

# Honduras OKs Plan for Private Cities

by Kari Lydersen

Santos Cruz is a national campesino leader in Honduras who has spent practically his entire life fighting for land and human rights. He struggles for the ability of families like his own to simply make a living from small-scale subsistence farming in the impoverished and violence-plagued Central American country. Over the years he has seen plenty of repression and atrocities, including a steady drumbeat of murders of campesino activists. But in the past year things have gotten worse than ever, Cruz told *In These Times* during a recent interview. He and other campesino, labor and indigenous leaders receive death threats on a regular basis.

In Honduras, political assassinations in broad daylight are common and rarely investigated. “Since the coup it is a broken state,” Cruz says. “The powerful make their own laws.”

The powerful are also fighting among each other: In December 2012 President Porfirio “Pepe” Lobo Sosa fired four Supreme Court justices who

investment. On January 24, 2013 the Honduran Congress again passed legislation enabling the Model Cities plan to move forward, on a vote of 110–13 with 5 abstentions.

The Honduran Congress originally set the plan in motion in early 2011 by passing constitutional amendments permitting the cities. Human rights leaders and others filed challenges, and in September 2012 one of the lead attorneys in opposition, Antonio Trejo Cabrera, was shot dead in Tegucigalpa. In October, 4 out of 5 Supreme Court justices on the constitutional commission ruled the measure unconstitutional, leading to its consideration by the full Supreme Court, which agreed 13–2. But by January, four of the justices had been fired, and legislators said they had tweaked the Model Cities law to make it constitutional.

Critics in Honduras and abroad describe the Model Cities concept as violating labor rights, civil rights and the Constitution. The plan would essentially allow private entities—likely foreign interests—to create and enforce their own laws, ignoring labor, environmental and other protections enshrined in Honduran law (even if those laws are regularly violated by the ruling government). Cruz notes that

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had ruled unconstitutional a police reform law that Lobo favored. The conservative president also has been speculating that the same far-right forces who ousted populist president Manuel Zelaya Rosales in a 2009 coup now want to overthrow him.

The presidential election scheduled for November 2013 likely means the chaos, repression and violence will get even worse. Zelaya’s wife, Xiomara Castro, is leading in polls. She represents the LIBRE party, which has become the more progressive alternative to Zelaya’s Liberal Party.

Castro is backed by the multi-faceted National Front of Popular Resistance. The Resistance movement has sprung up since the coup, uniting groups that never worked together in such a way before: union members, campesino organizations, indigenous people, the African-descended Garifuna communities on the Caribbean coast, students, and gay and lesbian groups, who have never had such a high profile in Honduras before.

“If it is a clean election [Castro] will win,” Cruz says. “But we are afraid of fraud. We need international observers.” (The Chicago-based group La Voz de los de Abajo is hosting a delegation to Honduras to observe the November elections.)

## Model Cities back on the table

The Resistance movement is ardently opposed to the government’s plan to build “Model Cities” along the Caribbean coast, enclaves free from Honduran laws that would be planned and run by private entities and meant to stimulate business and foreign

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Model Cities would also violate Honduran laws that prevent foreign ownership of land within 40 kilometers of the coast—a hot topic given the potential monetary value of the lovely beaches and coastal land currently claimed by the Garifuna and other indigenous and campesino groups.

## Foreign interests pulling the strings

All along, the Model Cities program has been driven and crafted by foreign actors. One of the original architects of the idea was US economist and New York University professor Paul Romer, an advocate of “charter cities” that are supposed to offer a “clean slate” free from corruption, bureaucracy and

economic and social problems in developing countries.

Romer was part of a transparency commission that resigned en masse in September because they said the Honduran government was shutting them out and dealing primarily with a UK-based outfit called Grupo MGK. Grupo MGK is part of Grupo de Desarrollos Especiales LLC, a business incorporated

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in Nevada in September 2012 by businessman Kevin Lyons. Lyons had previously registered another business in Nevada aimed at establishing model cities, but its license was pulled by the state.

Another leader of Grupo MGK was Michael Strong, an American founder of charter schools and head of a touchy-feely, save-the-world-through-entrepreneurship outfit called FLOW (Freedom Lights Our World). *The Economist* described the Honduras model cities movement as the playground of seemingly fringe American libertarians with “links to prominent libertarians with deep pockets,” including Whole Foods co-founder and CEO John Mackey.

As reported by the Council on Hemispheric Affairs, Strong was quoted on Fox News saying, “Our goal is to be the most economically free entity on Earth.”

Another of the major investors in the Model Cities plan appears to be a developer known as the “porno king of Canada.” Randy Jorgensen has been pushing tourist-related projects in the area around the city of Trujillo, which is targeted for Model City development. That region is also home to the Garifuna people and to the Guadalupe Carney campesino community that has been a locus of resistance and land reclamation efforts. (It is named after a Chicago priest who was killed—possibly with cooperation from US forces—during the Central American conflicts of the 1980s.)

*The Guardian* described how haphazard and half-baked the Model Cities plan seems to be:

Details of the arrangement remain sketchy. Three possible locations were mentioned—Sula valley, Agalta valley and the southern region of Honduras — and the initial investments seemed small compared to the scale of the ambition. The plan appears to have been thrown together in the space of less than a year, partly to boost the economy and partly to make Honduras more attractive to foreign investors who fear crime (Honduras has the world's highest murder rate) and political instability.

## Resistance and repression in election lead-up

Journalist and priest Ismael Moreno described how the Model Cities plan is another manifestation of an ongoing violent push toward privatization and exploitation of Honduran resources and labor, a trend enforced through massive repression in a country where a small number of oligarchs have long held most of the wealth and land. Campesinos fighting for small slices of land to make a subsistence living have long been slaughtered, imprisoned and intimidated, even under Zelaya’s rule. Since the coup, rampant murders, false arrests and human rights violations have skyrocketed, with an especially intense conflict erupting in the region of Aguan, where landowner Miguel Facusse has displaced hundreds of campesinos from land where he grows African palm. (Read Jeremy Kryt’s dispatch for *In These Times* about the Aguan conflict.)

Lobo’s government and the right-wing Congress have passed laws and instituted policies furthering privatization and exploitation of natural resources. The government has increasingly granted concessions for mining gold and iron ore, for harvesting sand from rivers and for installing hydropower dams that flood communities, displace people and interfere with local economies. Before the coup Zelaya had instituted a moratorium on mining concessions.

Cruz also notes that a recent “temporary employment” law has gutted wages and labor rights and sidelined unions by making it easier for factories known as maquilas to hire workers on temporary contracts for low wages and no benefits. Zelaya had raised the minimum wage almost 50% (to 5,000 lempiras a month from 3,500), but advocates say the law has been violated with impunity since the coup, including by maquila employers.



“You’re not working up to your potential. You’re only half dead from exhaustion.”

Meanwhile, health care for the masses has gotten worse as the government has starved public hospitals of resources while favoring private institutions that the poor cannot afford. Cruz says the government has also cut off relations with Cuban medical programs that used to be crucial to meeting Honduras' health needs. He says the government has turned away and kicked out Cuban doctors working in Honduras while also barring Hondurans from receiving medical training in Cuba.

The government has also confiscated millions of hectares of land from narcotraffickers, and Cruz says this land should become the property of the people. If the land is made subject to the country's agrarian reform laws, which are relatively progressive but often violated, campesinos who worked the land would be granted legal possession of it.

"They've criminalized the struggle" for land, Cruz says. "What's happening in Aguan is meant to silence the campesino movement. With no space for campesinos to take land, what are we going to do? People have nothing, no land, no way to sustain themselves. That's why we are organizing. This is something the golpistas [coup perpetrators] never thought could happen; they thought we would go away after three days. But people are united."

Kari Lydersen, an *In These Times* contributing editor, is a Chicago-based journalist whose work has appeared in

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