

As Mexico's Resource-Land Grab Wins Financial Backing, Public Opposition Grows

Plan Puebla-Panama: Done Deal or Emerging Flashpoint?

by Wendy Call | April 9, 2002

Even before his December 2000 inauguration as Mexico's president, Vicente Fox was touting a massive industrial development plan for the southern states of Mexico and all of Central America.

Three months earlier, the front page of *Las Noticias* in the southern Mexican state of Oaxaca announced that Fox would travel to Central America to promote the Free Trade Area of the Americas and to push for "an ambitious regional development proposal." Within a week he was in Guatemala City, dubbing his new proposal "The Three P, Plan Puebla-Panama," to denote the area it would encompass, which includes all seven Central American countries as well as the southern Mexican states of Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz, and Yucatan.

While Central American government leaders were fairly quick to support the Plan Puebla-Panama (PPP), many residents of the region are increasingly skeptical.

According to Salvadoran economist Raúl Moreno, President of the Center for the Defense of the Consumer, in the post-PPP world "Central America is going to be a superhighway, filled with huge container trucks [serving] the transnational corporations. All of us will be by the side of the highway, selling snacks and fruit," he says, miming the vendors being run over by trucks.

Indeed, the PPP certainly aims at meeting the transit needs of global commerce. With the Panama Canal now extremely overburdened and out of U.S. control, transnational corporations are searching for new regional shipping routes. In the last few years,

Mexico, Nicaragua, Honduras, and El Salvador have all floated proposals for highway, rail, and even water-based, inter-oceanic links. The PPP includes several Atlantic-to-Pacific connections, as well as north-south highways linking central Mexico to Panama along both coasts.

Fox has assembled an impressive sales team for his plan, headed by Enrique Iglesias, director of the Inter-American Development Bank (IDB). Other members of the PPP Financing Commission include representatives of the International Finance Corporation, World Bank, United States Agency for International Development, Danish Aid for International Development, and several UN agencies.

The commission has made slow but steady progress promoting PPP, in spite of the U.S. war and economic recession.

Just one week after the Sept. 11 attacks on the United States, Mexico's Foreign Trade Bank (Bancomext) announced a \$300 million investment in the PPP area, half for hotel development and half for textile and manufacturing industries.

In the following months, Japanese investors agreed to support a huge energy interconnection program in Central America, based on fossil fuels and big dams, and the Central American Economic Integration Bank (CABEI) announced a \$135 million loan to El Salvador for port and highway construction.

The Mexican government's 2002 budget for the PPP is \$743 million, more than double last year's federal expenditures in southern Mexico. More than



80% of this total is devoted to highway, port, and other infrastructure development.

While the IDB and CABI—key PPP promoters—talk about “human and sustainable development” as important elements of the plan, the budget numbers make it clear that industrial infrastructure is the priority.

Public information on the PPP indicates the plan has three primary goals: 1) increase the transit and industrial infrastructure of the region, improving the capacity for export industries; 2) catalyze a shift of the region’s economy from an agricultural to a maquiladora base; and 3) expand private control over the region’s vast natural resources.

In some ways, southern Mexico has more in common with Central America than it does with central and northern Mexico. Oaxaca and Honduras have the same illiteracy rate: nearly one quarter of the adult population. Yucatan has a higher infant mortality rate than El Salvador. Economically, southern Mexico’s most important export, like that of some Central American countries, may well be the thousands of young people that migrate each year to northern Mexico and the United States in search of work.

Under U.S. pressure to slow migration, Fox hopes the PPP will appease by drawing maquiladoras to the south and keeping more migrants at home. This posture has earned him criticism as a lackey for U.S. policymakers. It has also drawn fire for promoting the same economic privatization model espoused by the long-ruling Institutional Revolutionary Party (PRI) that Fox defeated in the July 2000 presidential elections.

In fact, the PPP was originally a proposal developed by the PRI. Former PRI official (and current Fox administration authority) Santiago Levy first presented the general idea for the PPP a month before Fox’s electoral victory.

Levy’s design included securing more private property for development through expansion of *Procede*, the acronym for the federal government’s Ejido Rights Certification and Urban Lots Title Program. The nine-year-old, World Bank-conceived program

converts communally owned trust land into individual, private holdings, thus allowing the new title-owners of small subsistence plots to sell and helping monied investors to amass large properties.

Land privatization continues to underpin Fox’s PPP and is the key to achieving its goals of expansion of manufacturing and increased private control over the area’s natural resources. So much is this the case that Mexico’s Agrarian Reform Secretariat has said that land will be expropriated from indigenous and peasant communities, if necessary, to implement the PPP.

As the Mexico chapter of the primary public document on the PPP observes, “the region’s fishery, agricultural, and oil resources are of high national importance... Some of the resources of the region are not sufficiently exploited.”

Ultimately, the PPP’s success depends on indigenous Mexicans’ willingness to abandon their homes and farms in the countryside—and it’s not at all evident they’d be willing to do that.

The Zapatistas and many other regional organizations of indigenous people took up the anti-PPP banner shortly after the plan was announced. At a February 2001 rally of more than 10,000 people in Oaxaca City, Zapatista Army Sub-Commander Marcos received a rousing cheer when he declared, “There will be no plan nor project, by anyone, that does not take us into account: no Plan Puebla-Panama ... nor anything else that means the sale or destruction of the indigenous peoples’ home.”

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LINKS:

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“Fox Strives to Spread Maquiladoras South” | *borderlines UPDATER*, August 7, 2001

<http://www.us-mex.org/borderlines/updater/2001/aug7ppp.html#fox>

“Plan Puebla-Panama” | Global Exchange

<http://www.globalexchange.org/campaigns/mexico/ppp/ppp.html>

“Plan Puebla-Panama” | Inter-American Development Bank

<http://www.iadb.org/ppp/>

“Plan Puebla-Panama” | Presidential Office of Mexico

<http://ppp.presidencia.gob.mx/PPP/>

“Plan Puebla-Panamá” | Red Mexicana de Acción Frente al Libre Comercio

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