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Central America-Honduras and the "tips" Mexico-Brazil



Sources: Rebellion [Image: Andrés Manuel López Obrador and Ignacio Lula da Silva, Source: Infobae.com]

"López Obrador resembles former Brazilian President Lula da Silva, who was initially portrayed as a man who scared and was a radical, but in the end he was a good ruler"
(Paul Krugman, Nobel Prize in Economics)

In the first cycle of progressive governments in Latin America, the great absentee was Mexico. The country that received in the decade of the 50-70 a large part of the Latin American intelligentsia and even European countries, could not with the ballast left by the last governments of the Institutional Revolutionary Party (PRI) and the opposition made government. His absence was notorious in the projects to form the Bank of the South (failed attempt) and the BRICS that make up Brazil, Russia, India, China and South Africa, that is, the so-called emerging countries (which have also cooled), from which

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Mexico was excluded because it belonged to the Organization for Economic Cooperation and Development (ODCE) founded in 1961. In the case of the Community of Latin American and Caribbean States (CELAC), Mexico hosted its creation at the Latin American Unity Summit in 2010, but it was in Caracas, Venezuela, where it was definitively constituted in December 2011.

However, the triumph of Andrés Manuel López Obrador (AMLO) first and Ignacio Lula da Silva in Brazil recently, generates great expectation in Latin American countries, mostly with new agendas of progressive change and alternative development models to neoliberalism, but conditioned by the international financial crisis generated by the Russia-Ukraine war and the aftermath of Covid-19 that still persists. There is talk of a new MERCOSUR with shared objectives and goals that enable more effective regional integration on issues of trade, climate change, poverty, food security, innovation, less orthodox economic policies and internal governance. A strengthening of the Rio Group is expected, not only in the periodicity of the meetings (they should be biannual and not annual), but also in the use of proposals and shared actions on issues of security and national and regional sovereignty, external cooperation relations with the International Financial Organizations (OFIs), USA, EU, UN.

In the case of the Central American countries, and Honduras in particular, a wider space for collaboration is opened, both in the realization of large development projects in key sectors such as agri-food, energy, environmental, infrastructure and tourism, but also in the channeling of Foreign Direct Investment (FDI) from companies from these countries in the region. The countries of the Northern Triangle (El Salvador, Honduras and Guatemala), already have a Plan and Strategy to combat poverty, economic and social inequalities, corruption and weak institutions, as causal factors that explain the massive migration to the US, which was prepared by the Economic Commission for Latin America (ECLAC), but which has been frozen by the initiatives and proposals of the government of Joe Biden and Kamala Harris. where it is believed that this problem will be solved with the installation of foreign companies in these countries, especially in the field of maquilas, construction, tourism and agronegocios, plus direct aid to governments in the fight against corruption and drug trafficking, without approving patches or renouncing the economic policies of the International Monetary Fund (IMF) and World Bank.

In the case of President-elect Ignacio Lula, at least for Honduras, he already had an agenda of collaboration with the government of former President Manuel Zelaya Rosales that remained unfinished, especially the financial support of Brazil and certain companies for

the country to develop megaprojects of renewable energy generation, ethanol and biodiesel production, oil exploration, milk banks and livestock modernization, and economic infrastructure. Mention should also be made of the achievements made by his government (2002-2010) in reducing poverty, with the "Zero Hunger" and Bolsa Família programmes, strategies complementary to the delivery of bonuses to families in extreme poverty affected by economic stabilization and structural adjustment policies. It highlights the support for food production and access of the population to basic goods, and also to the assets to produce them, such as land, credit and technology.

Within the framework of the Plan Bicentennial of Government 2022-2026, the President Xiomara Castro already has a Plan to Fight Hunger, so these experiences, which will be taken up by President Lula da Silva, can be very helpful to Honduras and governments of the Region, with longer-term interventions upon entering In force the National Plan for the Refoundation of Honduras (PNRH) in process of construction with social actors.

In the field Internationally, both governments and regional leaders can influence War "drum" policies and promoting actions for peace international, not only for its relations of cooperation and rapprochement with Russia, China, the EU and the US, but also because their economies represent together 62% of regional GDP with a population of more than 245 million people. In a joint agenda of both, to which would be added - without a doubt - countries such as Argentina, Chile, Colombia and Peru, which has been absent of proposals favorable to peace and development. A central issue would be the search and validity of mechanisms regional and extra-regional compatible with a peaceful solution to the war between Russia-Ukraine.

Bilateral cooperation between countries and governments is fundamental for Central America and Honduras in particular. In the region there is evidence of an increase in cooperation multilateral (more external indebtedness) and a weakening of cooperation bilateral. This is the reason for the greater erosion of tax revenues that is allocated. the payment of debt servicing (much of it illegitimate) and the absence of economic projects, social and environmental that directly benefit the population of minors resources, since multilateral cooperation gives priority to large Projects in key sectors that are part of the agenda of organizations such as World Bank and IDB, with a strong bias in favor of private actors without the amounts of FDI being those required. Mexico and Brazil can lead a process of regional cooperation between groups of countries to reduce asymmetries and combat social inequities.

There is no doubt that both Mexico and Brazil face endogenous problems that merit immediate action in the search for consensus solutions. Mexico's GDP is expected to grow 1.9% in 2022 and Brazil's to 1.6%, below the Latin American average of 2.6% (ECLAC: 2021). To this is added the problem of external indebtedness and increased inflation that leads them by mandate of the neoliberal monetarist creed to contract domestic demand by increasing the Monetary Policy Rate (MPR). In Brazil there is the division and political and ideological polarization that demands a great national agreement and the inclusion in the policies of the State of broad sectors of the population and economic, social and religious actors. In Mexico, the issue of managing the problem of migrants demands greater commitment from the authorities and a work agenda less subject to the dictates of Washington.

There are countries like Honduras that in the past maintained a close collaboration with the Lula government da Silva, especially his support for the government of Manuel Zelaya Rosales removed from power with a coup d'état. The same happens with AMLO and his collaborative relationships with the rest of the Governments in the region beyond political issues and actions taken by Washington against, the case of El Salvador, Guatemala and Nicaragua. A "neutral" space can be the mechanisms of integration of the Central American region that should be used to shape an agenda of Joint work with both governments, where one of the points is the validity of a Central American FTA with Mercosur, within the framework of the Integration System Central American (SICA), proposed by Lula da Silva during his visit to Honduras in 2007.

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