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## **El Chile: A Struggle for Land Rights and Environmental Conservation in the Face of Tourism Development**



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*(A typical house in El Chile. This one is located just outside of the community's small section of mangrove forest.)*

Most of the 22 families in El Chile, a community on the San Juan del Gozo Peninsula of Usulután, El Salvador, live in a small cluster of rusty tin shacks or single-room block houses between the mangrove forests on the Jiquilisco Bay and the newly paved main road that cuts through the region. On the other side of the road is a narrow span of farmland, which depending on the time of year is full of watermelon, corn, and other crops. Beyond the farms is a wide, undeveloped beach, and the turbulent Pacific Ocean.

By most economic development standards, the residents of El Chile live in extreme poverty, but even a brief conversation with local leaders reveals a community that is happy living off the land in a quiet, secluded region of El Salvador. What families lack in modern infrastructure and jobs, they make up for in natural resources that they manage in a sustainable manner. Most survive by harvesting clams and catching fish in the mangroves. Others families grow a variety of fruits and vegetables. Certain times of the year, residents of El Chile also monitor the beaches and sand dunes, protecting eggs laid by at least four varieties of sea turtles, one of which, the Hawksbill, is listed as critically endangered.

The mangrove forest, undeveloped beaches, and relative seclusion that make El Chile and neighboring communities like El Retiro and Corral de Mulas such quiet, peaceful places to live have also drawn the attention of developers. At a 2004 conference on tourism, a South American tourism expert presented a 25-year plan to turn the Bay of Jiquilisco, including the San Juan del Gozo Peninsula, into the “Cancun of Central America.” Phase One of his plan was to build a road out the Peninsula and acquire land. The road is now complete and investors have been collecting properties for more than ten years.

According to Residents of El Chile, Salvadoran businessman Gustavo Guerrero was integral in getting the road built, and lately he has also been amassing beachfront property in the community.

In 2006 Mr. Guerrero called a meeting with the communities along the San Juan del Gozo Peninsula and asked that they contribute land in order to widen and pave the dirt road that ran from La Canoa to Corral de Mulas. Many residents opposed the request, arguing, among other things, that the region’s wealthy landowners should also contribute land. In the end, Mr. Guerrero said he would pay families for their land and that he would help residents of El Chile get titles to



*(Undeveloped beach in El Chile. At least four varieties of Sea Turtle, including the critically endangered Hawksbill, use this beach as a nesting ground.)*

their land, something they had not been able to do on their own. El Salvador had just elected Mauricio Funes President and one of his campaign promises had been to help people like those in El Chile get land titles. Mr. Guerrero seemed able to help them through the process of getting titles, but the road was finished in 2011, and the residents of El Chile have yet to receive payment or land titles.

Gustavo Guerrero is a representative of the Tesak family – one of El Salvador’s wealthiest. For several years Mr. Guerrero and the Tesaks have been investing in community development projects like the road out the San Juan del Gozo Peninsula. Among their largest investments is a tuition-free, private school named the Pablo Tesak Institute that offers youth in the region opportunities to learn English and study tourism management. Mr. Guerrero insists that he and the Tesak family are only interested in helping communities and that they have no ulterior motives – like promoting the development of tourism. Nonetheless, Gustavo Guerrero has become somewhat of a polarizing figure. Some people support him and the projects he funds. But the majority of people in the San Juan del Gozo Peninsula believe he and the Tesak family are investing in tourism development, and they see the donations and community projects as a way to cause divisions and strife, and minimize the impact of local opposition to their investments.



The residents of El Chile are among those that do not trust Mr. Guerrero, the Tesaks or any of the other wealthy investors in the region. In addition to their experience with contributing land for the new road, they are concerned about his recent purchases of beachfront property in and around El Chile.

### ***Land Purchases***

Residents of El Chile and others in the region say that Mr. Guerrero acquired much of the land from an agricultural cooperative. Five years ago, four former members of the old Corral de Mulas I Cooperative, which became inactive in 2007, formed a new cooperative and acquired land from ISTA, the Salvadoran Land Transfer Institute. The four founding members named their new entity the Cooperativa Fantasma, or the Phantom Cooperative. To meet the legal requirements for forming a cooperative, the founders brought on several people from the old Corral de Mulas I Cooperative to be associates. According to Mr. Cruz and many other residents of El Chile, in January of 2014 the four founding members of the Phantom Cooperative asked the other associates to sign some documents. They then used those signatures to sell land to Gustavo Guerrero. The four associates distributed the proceeds from the sale amongst themselves without giving the other associates a share.

The Phantom Cooperative seems to be well named. At no time did the founders or associates develop, farm, live on, or otherwise use the land held in the cooperative's name. Apparently they created a cooperative to have a legal entity that could receive land from ISTA. The land they sold to Gustavo Guerrero is very valuable, especially considering the plans to turn the region into the "Cancun of



Central America." The land in question is a wide stretch of beachfront property that is long enough to subdivide into 80 sizeable lots. Mr. Cruz does not know what Mr. Guerrero and the Tesak family have planned, but the 80 lots could be used for beach homes, condominiums, hotels, restaurants, shopping centers, and more. If the tourism development plans come to fruition, the land purchased from the Phantom Cooperative will add considerable wealth to the Tesak family fortune.

The land Mr. Guerrero purchased is beachfront property. Salvadoran law dictates that the country's beaches are public and cannot be sold to or owned by private interests. In theory, the Phantom Cooperative property purchased by Mr. Guerrero abuts public property and it would be impossible for them to own any more land between their property and the Pacific Ocean.

### ***Land Titles and Access to Public Lands***

Mr. Cruz says their most immediate concern about tourism and Gustavo Guerrero's acquisitions is being ousted from the land where they have been living and working for more than 22 years. They feel particularly vulnerable because community residents have never been able to secure legal titles to their property. If an investor wanted to buy their land from ISTA, which in theory has legal control over all the land once controlled by the old Corral de Mulas I Cooperative, residents would have little recourse.

Mr. Guerrero's purchase of public beach is not the first time residents of El Chile have seen privatization of public lands in their community. Twenty years ago when El Chile's current 22 families established their community, they set aside land for a soccer field, school and community commons. One investor named Eduardo Villavicencio, however, purchased the land and fenced it off completely, denying the community access. Just as El Chile's land backs into the mangrove forests, the investor's new property backed right into the mangrove forests and Jiquilisco Bay. Similar to El Salvador's beaches, mangrove forests are public assets that cannot be privatized, i.e. the government cannot sell them to private interests. When the investor bought property in El Chile, he fenced off the property and extended the fence all the way down to the waterside, completely

blocking off access to the mangrove forests. He also posted a no trespassing sign which reads, "Private Property, No Entry – violators will be reported to the PNC (National Civil Police)." Mr. Cruz and residents of El Chile have reported the apparent violation to ISTA, the Ministry of the Environment and Natural Resources, and other government institutions, but they all say that they cannot or will not do anything about it. Even if the State has not sold the mangrove to a private investor they have allowed de-facto privatization by allowing him to deny others access.

This is not the only barriers that limit's the community's access to the mangrove forests. A private company recently purchased land on the other side of El Chile. Recently the company cut down a large section of mangrove forest causing the sand and soil to erode away, dramatically altering the local landscape. Cutting down trees in a mangrove forest is a violation of many Salvadoran laws including the Law on the Environment, the Law on Protected Natural Areas, the Penal Code, and others. Yet when residents of El Chile filed a complaint with the PNC, the Attorney General's office, and the Ministry of the Environment's law enforcement body, they were ignored.

Before El Salvador's civil war began in 1980, four wealthy landholders who produced cotton for export owned most of the land in the Bajo Lempa and San Juan del Gozo Peninsula. By 1975 the cotton market collapsed and the region was largely abandoned. Following the agrarian reforms of the early 1980s, ISTA divided up large tracts of land in regions like the San Juan del Gozo Peninsula and turned them over to landless Salvadorans. Instead of titling land to individuals, the government helped people organize agriculture cooperatives. They titled land to the cooperatives, and people who lived on and worked the land were named as associates.

The land that is now El Chile used to be part of Corral del Mulas I, a farming cooperative established in 1983. The cooperative associates and their families settled the area and tried to work the land, but during the civil war (1980-1992) cooperatives were targeted by the Salvadoran military as well as the leftist FMLN militancy. Many associates fled to safer, urban areas leaving their new cooperatives behind. Despite the extreme danger of being caught in a warzone, a few of the original associates stayed on the Corral del Mulas I Cooperative for the duration of the war. Most of the current residents arrived in the early 1990s as the civil war was coming to an end. Though people lived on and worked the land, most of the original associates were not present and the residents were unable to administer the Coral de Mulas Cooperative according to the Salvadoran law. By 2007, the Salvadoran Government determined that the Corral de Mulas I Cooperative was inactive



*A section of mangrove forest in El Chile that has been fenced off by private investors)*

and dissolved their legal status. As a result, the land reverted back to the State under the control of ISTA.

The community of El Chile is a casarío (housing settlement) of Cantón Corral de Mulas I. In 2002, residents of El Chile formed their own Community Development Association (ADECESO, or community board) and immediately began trying to secure legal titles to their land, independent of the Corral de Mulas I Cooperative, which by this point existed in name only. Don José Cruz was the president of the community board at the time and he led efforts to solicit land titles from the National Land Registry and ISTA. They even met with the President of ISTA, but he seemed to have ignored their solicitation and nothing happened. During the presidential elections of 2004, the rightwing ARENA party promised El Chile land titles if their candidate Tony Saca won the presidency, so the community supported them. Unfortunately, it was an empty campaign promise and the new administration did nothing to help the community.

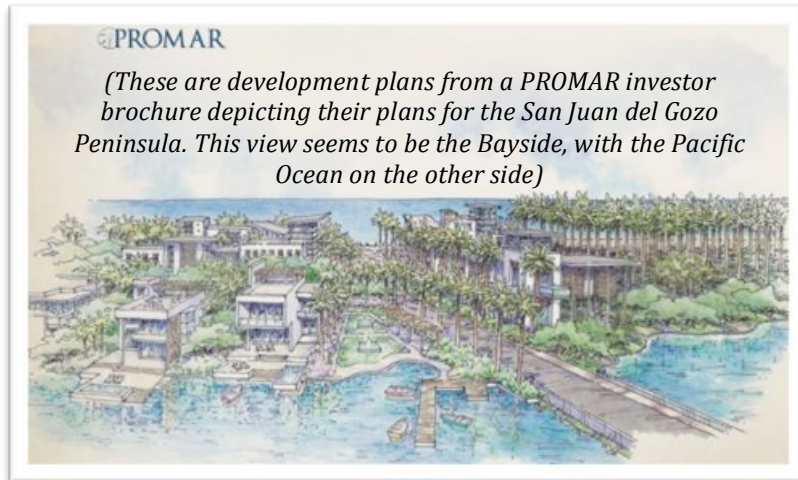
During the campaign for the 2009 presidential elections, the leftwing FMLN party made a similar campaign promise – support Mauricio Funes and we will make sure you receive land titles. Community leaders were especially hopeful because Gustavo Guerrero had also promised to help them. By October 2012, the Funes Administration reported that they were on pace to grant 35,000 land titles to Salvadorans by the end of that year. But despite their continued efforts and promises by Gustavo Guerrero, families in El Chile still don't legally own the land where they have lived and worked for the past 20-30 years.

The residents of El Chile don't live on just any land – they live on a narrow peninsula between mangrove forests and a completely undeveloped beach. Theirs is some of the most desirable real estate in El Salvador and the community fears that without land titles, it is just a matter of time before wealthy investors will try to purchase the rest of their land.

Residents of El Chile feel like the walls, or in this case the barbed wire fences, are closing in around them. The mangrove forests on either side of the community are completely fenced off limiting their ability to harvest the crabs and clams that account for a large part of the local economy and livelihood. Gustavo Guerrero has also fenced off the land he purchased from the Phantom Cooperative and now wants to widen and pave the narrow dirt road that connects the main road to his beachfront property. Residents of El Chile and neighboring El Retiro worry that investors will want more of their land for widening the road and that once it is paved he will only allow developers, investors, and tourists to use it, making it impossible for El Chile farmers to access their small farms. The community fears that soon they will be completely displaced from their land.

### ***Environmental Impacts of Tourism and Development***

The community's concerns go beyond losing their land. They are also worried about the impact that privatization and development will have on the local environment. In recent years community members have taken a large role in protecting the beach, which is an important nesting ground for sea turtles, including the critically endangered Hawksbill. Residents patrol the beach to make sure that poachers do not harvest sea turtle eggs, which



can get a good price on the local black market. Often, residents volunteer to help local organizations collect sea turtle eggs and take them to local incubators, where they are kept until the young turtles hatch.

Even when faced with their own displacement, community members are concerned about the negative impacts that tourism will have

on the sea turtles. One National Tourism Plan – there are a couple – says that to develop tourism in the region investors will need to equip, alter, and clean local beaches to meet international quality standards. No one argues that the trash that washes ashore from the Pacific Ocean is a real problem that needs to be addressed. But they fear that equipping and altering the beaches, and then bringing tens of thousands of tourists to the region will permanently damage the turtles’ fragile nesting ground.

El Chile is not the only community in the Bay of Jiquilisco concerned about the impacts of large-scale tourism. Dozens of small communities along the region’s coast and in the mangroves worry about their access to and control over the natural resources that sustain them. They are concerned about the impact that golf courses and large resorts will have on their access to land, water, and other resources. They also fear that an influx of wealthy tourists from North America and Europe will undermine their efforts to achieve food sovereignty, and protect their agrarian culture.

As the residents of El Chile know well, anyone willing to take on large tourism projects is up against some of the strongest economic and political interests in El Salvador. Gustavo Guerrero and the Tesak family are just the ones with the biggest presence in their community so far. They also know that tourism development is not something on the distant horizon. They know that there are numerous investors and developers just standing by, waiting for the U.S. Millennium Challenge Corporation (MCC) to release a \$277 million grant targeting infrastructure development along the coast. The MCC has approved the funds but the State Department and U.S. Congress are holding the funds pending the reform of the Public Private Partnership Law, which they claim in its current form will subject MCC projects to too much red tape and limit the kinds of investments they can make. President-Elect Sanchez Cerén, from the left-leaning FMLN party, said that securing the MCC funds would be a top priority when his administration gets into office on June 1, 2014.

Developers and investors are standing by with their project plans and proposals waiting to build golf courses, resorts and condominiums, beach homes, shopping centers, marinas, wharfs, and much more. Even the environmental organizations charged with

protecting the mangroves and sea turtles have developed their own eco-tourism projects, which residents in the region equate with the large mega-tourism projects.

Communities throughout the Jiquilisco Bay have stated repeatedly that they will not support the kind of large-scale tourism planned for the Jiquilisco Bay. El Chile is just the first of these communities that is feeling the

impact and pressure of these large tourism plans. Most of them know once the MCC grant is released that developers will be putting the same kinds of pressure on them.

The problems that El Chile face are rooted in land speculation, with investors grabbing up land for tourism development in the Jiquilisco Bay – investments that soon will be backed by funding from the Millennium Challenge Corporation. When confronted with such vulnerability, it should be the State that steps in to protect the rights of the population. But for more than 22 years, the residents of El Chile have solicited land titles from many State institutions without getting any response or assistance. At the same time the State is willing to privatize beaches and mangroves for investors.

Despite their vulnerability and multiple adversaries, residents of El Chile have had the courage to denounce these violations of their rights and taken a stand as the front line of resistance and social movements in defense of their life and land.



*(Canoes used for fishing in the Jiquilisco Bay moored in a small clearing in the mangrove forest in El Chile)*