

## **Interests and Objections in the Puebla-Panama Plan and the Oaxaca-Istmo-Huatulco Highway Project**

Due to its strategic location between the Atlantic and Pacific Oceans, the region of Central America and southeastern Mexico has been the setting for a multitude of projects aimed at increasing and facilitating commerce. Over time, a barrage of commercial agreements between the nations of Central America further promoted economic integration. Mexico led these efforts by signing at least 11 commercial agreements with various nations and by implementing the North American Free Trade Agreement (NAFTA) in 1994. Nearly a decade later, the spotlight returns to the region with the Puebla-Panama Plan (PPP), a multifaceted strategy to take advantage of the region's resources.

Many leaders agree that significant infrastructure improvements are needed in southeastern Mexico. The poor quality of the region's roads and its unpredictable energy network may be inhibiting economic growth. Proponents of the PPP believe that investing in infrastructure will attract a greater number of investments and will facilitate exports from the region, but some local residents oppose aspects of the proposal, claiming that they have been excluded from the planning process, or that aspects of the proposal will have negative cultural, environmental and/or economic impacts.

More than simply the next proposal to blur national borders in the name of commerce, the PPP is a comprehensive plan that requires further study. After reading the PPP proposals and studying the Mexican government's plans, the **Centro de Derechos Humanos Tepeyac del Istmo de Tehuantepec, A.C.**, the **Texas Center for Policy Studies**, **LaNeta: Proyecto Emisiones** and **Fronteras Comunes** have published a report, *Intereses y resistencias: Corredor Carretero Oaxaca-Istmo-Huatulco*. The report investigates claims that elements of the Puebla-Panama Plan lack social and environmental perspective. In addition, it highlights examples of communities being excluded from the planning process for a project that will eventually affect them either directly or indirectly. The Oaxaca-Istmo-Huatulco highway project may be one example of this exclusion, as the communities involved have not been adequately informed or consulted about the highway, and have not been able to determine the link between this local highway and other highways contained in the initial PPP documents. The report also examines the link between the PPP, NAFTA, and the proposed Free Trade Area of the Americas (FTAA). This summary begins with a brief description of the region and its economy.

## **I. Introduction to the Region**

### **A. Southeastern Mexico: Background**

Southeastern Mexico is composed of the states of Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz and Yucatan, with a combined surface area of 502,738 square kilometers, or 25.7% of the national territory. Approximately 27.5 million people, or 28.3% of Mexico's population, live in this region. In addition, nearly 75% of all Mexican residents over five years old that speak an indigenous language live in this region.

***Map 1. Southeast Region of Mexico***



**Table 1. Indigenous And Total Populations Of Southeast Mexico**

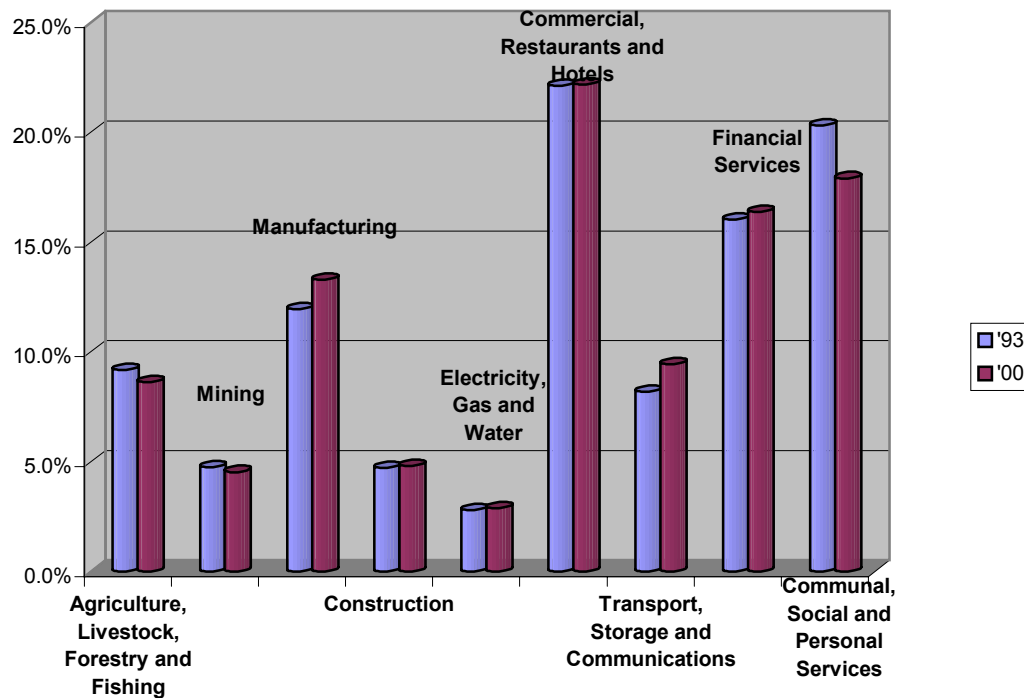
State	Total Population, 2000	Population over 5 Years Old that Speaks An Indigenous Language, 2000
Campeche	690,689	93,765
Chiapas	3,920,892	809,592
Guerrero	3,079,649	367,110
Oaxaca	3,438,765	1,120,312
Puebla	5,076,686	565,509
Quintana Roo	874,963	173,592
Tabasco	1,891,829	62,027
Veracruz	6,908,975	633,372
Yucatan	1,658,210	549,532
Regional Total	27,540,658	4,374,811
National Total	97,483,412	6,044,547

*Source: INEGI, XII General Census of Population and Housing, 2000*

The economies of the southeastern states depend heavily on agriculture, industry, services, commerce and transportation. In 1993, transportation and services generated 45% of the Gross Domestic Product (GDP), the commercial and tourism sectors generated 22%, the industrial sector generated 12% and agriculture generated 9% of the GDP.

The implementation of NAFTA, beginning in 1994, has apparently not had a significant effect on the macro-economic structure of this region. By 2000, transportation and services declined slightly (to 44%) and industry grew slightly (from 12 to 13%), but the overall economic distribution remained largely the same (see Chart 1). Agriculture declined from 9 to 8% of regional GDP. Although the structure did not change significantly, the overall GDP still rose approximately 20% during the seven-year period, due mostly to growth in the commercial, tourism and financial service sectors.

**Chart 1. Percent of Gross Domestic Product, 1993 vs. 2000 by Major Economic Sector, Nine Southeastern States**



Note: Total GDP for the nine states was \$212 billion pesos in 1993 and \$255 billion pesos in 2000, in 1993 prices.

Source: INEGI, Sistemas de Cuentas Nacionales de México, 2002.

Although it represents less than 10 percent of the regional GDP, the Southeast contains approximately one third of Mexico's agricultural land, and accounts for about 30% of the total national agricultural production value.<sup>1</sup> The region is the country's principal source of several crops, including cocoa, figs, pineapples, coffee, cherries, papayas, radishes, peanuts, sugar cane, mangos and oranges. These crops thrive due to the abundance of water and the hot, humid climate. The region's jungles and forests also occupy an important place in society, although they are increasingly being harvested. Despite providing jobs and potential economic gains, aggressive forestry in the region has had serious social and ecological consequences, especially in Chiapas and Oaxaca.<sup>2</sup>

<sup>1</sup> *Secretary of Agriculture, Livestock and Rural Development, Annual Agricultural Production Statistics, 1999*

<sup>2</sup>For a good discussion of problems with forestry management in the Lacondon jungle of Chiapas, see Environmental Law Institute, "Chapter 4: The Montes Azules Biosphere Reserve," in *Legal Aspects of Forest Management in Mexico* (Washington, D.C.: ELI, April 1998)

**Table 2. Importance of Agriculture in Southeast Mexico, 1999**

State	Planted Area (hectares)	Production Value (billion pesos)
Campeche	216,414	\$0.9
Chiapas	1,533,913	\$8.5
Guerrero	828,460	\$5.4
Oaxaca	1,183,781	\$7.7
Puebla	1,001,771	\$7.3
Quintana Roo	122,006	\$0.4
Tabasco	303,069	\$2.1
Veracruz	1,664,157	\$14.7
Yucatan	787,514	\$1.6
Regional Total	7,641,085	\$48.6
National Total	21,983,180	\$164.0

*Source: Secretary of Agriculture, Livestock and Rural Development, Annual Agricultural Production Statistics, 1999*

Since NAFTA took effect, there has been a noticeable change in Mexico's corn imports from the United States. From 1994 to 2000, annual imports rose from 3.1 metric tons to 5.2 metric tons, due in part to the elimination and reduction of tariffs.<sup>3</sup> The more dramatic changes in corn production since NAFTA have taken place in northern Mexico, where low prices, droughts and competition with imports have led to a shift away from corn and toward fruit and vegetable production for the export market. In southeast Mexico – especially in the state of Oaxaca – the planted area and production levels of "traditional" products like corn, beans, sorghum and wheat have matched – and even surpassed – pre-NAFTA levels. In 1994, growers cultivated 510,000 hectares of corn in Oaxaca, while in 2000, that number reached 565,000. One reason why producers could maintain this level is that the imports – or competition – has not reached the South in the same way as it has reached the North. The more traditional diets and lifestyles of the southeastern populations have led to a greater reliance on local sources of production than on imported agricultural products. Southern populations are also more likely to make their own corn tortillas than they are to buy commercial corn or wheat tortillas, which also affects demand.<sup>4</sup>

<sup>3</sup> As reported in Nadal, Alejandro. "Issue Study 1. Maize in Mexico: Some Environmental Implications of the North American Free Trade Agreement (NAFTA). *Assessing Environmental Effects of the North American Free Trade Agreement (NAFTA)*. Montreal: Commission for Environmental Cooperation, 1999.

<sup>4</sup> For more discussion of the issue of corn production in the southern states versus the northern states, see Ackerman, Frank, Luke Ney, Kevin Gallagher and Regina Flores, Global Development and Environment Institute, *Environmental Impacts of the Changes in U.S. – Mexico Corn Trade under NAFTA*, Draft, (Montreal, Canada: Commission on

Still, there is considerable concern that over time, low-cost imports of corn and other crops could supplant Mexican farmers. In addition, recent reports show that much of the imported corn is genetically engineered, which leaves Mexican corn susceptible to genetic pollution.<sup>5</sup> Mexico is the source of corn's greatest genetic diversity, but increased imports of modified strains of corn threaten this diversity.

### **The Maquiladora Industry**

The industrial sector has also increased its presence in the Southeast in recent years, although not as dramatically as in the North or center of the country. Overall, the region's participation in the national GDP for manufacturing has actually fallen since NAFTA's enactment, contrary to most expectations.

The industrial growth in the Southeast has been concentrated in the number of maquiladora factories and jobs in the maquiladora export sector (see Table 3). Maquiladoras are manufacturing and assembly plants owned mainly by non-Mexican companies. Raw materials are delivered to the maquiladoras for assembly, and then the final product is exported with minimal taxation. In 1990 the southeastern states had only 2,950 people working in maquiladoras. This figure reached more than 13,500 in 1995, or two percent of the national total. In 2000, the southeastern states had almost 80,000 people working in maquiladoras, the majority of them – some 71,000 – in Puebla and Yucatan, where there were more than 235 factories. In contrast, in 1998 there was only one registered maquiladora in the state of Oaxaca.

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Environmental Cooperation, January 2002). Available at [http://www.cec.org/pubs\\_docs/documents/index.cfm?varlan=english&ID=637](http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=637).

<sup>5</sup> Michael Pollan, "Genetic Pollution." *The New York Times*, Dec. 9, 2001 – Sec. 6, p. 74

**Table 3. Number of People Working in Maquiladoras, Selected States, 1993-2002**

<b>Year</b>	<b>Puebla</b>	<b>Yucatan</b>	<b>Two-State Total</b>	<b>% of National Total</b>
1993	4,547	5,342	9,889	2.52%
1994	5,582	5,819	11,401	2.23%
1995	7,579	6,280	13,859	2.42%
1996	12,120	8,029	20,149	2.90%
1997	14,907	10,897	25,804	3.09%
1998	22,818	15,881	38,699	4.03%
1999	29,694	24,984	54,678	4.99%
2000	38,008	32,833	70,841	5.51%
2001	36,988	31,795	68,783	5.72%
2002	29,669	28,401	58,070	5.45%

*Source: INEGI, System of National Accounts of Mexico*

When the maquiladora program began in 1965, the emphasis was on creating Northern border facilities that could easily export to the United States. Later, Mexico began to promote the establishment of maquiladoras in the Mexican interior. Both nationally and in the Southeast, the highest growth in the maquiladora industry took place following NAFTA's enactment through 2000. The recession in the U.S. has led to recent declines in the industry, however.

In terms of jobs, investment and exports, the recent growth in the maquiladora industry does not directly relate to NAFTA, but instead has more to do with the devaluation of the peso in 1994. In less than a month, the cost of labor fell by half, encouraging investment in Mexico through the maquiladora program. The increased demand for products by the United States market has also contributed to the industry's expansion.

Still, certain NAFTA provisions affect aspects of the maquiladora program and provide an incentive for the establishment of new maquiladoras in the Mexican interior. For example, NAFTA eliminated the tariffs on exported products from Mexico to the United States, making this commerce more affordable. At the same time, NAFTA eliminated the quotas that set percentages of goods that maquiladoras had to export, meaning that the facilities could now

choose to sell 100% of their products in Mexico. This, too, led to more maquiladoras in central and southeastern Mexico.

The growth in the maquiladora sector accounts for most of the manufacturing growth in certain southeastern states. Other states like Oaxaca, Chiapas and Campeche, experienced relatively little growth in the number of employees in the industrial sector. The economic growth in these states has been concentrated primarily in the mining, financial services and tourism sectors.

**Table 4. Manufacturing Sector Employment in Southeast Mexico, 1988-98**

State	Manufacturing Sector Employment, 1988	Manufacturing Sector Employment, 1993	Manufacturing Sector Employment, 1998	Percent Annual Change, 1988-98
Campeche	7,264	11,658	8,547	1.77%
Chiapas	20,754	27,451	30,342	4.62%
Guerrero	17,330	39,266	36,636	11.14%
Oaxaca	32,653	43,413	52,176	5.98%
Puebla	115,622	167,056	225,188	9.48%
Quintana Roo	5,700	8,575	9,364	6.43%
Tabasco	15,488	19,839	20,939	3.52%
Veracruz	121,327	122,355	132,809	0.95%
Yucatan	33,630	18,346	69,936	10.8%
Regional Total	369,768	457,959	585,937	5.84%
National Total	2,671,349	3,340,973	4,232,322	5.84%

Source: INEGI, *Industrial Census XIII, XIV y XV*.

Although not a significant factor in the regional GDP, mining – which includes the petroleum exploration sector and the gold and sulfur mining operations – is locally important in some areas. For example, in 2000, the nine southeastern states produced 2.9 percent of the country's gold and 2.4 percent of the silver; 3.1 percent of the lead and 4.4 percent of the zinc; and 54 percent of the sulfur, principally in Tabasco, Oaxaca and Veracruz.<sup>6</sup>

Four southeastern states – Campeche, Tabasco, Veracruz and Puebla – are petroleum and natural gas production centers. These four states – with Campeche and Tabasco leading the country in

<sup>6</sup> INEGI. National Institute of Statistics. Institute of Economic Statistics. *Estadísticas de la Industria Minerometalúrgica*



hydrocarbon production – produced 98% of Mexico's crude oil and 66% of the country's natural gas in 2001.<sup>7</sup>

Currently, less than 6% of Mexico's exports come from the Southeast. Many of the Puebla-Panama Plan supporters feel that this is due to poorly developed infrastructure. Mexico's current transportation system was designed in an east/west radial fashion, meaning that many highways and trains pass through the center of the country regardless of their destination. This system is not conducive to the export of products from Central America to the United States or vice versa. Proposals under the PPP would include corridors that permit the rapid transit of people and goods from one end of the country to the other (north/south).

### **B. The Isthmus of Tehuantepec: Local Background**

The Isthmus of Tehuantepec is the narrowest point of Mexico, stretching 220 kilometers between the Gulf of Mexico to the north in Veracruz and the Pacific Ocean to the South in Oaxaca (See Map). It is composed of two large plains amidst the Sierra Madre mountain range of Oaxaca, as well as the Sierra Atravesada, with little change in elevation between the two oceans. The area of southeastern Mexico that surrounds the Tehuantepec Isthmus has the country's highest rates of extreme poverty as well as the lowest literacy rates and worst access to basic services, as compared to the national average. This profound poverty contrasts sharply with the region's rich culture and biodiversity. Overall, Mexico is home to 10 percent of the world's animal species and is included on the list of the planet's 12 megadiverse countries.

The Tehuantepec Isthmus has high annual rainfall, fertile soil, rich biodiversity and, more importantly, is one of the shortest distances between the Atlantic and Pacific Oceans. The quantity and quality of natural resources in the area have peaked the interest of those wishing to take advantage of both the resources and the potentially abundant labor of the local, largely indigenous, communities.

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<sup>7</sup> Preliminary Data from PEMEX, Gerencia de Evaluación e Información, Mexico, 2002.

## Map 2. Tehuantepec Isthmus



Former Mexico President Ernesto Zedillo brought attention to the region in the early 1990s with the “Megaproject of the Isthmus of Tehuantepec.” The Megaproject called for creating an infrastructure network of canals, railroads and highways that would rival the Panama Canal. Although the Megaproject failed to develop in its first incarnation, many view the current plans for the Isthmus, in part through the PPP process, as simply the next "megaproject" to develop the region.

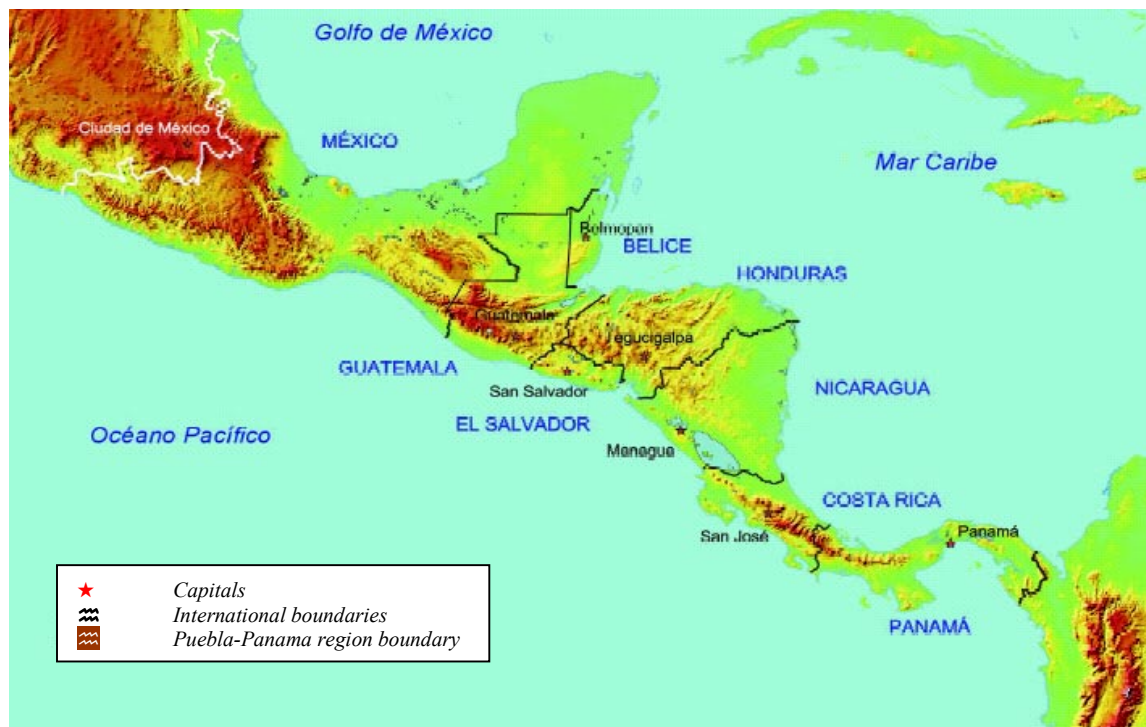
One of the proposed infrastructure improvements is a superhighway, stretching from Huatulco on the southern Oaxaca coast through the Tehuantepec Isthmus to the Capital City of Oaxaca. Along this proposed route in the Isthmus are communities composed chiefly of Zapoteca and Chontales indigenous peoples. These communities are rich in customs and traditions, make their living principally through agriculture, and often own land communally. In addition to its rich

biodiversity, there are vast mineral deposits as well as water resources, with several major rivers, in the Tehuantepec region.<sup>8</sup>

## **II. A Vision and a Plan**

In March 2001, Mexican President Vicente Fox officially released the Mexican segment of the Puebla-Panama Plan. The Plan includes projects in Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, as well as in the southeastern region of Mexico. The PPP areas in the states of Chiapas and Oaxaca are home to the greatest concentration of biodiversity in Mexico. This conflict between rich biodiversity and impoverished constituency is critical to the debate over the Puebla-Panama Plan, the stated goal of which is to encourage development that will improve the quality of life for the population.

**Map 3. Puebla-Panama Region**



Source: National Institute of Statistics, Geography and Informatics, <http://www.inegi.gob.mx>

Mexico's 2001-2006 National Development Plan provides a framework for governmental projects and programs that closely reflects the themes of the Plan Puebla-Panama. The

<sup>8</sup> According to the 2000 Mexican Census, there are about 4,000 miners in Oaxaca; about 700 of those live

Development Plan's goal for 2025 is to help make Mexico a nation *that will have achieved a reduction of its extreme social inequalities and that will offer its citizens opportunities for integral development and a life based on the respect of the law and on the real exercise of their human rights.*<sup>9</sup> Much of the same language appears in the Plan Puebla-Panama's initiatives, which include references to human rights, sustainable development and environmental protection. The announcement of the PPP was also accompanied by the Interamerican Development Bank's announcement of its eight "Mesoamerican initiatives": Sustainable development, human development, disaster prevention and mitigation; tourism; facilitation of commercial exchange, transit integration, energy interconnection and telecommunications. All of these initiatives receive consideration under the PPP.

### **III. Relationship between NAFTA and the PPP**

On the surface, there is no direct relationship between the North American Free Trade Agreement (NAFTA) and the Puebla-Panama Plan. On the one hand, NAFTA is an international trade agreement between Mexico, the United States and Canada signed in 1993 and implemented in 1994. Over a period of 15 years, NAFTA will gradually reduce and eliminate tariffs and customs duties on products moving between the three countries and will prevent the implementation of non-tariff trade barriers. The Agreement also states that all investors from member nations must receive equal treatment from the country in which they are investing. NAFTA seeks to increase trade, investment and economic growth and establishes rules for international commerce and investment.

The Puebla-Panama Plan, on the other hand, is a series of programs authorized by the Mexican government, the seven Central American countries and the Inter-American Development Bank, among others. The programs will attempt to modernize several sectors including agriculture and industry, while improving transportation infrastructure and investment in social development programs like education and health. For the most part, the PPP is not an agreement that considers tariff changes or new investment rules, although it does call for harmonization of some highway construction regulations and energy systems among different governments.

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in municipalities making up the Tehuantepec District.

<sup>9</sup> Mexican Government, National Development Plan; <http://pnd.presidencia.gob.mx/pnd/cfm/index.cfm>

There is an indirect relationship between NAFTA and the PPP, however, because the goal of the PPP is to permit southeastern Mexico and Central America to better take advantage of NAFTA's "benefits" by fully integrating these regions into the economies of the United States and Canada. The proponents of the Plan argue that poverty in southeastern Mexico and Central America is partially due to the lack of commercial opportunities in the region. The Plan also addresses the lack of education and practical training in the area, and highlights the importance of assisting indigenous residents to speak Spanish.

In essence, the idea behind the PPP is that if governments invest in infrastructure and social development, then the private investment will follow, creating jobs and facilitating the export of goods to the United States and Canada.

The PPP is also a preparatory step toward a potential Free Trade Agreement for Central America (sometimes called CAFTA) being pushed by the Bush Administration, as well as a Free Trade Agreement of the Americas (FTAA), which would essentially be a NAFTA for the entire American continent, except for Cuba.<sup>10</sup> Government leaders are still debating the FTAA, which probably would not take effect before 2005. If approved, then the lack of tariffs anywhere in hemispheric trade might mean that Central America and southeastern Mexico would see a substantial increase in the circulation of goods, trucks, ships and planes. The patrons of the PPP are eager to prepare the region for this possibility.

NAFTA creates the rules for southeastern Mexico's incorporation into the North American, and even the global market, facilitating investments, lowering tariffs and preventing the creation of non-tariff trade barriers. Although NAFTA has led to some economic changes in the Southeast, the impacts have not been as visible as in other parts of Mexico. The region's agriculture has not yet modernized and is not oriented toward export, nor has the "traditional" agriculture disappeared. So far the expected investments have not been seen, but supporters of the Puebla-Panama Plan consider the PPP the next step toward assuring "successful" economic integration throughout Mexico.

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<sup>10</sup> Robert Zoellick, United States Trade Representative "Administration to Proceed on Central America Trade Agreement," Letter to Congress, August 22, 2002 Available at <http://usinfo.state.gov/regional/ar/trade/02082302.htm>.

#### **IV. PPP Breakdown**

*“The goal of the Puebla-Panama Plan is to take advantage of the human and ecological riches of the Mesoamerican region within a framework of sustainable development and respect for its ethnic and cultural diversity. In order to achieve this goal, the Plan proposes a strategy for the region that includes a series of Mesoamerican initiatives and projects.”*

-Interamerican Development Bank; <http://www.iadb.org/ppp>

The mission statement of the Mexican chapter of the PPP is *to promote and consolidate sustained and sustainable development through the coordinated and accelerated adoption of political policies and programs as well as public and private investment projects.*<sup>11</sup> In order to achieve these goals, the PPP proposes significant reforms to some of the region’s major sectors:

- **Agriculture and Livestock**

In order to increase agricultural productivity in southeastern Mexico, the PPP endorses *technological investment, an increased number of animals per hectare and finding a productive use for lowlands with high residual humidity.* The PPP also cites the need to expand irrigation and livestock infrastructure to create large plantations for palm oil, coconut oil, oilcloth and cocoa. The Plan calls for modifying any laws that inhibit this expansion from taking place.

Many see such agricultural reforms as simply a way to attract investors, and various NGO’s have actively warned of the dangers of massive plantations such as eucalyptus trees for paper. Trying to develop plantations of non-native species or practicing large-scale monocultivation could potentially mean increased poverty due to rapid farmland deterioration, as well as the loss of biodiversity. These practices can also affect traditional consumption patterns and the diversity of locally-produced crops, potentially threatening the region’s cultural heritage and the natural environment.

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<sup>11</sup> Conectividad de la Propuesta Regional de Transformación y Modernización de Centroamérica y del Plan Puebla-Panamá; April 30, 2001; Inter-american Development Bank; [http://www.iadb.org/ppp/files/documents/ot/ot\\_ppp\\_100\\_db\\_es.doc](http://www.iadb.org/ppp/files/documents/ot/ot_ppp_100_db_es.doc)

- **Industry and Energy**

One of the stated goals of the Puebla-Panama Plan is to increase industrial productivity for greater exporting potential. A large part of the industrial plan involves the installation of an energy network to facilitate production in the region. As part of the larger Electric Interconnection System for Central American Nations (SIEPAC), the energy upgrades are also meant to increase the quality of life for residents in rural areas.

Many economic advisors and government leaders want to see growth in economic activities in which southeastern Mexico possesses a comparative advantage. The climatological conditions, agricultural and biological diversity, abundance of water, hydrocarbon reserves, historic and ecological sites and abundant human resources should give production in the Southeast an edge. Through Mexico's commercial treaties with other countries, leaders hope to see more exports from this region to achieve greater reciprocity with trade partners. Many leaders also feel that the potential for a Free Trade Agreement of the Americas necessitates increased industrial production in this area.

Legal reform is another essential component to the PPP industrialization strategy. Leaders hope to see changes in regulations and norms to increase productivity and attract investment. While legal cooperation between levels of government may help assure that laws and regulations do not become barriers to trade, many fear that such reforms might weaken existing social and environmental protections.

- **Development of “urban nodes”**

Infrastructure systems can be difficult to design in sparsely populated areas like southeastern Mexico. To deal with the area's low population density, the government proposes to encourage citizens to resettle in denser, more concentrated "nodes" of population. The Plan calls for promoting jobs in urban centers and improving the quality of life for rural citizens, who in theory would receive greater access to health services, education and transportation in the urbanized “nodes.” Bilingual education will be an integral part of the Plan, in that monolingual indigenous

populations will be taught Spanish to “permit them to acquire the skills and knowledge to integrate to their advantage with the labor markets.”

The creation of the planned city “nodes” contrasts sharply with many traditional and indigenous lifestyles. Cultures that do not assign ownership to lands but instead live communally might be profoundly affected by relocation programs. If a majority of traditional communities decide to reject the offers to relocate, then many fear the *forced* relocation of rural farmers to planned city “nodes.”

According to officials, health care improvements may include programs “specifically oriented toward the attention of the most vulnerable indigenous groups, and in particular toward the problems associated with maternity, reproduction and premature birth.” Some community members fear that the government or certain NGOs might begin birth control or even sterilization programs in the region to control population growth. Experience with the existing maquiladoras in Mexico have also caused fears over working conditions in the new labor centers, particularly with regard to women.

- **Transportation**

Population growth has strained the now inadequate transportation systems in southeastern Mexico, and the shoddy construction of many of the region’s roads makes the situation even more serious. The PPP therefore calls for major improvements and developments in transportation, especially near the major centers of manufacturing, agriculture, livestock, forestry, fishing, and tourism. Under the heading of the International Mesoamerican Road Network (RICAM), three highway investment programs are proposed for Mexico: the Puebla-Panama Corridor, the Atlantic Corridor and the Mexican Interior Corridor. In essence, these corridors correspond to a Pacific route, an Atlantic route, and a North-South highway system, respectively.

In addition to the three new corridors, improvements to existing highways are also a major part of the PPP transportation plan. The International Mesoamerican Road Network attempts to use transportation infrastructure to take advantage of the region's strategic location between the three, large commercial blocks (Europe, Asia and the United States). In theory, the transportation projects would permit the efficient movement of goods between the Pacific and the Gulf of Mexico, and would connect the region to the principal markets of the world.



## **V. The Oaxaca-Istmo-Huatulco Highway Project: Presentation and Reaction**

Alongside the much larger Puebla-Panama Plan, Mexico is planning some of its own, internal infrastructure projects. One such project being considered is the Oaxaca-Istmo-Huatulco highway project, which has numerous critics along its proposed path. It has been difficult to obtain many specifics about the highway's trajectory, but the plan seems reminiscent of the original proposal for the Megaproject of the Isthmus of Tehuantepec.

The local populations' uncertainty over the highway's path, as well as other projects encapsulated in the PPP, have created great concern in the region, and citizens fear potential violations of human and cultural rights. The communities presumably affected began organizing to get the information about the highways that could potentially affect them. Eventually brigades of engineers and topographers arrived in the region, sometimes without authorization, to survey lands and to take aerial photographs for viability studies of the proposed highway. When leaders began studying what the stretch of the Oaxaca-Istmo-Huatulco highway might look like, no one had publicly explained which communities would be affected by the highways. Despite repeated requests by the Centro de Derechos Humanos Tepeyac del Istmo de Tehuantepec, A.C. and by the Chontal and Zapoteca communities of the Sierra Sur, government officials did not provide this information.

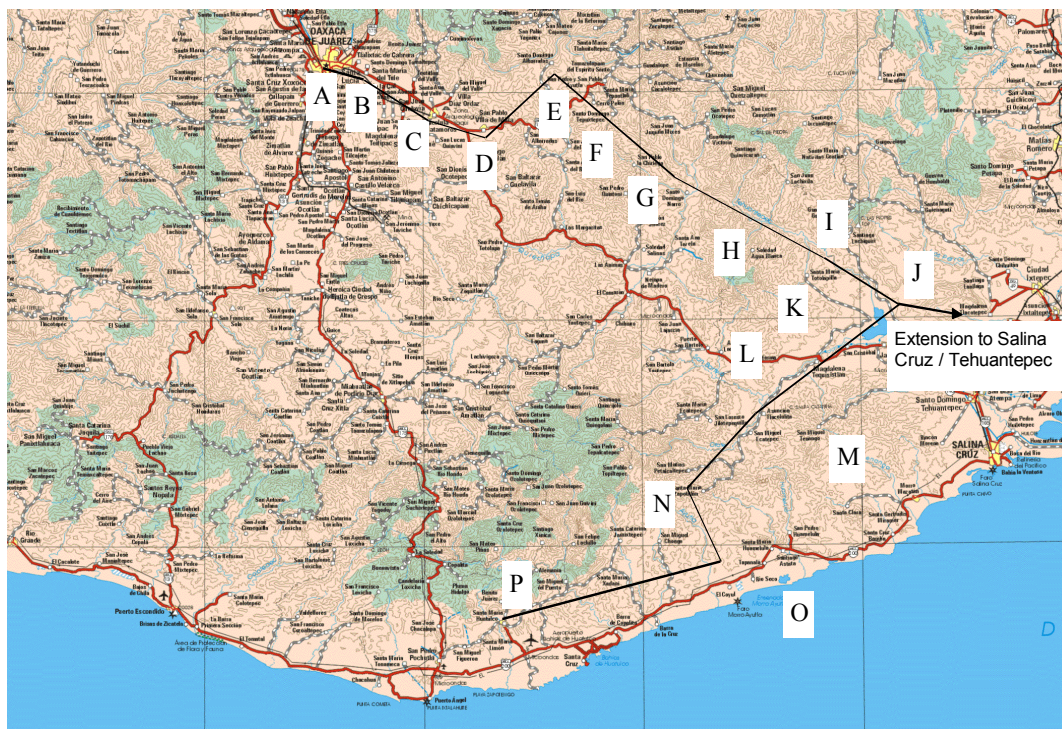
In 1999, then-President Ernesto Zedillo and the governor of the state of Oaxaca, José Murta, inaugurated the Oaxaca-Istmo-Huatulco Project and announced it to the press, indicating that communities in opposition would have their land expropriated. It was not until January 2002 that the Office of Federal Highway Projects under the Secretary of Communication and Transportation provided any information about the path of the highway, allowing the Centro de Derechos Humanos to publicize this information. Some of the surveying marks made in these communities reportedly crossed farms, water sources and human settlements.

Representatives from many of the potentially affected communities traveled to the District of Nochixtlán to speak with villagers who had been affected by the construction of the Mexico City-Oaxaca Highway. They learned that – in the case of the Mexico City-Oaxaca Highway – the authorities had not kept all of their promises to the local communities, like building bridges to allow pedestrian crossing of highways, paying for expropriated lands and constructing

neighborhood walkways. The construction of the highway, it seemed, had provided no real benefit to the local communities. In fact, some residents allegedly had to pay for the use of the highway and had to walk farther to reach their lands or to take their animals to pasture.

# Path of the Oaxaca-Istmo Highway Project, with Extension to Huatulco\*

Source: Oficio 105.1.086, January 16, 2002, signed by Horacio Zambrano Ramos, Director General of the Proyecto de Carreteras Federales, SCT, and directed to Abgdo. Javier Balderas Castillo, Director of the Centro de Derechos Humanos Tepeyac.



## Map Symbol

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## Reference

Entronque Guelatao en Oaxaca, Oax.  
Santa María del Tule  
Tlacolula de Matamoros  
San Pablo Villa de Mitla  
Santa Domingo Albarradas  
Santo Domingo Tepuxtepec  
Santo Domingo Narro  
Río Tehuantepec  
Santa María Totolapilla  
Santa María Jalapa del Marqués  
Magdalena Tequisistlán  
Asunción Tlacolulita  
San Miguel Ecatepec  
Santa María Zapotitlán  
El Coyul  
Santa María Huatulco

## Distance

Endpoint  
2 km to the south  
passes through  
2 km to the south  
1 km to the south  
2 km to the west  
1 km to the north  
Left hand margin  
7 km to the north  
8 km to the north  
3 km to the north  
2 km to the north  
2 km to the west  
2 km to the west  
5 km to the north  
Endpoint

\*Note: This information is an estimate of the highway's path, based on the limited information that has been published regarding its route.

Engineers did more surveying of the Isthmic region through 2000. Requests by local residents to participate in the project's planning continued to be ignored despite citizen declarations and assemblies. The latest available description of the highway's path would disrupt several communities. In Guadalupe Victoria, for example, the path might affect the only water source available to the mangrove and nance trees. In San Juan Alotepec, the stretch of highway might affect a cavern containing tribal relics, pottery shards and human remains. In Asunción Tlacolulita, the local river and planting beds may be crossed.

Particularly troubling are the highway project's potential effects on traditional communities and social structures. Many local residents fear that the projects might rupture communal forms of living. In cases where the highway might cross fruit orchards, like in Agencia Municipal Guadalupe Victoria, the economic livelihood of the community is at stake. Until now, policymakers have not clearly outlined the terms for indemnization payments for appropriated land, but residents hope that these rules take into account the possible harm caused by such invasive development.

## **VI. Public Input and Response to the Puebla-Panama Plan**

One of the objectives of the PPP, according to its proponents, is to increase the participation of the general public in development. This participation, it was announced, would help to define and implement shared objectives. The PPP suggests that large projects would be submitted to a careful analysis by society, paying particular attention to respecting and preserving the rights and cultures of indigenous peoples and helping to accommodate their opinions in the projects' design. Although more and more public forums have been taking place, many residents are concerned because the process remains essentially a top-down, dictated plan. Instead of holding forums to discuss what community members want to see in the plan, leaders solicit public comment on what has already been proposed. It seems unlikely that the public will be able to present its own projects or alternatives to development.

Among the more recent examples of resistance to development without consultation is the Forum for the Right to Information and Consultation, which took place in August 2001 in response to the Transisthmic Megaproject in Tehuantepec in Oaxaca. Various social organizations and

indigenous community representatives attended, and the delegates developed regional strategies for resistance. Local communities, especially indigenous communities, are concerned that under the guises of environmental protection, more damage will be done to the region's biodiversity, and they will lose access to their lands.

The current conflict between proponents of the PPP and local indigenous communities is just the latest in a series of disagreements that were supposed to be resolved by the San Andrés Accords of 1996. The Accords theoretically assured "*that legislation should recognize the indigenous peoples as the subjects of the rights to free determination and autonomy*" as well as "*the right of indigenous peoples to the use...of the natural resources of the territories that they occupy or utilize.*"<sup>12</sup>

These initiatives stem from the Commission of Concordance and Peace (COCOPA), which itself developed out of the Law for the Dialogue, Reconciliation and Dignified Peace in Chiapas, enacted on March 9, 1995. COCOPA continues to propose legislation that would protect indigenous rights and provide citizens increased access to regional planning information.

The PPP claims that it will seek to protect the environment and use natural resources sustainably, but the proposed highways cross important ecological niches and may have serious environmental consequences. Due in part to pressure by the Chontal and Zapoteca populations, some highway paths have been altered. Local residents continue to urge government leaders to include them more in the planning process in order to avoid further disputes and damage to communities or the environment.

Infrastructure upgrades are certainly important for the health and safety improvements they can bring. Improved highways and trains can facilitate regional travel and evacuation due to natural disasters. The concern in the case of the Puebla-Panama Plan is that the local communities are not being included in the planning of the "improvements" that may directly affect them. In addition, many of the reforms seem to be proposed in the name of *growth*, not sustainability or goodwill. For example, the Plan indicates that education infrastructure should be improved in order to produce better skilled workers, and transportation improvements should be made in order to facilitate commerce.

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<sup>12</sup> International Service for Peace, Summary of the Comments of CONAI (National Mediation Commission) on President Zedillo's Legislative Proposal on Indigenous Rights and Culture; March, 1998; <http://www.sipaz.org/info/indrghte.htm>

The opposition to the Puebla-Panama Plan continues to organize itself to achieve a more sustainable type of development.<sup>13</sup> In March 2001, the First Mesoamerican Forum in Tapachula, Chiapas was held, with the theme, “The People Before Globalization.” During the forum, leaders called for the construction of an alternate plan called the Panama-Mexico Plan, which would better represent community interests. November 2001 brought the Second Mesoamerican Forum, in Xelajú, Guatemala. This time the 800 delegates confirmed their renunciation of the official Puebla-Panama Plan. Most recently in July 2002, the Third Mesoamerican Forum in Managua, Nicaragua highlighted opponents’ objections to the Plan:

Despite being presented as an alternative for our people, the PPP is a geopolitical project that seeks to construct in Mesoamerica an area of services and infrastructure designed from the perspective of transnational corporations, oligarchic national groups and international finance organizations. All of these are done with the objective of exploiting our natural resources and the manual labor of our people.

– Third Mesoamerican Forum, Managua, July 2002

As the Puebla-Panama Plan takes shape, issues of indigenous rights and public participation will play a central role in determining the viability of the Plan. In the specific case of the Oaxaca-Istmo-Huatulco Highway Project, it appears that information is not being adequately distributed to local populations, nor are alternatives being considered. Human and cultural rights groups will continue to campaign for access to information about plans that affect them and attempt to either prevent these plans or influence them until they are satisfied that not only is development being done in their best interest, but that they are active participants in the development process.

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<sup>13</sup> Information from Third Mesoamerican Forum, Managua, preliminary version, July 2002, Red Mexicana de Acción frente al Libre Comercio; <http://www.rmalc.org.mx/>

For more information

You can request the complete report, entitled *Intereses y Resistencias: Corredor Carretero Oaxaca-Istmo-Huatulco*, available only in Spanish, from:

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