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Ricardo Maduro Takes Over Presidency

by LADB Staff

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Ricardo Maduro, of the Partido Nacional (PN), took the oath of office as president of Honduras Jan. 27. Maduro, a businessman, defeated Partido Liberal (PL) candidate Rafael Pineda Ponce in the November presidential election (see NotiCen, 2001-11-29). Maduro became the sixth democratically elected president since the restoration of democracy in 1982 after 20 years of military dictatorship.

In his inaugural address, Maduro promised to transform the country by attacking poverty and government inefficiency, to resolve outstanding problems with El Salvador and Nicaragua, and to work toward regional integration. Crime and corruption received special attention. Maduro said in an interview with the Salvadoran newspaper *La Prensa Grafica* that the problem of crime stems partly from impunity and partly from the inefficiency of the justice and penal systems. He promised to end violent crime during his four-year term. Maduro said the difference between the two major parties was more in execution than in ideology. Although both have similar objectives, he said, such as the redistribution of wealth to the poor, much money is lost on the way to the poor through corruption and inefficiency. Therefore, Maduro's approach to corruption in government will be through structural changes to smooth the way for reform.

Border problems await resolution

Maduro plans an early meeting with Salvadoran President Francisco Flores to work out a solution to their dispute over the maritime and territorial boundary in the Gulf of Fonseca area a dispute that stretches back decades. The two nations fought the 1969 Hundred-Hour War over that boundary (see *EcoCentral*, 1996-10-17). The International Court of Justice at The Hague supposedly settled the border problem with a ruling in 1992. As outgoing Honduran President Carlos Flores left office, he was still trying to get El Salvador to demarcate the border as set by the court. Flores asked the UN Security Council to force compliance, a move that further annoyed the Salvadoran government.

Salvadoran President Flores said the demarcation should be made under the supervision of a mixed commission, and said he was going to do nothing in response to the UN appeal, which he said had only complicated the job facing Maduro. But three days before Maduro took office, the Salvadoran president made Maduro's job even more difficult by announcing that the Salvadoran government was preparing an appeal of The Hague ruling to "perfect" the settlement.

Maduro told *La Prensa Grafica* that the best way out of the impasse was to submit the matter to international adjudication. He emphatically denied charges circulating in El Salvador that Honduras was in an expansionist mode. "Everyone has to defend their territory, but not through expansionism," he said.

Another outstanding international problem Maduro must address is the 35% tariff Nicaragua slapped on goods imported from Honduras in retaliation against the disputed Honduras-Colombia

maritime- boundary treaty (see NotiCen, 2000-01-27, 2001-12-06). As for regional integration, Maduro said, "I like to think that I am going to be a president who is strongly integrationist." New president faces economic challenges Maduro takes office just in time to face serious economic challenges.

After June, debt-reduction benefits from the World Bank's Initiative for Heavily Indebted Poor Countries (HIPC) ends, leaving Maduro the task of resuming regular payments on the foreign debt. Since the money to do it is not there, he must find new sources of financing or face a widening fiscal deficit. Maduro quickly announced one deficit-reduction measure, pledging to veto a pending bill that would award each legislator the right to import a car duty free at a cost to the state of US\$1.56 million in lost revenue. The bill, passed four days before the legislative session ended, would benefit all deputies, including those who were not re-elected.

Adolfo Facusse, president of the business group Asociacion Nacional de Industriales (ANDI), called on Maduro to fire 30,000 government employees as a step toward fiscal integrity. Facusse said that was the number of unnecessary workers in a bureaucracy President Carlos Flores had enlarged from 150,000 to 180,000. He said the 30,000 were "parachutists" (paracaidistas) who drop in at work only to collect their paychecks. Among Maduro's other plans is the reduction of Honduras' housing shortage by offering houses on "accessible conditions." One million Hondurans have no or substandard housing, he said. Maduro must also find a solution to Honduran poverty, which affects 70% to 80% of the population.

As many as 40% live in extreme poverty. Instead of basing each new budget on the previous budget, Maduro plans a thorough reordering of spending priorities. He wants to reverse the tendency of spending too much on higher education and too little on preschool and primary education. He also wants to spend more on basic health care in rural areas and less in urban areas.

Maduro seeks help in Washington

Before taking office, Maduro went to Washington for meetings with various government officials, the International Monetary Fund (IMF), and the World Bank. In a 15-minute meeting with President George W. Bush, Maduro asked for an extension of legislation enacted in 1998 to allow undocumented immigrants from Honduras and Nicaragua hit hard by Hurricane Mitch to receive temporary residence and work permits for 18 months. After two extensions, the statute will run out July 5. Maduro wants the US to extend the stay of some 100,000 undocumented Hondurans, primarily because their return would place an additional burden on the economy and reduce the US \$600 million in remittances Honduras can expect to receive this year from its citizens working in the US. Remittances are the single biggest source of foreign exchange.

Losing any significant amount of the remittances, said Maduro, "would be no less than tragic for Honduras." Besides retaining the remittances, Maduro is basing his economic "transformation" plans on developing tourism and fostering growth in the maquila industry, small businesses, and agriculture. Maduro also asked Bush to press ahead with the projected US-Central American free-trade agreement. Bush ignited a flurry of interest in Central America Jan. 16 when he said his

administration was interested in signing a free-trade agreement with the region. (See other article in this issue.)

New president looks for agreements with other parties

Maduro's PN does not control the 128-seat National Congress, having taken only 61 seats in the November election. The Liberals have 55 seats and minor parties collectively hold 12. Maduro has therefore been forced to make tradeoffs with the Liberals, including some power-sharing arrangements, notably in the Corte Suprema de Justicia (CSJ). In mid-January, leaders in the outgoing Congress signed an agreement to pass various reforms, including constitutional changes that would have to be approved a second time during the next session. The pact, signed by leaders of the PN, PL, and the Democracia Cristiana (DC), is partly a loosely written governability agreement that makes lofty promises of legislative honesty, democracy, and transparency, and partly a set of structural changes in government institutions. Among the major reforms proposed are:

To separate the Registro Nacional de las Personas (RNP) from the Tribunal Nacional de Elecciones (TNE), each to become an autonomous institution with its own budget. Each is to have three magistrates elected by Congress. The RNP manages the national census and the voter-registration list. The reform relates to the problems that Maduro and Pineda Ponce had with their eligibility to run for the presidency (see NotiCen, 2001-03-01).

To institute the plebiscite and referendum.

To limit the immunity of deputies and other high government officials. The CSJ is to determine when immunity should be lifted in all cases of wrongdoing except those concerning the president and CSJ magistrates, who are to be judged by Congress.

To prohibit the president of the Congress and magistrates of the CSJ from running for president during their terms of office unless they resign their posts one year before the election.

To change electoral laws affecting political alliances, campaign financing, and other matters.

To combine the Contraloria General de la Republica, Direccion de Probidad Administrativa, and the Oficina de Bienes Nacionales, into a new Tribunal Superior de Cuentas, presided over by three magistrates elected by Congress. This reform is aimed at reducing corruption.

To reform the way Congress does business by opening the budget to the democratic process and publishing the record of debates, drafts of legislation, and amendments. One day before his inauguration, Maduro unveiled his Cabinet, described by some observers as predominantly technocratic. Cabinet officers named so far are:

Foreign Relations: Guillermo Perez Arias * Interior and Justice: Jorge Ramon Hernandez Alcerro

Defense: Federico Breve Travieso

Security: Juan Angel Arias

Industry and Commerce: Juliette Handal

Finance: Arturo Alvarado

Labor: German Leitzelar

Communications: Jorge Carranza * Agriculture: Mariano Jimenez Talavera

Education: Carlos Avila

National Agrarian Institute: Erasmo Portillo

Natural Resources and Environment: Patricia Panting

Health: Elias Lizardo

Tourism: Thierry de Pierrefeu Midence

Public Works, Transportation, and Housing: Jorge Carranza

Office of the Presidency: Luis Cosenza

Culture, Art, and Sports: Mireya Batres

Central Bank presidency: Maria Elena Mondragon

Banking and Securities Commission: Maria Cristina Mejia

Empresa Nacional de Energia Electrica: Angelo Botazzi

Secretary to the President: Ricardo Alvarez

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