



# TERRITORIAL DYNAMICS IN CENTRAL AMERICA: CONTEXT AND CHALLENGES FOR RURAL COMMUNITIES

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TERRITORIAL DYNAMICS IN  
CENTRAL AMERICA:

CONTEXT AND CHALLENGES  
FOR RURAL COMMUNITIES

Nelson Cuéllar, Susan Kandel, Andrew Davis  
Oscar Díaz, Fausto Luna, Xenia Ortiz



MAY, 2011



## Collaborative Initiative of Dialogue and Research on Territorial Dynamics in Central America

In order to contribute to a better understanding of the new territoriality that is emerging in Central America, in May of 2006 PRISMA promoted the *Collaborative Initiative of Dialogue and Research on Territorial Dynamics in Central America*. This effort seeks to delve into the diverse underlying forces that are shaping territories, and the articulation of these forces at different scales, from local-territorial, to national, regional and global levels. It attempts to fill a gap by providing a territorial lens to regional discussions and support substantive dialogues about poverty, environment and territorial management and planning in the region.

The new territoriality in Central America clearly has important implications for livelihood strategies, natural resource management and the territorial management initiatives of rural communities. This effort therefore seeks to generate knowledge that is useful for the strategies of territorial actors. With this goal in mind, this effort, based on dialogue and research, develops the capacity of local and territorial actors, and builds a critical mass in debates around sustainable development in the region that supports the efforts of local actors and influences public policy. The research topics are defined within the context of the collaborative initiative, in an open process that simultaneously leads to exchanges and bridging between different actors as well as new bilateral initiatives. These dialogues do not seek to merely provide an updated analysis of territorial contexts, but also attempt to build new linkages between different actors, including territorial and community leaders, public officials, donors, academics, NGOs and the private sector, that operate at different scales and share different perspectives, knowledge and approaches.

This initiative considers a territory as a socially constructed process, resulting from the actions of different actors that intervene and interact in these landscapes. This focus leads to a consideration of the three different spheres that mold territories: the global, which represents a framework grounded in the trends and changes associated with globalization; the regional, where particular conditions (social, cultural, economic, environmental, political, etc.) mediate the expressions of globalization; and the local, which constitutes a bottom-up approach from the perspective of specific actors, where the territorial dimensions methodologically link to historical and cultural contexts. In this sense, the initiative seeks to identify common issues and challenges in the region which generate local responses, ranging from new conflicts to new opportunities that strengthen alternatives for development in the region.

The initiative has adopted three specific methodologies for understanding territorial dynamics in Central America: political economy, to contribute to an understanding of the new processes of transformation and economic change in the region; political ecology, which attempts to delve into the underlying power relations in the management of natural resources and territories; and a bottom-up approach from the perspective of territorial actors to better understand and learn from the different responses that are emerging in territories, ranging from insertion, to resistance or innovation vis-à-vis territorial dynamics.

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# Introduction:

## The importance of understanding territorial dynamics in Central America

Central America is undergoing important territorial transformations in rural areas that directly affect the livelihood strategies, natural resource management and initiatives for territorial planning and management by rural communities. These transformations are occurring in a globalized context heavily influenced by transnational actors, but also mediated by the responses of territorial and social actors that build livelihood strategies based on resistance, adaptation or innovation to these new forces.

Despite the critical implications of territorial dynamics, these transformations are rarely discussed, and their myriad social, environmental and institutional implications are poorly understood.

The predominant programs for rural poverty alleviation, as well as conservation and sustainable resource management, frequently avoid confronting the prevailing territorial dynamics in rural areas. Though there are some systematic efforts to analyze a limited number of territorial dynamics in the region, most work focuses on national or sectoral issues that are unable to sufficiently inform policy and support social actors facing these challenges.

Most policy and program approaches in rural territories are limited to a description of biophysical characteristics, organizational profiles, or new opportunities for productive networks. There are relatively few efforts to understand the complexities that underlie the emergence of new conflicts and disputes associated with territorial dynamics that are especially critical for

the rights, livelihood strategies and governance of rural communities, peasants, indigenous peoples and afro-descendants.

An examination of the rural territories of Central America reveals the widespread pressures that are unfolding with significant speed and intensity. The new patterns of migration and human mobility (international and intra-regional) in the Central America are elements of a structural transformation: in only three decades the countries of Central America have shifted from a traditional agro-export model to more diversified economies heavily dependent on remittances as the principal foreign exchange earner, complemented by aggressive strategies to promote tourism, extractive industry, infrastructure megaprojects, and agriculture *maquilas*, among others.

In addition to economic change and the growing transnationalization of economic groups, other international actors are attempting to expand and consolidate the territories dedicated to conservation and cultural heritage. The state, meanwhile, has invested substantially in infrastructure, in order to facilitate the new axes of accumulation in the region, such as tourism, extractive industry and agro-fuels. There are also serious concerns regarding the widespread and growing presence of illicit activities in the region, such as the traffic of persons, species and drugs, exacerbating violence and severely affecting territorial governance challenges.

The recent global crisis (financial, food, energy, etc.) adds even more volatility and complexity

to these scenarios that have important territorial implications. After the burst of the financial bubbles and speculative investments, Central America has become an important destination for capturing new post-crisis investments in mining, oil, agrofuels and real estate development associated with tourism. In practice, this forms a part of a global trend that has sought to escape the global crisis in new outlets of investment and accumulation in the 'real' economy.

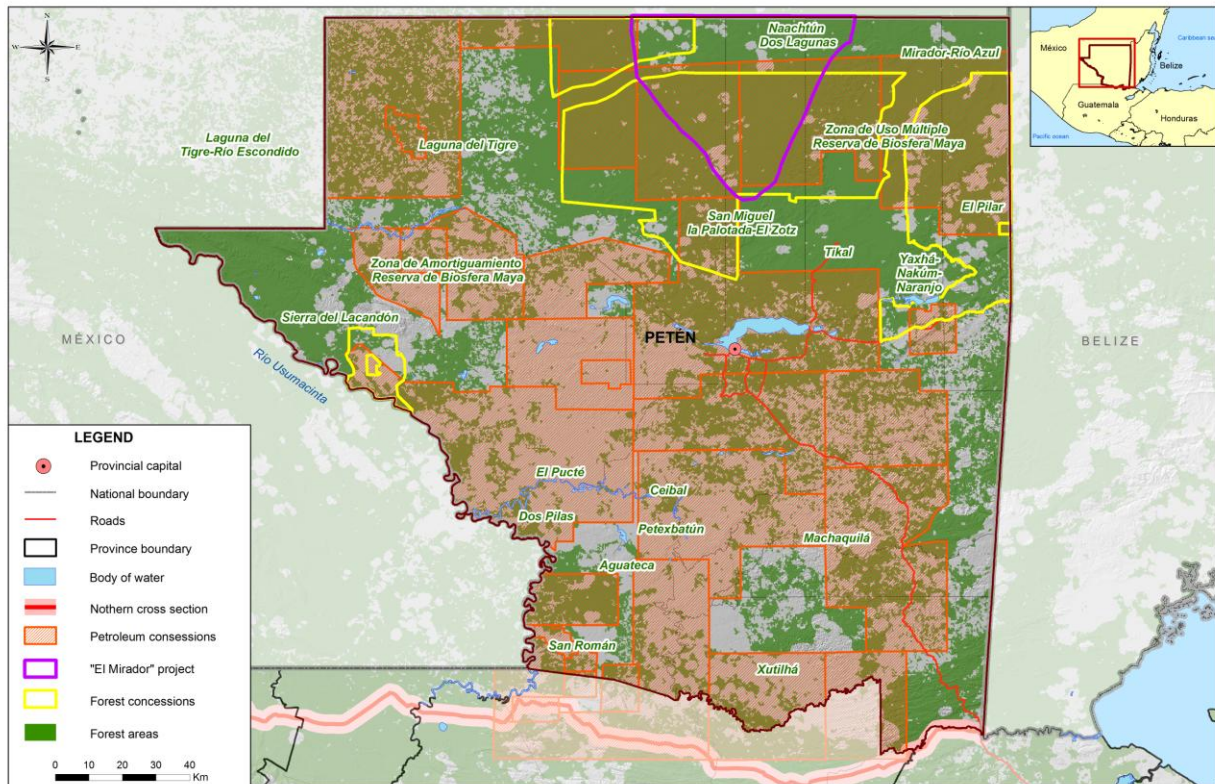
In this context of ongoing transformation, the responses to climate change have also become new drivers for territorial disputes, as various rural areas have been targeted for mitigation actions. The growing interest in introducing and expanding agrofuels clearly reflects this trend, with severe social impacts which include processes of dispossession and eviction of rural communities. From a territorial perspective, potential mitigation actions bring greater interest in territories for new energy investments (agrofuels and hydroelectricity), as well as forest areas for the sale of carbon. Meanwhile, the production of agrofuels jeopardizes food security while also neglecting the territories most vulnerable to climate change. Ironically, the

increasing interest in funds or markets for carbon comes at the expense of climate change adaptation. Despite being one of the most vulnerable regions in the world, Central America still lacks meaningful commitments and strategies to deal with this present and ever increasing threat.

In sum, these new territorial dynamics are generating contradictions and disputes that both reshape and intensify the challenges facing rural communities, who already suffer from severe social exclusion, poverty and degradation. These challenges further compromise the viability and sustainability of rural livelihoods.

This document illustrates the different dynamics in Central American territories that include the Peten and the Northern Transversal Strip in Guatemala; Northern El Salvador; the Honduran Mosquitia; the Northern Autonomous Atlantic Region of Nicaragua and a part of the Rivas department in Nicaragua, as well as Northern Costa Rica. The final section provides a brief discussion of some of the principal challenges for rural communities facing these territorial dynamics.

# The Petén, Guatemala



Source: Elaborated by PRISMA based on Cortave (2009); Monterroso, 2001; USGS-Eros Data Center (2005) and GIS databases in Mesoamerica / CCAD-BM 2002.

The new proposals and territorial dynamics currently present in the Peten can be interpreted as the latest chapter in a story of a department dominated by external visions. The rapid transformation of the Peten began in the late 1950s, when its sparsely populated forests began to recede in the face of agriculture, ranching, transportation infrastructure, oil and mining. These activities prevailed in good measure due to colonization policies that sought to incorporate the Peten into national development strategies, while simultaneously providing an ‘escape valve’ for the social contradictions in the rest of the country.

The rapid environmental degradation witnessed during this time period generated growing alarm in the national and international con-

servation community in the 1980s. This alarm led to the creation of the Maya Biosphere Reserve (MBR) in the early 1990s, marking the beginning of a conservationist vision for the Peten.

In recent decades, this vision has grown weaker in the Peten due to continuing environmental degradation, the growing presence of illicit groups in various ‘core’ zones of the MBR, and increasing influence of oil, tourism, carbon and hydroelectricity interests. Significant forest areas overlap with oil reserves, including inside the MBR, and a new round of bidding for oil concessions reflects the mounting interest in expanding production of this resource. Similar to oil, interests in promoting tourism have resurfaced in recent years, as notably demon-



strated by the proposed megaproject '4-Balam'. New interests related to climate change mitigation have also recently appeared in the region, in the form of proposals for the reduction of emissions from deforestation and degradation (REDD). Finally, new proposals for a hydroelectric dam over the Usamacinta river, located on the border with Mexico, would mean the dispossession of several rural communities and the destruction of considerable forest areas.

These proposals and plans for the Peten take place in within a context of a mounting crisis of governance and conflict in the region, indeed these proposals are sometimes presented as solutions for this crisis. However, patterns of dispossession and migration associated with African palm and ranching only aggravate these dynamics, as these migrants frequently seek refuge in protected areas, generating scenarios of intense environmental conflict.

Despite these adverse conditions, a community alternative has emerged that continually confronts and defends their region from these external visions. The Association of Community Forest Concessions (ACOFOP) have been recognized nationally and internationally for the community forest management that has sustained robust forest governance over half a million hectares of forest, as well as the enhancement of the livelihoods of its communities. The usufruct rights won by these communities in the mid 1990s after being excluded in the original zoning of the MBR were granted in 25 year contracts, and have provided the foundation for sustainable and alternative development in the region.

Despite these important achievements, the community forest concessions have been obligated to constantly defend their rights, as the concessions are vulnerable to changes in the administrations and opinions of the central government. Moreover, the continued pres-

ures over their territory have brought new dilemmas of resistance or negotiation with external actors and proposals. Migration and the conversion of forests to small agricultural parcels, as well as ranching and African palm continue to threaten the concessions requiring significant community efforts to respond to these pressures. Additionally, time and effort has been spent on advocacy to avoid the harmful impacts of the implementation of a dam on the river Usamacinta.

Although oil is not a new element in the Peten, a series of factors have elevated its importance in recent years. The passing of the FONPETROL law has given municipalities and local development councils a greater share in oil revenues, and has thereby weakened opposition to oil extraction. In 2010, a new conflict erupted around the renewal of the Xan oil concession in the Laguna del Tigre National Park, adjacent to the concessions. In response to the governance crisis in the Peten, as well as fierce environmental opposition to oil activities (even within the government) the Colom administration deployed armed forces, or 'green battalions' with the official mandate of establishing state presence in the region as well as protecting natural resources. In addition to its devastating role in the country's civil war that remains in the memories of the rural communities of Guatemala, the army as an institution has resisted commitments to reduce its influence, and worse, has been infiltrated by narco-trafficking forces. All of these factors point to a future of new threats and conflict for the communities of the Peten.

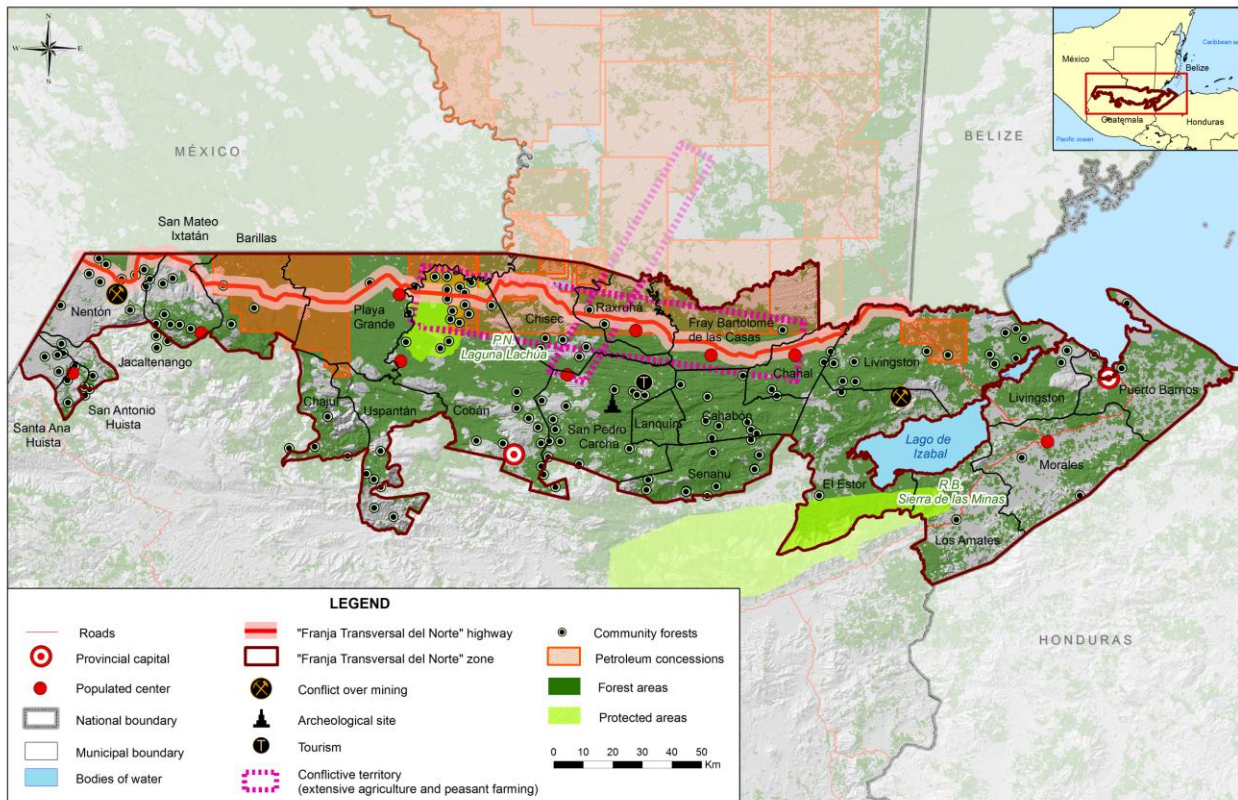
The tourism megaproject '4-Balam' and REDD also represent serious threats for communities, as they could involve a modification of the logic in the management of the Peten's territories, its resources and a redistribution of rights. Nevertheless, a high level of uncertainty currently remains as to the final design and implementa-

tion of these initiatives. The community concessionaires have responded with aggressive advocacy strategies to ensure that these resources are leveraged in their favor. This includes the elaboration of proposals for rural community tourism that build on and strengthen the foundation of rights gained by these community concessionaires.

With respect to REDD, the community concessionaires have utilized several advocacy strategies. While the participation of these communities in a REDD pilot project over the last several years has entailed significant costs and little to no concrete benefits, this project, and REDD in general, has provided a platform to advocate

for an extension of the 25 year concession contracts, as well as sharing carbon rights with the government. Moreover, in 2010, the community concessions united with forest communities and indigenous peoples across Mesoamerica in the Community Carbon Corridor Initiative. This effort consists of an alternative route to the two dominant approaches to REDD (those of pilot projects or official programs of the World Bank, UN-REDD or GTZ). This initiative seeks to generate gradual and sustained support for a community-based REDD that is developed on the basis of endogenous strategies that strengthen local institutions of forest management and promote community visions of forest planning and management.

# The Northern Transversal Strip, Guatemala



Source: Elaborated by PRISMA base don SEGEPLAN (2011) ; Monterroso, 2001; FUNDALUCHA (2010); USGS-Eros Data Center (2005) and GIS databases of Mesoamérica / CCAD-BM 2002.

The Northern Transversal Strip of Guatemala is comprised of 23 municipalities in the departments of Huehuetenango, Alta Verapaz, Quiché and Izabal. This territory is the site of the planned construction of a 320km highway that would facilitate transportation between the Mexican and Belizean borders. This project is certainly not new - in fact, it's been promoted since the 1970s. The highway of the Northern Transversal Strip is one of many decades-long projects in the region that are now complemented by new proposals and strategies to integrate the region into new land use plans,

generating widespread disputes for the control of resources and territory.

Since the beginning of the 20<sup>th</sup> century, the NTS has consistently been a recipient of migrant flows, as the result of a variety of programs, including colonization processes, land grants for forest farms, and the granting of concessions for banana enclaves, among others. These processes of colonization were terminated in the 1960s when discoveries of substantial oil and mineral resources attracted the interest of the economic, political and military elite to the area.

From this point on, the NTS was no longer viewed as merely an escape valve for the social pressures of a rigid agrarian system and the processes of dispossession caused by the expansion of crops such as coffee. Instead, it also began to be seen as a territory of interest for natural resource exploitation. Moreover, beginning in the 1960s, land concentration processes severely impacted local forms of organization and the social fabric. These conditions were further exacerbated by the militarization strategies and scorched earth policies of the civil war during the 1980s and early 1990s.

Since the 1990s, pre-existing territorial patterns in the NTS have become even more complex. Peasant and indigenous livelihood strategies are continuously confronted with new proposals, interests and actors at odds with the traditional forms of land use and territorial management. The interests related to oil and mining of the 20<sup>th</sup> century are now complemented by a series of 'new possibilities' that include the accelerated expansion of palm oil plantations and sugar cane linked to emerging agrofuel markets, the construction of hydroelectric projects, the enjoyment of scenic beauty, and the wealth of natural resources and archeological heritage for tourism, among others.

In this context, the renewed interest in the construction of a highway seeks to support a series of logistics services that are designed to make the new economic activities in the NTS more competitive. In addition, the proposals for the expansion of protected areas, along with the presence of illicit forces pose new complexities with worrisome implications for the rights of the local communities.

The indigenous peoples that have historically resided in the NTS, as well as the communities that arrived through colonization and settlement programs have a strong history of community organization. During the period of mili-

tarization and evictions resulting from the scorched earth policy (the 1980s and beginning of the 1990s) these communities maintained their organization efforts under new modalities known as "Communities of the Population in Resistance" (comunidades de la poblacion en Resistencia). In the 1990s, the return of these communities was notably well organized, collective and voluntary. Yet despite the strong community organization that continues today, these communities face significant challenges. Ongoing land regularization processes seeking to catalyze land markets through individual titling and land sales are undermining the social fabric of these communities and have also resulted in new processes of land concentration into the hands of large land owners.

Despite the enormous potential inherent in the wealth of natural resources in this territory, agricultural options remain the foundation of the livelihood strategies of the indigenous and peasant communities of the NTS. At the same time, there are also important efforts to diversify livelihood strategies to include tourism, as is the case in Alta Verapaz and the south of Peten, where community organizations participate in the tourism initiative "Door to the Mayan World" (Puerta al Mundo Maya), and also belong to the Tourism Association of Chisec and the National Community Tourism Federation of Guatemala. These initiatives still face internal challenges in the development of competitive, equitable and sustainable tourism options, which will require systematic and serious commitments for support.

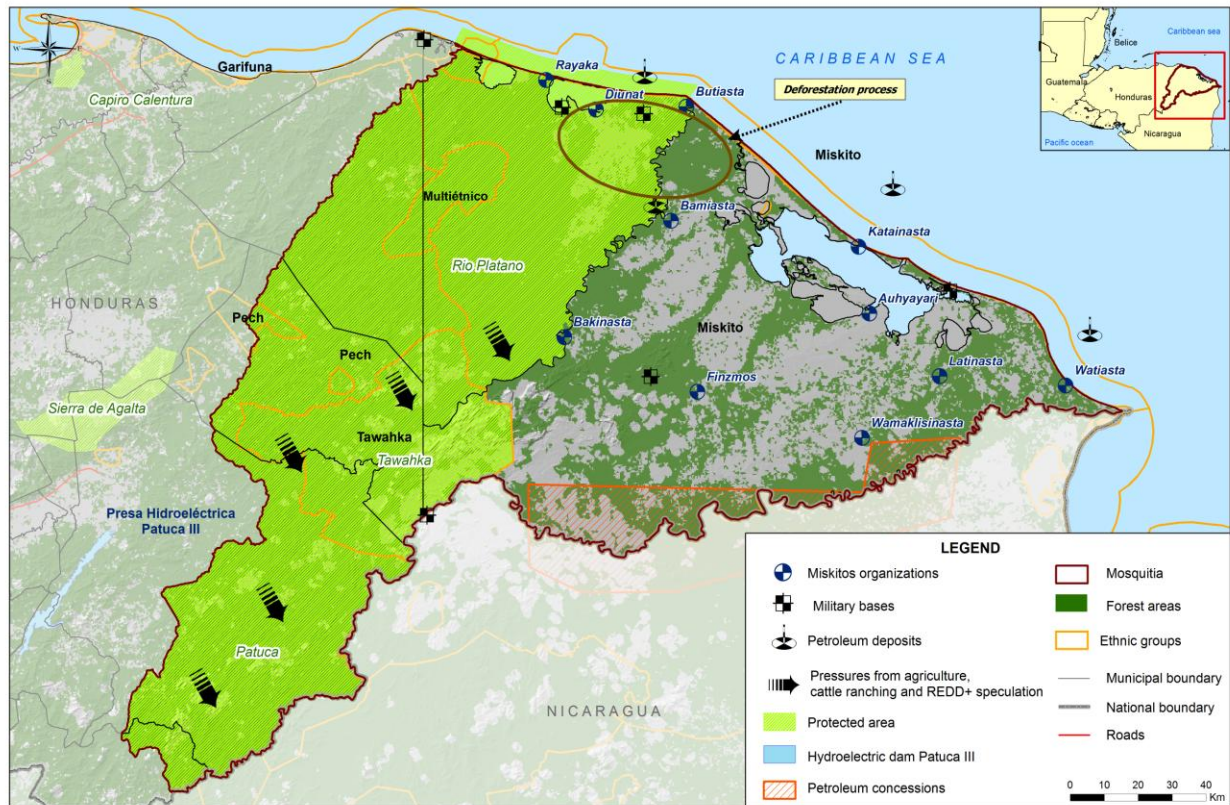
New sources of conflict are a real possibility in this territory, especially when considering the potential impacts of carbon. Two parks in the NTS are already participating in REDD pilot projects - the Sierra de las Minas Biosphere Reserve, and the Lacandon National Park. The expansion of carbon interests in this region

could thus easily bring new sources of conflict around rights to natural resources and territory.

Technical, organizational and cooperation capacities are only one part of the challenges that the indigenous and peasant communities of the NTS face in the new territorial dynamics driven

by diverse actors. Yet if political commitments in favor of the communities in the NTS are adequately designed and implemented, options such as tourism and carbon credits could contribute to a strengthening of the rights and livelihood strategies of these communities.

# The Honduran Mosquitia



Source: Elaborated by PRISMA based on Bendless (2009); Mopawi (2005); Padilla (2009); USGS-Eros Data Center (2005) y bases de datos SIG de Mesoamérica / CCAD-BM 2002.

The Honduran Mosquitia is a territory that has been marked by changing external interests and a constant repositioning of local actors facing these pressures. The current prevailing territorial dynamics in the Mosquitia began in the 1980s, when significant patterns of colonization began to threaten the region's peoples and forests. This migration was facilitated by the logging industry and supported by the government, who saw the region as an 'escape valve' for the asymmetric land tenure structure in the rest of the country. The rapid deterioration of the Mosquitian forests received significant attention from the government and international actors in the 1990s. Though the 800,000 ha Rio

Platano Biosphere Reserve (RBRP) had been created over a decade before, it was only in the 1990s that these actors were able to establish more substantial conservation actions at a territorial level.

This situation has created new conflict in the region between the indigenous peoples of the region, including Miskitos, Pech, Garífunas and Tawankas, and migrating colonists. The latter is made up of both peasants and businesses, which have driven the expansion of the agricultural frontier, and on many occasions have dispossessed indigenous communities. Conservation interests have played an important role in

their efforts to halt the advance of the agricultural frontier with measures that in many cases have undermined the rights of indigenous communities, though in other cases their actions have supported their claims. These diverse forces have converged to generate a complex dynamic of conflict and struggle over the use and management of the Mosquitia territories.

This conflict has intensified and become more complex with the arrival of a new series of interests to the region. This includes pressures related to proposals for reducing emissions for deforestation and degradation (REDD), a mechanism of interest to conservation organizations, the forest industry, real estate businesses, as well as the state. The modified logic for the management of natural resources proposed in this mechanism could represent a significant threat for the rights and food security of the peoples of the Mosquitia.

In addition to REDD, extractive activities in the Mosquitia include the construction of the 104 MW hydroelectric project Patuca III, and the resurgence of interest in the exploitation of oil on the Mosquitian coast. Both initiatives represent threats to local communities in the form of evictions and the restriction of access to resources and lands critical for local livelihoods and cultures. Illicit forces also are playing an increasingly important role, multiplying the challenges of conflict and governance in the Mosquitia.

In this context of conflict and constant crisis, the indigenous peoples of the Mosquitia have continually defended their territories from external pressures. MASTA and its eleven member federations are noteworthy for their actions to promote and advocate for the rights of the indigenous people in the Mosquitia. One of the principal challenges for this organization is the lack of secure tenure and unrecognized rights

of the Mosquitian people; the majority of the Mosquitia is considered property of the state. Tenure overlaps, contradictions and uncertainty prevail, and there is a significant gap between official norms and the *de facto* practices that are exercised in relative absence of state agencies. Although the Forest Law of 2007 includes important advances in recognition of the rights to territory as outlined in ILO 169, these territories have not been clearly demarcated, thus rights over these territories remain extremely vulnerable.

The insecurity of rights and tenure has hindered the development of a more robust and coordinated resistance against the agricultural frontier. A deforestation front has developed on the Western side of the Mosquitia, extending to the South to Nicaragua. New deforestation has also appeared within the RBRP, which has led some to call for a reincorporation of this area to the 'blacklist' of UNESCO (United Nations Educational, Scientific and Cultural Organization). In recent months, government officials have reported new speculation dynamics driven by real estate firms attempting to capture eventual REDD benefits, generating additional conflicts. The presence of illicit forces exacerbates this situation, as new power relations and economic networks linked to narco-trafficking weaken indigenous organizations and the traditional forms of resource management. Likewise, narco-trafficking groups have been linked directly to the expansion of ranching, African palm and clandestine runways in forested areas.

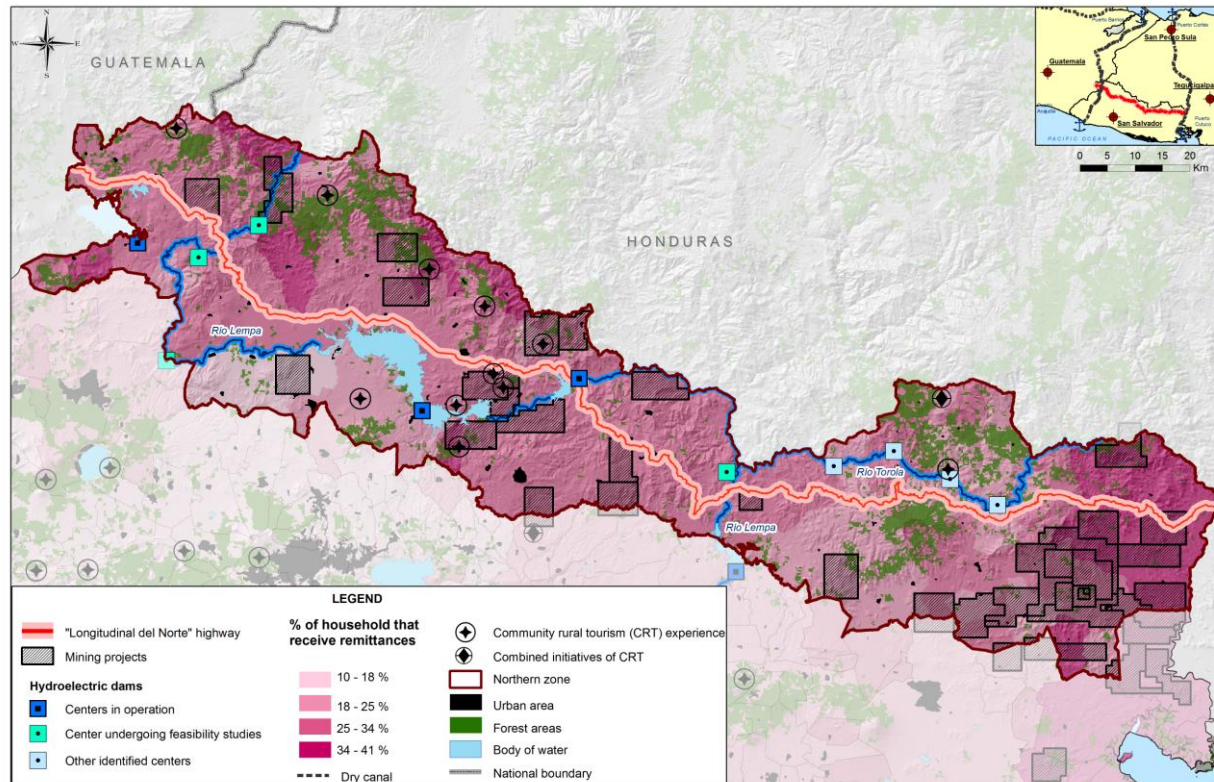
Official responses to this situation reflect the growing importance of this region for the government, not only for its energy resources, but also related to REDD and conservation. Unfortunately, the majority of these responses do not indicate an inclusive and sustainable development path, but rather a militaristic and exclusive one. This is reflected by the absence of se-

rious initiatives on tenure security and the strengthening of rights, as well as the actions the state has taken to elevate the role of the armed forces and establish a greater presence of these groups in the Mosquitia. In April of 2011 a military base was announced in the Patuca, Olancho, with the objective of protecting the hydroelectric projects in the region while simultaneously protecting natural resources. This conservation approach characterized by 'guns and fences' has now become a worrisome trend in the region, and points to futures that could be ridden with conflict and exclusion with direct impacts on local communities.

The federations of the Mosquitia and MASTA have sought to respond to this situation by defending and claiming their rights based on ILO 169 in various levels and fora. They have also sought to strengthen local institutions and organizations to better protect themselves from the prevailing pressures in the Mosquitia. One part of these efforts is the participation of MASTA in the Mesoamerican Community Carbon Corridor initiative, which seeks to support the forest communities and indigenous peoples with gradual and sustained support to build an endogenous vision of REDD based on the rights, identities and the cultures of the Mosquitia.



# Northern El Salvador



Source: Elaborated by PRISMA based on CND (2000); PNOTD (2004); MOP (2007); PNUD (2005); USGS-Eros Data Center (2005) and GIS databases of Mesoamérica / CCAD-BM 2002

Historically, the northern region of El Salvador has been marginalized from government development policies and programs. In fact, the region has consistently played a complementary and subordinate economic role to the Metropolitan region of San Salvador. From the beginning of the 20<sup>th</sup> century until the middle of the 1970s, the north was the principal supplier of labor for the country's agro-export production. Peasants from the north worked as day laborers for export farms, or they migrated to Honduras in search of work on banana enclaves.

During the 18<sup>th</sup> and 19<sup>th</sup> centuries, the northern region of El Salvador was important for the production of indigo, the principal export product until the end of the 19<sup>th</sup> century. For

the better part of the following century, the North became a territory supplying labor for export crops in the central and coastal regions of the country, where coffee, cotton, and sugar cane production were located. Migration to Honduras also continued, not only in search of work on banana plantations, but also to acquire land.

This dynamic continued until the end of the 1970s when a profound and accelerated economic change began that displaced traditional agro-exports as the principal source of foreign exchange and employment, and ushered in an economy heavily dependent on remittances. This change brought a dramatic drop in employment and agrarian salaries for coffee, cot-

ton and sugar cane, and was also accompanied by a decrease in the real price of subsistence crops, leading to a collapse in rural livelihoods. Indeed, the current labor market for agro-export crops is supplied by Honduran and Nicaraguan labor, which reflects the extent of the outmigration that has occurred in the rural areas of the country, especially in the North.

The collapse of traditional rural livelihoods has meant that migration and remittances have come to play a key role in the North. In fact, employment in rural areas is now predominantly found in off-farm activities. This is the result of an expansion of diverse economic activities that range from services and trade, to speculative options linked to construction, all of which are closely linked to remittance economies. The burgeoning growth of sectors such as cell phones and other communication services, the proliferation of bank branches and remittance companies, the construction of housing in rural areas, real estate markets, as well as the increase in illicit activities that include the illegal trafficking of persons, contraband, and drugs are only samples of the many activities occurring in the North and in the rest of the country.

In recent decades the North has become increasingly important in the context of programs to promote industrialization in the South, for its role in providing strategic services like hydroelectricity and water. This importance became clear at the beginning of the 1980s with the construction of the hydroelectric dam Cerrón Grande – the most important dam in the country – which far from driving development in the area, instead evicted communities and destroyed important areas for crops. Similarly, the discovery of minerals in the region has led to new conditions of conflict in the North around proposals for mineral extraction in the departments of Santa Ana, Chalatenango, Morazan, San Miguel, La Unión y Cabañas.

More recently, investments in infrastructure in the region are converting the North into a key territory for the center of the Central American Logistical Platform, with the construction of the Longitudinal Highway of the North (LHN) – a key megaproject for the development and expansion of logistics services in the region. As a part of this vision, the remodeling and modernization of the Cutuco Port was concluded. This project, together with the LHN will connect trade flows to Port Cortez in Honduras and Port Barrios in Guatemala.

Despite plans that date back to the 1950s, the construction of the LHN only began in 2007 with resources from the Millennium Challenge Corporation (MCC). The LHN forms a part of a broader poverty reduction program named ‘the Project of the Northern Region’ (proyecto zona norte) designed to improve connectivity in the North, and strengthen the productive and human development in the region. The productive strategy is based on economic growth and attempts to improve the competitive performance of the area by expanding production and employment. Nevertheless, the majority of funds for the project are budgeted for the infrastructure components, whose principal objective is to build the highway to increase the flow of trade and services, as well as the reduction of displacement costs.

The construction of the LHN has highlighted the new territorial dynamics and disputes in the northern region of El Salvador. One of the most significant dynamics has been the generation of a fierce land market with few possibilities for control, given the absence of property taxes in El Salvador. This precludes the possibility of state intervention around these markets, and more importantly, eliminates any possibility for governments or municipalities to obtain any income from the increase in land value generated by the highway. At the same time, land markets threaten the access and use

rights over important resources for the poor residents of the area, such as access to land at the edge of the Cerron Grande reservoir that are critical for a number of crops. These land markets are associated with the construction of the LHN, but also reflect a new strategy to capture the surpluses that are generated in the region by remittance flows.

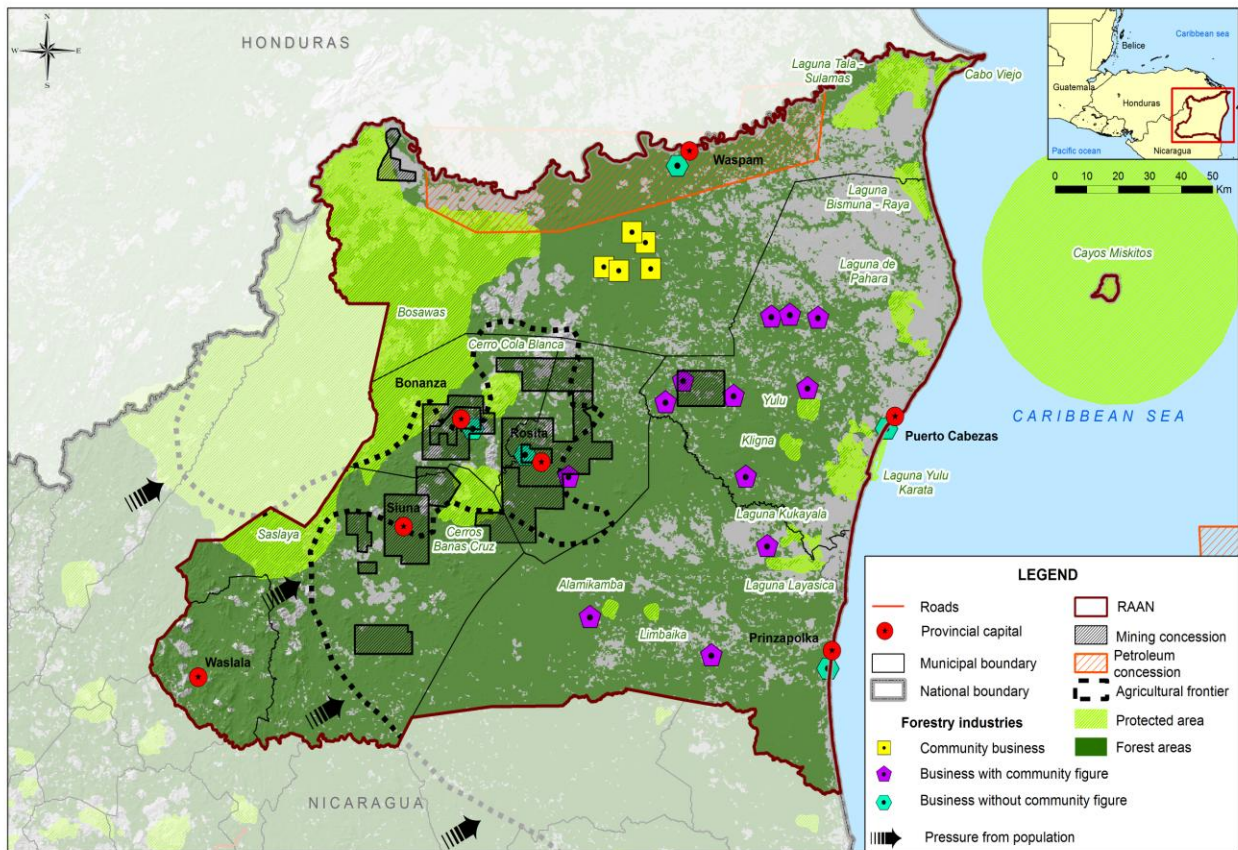
This situation is particularly worrisome, given that this region has one of the highest levels of poverty and migration in the country. Migration constitutes a source of social stratification in these rural communities, and the ties between these rural homes and the land are undergoing significant transformations. Rural families with migrants now have fewer ties with the land, because their livelihoods are more related to urban activities and remittances. At the same time, households without migrants are more dependent on subsistence agriculture, yet have less access to land. The poor rural families without migrants are becoming a group of hard core poor, that are unable to emigrate, nor can they diversify their livelihood strategies. This group of dynamics that include economic transformation, migration, megaprojects such as the CLN, etc. are driving new forms of stratification (families with migrants and those without; those with and without access to housing, basic services and key resources; access to land markets, and off-farm employment, etc.).

Despite these adverse conditions characterized by the weakening of the social and institutional fabric in the North, there are still interesting and promising organizational efforts taking place. There are community-based organizations, resistance movements, and recognized

experiences of Municipal Associations such as the Mancomunidades. Perhaps most importantly, there are multi-actor platforms such as the Environmental Committee of Chalatenango (CACH) that promotes territorial development and represents the ideal form of articulation with external actors in order to elaborate a collective vision of territory and guide external initiatives – such as the mega-projects – towards a common proposal that incorporates the needs of the local population and contributes to territorial development. The high levels of emigration from the northern region have also led to the emergence of new organizational configuration, such as the Committee Managing Migration and Development of Nueva Concepcion (COMIDEN). This committee works with the support of the Ministry of Foreign Relations to improve the quality of life for the municipality of Nueva Concepcion, through capacity building and education, the promotion of economic alternatives, awareness building of the risks of migration, as well as seeking to conserve and strengthen the links with migrants living abroad. COMIDEM supports actions that are linked to remittances and promotes arrangements in which contributions of the migrant communities abroad are invested into development projects at a local level.

Despite these organizational efforts, the challenges in the northern region remain immense. It remains to be seen whether these efforts can be mobilized and lead alternative development strategies with the sufficient speed to deal with the pace of the changes that are occurring in this territory. The expansion and deepening of illicit activities and criminal groups in this territory exacerbate these challenges.

# Nicaragua's North Atlantic Autonomous Region



Source: Prepared by PRISMA based on Gurdian and Mordt (2006); UNDP (2005); FUNICA, CRAAN-GRAAN, FORD (2010); Padilla (2009); USGS-Eros Data Centre (2005) and GIS databases for Mesoamerica / CCAD-BM 2002

The North Atlantic Autonomous Region (RAAN by its Spanish acronym) is a territory marked by strong external forces shaping its socio-economic, politico-institutional and environmental dynamics. Currently exploration efforts seek to advance various extractive activities such as oil, mining, African palm, fishing, large scale private forest use as well as hydroelectric projects. Promoted by external actors, these activities could potentially become mega-projects with clear implications for the local population's livelihoods and historically ac-

quired rights. These pressures coexist with the advancing agricultural and cattle ranching frontier, as well as invasions by settlers and mestizos who have become threats for the indigenous peoples and communities in the RAAN.

The arrival of migrants from different corners of the country – Estelí, Nueva Segovia and Matagalpa – has significantly increased the population in the area (sevenfold from 1950 to 1995). Additionally, clashes exist between the land use practices from the North and Central regions

with the prevailing cosmovisions, customs and traditional land uses in the RAAN. For its part, the advance of the farming and cattle ranching frontier represents a source of permanent conflict linked to land-use and the exploitation of natural resources. The municipality of Siuna, for example, now contains the most cattle ranching of all areas in the RAAN, this in turn has led to increased pressure on the north of the BOSAWAS Biosphere Reserve, and has even caused important waterways to go dry.

The 1987 approval of the Statute of Autonomy for the Atlantic Coast Regions of Nicaragua began the institutionalization of the autonomous regime and the definitive recognition of the historical territorial claims of the Nicaraguan Caribbean people, based on the Constitution. Since then, several events have allowed for the strengthening of the region's autonomy, including: a) the election of the first regional councils (1990); b) ratification of Convention 169 of the International Labor Organization (ILO); and c) approval of Law 445 (2002) which recognizes the internal forms of organization for communities and their respective authorities, ratifies community property, and simultaneously establishes mechanisms whereby percentages of tax income are received in return for the exploitation of natural resources.

Even with these advances, important obstacles remain that affect the autonomous regime, and have become sources of conflict. Despite the existence of 12 legally recognized territories, titling processes have not been carried out expeditiously, as had been expected. In fact, nine are still in the early stages of securing land titles, while five are in intermediate phases. Economic limitations are reflected in the lack of equipment and materials at institutions such as the National Commission for Demarcation and Titling (CONADETI in Spanish), the centralization of the Executive Branch, different interpretations of the law, scant support to deal with

red-tape, and the lack of formal recognition of certain community and territorial authorities. These are only some of the factors threatening the possibilities for advancing the autonomous regime. Additionally, the failure to secure land rights generates legal crises in local social organizations, as their ability to respond to pressures and external projects is compromised.

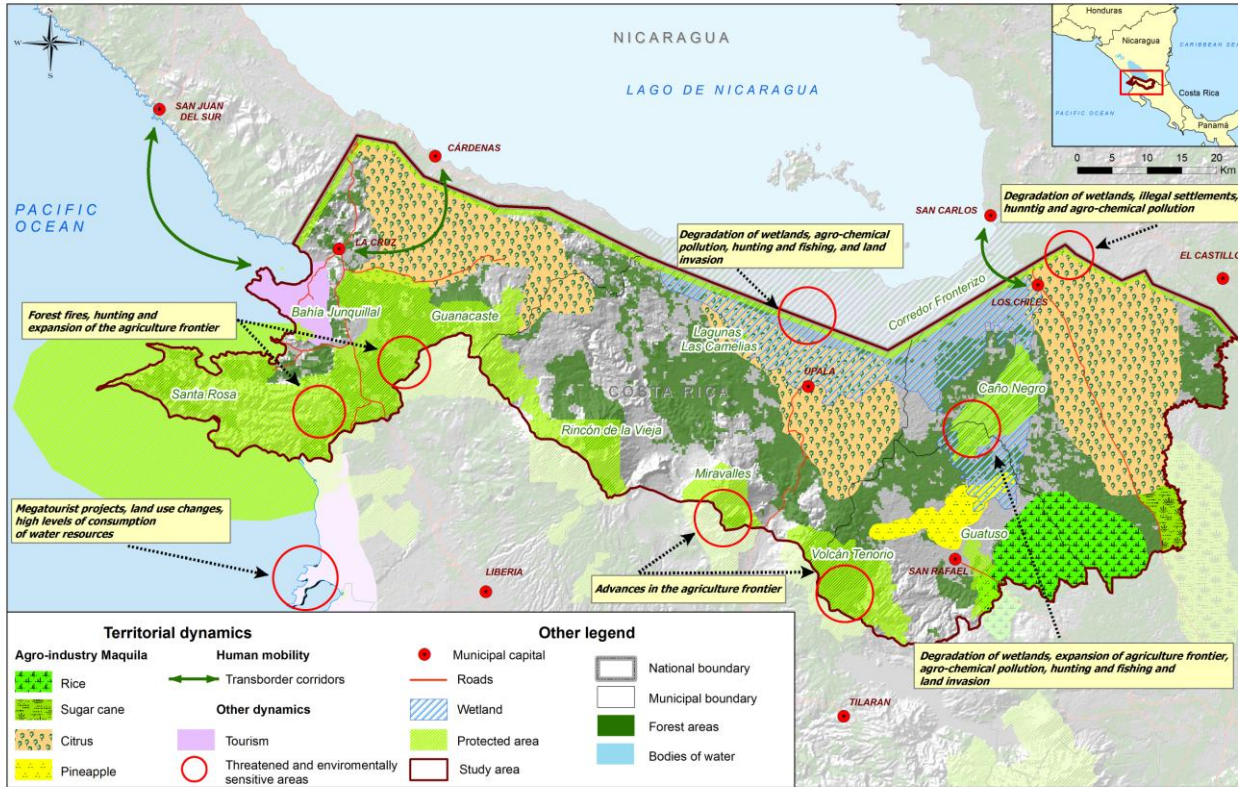
Among the challenges faced by the RAAN territories are the modernization of the autonomous institutions, and the search for instruments and mechanisms that could finance sustainable development. This requires moving beyond a strictly political vision of autonomy, and placing it in its broader context (social, economic, cultural, and environmental). In this sense, the instruments in the Plan for the Development of the Caribbean Coast at the Upper Wangki-Bocay and forums such as NICARIBE 2020 represent opportunities with the potential to contribute to the sustainability of the territorial governments. The former program identifies five strategic areas to support productive activities (forest sector, agro-industry, fishing, tourism, environment and infrastructure). The latter, meanwhile, is an experience in dialogue and consensus building with respect to the strategic vision for territorial management of the Caribbean Coast.

An examination of the future scenarios for the RAAN leads to the conclusion that several actions are necessary. Finalizing the processes of legal certainty (territorial demarcation and land titling), ensuring rights to land, access to resources and strengthening livelihoods through sustainable practices will be critical. Moreover, it will also be necessary to promote the empowerment of territorial authorities and support the effective participation of the communities in decision-making processes regarding the use of their resources. The establishment of territorial governance systems and the development of local capacities are key factors in strengthening

institutions at different levels in the autonomous regions. Apart from the local and regional organizations and authorities, it is important to highlight the role of knowledge mobilization played by actors with a permanent presence in

the territory. These organizations support capacity building processes around issues related to the rights of indigenous peoples, political participation, and territorial management.

# Northern Costa Rica and Southern Nicaragua



Source: Prepared by PRISMA based on Miranda (2006); USGS-Eros Data Centre (2005) and GIS databases for Mesoamerica / CCAD-BM 2002

Despite differences and tensions between Nicaragua and Costa Rica, the two countries share dynamics that are reshaping the territories adjacent to their shared border. These transformations are driven by the migration of Nicaraguans into Costa Rica, in search of employment in tourism and agricultural maquilas of Costa Rica. Despite the precarious nature of labor conditions for these migrants, Nicaraguan workers continually seek employment in tourism activities as well as agricultural maquilas that have significantly expanded during the last decades in northern Costa Rica.

This labor migration from Nicaragua toward Costa Rica is tied to the new patterns of accumulation that are based on the proletarianization of the labor force. This has been a key element enabling the viability of the tourism-related infrastructure as well as the development of the pineapple and orange plantations in Costa Rica.

The vast plantations in Los Chiles, Upala, Gualtuso and la Cruz that aim at supplying foreign markets in an agro-industrial scheme are known as the "agricultural maquila". Their economic viability is based on the availability of a

cheap labor force that works under precarious conditions, as well as a production process that generate severe environmental impacts due to intensive use of agro-chemicals, soil erosion, and the use and contamination of water. This production model threatens natural areas and critical ecosystems such as the Santa Rosa National Park, and the Caño Negro Wildlife Refuge, which are key for the survival of several wetlands. Its expansion involves changes in land use, and involves wetland dredging and increases in forest fires.

In Guanacaste, Costa Rica, and Rivas, Nicaragua, the surge in tourism has also given rise to accelerated processes of transformation in land use, as well as intense and rapid processes of real-estate speculation tied to tourism development, though this has decreased in recent years due to the worldwide financial and economic crisis. Nevertheless, for several years this dynamic has continued and generated tensions and conflicts around access to resources.

The Guanacasteca Confraternity has led processes to denounce the abuses committed by tourism investors who – aside from degrading



Source: Prepared by PRISMA based on Román (2011); USGS-Eros Data Centre (2005) and GIS databases for Mesoamerica / CCAD-BM 2002



vulnerable ecosystems – have implemented exclusive investment schemes. These initiatives have made it impossible for the local population to have access to beaches, which by law should be public, but have become de facto private areas in the presence of tourism and real-estate investment.

Contrary to common perceptions, these dynamics highlight a limited capacity by the Costa Rican government in managing and regulating these processes. The social and environmental impact is severe, even on critical resources such as water. Civil society organizations have led efforts to denounce this situation, and have been joined by municipal governments such as Carrillo (Costa Rica) in creating a Local Human Development Plan, and a Territorial Development Plan. They have also advocated the need for improving the cadastral system, given its importance in issuing and regulating construction permits, and in regulating land demarcation.

On the other side of the border in San Juan del Sur, Nicaragua, dramatic expansion related to tourism investment and real-estate development that originated in Guanacaste is occurring. Nicaragua dramatic expansion related to tourism investment and real-estate development that originated in Guanacaste is occurring. Although this is a more recent process, the characteristics of social-environmental processes in Guanacaste are similar to the processes of dispossession and displacement occurring in the local population in San Juan del Sur. The establishment of Citizen Cabinets is an interesting exercise in citizen participation, but lacks resources that would allow it to function more effectively. One interesting exception and positive experience is the Tourism

Cabinet in Ometepe Island, where important links between public and private actors are allowing for a focus on managing tourist activity and incorporating social and environmental concerns.

Given these dynamics, it is clear that there is a need for the State to take a leading role, not merely a stance limited to encouraging tourism and construction of infrastructure to stimulate private sector interest and attract foreign investment. It is necessary for the State to implement public policies that adopt a strong territorial approach and a vision for sustainability.

The pressure resulting from the promotion and development of projects that are weakly linked to the needs of local people are increasingly widespread, and constitute a new source of vulnerability. This vulnerability is compounded when considering the recurrent impact of climate change on this extremely vulnerable coastal ecosystem that faces widespread problems such as food security and its related implications for social conflict.

In this context, the new patterns of mobility and migration that are emerging, such as those taking place between Nicaragua and Costa Rica, exacerbate processes of social differentiation and polarization. These in turn are part of more complex dynamics and conflicts over resources and territorial control. These processes show a clear tendency of degradation and the denial of basic labor rights for the migrant population. Paradoxically, there do not seem to be any visible organizational efforts to demand the labor and social rights of the Nicaraguan migrant population, at least not at a scale commensurate to the magnitude of the migrant flow and the dimension of the problem.

# Implications for Governance and Territorial Management

The processes of transformation in rural Central American territories are profound, accelerated and have direct implications for peasants, indigenous peoples and afrodescendants, as well as for conditions of land management and territorial governance.

Even though territorial dynamics are widespread in Central America, they seem to have been overlooked and/or poorly understood, despite their role in driving complex disputes and conflicts over the control of resources and important ecosystem services.

Although there are important responses from the local actors, they are limited by the absence of state political frameworks to support them against the pressure of diverse external actors that dispute resources and territories and frequently result in processes of dispossession and eviction for communities.

These territorial dynamics reveal the need to construct alternatives that contribute to ensuring the rights and livelihoods of people in rural areas, as well as the creation of conditions to improve the governance scenarios in rural territories. These areas are increasingly objects of interest to external actors, whether for their natural and mineral resources, the value of diverse ecosystem services key for the development of tourist activities, the sale of carbon rights, or the legal and illegal transportation of merchandise or people.

## Expanding and Intensifying Territorial Dynamics

In recent decades, Central America has been substantially transformed. The patterns of territorial occupation that corresponded to traditional agro-export strategies are now part of more far-reaching processes where vast rural territories are increasingly viewed as targets for national, regional and transnational investment, as these territories constitute key elements in the accelerated processes of economic diversification and growth in all of the countries in the region.

The territorial dynamics generated by the surge in tourism and real-estate development in Guanacaste is evidence not only of the speed of these processes, but also the on-going drive to exhaust all possibilities of converting vast rural territories into urban areas. This drive has been witnessed in Costa Rica, and the pattern has extended north to the southern pacific region of Nicaragua, in municipalities such as Tola and San Juan del Sur, where the strong upswing in real-estate development tied with tourism is stretching out at a territorial level in Guanacaste. Like tourism and real estate development, there is important evidence in other Central American territories of new investment in the production of agro-fuels, such as African Palm and sugar cane, which are expanding in the Petén and the Northern Guatemala Strip, as well as in territories of Honduras.

There are also private investors who are working to introduce agro-fuel projects in Nicaragua and El Salvador. Likewise, in various territories there are strong interests in expanding extraction industries such as mining and oil in Guatemala, Honduras and Nicaragua.

### Territorial Dynamics as Sources of New Conflicts and Disputes

Territorial dynamics involve new conflicts and disputes. As new visions and strategic projects external to the territory are deployed across the breadth and width of Central America, it is these new contexts and actors that will be determining the options of *what to do (el quehacer)*, or *the agenda*, in different rural territories. This will only increase as traditional resources such as land are now coveted to launch enormous investments that require land, or an array of natural and mineral resources, as well as specific ecosystem services.

Increasingly, indigenous territories and the lands of small farmers are sought after by national, regional and transnational economic players who plan to develop projects in different rural areas. The processes of land-registration and land-markets have become key instruments to give investors access to significant tracts of land to implement investment in areas that were previously dedicated to peasant production. Examples of this have been observed in Guanacaste, Tola and San Juan del Sur. Moreover, extra-legal strategies are frequently used to divest small rural farming communities of their lands, particularly when property rights are not secure. Although territories under the control of indigenous peoples bear relatively greater tenure security, state-driven mega-projects often incite disputes that ultimately weaken the rights of these communities, as has occurred in the Honduran Mosquitia.

It should also be mentioned that important initiatives are taking place that strengthen rights in certain territories such as the RAAN, where a process is underway to grant titles for the territories that have traditionally been claimed by the indigenous people in BOSAWAS. The processes related to the formalization of property rights also coincide with growing interest of diverse actors to exploit the area's potential for logging, mining, and oil, among others.

### Local Actors' Responses to Territorial Dynamics

Territorial dynamics threaten the rights, livelihoods, cosmovisions and cultural traditions of local actors; responses from these territories are accordingly guided by rationales of defense and resistance.

The organizational capacities for mobilization and advocacy strategies are critical in the defense of rights, but so are the conditions and capacities for negotiation, whether to obtain favorable terms of insertion in certain opportunities resulting from territorial dynamics, or the construction of innovative options that do not require resistance or unconditional insertion into the prevalent trends.

Rural community tourism represents an innovative response that is increasingly sought after by communities in rural territories. However, its scale and the institutional frameworks that could foster and support these initiatives are still far behind what the region's governments provide for traditional tourist ventures with regard to incentives and scope.

The Mesoamerican Community Carbon Corridor initiative proposed by the Alliance of People and Forests is also an innovative response, not only because it represents the most important territorial scale of REDD in the re-

gion, but also because it introduces rights, livelihoods, and governance as critical issues that can be strengthened through an alternative insertion into programs to reduce emissions from deforestation or degradation (REDD). This is important, as REDD has drawn a great deal of interest from different actors in Central America, including governments, the private sector, conservation organizations, donor agencies, and academic institutions, among others.

### **A Lack of Alternatives to Adequately Address Development in Rural Territories**

Aside from innovative proposals such as rural community tourism and the Mesoamerican Community Carbon Corridor, territorial dynamics emerge in the absence of other alternative proposals capable of overcoming other state and business-sector driven strategies and investments. Decentralization processes also frequently reinforce the implementation of public and private sector mega-projects, particularly when they represent additional income, as in the case of oil extraction in Guatemala.

Despite the fact that migration has become an extremely important process in rural communities such as the northern region of El Salvador, collective efforts to incorporate the phenomenon into community strategies are remarkably scarce. There are exceptions, as in the town of Nueva Concepcion in Chalatenango, with some local impact. Nevertheless, there do not appear to be proposals that strategically link migration to relevant efforts of territorial administration and planning as well as natural resource management undertaken by community groups in rural territories. Nicaraguan migration to Costa Rica for employment in agricultural maquilas, tourism and construction fuelled by real-estate development is particularly indicative of this deficiency, especially given that Nicaraguans

are generally denied worker's rights, and thus lack organized efforts to defend themselves.

Finally, migration is also the source of new processes of stratification and social segregation. In the northern area of El Salvador there is a widespread and clear-cut social stratification between families who have members that are migrants and families that do not. Moreover, remittances are driving new processes of territorial segregation; indeed, urbanization of rural territories can be explained to a great extent by the role of the migrants and the remittances, and the rise of unprecedented processes of land use change, promoted by families receiving remittances.

### **Implications for Governance and Territorial Management**

Central America is being territorially transformed. Territorial dynamics involve aggressive processes of transformation in land use. Additionally, there are new processes of environmental degradation that in general are beyond the capacity of public institutions to manage and regulate, including Costa Rica, which has an overall greater institutional capacity. Along with the environmental impacts, the social implications and impacts on rural livelihoods are also part of the new rural territorial contexts emerging in Central America.

Territorial reconfiguration reflects the reconfiguration of the actors that are determining the visions and strategies being implemented in Central American territories. The actors involved are not limited to government, business sectors (national, regional and transnational) or conservation organizations, but also include actors with ties to illicit activities. This complex mix of interests and actors with increasing presence in rural territories are reshaping the challenges of territorial governance. The infrastructure megaprojects that are part of the Cen-

tral American logistics platform are not only activating the real-estate markets, which has its own direct implications on the rights of local communities, but they are also contributing to increasing pressures to exploit the "advantages and potentials" of rural territories.

When considering the recurring and increasingly severe impacts of climate change on the communities in rural territories throughout Central America, challenges for territorial governance include the need for new visions that are not only more grounded in local realities, but above all, more inclusive. This shift in approach would require building strategies that incorporate the rural territories' environmental

role in the strategies for adaptation that the region must develop.

Rural territories have an extremely key and strategic role to play, not only from the perspective of climate change adaptation, but also from the logic of mitigation and risk reduction. This includes not only rural territories, but also urban ones as well. In light of this fact, territorial dynamics and the prospects of climate change require a reconceptualization of the strategic role played by rural territories and their actors. This could constitute a key element for the creation of more favorable conditions for governance and development, not only from socio-economic and environmental perspectives, but even from the standpoint of security.

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