

## INTRODUCTION

Journalist Manuel Torres Calderón (2002) calls Honduras the “unknown country,” the least known and the least understood country in Central America—primarily thought of as a “banana republic” and a US base for counter-insurgency in the 1980s. Indeed, compared to most Latin American countries, there are few English-language books about Honduras written for a popular audience. Even after the June 2009 coup that ousted president Manuel Zelaya and the massive popular movement that followed, Honduras languished in mainstream media obscurity, overshadowed by celebratory coverage of the Arab Spring. When the media did report on Honduras (or Central America in general) it generally portrayed the region as a hopeless “basket case” beset by gangs, crime and a tragically unwinnable War on Drugs. These portrayals tell us little about the structural (political and economic) causes of poverty and violence. Nor do they show us how fiercely Hondurans are fighting to take back control of their local economies, protect their families from violence, and build democracy from the ground up.

While Honduran cities are growing rapidly, marked by highly precarious working and living conditions, the majority (74 percent) of the poor are *rural*: they are peasants (*campesinos*), landless workers, indigenous and Afro-indigenous peoples (USAID 2011b, 4). As throughout Latin America, both rural and urban poverty are closely linked to the unequal distribution of

land—with enormous landholdings (known as *latifundios*) on one hand and smallholdings (*minifundios*) on the other. In Honduras, approximately 70 percent of the farmers hold 10 percent of the land in minifundios while 1 percent of the farmers hold 25 percent of the land in massive estates (*ibid.*).

Over the last three decades, the poverty generated by Honduras' unequal land distribution has been magnified by climate change and natural disasters, rising food prices and land grabs for corporate agribusiness and tourism development. While deepening both urban and rural vulnerability, these events also sparked new forms of grassroots organizing and political consciousness. This book explores the dramatic expansion of agro-industrial development in northern Honduras in the neoliberal era, its relationship to strengthening elite power and the seeds of popular resistance it has paradoxically sown. Honduras is not a hopeless basket case. It is, like many countries in the Global South, a place where hunger, poverty and violence are rooted in a lack of genuine democracy (and not, as some would have it, a lack of foreign aid or economic growth). And that is precisely what Honduran peasant movements are fighting for: the democratization of land, food and political power.

### **Situating Honduras in the Global Land Grab**

In the wake of the 2007–2008 global food, fuel and financial crises, observers have called attention to a growing trend in large-scale farmland investments, particularly in poor countries of the Global South. While reliable figures are hard to come by, estimates range from around 56.6 million to 227 million hectares of grabbed land globally (Cotula 2012). These land grabs erode local control, often re-orienting production from meeting local needs to meeting global market demands for food, feed and fuel. The impact on land-based livelihoods—those of peasants and indigenous peoples whose survival hinges directly on access to land and nature—has been deeply devastating. The term “land grab” has now become a media buzzword, a catchall phrase for the new global wave of peasant dispossession. Numerous scholars, activists

and organizations<sup>1</sup> have been analyzing the phenomenon to understand the forces behind it, while also working to stop it (or curb its impacts) through campaigns and solidarity efforts.

New players have been identified (e.g. financial companies, pension funds, sovereign wealth funds) as the buyers of huge tracts of land. Compared to previous instances of land grabbing by colonial powers or agribusiness firms, these investors tend to be much more interested in the financial value of land (and of the resources on, under or near it) than the value of its production. Pension funds, for instance—which have quickly become one of the largest institutional investors in land—“see long-term pay-offs from the rising value of farmland and the cash flow that will in the meantime come from crop sales, dairy herds or meat production” (GRAIN 2011a). The speculative nature of land acquisitions by a new set of global actors—in the context of the food, fuel and financial crisis—is a defining feature of the new land grabs (McMichael 2012).

As Borras et al. (2012) point out, however, prevailing approaches to the land grabbing question have tended to highlight certain regions and dimensions to the neglect of others. For instance, studies generally focus on the role of *foreign* companies and *foreign* governments (primarily China, India, South Korea and the Gulf States) in the global land rush. This approach tends to miss or marginalize land grabs carried out by domestic and intra-regional capital, as well as the role of local elites and the state itself (857). Analyses also tend to focus on “mega” deals, measured in terms of *numbers of hectares* grabbed, generally defining a land grab as an acquisition (lease or purchase) greater than 1,000 hectares (850). In a recent presentation, GRAIN (2011b) identifies land grabs as acquisitions of 10,000 hectares or more.

From the point of view of rural people facing eviction and loss of livelihood, it matters little whether the deals in question are for 10,000 hectares or ten. The experience of displacement—whether gradual or sudden, small or large—is one of physical and structural violence, and the end result is community fragmentation and even cultural obliteration. As the agrarian scholar



*Aguán peasant stands in front of his destroyed home after an eviction by police, June 2011 (photo by Roger Harris)*

Samir Amin (2011) puts it, “we have reached a point at which, in order to open up a new area for capital expansion, it is necessary to destroy entire societies” (xiii).

Along with an emphasis on foreign-led mega-deals, the prevailing approach to land grabs has been Africa-centric. With cases like Ethiopia, where over 1 million hectares of Anuak indigenous lands have been leased to foreign investors (primarily Indian and Saudi), this regional focus clearly is not unwarranted (GRAIN 2010; 2012). But in looking at Latin America, where a different set of dynamics appears to be at work, there is evidence that land grabbing is occurring “to an extent wider than previously assumed” (Borras et al. 2012, 846). The case of the Aguán Valley in northern Honduras, for instance, has been identified in a number of media articles and reports (Oxfam 2011; DanChurchAid 2011) as an emblematic case of land grabbing. And yet, it fits poorly within the model of land grabs outlined above for a number of reasons.

First, the main instance of land grabbing in the Aguán occurred nearly two decades ago, between 1990 and 1994, before the

recent food, fuel and financial crises that is widely viewed as triggering the new rush on land. Neoliberal land legislation in 1992 facilitated the process, reversing earlier agrarian reforms and unleashing new investment dynamics that were highly unfavorable to peasant farmers. In a short period, a few wealthy investors seized more than 21,000 hectares (over 70 percent) of peasant lands in the Lower Aguán Valley.

Second, while this would seem to meet the condition of a large-scale land grab, it was not a single transaction, but rather hundreds of small deals, in some cases for less than three hectares. Cumulatively, this flurry of land deals generated widespread peasant dispossession, and concentrated some of the country's best farmland and water resources into a few hands.

Third, the primary actors in the case of the Aguán were not foreign investment firms or transnational agribusiness, but Honduran elites. The biggest investor was Honduran businessman Miguel Facussé Barjum—known as the “richest man in Honduras”—who now controls most of the valley for corporate palm oil production. As part of the “ten families” (as they are commonly known) who now control the country's wealth, Facussé amassed his fortunes with the help of economic policies that liberalized trade and investments—first in manufacturing, and then in agriculture. These policies led to the consolidation of a globally oriented agro-industrial bourgeoisie (see below).

This re-configuration of class power set the stage for a new, intensified phase of agro-industrial expansion beginning in 2009. This phase began with the most all-encompassing and arguably the crudest “grab” of all: the grabbing of state power. The coup that overthrew president Manuel Zelaya on June 28, 2009 can be read as the expression of a class process set into motion by neoliberal restructuring. The “new” land grabs in Honduras then, look more like a deepening and intensification of a process already well underway. Put another way, the grabbing of state power is, at least in part, the *political consequence* of an earlier wave of land grabs.<sup>2</sup> Thus, following the work of economic geographer David Harvey (2005), this book argues that

neoliberal policies in Honduras should be viewed as a “political project to re-establish the conditions for capital accumulation and to restore the power of economic elites” (19).

Seen in this light, the Honduran case might help us to understand the potential future ramifications of current land grabbing elsewhere.

### **Neoliberalism and Class Power**

Throughout the 20th century, Honduras was known as the quintessential “banana republic” dominated by US agribusiness (e.g. United Fruit) and US military and geopolitical objectives. As historian Walter LaFeber (1984) puts it:

North American power had become so encompassing that US military forces and United Fruit could struggle against each other to see who was to control the Honduran government, then have the argument settled by the US Department of State. (62)

US capital thus dominated Honduran politics, as well as the most fertile soils and the most lucrative export markets. Comparatively, the Honduran landed elite—which derived its power primarily from enormous ranches and cotton plantations in the South and West—had much less influence. They were, in fact, “the economically poorest and politically weakest rural oligarchy in Central America” (Ruhl 1984, 37).<sup>3</sup>

As Honduran historian Darío Euraque (1996) points out, however, the dominance of US capital in the North did not mean the complete absence of Honduran elites. After World War II, an incipient homegrown bourgeoisie, composed largely of Arab Palestinian immigrants, developed around the northern city of San Pedro Sula, in the heart of the banana-growing Sula Valley. The ethnic composition of this elite class—with Arab surnames like Kattán, Canahuati, Facussé, Násser, Kafati and Larach—was the result of government policies in the early 20<sup>th</sup> century that promoted foreign immigration as a means to social, cultural and

economic progress (González 1992; Foroohar 2011). With the Ottoman Empire in decline, many Palestinian Arabs immigrated to Central America, concentrating in Honduras. While the government hoped these newcomers would develop agriculture, first generation Palestinian immigrants (who intended eventually to return home) rejected the government's land grants and instead gravitated towards commerce, quickly establishing themselves as a powerful merchant class and eventually investing in industry. By the late 1950s, wealthy Palestinian families—often referred to as “Turks” (*los turcos*)—already controlled 75 percent of investments in the import-export sector and about 50 percent of investments in manufacturing (Foroohar 2011).

This “emerging new class of wealth,” however, tended to be excluded from political activity partly by their own choice and partly as a result of the unwelcoming attitudes of native Hondurans (Euraque 1996, 35). Structural adjustment policies of the 1990s, however, sparked a massive transfer of state resources to the Honduran private sector, granting north coast-based elites unprecedented access to global markets, investment capital and political power. They expanded their power primarily through two boom sectors of the neoliberal period: manufacturing (*maquilas*) located in over a dozen Export Processing Zones (EPZs) and palm oil based in the Lower Aguán River Valley. A third elite-controlled sector, coastal tourism, flourished in the late 1990s as part of the effort to restructure northern Honduras along investment-friendly lines.

In addition, US-backed militarization in Central America, increasing sharply during the counter-insurgency wars of the 1980s, promoted elite interests by repressing labor unions and peasants associated with the “communist threat.” Honduran business and military interests became increasingly intertwined—with one another and with the US—in the 1980s. The anti-communist Association for the Progress of Honduras (APROH) was founded in 1983, with membership comprising all of the country's major businessmen, to promote deregulation, trade liberalization and a military approach to suppressing popular resistance movements

(Envío 1984).<sup>4</sup> Notably, APROH's president was General Gustavo Álvarez Martínez—commander of the armed forces, linked to widespread political assassinations and torture—and its vice-president was businessman Miguel Facussé.

Since the 2009 coup, Honduras has become increasingly militarized. The human rights organization Committee for Relatives of the Detained and Disappeared in Honduras (COFADEH) identifies the current trend as a powerful resurgence of APROH-style authoritarianism: a blend of right-wing extremism, neoliberalism and militarism (Rodríguez 2010). US military aid, ramped up in the name of the War on Drugs, has added fuel to the fire. Efforts have targeted the northern coast and the northeast Moskitia region, areas identified as a “strategic drug trafficking corridor.” But the north is also a major area of agribusiness, manufacturing and commercial tourism expansion. US-assisted militarization—combined with the private security forces of large landowners—has been tantamount to an all-out war on peasants, facilitating the expansion of these elite-controlled sectors.

The agro-industrial oligarchy is heavily oriented towards the United States—for trade, investment and cultural cues for looking and acting like a global business elite<sup>5</sup>—and supportive of the US political and economic agenda in Central America. Correspondingly, the US has been instrumental in the *making* of these elites through bilateral and multilateral aid (USAID, IDB) and the policy prescriptions of Washington-based financial institutions (World Bank, IMF). A key moment for the consolidation of the neoliberal model promoted by these institutions was also Hurricane Mitch in 1998. Post-Mitch crisis conditions provided cover for fast-tracking the neoliberal development agenda—focused on the maquila, agroindustry and tourism sectors—newly branded as a plan for “reconstruction” (Boyer and Pell 1999; Jeffrey 1999; Klein 2005; Stonich 2008).

Global market mechanisms, such as those generated by the new “green capitalism,” also play a part. Markets for “green” commodities such as crop-based fuel (agrofuels) and carbon

credits not only encourage “new” land grabbing, but also add value to *previously* grabbed lands and a sheen of environmental legitimacy. The carbon credits allotted to Miguel Facussé for the greening of palm oil processing, for example, reinforce his ownership claim on highly contested lands in the Aguán.<sup>6</sup> Thus, to say that the 2009 coup and expansion of agro-industrial capital is the result of a “class process” is by no means to dismiss the role of US/Northern imperialism or global capital. Indeed, these forces tend to transform or reinforce local class dynamics in important and historically specific ways.

### **Grabbing Power (Back)**

The land grabs of the 1990s generated a powerful counter-movement for the recovery of peasant lands in the Aguán Valley. Dozens of peasant organizations emerged, such as the Peasant Movement of Aguán (MCA) formed in 1999, followed by the Unified Movement of Aguán Peasants (MUCA) in 2001. In most cases, the movements began by pursuing legal strategies—filing requests for the nullification of purchase agreements and demanding investigations of fraudulent deals. When politically influential landowners repeatedly obstructed these approaches, the movements began occupying the oil palm plantations claimed by Facussé and other large landowners. What emerged over a decade of organizing in the Aguán is a mass “grab land back” movement.<sup>7</sup>

This movement made headway under the Zelaya administration (2006–2009), which found itself in an increasingly tense predicament. On one hand was the powerful agro-oligarchy, jealously protecting its newly acquired power and access to foreign investment. On the other hand were 375,000 landless Honduran families, an increasingly militant peasant movement, and steeply rising food prices (Vía Campesina et al. 2011). Faced with these conditions, Zelaya chose to make concessions to social movements, raising the monthly minimum wage and enacting agrarian reform legislation. These policies were met with a growing hostility that foreshadowed the 2009 coup.

Pro-peasant legislation passed by Zelaya was overturned after the coup while the militarization of the countryside further reinforced the power of the agro-oligarchy. US military and development aid quickly resumed, and by November 2010 post-coup president Porfirio “Pepe” Lobo was able to sign agreements with the IMF, IDB and World Bank for \$322.5 million to restore the country’s economic stability and promote economic growth (Meyer 2010). The Aguán suffered immediate and relentless state-sponsored repression. Between September 2009 and August 2012, there have been 53 recorded cases of peasant murders in the context of the Aguán agrarian conflict—with many more injuries, kidnappings, illegal detentions, forced evictions and cases of torture and sexual assault (FIAN 2012; FIDH 2011; IACHR 2012). Many Aguán peasants and activists now place the death toll at over 60 (Bird 2012).

Paradoxically, the coup inspired a far-reaching political “awakening,” as Hondurans often call it. Students, teachers, trade unions, human rights organizations, indigenous peoples, peasants, feminists, LGBT communities, artists, and faith-based groups were galvanized by the coup and the repression that followed, coming



*Assembly of the National Front of Popular Resistance (FNRP), February 2011  
(photo by Felipe Canova/Creative Commons)*

together as the National Front of Resistance Against the Coup (now the National Front of Popular Resistance, or FNRP). In the Aguán Valley, struggles for agrarian reform—a project long tied to the good will of the state—turned into a much more radical struggle to transform state power. The comments of a peasant leader from MUCA in early 2010 are emblematic:

The people we're fighting against in the Aguán Valley, these are the men who generated poverty for Honduran society and wealth for themselves. And they're the ones who manipulate information, who tell the government what to do and what not to do. They can put a government in power or remove it. So the struggle to liberate the Aguán Valley is a difficult fight, because it's against the entire Honduran oligarchy and also the Honduran government... (Emanuelsson 2010)

Inspired by the struggles of Aguán peasants and the Honduran resistance movement, this book begins from the (perhaps rather obvious) proposition that land grabs are a question of *power*. Thus, in order to understand why they are happening, we must understand 1) how power is historically constituted, and 2) how land grabs further consolidate power in particular ways. Grounded in the historically specific determinants of class, power and land use in northern Honduras, I hope this book contributes to an understanding of the complex forces driving land grabs, particularly in the Americas. Much more ambitiously (and also more urgently) I hope it inspires solidarity and informs strategies to stop them.

This book is the result of over a year and a half of in-depth research—including two fact-finding and solidarity trips to northern Honduras in June 2011 and January 2012—to understand and contextualize the land conflicts in the Aguán. It is based on interviews with peasant and Afro-indigenous community leaders, resistance activists and NGO allies. Because of the lack of available empirical and official data, and the unreliability of

prominent media outlets, I relied heavily on first-hand accounts and reports from people on the ground, including interviews, social movement blogs, independent media reports and human rights delegation reports. As much as possible, I confirmed the information contained in this book through more than one source.

The challenge of obtaining and confirming information, however, points to the need for further research, especially from activist researchers willing to assist communities in documenting their own struggles; and from committed journalists willing to highlight the voices and realities of affected communities. For Hondurans, this is a dangerous undertaking indeed: since the coup, at least 22 Honduran media workers have been murdered for daring to break the silence of elite-managed censorship (UNESCO 2012). While this violence is chilling, it shows that even an authoritarian state depends on a modicum of legitimacy, which it can only ensure by suppressing the right to free expression. The role of the US government in funding this repression with taxpayer dollars confers upon US citizens a special responsibility and capacity to act. While this book aims to contribute to the body of scholarship on Honduras and agrarian struggles, it is also a call for international solidarity with the Honduran resistance and the peasants of the Aguán.