The Neo-colonization of Central America

written by Jeff Abbott | June 25, 2016

The colonization of Latin America never ended, it merely changed forms. Today this conquest continues, with transnational companies driving neo-colonization grounded in the continued exploitation of natural resources. This is nowhere more true than in Central America. The force of neo-colonization is strengthened by free-trade agreements and development plans that guarantee a company's right to investment above the rights of the citizenry. Meanwhile, the indigenous populations face renewed dispossession and eviction to make way for global capital's conquest.

"Latin America is the region of open veins. Everything, from the discovery until our times, has always been transmuted into European—or later United States—capital, and as such has accumulated in distant centers of power," Eduardo Galeano wrote in his seminal book, *Open Veins of Latin America* (Monthly Review Press, 1971). Capital takes "everything: the soil, its fruits, and its mineral-rich depths, the people and their capacity to work and to consume, natural resources and human resources." Forty years later, "The veins are still open," as an anonymous hand wrote on a wall in Guatemala City's historic center following Galeano's death in 2015.

Global capital's demand for primary resources, such as minerals, water, and soil, has driven modern colonization. The neoliberal project has reignited a period of capitalist development that Karl Marx once referred to as "primitive accumulation." Natural resources are exploited and original peoples are transformed into the ranks of the proletariat. This process of proletarianization strips rural autonomous populations of their means of production and forces them to sell their labor power as wage labor. "Each new colonial expansion is accompanied by a relentless battle of capital against social and economic ties of the natives, who are also forcibly robbed of the means of production and labor power," wrote Rosa Luxemburg in her masterwork, *The Accumulation of Capital*, adding, a page later, that "force is the only solution opened to capital."

The modern colonization has been driven by financial capital, which seeks to find new investments to continue its accumulation. It is this quest that drives the neo-colonization of indigenous territories. According to Raúl Zibechi, a Uruguayan journalist and social movement analyst, this process of neo-colonization is something that is occurring across the globe and manifests differently in different places. "Today we live in a world dominated by financial capital," said Zibechi in an interview. "The politics of (neo-)colonization are not only occurring in Latin America; in Latin America it manifests in a very brutal way, but this is what is occurring across the globe. This is the current hegemonic politics in the world." Today this process must contend with the continuation of the resistance of the indigenous peoples of the Americas, strengthened by new rights and international conventions that protect these rights. There are many examples that we can draw from to look at this new cycle of global capitalism, but the cases of Guatemala and Honduras represent the most troubling cases in the region. In these two Central American countries we can see the lengths to which the forces of neo-colonization will go to guarantee the accumulation of capital by companies.

A Brief History of
Colonization of the Americas

The indigenous Mayan communities of Guatemala have called this neo-colonization the “fourth invasion.” Community leaders and historians break down the history of colonization of their territory into four different “invasions”: the Spanish (1524), coffee/liberal reforms (1871), and internal armed conflicts (1960-1996) as the first three. The arrival of transnational capital represents the fourth invasion. Neo-colonization thus becomes a means of imposing the capitalist system on the nonwestern forms of social organization and further continues the legacy of five hundred years of attacks on the indigenous identity and the indigenous social structure.

The arrival of the Spanish to the New World in 1492 set in motion the first cycle of the massive taking of indigenous lands across the hemisphere for the exploitation of natural resources such as gold, silver, and exotic crops that were in high demand in Europe.

Independence paved the way for the second round of colonization. In Guatemala, by 1871, families from Germany and Italy were granted vast stretches of land to produce crops such as coffee and sugar cane. Once again this expansion was based on the massive taking of indigenous lands. This period also saw the expansion of transnational companies, the most famous being the United Fruit Company, into the region. These companies utilized corrupt dictatorships to receive vast tracts of land at the expense of the indigenous communities. Throughout these epochs of colonization, the feudalism that had defined the region continued to reproduce itself through the relationship between large landowners and the coerced labor of the indigenous populations, who continued to exist within a feudal social organization that saw the indigenous populations as nothing more than “beasts of burden.”

Internal armed conflicts marked the third cycle of indigenous peoples’ dispossession of their lands through the state’s counterinsurgencies, whose costs fell heavily upon indigenous communities. This cycle was marked by the systematic extermination of indigenous populations to make way for wealthy families to recuperate lands lost to land reforms in the 1950s.

The end of the third wave ushered in the fourth cycle of colonization. The peace accords gave transnational capital the environment it needed to begin a renewed process of accumulation in the regions where it had been unable to gain access due to insurgencies and indigenous resistance. This process was strengthened through structural reforms such as the privatization of energy production and distribution, which opened up the country to new investments by transnational energy companies. These reforms laid the foundation for free-trade agreements, the most central being the Central American Free Trade Agreement, which protected corporate rights over the rights of the citizenry.

“After the peace agreements, in Guatemala there began the aggressive dispossession of communal lands,” wrote Gladys Tzul Tzul, a Guatemalan philosopher, in the book *Territories in Dispute*.

The motive: the urgency to construct mining projects, hydroelectric projects, and cement factories, real projects of death that contaminate the water, raze forests, and displace complete families and communities. In the rhetoric of the Guatemalan state, these projects construct the means of development and economic growth. However, for the women and men from the communities who live in the territories where they want to build the projects, they represent the prolongation and re-composition of the model of domination and exploitation of the state, now allied with transnational capital.

What followed was the arrival of transnational capital interested in investing in mining, energy

production, and monocultures among other projects, which has re-ignited the dispossession of rural communities. All these industries have received ample promotion by governments across the region. In Guatemala, the Ministry of the Economy launched the website “Invest in Guatemala” in 2011. Here they actively sought foreign direct investment from transnational companies in industries such as agribusiness, mining, energy production, and tourism, among others. This same cycle has been identified by Canadian geographer W. George Lovell in his 1988 study* on Mayan survival in Guatemala. “Viewed in historical perspective, it is disconcerting to see how much the twentieth century resembles the sixteenth,” Lovell wrote, “for the parallels between cycles of conquest hundreds of years apart are striking.”

The Specter of Mining

The history of colonization of Latin America can be summed up in the story of blood and gold. It was the lust for gold that drove the Spanish and Portuguese in their rampage across the hemisphere. It was this that justified the death, the pillage, and the rape that defined the history of the conquest. Five hundred years later it is this lust for gold, silver, nickel, and other geostrategic minerals such as uranium that drives the modern taking of land.

Currently, according to data made available through the Consejo de Pueblos Occidentes, there exist nearly one thousand permits in Guatemala alone for the exploration or exploitation of mineral resources; of these, well over four hundred permits have been issued to transnational companies seeking to exploit metallic resources. In total, these permits cover nearly 44 percent of the national territory. These numbers are reflected across the region, where mining has once again come to the center of the development plans of countries across Latin America.

The countries of Latin America have still received little of the financial benefit of the wealth of their territory. Following the end of the war, Guatemala proceeded to slash mining royalties to 1 percent and cut back on regulations. This has fostered a culture of corruption where companies avoid taxes and fail to respect environmental laws.

The modern conflict over the extractive industries is best exemplified in the expansion of the Fenix project near the municipality of El Estor, along the shore of Lake Izabal in eastern Guatemala. In the 1950s, the United States Geological Survey performed a study after a campesino found an oxidized rock in his field. The study identified a massive reserve of nickel that stretched from the north shore of the lake to the south, one of the largest nickel reserves found in the hemisphere.

By the 1960s, Guatemala was entrenched in the beginning of a 36-year-long internal armed conflict. But this did not stop the military dictatorship of Enrique Peralta Azurdia from granting licenses for the exploitation of the nickel to the International Nickel Company (INCO). Alongside these licenses, the Guatemalan military deployed soldiers to fight guerrillas that were operating within the Sierra de las Minas mountains. But in actuality, the soldiers were deployed to suppress the indigenous Q’eqchi Mayan communities near the mine. A reign of terror fell upon the communities, killing between 2,500 and 3,000 indigenous campesinos. This campaign of terror would continue into the 1980s, with the Guatemalan military actively targeting community leaders who spoke out against the mine until 1983, when INCO suspended operations due to the global fall in nickel prices. Skye Resources, a Canadian mining firm, purchased the Guatemalan subsidiary of INCO, and the mine, in 2004 but did not advance with material extraction.

The indigenous communities that were heavily impacted during the expansion of the mine during the 1960s and 1970s began returning to their lands following the end of Guatemala’s 36-year-long internal armed conflict. The peace accords provided communities with the means to recuperate their lands and gain titles. But this didn’t stop the renewed cycle of dispossession that followed the 2004

purchase by the Canadian mining company. Shortly after the purchase, the company began the extrajudicial eviction of communities from their lands. These evictions took on forms of violence reminiscent of the war when security forces, accompanied by Guatemalan military and police, allegedly raped 11 women during one eviction in the community of Lote Ocho in 2007.

In 2009, Skye Resources was purchased by Hudbay minerals, which also acquired the long violent history of the mine. This came to the forefront when Maynor Padilla, a former military colonel, shot and killed Adolfo Ich Chamán, a highly respected indigenous Q'eqchi teacher and community leader who was part of a protest against the mine. Security forces then mutilated Ich Chamán's body. Hudbay was forced in 2011 to sell the mine to the Russian, Cyprus-based Solway group, and the conflict has continued since the ownership changed.

The New Patrons

From the very beginning of the colonization of the region, the global demand for production of exotic crops such as cotton, coffee, sugar, and indigo drove the eviction of indigenous communities from their lands. The residents of these lands were overnight transformed into forced laborers who received permission to work small plots of land in exchange for their work on the fincas and plantations. Two hundred years later, the production of colonial crops such as coffee and sugar has continued and remains an important part of the national economy. According to the Guatemalan Ministry of the Economy, 88 percent of fertile land is available for investment. This statistic does not take into account the indigenous communities that have for centuries called these lands home. But new crops that play an important role in the global economy, such as the infamous African oil palm, have joined these crops.

Today national elites and transnational companies, driven by global demand for cheap vegetable oils, have once again pushed communities from their land. In fact, with the expansion of crops like oil palm in the years since the end of Guatemala's internal armed conflict, the country has seen the massive reconcentration of land into the hands of large landowners and companies for the production of export agriculture. This same massive expansion has also occurred across Honduras as well, especially along the country's Caribbean coast, home to Afro-Caribbean Garifuna communities.

The production of oil palm has exploded across the globe because of the possibility of using it for biofuels. The tropical climates of Guatemala and Honduras have attracted investment from transnational companies in the production of this crop. In 2007, the Houston-based biofuel company Green Earth Fuels, a subsidiary of the Carlyle Group, acquired the Guatemalan firm Palmas del Ixcan and quickly expanded the production of biofuels with a $14 million investment provided by Goldman Sachs. Oil palm expansion has led to the continued taking of land.

Palm companies have utilized a variety of tactics to expand their land holdings for the production of oil. The firms, and the land dealers that they work with, have steadily surrounded and divided communities to encourage landowners to sell their smallholdings to the firms. This process has led to communities being fully surrounded by the palm plantations and the campesinos being transformed into wage labor. When these tactics fail, companies utilize local police and military to forcibly evict communities from their lands.
The indigenous Q'eqchi Mayan communities of the Polochic Valley in the department of Alta Verapaz have fought for centuries for the right to their land. Following the end of the war, many residents hoped that they would be able to gain the legal right to their land. But instead, the eight hundred families in the valley were declared land usurpers by the state and in 2011 were evicted from their land to make way for the production of monocrops, such as sugar cane and African oil palm. The families were left with no land and few options. They have since struggled with extreme poverty. But

just as troubling, the eviction of the Q'eqchi communities in the Polochic Valley exposes how the relationship between the oligarchs, global capital, and the state and its forces has continued within the postwar government of Guatemala. These violent evictions have continued within the context of "peace" and democracy that were supposed to define the postwar epoch.

The expansion of oil palm has also led to the destruction of the environment.

The relationship of palm companies to power has provided them the means to avoid being held responsible for large-scale contamination. Residents along the River Passion in the Guatemalan department of Petén awoke on May 30, 2015, to find tens of thousands of fish floating in the river. The palm company, REPSA, initially accepted responsibility for the contamination. Representatives from the company sent a letter to the Ministry of the Environment and Natural Resources on May 5, 2015, stating that an oxidation pool had overflowed and spilled into the streams that feed into the river. But the company quickly retracted any admission of responsibility as the effects of the contamination reached the national media. They placed blame on the local campesinos, who they claim had poured fertilizer into the river.

The administration declined to investigate the matter, despite public outcry. It wasn't until the president was forced to resign following accusations of massive corruption that the Public Ministry and the courts ordered the company to stop operations pending an investigation. But days after the court order, Rigoberto Lima, a rural school teacher from Sayaxché who was one of the first to file a complaint against the company, was assassinated outside the local courthouse. There has yet to be an investigation into the assassination, but activists have placed blame on the palm company.

Across the country, palm companies have stepped in to provide public services. Companies have built schools and health centers in communities across the regions impacted by palm. This has become a tool of community outreach and a means of obscuring the deadly impacts of the firms' activities. Palmas del Ixcan has offered the community of San Miguel Limon, Alta Verapaz, near the company's processing plant, much-needed teachers, who they argue, will be paid better than the public school teachers. In August 2015, company representatives held a meeting with community leaders to inform them that the company would be providing teachers. The response from the community was mixed, with many community members arguing that the response to community needs is lackluster, at best.

This type of help becomes a means of reproducing the archaic system of feudalism that has existed in rural regions. Even though campesinos earn wages, they still become dependent on the new masters for important services and for the small tracts of land that aren't consumed by the palm plantations.

Generating Conflicts

Energy production has only become a key sector and point of colonization in the last hundred years. But the generation of energy has become an important geostrategic sector. This has been partially driven by the oil and energy crisis of the 1970s, and it drove Washington to pursue the integration of Central American energy networks. New hydroelectric and geothermal projects were proposed to increase energy production in the region. This expanded production brought about calls for the construction of the Chixoy Dam in Guatemala. The construction of this infamous 127-megawatt dam led to the loss of fertile land along 12.5 kilometers of the Rio Negro, with 3,500 indigenous families being directly displaced, 6,000 families being indirectly displaced, and the massacre of over 600 Achi' Mayan people by the military. The World Bank eventually denounced the massacres. But thirty years later, the region has once again pursued World Bank-sponsored energy integration.

Since 2008, the region has seen a massive expansion in the production of energy, with much of the emphasis being placed on private hydroelectric dams as part of Plan Mesoamerica. In Guatemala, there are permits for more than 230 hydroelectric projects; in Honduras, there are more than 300. The projects come as part of the integration of the energy networks called for by the rebranded Plan Puebla-Panama, which was originally proposed in 2001 by Mexican President Vicente Fox. The expansion of these projects has once again led to the rapid dispossession of indigenous lands and brought back the assassination and imprisonment of the leaders of resistance movements.

This violence has come to the forefront of international consciousness through the assassination of Berta Cáceres, a respected indigenous Lenca leader from La Esperanza, Intibuca, Honduras. On March 3, 2016, armed men broke into her house and shot her, along with Mexican anti-mining activist Gustavo Castro Soto, as they slept. Castro Soto survived.

Cáceres was active in the movement against the expansion of the extractive industries in the years since the coup d'état against Manuel Zelaya in 2009. Specifically she was working with the community of Agua Blanca to challenge the construction of a hydroelectric project along the Gualcarque River. The 21.3-megawatt Agua Zarca is owned by the Honduran company Desarrollos Energeticos SA, with investments coming from the Chinese firm Sinohydro as well as the Central American Bank for Economic Integration. But all banks financing the project reportedly have withheld funding following the assassination of Cáceres.

Similar stories have come from Guatemala, where the expansion of energy production has increased in the years since the signing of the peace accords. Residents have faced violent evictions and dispossessions for the construction of these hydroelectric projects. Communities have argued that they receive little from these projects. And they are correct, as most of the energy is meant for export. The current expansion will do little to lower the high cost of energy in Guatemala.

The Dispossession of Paradise

Shortly after the United States and Canada sponsored the 2009 coup d'ètat against democratically elected President Manuel Zelaya, the Honduran government declared, "Honduras is open for business," and began promoting transnational investment in the tourism industry among other key sectors of the economy. In 2011, the government passed the Tourism Incentive Law in order to attract further foreign investment in the industry. The law provides incentives such as tax exceptions for companies that open resorts within the country. Companies have invested more than $300 million in the Honduran tourism industry alone, but this investment has come at the expense of the Garifuna communities along the coast, who have faced systematic eviction and violence to make way for the tourism projects.

"The tourism industry operates just like the other extractive industries," said Jesus Garza from the Honduran Coalition for People's Action.

The concessions that are given directly disrespect the rights of indigenous peoples, especially Garifuna, and have generated (the) conflicts over land, water, and beaches. This policy of promoting tourism under the concept of concessions and privatization is directly linked to such investments, especially on the islands of Roatan.

The Garifuna communities have called the Atlantic coast of Honduras home since 1797, following their deportation from British St. Vincent Island. Since then, the descendants of African slaves and indigenous Arawaks have developed their own culture, language, food, and music. Today, their communities span Belize to Nicaragua, with 48 communities in Honduras, in the departments of Cortés, Alántida, and Colón. Since 2011, four Garifuna communities have faced eviction by police

and military forces to make way for the construction of hotels. On August 6, 2014, the community of Barra Vieja in the department of Tela faced a violent eviction by police and military. That day, more than four hundred people, including two hundred children, were evicted from their land to make way for the Indura Beach Resort, also known as the Bay of Tela, which is associated with the Business Council of Latin America, a group that was one of the promoters of the U.S.- and Canadian-sponsored 2009 coup d'ètat against President Zelaya.

Interest in tourism in Honduras has come from across the globe, but a large percentage has come from Canadian businessman Randy Jorgensen, who has taken the lead in promoting investment in the industry. Jorgensen, who is also the president of the Canadian pornography chain Adults Only Videos, is the owner of Life Vision Properties, which is based in Trujillo, Honduras. In 2007, Life Vision Properties, along with other local interests, illegally began purchasing land along the Bay of Trujillo. "There is the systematic eviction of our communities for tourism," said Cesar Lionel, a young Garifuna and member of the Network of Community Radios of Mesoamerica, in an interview in the community of Vallecito. "Investors come and illegally buy our land from the state to build massive hotels."

Continuing Centuries of Resistance

The recolonization of Central America by transnational companies has generated the massive mobilization of communities across the region against the taking of land. Communities have challenged mining, hydroelectric, and monoculture industries through direct democracy, in the streets, and in the courts. Communities have raised concerns that their land, water, and cultures would be heavily affected by the expansion of industries. They have sought alternatives to economic development that is brought about through the neoliberal consensus.

Indigenous communities have received a number of internationally recognized conventions and declarations that are supposed to protect their rights in the five hundred years since the beginning of colonization. Included in these mechanisms is the International Labor Organization's Convention 169 on the rights of indigenous and tribal peoples, which among other things requires consultation with communities prior to the imposition of any project. Communities across Guatemala have organized nearly 80 community-wide consultations in accordance with Convention 169 since 2005. Over 1.5 million people have participated and have overwhelmingly rejected any megaproject in their territory. Similarly, in Honduras and across Latin America communities have demanded that the state and companies respect their right to prior consultation in accordance with Convention 169. But these conventions have little teeth and are regularly ignored by companies and states.

The projects have continued, despite this overwhelming rejection of megaprojects through direct democracy. This has brought about the massive mobilization of people across the region to demand that the states and companies respect the right to land and water. Indigenous and nonindigenous campesinos across the hemisphere have blocked highways, cut power lines, and demonstrated outside congresses and presidential palaces demanding an end to dispossession for capitalist accumulation.

When these tactics have failed to stop the expansion of these industries, communities have taken the companies and the state to court. The Ixil Mayan indigenous authorities have utilized the country's constitutional court in their struggle against the expansion of extractive industries in their territory. Since 2013, the indigenous authority has filed five cases against the state and companies, leading to the suspension of two hydroelectric projects, Vega I and Vega II, because of the failure of the company, Hidroxil, SA, to consult the indigenous communities prior to the project. This is just one of 15 cases that the court has found in favor of communities.

The continued resistance of communities across the hemisphere has shown that capitalist expansion and colonization can be challenged. This then allows for communities to open autonomous space to begin the construction of new alternatives. But communities still have a long way to go before these dreams of autonomy are achieved.

Footnotes