

Chapter 6

Sacked agricultural workers take on the Multinationals in Honduras

by Benjamin Erazo¹

Short historical overview of development in Honduras in the Seventies

Honduras is known historically as one of the lesser developed countries of Central America. The agricultural sector has always accounted for the bulk of the country's social and economic make-up. 72% of a total population of 2,755,608 people in 1972 was agrarian-based. Agriculture also accounted for 36.3% of Honduran GNP and 62.4% of total exports. Those exports consist mainly of bananas, a monoculture which makes for an extremely fragile economy². Between 1960 and 1962 per capita income was \$192.00 which rose to \$242.00 in 1970-72. Average incomes of the rural population stood at \$156.00. During the sixties Honduras went through a period of social strife which found its root cause in the prevailing socially divisive land tenure structures. As much as one third of the 350,000 rural families had no access to land in 1972. 67.50% of all smallholdings had to make do with

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² Improved production methods and new banana varieties led to a higher productivity per hectare cultivated. Banana cultivation became much more intensive with a parallel reduction in cultivated areas and labour needed. It is estimated that by the end of the fifties *15,000 land labourers had been thrown out of work*.

only 12.3% of the total cultivable land whereas a mere 0.2% of the large landowners owned 19.6% of the cultivated land area. The focal point of these struggles for land was the area where the most developed sector of agriculture was concentrated. It was into this same area that most of the rural migrants from the most impoverished and backward areas of the country were also concentrating. During this decade there were incisive readjustments in the agricultural export sector, especially in terms of laboursaving technologies which drastically cut job opportunities in that sector and resulted in countless numbers of people being pushed off the land³.

Campesino Organizations & context of the Reforms

It was during this same period that the campesino movement in Honduras took off. Its field of action geographically coincided with the areas of export agriculture or rapid industrialization, which meant that the vast majority of the membership consisted of landless peasants or former agricultural labourers. The struggle concentrated around the reclamation of the land, especially land left idle by the large agroindustrial and export companies, and in the areas peripheral to those sectors. The smallholders in the agricultural subsistence sector - ie the majority of the rural population -, on the other hand, were poorly represented in this movement. The '*Alliance for Progress*' which saw the light of day at the end of the fifties was significant in that it coincided with the only civilian government able to vote in a Land Reform legislation, a process which was cut short by the intervention of the military in the political process in 1963. The persistence of social conflicts encouraged the State, until the end of the sixties, to engage in a number of Peasant collective Land settlement pilot projects situated mainly on lands abandoned by the agricultural Export Companies. Finally, the 1969 war between Honduras and El Salvador left behind a legacy of fervent reformist nationalism favourable to revisionary policies of which the '*Land Reform Act*' became the strategic centrepiece. These developments coincided with an international climate which favored the type of populist reforms which were taking place all over Latin America in that period.

The OW

The most salient feature of the agrarian struggle were the land invasions by groups of peasants, from a couple of dozen individuals to much larger entities. The peasants tried to give legitimacy to their actions by engaging in land cultivation as soon as lands were seized, thus giving a new legitimacy and destination to lands which had been left fallow for considerable periods of time. This practice raised a number of questions: was the work on the land to be done on a collective or on an individual basis? If the answer was yes, then the question as to how the group ought to organize so that the problems threatening its survival as a group could be tackled arose immediately from there. How to best use the available time of all the members in the group? And how to administer goods held in common? What structures were to be created for a smooth flow of information and the build-up of confidence among the members? How to organize, also so as to garner and consolidate outside help?

The contribution of the Campesino Capacitation Programme for Land Reform (PROCCARA) and in particular its proposal that '*Experimental Workshops*'⁴ might contain the right answer

⁴ "*Experimental Workshop*" was the name under which the OW went in earlier days. According to a

to those questions was very important, for the good reason that the Workshop dealt with precisely the type of real-life questions posed by the majority of the new land settlers and also because it provided an institutional framework capable of rapidly converting an idea into action and a force. Subsequent agrarian legislation⁵ gave preference to collective endowments and retrospectively legitimized the *de facto* land seizures which had taken place. The problem of how to administer land held in common then became a matter for the agricultural extension services. The *Experimental Workshop* approach was taken on board in Honduras by the Public Sector. In practice, the capacitation of the land settlers and peasant leaders took place by means of 'Course' type Workshops (Course OWs) which provided for the formation of the technical personnel needed in the first instance. In the rural areas the method was multiplied and became the backbone in the formation of cadres or enterprise leaders who would typically attend 15-20 day Workshops in *ad hoc* Capacitation Centres⁶. Of the 210 Workshops which took place in that period, 126 (or 60%) took place in Capacitation Centres, while the remainder were *Field* Workshops organized especially in the land settlements⁷. The heaviest level of workshop activity was in the agricultural export sector, ie in the Northern zone of the country. 17,400 campesinos in total attended those Workshops, representing 39% of all the members or the heads of household in the new land settlements in operation by 1976 (44,700 families in total). *Which demonstrates that it is entirely feasible to apply the method on a massive scale.* On the other hand, such a massive cover by the method was only possible due to the fact that participating in the OW learning events does not require preparatory schooling or a minimum level of literacy⁸. After all, to organize oneself for survival does not require much more than the need to do so, and having an idea on how to put to the best advantage scarce resources⁹. An intense level of national as well as international (Latin American) interest and participation in the Experimental Workshops was noted on the part of employees, students and public sector officials, involving, in all, more than 450 persons. But the principal emphasis of this form of formation of adults was on the Capacitation of the OW Directors in the method. This formation goes to the very roots of the

description by PROCCARA at that time, the Experimental Workshop consists of 'a practical exercise, as well as a theoretical one which allowed a group of participants internalize the participatory mechanisms of organization at the highest level which the status of the workshop participants would allow. In each case this level will be determined by the praxis which emerges from the role which each individual plays in the productive process with social division of labour. The self managing enterprise created in each Experimental Workshop will itself provide for the most urgent needs for production-related technical training. More intensive and permanent training emerges from the way itself the multiple production and service provision activities organized during 15 to 20 consecutive days the Workshop lasts. (Re: PROCCARA/INA. "46 Meses"(46 Months) Honduras, 1976:4)

⁵ Re: Law Decree of Compulsory Lease of 1972 and the Agrarian Reform Law of 1975

⁶ Established as from 1976 onwards

⁷ in the field workshops the level of participation was determined by the number of members of the enterprise plus a number of participants invited from outside.

⁸ As recently as 1972, 75% of the population could not read nor write.

⁹ As is obvious from case studies made of persons who had taken up positions of responsibility in the Workshops that these persons had on the average a higher level of education than the other participants. This is merely a reflection of what actually takes place in the field.(Re: IICA 'Evaluation of the Experimental Workshops' Costa Rica, 1978)

OW and demands that one experiences it in practice which, alone, will allow a proper, experiential knowledge of how it works. In this way 300 persons were trained on account of the National Agrarian Institute (INA) of whom a quarter came to occupy positions of direct responsibility in the capacitation of directors. Eventually 500 persons in total were formed.

The OW and the Private Sector

By 1976 there was a marked slowing down in the Agrarian Reform process. But, at the same time, there was also a decline in the rate of occupancy of new land; land settlement nevertheless remained the main arm of INA strategy until the beginning of the eighties, which meant that the methodology remained in constant use, albeit not on as massive a scale as before. This also meant that the method was able to amply demonstrate what it was capable of. As from 1977 a start was made with transferring the method to the private sector. There it was used principally as a working model in the development and strengthening of enterprises, cooperatives and of peasant groups. This happened principally in two ways: through the new practices which the personnel trained on behalf of INA brought to other institutions and by the method being adopted as an institutional practice. Leading private institutions in the application of the method was the Honduran Institute for Rural Development (IHDER), which first concentrated its technical training methods on the enterprises, groups and cooperatives of the Atlantic region, ie the export crop-producing zone of Honduras. This lasted from 1978 to 1982.

Strengthening of group management

Both public and private sector capacitation initiatives in Honduras were concentrated in the Atlantic region, where the communal settlements consisted of an average of 25 peasants per enterprise, with a person-to-land ratio of 6 hectares, concentrated in relatively compact zones (15 or more settlements each) with a high agricultural potential, which allowed them to become bases for second-degree organizations¹⁰, such as Choloma, Guanchias, San Manuel, Guyamas, Lean, Música, Jutiapa, Isletas and Bajo Aguan. These enterprises specialised in export or agro industrial produce and came to represent a sizeable section of total land under cultivation in the country. This provided the objective conditions for enriching the organizational expertise of simple agricultural hand labour in coping with production processes of far higher complexity than they were typically accustomed to in their former peasant environment. Another important dimension was the ownership in common of a number of indivisible resources held in common (*'common resource pool'*) which implied the need to organize along the type of democratic principles prevailing in businesses held in common. This in turn gave rise to an important inversion in the way people learn management methods. The Workshop became wellspring and basis of the process; it also led to a more selective training of administrative cadres and of technicians competent in Rural Development promotion matters. The about turns in the way productive capital is structured which were realized in those zones, represent the most salient features brought about in the course of the Agrarian Reform and possibly represent the most important achievements, on a national level, in the seventies. Of these three zones, three managed to develop themselves: Guanchias, Guyamas and Bajo Aguan. Of those three, *Guyamas* was without doubt the most

¹⁰ With second degree enterprises we mean that they were capable to act, and continue to act as bases for service delivery to grassroot production activities or to the process of rural transformation in general.

successful and noted for its innovations in terms of capacitation for conditions of collective ownership. We will come back on this later.

The 'Centre' OWs

As we saw before, 'Centre' OWs played an important role in Honduras. They were responsible for the formation of cadres for the implementation of collectively managed enterprises. Taking part in those Centre workshops were principally ordinary peasants complemented with experts and functionaries of the national public sector, the international development organizations and representatives from third countries in Latin America. The results of those Centre workshops were less well documented mainly because doing so was a massive enterprise. But we can venture the following hypotheses concerning the graduates of those workshops:

- Where participating peasants came from an enterprise which enjoyed some form of field assistance, this enterprise would become a support base for others, which, in most of the cases, was what actually happened.
- Where campesinos came from enterprises or settlements which did not benefit from any form of support, their principal objective was to improve the organizational management skills of their own enterprise. However, some factors seem did not seem to correspond with the hypothesis. In the case of technical personnel, they made use of the workshops in a variety of ways:
- Where the technician was already involved in capacitation work, the experience helped them to deepen their knowledge of the method in a practical manner so that they were able to better reproduce it for the benefit of others later. At a later stage they would add to this a better knowledge about the role of the workshop Director and the different phases through which the Director had to accompany the group.
- In the case of experts not attached to national institutions or belonging to national institutions not involved in development projects, the main benefit for them consisted in gaining inside knowledge of the method and in find ways and means of applying it. In Central America the method was thus applied in many instances, based on the Honduran experience, for example in a number of cooperative contexts or in land settlement initiatives.

An example: the agro industrial complex of *Guaymas*

As was already mentioned before, the most successful enterprise to come out of the Workshops, and which, moreover, has survived for more than 20 years and continues to develop, is the agroindustrial 15,000 Ha complex of Guaymas. Guyamas is situated in a zone on the Atlantic West Coast. Agriculturally, it belongs to the Wet Tropics area. In that area there are 66 settlements boasting campesino enterprises representing, at the last count in 1995, 1,800 families, who, in turn, represent 10,000 people. 32 of those enterprises cultivate African Oil Palm (5,200 Ha). In 1995 this complex represented 23.5% of the total land area in Honduras planted with Oil Palm. It also represented 23% of the total national production of fresh palm products, which means a yield of 22.5 tons per Ha, ie better than the 17.92% national average. The primary producers sell their produce to HONDUPALMA, an agro

industrial complex which they themselves have set up. It comprises a processing plant capable of yielding 25 tons of oil p/hour. They sell their produce at a price slightly lower than yield of similar processing plants in the area. The enterprise itself refines the different types of oils: crude, almond oil, almond flour, refined oils, oil fats and margarine. More than 60% of the production is exported, thus generating foreign exchange for the country. By 1995 the agroindustrial enterprise was the largest in the country, generating, in 1994, American \$1.9 million, while its assets cover 2.68 its liabilities.

The group was able to acquire the factory plant thanks to a loan obtained from the Dutch Government, guaranteed by the Honduran government. The sum involved amounted to \$12.5 million, with a remaining saldo of \$3 m. The enterprise which runs the processing plant is a joint venture by the 32 primary enterprises and is juridically an entity separate from them. Each primary enterprise boasts its own organizational setup, normally based on the structures created with the help of IHDER and the capacitation acquired in the course of the Organizational Workshops. The agro industrial enterprise is structured along the lines of a General Assembly with three representatives from each field base (primary) enterprise. Together, they elect the Administrative Board. The President of this Board is in charge of the overall running of the Enterprise. The Board is elected for the duration of two years so as allow the administration the necessary continuity. There can only be one election in those two years. Ten operational departments, all operating on the basis of the division of work in the plantations, the processing and marketing of the product, report back to the Management. Specialized technical tasks are performed by contracted-in personnel, but there is a general policy of continuing formation of cadres drawn from the primary enterprises so as to relieve dependence on non-member expertise. Also, as a general policy, the Enterprise provides secondary and higher studies scholarships to one son or one daughter per member per year. Investment in education stands at \$ 70,000.00 p/a. The membership draws an annual income equivalent to \$2,700 per year, which is almost four times the average Honduran annual income. The enterprises represent an astonishing 19% of the total rural population considered affluent. With these kinds of above-average incomes (for Honduras) the families can provide for their basic needs as well as launch into small family enterprises, as many do. Not counting the membership, another 600 permanent jobs have been generated with an annual pay of \$1,250.00, ie almost double the local average income.

As regards social provision, there are a total of five centres with 700 houses which have running water and electricity. The Enterprise also provides Health services in a Health centre erected in the area and which is serviced by medical personnel from the surrounding urban centres. Primary schooling also receives subsidies from the Enterprise. The enterprise is the biggest fiscal contributor to the three municipalities over which it is spread out; it contributes to the diversification of exports and is a substantial contributor to the national finances though direct and indirect taxes.

Limitations and problems

Needless to say that *'in situ'* capacitation by means of the OW has yielded the highest returns in economic, social, educational and other terms. This result is almost always assured in all capacitation which seeks to be an exercise in transformation of practices and habits and aims at equipping people with better options for tackling economic and productive challenges in life. But this is only possible if the exercise takes place in conditions which confront genuine

daily problems of the person at whom the exercise is directed. The *Experimental Workshop* was successful mainly in those campesino enterprises which grasped the opportunity of capital injections allowing the creation of a *common resource pool* and the associated economies of scale which these allowed. Once the principle of a common resource pool accepted, organization on the basis of a more or less complex division of labour and an, -- of necessity --, collective form of management, will naturally follow. This means that producing on an associative membership basis brings with it comparative advantages as well as being a necessary condition for an adequate profitable return on capital outlay. This does not take away from the fact that particular circumstances have contributed to the failure of certain enterprises which otherwise may have looked promising; the agro industrial complex of *Bajo Aguan* being just such an example. The differentiating factor is that, while Guayamas works on a basis which is far more independent from the State, occasionally even opposed to the State, *Bajo Aguan* has been constructed almost solely on the basis of State support involving a costly land colonization process. Nor was there any private input in the technical and social infrastructure of *Bajo Aguan*. In either case, the level of participation by the primary enterprises marks the main difference in the way they are managed. While the level of participation in the administration of the Agroindustrial Enterprise of Guayamas is very high, participation at *Bajo Aguan* never got off the ground. The result was that in the latter high level corruption and misuse of resources became the rule.

Lessons to be drawn

Since 1985 the Laboratory method along the lines indicated by the IHDER came less in use, above all due to problems related to an increasingly difficult political conjuncture in the country. Instances of casuistry and insistence on punctuality, for example, became more prominent. This notwithstanding, the continued learning and relearning of the principles of capacitation continued on a steady pace, not only among those directly participating in the experience, but also on the part of Institutions and persons involved in development work. Among those we can highlight the following:

- Only lived practice capacitates.
- Capacitation must start from the experiences and needs of the capacitandi (the learners).
- The necessary conditions must be created opening the necessary space for whatever experiences to be applied in the intended field.
- Only when the learners have adjusted their behaviour and conceptual models to the theme is it possible to little by little introduce new alternatives to tackle the same theme.
- A move towards a new practice which allows the adoption by the group of new tools which will allow it to live up to its new tasks.
- The new tools and the new, lived practice need to be fed back to the conceptual domain.
- A spirit of constant innovation, needs and of adaptability to constantly changing circumstances needs to be fostered to allow for a harmonious evolution of the method.

These principles are visible in many of the capacitation proposals by public or private sector development organizations. In the period between 1980 and 1998 many other development projects with new training proposals presented themselves to the country. Some have made important contributions in several fields, such as the investigation of the rural sector together with the campesinos and in their actual working conditions, the transfer of knowledge and skills from campesino to campesino, etc. Wherever those methods have met with success,

we can recognize the same principles which underly the success of the Workshops.

In matters of campesino organization for agricultural production many proposals have been put forward over the years, especially in terms of participation in e.g. Integrated Rural Development Projects. Many, possibly hundreds, have failed, or have simply been abandoned after the expiry date of those projects. The only experiences which survive and continue to grow are those where a *common resource pool* forms the basis of a collective activity which none of the associates could accomplish on their own; that is to say, wherever there is a comparative advantage in associating with others to produce and grow, people are always well-disposed to make a contribution to that growth, as a group, and not on a mere individual basis. This was the very learning curve the Workshops of Guyama went through: individuals are ready to associate with others and make an enterprise grow in the same measure as the growth of the enterprise also allows the growth of the Common Good and thereby the good of each member, ie in the measure that the members can see the future for themselves and their families. As Fausto Martinez, ex-president of HONDUPALMA put it *"the Workshops teaches us to organize and the organization is a seedbed of human values which need to be nurtured and allowed to grow"*.

2011 Honduras Post-scriptum

En marcha los "Laboratorios Experimentales"

EL INA IMPULSA EL RETORNO A LA ORGANIZACIÓN DE EMPRESAS CAMPESINAS AUTOSOSTENIBLES

Transl:

Tegucigalpa, Honduras 11 August 2011

- 30 years after it launched its first reform initiative, the Honduran National Agrarian Institute (INA) has reactivated the Organization Workshop program.
- Initially a 15 day course will take place run by the Rural Capacitation Program for Agrarian Reform (PROCCARA) with the financial support of INA and the United Nations' FAO.
- The proceedings will take place at the "David Fúnes Villatoro" Capacitation Center in Agua Blanca Sur, El Progreso, Yoro Dpt.
- From there 5 OW's will be launched in which 700 persons from the entire country will participate.
- From this group 50 persons will be selected to become expert technicians (TDE's)
- As a multiplier effect another 5,000 campesinos, men and women will be involved in the creation of enterprises under the overall guidance of Ministro Director, Cesar David Adolfo Ham Peña under his "Let's go to the land" agrarian reform vision.
- The OW Capacitation Method is the brainchild of Professor Clodomir Santos de Morais

- Honduras has been familiar with this method since the 1960's and has registered sustained and positive outcomes as a result, both in economic and ecological terms, witness the Guanchias Cooperative complex, the Isletas social Enterprise, not to forget the oil processing plants of COAPALMA and HONDUPALMA, among others.

Redactó: Carlos Zelaya Herrera Asistente de Relaciones Públicas

HONDURAS Centre O.W.s (ctd)

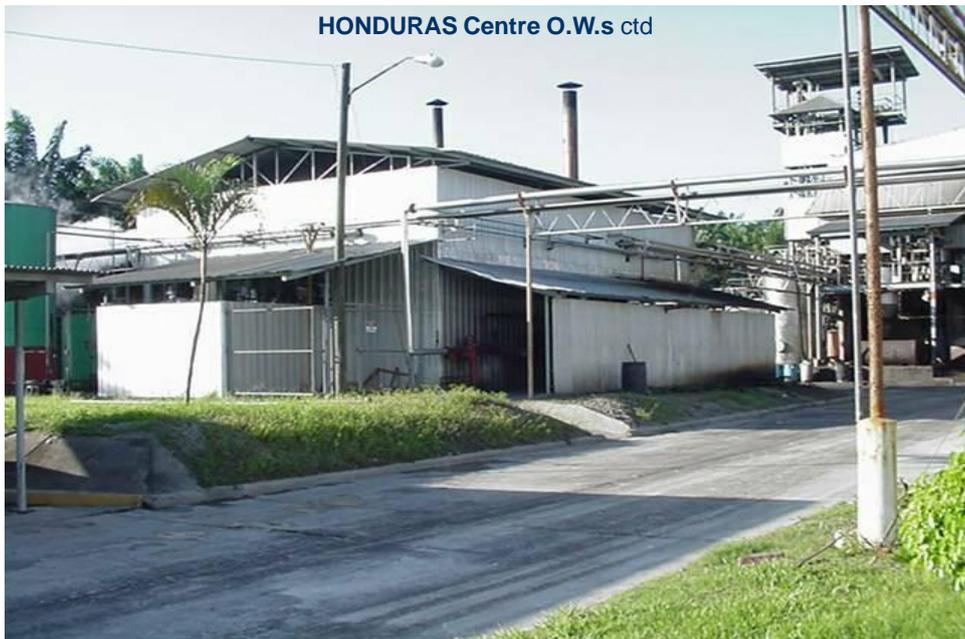
“Centre O.W.s, further on, in the 70's were instrumental in the formation of Hondurean cadres for the implementation of collectively managed enterprises.

Most of those taking part in the O.W.s were ordinary peasants, but they were joined by experts and functionaries of the National Public Sector”

(Benjamin Erazo “A Future” p 64)



Clodomir (r) [& Sobrado (middle) & Correia (l.) revisits COAPALMA, Honduras, in 2000, 25 years after the Oil Plantation & Processing Plant was set up by laid-off banana plantation workers which took part in the 1970's PROCCARA O.W.s



Present-day HONDUPALMA, Honduras: another Palm plantation & Oil processing plant, the foundations of which were laid during the 1970's O.W.s



HonduPalma 2010: General Manager & Board Members (Offices rotated every 3 years)



HONDUPALMA Cooperative, Honduras – auto body workshops