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HONDURAS

Congress Approves DR-CAFTA Related Laws

The National Congress approved five laws on 15 Mar to make Honduran law compatible with the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA), which became effective on 1 Apr. After approving DR-CAFTA related laws, Congress began negotiating a free trade agreement with Colombia.

Constitutional law already protected author and patent rights; however, intellectual property rights were expanded with the addition of related rights. The addition improves the protection of author rights, patents, copyrights and intellectual design.

The Representation and Distribution Law was created to protect contractual freedom. Many of the businesses that will participate in Honduras as a result of DR-CAFTA sell products with a license granted by a parent company in another country, such as the US. All valid external contracts that enter the country will be governed by contractual freedom principles. The law upholds contracts between foreign businesses that operate in Honduras and their main headquarters.

Another law was designed to improve the transparency of government contracts and bidding. After a government contract is awarded, amendments to the contract cannot be made. Government contracts may be contested if the contract is amended after being awarded to a bidding company. If changes affect the contract, the bidding process must reoccur to allow other companies to bid again on the new contract.

The fourth DR-CAFTA related law requires a more rigorous inspection of exported meats.

More stringent punishments have been added to the penal code. Individuals participating in domestic or international bribes will be punished by imprisonment and fines. Pirating digital media, such as copying movies or decoding cable signals without authorization, is now punishable by the stricter penal code.

US Ambassador Charles Ford boasted of the success of the approvals and their potential to create a lucrative market to attract investments from North American countries. "Honduras is prepared to be in

the big leagues,” commented Ford. “Its future is in globalization.” Ford described the free trade agreement as an excellent opportunity; however, he believes its success depends on the dedication of the government, businesses and workers.

Following the approval of the DR-CAFTA related laws, Honduras and Colombia signed an agreement on 29 Mar to begin free trade negotiations. Both governments forecast the completion of the project by the end of this year. The Colombian Minister of Commerce, Industry, and Tourism, Jorge Humberto Botero, and Elizabeth Azcona, who holds a similar position in Honduras, signed the agreement. Azcona expressed the urgency of negotiating a symmetrical agreement, “because a negative commercial balance that favors Colombia exists in the current situation.”

The Honduran-Colombian agreement established the organizational structure for the negotiations. Representatives from Honduras and Colombia agreed to respect both constitutions and to be consistent with the rights and obligations as members of the World Trade Organization while negotiating a free trade agreement. Negotiations are intended to promote political and economic development with the objective of improving living standards.

Wave of Violence Sparks Protests

Bus and taxi drivers united to demonstrate against the wave of violence affecting the neighborhoods in northern Tegucigalpa after at least 12 people were killed during the weekend of 11-12 Mar. Bus drivers closed routes between El Carrizol and the National Autonomous University of Honduras on 13 Mar. Protestors demanded increased security at bus stops and other violent areas. Minister of Security Álvaro Romero spoke to the National Congress on 29 Mar to present a plan to combat the wave of violence.

Demonstrations began after assailants murdered two bus drivers to rob money collected throughout the day. The permanent vigilance and fear has forced bus drivers to demand the support of the police, requesting Romero to leave his office and “come to the streets to combat the delinquents.”

Many of the victims have been murdered by 9 mm pistols and AK-47s, weapons prohibited by the state. Murders are increasing in marginalized communities where the police presence is minimum. Responding to the protests on 15 Mar, the General Director of Transportation cancelled 111 certificates of operation for bus and taxi companies.

The strike is causing citizens to search for different routes and means of transportation. Many of the neighborhoods have been barricaded by protestors to limit usage of the roads. Protestors have ironically begun to use violence against those who pass by on bicycles, throwing stones and threatening people with machetes. Demonstrations have significantly inhibited the ability to travel within the affected areas.

“Organized crime has never been competitively combated in Honduras,” expressed Romero. “We will organize and eliminate this criminal activity.” However, Romero cites a lack of funds as an obstacle to combat organized crime.

The police department has limited resources to do its job. Only 170 of the 800 vehicles assigned to the Secretary of Security are operating. The majority (83%) of the police budget is used for worker salaries

and only 10% of the budget is used to combat crime. Romero has requested increased funding to obtain resources that could aid in combating organized crime.

Public Workers Demand Improved Salary

More than 35,000 public employees have demonstrated outside the Secretary of Finance's office and in the principal streets of the capital, Tegucigalpa, to demand a salary increase. Public employees have been on a labor strike since 27 Mar to pressure President Manuel Zelaya to comply with his campaign promises.

Nearly all public sectors of the country have been affected by the paralyzed work force. Activities of twenty-eight public hospitals have been slowed drastically and staff members are only attending to emergency and intensive care patients. Government secretaries have joined the protests to create additional pressure and an increased workload for government officials.

Protestors are demanding a monthly salary increase of \$17; the request is comparable to the government authorized increase received by private sector employees in '01. The National Coordination of Public Employees has organized the strike and plans to continue the labor stoppage until an agreement is reached.

Minister of Finance Hugo Noé Pino called the protests "unjustified because the government has been negotiating a resolution to the problem for the past two months." Pino claims that the government is searching for ways to improve worker's salaries.

President Zelaya, in an act unrelated to the strike, signed an executive decree to increase minimum salaries on 27 Mar. The average monthly minimum salary in every sector is currently at \$126; some sectors pay up to \$136. The decree ordered that minimum salary workers be given a retroactive salary increase from Jan '06 with the following stipulations: businesses employing up to 15 workers will increase minimum salaries by 11%, businesses employing more than 15 workers will increase minimum salaries by 8.4% and financial institutions will increase minimum salaries by 9.5%.

—*Jason Eichorst*