

Hondurans Ride Winds of Change Blown In by Mitch

'98 Storm Set Off Economic Push In Coastal Region

The Washington Post

July 1, 2007

CHOLUTECA, Honduras -- When Hurricane Mitch tore into this sleepy Pacific coastal province of dairy farms and cane fields in October 1998, its torrential rains and winds swept away an entire way of life -- and opened up unexpected new vistas of change.

Nearly a decade later, the devastated landscape is being transformed.

Cracked roads and bridges have been rebuilt with sturdy new designs. Flooded warrens of adobe huts have been replaced by hillside lots of orderly concrete bungalows. Cow pastures are being bulldozed to build textile factories; fallow fields are dotted with candy-colored motels; and air-conditioned American fast-food outlets have eclipsed the steamy sidewalk comedores of yore.

Choluteca is still an impoverished rural region, where illiterate peasants gather firewood on bicycles and clear brush with machetes. But it is also strategically situated near a semi-developed seaport, a major highway and two foreign borders. Now, a group of wealthy native sons are betting they can turn it into the next modern, international trade center in [Latin America](#).

"Mitch destroyed a great deal, but it also gave a big push for revitalization," said [David Williams](#), a fifth-generation Honduran entrepreneur who plans to develop a 300-acre seaside free-trade zone -- complete with housing, schools, factories, even a university -- on the cattle ranch his grandfather once owned. "We have a vision to develop this region, and the most important ingredient is attitude."

It was the swift devastation of Hurricane Mitch that first brought international attention to Choluteca, a neglected, feudal corner of [Central America](#)'s second-poorest country. The powerful storm, which killed more than 9,000 people in three countries, dumped so much rain that the meandering Choluteca River rose by more than six feet in 48 hours. The torrent turned pastures into lakes, wiped out herds and homes, and left much of the region mired in thick, brown mud.

Within weeks, though, a flood of humanitarian aid began arriving from overseas. [Japan](#) paid for new bridges. [Red Cross](#) organizations in [Germany](#), Spain and the United States donated tons of construction materials so homeless families could start over. Irish and Scandinavian aid agencies set up permanent offices. Later, more international help arrived in the form of debt relief and anti-poverty grants.

"The hurricane took away our house, but this one is much better. We have cement floors instead of dirt," said Marlene Medina, 37, a mother of three who lives in Villa Bertilia, a development of low-cost cinder-block homes where hundreds of victims were relocated. Between her seasonal job at a local shrimp-packing plant and the cash her husband sends from his construction job in [Dallas](#), she said, "we manage okay, but just barely."

The storm also hastened the inevitable demise of the region's traditional businesses, including offshore shrimping in small boats and large dairy farms owned by a few

powerful families and tended by peasants. Many workers headed north -- to more dynamic Honduran cities such as San Pedro Sula, to wealthier next-door [El Salvador](#) with its dollarized economy, and to illegal but well-paying jobs in the produce fields and kitchens of [Texas](#) and [California](#).

But some investors saw opportunity in Choluteca's upheaval. Foreign capitalists from [Israel](#), [Spain](#) and elsewhere combined with Honduran firms to build a dozen ultramodern melon and seafood farms, using idle land, high-tech methods and low-cost labor to profitably grow, sort, chill and ship their delicate products to export markets.

At Santa Inez, a model shrimp-packing plant, workers in white rubber boots, masks and hairnets move thousands of pounds of fat crustaceans each day along conveyor belts, through cold showers and into chilled boxes that are machine-wrapped in cellophane, trucked to San Pedro Sula on the [Caribbean](#) coast overnight and loaded onto refrigerated container ships for export to [Europe](#).

The advent of modern agro-industry has brought a new professional class of engineers, accountants, technicians and construction company owners to Choluteca, along with more-modern tastes. The provincial capital now supports developments of \$40,000 chalet-style homes, fast-food outlets and a chic eatery called Fusion Gourmet. The torrid heat empties the streets at noon, but the [Wendy's](#) is packed with customers eating in air-conditioned luxury while the manager times service with a stopwatch.

"A lot of businesses are expanding here now, but the area is still rural and quiet, so it's great for children," said Javier Guillen, 31, an electrical engineer at a melon-packing plant who lives with his wife and young son in a \$20,000 starter house and spends weekends trimming his flower bed. "We have a good life. Our son is in first grade, but already he has bilingual classes. Since Mitch, people are really lifting themselves up."

Still, there is a startling incongruity between these trappings of new wealth and the humble lot of the average Cholutecan. A Wendy's burger costs 80 lempiras, which is roughly the daily minimum wage. Many workers here earn less than that because so many jobs are seasonal and vulnerable to the vagaries of weather and export prices.

Choluteca's fortunes still depend partly on foreign income, both legal and illegal. Wedged between [El Salvador](#) and [Nicaragua](#), the region is ideally situated for the smuggling of people and drugs, and officials from four federal police agencies stop all traffic on the highway. People here also complain that money from many post-hurricane aid projects found its way into influential pockets instead of benefiting the victims.

For those with neither schooling nor connections, the tidal wave of change seems remote and inaccessible, and the idea of lunching at [Pizza Hut](#), let alone buying a house, remains an impossible dream. Ezekial Gomez, 44, repairs motors in his front yard and rides his bicycle miles every day in search of small jobs.

"What has any of this got to do with me?" Gomez demanded bitterly, when asked about Choluteca's business boom. "Nothing has changed here since the hurricane; the people in power still get all the benefits and the poor get nothing. I can't even afford to buy a car. What good does it do if the Americans or Chinese come here and build things?"

They might have good intentions, but they don't even pay enough for three meals a day."

In fact, the ambitious plan for the new free-trade zone -- nicknamed Zip Choluteca -- rests on a controversial low-wage pact, made in the spring among the project's developers, the Honduran government and national labor unions. In return for luring investors to an untested and undeveloped region, the agreement guarantees them a minimum profit by keeping wages below the legal daily minimum for five to 10 years.

Juan Carlos Diaz, a local rancher's son and senior manager for Williams's development company, said the wage deal was a crucial element in making the proposal financially feasible. An energetic booster of Choluteca's development, Diaz drove a visitor last week across the vast idle fields where thousands of prize Holsteins once grazed, sketching the future with his hands. If all goes according to plan, he said, Choluteca will soon be undergoing a real economic transformation.

"Over there we will have the first of 86 hangars with textile operations. . . . Over here will be a four-lane boulevard through the city. . . . Here is where the shops and schools will go," he gushed between jolts and jounces. Occasionally Diaz paused to reflect on the older, slower times, when his grandfather knew the name of every cow. "Those days are gone forever," he said matter-of-factly. "If you come back in a year, you won't recognize anything."