

# *MESOAMERICA*

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## **HONDURAS**

### **Zelaya Says He Cannot Govern His Country**

The President of Honduras, Manuel Zelaya, stated on 6 May that he cannot govern his country, and those that do are the sectors “that have seized the State resources in all areas of society.”

In declarations to independent news journalists of *Radio Cadena Voces* in Tegucigalpa on 6 May, the President said that objective and serious analysts should investigate who the actual power wielders are, because he claims it is not his administration; the sectors that control State resources are the actual “owners” of the country.

These “owners,” who Zelaya did not precisely identify, are those who have taken control of State resources in all areas of society, through the manipulation of laws, statutes, privileges or contracts. These sectors, Zelaya added, are in “a fight to the death” and in “a struggle against the current.” The struggle is due to a strong triangulation between the media, the media owners, economic power groups with particular interests, and people dedicated to exploiting the political and social problems in pursuit of their own interests.

Zelaya, who assumed power on 27 Jan, also has recently criticized one sector of the Honduran press because, according to him, it gives more importance to organized crime than to government actions, although other observers claim that the daily media dedicate ample space to these government activities.

Two other former Honduran Presidents, Roberto Suazo Córdoba and José Azcona Hoyo who governed between '82 and '90, confessed that during their era they did not exercise executive power freely, because the military was still in command, even though the country had retaken the path to democracy in '80.

### **The Honduran Dream**

The US Embassy, along with the José María Covelo Foundation, the University of San Pedro Sula and the Minister of Education, are launching a new competition, called “The Honduran Dream.”

The overall object of the competition is to identify alternatives to illegal US immigration and emphasize the multiple opportunities that exist through the creation of a micro-company.

With this, the students will demonstrate to potential emigrants that it is not worth leaving the family behind, putting their lives in the hands of human-traffickers, and becoming indebted in order to make a trip from which there could be no return. The only beneficiaries are the human-traffickers, who are taking their money and making them believe that for \$5,000 they will achieve their dreams outside their country.

The anticipated result of this project will demonstrate that a Honduran dream is possible within Honduras. The competition consists of creating a micro-company, which is designed to highlight the numerous options available in Honduras to start a legitimate business.

Specifically, the competition requires the creation of business plans by teams of students from some of the 12 high schools in San Pedro Sula, to which the winning team will be given \$5,000, the approximate amount that Hondurans pay in an attempt to reach the US illegally. The José María Covelo Foundation will grant the \$5,000 to the winning team, in addition to equipment and materials, so that the winners will be able to implement their proposed business plan.

The projects that the teams present will be evaluated on their creativity, sustainability, feasibility, employment creation and presentation. They also should be developed from the perspective of someone who wants to emigrate from the country.

Of the 12 high schools that will participate, six will become finalists with ultimately one winner. However, the five remaining projects will be taken to judges, and with the endorsement of the US Embassy they will be presented to financial agencies.

It should be clear that the judges and the US Embassy are not responsible for the decisions that financial agencies make about the business plans.

The inauguration of the project took place at the University of San Pedro Sula on 11 Apr with the presence of the Interim Economic Advisor to the US Embassy, Martin Healy, along with Monsignor Rómulo Emiliani and Minister of Education Marlon Brevé.

### **Lack of Property Titles Cause Concern**

The owners of at least 2.5 million different properties do not have property titles and thus are at risk of eviction, revealed the director of the Property Registry, Mario Maldonado, on 11 Apr.

He added that these families, the majority with few economic resources, can not arrange commercial use of the land due to a lack of property deeds, which puts them at risk of eviction and litigations by landowners who claim the land as theirs.

Maldonado said that the government has initiated a massive course of action to hand out land titles in both the Cofradía and Cortés regions, where they have now delivered 2,000 property titles and in the final weeks of Apr were to deliver an additional 1,200 of the pending 7,000 titles.

The same process continues in communities of Olancho, Francisco Morazán, Valle and Choluteca where legal problems delayed the delivery of land titles because the Civil Code demands possession of the land for a minimum of 10 years to qualify.

Furthermore, the government has reestablished the Land Administration Program, an entity that was politicized in the previous administration; it employed more than 1,200 people when only 98 were needed.

The World Bank is financing the program with an expenditure of \$12 million in the first phase and \$50 million in the second phase. “There are more than 2.5 million properties that need titles, thus there is an intense amount of work for the years to come; but we hope this program will give titles to all those who have lived many years in a home without one,” stated Maldonado.

### **Independent Banana Producers Struggling**

Based on an investigation by radio station HRN in Tegucigalpa, the future of the independent banana producers could be in danger because the transnational banana companies are not paying them a fair price, and they have huge debts with the Honduran Bank of Production and Housing (Banhprovi).

The price that transnational companies pay to independent banana growers is \$3.45 a box, which, combined with the production incentives, is nearly \$3.75. The price has not changed since '04 despite an increase in the cost of production by 21 cents per box and an 8% increase in the minimum wage.

All of this has caused the price of each box to increase to \$3.24; however, the producers have a debt of about \$21 million with Banhprovi, in addition to huge debts with private banks. The independent growers face a dilemma: their income from sales does not cover the expenses of production and their debt obligation.

Meanwhile, the transnational banana companies are demanding better quality and an increase in the size of the fruit to 8.5 inches without any additional financial compensation, even though the local producers claim that the transnationals do not pay a fair price for the product and have rejected a large quantity of boxes during the last quarter of '06, arguing that the market was saturated.

The production cost for each box of bananas for the transnationals is \$5.30 each, including the cost of transportation and docking, while the international price increased this year to \$14.50 per box. The transnational companies make an average of eight to nine dollars in profit per box.

Another problem adding to the plight of the growers is that only four of the 12 banana plantations destroyed by Hurricane Mitch in '98 have been reactivated. This does not include some plantations that have been abandoned due to lack of profitability.

Currently, approximately 95% of Honduras' banana production is exported to the US. The independent producers are asking for government support to find new markets with better prices and to increase their crop production. One of their options is to increase trade with China, where importers pay \$4.85 per box and accept a smaller size fruit.

However, a disadvantage for Honduras is that China recently signed a free trade agreement with Vietnam and the Philippines, both of which are strong producers of bananas and would be selling the product under better conditions.

—Christina Patchett