

SUPPORTING AGRIBUSINESS AMID HUMAN RIGHTS ABUSES AND LAND RIGHTS VIOLATIONS

In Honduras, access to land is a deadly issue. In recent years, corporate investments in the agricultural sector and skewed land deals have been a source of intense conflicts with farmers, and have resulted in displacement, widespread human rights abuses, and murders.¹ Yet, turning a blind eye to human rights and land rights violations, the World Bank continues to support agribusiness in the country through the provision of substantial loans. In 2014, the Bank's Doing Business indicator ranked Honduras 127 out of 189 countries.

DOING BUSINESS REFORMS IN HONDURAS

Although Honduras was officially included in the Doing Business rankings for the first time in 2013, the World Bank has long been promoting reforms to make the market more competitive and penalizing the country for reforms it considers bad for the investment climate.

- ✓ The Bank supported government's efforts to reform land registration, including "mapping the registration process and providing recommendations to reduce administrative discretion and increase transparency."⁶
- ✗ The World Bank chastised Honduras for making taxes costlier for firms when the country raised the solidarity tax rate in 2012. The Bank thus pushes for reduced administration discretion and reduced taxes, making it more difficult for the Honduran government to exert direct control over the business sector. This problem is further exacerbated because the World Bank directly finances the largest landowners and actively promotes agribusiness in the country, stating that large-scale agribusiness "is an important source of economic activity and employment in Honduras."
- ✗ The Doing Business ranking gives a relatively bad score to Honduras for its "protection of investors." However, corporations such as Dinant operating in Honduras already enjoy little state oversight in the form of investigations and have a high degree of immunity from prosecution—all investigations to date have been inadequate or simply nonexistent.⁷ It is disturbing to think what would be necessary to improve the DB ranking within this category given the egregious latitude already afforded to corporations in Honduras.

HONDURAS AND THE WORLD BANK

The World Bank is conducting programs to register indigenous communal landholdings in rural Honduras and claims to have trained 80 community leaders on "alternative conflict resolution mechanisms" in 2013.² But it is also providing continued financial support to big agribusiness investors, like the palm oil producer Corporación Dinant, that establish plantations on large tracts of land, depriving small farmers of resources and fueling violent land conflicts in the country.

DOING BUSINESS AND HONDURAS' AGRICULTURAL SECTOR

In 2009, the World Bank approved a \$30 million dollar loan for Corporación Dinant to run plantations in Bajo Aguán despite a conflict over land in that region going back to 1992, when changes in the country's agrarian law allowed for the sale of large tracts of land that previously could only be held collectively by small-scale farmers.³ Farmer groups argue that the purchases were illegal because they were tricked by their leaders or signed deals they did not understand in other cases. Dinant now manages 22,000 acres (8,000 hectares) of land in the Bajo Aguán Valley where the conflict has escalated and thousands of farmers are currently occupying land that is controlled by the corporation, and are living in fear of eviction and death.⁴ More than 100 people have been killed in the years since the World Bank granted the loan.⁵ Smallholder farmers and Dinant officials agree that there is a need for major agrarian reform in Honduras—but the World Bank's track record of funneling money to Dinant despite public backlash makes it clear who they want to succeed.

ENDNOTES

- 1 Chatterjee, Pratap. "World Bank Slammed for Dinant Loan Linked to Honduran Killings." *CorpWatch*, 2014. <http://www.corpwatch.org/article.php?id=15917> (accessed February 14, 2014).
- 2 *New Titles for at Least 50,000 Urban and Rural Families*. The World Bank Group, 2011. <http://www.worldbank.org/en/news/press-release/2011/06/30/honduras--world-bank-new-titles-for-at-least-50000-urban-and-rural-families>. (accessed February 28, 2014).
- 3 *There Are No Investigations Here*. Human Rights Watch, 2014. <http://www.hrw.org/sites/default/files/reports/honduras0214web.pdf> (accessed March 10, 2014).
- 4 Malkin, Elisabeth. "In Honduras, Land Struggles Highlight Post-Coup Polarization." *New York Times*. September 15, 2011. <http://www.nytimes.com/2011/09/16/world/americas/honduras-land-conflicts-highlight-polarization.html> (accessed February 15, 2014).
- 5 Lobe, Jim. "World Bank Arm Admits Wrongs in Honduras Loan." *Global Issues*. January 24, 2014, <http://www.globalissues.org/news/2014/01/24/18137> (accessed March 13, 2014).
- 6 *Project Brief*. The World Bank Group. <https://www.wbginvestmentclimate.org/advisory-services/cross-cutting-issues/competition-policy/loader.cfm?csModule=security/getfile&pageid=43467> (accessed February 27, 2014).
- 7 *There Are No Investigations Here*. Human Rights Watch, 2014. <http://www.hrw.org/sites/default/files/reports/honduras0214web.pdf> (accessed March 10, 2014).

Honduras Doing Business Fact Sheet was authored by Dylan Farrell-Bryan.

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