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Deborah Tyroler

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Honduras: Summary Of Opposition To Government Economic Policies

by Deborah Tyroler
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On Oct. 31, the Central Bank approved a 10% devaluation of the lempira, effective Nov. 4. The devaluation is part of a broader "economic liberalization" program recommended by multilateral financial institutions and foreign governments. According to independent economist Hugo Noe Pino, president of the Honduran Economists Association (Colegio de Economistas de Honduras), the devaluation "epitomizes the failure of the government's economic policies." Noe Pino said that despite official pronouncements to the contrary, the devaluation was the result of pressures from foreign financial institutions seeking to accelerate the pace of economic reforms. He added that inflation for the year will surpass 30%. Edwin Rosenthal, president of the National Association of Industrialists (ANDI), told reporters that uncertainty result of unpredictable devaluations, interest rate hikes and other economic liberalization measures, is a disincentive to new investment, once again contrary to the government's proclaimed objectives. In recent weeks, trade unions have launched strikes and demonstrations to pressure for wage hikes and in response to widespread efforts to replace unions with employee-management "solidarity organizations." The labor conflicts include two major strikes involving US-based transnational corporations which have operated in Honduras for years. Employees at the El Mochito silver mine owned by American Pacific have been on strike since Oct. 4 in protest over the company's dismissal of 48 workers, several of whom were union leaders. Banana plantation workers employed by the Tela Railroad Company (owned by Chiquita Brands) went out on strike after the firm fired over 100 workers and introduced new work techniques without prior consultation with the union. Rene Ayestas, a leader of the banana workers union SITRATERCO, said that plantation laborers are demanding job stability commitments, real wage stability, and negotiation of a new collective bargaining agreement on work conditions. Labor Minister Rodolfo Rosales rejected the possibility of government intervention in the dispute, asserting that labor and management would have to find a negotiated settlement. Union leaders say the government is actively supporting the promotion of "solidarity organizations" in workplaces around the country as a means of displacing traditionally militant trade unions. Labor conflict developments are summarized below. Oct. 30: President Rafael Callejas told leaders of the "solidarity organization movement" at El Mochito that his government would not allow "a tiny group of workers who are trying to provoke chaos and disorder" to force the US-based company to abandon its operations in Honduras. American Pacific spokesperson Fred Wagner said the company had lost $500,000 since the strike began. Nov. 2: The deadline set by a government commission mediating the conflict at El Mochito passed without any resolution in sight. Nov. 4: American Pacific executive Arthur Swanson said the company had decided to suspend over 900 Honduran employees due to the ongoing conflict. Swanson said the company would retain employees absolutely necessary for mine operation. Nov. 5: Spokespersons for the Federation of National Workers Unions (FESITRANH) announced a nationwide strike for Nov. 7. Standard Fruit Company employee union spokespersons said their members would participate in the strike. President Callejas said that he would personally serve as mediator in the conflict between American Pacific management and employees. The president said that during the next two days
he would meet separately with representatives of both sides. Callejas made the decision following an announcement by the FESITRANH would launch a nationwide general strike Nov. 7 in support of striking miners and banana plantation workers. About 4,000 National Electric Energy Company (ENEE) employees took over company administrative offices and marched through the streets of Tegucigalpa to protest privatization of certain divisions of company activities. ENEE Workers Union (STENEE) spokespersons said privatization would result in massive employee layoffs. The office occupation did not affect electricity distribution, although administrative and maintenance activities were paralyzed. In late October, Central Bank president Ricardo Maduro announced that selected ENEE divisions would be privatized in accordance with guidelines set by the International Monetary Fund (IMF) and the World Bank. Spokespersons for the Honduran Cement Industry (INCEHSA) union said that INCEHSA employees planned to strike Nov. 7 to protest upcoming employee dismissals and the company’s refusal to grant severance pay. INCEHSA was recently purchased by the Military Pension Institute (IPM). In separate meetings, government mediators met with American Pacific and banana industry unions and management representatives to work out settlements. After 16 hours of talks, American Pacific accepted a tentative agreement calling for the company to rehire 18 dismissed workers. The company refused to reinstate fired union leaders. Tela Railroad executives characterized the government's position as "partisan and damaging." They reiterated their "right" to fire workers when implementing new production systems. ENEE employees used their vehicles to block traffic in downtown Tegucigalpa. "We are protesting the destructive economic policies imposed by the World Bank against the people and organized labor in Honduras," said STENEE president Gladys Lanza. Government spokespersons called the ENEE strike "irresponsible," and threatened to take legal action against workers supporting the protests. The American Pacific silver mine strike was resolved. Management agreed to reinstate all 48 fired employees, and promised to avoid applying sanctions against employees involved in the strike or the union. A company spokesperson said financial losses during the strike surpassed US$1.5 million. Nov. 6: FESITRANH leaders told reporters that plans for the nationwide strike had been cancelled. (Basic data from Inter Press Service, 10/30/91; Notimex, 11/05/91; ACAN-EFE, 11/02/91, 11/04-07/91; Agence France-Presse, 11/01/91, 11/05-07/91)

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