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Nicaragua’s "Great Canal" Project Sparks Campesino Protests  

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In partnership with a mysterious Chinese billionaire, President Daniel Ortega is moving closer to turning Nicaragua’s generations-old dream of a cross-country canal into reality. But just as the gargantuan project is starting to take real shape, opposition is also coalescing, particularly among people living in its projected path.

Ortega began pushing the canal scheme in earnest following his landslide victory in the November 2011 general elections, which also gave his party, the Frente Sandinista de Liberación Nacional (FSLN), a more-than-two-thirds majority in the Asamblea Nacional (AN), Nicaragua’s unicameral legislature (NotiCen, Nov. 17, 2011).

The powerful president used that majority, starting in mid-2012, to lay out a legal foundation for the "Gran Canal de Nicaragua," as the project is officially known. The AN first passed a law authorizing the government to appoint a board of directors, called the Comisión del Gran Canal Interocéanico, to oversee the venture (NotiCen, Sept. 27, 2012). Eleven months later, it approved a bill awarding the project, in the form of a renewable 50-year concession, to the HKND Group, an untested Hong Kong-based company led by telecom tycoon Wang Jing. The concession deal gave Wang and his new company exclusive rights to "design, develop, engineer, finance, construct, possess, operate, maintain, and administer" the proposed canal (NotiCen, Aug. 15, 2013).

Ortega and his allies hailed the concession as the launching-off point of a process that would boost Nicaragua’s growth numbers, create tens of thousands of jobs, reduce the poverty rate (perhaps by as much as 10%), and ultimately revolutionize the economy. "The hour has arrived for us to reach the Promised Land," the president announced upon completing the 2013 concession deal with HKND Group.

Many observers, however, remained skeptical, in part because the Ortega administration and its Chinese partners, for all their talk about what the canal would mean for Nicaragua, had little to say about what it would actually entail. They offered a vague price estimate—US$40 billion as of mid-2013, up from US$30 billion the year before—but failed to explain where the money would come from, when construction might begin and end, and which of the various proposed routes the canal would follow.

Ready to break ground

A year later, some of those questions have finally been answered. In early July, the HKND Group divulged a number of key technical details about the proposed canal, including the route it will follow. The artificial waterway, the company explained, will stretch 278 km across the southern part of the country, from the mouth of the Río Brito, on the Pacific coast, to the end of the Río Punta Gorda, on the Caribbean side. As expected, the canal will make use of Lago Cocibolca, a massive central lake also known as Lago de Nicaragua or Lago de Granada.
HKND engineers said the canal would be between 230 and 520 meters wide and at least 26.7 meters deep and would thus be able to accommodate ships that are too large to pass through the century-old Panama Canal. The company promised, furthermore, to build a bevy of facilities directly related to the canal. The list of side projects includes two deepwater ports (one on each coast), an artificial lake, various roads and bridges, a tourist resort, a Pacific-side free-trade zone, an international airport, a power plant, and steel and cement factories. HKND plans to begin constructing the first of the ports in December and have the canal up and running by 2020.

The company has since upped the total estimated cost of the project to US$50 billion. It also began carrying out a door-to-door census to determine who exactly would have to be displaced. Under the terms of the 2013 concession deal, HKND has the authority to acquire whatever land its deems necessary for completing the project. The government’s oversight committee insists that people forced to sell their properties will receive "just" compensation. "We know that the people [in those areas] will end up supporting the canal," Comisión del Gran Canal Interoceánico spokesperson Telémaco Talavera told reporters last month.

Environmental concerns

Public backing of the canal does appear to be rising, presumably as a result of HKND’s recent announcements. A Cid Gallup poll published Sept. 23 estimated overall support at 53%. A survey released two weeks later by the polling firm M&R Consultores measured approval at more than 61%. The M&R Consultores poll also found that 73% see it as a "serious" project that, assuming feasibility studies are favorable, will end up being implemented.

But the venture’s apparent progress has also provided an impetus for groups opposing it. Centro Humboldt, a leading Nicaraguan environmental group, published a report late last month slamming the canal scheme as "nonviable," saying its potential environmental impact goes well beyond what the Ministerio de Ambiente y Recursos Naturales (MARENA) should, by its own technical criteria, allow.

The organization is particularly concerned about the impact shipping traffic would have on the 8,200 sq km Lago Cocibolca, a vital source of fresh water (NotiCen, May 2, 2013) that is also home to the Isla de Ometepe, a volcanic island included four years ago in UNESCO’s World Network of Biosphere Reserves. The chosen canal route passes just south of Ometepe. It also traverses the Reserva Natural Cerro Silva and Reserva Punta Gorda in Nicaragua’s southeastern Región Autónoma del Atlántico Sur (RAAS). The areas in question, the Centro Humboldt report points out, are home to a number of animals already at risk of extinction, including anteaters, margays (a type of wild cat), and Baird’s tapirs (NotiCen, Nov. 14, 2013).

Claus Kjaerby, the Central America representative for the Danish environmental group Forests of the World, echoed many of those same concerns in a recent interview with the British daily The Guardian. "The list of potential environmental threats is long and includes negative impact on protected wetlands vital to migratory birds and the Central American biological corridor, destruction of freshwater habitat, deterioration of drinking water reserves, and the inevitable pollution of Lake Nicaragua," he said.

Kjaerby also pointed out that the canal route cuts directly through tribal lands inhabited and administered by the Rama indigenous group. At no point, he claims, did either HKND or the government’s oversight committee confer with Rama community members. "It’s just like if someone
wanted to build a bicycle trail through your garden and they do not consult with you," the Forests of the World representative quipped.

Campesino resistance

A more immediate problem for the Ortega administration and its Chinese partners is a continuing wave of protests against HKND’s ongoing census operations. Approximately 1,000 people from communities throughout the western department of Rivas gathered Oct. 10 in the town of Tola. "I came because they want to snatch away our properties," Justo Emilio Jácamo, one of the demonstrators, told the daily La Prensa. "That’s why we want to defend our rights, because if we don’t do it ourselves, who will?"

The Tola event, the sixth such protest to take place since mid-September, occurred just two days after a far larger demonstration was held on the other side of the country, in the RAAS province of Nueva Guinea. There, some 4,000 campesinos carried out a 2.5 km march to demonstrate their opposition to the canal scheme and to the possibility of property expropriations. "What do the campesinos want?" they shouted. "That the Chinese go away!"

A handful of deputies from the opposition Partido Liberal Independiente (PLI) also attended the event but were asked by the campesino organizers not to speak. They did, however, issue a press release noting that "the PLI, even before the Ley del Canal Interoceánico was discussed in the Asamblea Nacional and approved by the Sandinista steamroller, opposed it because it was done without the consensus and the consultation that a megaproject of this magnitude deserves."

Talavera, the government’s point man on the project, dismissed the demonstrations early on as the result of "misinformation" and "manipulation." Critics of the Ortega administration say the real problem is a total lack of information. "The protests are the product of secrecy," Sandinista dissident Edmundo Jarquín, who challenged Ortega in the 2006 presidential election, wrote in his blog La Nicaragua Linda. The veteran politician also participated in the 2011 election as the running mate of PLI candidate Fabio Gadea, who lost to Ortega by more than 30 percentage points.

"Without any prior warning, [HKND surveyors] showed up on private properties to take measurements and install markers," Jarquín wrote. "In this context, the protests, which are being carried out by people who feel threatened, are inevitable. This has nothing to do with anyone manipulating them."

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