

## HONDURAS

# Between poverty and inequalities



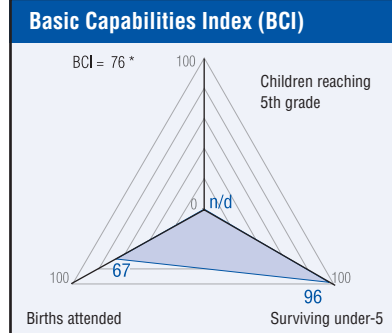
Despite efforts proclaimed by successive democratic governments, reality shows a distinct discrepancy between objectives and achievements. Inequities persist although the state has repeatedly attempted to tackle the phenomenon of social inequality which affects the population in general, and women in particular. Welfare projects have failed one after another, giving rise to increasing uncertainty and insecurity among the citizens.

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Hondurans are experiencing one of the most contradictory moments of the democratic paradox. After 25 years of government freely elected by the will of the people, the old issues of poverty and social exclusion remain unresolved. Improvements in the legal framework have not helped to increase citizen participation nor to consolidate the rights of women in electoral processes. On the contrary, small groups remain in power, holding the government apparatus hostage, while party structures survive under a vertical and authoritarian framework which denies poor women all access to elected and powerful positions in the country. Although there are 31 congresswomen out of a total of 128 legislators, they do not represent poor women, but rather the fundamentalist thinking of the Catholic Opus Dei sector, and their actions obstruct all progress which might have been made in the field of women's rights during the last quarter of a century.

Increasing corruption, which causes losses estimated at USD 500 million a year, the fragility of institutions and the system of patronage in party and trade-union organizations within the government are, among others factors, the cause of inefficiency in the state system. Instead of attempting to banish corruption, laws such as the so-called "Law Against Grey Traffic" are passed, which does nothing but generate a loss of over USD 69 million a year for the Honduran Telecommunications Company (HONDUTEL) with the manifest intention of causing its bankruptcy, although it is the state's most profitable company. The counterpart to this phenomenon is the Public Ministry's inaction regarding the more than 20 cases of corruption involving presidents, ministers and other persons with a great deal of economic power in the country.<sup>1</sup>

In spite of millions invested by the Poverty Reduction Strategy (PRS), both official and unofficial figures make it clear that the state still maintains a social debt to the majority of its population. According to the Social Foreign Debt Forum (FOSDEH), about

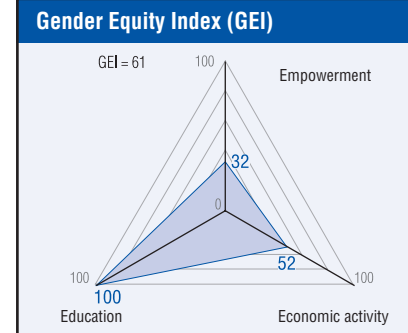


USD 3.85 billion<sup>2</sup> was spent on PRS programmes and projects during the 2000-2006 period, whereas the percentage of poor people was reduced by only 4%.<sup>3</sup>

### Budgets which discriminate against women

The inefficiency of the governmental apparatus, the dispersal of public investment and the lack of a strategy arrived at by consensus and with a vision embracing the country as a whole, are among the reasons for these results. The three successive governments which have conducted the PRS have implemented projects which have historically proven to have little chance of contributing to the objectives and goals of the programme. In the case of women, it was possible to observe in a mapping exercise carried out by CEM-H that only 14% of PRS resources which reached local governments were assigned to women. These interventions will, therefore, never be able to change the unequal power relations between men and women, or achieve strategic changes in gender relations in the country; nor will women ever be able to overcome the situation of poverty and violence in which the state has immersed them.<sup>4</sup>

According to the report on the Millennium Development Goals (MDGs) for 2007, female-headed households constitute 25.6% of poor homes (UN System in Honduras, 2007). The government of Manuel Zelaya Rosales has made attempts to reformulate the PRS, but in the new document women



still appear as a vulnerable population, which makes it clear that gender mainstreaming has been fully ignored by the current authorities.

Faced with this perspective, it would not be going out on a limb to say that the country is very unlikely fulfill the PRS goals and the eight MDGs established for 2015.

### An unwieldy and inefficient apparatus

Faced with the serious problems of citizen and juridical security, the issue of social security does not appear among the basic concerns of the majority of citizens, who are already used to living beyond the boundaries of universally accepted rights.

The 1954 strike in the banana plantations of the country's Atlantic coast laid the foundations for the present social security system. Five years later, the current Labour Code was passed and the Honduran Social Security Institute (IHSS) was established.

According to the Social Insurance Law, affiliation to IHSS is compulsory for "private workers who lend their services to a natural person or a legal entity; state workers; those who work for autonomous and semi-autonomous entities and the state's decentralized entities."<sup>5</sup> Likewise, the Law of Equal Opportunities for Women, passed in 2000, establishes in Article 50 that women in domestic service should be protected by social security. However, the law is rarely obeyed.

The IHSS covers the following: illness, non-work-related accidents, maternity, labour accidents and work-related illness, old age, disability, death, family subsidies, pensions for widows and orphans, enforced work stoppage for legal reasons or proven unemployment, and social services.

<sup>1</sup> Interview with Congresswoman Silvia Ayala, National Congress of Honduras.

\* One of the BCI components was imputed based on data from countries of a similar level.

<sup>2</sup> Currency exchange rate used: USD 1 = HNL 19.

<sup>3</sup> FOSDEH, <www.fosdeh.net/archivos/erp\_act\_2006\_anexos.pdf>.

<sup>4</sup> Study carried out by CEM-H.

<sup>5</sup> Decree No. 140/1959.

Other institutions later emerged, such as the National Pensions Institute for Employees and Officials of the Executive Branch (INJUMPEMP) in 1971, the Military Social Security Institute (IPM) in 1972, the Teachers' National Social Security Institute (INPREMA) in 1980, the Journalists' Social Security Institute (IPSP) in 1985, and the Honduras National Autonomous University Social Security Institute (INPREUNAH) in 1989.

The state formally recognizes social security as a right. In the Constitution of 1982, Article 142 states that "all persons have a right to the security of their economic means of subsistence in the case of disability to work or to obtain remunerated work" and Article 143 compels the state, employers and workers to "contribute to the financing, improvement and expansion of social insurance." (Rojas Caron, 2001).

It is within this framework that the health sector operates. It comprises the Ministry of Health, the IHSS and the private sub-sector, with no coordination or functional links among them, in spite of commitments to align and harmonize government action and international cooperation.

In practice, the state has not fulfilled its constitutional mandate, and different governments during recent history's so-called democratic period have evaded their obligations. As an example, successive governments have maintained an increasing debt with IHSS regarding their obligations both as employers and government, and regarding the amounts retained from the salaries of state employees.

The administration of the IHSS is shared by the government, the private sector and workers' associations. After half a century, coverage provided by IHSS is deficient. Out of 5,507,697 persons of working age, only 580,000 are insured directly by IHSS and 843,900 are beneficiaries located in the country's largest cities (NSI, 2006).

Although there have been efforts to improve its efficiency, in particular after 2001, when employers' and workers' percentages were increased, the quality of the services rendered is still poor; a request for a doctor's appointment may take between two and three months to fill, there is a long waiting list afflicting beneficiaries in need of surgery, and the usual answer obtained from the IHSS's pharmacies is that "there is no medication available."

INJUMPEMP members are employees of the executive branch with indefinite work contracts. The benefits provided are retirement pensions, disability pensions, benefit transferral, compensation for death in active service or withdrawal from the system, transfer of actuarial values, and also a mortgage and personal loans service. Until September 2002, membership amounted to 109,205 persons, of whom 54,654 were active contributors and 2,190 were retirees and pensioners. Of the total contributors to that date, 50.4% were women and 49.6% were men (Martínez, 2003).

INPREMA provides coverage for an approximate population of 50,000 primary and secondary school teachers. INPREUNAH provides coverage for about 4,500 university workers throughout the country.

Bearing in mind the quality of the services and the low level of coverage, the pensions system faces

serious threats. According to the newspaper *El Heraldo*, in 2005 public social security institutions were burdened by a cumulative operating deficit of over USD 200 million (López García, 2005). Although at present these institutions have sufficient funds to pay members their benefits, in the medium and long term the situation could become quite serious.

Growing discontent among the population in general and direct users of the national social security system has allowed plans for the privatization of pension funds in particular to be re-launched. Companies devoted to this business are already operating in the country and a law is being promoted which could be a starting point for putting it into practice.

### Citizen security for women: utopia

Between 2003 and July 2007, 673 women were murdered, and these crimes remain unpunished.<sup>6</sup> Despite the fact that in 2006 the sum of USD 894,000 was approved in the General Budget of the Republic for the establishment of special units for the investigation of violent deaths of women, to date the government has not yet managed to identify the funds required in order to make them available to the Public Ministry. Domestic violence is on the rise, with over 12,000 cases reported in 2006, but the creation of specialized courts in two large cities (stipulated by the Law Against Domestic Violence of 1997) is still being delayed. A significant fact is that over 12% of the crimes against women are carried out by their partners, with the aggravating circumstance that the victims had already filed a complaint, without receiving the protection from the state which is required by law. The Human Rights Committee, responding to the government and alternative reports on the International Covenant on Civil and Political Rights in November 2006, recommended that the state should "take appropriate measures to combat domestic violence and ensure that those responsible be brought to trial..." and further "invites the State Party to educate the population as a whole on the need to respect the rights and dignity of women, with a view to changing cultural patterns."

However, the current situation is far from one of respect for and implementation of these recommendations. Christian fundamentalist groups, together with government forces, have opposed the use of sex education and gender equity guidelines in educational centres, exhibiting a lack of interest in the increase of HIV/AIDS cases, 46.25% of which affect women. Only 52% of the persons living with HIV/AIDS have access to antiretroviral medication (UN System in Honduras, 2007).

In addition to all of this, the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) has not yet been ratified, a fundamental requisite to enable women's organizations and the victims themselves to file the corresponding international reports. In spite of the pressure brought to bear by the organized women's movement, the government continues to delay ratification, thus demonstrating a lack of

political will to make progress in reducing discrimination against women.

### The Solidarity Network and the forbidden dream of the majority

Most citizens are excluded from social security. The Solidarity Network Programme created by President Manuel Zelaya's government is an attempt to organize "all existing actions to provide access to mechanisms of social protection for families in conditions of poverty and extreme poverty."<sup>7</sup> During the 2006-2010 period, the Solidarity Network will give priority to 252,484 households in a condition of extreme poverty throughout the country. To meet this demand, the government has increased the budget for the next three years by approximately USD 198 million. Compensation programmes such as the Honduran Social Investment Fund, the Family Allowance Programme which administers the conditional family voucher,<sup>8</sup> the School Fund and the senior citizens' voucher, will now be a part of the Solidarity Network package, under the direction of the country's 'first lady'. The Ministry of Education is in charge of distributing to secondary public school students a student voucher for USD 21 a year as well as a school meal and a basic package to handle the more common illnesses. The Ministry of Agriculture and Livestock distributes what is known as a 'technological voucher', which provides recipients with a set amount of fertilizer and seeds for planting corn or beans. The National Sustainable Rural Development Programme encompasses credit programmes, road improvement and irrigation systems to foster agricultural production.

In practice, the Solidarity Network initiative replaces the PRS as a policy. The government is ignoring the consultation mechanisms established by the PRS in the implementation of the network, which is being handled with an evident political-sectarian bias. The resources required are very high in relation to the government's capacity, and will have to be obtained from the cancellation of the debt or from new loans obtained from financial institutions. In conclusion, the Solidarity Network is a welfare package which increases the country's debt and condemns the poor to flee the country or to depend permanently on handouts. ■

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<sup>7</sup> Executive Decree PCM 33-2006.

<sup>8</sup> Aimed at improving height and weight indicators in children under five and preschool and primary school attendance, the voucher is for approximately USD 113.

<sup>6</sup> CEM-H Documentation Centre Database and General Criminal Investigation Office.