factory closures.

As part of its anti-crisis plan, the Government has announced that a large number of jobs will be generated all over the country in the short term. One of the principal sources of employment will be the *Caminos por Mano de Obra* [Roads for Labour] programme, which will carry out projects involving the construction of local roads.<sup>8</sup> This is not going to be easy to put into practice, however, as 2009 is Zelaya's last year in office and past experience shows that when a new government assumes power, it ignores the previous one's plans.<sup>9</sup>

With regard to the banking sector, the companies exporting goods are not requesting financing from the commercial banks. This has held up the flow of money and led to a lack of liquidity in the system. Another problem is the cornering of capital by the banks' partners, who do not wish to risk their capital and prefer that the Government make the investments. This practice was made clear when the largest shareholders in banks sent an average of USD 200 million abroad in a period of about a month.<sup>10</sup> The situation was reported to the National Banks and Insurance Committee, whose president was fired. In order to generate liquidity, the Government reduced the banks' reserves and increased financing for productive sectors at a borrowing rate of interest not greater than 10%.

6 World Bank, *op. cit.*

7 Autonomous National University of Honduras (UNAH) (2008), Forum on Energy Crisis and Development in Honduras.

8 Government of Honduras. Plan to Face the Effects of the International Economic and Financial Crisis. March 2009.

9 Interview with Congressman Marvin Ponce.

10 Interview with economist Martín Barahona.

## AGAINST BLOWS TO DEMOCRACY AND BLOWS TO WOMEN

On 28 June 2009 the Honduran army staged a coup d'état against the constitutionally elected president Manuel Zelaya Rosales, sending him into exile and naming Roberto Micheletti, until then president of the National Congress, as his successor or "provisional president". This coup was carried out with the support of the traditional political parties, the business sector, the Supreme Court, the Catholic Church and most of the mass media, among others.

The coup has also been a blow to the Honduran social organizations. The *de facto* Government's repression has resulted in deaths, hundreds of injured and displaced people, and the violation of fundamental rights.

Traditionally, Honduran women suffer great disadvantages. Although their educational level is higher than men's and they represent 52.6% of the population of working age, only 34.3% of them is part of the economically active population. Poverty in women-led households (64.1%) is proportionally greater than those headed by men (58.8%).<sup>1</sup> This gap is deeper with regards to extreme poverty, where 38.8% are women and 34.9% are men.

Between the end of 2008 and the first months of 2009 the National Congress passed several decrees that violated women's right to decide over their own body. Such is the case of decree number 54-2009 that penalizes the selling, use and promotion of emergency contraception pills. In January 2009 a reform bill of the penal code was introduced in order to recognize the right to life since conception, although it was still under discussion when the reactionary forces took power.

The international crisis has favoured the increase of crimes, sexual violence against women and girls (over 540 cases annually<sup>2</sup>) and femicides (more than 1,000 in the last six years<sup>3</sup>). In addition, the advance of religious fundamentalisms, with the access to the legis-

lature of congresswomen with links to the Opus Dei and the most conservative sectors of the Catholic Church, has set back women's rights and encouraged the coup d'état.

Now the repression unleashed by the *de facto* Government has resulted in deaths, hundreds of injured and displaced people, as well as the violation of fundamental rights. The rights to freedom of movement and of speech, among others, are limited, especially for those who have risen up in popular resistance. In this context of violence and almost total absence of the rule of law, the violence against women has increased, catalyzed by the patriarchal culture that considers the female body as its property. Women in the popular resistance and also other women who, by chance, and without participating in it, were involved in resistance scenarios, have experienced first hand the repression of the police and the army. Since the first days of the new *de facto* regime, the women's movement and the feminists are opposed to it, and have joined the resistance along with the popular sectors throughout the country.

Feminists in Resistance – a coordination of women's organizations, and organized and independent feminists – emerged in the frame of the different actions of resistance. Its work focuses on defending and highlighting the rights and struggles of women. With messages such as "Against blows to democracy and blows to women" they have managed to link two major national problems, thus contributing to a more comprehensive vision of current issues.

Feminists in Resistance of Honduras have planned and carried out different actions together with the feminists in resistance of Costa Rica, Guatemala and other organizations of Central America and other countries. The different organizations that make up the national coalition of Social Watch in Honduras, including the Centro de Estudios de la Mujer and the Centro de Estudios y Acción para el Desarrollo de Honduras are involved in this initiative. ■

1 INE (2007). *Encuesta Permanente de Hogares de Propósitos Múltiples*.

2 Dirección General de Medicina Forense.

3 Centro de Estudios de la Mujer database and the report of Observatorio de la Violencia, UNAH, January 2009.

### The food crisis

The global rise in the price of wheat led to a 40% rise in the cost of wheat flour in Honduras, which in turn led to an increase in the price of bread. Products that the population consumes daily, such as rice and cornflour, underwent an increase of 110% during the second half of 2008. The shortage of foodstuffs is not only due to the lack of production but is also linked to the worldwide energy crisis. Because of this, maize harvested for human consumption was diverted and exported for the production of ethanol. The inevitable

rise in the price of maize led to an increase in the cost of all products based on cornflour. In addition, a crisis arose related to the production of basic grains as a direct consequence of the increase in the price of agricultural supplies, which went up 80%.

In order to mitigate the impact of the crisis, the Government has implemented some social welfare measures such as a mother and child voucher, an educational voucher, and the school satchel and school meal plans, which assist 61.4%, 41.6% and 29.8% of the poorest quintile respectively. ■