

U.S. Department of Labor Statement on the
Status of the Implementation of the U.S.-Honduras Labor Rights Monitoring and Action Plan

October 12, 2018

In December 2015, in response to a report issued by the United States regarding Honduras's compliance with the Labor Chapter of the [U.S.-Dominican Republic-Central America Free Trade Agreement \(CAFTA-DR\)](#), the U.S. and Honduran governments signed a [Labor Rights Monitoring and Action Plan](#) (MAP), which set out concrete benchmarks that the Government of Honduras (GOH) committed to take to improve the application of its labor laws.¹

As part of the MAP, the GOH committed to:

- Enhance policy, legal, and regulatory frameworks to strengthen labor standards;
- Strengthen strategic planning and institutional capacity for better labor law enforcement;
- Intensify targeted enforcement actions against violators; and
- Increase transparency, outreach, and engagement with workers, employers, and the public on labor law enforcement and labor rights.

This statement constitutes the U.S. Department of Labor's (USDOL) review of the status of the MAP's implementation. Since the MAP's inception, the USDOL has worked closely with the GOH to support its successful implementation. The close collaboration between the two governments has yielded important results, and based on information obtained through this intensive engagement, the USDOL has determined that the GOH has made significant progress in fulfilling nearly all of the MAP commitments. While some challenges remain for the MAP's full implementation, the GOH has committed to continuing its work until the remaining benchmarks are completed.

Ongoing Activities and Engagement

In the MAP, the U.S. and Honduran governments committed to regular communication regarding the MAP commitments, an obligation that has been fulfilled through a combination of regular calls, emails, and in-person meetings. Such engagement has provided the USDOL with critical, up-to-date information on implementation of the MAP as well as opportunities to engage on priority issues and rapidly respond to changing conditions on the ground. The two governments held in-person technical-level consultations related to the MAP in January, April, July, October, and December 2016; January, February, April, May, August, and October 2017;

¹ The MAP was developed by the Government of Honduras (GOH), in collaboration with the U.S. Department of Labor (USDOL), to address recommendations put forth by the USDOL in its Public Report of Review of Submission 2012-01 (Honduras) [Submission Report] in February 2015. The Submission Report was issued in response to a [complaint](#) filed under the Labor Chapter of the [CAFTA-DR](#) by the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and 26 Honduran worker organizations. In the 2015 Submission Report, the USDOL identified significant concerns related to the effective enforcement of labor laws in Honduras related to the right of association and right to organize and bargain collectively; acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health; and the minimum age for the employment of children and the prohibition and elimination of the worst forms of child labor. It also provided recommendations to the GOH for addressing the concerns.

and April and July 2018. Further, annual high-level meetings called for in the MAP were held in March 2016 and June 2017, and another meeting is scheduled for December 2018. The Tripartite Commission, an advisory body that includes representatives from the private sector, worker organizations, and the GOH,² has met and continues to meet on a quarterly basis, yielding fruitful dialogue, recommendations for improvements, and tangible outcomes. The USDOL participates as an active observer in these quarterly meetings.

The USDOL provided several direct trainings aimed at assisting the GOH to fulfill the MAP commitments. Topics covered in these trainings included: mediation and conciliation; Occupational Safety and Health (OSH); best practices for conducting effective inspections; and the U.S. model for training government officials, workers, and employers on OSH. Honduran Secretariat of Labor and Social Security (STSS) personnel, worker organizations, and the private sector have participated in and benefited from these trainings.

Additionally, the USDOL currently oversees the following technical assistance programs to Honduras that improve government capacity for labor law enforcement, reduce child labor, and support efforts to reduce the push factors for irregular migration to the United States:

- *Bright Futures (Futuros Brillantes)*, a \$8.7 million project aimed at reducing child labor and building the capacity of the STSS to implement improved and sustainable labor enforcement practices. *Futuros Brillantes* has provided education services to 4,200 children and youth and livelihoods services to 1,600 families in six departments across Honduras. The project has also built the capacity of the Ministry of Labor, including carrying out targeted inspections, through specialized training for inspectors on child labor, labor inspections in the agricultural sector, and occupational safety and health (OSH). In collaboration with local NGOs, the project's nine Workers' Right Centers have also provided individuals with information or legal advice on acceptable conditions of work, freedom of association, and child labor.
- *Youth Pathways*, a \$16.5 million project that provides vocational training to youth at risk of engaging in hazardous work in Honduras and El Salvador. To date, the project has provided training and employment services to more than 1,700 youth residing in high-violence areas in Honduras, collaborating with local businesses that provide material support, opportunities for internships and employment, and professional training. The project has improved the capacity of the Honduran government to provide at-risk youth with job training programs by providing staff training, updating job training curriculums, and creating referral mechanisms for at-risk youth to better access public employment services through *Empléate* (Employ Yourself), programs by the Honduran National

² The Tripartite Commission is comprised of the Honduran Council of Private Companies (*Consejo Hondureño de Empresas Privadas*, COHEP), the Honduran Maquila Association (*Asociación Hondureña de Maquiladores*, AHM), the General Confederation of Workers (*Central General de Trabajadores*, CGT), the Unitary Confederation of Honduran Workers (*Confederación Unitaria de Trabajadores de Honduras*, CUTH), the Confederation of Honduran Workers (*Confederación de Trabajadores de Honduras*, CTH), the Solidarity Center, the Women's Rights Center (*Centro Derechos Mujeres*, CDM), the Secretariat of Labor and Social Security (*Secretaría de Trabajo y Seguridad Social*, STSS), and the Secretariat of Economic Development (*Secretaría de Desarrollo Económico*, SDE).

Employment Service (SENAEH), and other national and municipal employment programs.

- [*Honduran Coffee Complies \(El Café de Honduras Sí Cumple\)*](#), a newly funded \$2 million project that works with the private sector in building a robust social compliance system to address child labor and forced labor in coffee supply chains.
- [*Leveraging Data to Build an Efficient Labor Market in the Northern Triangle*](#), a \$4 million project under the CAFTA-DR Labor Cooperation and Capacity Building Mechanism to improve the collection, analysis, and dissemination of labor market data in Honduras, El Salvador, and Guatemala to directly support the [U.S. Government's strategy on Central America](#).

Key Areas of Progress

The GOH has made substantial progress in implementing the MAP and has demonstrated strong political will to continue to fulfill its MAP commitments. Most notably:

- **The GOH passed a [landmark labor inspection law](#) in January 2017 that strengthens the legal framework underpinning labor law enforcement.** The law was negotiated by the Tripartite Commission. The law includes deterrents against labor law violations by establishing significantly higher fines for such violations, indexed to inflation, and creating a presumption of noncompliance if an inspector is denied access to a worksite. The law includes incentives for compliance by allowing fines to be forgiven if an employer remediates a first-time violation and establishes mechanisms to support companies that proactively work to comply with the law.
- **The GOH significantly increased resources devoted to enforcement efforts.** Beginning in 2016, the GOH has permanently increased the annual STSS budget for inspections by 30,000,000 Lempiras (USD \$1.4-\$1.6 million).³ These additional resources have been leveraged to connect all STSS regional offices to the internet, improve infrastructure in the regional offices by upgrading electricity, installing air conditioning, upgrading computers and other technology, and furnishing the offices appropriately. In addition, to improve geographical coverage of inspections and reduce the occurrence of workers' paying for inspectors' transportation, the STSS purchased five vehicles and increased its budget for gas. The STSS has also increased the number of labor inspectors by approximately 30 percent during this timeframe, and added 29 staff for other enforcement-related functions.
- **The GOH is putting existing resources to better use.** The STSS has broadened the mandate of in-house attorneys to work directly with labor inspectors to collect back wages in cases of violations, collecting over US \$37,000 for over 500 workers since the beginning of 2016. The STSS has also published an inspection manual that gives

³ For more information on the STSS's allocation of financial resources, please see its transparency portal: <https://portalunico.iaip.gob.hn/portal/index.php?portal=419>.

inspectors practical tools to conduct more effective and thorough investigations. With input from the USDOL, International Labor Organization (ILO), and the Tripartite Commission, the STSS is developing a new national inspection strategy to enhance its effectiveness by setting out key sectors and regions to be targeted for inspections and strategically planning inspections based on resources available to regional offices. Upon finalization and full implementation, this strategy has the potential to significantly improve the efficiency and effectiveness of the Honduran labor inspectorate.

- **Working conditions are improving in the *maquila* sector, and many violations noted in the original complaint are being remediated.** The result has been better working conditions and increased wages for workers in Honduras. For example, due to improved dialogue between workers and employers, the number of collective bargaining agreements in the sector has more than doubled. In addition, the Tripartite Commission has recognized U.S. companies Hanesbrands and Pinehurst Manufacturing for remediating the labor law violations that formed part of the original complaint. The Commission agreed that these companies should be removed from the list of companies the STSS routinely inspects as part of its work under the MAP.
- **For 2017, Honduras made significant advancement in efforts to eliminate child labor, according to the USDOL’s annual “Findings on the Worst Forms of Child Labor” report.** Significant advancement is the highest level of progress in the report, and this is the first time Honduras has received this assessment. This assessment was due to the GOH’s strengthening legal protections for children by publishing the updated list of hazardous occupations prohibited for children and increasing penalties for violations; the STSS’s launch of a mobile application that enables the public to report child labor violations; and the reconstitution of the National Commission for the Gradual and Progressive Eradication of Child Labor, which includes relevant civil society organizations.

Through these accomplishments, the GOH has fulfilled nearly all elements of the MAP. However, ongoing work will be critical to addressing the outstanding MAP commitments in the coming year.

Remaining Challenges

While nearly all aspects of the MAP commitments have been fulfilled, three key components remain. First, the Tripartite Commission must finish negotiating the regulation for the Inspection Law, and the GOH must give effect to the regulation by publishing it in *La Gaceta*. Second, though most of the labor violations noted in the Submission Report have been fully remediated, some remain. The violations, which are emblematic of the freedom of association, right to organize and bargain collectively, and acceptable conditions of work concerns raised in the Submission Report, were committed by the following companies: SurAgro, Melon Export (both plantations are part of Grupo Sol/Fyffes/Sumitomo), and Kyungshin Lear. The STSS’s work to ensure that violations are effectively remediated will be important in demonstrating that the systemic reforms are yielding results on the ground.

Third, Honduras has not yet fulfilled its commitment to develop a technology tool to improve case tracking, knowledge sharing among its various units, supervision of inspectors, and accountability throughout the different units that handle cases. This, in turn, will allow the GOH to more effectively implement the new inspection law and meet its MAP commitments. To lay the groundwork for the case tracking system, the STSS has conducted its own audit to identify areas in which there were significant delays in the inspection process, which could be addressed by a case management system. The STSS has committed to leverage technology improvements to fulfill the MAP benchmarks, and it continues to make progress in doing so.

Other MAP commitments that remain outstanding include creating a services referral mechanism for children found in child labor and finalizing information-sharing agreements between GOH institutions.

An additional area of concern is the continued violence and threats against human rights defenders, including trade unionists, in Honduras. While the USDOL recognizes that the GOH has taken steps to strengthen its capacity to address this issue, including by establishing a new Ministry of Human Rights and providing protection to more than 200 threatened human rights defenders, more work needs to be done. The USDOL urges the GOH to take further important steps to reduce violence, including by strengthening existing institutions, showing support for and protecting the rights and work of trade unionists, and publicly denouncing any acts of threats and violence against them.

Conclusion

The USDOL's continued collaboration with the GOH to strengthen labor protections as enshrined in the CAFTA-DR is part of the U.S. government's commitment to ensuring that workers in the United States and around the world can compete on a fair global playing field. The USDOL will continue engagement with counterparts in Honduras to assure that the GOH fulfills its MAP commitments and meets its labor obligations under the CAFTA-DR.

To build on the substantial progress and collaboration arising out of the MAP – and to encourage continuation of productive, ongoing activities to meet the remaining commitments in the MAP and make reforms sustainable – the USDOL and the STSS have agreed to extend the MAP until December 2019. Through December 2019, the USDOL, in coordination with the U.S. Department of State and the Office of the U.S. Trade Representative, will continue to engage with the GOH and other stakeholders to monitor and assess progress on the MAP.