

Trade, Violence and Migration: The Broken Promises to Honduran Workers



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“What we witnessed was the intersection of our corporate-dominated trade policies with our broken immigration system contributing to a state that fails workers and their families and forces them to live in fear.... The results are dangerous and serve as a warning of what we cannot allow to continue.”

—Tefere Gebre
AFL-CIO Executive Vice President

Introduction

THIS SUMMER, AMERICANS BECAME AWARE of thousands of refugee children and their families fleeing dangerous conditions in their communities to make the perilous, often deadly, journey through Central America and Mexico to arrive in the United States. In response, lawmakers proposed enhanced border enforcement and expedited removal proceedings in order to address this migration crisis. Some media outlets labeled the crisis “an invasion,” and anti-immigrant protesters descended upon detention centers to demonstrate and wave signs in front of buses carrying children.

Meanwhile, the women and men of the U.S. labor movement opened their halls to refugees, worked as front-line service providers and pushed for humanitarian relief.¹ The AFL-CIO Executive Council, in its July 2014 meeting, called for the protection of due process in immigration processing, as well as the conservation of protections for trafficking victims.² It also pressed for a deeper examination of the “root causes” of the crisis, challenging the U.S. government to revise its foreign, trade and immigration policies in the region and its relationship to this mass displacement, as well as respond to outstanding trade complaints in Guatemala and Honduras. The Executive Council mandated that a high-level labor delegation would investigate the root causes of the crisis and develop recommendations for addressing them, working with partner unions in the region to end egregious rights violations and advance an economic and foreign policy agenda focused on the development of decent work and shared prosperity.

In October 2014, the delegation led by AFL-CIO Executive Vice President Tefere Gebre arrived in Honduras to meet with workers, labor, faith and community partners as well as government officials and learn about the impact of U.S. trade and immigration policies on Honduran workers and their families.³ The Northern Triangle as a whole—the section of the Central

American isthmus that includes Honduras, Guatemala and El Salvador—is challenged by widespread labor and human rights violations, crime, violence and corruption. Powerful gangs threaten, intimidate and kill families. The delegation decided to travel to Honduras because it shares many of the same problems of its neighboring countries, but it stands apart in its severity. Honduras is currently the murder capital of the world and has in past years been shaken by political instability, institutional corruption and repression. The children of Honduras and their families are fleeing their communities at a higher rate than in any other country in Central America—more than 18,000 unaccompanied Honduran children arrived in the United States in FY 2014.⁴

The delegation spoke with union leaders representing sectors affected by the Central America Free Trade Agreement-Dominican Republic (CAFTA-DR, or CAFTA) including port workers, and workers from the agriculture, manufacturing and apparel industries, who are fighting to improve their working conditions in the face of employer intimidation and government inaction. They met with returned migrants, who faced dangerous journeys and militarized border enforcement and detention. They heard from local community and political leaders who explained the endemic political corruption in the country, and their struggle for a more just Honduras.

From this investigation, it is clear Central American children and their families will continue to flee their homes until they can live their lives without constant fear of violence, exercise their rights without retaliation and access decent work, all of which will require concerted policy changes in the United States and Honduras. The delegation hopes the findings and policy recommendations contained in this report will contribute to a reorientation of policy priorities in the region, and a brighter day for the working people of Central America.



Why are Children and Families Fleeing?

ADVOCATES PROJECT that as many as 74,000 unaccompanied minors will cross the border in 2014, an unprecedented increase of nearly 50,000 from last year.⁵ The Office of the United Nations High Commissioner for Refugees found approximately 58% of Central American children interviewed were forcibly displaced because they suffered violence or faced threats of violence that indicated a need for international protection.⁶ As a consequence of this widespread violence, many children are fleeing their homes for the relative safety and security of the United States. They take on these risks and travel thousands of miles because the lack of decent work opportunities, crime, violence, crushing poverty and failure of governments to protect the lives and rights of citizens in their home countries are so extreme children and their families see little choice but to undertake a life-threatening journey to survive, hoping for a better future. Institutional corruption frequently means authorities do not properly investigate violence against families, workers and union activists or, worse, are complicit in such acts. Workers who stand up to exercise their rights repeatedly are repressed and threatened.

These immediate “push” factors have roots in recent political and economic developments in Honduras. Honduran workers identified the 2009 Honduran *coup d'état* and the subsequent militarization of Honduran society, and the implementation of CAFTA and its impact on decent work and labor rights in Honduras, as two essential elements to understanding the current crisis. In both of these developments, U.S. policies play a major role.

The 2009 Coup and Its Aftermath

State repression and lack of decent work is partly a function of the post-2009 coup regimes in Honduras. When the Honduran Supreme Court and military deposed President Manuel Zelaya in June 2009 under the pretext of a constitutional crisis, an era of political stability initiated in the 1980s was disrupted, ushering in the current period of corruption and violence. The military officials who led the coup remain in top positions

in both the military and the civilian government and enjoy complete impunity for the crimes they committed. Since the 2009 coup, the ruling governments have failed to respect worker and human rights or create decent work, and instead have built a repressive security apparatus to put down dissent. Numerous trade unionists and community activists who participated in resistance to the coup were killed, beaten, threatened and jailed. Fear of repression has limited political participation since the coup. According to the latest report from the Inter-American Commission on Human Rights, the complete lack of credible investigation of cases and the impunity in which the vast majority of human rights violations remain feed a growing spiral of violence.⁷

The post-coup administrations of Porfirio Lobo Sosa and Juan Orlando Hernández also have rolled back the modest anti-poverty initiatives of the Zelaya administration and weakened labor and employment laws. Under the left-leaning Zelaya administration, the minimum wage was raised by 80%, direct assistance was provided to the poorest Hondurans, and poverty and inequality declined. In conversations with current representatives from the Secretariat of Labor and Social Security (STSS), the officials held that Zelaya's policies that focused on improving wages and social conditions for the majority of Hondurans were flawed. The current STSS has reversed course and passed laws that reduce the amount of permanent work in the country, empower corporations, and reduce protections and the freedom of association for workers. This has taken a toll on the economic well-being of workers. While economic inequality decreased for four consecutive years starting in 2006, it began trending upward in 2010. Poverty and unemployment also have increased over the last four years. In the two years after the coup, virtually 100% of all real income gains went to the wealthiest 10% of Hondurans.⁸

In place of Zelaya's anti-poverty programs, the delegation heard from union and civil society representatives about the Hernández government's “Better Life (*Vida Mejor*)” program. The program began

before the elections in 2013 and the centerpiece is the “*Bono de Diez Mil/Bono de Vida Mejor*” (Cash Transfer of Ten Thousand/Cash Transfer for a Better Life), which is money directly given to poor families with minors. Given the high levels of corruption and lack of government accountability on social spending, one representative from civil society expressed concerns that the funds were used to alter international poverty statistics and to improve Honduras’ social indicators by showing more families earning more than one U.S. dollar a day. Others spoke about the program as a further example of a corrupt political system whereby the government used the direct payments to buy loyalty during the elections. The international community publicly supports these programs but has not publicly addressed civil society concerns of corruption and accountability. The Inter-American Development Bank (IDB) just provided the government \$110 million⁹ for the program and, in a recent statement, the International Monetary Fund (IMF) supported savings from reductions in public-sector employment going into the *Bono de Diez Mil* program.¹⁰

Throughout the delegation visit, workers and community leaders spoke not only about the extreme levels of corruption, but also the increased militarization of the country, and widespread corruption among security

forces and the impact it had on their daily lives. Since the coup, there has been an increased Honduran military presence into domestic policing performed by both the regular and new military police. After the government changed Article 274 of the Constitution, the military police now can take on civilian duties. A new 5,000-member military police force circulates the streets and communities, leading to more community-level police harassment. The Honduran government itself estimated in the fall of 2013 that 70% of the regular police are corrupt and yet, despite millions in international aid to address police reforms, there has been a limited attempt to make the needed changes. This November, when the chief of Honduras’ National Police force spoke repeatedly against the increased use of military police, he was dismissed.¹¹ Despite widespread charges of rights violations by police and military forces, U.S. aid continues for security purposes—reaching approximately \$27 million in 2012. A Honduran government probe into the issue of police ties to crime and drug activity admitted that 70% of the country’s police are beyond saving.¹² As José Guadalupe Ruelas Garcia, executive director of *Casa Alianza*—an organization that works with homeless, abused and exploited children—puts it, investment in this high-cost security apparatus comes at the expense of investment in the basic needs of Hondurans.



The delegation met with *Casa Alianza*’s executive director and the country’s leading advocate for children, José Guadalupe Ruelas Garcia, who on May 8, Amnesty International and other human rights groups report, the military police brutally beat, arrested and denied medical care to because he had criticized the government a few days earlier. The case remains in impunity.¹³

Throughout the delegation’s visit, union leaders and civil society representatives spoke about the increasing climate of repression. Recent laws loosening the restrictions on wiretapping and government access into financial records increase the possibility of surveillance of civil society groups. The government has further reformed the basic education law (IMPREMA) governing the teachers’ unions to limit the right to protest. One recent emergency decree prohibits teachers from protesting on school days, on public roads, and from being absent from the worksite in order to protest. If they do so, they are subject to termination, hearings,

demotions and criminal charges. A proposed new labor procedural code that may take effect in 2015 would change the right to strike and threatens workers with criminal charges for promoting a strike, among other “infractions.” In the delegation’s meeting with the major national union centers in Honduras, *Central General de Trabajadores de Honduras* (CGT), the CUTH (*Confederación Unitaria de Trabajadores de Honduras*) and the CTH (*Confederación de Trabajadores de Honduras*), Honduran labor leaders confirmed that the climate for workers under the current government is the worst it has been since the 2009 coup.

The fate of Honduras long has been tied to that of the United States, and the Honduran government historically has received military support from the United States. Throughout the 20th century, Honduras was key to maintaining U.S. military and economic interests on the isthmus. The U.S. military intervened in Honduran politics throughout the early 20th century to protect the foreign investments of large U.S. corporations like the United Fruit Co. Later, Honduras served as a base of operations during the U.S.-supported 1954 coup in Guatemala, as well as the 1961 Bay of Pigs invasion, and during the years of civil war and Cold War proxy wars in Central America in the 1970s and '80s, the government provided support for the “*Contra*” counter-revolutionary war against the Sandinista government in Nicaragua.¹⁴

The Unfulfilled Promise of CAFTA

“CAFTA legalized a system that always existed whereby land and power were concentrated in the hands of a few.”

—Carlos H. Reyes, *president of Sindicato de Trabajadores de la Industria de la Bebida y Similares*

In March 2005 Honduras signed CAFTA with the United States, which entered into force in April 2006. Modeling the agreement after the flawed North American Free Trade Agreement (NAFTA), CAFTA supporters promised it would address the social and economic problems in the region and bring higher employment, stability and peace to Honduras and its neighbors. Seeking to build

support in the U.S. Congress, President George W. Bush promised the measure would help stabilize governance in the region, describing CAFTA as “a pro-jobs bill...a pro-growth bill...and a pro-democracy bill.”¹⁵ CAFTA passed in the U.S. House of Representatives by two votes, over objections that the deal would weaken labor and environmental standards in both the United States and Central America.

Prior to CAFTA, the Honduran government instituted an Export Processing Zone system, commonly referred to as *maquiladoras* or *maquilas*, mainly consisting of garment production. With such incentives as tax exemptions, duty-free imports of raw materials and machinery, and the ability to repatriate profits, the *maquiladora* industry grew from an initial 38 *maquilas* in the early 1990s to 306 *maquilas* in 2005.¹⁶ The increased focus on attracting foreign investment resulted in a shift away from supporting small businesses and developing policies to improve social conditions in the countryside and, instead, encouraged rural-to-urban migration to support urban industrial growth.¹⁷

This proved to be a shortsighted industrial policy. In 2005, the Multi-Fibre Arrangement (MFA), which from 1974 put quotas on the amount of textiles developing countries could export, ended and put Honduras’ apparel industry in direct competition with the lower-wage costs of Asia. Despite its proximity to the United States, many corporations shifted production to Asia to take advantage of wages as low as \$35 a month in countries like Bangladesh.¹⁸ The Honduran government’s embrace of CAFTA is in part related to its hope of maintaining an export-oriented manufacturing strategy.

As workers have come to find out firsthand, CAFTA only has exacerbated the desperation and instability in Honduras. Like NAFTA, CAFTA’s architecture of deregulation coupled with investor protections allowed companies to outsource labor-intensive components of their supply chains to locations with weak labor laws and low wages. The Honduran government has sought to remain competitive in the global market and maintain low labor costs to attract foreign capital by ignoring, or in some cases actively interfering with, the fundamental rights of freedom of association and collective

bargaining. The country's *maquila* industrial policy has not resulted in higher-wage, skilled jobs, as Honduras must suppress wage growth to remain competitive with countries like Bangladesh and China.

Today, Honduras is the most unequal country in Latin America. Poverty among Hondurans rose approximately 4.5 percentage points from 2006 to 2013, from 60 to 64.5%.¹⁹ The percentage of those working full time and receiving less than minimum wage also went up from 29.6% in 2006 to 43.6% in 2012. Underemployment rose from 5% to 10.5%, and unemployment rose from 3 to 3.6% during that time.²⁰ The delegation learned from workers that the current basic food basket (*canasta basica*) cost workers \$482.04 (10,064.99 *lempiras*), but the minimum wage for workers in the *maquiladora* sector is only \$257.69 (5,380.70 *lempiras*).²¹ Low minimum wages, unpaid overtime and a failure to enforce labor laws has resulted in a model that has benefited multinational corporations and continued to fail workers and their families.

Further, CAFTA has done little to improve the rural sector in Honduras, which contains 39% of the Honduran population and is particularly economically vulnerable, as subsistence farmers make up 70% of agricultural-based families.²² Under CAFTA, large agricultural interests have shifted production to compete in the global market and have displaced many subsistence farmers and *campesinos*. The AFL-CIO delegation met with community leaders and farmers, including Afro-descendent Garifuna workers, who described how they were pushed from land where they grew beans or corn, while corporate plantations are expanding oil palm cultivation. These displaced rural workers frequently have had to seek work in low-wage *maquiladora* factories rife with abuses, or migrate in search of work.

In 2012, the AFL-CIO and more than two dozen Honduran trade unions and civil society organizations filed a labor complaint with the U.S. Department of Labor's Office of Trade and Labor Affairs charging the Honduran government with failing to enforce its own labor laws and, thus, violating the labor provisions of CAFTA. The complaint focuses on the Honduran government's failure to enforce labor laws in three export-related sectors—manufacturing, agriculture and port operations—and finds significant instances of child labor, a lack of access to justice, and that workers

in Honduras have continued to see violations of their rights of freedom of association, collective bargaining and acceptable conditions of work under national and international law.²³

In the trade complaint, the AFL-CIO and the Honduran labor movement demanded that the Honduran government take measures to overcome legal and institutional obstacles and effectively enforce labor law, and remedy individual claims. The complaint also pressed the U.S. government to engage its Honduran counterparts, issue a report on its findings on the petition and begin a process of implementing necessary reforms. Under the provisions of CAFTA, the U.S. government generally responds to complaints and issues a report on findings within six months. However, as of this writing, the U.S. government still has not issued its report, two years later.

In contrast to the delayed response to worker rights, corporations have enjoyed a more effective reaction to their concerns. The investor-state dispute settlement (ISDS) process under CAFTA and other free trade agreements grants broad privileges to multinational enterprises and investors to challenge government regulations that might undermine future profits. ISDS cases are decided in a special international tribunal composed of three private attorneys, with the power to award unlimited amounts of taxpayer money. As workers continue to wait for justice on their cases, more than \$430 million in compensation already has been paid out to corporations in ISDS cases attacking environmental, industrial, health and safety, and investor regulations.²⁴

The failure to release the report is a failure for Honduras' workers and their families. The AFL-CIO delegation found that the Honduras government does not meet its obligations to defend workers' rights and promote decent employment. Since the signing of CAFTA, new laws have been passed that support the creation of precarious work and weaken worker rights. Employer violations of labor laws and violence against trade unionists continues with impunity. Without protection of workers' right to organize unions and bargain collectively to improve wages and working conditions, trade continues to benefit a very small percentage of the Honduran elite and multinational corporations. Given the inability of most workers to cover their families' basic living needs with rural subsistence farming or low-wage manufacturing jobs, many workers see few options beyond migrating to the United States.

Life in the ‘Economic Dictatorship’: Persistent and Ongoing Rights Violations

“We are under an economic dictatorship. Our poverty produces wealth for others.”

—Nelly del Cid, *Foro de Mujeres por la Vida*

IN THE 2012 CAFTA COMPLAINT, the AFL-CIO and Honduran trade unions cited “repeated and well-documented violations of workers’ rights” that the Honduran government has “utterly failed to address” through the enforcement of its own labor laws. The delegation met with many of the complaint’s co-petitioners to determine whether the situation has changed for the unions and workers. The delegation was moved by the pervasive desperation in Honduras, and many delegates said they were “overwhelmed” by the level of rights violations union activists reported. As delegation member and Communications Workers of America (CWA) President Larry Cohen explained:

“We spoke to community, union, women’s and children’s groups, the Honduran government and our embassy. Amazingly, all confirm a unified story—an economy in collapse, widespread violations of minimum wage and all social protection laws, small farmers forced from their land, subsistence farming replaced by African palm, and the jobs created in *maquila* zones dwarfed by the numbers forced to leave ancestral lands and travel to cities already jammed.”²⁵

In discussions with unions and NGOs, they all raised concerns that since the signing of CAFTA, the Honduran government has written new labor laws and developed new programs that further undermine the rights of workers, as it fails to effectively implement the existing labor code. The following section provides an update on the industries highlighted in the trade complaint based on the delegation’s interviews and conversations with Honduran stakeholders, and reviews recent laws, policies

and government programs that weaken protections for workers, and political repression.

Violations Continue with Impunity

The delegation met with many of the co-petitioners on the CAFTA complaint and other union activists—more than 60 in total—to determine whether the situation has changed for the unions since they submitted the case. Workers and union leaders agreed the labor rights situation in the country continues to deteriorate. Women workers spoke about ongoing workplace harassment and discrimination. These workers are on the front lines in the fight for respect and a fair economy. They spoke about the precariousness of their jobs and the environment of fear that discourages workers from joining unions to improve their wages and working conditions.

Under Article 516 of the Labor Code, elected union leaders receive *fuero sindical*, a legal protection to prevent dismissal from their jobs due to union activity. Union leaders reported that *fuero sindical* continues to be routinely violated, greatly affecting the ability of workers to exercise their right to freedom of association and collective bargaining.

Agriculture: The delegation met with union leaders from the agricultural union federation, FESTAGRO (*Federación de Sindicatos de Trabajadores de la Agroindustria*), who expressed fear that union activists would suffer an increase in violent attacks and threats against their lives as the union seeks to organize sugar cane workers.

Many of the cane workers are subcontractors who, like other agricultural workers, are not paid the minimum wage. Union leaders stated the government has “weak participation” in enforcing wage and other labor laws, and that it protects the interests of businesses and landowners over the basic rights of workers. They said employers in the agricultural sector continually flout the labor law, and the combination of minimal government inspection and insignificant fines for companies that violate the law mean companies prefer to pay paltry fines for violating the law than pay workers the wages they are legally owed.

In the 2012 CAFTA complaint, FESTAGRO (then COSIBAH) reported widespread violation of the minimum wage, multiple failures of companies to allow labor inspections or a refusal of inspectors to perform their duties, and anti-union intimidation of workers.²⁶ Today, the union still is facing these obstacles. One union organizer from FESTAGRO reported inspectors themselves are afraid to enforce the law and cite companies for violations, telling the delegation about an incident when he and a labor inspector carrying out an inspection of a cane field had to hide when they were chased from the plantation by a man on a motorcycle. FESTAGRO leaders also pointed out that one of their union’s leaders, Jesús María Martínez, was forced to flee the country after receiving threats against his life. General Secretary German Zepeda told the delegation that despite the danger and the unresponsiveness of the state, FESTAGRO sees organizing workers as the only way forward.



Ports: The delegation spoke to leaders of the SGTM (*Sindicato Gremial de Trabajadores del Muelle*) who explained the deteriorating conditions for workers at the Port of Cortez. In the CAFTA complaint, workers reported widespread misclassification of contracts as temporary, wage theft and anti-union discrimination at the Port of Cortez.²⁷ Working conditions have deteriorated since 2013, when the port was privatized and sold to a Filipino company, International Container Terminal Services Inc. Workers report increasing militarization of the port, more than 1,000 workers have lost their jobs, and that many of the jobs have gone from permanent to temporary. Age discrimination prevents workers older than 35 from attaining work at the ports. Child labor continues to be used at the ports. International Container Terminal Services Inc. has refused to recognize unions, honor the existing collective bargaining agreement that the union *Sindicato de Trabajadores de la Empresa Nacional Portuaria* (SITRAENP) had with the Port Authority, or negotiate a collective bargaining agreement that would protect the rights of subcontracted and privatized employees. The increase in temporary work benefits the corporations but has prevented workers from organizing unions and bargaining to improve wages and working conditions.

Manufacturing: In the garment and auto manufacturing sectors, the delegation met with industrial affiliates of the CGT (*Central General de Trabajadores*), who reported continued harsh anti-union actions despite pressure from international delegations. The auto parts manufacturer Kyungshin-Lear company (a joint venture between the Kyungshin Corp. of South Korea and the Lear Corp. of Michigan) fired five successive union executive councils. Some workers illegally fired for their union activity have been out of work for more than three years, and refuse to accept severance so they can legally contest their firings. While the union at Kyungshin-Lear is legally registered by the Honduran government, the company refuses to recognize the union or negotiate with it.

One bright spot for workers is Fruit of the Loom (FOTL), one of the largest private employers in Honduras, where workers negotiated a collective bargaining agreement after winning a concerted international campaign. In 2009, with pressure from the Worker Rights Consortium, United Students Against Sweatshops and the AFL-CIO, Fruit of the Loom negotiated a precedent-setting

agreement with CGT at the *Jerzees Nuevo Día* factory and adopted neutrality at all plants. This agreement was historic in a traditionally anti-union garment industry.

The current agreement at Fruit of the Loom is enforced in the factories by an oversight committee that includes union participation. The delegation met with the young union leaders, many of them women, from the CGT union at the *Manufacturas Villa Nueva* factory who are in the process of negotiating their first contract with Fruit of the Loom. Once negotiated, the contract would represent the fourth collective bargaining agreement the company has with its workers. The workers spoke about the importance of working for an employer with a proven commitment to worker rights. Since the signing of the contracts, management emphasized the drop in turnover to close to 8%, which is considerably lower than the industrywide average of close to 20%. Managers also spoke about the need for employers to respond to the growing insecurity of their workers. At the factory, they

provide anti-extortion training, but it does little to relieve workers of the daily threats of violence they face.

The FOTL agreement represents an important step toward improving industrial relations in the garment industry in Honduras. Unfortunately, other large apparel brands, such as Gildan and Hanes, produce in the same export-processing zones but have not supported workers' rights to form unions. Through negotiations with FOTL, the unions have lifted wages, established a grievance procedure, and are able to intervene and resolve factory floor-level problems. To date there are no other contracts in the garment industry as strong as the one negotiated between FOTL and its workers. This agreement represents an important model for improving industrial relations throughout the industry.



Public Sector: Public-sector unions in Honduras have not fared any better than their private-sector counterparts, and have been targeted specifically by the government in recent years. Privatization is becoming the norm for the Honduran government. Public-sector union representatives spoke about how the International Monetary Fund supports the government's plan to "reduce their wage bill" by greatly reducing jobs in the public sector and privatizing such public services as electricity.²⁸ Union members spoke about how the government has spun off the most profitable operations of the public telecommunications company at a loss, and private operators have purchased and then resold them for a steep profit. The restructuring included illegal furloughs followed by massive layoffs of workers. In the education sector, government restricted the union from deducting dues and limited the amount it could legally collect by 90%. It also eliminated union leaders' use of work time for union work, and is seeking to limit the right of teachers to protest.

After the delegation visit, the union learned about the Honduras government's negotiations with the IMF to reduce the public sector and privatize the electrical company. On Dec. 4, 2014, the IMF approved \$188.6 million in funds for the Honduran government. As part of the agreement, the IMF supported the overall reduction of the public sector from around 7.5% of GDP in 2013 to about 2% of GDP in 2017 and reform of key sectors such as electricity and pensions.²⁹ As the IMF backs the government to reduce employment in the public sector, workers will be forced to leave secure, unionized jobs with benefits in the public sector to search for scarce temporary and precarious jobs in the private sector.

Government Response: After meeting with union representatives, the delegation conveyed workers' concerns to representatives of the Honduran government. Representatives from the STSS told the delegation about the challenges they face in enforcing their own labor laws and complying with the labor chapter of CAFTA. They conceded they have a limited ability to enforce the minimum wage law and did not disagree with the Honduran labor movement's claim that close to 70% of employers violate the minimum wage law. Additionally, they confirmed that compliance with the minimum wage for workers in the southern areas of Honduras remains much lower than in the north. Their ability to sanction employers with \$230 (5,000 *lempira*)

finer fails to dissuade employers from continuing to violate the minimum wage law, because it is much cheaper for companies to pay the fine than pay legally required wages.

The STSS claimed its limited resources make labor inspections rare, and that employers often deny entry to inspectors into their facilities so that inspectors cannot conduct inspections. The STSS representatives admitted they lacked capacity to conduct effective labor inspections but they claimed this was not a problem of political will but rather a problem of low payment to their inspectors, whose salaries are only \$600 (13,000 *lempiras*) a month. Overall, the government officials did not refute that Honduran workers face low wages and that employers routinely violate worker rights and labor laws. They provided limited response on how they were prepared to address the lack of decent work opportunities for workers and the ongoing labor rights violations in their country.

Laws and Policies Fail Workers

As part of CAFTA, the Honduran government committed to strive to ensure the International Labor Organization (ILO) labor standards are "recognized and protected" by the Honduran labor code.³⁰ Honduras also has ratified all of the ILO's eight Fundamental Principles and Rights at Work that commit the country to protecting the freedom of association and collective bargaining; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; and the elimination of discrimination in employment.³¹ Since CAFTA, however, the Honduran government has continued to pass laws that weaken workers' access to decent work, and the government has not respected its existing labor laws. On Dec. 2, 2014, just prior to the IMF announcement, the Honduran government announced layoffs of 7,000 public-sector workers, with a goal of reducing public-sector employment by 30%.³² Union and NGO activists report these new labor laws that further undermine the rights of workers:

The Law of Hourly/Temporary Work (*Ley de Trabajo Temporal*)

In 2010, the government issued legislative decree 230-2010 that permits companies to hire up to 40% of payroll as hourly or temporary workers. The ability to hire more temporary workers, billed as a "job creating" law, creates greater job insecurity and weakens the ability

of workers to organize and form unions. These workers receive fewer social protections and do not receive any severance pay when their temporary work period ends, or when they are fired without cause.

With Work You Live Better Program (*Programa Con Chamba Vivís Mejor*)

Created at the end of 2013, this program promised to create 800,000 new jobs through the revitalization of the agro-industrial and export sectors, including 100,000 jobs for young workers from poor families. “*Chamba*” relies on the private sector to identify open jobs and the Honduran government provides two months of minimum wage salary to the business to hire a worker. If the employer decides to hire the worker permanently after two months, the business receives an additional month of subsidized salary. The labor movement criticizes this program because it funnels public funds into subsidies for large domestic and multinational businesses that already are profitable and do not necessarily need any assistance. Union leaders told the delegation the government does not monitor whether companies that receive wage subsidies are respecting labor laws, and does not adequately track whether companies are creating real, permanent job opportunities for new workers beyond the subsidy period.

Proposed Social Security Reform (*Ley Marco del Sistema de Protección Social Para Una Vida Mejor*)

Currently, fewer than 5% of Honduran workers have access to Social Security. A recently proposed Social Security law would attempt to reach full coverage, but would do so by raising co-payments and privatizing the system. Honduran unions support the creation of an inclusive system that covers all Honduran workers and their families, but think this proposal will not achieve that goal. Instead, the change would take the administration of the system away from the STSS, as the provision of services would be privatized and would be provided by third parties.

Zones for Employment and Economic Development (ZEDEs)

One of the more troubling reforms of recent years is the movement toward establishing “Zones for Employment and Economic Development” (ZEDEs), also known as

“model cities.” This year, the Honduran Supreme Court upheld a 2013 law that would cede control of sovereign territory to foreign investors in ZEDEs governed by their own laws, courts and security forces. The arrangement allows corporations to circumvent local laws and business practices in areas with less than 100,000 residents. Some of the proposed ZEDEs would encroach on resource-rich lands traditionally held by indigenous and Afro-descendent communities. The Supreme Court previously had found a similar 2012 law unconstitutional, but four of five judges subsequently were removed by the National Congress and replaced with judges that supported the privatization scheme.³³

As the government attacks worker protections, workers feel the increased militarization in their communities is meant to silence them from protesting against the continuing weakening of labor laws and impunity. Repression extends to the political realm as well. Post-coup governments have openly used force to repress dissent, demonstrating a complete disrespect for democracy and the rule of law.

Unions have joined forces with other progressive voices to challenge the growing repression and improve the legal framework for workers’ rights by participating in democratic politics and a pro-worker legislative agenda. There was much hope among civil society for change after the 2011 creation of the opposition LIBRE party. LIBRE has the second-highest number of deputies in the National Congress with 39 and has proposed more than 40 laws since first winning representation in the 2013 election, but the National Congress has not taken up any of the proposals and LIBRE supporters are pressured into silence or worse. In the weeks leading up to the election of President Hernández, at least 18 activists in LIBRE were assassinated.³⁴ As noted in a letter signed by 108 members of the U.S. Congress, in May 2014 the government used security forces not only to repress protesters outside of the Honduran Congress, but also sent military police to beat, gas and remove elected members of the National Congress from the opposition LIBRE party from the building after legislators protested the lack of respect for parliamentary procedure.³⁵

The Most Violent Country in the World: Development, Violence and Displacement in Communities

“Violence has become big business in Honduras.”

—Nelly del Cid, *Foro de Mujeres por la Vida*

Top U.S. officials, in a range of public venues, recently have celebrated the current Honduran government’s security record, while remaining silent regarding its human rights abuses and the ongoing, rapid and dangerous takeover of domestic policing by the military. In doing so, they are sending alarming messages to the Honduran people—and the Honduran government and its security forces.

- Assistant Secretary of State William Brownfield, in a visit to Honduras Nov. 3, publicly congratulated President Hernández for his advances in security and stated that he was “satisfied with the achievements of the Hernández administration in just nine months.”³⁶
- Commander John Kelly of the United States Southern Command continues to publicly praise the Honduran government and its security forces—calling their war on drugs “impressive and credible”—while not publicly addressing militarization or widespread documented human rights abuses by state security forces.³⁷

As workers struggle to make a living, their communities also are under attack. The *barrios* are controlled by gangs that are linked to organized crime, which

demands protection pay from businesses, causing many business owners to leave. The government uses the increasing violence to justify land expropriations and the need for more weapons and equipment. The Obama administration has continued to support Honduras police forces through the Central America Regional Security Initiative (CARS), and has provided \$18.5 million recently for law enforcement purposes despite the widespread corruption of the police force.³⁸

In the meeting with the *Foro de Mujeres por la Vida*, members also discussed the impact of the growing militarization and violence and the impact on women workers. From 2005–2013, the number of violent deaths of women rose by 263.4%, which translates into one woman killed every 13.8 hours in 2013.³⁹ The impunity rate for murders remains more than 90% for these cases. Militarization and the increased availability of firearms contributed to the increase in violence and femicides in the country. Some 77% of all homicides in Honduras were committed using firearms, and much of the violence is committed by members of the state apparatus who enjoy impunity for their crimes.^{40, 41}

One former teacher told the delegation she fears she could lose her life over a few *lempiras* every time she leaves her home. Children too often are caught up in this unfortunate situation and are forced to join gangs or flee their homes. Trade unionists and other activists are threatened, murdered and silenced for speaking out, which threatens democracy and fair working conditions in the country.

The Bajo Aguán Valley

The delegation met with a Garifuna Afro-Indigenous community from the Bajo Aguán valley that is struggling to defend its economically rich land from powerful interests, including narco-traffickers and large agribusiness. The imposition of cash crops dates back about 20 years, when farmers claim thousands of hectares of land were coercively transferred to agribusiness to grow African palm to produce biofuels. Displaced small farmers occupied parcels of land in 2009, and have been in conflict with security forces since. More than 100 people, mostly agricultural workers, have been killed in this deeply divided region.⁴² The violence is subsidized by investments from the International Finance Corporation (IFC)—the private investment arm of the World Bank—that have encouraged the development of the palm oil industry in place of subsistence and food crop production. The IFC recently was criticized for lending \$30 million to the

Dinant Corp. for the production of African palm. Dinant security forces have been complicit in violent and deadly clashes with workers in the region, as the corporation has gobbled up land from peasants without titles.⁴³

The situation calls for meaningful land reform in the region, but the post-coup governments have made no attempts to resolve the situation. Local union leaders reported that conditions on palm plantations are so militarized that unionization is impossible, so there is little hope of decent work in the area. Further, they report that palm production has replaced the production of staple crops, like beans, which now are imported from Ethiopia. Similarly, since CAFTA, Honduras has imported the majority of its rice from the United States instead of encouraging domestic production.⁴⁴ This has displaced farmers and forced many to migrate to cities for work in low-wage *maquila* jobs, or north to the United States. Garifuna activists said that despite the threats on their lives and communities, they would continue the fight to “live as they’ve always lived, on their own land,” and pleaded with the delegation to urge Honduras to “pay attention.” They have taken their cases to the Inter-American Commission on Human Rights (IACHR) but have little hope that Honduras will comply with any IACHR decision. Despite their bravery, many still are forced to leave their ancestral homes. Advocates have reported that as many as 60 Garifuna leave Honduras daily.⁴⁵

Anti-Labor Violence

The Bajo Aguán valley is a microcosm for much of Honduras, where impunity reigns and the murder rate has soared above 90 murders per 100,000 people in recent years. While drug and gang-related violence is prevalent, many communities told the delegation the military and private security forces are responsible for much of the violence and murders, especially of human rights defenders, reporters, civil society actors and trade unionists. In 2008, the international labor movement saw the murder of two trade unionists in Honduras as a frightening anomaly, but the following year, 12 unionists were murdered after the *coup d’état* and ensuing violence against civil society activists. Violence against trade unionists has continued to rise since then. Over the last five years, at least 31 trade unionists,⁴⁶ 112 rural workers,⁴⁷ and 41 journalists⁴⁸ have been murdered.



Anti-union actors use violence and threats to suppress union organizing, to pre-empt the formation of new unions and to retaliate for union activity, including denouncing labor rights violations and engaging in collective bargaining with employers. Over the past 12 months, the Solidarity Center has had to assist in the emergency relocation of multiple union leaders facing death threats, including three leaders—one from the dockworkers' union SGTU, one from the construction union SIGTRACOH and one from FESTAGRO. These attacks not only discourage workers from speaking out and suppress the growth of unions, but further have a chilling effect on other civil society actors, including journalists, community leaders and human rights defenders, who fear similar attacks.

Anti-labor violence and impunity already has had profound impacts on economic development, democratic participation and public accountability. Indeed, the World Bank estimates the economic cost of violent crime to total 10% of GDP.⁴⁹ Union leaders have been targeted, not just for their role in advocating

for workplace justice, but also for mobilizing their communities to engage public authorities on broader issues of democratic governance, social protection and development strategies. Despite the ongoing violence and its link to the climate of worker rights violations, the U.S. government apparently has chosen not to use the leverage the CAFTA labor chapter might provide to make a connection between the government's failure to implement labor laws, growing violence and insecurity, and the resulting mass exodus by Honduran families.

The labor movements of the United States and Honduras urged their governments to take action to begin to address these issues through the CAFTA process, but thus far, no meaningful action has been taken. It should be no surprise that Hondurans are taking extreme risks and migrating thousands of miles in the hopes of achieving a better life. Children and their families will continue to flee their homes until they can live their lives without constant fear of violence, exercise their rights without retaliation and access to decent work.



Honduran Migration: A Dangerous Journey With an Uncertain Outcome

“Today migration is an obligation because the model of capitalism they are implementing forces workers from their land and into jobs that don’t allow them to provide for their families.”

—Daniel Duron, Secretary General, CGT

IN SAN PEDRO SULA, the industrial center of Honduras and the city with the highest murder rate in the world, the delegation met with recently returned Honduran deportees from the United States. At the Center for Returned Migrants, an NGO near the airport run by nuns to assist returned migrants, volunteers receive two planeloads of up to 140 people six days per week. The day of the site visit, labor leaders from the delegation met with 40 migrants, mostly young men returned from a difficult journey, detention and a distressing deportation process. The migrants arrived in shackles without shoelaces or belts, all with too-common stories of hopelessness, loss and desperation.

One young man, Eduardo Torres, told the delegation of joblessness and poverty in his rural hometown. When his mother died, he and his five siblings took out a \$9,000 loan to pay a coyote to help him cross the border into the United States so he could support the family. He traveled on the infamous “*la bestia*” train through Mexico, where he saw fellow migrants fall to their deaths. Once apprehended at the border, he spent days in what they call “*la hielera*,” or “ice box.” The U.S. detention centers are so crowded migrants must stand up for hours, taking turns lying down to sleep. He and the other returned migrants lacked proper social services to aid in reintegration, and most were coming back to debt, violence and poverty. The reintegration of children, in particular, lacked oversight and proper resources.

Torres felt directionless. There was no work for him to return to in his rural community and the city was too

violent, with few job opportunities. He spoke about how other returned migrants had been received by his community. Many family and community members would assume the failure of a migrant worker to enter the United States meant he was involved in illegal activity or was somehow not brave enough to make the journey. The lack of support for returned migrants like Torres means they have few options except to try and return to the United States. He challenged the delegation by asking why he had been treated so poorly in the United States, when all he wanted was to help the United States by working hard and help his family with remittances.

A Trade and Migration Nexus in San Pedro Sula.

One of the first things a deportee sees upon return are beautiful posters highlighting jobs for English speakers in call centers, handling call center work for U.S. customers. Call center companies tout minimum wage jobs for deportees so they can pursue “the American dream” without leaving San Pedro Sula. One particular poster touted a call center company that received a big



boost from T-Mobile two years ago after it laid off 3,000 in the United States and moved work to Honduras, the Philippines and other locations. T-Mobile then denied it had moved the services outside the United States and tried to prevent the fired employees from collecting trade adjustment assistance.⁵⁰

An Uncertain Investment: The Human and Financial Cost of Migration

The failure of CAFTA to deliver on its promise of jobs and greater security means this generation of migrants in Honduras is increasingly looking north to flee violence and find better opportunities. It was not always this way. Unlike other Central American nations that experienced mass emigration to the United States during the years of unrest in the region, Hondurans did not begin to migrate in large numbers until the late 1990s. Hurricane Mitch in 1998, which killed approximately 22,000 Central Americans, pushed many from Honduras, fleeing the destruction left by the storm.⁵¹ Since that time, Honduran workers and their families have continued to leave their communities in hopes of improving their livelihoods, reuniting their families and escaping violence and poverty. In 1990, there were approximately 109,000 Honduran migrants in the world. In 2010, that number grew close to 523,000, with the vast majority living in the United States.⁵²

Today, migration is seen by many families as a means to escape violence or seek employment opportunity or reunite with family, while the government has embraced the remittances from migrants as a major economic resource. Children have been caught up in this dynamic, as violence has driven them from their homes and onto trains heading north. By fleeing violence in their home countries in Central America, children may become victims of trafficking, crippling injury, abuse and further violence. Further, they risk detention and deportation by immigration enforcement agents.

Because the majority of Honduran migrants arrived in the United States after the last major reform of the immigration system with a broad legalization program, the Immigration Reform and Control Act of 1986, most Hondurans cannot rely on family ties to migrate legally and, thus, are disproportionately affected by the U.S. deportation system. More than three-quarters of Honduran immigrants are undocumented—the largest share among all Central American immigrant groups in the United States.⁵³ In FY 2013, Immigration and Customs Enforcement (ICE) removed 37,049 Honduran migrants from the United States.⁵⁴ The deportation process takes a high toll on the well-being of migrants, and many have reported harsh conditions in detention and widespread abuse. Returned migrants who met with the delegation at the Center for Returned Migrants spoke

about the violence committed by gangs throughout the journey on the train, but also the ill treatment they faced once in the detention processing system. One study has shown nearly half of all deported migrants reported experiencing physical or emotional distress.⁵⁵

The acute lack of decent work in Honduras means migrants are willing to take tremendous risks and endure substantial costs in order to send money home. Among the migrants the delegation spoke to, many saw migration and the possibility to send remittances back to family members as the only viable option to escape poverty. Hondurans who manage to secure work in the United States send back massive amounts of money to family members, but are nicked and dimed by money-wiring services. Remittances comprise about 20% of the GDP of Honduras, a larger share of GDP than the country's agricultural sector.⁵⁶ However, any migrant that seeks to send money home must pay services like Western Union and Money Gram as much as 10% of their wages.⁵⁷

The few visas available for family reunification mean a potential migrant either must secure one of the limited numbers of temporary work visas—only about 3,000 Hondurans came to the United States on work visa programs in FY 2013—or work without documents. Temporary visa programs are not a safe alternative to undocumented migration. The recruitment of workers takes place in an unregulated, lawless space that leaves workers vulnerable to mistreatment once in the United States, including fraud, abuse and intimidation by recruiters and employers and employer confiscation of travel documents. Unscrupulous labor recruiters often charge high fees and make false promises to workers hoping to secure a coveted job in the United States.

Migration has not served to lift the living conditions of Hondurans. The standard of living for most Hondurans has not gone up since migration from the country increased. Migrants are leaving their families and communities behind due to a lack of decent work in Honduras, while their government abdicates its responsibility for development in favor of relying on remittances to relieve the demand pressure for quality public services. The dangerous, often deadly, journey migrants must take to improve their living conditions is not a viable path to lift the country out of poverty.

Unaccompanied Minors

“Children should not be criminalized or subject to punitive measures because of their or their parents’ migration status. The detention of a child...constitutes a child rights violation and always contravenes the principle of the best interests of the child.”

—U.N. Committee on the Rights of the Child⁵⁸

Children caught up in gang violence or seeking to reunite with their families also are leaving their homes at a record rate. More than 18,000 unaccompanied Honduran children arrived in the United States in FY 2014, compared with only 968 in FY 2009. In total, nearly 52,000 unaccompanied children arrived in the United States from Central America in FY 2014.⁵⁹ The UN High Commissioner for Refugees (UNHCR) found that approximately 58% of Central Americans indicated a need for international protection.⁶⁰ Yet, the U.S. government response to their arrival of expedited legal proceedings and removals showed its failure to live up to its obligations under national and international law that they not be returned to danger.⁶¹

Most children arriving at the border were picked up immediately by Border Patrol agents. These children were housed in overcrowded and underfunded facilities, away from their families.⁶² In response to the influx of unaccompanied children, the Department of Homeland Security (DHS) sent hundreds of Border Patrol and ICE agents to the Southwest border, and the Department of Justice (DOJ) prioritized the removal of recent border

crossers in immigration courts. Many of these children were left to fend for themselves in the U.S. dysfunctional immigration system.

Many lawmakers and even the Obama administration supported rollbacks on protections in the Trafficking Victims Protection Act to allow for quicker removals of Central American children. As the number of unaccompanied minors crossing the border grew, the U.S. response included massive emergency funding to the border, new detention centers and a well-funded propaganda campaign encouraging families to stay home. To put the response in perspective, the \$3.7 billion spent by the U.S. government on militarizing the border represents 20% of Honduras’ total \$18.5 billion in GDP. Ruelas Garcia, of *Casa Alianza*, when meeting with the delegation, underscored the failures of the increased focus on militarization of the country and the border by saying you cannot fight fear with fear.

Recently, the Obama administration announced in-country processing for refugee status for minors in Honduras, El Salvador and Guatemala with parents legally residing in the United States.⁶³ While this is a welcome step, it will do little to improve the situation facing children. For one, many children may not have a parent legally residing in the United States. More importantly, when facing danger, children are unlikely to publically step forward to U.S. officials and risk being targeted by local gangs, only for the chance of receiving a visa after a processing period. The refugee and displacement situation is only a symptom of much deeper problems in the region, and policies encouraging a lull in irregular migration will do little to change the basic equation that causes people to migrate.



Recommendations

THE FOLLOWING SET OF RECOMMENDATIONS for the U.S. and Honduran governments is the product of lengthy discussions between leaders from the U.S. labor movement and labor and community partners in Honduras. In all of these recommendations, we envision and demand a place at the table for affected communities, including trade unions, migrants and other civil society groups, to consult in the design and implementation of reforms. We sincerely hope our elected leaders will heed the call of so many working families on both sides of the border for a more just economy and global community.

FOR THE U.S. GOVERNMENT

Migration Policy

We praise the Obama administration for the recent announcement of executive relief and protection for some of the longtime undocumented population in the United States. As many as 5 million undocumented immigrants—including many Hondurans—may be able to achieve work authorization and live without the immediate fear of deportation. However, as the relief only extends to those present in the country five years or longer, those who arrived before the age of 16 and who meet certain criteria, or with U.S. citizen or legal permanent resident children, many recent immigrants from Honduras and Central America will be left out. Due to the unique needs of Honduran and other Central American families and refugees fleeing violence, corruption and poverty, the U.S. government must:

- Negotiate with Honduras to better address the root causes of the crisis, such as state violence, poverty and a lack of decent work. Promote constructive cooperation and data-sharing initiatives with Central American governments on immigration-related matters, including the implementation of due process standards, tracking labor recruitment firms that move migrants to U.S. jobs, reducing the cost to workers for sending remittances, and the allocation of funds toward reintegration programs with clear benchmarks and independent monitoring.
- Preserve or strengthen the provisions in the Trafficking Victims Protection Act to ensure due process for all migrants arriving at the border—such that every person receives a full and fair screening for protection claims.
- Afford anyone fleeing trauma or persecution “refugee” designation as defined in the U.S. Immigration and Nationality Act, and work to meet their needs through the established procedures of the Office of Refugee Resettlement. Unaccompanied children, in particular, should be provided with age- and language-appropriate legal counsel and screening.
- End expedited legal processing and ensure no one is removed from the country without adequate opportunity for a hearing.
- Provide immediate funding for the rehabilitation and nurturing support of refugees in the United States. In particular, resources and technical assistance should be dedicated for programs supporting girls and women victims of physical or sexual violence and abuse in transit at home, in the community and at the workplace.
- Discontinue discredited child and family detention programs. International human rights guidelines hold that detention is never in the best interest of the child. Wherever possible, children should be released to the custody of family members while their cases are being processed.
- Evaluate all U.S.-funded development projects for migration to ensure U.S. programming does not unintentionally undermine social cohesion, family structure or existing livelihoods, thus inadvertently encouraging more migration.

Trade and Foreign Policy for the Protection of Human and Labor Rights

Reforms to the way the United States treats immigrants alone will not address the structural issues that drive people from their homes. Reforming U.S. foreign policy measures, particularly trade policy, in the region to focus on job creation, decent work and meaningful protection of labor and human rights would reduce the “push factors” that breed desperation and drive people away from their homes and communities. We urge the U.S. government to:

- Issue its findings on the CAFTA complaint filed by the AFL-CIO and Honduran unions alleging serious violations of worker rights by the government of Honduras. Given the dire situation in Honduras, a meaningful action plan to address the government’s failures to protect workers must be put in place promptly. That this complaint was filed more than two years ago points to the problem with state-to-state consultations on labor provisions. When the U.S. government issues the report, months or years likely will follow with little action. This process contrasts sharply with the provisions in CAFTA for multinational corporations to sue if their future profits are threatened. ISDS provides multinational enterprises the opportunity to file suit in an international tribunal with potentially huge financial penalties the nation must pay if found to have damaged future profits through legislation or government action.
- Develop trade policies that lead to the creation of decent work. A successful trade model must promote the fundamental labor rights included in the International Labor Organization core conventions; the preservation and expansion of public services; the creation of high-wage, high-benefit jobs; and the maintenance of domestic policy space so nations can conserve their natural resources from environmental degradation, stabilize their financial markets, ensure food, product and workplace safety, and otherwise promote the public interest without fear of investor-state lawsuits or other trade sanctions. Civil society must have direct access to the enforcement process. And, most importantly, the United States must join the growing number of nations refusing to include ISDS in trade agreements.
- Require the Honduran government to bring Honduran labor laws into compliance with ILO standards and to address the legal and institutional obstacles to the effective enforcement of its laws, in regular consultation with high-level Honduran labor union representatives. The government should revoke the newly passed laws that weaken worker rights and create more precarious work. Workers must have the right to join and advocate for unions, as well as pursue their rights under Honduran labor laws, without fear of threats, violence or workplace retribution.
- Insist that the Honduran government prosecute all cases of violence against human and worker rights defenders that deny, *inter alia*, freedom of association as part of the ongoing enforcement of CAFTA labor obligations.
- Urge the Honduran government to promote policies that support a robust public sector that provides decent work and ensures Honduran workers have access to quality public services. Current policies to support mass layoffs in the public sector and the privatization of public services must be reversed.
- Promote best practices for corporate accountability by strongly encouraging corporations doing business in Honduras to comply with all labor laws and promote worker rights, especially the implementation of freedom of association and collective bargaining. Ensure U.S. corporations doing business with Honduras undertake worker and human rights due diligence and post results on the U.S. Department of Labor’s website. If they detect problems, they must prepare and carry out remediation plans that also would be published on the DOL’s website. To ensure cooperation, the OTLA should include on its website separate lists of U.S. multinational enterprises doing business in or with Honduras that are and are not participating in this accountability mechanism.
- Perform spot checks (investigative visits) modeled on those performed by the Worker Rights Consortium to verify progress to effective enforcement of labor laws, as required by CAFTA, and must offer immediate assistance to the Honduran government in addressing and remediating any deficiencies found throughout the process.

- Ensure Honduras' full compliance with the standard in CAFTA, instead of merely "taking steps" to enforce its own labor laws. Failure to comply within a reasonable timeframe with this standard as well as the recommendations in this report should result in the United States taking steps to impose immediate penalties pursuant to Articles 16 and 20 of CAFTA.

Security and Development Assistance Policy

- End all aid to the military. Any funding that is provided to the Honduran government should adhere to the 2014 state and foreign operations appropriations law, and fully enforce the Leahy law that prohibits assistance to individuals or units of any foreign military or policy that commit gross human rights abuses with impunity.⁶⁴ The United States should use these human rights conditions to leverage gains in combatting corruption and impunity, while enhancing accountability and transparency at the national and local levels.
- Convene an interagency U.S. governmental working group to ensure U.S. aid expenditures in Honduras are coherent across all agencies, including military aid and other security spending, and that all spending is targeted to create decent work and access to health care and education. Develop accountability mechanisms to ensure transparency and accountability for all funding.
- Ensure any U.S. funding prioritizes the creation of permanent employment and social protection programs that address the basic living needs of Honduran workers. This means funds should not be expended to create part-time, short-term, subcontracted and other precarious work.
- Provide funding for capacity building of trade unions in Honduras. Programs that would enhance worker organizing and develop technical capacity for unions to effectively bargain with employers, promote public policies and educate new members have been shown to produce concrete advances in enforcement of labor rights, and tangible improvements in the lives of workers and their families.
- Support the call by women's organizations to create a comprehensive law that can address violence against

women by strengthening and funding ministries to investigate cases and to impose civil, penal and administrative sanctions on aggressors.⁶⁵

- Support projects to strengthen the capacity of the Honduran Ministry of Labor and Social Security (STSS) to conduct labor inspections and develop benchmarks and monitoring to ensure accountability. Prior to developing the project, the U.S. government should hire a credible, independent, third-party analyst to complete an evaluation of STSS operations and programs to develop a coherent strategy for building a strong, effective labor inspectorate and ministry.
- Ensure funding to defend labor and human rights goes to independent civil society organizations and unions in Honduras and support for the creation of decent work is maintained at adequate amounts from year to year, and that such funding is not withdrawn until specific targets are developed and met.
- Support the International Labor Organization to provide technical assistance and aid to assist the Honduran government achieve benchmarks on improving the enforcement of labor rights, an end to impunity and improvement of the overall human rights situation.

FOR U.S.-HONDURAS BILATERAL COOPERATION

- Increase participation by independent, diverse civil society organizations from both countries in bilateral governmental dialogue on human rights as related to cooperation on migration, trade and security policy.

FOR THE HONDURAN GOVERNMENT

Migration Policy

- Create a blue-ribbon panel of independent civil society organizations and unions to craft policies to protect the rights of migrants and to address push factors, including the jobs crisis, poverty wages and lack of decent work opportunities. Require that panel recommendations be presented to the Congress for consideration.

- Create, on an ongoing basis, an economic and social committee or similar structure to provide a platform to discuss decent work, and human, labor and children's rights.
- Recognize the need for longer-term sustainable development policies and invest in the public services, infrastructure and training given the reliance on remittances as a development strategy.
- Refuse to accept children removed from the United States unless meaningful due process review is provided. In addition, demand that children not be separated from their parents during the deportation process.
- Allocate and invest in returned migrant assistance, reintegration and rehabilitation services, fostering the active participation of independent civil society organizations in supporting the returned migrants into their communities.

Labor Policy

Per the labor provisions of CAFTA, Honduras must take all necessary measures to address the legal and institutional obstacles to the effective enforcement of its laws. Included below are steps for how to achieve such effective enforcement:

- Develop regular high-level consultation mechanisms with the Honduran labor movement to a) develop strategies that promote the creation of decent work; and b) to resolve expeditiously cases of worker rights violations.
- Revise the law to delete the requirement of notice to an employer before workers can receive the protection of *fuero sindical*. In some instances, employers and the Ministry of Labor appear to have colluded to deny workers the benefits of the *fuero sindical*, and it often is used as a tool to destroy worker rights rather than to protect them.
- Create a national campaign on minimum wage and overtime pay that promotes compliance with the laws and provides a mechanism such as a hot line for workers to report violations of these and other labor laws. The government must commit to spot-check compliance, and employers found in violation must receive the strongest sanction possible. Following the campaign, an independent auditor should verify the impact of the campaign to improve compliance with laws.
- Strengthen labor inspection mechanisms and regulation. Honduras has one of the weakest labor inspectorates in the world, which drives down working conditions and makes it dangerous for workers to report violations in the law. The government must levy meaningful fines on employers for refusing access to labor inspectors and the government needs to prove these fines have been collected.
- Invite the ILO to provide technical expertise to make Honduran labor laws compliant with ILO standards. Make all recommended changes to Honduran labor law by the end of 2015.

Security and Development Policy

The Honduran government must turn away from militarization and thoroughly reform the civilian police force from the bottom up to the very top, including strengthening internal and external controls over police, purging corrupt and abusive members and emphasizing community policing in the absence of the police overhaul. Further, it should:

- Create an independent office to take necessary measures to protect those subject to threats, and fully and impartially investigate and prosecute cases to ensure an end to impunity, particularly investigating possible connections to the security apparatus. Clear benchmarks and timelines must be set for both the investigations and the prosecutions.
- Enforce the provision of protective measures for all who have been recommended for these measures by the Inter-American Commission of Human Rights.
- Strengthen judicial independence, the capacity of prosecutors to independently investigate police and military abuses, and the ability of civil society and unions to hold government actors accountable for corruption and abuse. Reinstate judges who were deposed for opposing the coup.
- Provide support and assistance to crime victim and witness protection systems. Mechanisms for offering protection, safety and shelter for crime victims, including providing for the personal security of witnesses to crimes committed by organized criminal

enterprises and police, must be enhanced throughout the region. Investing in such mechanisms will allow witnesses and crime victims to participate in justice processes while staying in their countries of origin.

- Dedicate resources to improve the investigation and prosecution of femicide and sexual violence.
- Develop programs that give protection and rehabilitation to people, especially children, who wish to break from gangs. The current system only stigmatizes former gang members with criminal background checks and segregates them in prison.

- Ensure efficient funding for the attorney general's office to protect witnesses in sensitive cases, such as gang violence or clashes with security forces. The current budget is too small to adequately protect those who wish to collaborate in prosecutions. One of the most significant drivers of Hondurans leaving the country is this type of insecurity, as many have been victims of death threats, personally or to their family members.
- Immediately end all funding for the "Zones for Employment and Economic Development" (ZEDEs), also known as "model cities."

Conclusion

IT IS CLEAR HONDURAN WORKERS and their families are desperate for change. Their government is failing to protect their rights, and is actively promoting the interests of corporations over workers while eroding decent work in the country. A lack of basic opportunities encourages gang and drug activity that contributes to the country's widespread political and economic violence. People are leaving their communities because they see no other choice.

Failed trade and migration policies continue to exacerbate Honduras' problems. The U.S. government criminalizes migrant children and their families, while pursuing trade deals that simultaneously displace subsistence farmers and lower wages and standards across other sectors, and eliminate good jobs, intensifying the economic conditions that drive migration. This

dynamic is enhanced in countries like Honduras, where the government's own policies leave workers and families vulnerable to abuse. What is striking—and tragic—in the current debate is that there has been no effective response to the roots of the crisis: desperate poverty, violence and a lack of decent work opportunities at home. In order for the working families of Honduras to stand a chance in today's global economy, both the U.S. and Honduran governments must reorient their migration, trade, foreign and labor policies to better protect and empower workers. Policies such as the newly released Alliance for Prosperity plan, based on market fundamentalism at the expense of workers' rights, and security through increased militarization at the expense of human rights, have been failing for years in Honduras and must be avoided in responses to this crisis.

Endnotes

- 1 Ken Quinnell and Kelly Rodriguez, "Failed Immigration Policy Leaves Women and Children Hungry and Dehydrated at Arizona Bus Stations, Union Members Step in to Help," AFL-CIO Now, June 13, 2014, accessed Nov. 10, 2014, www.aflcio.org/blog/other-news/failed-immigration-policy-leaves-women-and-children-hungry-and-dehydrated-at-arizona-bus-stations-union-members-step-in-to-help.
- 2 AFL-CIO Executive Council Statement, "Central American Child Refugee Crisis," July 2014, accessed Nov. 10, 2014, www.aflcio.org/about/exec-council/EC-statements/central-american-child-refugee-crisis.
- 3 Delegation participants included: Tefere Gebre, executive vice president, AFL-CIO; Larry Cohen, president, CWA; Esther Lopez, vice president, UFCW; Tom Walsh, president, UNITE HERE Local 11; Ray Rivera, IAM; Guillermo Perez, USW; Josie Camacho, APALA; Gustavo Torres, executive director, Casa de Maryland; Pablo Alvarado, executive director, NDLON; Cathy Feingold, AFL-CIO; Kelly Rodriguez, AFL-CIO. The Solidarity Center organized a delegation to Honduras during the same dates, which included some of the same meetings as the AFL-CIO delegation. Participants on this delegation were Rep. George Miller (D-Calif.); Joslyn Williams, president, Metropolitan Washington Council, AFL-CIO; and Molly McCoy, Solidarity Center Americas director.
- 4 U.S. Customs and Border Protection, "Southwest Border Unaccompanied Alien Children," accessed Nov. 10, 2014, www.cbp.gov/newsroom/stats/southwest-border-unaccompanied-children.
- 5 "A Treacherous Journey: Child Migrants Navigating the U.S. Immigration System," *Kids in Need of Defense* (2014): 1, accessed Nov. 10, 2014, www.supportkind.org/en/about-us/resources.
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