
U.S. Intervention Monitor

**One Year of Xiomara Castro,
One More Year of U.S. Intervention in Honduras**



**By: Karen Spring
January 31, 2023**

Executive Summary

January 2023 marked the one-year anniversary of President Xiomara Castro's administration in Honduras. Throughout their first year in office, the Castro administration not only had to reckon with a country ravished by a 12-year narco-dictatorship, but also several instances of U.S. interference aimed at weakening the government's agenda and undermining Castro's progressive platform.

On October 31, 2022, Honduran Foreign Affairs Minister Enrique Reina requested a formal meeting with U.S. Ambassador to Honduras, Laura Dogu to present a formal protest against the Ambassador's public statements disapproving of new government reforms. Taking aim at Castro's Energy Reform Law and Temporary Labor Law, and the repeal of the legislation that gave birth to the widely unpopular Zones of Economic Development and Employment (ZEDEs), the U.S. Ambassador claimed that the reforms would hinder the "chances of success" of Vice President Kamala Harris' billion dollar 'Call to Action' launched to allegedly address the root causes of migration. This claim could be not be farther from the truth. While trying to address the concerns of Honduras' majority poor population, Castro's administration identified that high energy prices, poor labor conditions, and land dispossession and social conflict drive migration to the U.S and present serious obstacles for the country's growth. Instead of applauding Castro's attempts to address the causes of migration, the U.S. in multiple instances interfered in Honduras' internal affairs in order to promote the economic and geopolitical interests of the U.S. government and North American corporations. By speaking out against Castro's reforms, the U.S. contradicts its own statements that it is interested in addressing what drives Hondurans to leave their own country for the U.S.-Mexico border.

It would be impossible to overstate the damage done to Honduran democracy and economic development by U.S. domination historically and in the recent past. Public comments, behind-the-scenes meetings, and political coercion are some of the many ways that U.S. interventionism seeks to maintain U.S. power and its economic interests in the region. There's a pattern to these actions which repeats again and again in both Honduras and the rest of Latin America.

The Honduras Solidarity Network (HSN) and Honduras Now have both witnessed and denounced U.S. interference in Honduras during Castro's first year. In response, we have decided to document U.S. interference in Honduras throughout 2022. This is the first annual report, a working document, that will be updated annually over the next four years of President Castro's Presidency to outline U.S. intervention and the responses to such from inside Honduras.

This report will first outline the event in late 2022 that became the 'final straw' that led Foreign Affairs Minister Reina García to formally complain to U.S. Ambassador Laura Dogu about the U.S.'s interventions and statements. Then, the report details three major interventions related to policy

reforms or changes proposed and implemented by President Castro: the Energy Law, the Temporary Labor Law, and the ZEDE laws. Lastly, it outlines a few ‘odds and ends’ of U.S. interventionism during key legislative and political moments in 2022.

Given that this report seeks to outline, overview, and display the U.S. intervention tactics in Honduras, we refrain from making recommendations. However, the Honduras Solidarity Network and Honduras Now insist that the U.S. must stop intervening to promote its own economic and corporate agenda. In the past and particularly since the U.S.-backed coup d'état in 2009, this has only created political turmoil, poverty, inequality, and further driven emigration from Honduras.

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Acknowledgements

Special thanks to Judy Ancel, Cross Border Network, Vicki Cervantes, Honduras Solidarity Network, and School of the Americas Watch (SOAW) for their helpful edits and comments on this report and to Rebeca Zuniga-Hamlin, Denver Justice and Peace Committee for translating the report into Spanish. Thank you also to the Alliance for Global Justice (AfGJ) for preparing the promotional materials and providing the online platform, and to all members of the Honduras Solidarity Network for the inspiration to write and publish this report, and for contributing to its launch.

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Introduction

Xiomara Castro Sarmiento took power as the first-ever woman President of Honduras on January 27, 2022. Her party, the Liberty and Refoundation party (LIBRE) campaigned on a progressive platform pledging to overturn 12 years of extreme neoliberal policies, constant human rights crises, corruption, and state-sponsored drug trafficking. President Castro inherited a country in shambles, one that has never fully recovered from the U.S. and Canada-backed 2009 coup d'état.

Initially, the response to President Castro's victory from the U.S.-government seemed positive. For eight years (2014 to 2022) the U.S. government backed the Juan Orlando Hernández National Party government that caused mass migration to the U.S.-Mexico border. Then in what appeared to be an opportunistic change, the U.S. supported the LIBRE party victory in 2022. U.S. Vice President Kamala Harris attended President Castro's inauguration and in a [public statement](#) underscored that the election was "a mandate for positive change in Honduras," noting the "shared interests" between the U.S. and Honduras.

Despite the public demonstration of support for President Castro, U.S. and Canadian solidarity organizations held their breathe. Like the Honduran social movement, we knew that it was only a matter of time before the facade of U.S. support and good wishes for the new President would wane. There were too many North American corporate and security interests that both LIBRE and the popular movement opposed. In fact, within six months, the U.S. extended its long arm of interventionism.

The Honduras Solidarity Network (HSN) and Honduras Now believe it is important to document in detail the behaviour of the U.S government. We know from the long history of the U.S. role in Latin America, that U.S. interventionism can be both subtle and quiet, and at times, bold and overt. This document focuses on the instances of overt interventionism where we can clearly show how the U.S. has behaved in the first year of President Castro's administration, as well as the responses from Hondurans to such behaviour.

This report will first outline the event in late 2022 that became the 'final straw' that led the Honduran Minister of Foreign Affairs Eduardo Enrique Reina García to formally complain to U.S. Ambassador Laura Dogu about the U.S.'s interventions in Honduras' internal affairs. Then, the report details three major interventions related to policy reforms or changes proposed and implemented by President Castro: the Energy Reform Law, the Temporary Labor Law, and the ZEDE-related laws. Lastly, it outlines a few 'odds and ends' of U.S. interventionism during key legislative and political moments in

2022, and inappropriate U.S. public statements. This document will be updated regularly (biannually or annually) over the course of President Xiomara Castro’s four-year Presidency.



Photo: President Xiomara Castro meets with the U.S. Secretary of Homeland Security Alejandro N. Mayorkas during his visit to Honduras on July 26 and 27, 2022. Photo credit: Government of Honduras

The Final Straw of 2022

On October 31, 2022, Honduran Foreign Affairs Minister Enrique Reina requested a formal meeting with U.S. Ambassador to Honduras, Laura Dogu to present a formal protest against the Ambassador’s intervention in Honduras’ internal affairs. Minister Reina’s request was a reaction to the Ambassador’s public statements made during the Honduran-American Chamber of Commerce annual event on October 13, 2022.

According to the [written statement](#), U.S. Ambassador Dogu said in her speech:

“In Honduras and the northern Central America, we are [actively fomenting investment] through Vice President Harris’ ‘Call to Action’ initiative. Thanks to this initiative, almost two billion dollars in new investments was announced at the Cumbre of the Americas. A large part of these investments are

destined for Honduras. Unfortunately, some policies have complicated their chances of success. For example, the strategy with the energy sector. Also, the inadequate reforms to the Temporal Labor Law. And the government’s message about the need to reduce or eliminate investment incentives. Without any doubt, all of these actions are sending a clear message to companies that they should invest in other places, not in Honduras.”

In her address, Ambassador Dogu strategically mentions U.S. Vice President Kamala Harris’ ‘Call to Action.’ [Announced](#) in May 2021 as an effort to address the root causes of migration in Central America, the ‘Call to Action’ is being used as a political card to coerce the government into implementing pro-investment legislation seen as favorable to the U.S. and its economic interests in Honduras. As [others](#) have warned previously, VP Harris’ ‘Call to Action’ is nothing more than pro-business, neoliberal reforms aimed at promoting ‘more of the same’ that will do nothing but cause more migration.




Both the Temporary Labor Law and the Energy Reform Law that were mentioned in Dogu’s speech, aim to create better working conditions and improved salaries and benefits for Honduran workers. The Energy Reform Law’s purpose is also to reduce or eliminate the electricity bills of millions of Honduran households.

Several Honduran government officials have grown tired of U.S. interventions and publicly denounced the U.S. Ambassador’s October 2022 remarks. In addition to Foreign Minister Reina, Rodolfo Pastor de María, Secretary to the President, Hugo Noé Pino, First Vice President of the National Congress, and others, denounced the Embassy’s intervention. Pino [commented](#), “it seems like the U.S. Embassy has turned into an opposition political party.” The Germany Embassy expressed its concern about the U.S. Ambassador’s intervention, [tweeting](#): “The responsible execution of the usual work of ambassadors is not interference in the internal affairs of a country.”



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La realización responsable de las tareas usuales de embajador@s no es una injerencia en los asuntos de un país.   

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12:24 PM · Oct 26, 2022



Earlier in 2022, there were several public interventions by the United States Embassy, U.S. State Department, U.S. elected officials, and powerful actors, like International Financial Institutions, that had attempted to intervene and influence important legislation and policy seen as fundamental to agenda of the new government of President Castro. Castro's policy agenda not only attempts to dismantle the 12-year dictatorship that remains instilled in the judiciary and public institutions like the Attorney General's office, but also promote social democratic reforms that aim to address wide-spread poverty, inequality, and widely unpopular legislation, that is seen as damaging to national sovereignty and human rights.

The U.S. has been particularly interested in the following reforms and changes, that are viewed as threatening the U.S.'s economic and geo-political interests in the country:

1. The Energy Reform Law
2. The Temporary Labor Law
3. The ZEDE legislation

This report will briefly outline President Castro's suggested reforms and the reasoning behind each. It will then outline the public interventions of branches of the U.S. government and other related actors, and the responses to such by the Honduran government and public officials.

Energy Reform Law

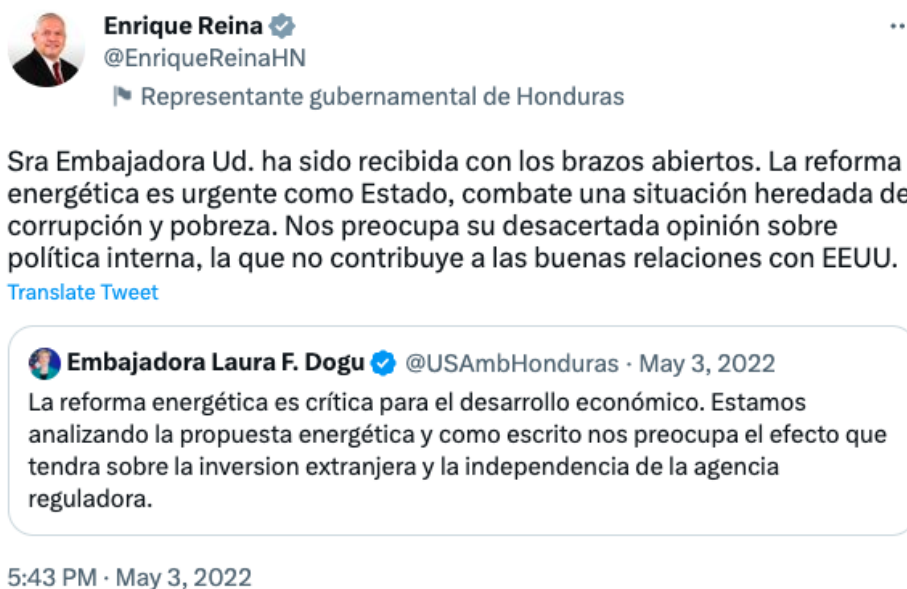
Contextual Summary: At the long-standing advice of the International Financial Institutions (IFIs), the post-coup governments from 2010 to 2022 showed a strong commitment to privatizing Honduras' National Electrical Energy Company (ENEE). An important part of these efforts involved granting energy concessions to private companies, (some of which are U.S. companies), which sought to benefit from hefty and over-priced energy generation contracts. Many of these contracts were granted with minimal regulatory oversight, were not in compliance with human rights and environmental standards and laws, and were approved through processes involving corruption and a lack of transparency. With such a strong focus on the ENEE's critical financial situation and skyrocketing energy prices for Honduran consumers, these contracts created further financial difficulties for both the ENEE and Honduran families. High energy prices became one of the many root causes of migration and increasing poverty.

With an urgent need to address the ENEE's situation and rising energy costs, President Castro's government passed the "Special Law to Guarantee Electricity as a Common Good for National Security

and as an Economic and Social Human Rights” (the Energy Reform Law, for short). Very simply, this law allows the government to end contracts with energy companies (or acquire the project with payment of indemnification to the company) if they are not willing to renegotiate their contracts for reasonable prices. According to [Radio Progreso](#), it costs the Honduran government two cents to produce a KW of energy, yet these contracts pay the private sector more than twelve cents per KW to generate electricity. The law also calls for the suspension of selected concessions that are not producing electricity within a defined timeframe. Most importantly, it subsidizes energy for Honduran households that consume less than 150 kWh per month, which according to government [estimations](#), benefits over one million Honduran families.

U.S. Intervention: In response, the U.S. Ambassador [tweeted](#) on May 3, 2022, just days before the Energy Reform Law was passed in Congress on May 12, 2022: “The energy reform is critical for economic development. We are analyzing the energy proposal and as it is written, we are worried about the effect it will have on foreign investment and the independence of the regulating agency.”

The date of the tweet was strategic and aimed at sending a message to Congressional representatives that one of the most powerful actors in the country, the United States, did not support the legislation.



In response, Foreign Minister Reina [tweeted](#) on May 3, 2022, “Madam Ambassador, you have been received with open arms. The energy reform is urgent as the state combats an inherited situation of corruption and poverty. Your mistaken opinion about internal affairs worries us, and does not contribute to good relations with the U.S.”

The same day that the Energy Reform Law was approved in Congress, Dante Mossi, the President of the Central American Bank of Economic Integration (BCIE), [tweeted](#) his dissatisfaction:

“The most urgent reform of the electricity sector in #Honduras is to explain the crime of theft from the ENEE – Reversing reforms different from the whole region does not indicate progress. Hopefully, energy theft is prioritized from another front with other initiatives.”

In addition, the BCIE stopped a \$250 million loan to the ENEE that the Bank had promised in January 2022. Mossi [told the press](#) that the vision of the Honduran government to stop the separation of the ENEE into three companies (each in charge of one of three functions – generation, transmission, and distribution) was one of the reasons for the suspension. It is worth mentioning that the BCIE has been one of the major [funders](#) of the pro-privatization efforts for several years, including funding the high-tension energy transmission lines that connect Honduras’ electrical grid to the rest of the region.

In response, Honduran Finance Minister Rixi Moncada [tweeted](#) on May 13, 2022: “Mr. Dante Mossi, the ENEE that you personally defend, does not show evidence of PROGRESS, but rather looting and private and public corruption. Millions have been borrowed and it was passed [to the new government] bankrupt with a debt of 90 billion and losses of 38%. The reform is to combat corruption, why are you against it?”

Months later, in September 2022, the BCIE [approved](#) the \$250 million loan to Honduras to “reduce electrical losses [or energy theft].”

In addition to the U.S. Ambassador’s tweets about the Energy Reform Law, the U.S. State Department published the [2022 Investment Climate Statement: Honduras](#) in approximately August 2022, once again making the U.S.’s position clear about the reforms that the Castro government had implemented. In relation to the Energy Reform Law, the report states that government’s decisions had:

“... dramatically increased the uncertainty of investment returns. Chief among these was the May 2022 approval of a new energy law that threatens power generators with forced sale at a “just price” if they do not reduce their tariffs to the government’s satisfaction. The law provides no guarantee of future payment, stipulates that new energy investment must be majority state-owned, and all but eliminates private trade in energy. As a result of the new law, several private energy companies have discontinued planned projects in Honduras and are exploring investment opportunities in other countries in the region.”

With growing U.S. resistance to the renegotiation of energy contracts granted to private companies (including U.S. companies) in the post-coup context, the Honduran government [received](#) a notice of intent to arbitrate under Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) by two foreign owned energy producers of unknown nationality in October 2022.

Temporary Labor Law

Contextual Summary: In November 2010, President Porfirio Lobo Sosa and the Honduran Congress led by Juan Orlando Hernández, (who would succeed Lobo Sosa as President) approved the National Program for Hourly Employment. The Program was cited as an effort to generate employment, stimulate investment, and create new companies by allowing businesses to contract workers for limited periods of time. Initially, the law was supposed to last only for 36 months, but in 2014, as it was about to end, the Program was made permanent as the [Temporary Labor Law](#).

The Law was widely [criticized](#) by Honduran labor leaders. Not only did it contradict articles of the 1974 Honduran Labor Code, which gave workers job security, by making some jobs virtually at-will but it also was seen as an effort to bust unions and organized labor, and allow companies to circumvent the minimum wage, and pay no benefits or healthcare, and contract workers for half time work or by the hour. The Law also allowed companies to contract up to 40% of their labor force as temporary workers. It also required those who had worked for three years with a company be contracted permanently, but a [study](#) by the Center for Women’s Rights (CDM) and the Union of Bottling Workers (STIBYs) found that over 90% of workers in such situations were never given permanent positions.

Rather than improve employment, the law gave workers another push to emigrate. The criticism of the law and the deteriorating labor conditions in Honduras, led the new Honduran National Congress after President Castro took power, to [overturn](#) the Temporary Labor Law in April 2022.

U.S. Intervention: Building on her criticisms of the Energy Reform Law during an [October 2022 speech](#), U.S. Ambassador Laura Dogu criticized the government’s decision to overturn the Temporary Labor Law. Referring to it as the “not very successful reforms of the hourly employment law” and while ignoring the fact that the Temporary Labor Law violated the Honduran Labor Code, Dogu called for “respect for ... labor rights.” It is important to note that the Ambassador stated that the Temporary Labor Law had been reformed, when in fact, the law was repealed.

In regard to her “respect for labor law,” just months prior to Ambassador Dogu’s speech at the AmCham 2022 Annual Meeting, U.S. company, B.L. Harbert, the U.S. State Department’s Bureau of Overseas Building Operations, and the U.S. Embassy refused to negotiate with [protesting Honduran](#)

workers building the new U.S. Embassy complex in Tegucigalpa. Over 1000 Honduran workers hired by U.S. contractor B.L. Harbert were protesting abusive and illegal labor conditions. The workers were told that they had been hired under the Temporary Labor Law, but following its repeal, the workers discovered that the law was used as a pretext to undermine the company's commitment and obligations to the workers. For example, B.L. Harbert refused to provide workers with basic health and safety equipment and fired workers who were injured on the job. After the Temporary Labor Law was overturned in 2022, B.L. Harbert began to illegally fire and intimidate workers, and targeted the leaders to squash efforts demanding that labor rights be respected.

Zones of Economic Development and Employment (ZEDEs)

Contextual Summary: The Zones of Economic Development and Employment (ZEDEs), also known as private cities, charter cities, and Model cities, were the creation of the post-coup regimes in Honduras. The ZEDE law was approved on June 12, 2013 by the National Congress of Honduras presided by accused drug trafficking, ex-President Juan Orlando Hernández. The law permits the creation of autonomous cities or nations inside Honduran territory that can be governed by foreign or national investors. The law allows the ZEDE investors to select areas of land, build their own government, legal and judicial system, tax and social security policies, amongst many other extreme neoliberal policies. Although the ZEDE law was approved in 2013, the project was originally passed by the Honduran Congress in 2011 under the name, Special Development Regions (RED). After the RED law was declared unconstitutional by the Constitutional chamber of the Supreme Court, it was modified to the 2013 version. The dissenting Supreme Court magistrates who declared the RED law unconstitutional were removed from their positions by the Honduran Congress, presided over by Juan Orlando Hernández

Since their creation, the RED, Model City, and ZEDE laws have been widely rejected throughout Honduras. For over a decade, Honduran social movements including the National Movement Against ZEDEs and over 70 municipalities have [rejected](#) the creation of ZEDEs in their territories, calling them “unconstitutional, illegal, illegitimate, and anti-democratic” noting that they violate “sovereignty, national security, the rule of law and the human rights of all Honduran citizens” (Statement by the National Movement Against ZEDEs, June 16, 2021).

By 2020 or so, at least four ZEDE projects were in the process of being formed and/or constructed politically, physically, and legally in Honduras: ZEDE Honduras Próspera (located in Crawfish Rock and surrounding areas, Roatán); ZEDE Ciudad Morazán (Choloma, Cortés); ZEDE Orquidea (San Marcos de

Colón, Choluteca); and ZEDE Mariposa (location not determined). The most advanced ZEDEs are ZEDE Próspera and ZEDE Orquidea.

Given the widespread rejection and unpopularity of the ZEDEs in Honduras, President Castro committed to overturning the ZEDE law while offering foreign investors from the ZEDEs already constituted, the choice to advance their investments under another legal framework (Eg. free trade zone, etc) permitted by Honduran law. In April 2022, the Honduran National Congress unanimously overturned the laws that gave birth to the ZEDE legislation. In 2023, that decision must be ratified once again by a new legislative Congressional session.

In response to the Honduran government's decision, ZEDE Próspera filed a notice of arbitration under the Central American Free Trade Agreement (DR-CAFTA) on September 16, 2022 and then formally filed a complaint in December 2022. Honduras Próspera Inc. and its affiliates, St. John's Bay Development Company LLC, and Próspera Arbitration Center LLC, are all U.S. based companies and are suing the Honduran state for \$10.7 billion in alleged lost profits.

U.S. Intervention: In the same August 2022 report citing the new energy law (discussed above), the U.S. State Department mentioned the Honduran Congress' decision to repeal the ZEDE law. Even while recognizing how "broadly unpopular" the ZEDEs are, the report gives the impression that the U.S. is in favor of the economic opportunities provided under such legislation:

"The repeal of the framework establishing the special economic "ZEDE" zones further contributed to uncertainty over the government's commitment to investment protections required by international treaties. And the Castro administration's tendency to pass important laws very quickly, with little consultation or consideration of secondary and tertiary effects has created concerns about the stability and predictability of the investment environment."

The report continues,

"ZEDE owners saw them as an opportunity to spur economic growth through secure, privately-run enclaves with their own tax and regulatory schemes, security forces, and dispute-resolution mechanisms, as well as a model of how life could be in Honduras with more government efficiency and less corruption."

Twelve days after ZEDE Próspera filed its notice of arbitration under DR-CAFTA, the U.S. Embassy held a meeting with its investors in Tegucigalpa. Despite its knowledge of how widespread the rejection of the ZEDEs is across the country, the Embassy threw gas on the fire by tweeting about the meeting:



U.S. Embassy Tegucigalpa

@usembassyhn



El Ministro Consejero Perrin se reunió hoy con @Prosperahn para conversar sobre el clima de inversión en Honduras, las garantías legales que permiten a los empresarios crear empleos y cómo el desarrollo sostenible puede crear oportunidades económicas para todos los hondureños.

[Translate Tweet](#)



4:24 PM · Sep 29, 2022

The tweet reads: “The Deputy Chief of Mission [Roy] Perrin met today with @Prosperahn to discuss the climate of investment in Honduras, the legal guarantees that permit businessmen to create employment, and how sustainable development can create economic opportunities for all Honduras.”

In addition to the meeting and the State Department’s report mentioning the ZEDEs, two U.S. Senators, Senator Bill Hagerty (R-TN) and Senator Benjamin Cardin (D-MD) sent a [letter](#) on October 13, 2022 to U.S. Secretary of State Anthony Blinken expressing concern about the Honduran government’s decision to limit “nearshoring” opportunities in the country that “help alleviate the poverty that encourages illegal migration” to the U.S.

The letter raises concern of Honduras violating a 50-year legal stability guarantee “that protects U.S. investments” in ZEDEs under DR-CAFTA and calls on the State Department to encourage Honduras to respect the guarantee. The letter makes no mention of the long-standing national rejection of the

ZEDEs nor does it acknowledge that they were unconstitutionally created under a corrupt narco-government following the 2009 coup d'état, which the U.S. supported.

In addition to Senators Hagerty and Cardin's letter, other U.S. elected representatives have publicly spoken against the repeal of the ZEDE law. Playing on Cold War-style language and anti-Cuban sentiments, U.S. representative Paul Gosar (R-AZ) claims in an [article](#) titled, "A Crisis in Honduras: Cuba 2.0?" that Hondurans elected a "new communist regime" moving away from a country "in reliable, stable and responsible hands for over a decade." Gosar continues by falsely claiming that the Honduran government is threatening ZEDE Próspera with expropriation. The same day his article was published, Representative Gosar presented the [H.R. 465 bill](#) called 'Protect U.S. Investment Act' in the U.S. Congress that expands sanctions for representatives of foreign public officials if they expropriate U.S. investments in the Western Hemisphere.

Próspera jumped on the public relations opportunity and [claimed](#) the bill will "encourage the Castro administration to make reasonable policy choices" referring specifically to ZEDEs and again repeating the false claim that the Honduran government is threatening expropriation. At the time this report was published, the text of H.R. 465 had still not been published.

Interfering in Congress at Key Legislative Moments

Similar to U.S. Ambassador Dogu's tweet regarding the energy reform law, the Ambassador has also been accused of pressuring Honduran Congressional representatives at key legislative moments.

According to Honduran government officials including Foreign Minister Reina and the Secretary of the Congress, Carlos Zelaya, Ambassador Dogu and the U.S Embassy have been [requesting](#) meetings with Congressional representatives to ask them not to approve legislation, including the Energy Reform Law and the new Defense and Security Law. Representative Zelaya went as far to say that the Embassy had met with up to 100 members of Congress, and had [threatened](#) to suspend their U.S. visas if they voted for such legislation.

In addition, Ambassador Dogu met with Presidential designate (one of three Vice Presidents), Salvador Nasralla on September 29, 2022 as Nasralla was engaging in a [public campaign](#) against President Castro and the LIBRE party accusing them of not fulfilling the commitments they made to him and his Salvador Party of Honduras (PSH) when they formed an alliance to win the 2021 General elections.

Many in Honduras took note of how the meeting with the U.S. Embassy coincided with Nasralla's attempts to further weaken the LIBRE-PSH alliance in an already divided National Congress.



Statements about Honduras' Finance and Economic Situation

In response to a [report](#) published by the International Monetary Fund (IMF) commenting on the global economic situation in July 2022, Honduran Finance Minister Rixi Moncada [tweeted](#):

“The destruction of public finances has been brutal in the 13 years since the coup. They pawned, sold, privatized, indebted and corrupted everything. In these six months, even with the serious international crisis ([attaches link to the IMF report](#)), we advance with faith toward the Refoundation of the Homeland.”

In response to Moncada, Scott Hansen, the Economic Counsellor at the U.S. Embassy in Tegucigalpa [tweeted](#):

“Dear Minister, although messages like this are for the Honduran people, they reach everyone’s ears, including the people who calculate S&P, Moody’s and Fitch credit ratings. Help them with less destruction, more of the strategy.”

Once again, Hansen’s remarks were met with opposition from Honduran government officials. The Minister of Planning and Strategy, Ricardo Salgado tweeted:

“It’s incredible how they get involved in the internal affairs of our country. They got used to dealing with submissive [governments] and now they seem to be the government. It is necessary to remind them that they are guests in this country, and that they must show respect to our people.”

Within hours of posting the tweet, the Economic Counsellor deleted it. Shortly after, Foreign Minister Reina tweeted and clarified that the Counsellor’s message does not represent the position of the U.S. government or the U.S. Embassy.

Conclusion

President Xiomara Castro’s first year in office (January 2022 to January 2023) has been marked by a number of challenges. As the Castro administration attempts to implement reforms to the energy and labor sector and eliminate the legislation that gave birth to the ZEDEs, the U.S. Embassy, the State Department, and some U.S. public officials have made strong, overt statements to coercively dissuade or undermine these changes. In the case of the ZEDEs, U.S. elected officials have made statements based on incorrect information or a manipulation of the facts surrounding the clear rejection of the ZEDE legislation across Honduras.

Given the tremendous influence and power that the U.S. holds in the region and the problematic nature of U.S. involvement in Honduras before but particularly since the 2009 coup d’état, the HSN is, once again, not convinced that the U.S. is serious about supporting the Castro administration nor eradicating the root causes of migration. High energy prices, poor labor conditions and employment protections, and violence related to land dispossession and conflict, remain some of many root causes of migration. In addition, the U.S. government has long ignored the pleas of the most vulnerable – the poor, *campesinos*, indigenous and Afro-indigenous Garifuna peoples, etc. – that continue to confront the violence, abuses, and threats perpetuated by or on behalf of powerful economic actors, including U.S. corporate interests, in the country.

President Castro’s efforts to subsidize energy prices, protect labor rights, and repeal a law that threatens Honduran (and communities’) sovereignty over their territories, are important ways that the government is trying to not only address the root causes of migration but also make Honduras a more

liveable place for all, not just the wealthy and transnational corporations. The U.S. must stop intervening to promote its own economic and corporate agenda that has only created political turmoil, poverty, inequality, and further drive emigration from Honduras.