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HONDURAS

Energy Crisis Looms in Honduras

Due to an increase in demand and a significant delay in investments, Honduras is on the verge of a severe energy crisis, according to a report issued by the World Bank on 23 May. The report places some of the blame on the National Electricity Company (ENEE), which for years has had financial and bureaucratic troubles.

According to the document, the World Bank blames much of the financial woes of ENEE on mismanagement and “inefficient revenue provided by low tariffs” and suggests raising rates for residential users. It also suggests securing sources of alternative energy and finding ways to conserve existing energy supplies.

At this stage, the country is on the verge of rationing electricity, according to ENEE officials. The lack of investment in new electricity substations, high losses in the distribution process and rising petroleum costs are creating severe fiscal dilemmas for the company. It is estimated that ENEE’s annual financial deficit between ’02 and ’06 is hovering around \$120 million, which represents approximately 2% of the country’s GDP.

In its Plan of Expansion ’06-’20, ENEE is preparing to generate energy from alternative sources and from the construction of the Patuca Dam III in the department of Olancho. But the World Bank believes the country will have energy contractions, saying that in the next few years Honduras will face “a deficit of capacity near 80 megawatts for ’08 and 250 megawatts for 2010.”

There are 25 private power companies in Honduras, with 19 thermal power plants and eight hydroelectric plants that combined generate 60% of the country’s power. ENEE, a government-owned company, has seven hydroelectric and six thermal power plants, which generate the remaining 40%.

The situation has placed Honduras in the same position as Nicaragua and Costa Rica, which also had recent deficiencies in their power supplies.

Zelaya Tries to Control Media as His Popularity Drops

While the Honduran press was adding its voice to the long list of countries condemning the re-licensing of Venezuelan television station RCTV by President Hugo Chávez on 28 May, Honduran President Manuel Zelaya was ordering television stations in his country to air positive government propaganda.

Adding to his outburst on 8 May concerning media criticism of his administration and his inability to govern the country, President Zelaya has again proclaimed that the media is not treating him fairly.

On 21 May he made the bold assertion that he is the most criticized president in the history of Honduras saying, "I have been more victimized, more condemned and more slandered by the mass-media than any other president." Though he also added that, far from being beaten down, he is energized and is determined to get his job done.

While simultaneously making the claim that criticism of the government is "patriotic," Zelaya issued a presidential decree, ordering media outlets to provide 2 hours a day for 10 days of positive information about the government, which began on 28 May.

The information, which was aired between 10 and 12 in the evening, was presented with a positive spin on government programs and attempted to explain, without comment, the position of the administration.

As a result, many journalists and opposition politicians have expressed great concern over limitations on a free press and dissemination of information in Honduras.

The Honduran School of Journalism (CPH) has publicly come out against the move by Zelaya. The CPH, in a letter to the president, asked him to "very respectfully" remove his controls on the media and noted that other world governments who place controls on media put their national sovereignty in danger. They likened him to Chávez or Ecuadorian President Raphael Correa due to their attempts at controlling the media message by creating pro-government networks.

Recent polls suggest that Zelaya's popularity is dropping. According to information from a CID-Gallup poll of 1,200 Hondurans, between Jan and May '07 the popularity of the president had fallen from 45 points to 23 points.

According to the daily *La Prensa*, the drop in popularity is due to several factors. The most common of these are both the general feeling of insecurity in the population and the increase in the cost of living.

One in three people say that they have been directly affected by violence, a situation that is mostly a concern of people in the cities of Tegucigalpa and San Pedro Sula. They blame the president in part because of the widely-held belief that the police are often involved in crimes.

Also according to the *La Prensa* report, the sharp rise in petroleum prices has dramatically affected the cost of living. Many people feel that the president has not done enough to curb the effects of rising diesel and gasoline costs and is ignoring the problem. Overall, whether respondents felt positively or negatively, they all agreed that Zelaya has not kept his campaign promises.

Indigenous Communities Receive Attention

In mid-May the Honduran government announced that it will invest \$13.5 million in Indigenous communities. The investment is a continuing part of a program called *Nuestras Raíces*, Our Roots, which was initiated in June '06 by the Honduran Fund for Social Investment (FHIS). The funds are part of a package provided by the World Bank for social investment purposes.

According to the World Bank, the funds are divided into five disbursement categories: 30% for social services; 20% for health programs; 20% for water, sanitation and flood protection; 15% to primary education; and 15% for general agriculture, fishing and forestry management.

Nuestras Raíces was initially started in '95 as an investigation into the total population of Indigenous Hondurans. The field studies identified 3,000 groups in 15 departments. It has since turned into a pet project for President Zelaya to support and invest in Indigenous and Afro-Honduran communities around the country.

The FHIS and the President's office report that they are currently in the fifth stage of the program, which consists of creating 1,636 projects in the 15 departments. The Mayan town of Chorti, which has been highlighted in the announcement, is to receive \$890,000 for construction of homes and to provide the means for other projects in the area.

An additional \$83,000 will be used for the construction of a new Maya cultural center that will provide bilingual education in Spanish and English with other as yet unreported benefits to follow. The government reported that, during its first four stages, *Nuestras Raíces* has helped more than 288,000 families nationwide.

However, malnutrition, lack of access to basic services, and societal racism are some of the same problems that Indigenous groups face in Honduras, even with these recent attempts to provide aid. With the Zelaya administration falling out of favor with the public, the president will need to prove that his interest in the program is more than simply political.

According to most recent World Bank report, in two years only \$1.5 million of the original \$14.85 million disbursement has been used.

Honduran Immigrants in US: Some Stay, Some Go

On 2 May, the US Department of Homeland Security (DHS) extended the temporary residence of more than 78,000 Hondurans, in addition to thousands of Salvadorans and Guatemalans, by another 18 months. The Honduran immigrants have been living in the US as temporary residents and are being granted the extension because the DHS reportedly feels that to deport them would be inhumane given conditions in their home country.

The Honduran nationals, who were scheduled for deportation on 5 July, were once before given temporary permission to stay in the US after Hurricane Mitch devastated much of their country in '98.

This is good news to many of the families of the immigrants and to the Honduran government as well. The amount of remittances that Honduran families receive from loved ones in the US is reported to be around \$3 million annually. In a country with a minimum wage of \$150 per month

and GDP per-capita of \$3,000, these remittances are not only welcome but crucial to the Honduran economy, totaling an estimated 26% of GDP.

The move also comes as the US has deported scores of illegal Honduran immigrants back to their home country. In the last five months more than 8,300 illegal Honduran immigrants have been deported, some through the US and some through Mexico, reported Rosario Murillo of the Secretary of the Interior and the Committee of Attention to Returned Migrants office, which is financed by the US to help immigrants once they are returned to Honduras.

While this number is a fraction of the reported 1 million illegal Honduran immigrants living in the US, the Honduran government is feeling overwhelmed by these recent deportees, and in Mar asked the US Government to stop deporting illegal migrants entirely until they have reformed their immigration policies.

War Games in Honduras

Honduras will be one of 18 countries in the Americas to participate in joint military exercises this June. The exercises, appropriately titled “Special Operations,” will be conducted in Honduras from the 21-26 June and is being supported by the US.

This is the third round of exercises since '04 to be held in Latin America in cooperation with the US military's Southern Command (SOUTHCOM).

The focus of the training is said to be organized mainly around the prevention of drug trafficking and the control of armed gangs in Central and South America. However, according to stories published in both the Honduran daily *La Prensa* and Nicaragua's *El Nuevo Diario*, a primary focus for the US is on anti-terrorism.

In testimony before the US House Armed Services Committee on 21 Mar, Adm. James Stavridis, commander of SOUTHCOM, made clear that the US' Global War on Terror is a key factor in current US-Latin American relations. In his testimony he cited the program *Fuerzas Comando* (Commando Forces), in relation to the exercises, as a “skill and competition leadership seminar designed to enhance trust between international ‘Special Operations Forces’ ... [it] builds regional capability and supports our War on Terror efforts.”

According to José Ordóñez of the Honduran Armed Forces, the purpose of the exercises is “to see which special forces are better trained in America,” and who is best equipped to deal with the threat of terrorism. Other countries that have held these training exercises are El Salvador, Paraguay and Chile.

Like many of the countries involved, Honduras benefits from military aid from the US, and, with this collaboration, is awaiting the shipment of small aircraft that Honduras officials claim are not meant for battle but for humanitarian purposes.

—Jason Howd