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Baja's Tourism Boom

by Lawrence A. Herzog

Flows of capital, goods, and people are sweeping Baja California into a vast US-Mexico megalopolis—and transforming much of Baja into a vacation enclave for up-scale foreigners. Do the benefits to Mexico outweigh the cultural, economic, and environmental costs?

Shortly after taking office in December 1988, President Carlos Salinas de Gortari announced—to the dismay of many Mexicans—that his administration would "restructure" foreign investment laws to bring in badly needed outside capital. Among the changes immediately enacted was the relaxation of laws that permitted a maximum of 49% foreign ownership of business enterprises in Mexico; the laws now permit 100% foreign ownership in certain kinds of economic activity. In addition the revised laws double the leasing period for foreign possession of property, through the so-called *fideicomiso* (trust), from 30 to 60 years.

The Salinas government was prepared to actively court US investment in some sectors of the economy. For example, tourism represented a potentially much greater source of national revenue than previous administrations had tapped; but new infrastructure could not be built without foreign capital. Not surprisingly, in the spring of 1989 Minister of Tourism Carlos Hank González embarked on a whirlwind campaign to attract North American investors. One US magazine asked: "What might rescue Mexico, at least from the stigma of its incessantly predicted collapse? Not crude oil, but tanning oil. Tourists" (*Harper's*, July 1989, p. 43).

Lawrence A. Herzog, associate professor of Mexican-American studies at San Diego State University, is the author of Where North Meets South *(University of Texas Press, 1990).*

The US Growth Machine

Less-developed nations such as Mexico have become dynamic actors in the global economy. They are the debtors in a transnational banking system in which low and middle-income countries owe nearly a trillion dollars; Latin America alone must somehow repay an estimated $400 billion. Yet debt servicing is strangled by trade policies that favor the world's dominant countries, by the continued flight of capital from south to north, and by the increasing economic leverage of transnational banks and corporations. Evidence suggests that in Mexico and other Third World nations certain state and economic interests are willing to accommodate the inflow of global capital because they stand to benefit.

Mexico's century-old apprehensions about economic dependence on the US have yielded to a state of national uneasiness, especially as negotiations proceed for a free-trade agreement and as policymakers consider the formation of a Mexico-US common market. Still, the loosening of Mexico's constitutional barriers against foreign control of the economy raises questions about the national impact of development fueled by investment from abroad. Throughout the underdeveloped world, disastrous economic and ecological results of such development patterns have been well documented. Perhaps most serious of all is the way massive investment can damage the cultural fabric of regions by unraveling the web of unique physical elements—houses, neighborhoods, towns, and natural environment—that are woven into the everyday lives of local people.

Mexico's vulnerability to US investors is most blatantly revealed along the international border they share. Nonetheless, northern Mexico and the southwestern US have one element in common: growth. Northern Mexico has displayed one of that nation's fastest rates of population expansion over the last three decades, due mainly to flows of internal migration. The southwestern US claims a similar distinction north of the border. Fueling the enormous population expansion on both sides is large-scale economic transformation—in industry, technology, trade, services, and tourism. At the heart of this transformation is the so-called US "growth machine," an amalgam of development-oriented enterprises. These include not only the commonly cited *maquiladoras* and tourist sector. They also include land investors, real estate entrepreneurs, developers, banks, construction companies, architecture firms, and related businesses.

Despite the evolution of transnational flows of capital, goods, and people, international borders still serve, in principle, as dividing lines between national cultures. Arguably, culture is the most sovereign of a nation's possessions; and in the case of Mexico and similar countries, it may be the last bastion of local protection against First World economic interests. It follows that the test of Mexico's cultural survival will begin in the northern border zone, the first line of defense against the growth machine.

Colliding Forces

The economic forces that shape rapidly urbanizing areas of the US, such as southern California, are now aimed squarely at Mexico. The development of the tourism economy along the Mexican border is a telling example of how Mexico's search for a quick economic fix may be culturally disruptive in the long run.

This collision between economy and culture has been particularly abrupt in Baja California, where hundreds of miles of beach-front property are finally being discovered by investors from the north. Baja California is a 55,000 square-mile peninsula dominated by desert and mountain wilderness. Its vast coastline, east and west, is mostly undeveloped and exquisite. While its northern flanks, lying at the foot of southern California, are heavily urbanized, the remainder of the peninsula is wildly pristine, a vast frontier comparable in magnitude to other great wilderness areas such as Brazil's upper Amazon Basin and Australia's outback.

Driving Baja's transformation is the US-based "growth machine." It includes not only maquiladoras and the tourist sector, but also businesses such as land development, banking, and construction.

Proximity to the postindustrial megalopolis of southern California makes Baja California highly vulnerable to the marketing interests of the US growth machine. Several decades ago, writers glorified Baja California's isolation in books like Joseph Wood Krutch's *The Forgotten Peninsula* (1961). It was inevitable, however, that a land so rich in beauty and so close to the exploding markets of southern California would be brought within reach of land developers.

Already there is evidence that the peninsula is losing its Mexican cultural flavor, as North American influence migrates south. More than 25 million US tourists visit the peninsula each year. Some 42,500 North Americans reside on the peninsula, and in one stretch of 65 miles along the coast between Tijuana and Ensenada, 25,000 North Americans occupy exclusive housing subdivisions in an enormous wedge of prime beach-front land. Only Guadalajara, long a retirement destination for US citizens, has more North Americans.

These statistics convey only part of the extent to which the peninsula is being swept into North America's cultural and economic web. For instance, several commercial airlines are opening direct service routes into Baja California. Direct flights connect Baja with San Diego, Los Angeles, Dallas, Denver, Vancouver, and Toronto, and the list keeps growing. Furthermore, beaches from San Felipe to Loreto and Cabo San Lucas, which were once isolated, are now overrun by time-share condominium developments, all-terrain vehicles, and recreational vehicle parks.

To Californians looking south, Baja California no longer seems distant, isolated, and empty, or far from the beaten path. Even Hollywood considers southern Baja within reach. In a recent movie *The Boost* (1989), members of the Los Angeles jet set flew their private airplane to Cabo San Lucas on the southern cape of Baja (some 1,000 miles from Los Angeles) for dinner, presumably returning to Los Angeles the same evening. Even though Hollywood often distorts distance and the nature of places, such scripting reflects California's changing perceptions of its southern neighbor. Mexico has moved into Hollywood's line of vision, and her exotic shores lie within reach of the affluent.

A century ago, Mexico coined a term, *filibusteros* (freebooters), for foreigners who came to places like Baja California with ill intentions. Many an adventurer saw in Mexico the possibility of earning great wealth quickly, if not illegally. One of the better known *filibusteros* was William Walker, who in 1853 sailed into the southern Baja California port of La Paz with an expedition of 200 armed men and captured the city. For a short time, Walker lived out his fantasy: he declared himself president of Lower California.

Today's *filibusteros* may be the North American investors and real estate entrepreneurs who want to convert Baja California's wilderness into an international tourist mecca. The costs of selling off the coastline to tourist developers are many, not the least of which is the destruction of *authentic* local culture. For example, Mexico's Pacific coast town of Acapulco has long been marketed as an exotic, palm tree-laden paradise of fancy hotels, and a slow-paced Latin escape from high-pressure urban life. The real Acapulco, however, is now an overdeveloped resort with enormous social, environmental, and city planning problems. It has been called "seedy, polluted, overpopulated, homogenized, overbuilt, money-crazed, exhausted" (*Harper's*, July 1989, p. 44).

From Acapulco to Baja

Is this what awaits Baja California? While tourism development does offer measurable short-term benefits, it can create serious long-term problems. To begin with, tourism facilitators commonly hand over ownership of local property to foreign interests, as is occurring in Baja California. Moreover, such development can wreak havoc on the natural environment, as is clear in Acapulco and other large-scale resorts. Finally, unbridled tourism can fracture and destroy the built environment and, most important of all, the local cultures it expresses and anchors. In the latter regard, the tourism economy is giving foreign capital, in concert with a class of elite Mexican "facilitators"—lawyers, bankers, financial consultants, engineers, architects, and government officials who assist in setting up investment projects—the power to reconstruct places such as Baja California in the image of their choice.

Consequently, Baja California's striking landscape of small farming communities and fishing villages against a backdrop of wide-open spaces is being transformed into "tourist architecture"—a series of resort complexes and generic theme parks. One of the first things a visitor notices on arriving at the new population centers of this desert peninsula—San Felipe, Loreto, and Cabo San Lucas—is the highway signs in English that announce the sale of land for single-family housing, golf villas, and condominium developments. The rural towns, with their traditional central plazas, are being brushed aside in favor of streets lined with international boutiques and high-rise hotels.

Tourism development in general has come to encourage the homogenization of places so as to produce predictable, marketable travel packages. Illustrative of this trend are the ubiquitous Club Med developments scattered along Mexico's coasts. Club Med creates a "safe" exotic enclave. As a truly "placeless" form of tourist marketing, it offers a self-contained package: tourists need not venture beyond resort walls to rub shoulders with the local people and experience their ways of life.

The growth machine that drives such tourism development aims to create a consumable product; if the surrounding culture and material conditions interfere with the marketing of the product, then they are simply to be removed. From this standpoint, the tourist is to be provided with an uninterrupted feeling of comfort and escape, a strategy much like that employed by gambling casino developers in Las Vegas and Reno. There the absence of clocks and the constant, seductive evening-like lighting of the gambling parlors are ploys to create a timeless setting in which consumers can escape . . . and spend. In Mexico the strategy is the same, the difference being that palm trees and thatched beach cabanas are the local props.

A leading Mexican architect, Ricardo Legorreta, has designed a number of major resort hotels, including the lavish Mayan temple-like Camino Real in Ixtapa. Describing his relationship with Ixtapa's developers, Legorreta lamented that they failed to grasp the need to integrate the architectural design with the regional context. He added that "the main attraction of Mexico's Pacific coast is that it has the best climate in the world, but the builders wanted to seal all windows and put air conditioners in all 450 rooms" (public lecture, School of Architecture, University of California at San Diego, February 4, 1989).

Selective tourism development may indeed be healthy for Mexico's economy if its by-products—from environmental to cultural pollution—are controlled. The essence of Mexican culture is embodied by its many varied regions and their powerful identities. This is true even of the northern border regions, in spite of the tight interweaving of their economy and pattern of life with those of the U.S. Any form of development, tourism or otherwise, that endangers regional identity should be questioned. ■