

admired in the long run, remembered as a true statesman.

Frankly, having described what I think ought to happen, I am most doubtful that it will. Deep, wrenching shifts in political thinking do not usually occur without lots of painful friction

first. I expect US elites and others around the world will have to see some strong, bloody evidence that their system is broken before they'll act. We can be sure of this much: None of these grave matters will be discussed at Cancún. ■

IN 'THE OTHER' CANCÚN, TOURIST-INDUSTRY WORKERS LIVE IN POVERTY AND SQUALOR.

Behind Globalization's Glitz

MARC COOPER

Cancún, Mexico

Hardly a day has gone by in the past month without the local press running a front-page panic story—sometimes two or three—warning of an impending invasion of what are routinely called *globalifobicos*, or globalophobes. A favorite international convention site, Cancún will host the Fifth World Trade Organization Ministerial Conference on September 10–14, and something like 20,000 people are expected to stage a series of protests and marches—demonstrations the local tabloids giddily predict will turn into a south-of-the-border version of the 1999 Battle of Seattle [see Tania Molina Ramírez, page 18].

The protest agenda is long and complex, but the demonstrators can all agree on one point: Cancún itself is one of the world's most dramatic showcases of the gross inequities of the global economic system. The WTO—the controversial agency that sets the rules of international trade—certainly didn't intend it to be this way. But when the demonstrators are asked by reporters why they're rallying and marching, they'll be able simply to point to the city around them. "Cancún is a prime example of a type of foreign investment and a type of development without any rules to protect the work force, the environment, or to guarantee public services," says Fernanda Castejon of the Mexico office of the antihunger group Oxfam. "Cancún is everything that should not be done when it comes to economic models. If the goals of an expanded WTO are ever achieved, the world will be full of Cancúns."

It's not only the widening gulf between rich and poor that's on vivid display in Cancún. In an ironic twist, some of the wealthier "haves"—the same entrepreneurs who have long profited from Cancún's rich natural resources and cheap and abundant labor—now also find themselves threatened by the hurricane forces of globalization.

This beach resort of 100 luxury hotels crowded onto a narrow thirteen-mile sandbar sits strategically perched on the northern tip of the Yucatán Peninsula, making it the Caribbean tourist destination most accessible to the greatest number of US cities. That's no doubt the primary reason Mexican



government planners conducting computerized surveys chose this site for tourist development thirty-five years ago—a time when Cancún was uninhabited swamp, everglade and jungle.

Now drawing almost 3 million visitors a year to its white sands, 85-degree turquoise seas and no-rules cantinas, this city that was built from scratch is the most popular vacation spot in Mexico. While still a distinct minority among the visitors, the number of domestic—Mexican—tourists continues to grow. One reason

is rapidly falling hotel prices. But other cultural observers say, wryly, that the reason for Cancún's increasing popularity among Mexicans is that coming here is sometimes the easiest, no-hassle way for Mexicans to "leave Mexico" for a weekend or so.

Indeed, finding a small, family-run Mexican *taqueria* or *panaderia*—a taco stand or a traditional bakery—is much easier in downtown Los Angeles or Chicago than it is in Cancún. This city, or at least its heavily trafficked hotel zone—"a mirage," as Castejon calls it—is neither Mexico nor even an extension of the United States. It is a place that floats suspended in its own unique physical, psychological and commercial space—a sort of globologoland. Even the hordes of American college sophomores who invade by the thousands during spring break and carouse from one all-you-can-drink bar to another are sometimes surprised to find that Cancún is more like home than home itself. Pizza Hut, McDonald's, Subway, KFC, TGI Friday's, Outback and many other US franchise outlets occupy most of the hotel zone's commercial space. Cancún's street life, especially at night, seems to center on the Forum by the Sea mall, anchored by the Hard Rock and Rainforest Cafes. A double scoop of ice cream in a waffle cone at the mall's Häagen-Dazs store costs \$7.50—more than in Miami or Manhattan.

Tourists might be surprised to hear that's twice the daily minimum wage—which is what is paid to many workers who toil in the glittering hotels—in this Mexican state of Quintana Roo. Not that there's much contact between the tourists and the 700,000 Mexicans who live in and around Cancún. A de facto economic and social apartheid keeps the two worlds of Cancún—the served and the server—quite distant except when conducting necessary business. "I've worked here twenty-two years, and never once have I been able to bring my kids to this beach," complains Sonia, a middle-aged single mother of two who serves drinks and

snacks to sunbathers at a four-star oceanfront hotel. She earns 50 pesos a day (about \$4.50), sometimes tripled by tips. "Employees and their families are simply not allowed to use the facilities," she says. "We're prohibited."

"Go just about anywhere in the world and the city, its streets, its markets, its people, are all part of the tourist attraction. Yet, here in Cancún, they hide it," says Araceli Dominguez, a leader of the local environmental-action group known as GEMA. Hiding it might be somewhat of an exaggeration. But certainly the bulk of foreign tourists hardly know of the existence of the actual city of Cancún, legally known as the municipality of Benito Juárez.

The gritty downtown sits immediately adjacent to the hotel zone. Even here small local business has been pushed out by big-box franchises, including two Wal-Marts, a Sam's Club and an Office Max. The inner rings of the city consist of graffiti-covered tenements—incubators of a robust coca-driven youth-gang culture. This is Cancún's Soweto, the ghetto dormitories that house many of the tourist industry's impoverished workers. Behind most of the grim cinder-block houses stand cramped, low-ceiling, add-on structures with tin roofs, wood-slat walls and earthen or concrete floors. Little more than human stalls, these

cuarterias—little rooms—are illegally rented out by the day or month to the 40,000 or so mostly Mayan construction and hotel workers who commute into Cancún from their rural villages and go back home on weekends or once a month. "Cancún's development has caused the disintegration of the whole Mayan region instead of its development," says Araceli Dominguez. She and other critics complain that while billions have been invested by international capital in the resort hotels, almost nothing is spent on those who work in them.

The water system was privatized a decade ago, but with deference to the tourist hotels; many in Benito Juárez have running water only three or four hours a day. The 1994 implementation of the North American Free Trade Agreement has also contributed to the collapse of local services. Job-seeking subsistence farmers, bankrupted by the import of cheap American corn, have flooded Cancún, accelerating what was already explosive and chaotic growth. Today, about half the residents are not connected to the sewer system, and local groundwater has turned toxic.

Some tourist-industry workers live a bumpy, hourlong bus ride from the hotels in places like Colonia Avante, a crude settlement in front of a modern Coca-Cola bottling plant and nestled

Marching on Cancún

Mexico City

Peasants, punks, students, green activists, union workers, social leaders and many more will meet in Cancún to say no to the WTO. The Zapatista Army has also announced it will participate in some way. As the main movement that unites diverse social forces, the Zapatistas, by their announcement, gave a vital push to the organization of opposition to the WTO gathering. The Zapatista Army was the first movement in the world to speak out against global neoliberalism when it appeared publicly for the first time in January 1994—not coincidentally the same day NAFTA was implemented.

"We are against the WTO because they want to patent our products, because they want to privatize our resources," says Mayan peasant leader Pedro Dzib of UNORCA (National Union of Autonomous Regional Farmer Organizations—a Mexican member of the international network *Vía Campesina*). "We cannot allow them to privatize CFE [the Federal Electricity Commission], we cannot allow them to flood our market with foreign grains just because theirs are cheaper." Dzib reflects the feelings of millions of peasants and small farmers who have seen prices for their products fall dramatically as a result of NAFTA—and who see the WTO as an expansion of NAFTA.

During the weeks leading up to Cancún, members of UNORCA have been busy informing peasant communities about the WTO ministerial conference and its implications for their lives. Not a hard job, as peasants are living the consequences of NAFTA every day. "They may not understand the macroeconomic details, but they know something is going wrong," says Victoria Santos, technical director of the Organization of Communal Forest Producers of the Maya Region.

Tens of thousands of farmers are willing to go to Cancún, according to UNORCA leader Alberto Gómez, but only a few can afford the trip. Students, punks, workers and artists are in the same situation. Cancún is the most expensive tourist destination in the country—a twenty-three-hour Mexico City–Cancún bus ride costs about \$100. So all over the country activists are focused on informing people about the WTO and raising money. *Vía Campesina* and UNORCA have set up a fundraising campaign at www.unorca.org.mx and expect to mobilize about 10,000 peasants, mainly from communities near Cancún.

Planned activities in Cancún include a Convergence of Independent Media, an international reunion of fishermen, concerts, mass demonstrations, international forums (on globalization, agriculture, workers, ecology and "of the people"—mainly NGOs) and an International Fair on Fair Trade. For those who won't be able to make it, UNORCA–*Vía Campesina* and other organizations have planned activities in at least twenty-six Mexican states, especially on the southern and northern borders, where they will attempt to let people in without asking for papers and stop multinational trailer-trucks.

Activists agree that the future of social movements in Mexico depends on the outcome of the WTO protests; peasant, social and student movements are weak right now. The paradox lies in the fact that it was in southern Mexico that some of the most important seeds of the global movement were planted. "It's not just about Cancún," says Gómez. "It's about our country. What's at stake is, Which will the next step be for our society, for our teachers, our union workers, our consumers? What's at stake is our own existence as farmers—and we are going to show the world that in Mexico, there is a society that does not want to disappear."

TANIA MOLINA RAMÍREZ

Tania Molina Ramírez is a journalist at the Mexican daily La Jornada.

around the towering pylons of a crackling high-tension electric line. As wages have fallen over the past five years and with most workers hired month to month and facing layoffs in the slow season, for many, places like this are their only choice.

The unpaved roads into Avante are so rough, the local police use sure-footed horses on their patrols. The residents live mostly in *palapas*, rough-hewn shacks made of strapped-together poles. Water is gathered from open wells. Hijacked electric power snakes through the village on a jumble of wires and cables held up by forked sticks no more than five feet off the ground. A half-mile into Avante, the pirated lines disappear, replaced by candles and oil lanterns. In the early morning hours, residents—some in their colorful corporate uniforms—stream toward the highway to catch a bus to work. Directly overhead an American Airlines 757—like a giant creature from another world—makes its approach into Cancún International Airport.

There are some tourist-industry workers climbing the economic ladder. New housing developments dot the city's periphery. Along dusty, unpaved but leveled roads, the more fortunate of the working-class families can buy a new, brightly painted "mini-casa" for about \$16,000. Each mini-casa in a row of attached homes consists of one main room with a window, a separate shower stall and a tiny patio with a barbed-wire front fence—a total living space of 11 by 15 feet. "You live so close to one another," darkly jokes a local journalist, "that you have to cut the tails off your dogs, ask Jesus on the cross to hang his hands out the windows, and prepare for having your neighbors hear even your secrets."

Back in the air-conditioned, aptly named *Restaurante California* in downtown Cancún, Pepe Zuniga feels a sense of bitter personal betrayal when it comes to Cancún. As a young urban planner, he helped draft the original plans for Cancún in the early 1970s; he even named some of its streets. Now a full-time activist, he leads a network of environmental groups critical of his own creation. "The original Cancún project was sensational," he says. "A pedestrian-based town with ample green spaces, gardens and schools."

But the demand for immediate profit by investors and rampant political corruption guaranteed that Cancún would be a Frankenstein's monster from the outset. In a precursor of the free-trade policies that would be codified two decades later in agreements like NAFTA, the Mexican government made sweeping regulatory and tax concessions to investors in the nascent Cancún project. Later, investment-for-debt swaps—which gave juicy tax breaks to investors—further heated up the Cancún investment market. "In Cancún it never mattered, and it still doesn't matter, who you were or where your money came from," says local historian José Antonio Callejas. Bundles of narcodollars washed through the resort building projects. Mario Villanueva, the state governor until the late 1990s, now doing a prison term after a stint as a fugitive, built a massive political/criminal empire buoyed by the cocaine cartels while in office. That legacy still haunts Cancún. The current mayor's brother, a prominent hotel operator, has also done prison time on money-laundering charges, and experts say Cancún is still a major transit point for the drug trade.

But the biggest problem with Cancún's development is that it

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was left solely to the whim of the market. "No one ever figured out where or how the workers would live. Better said, no one cared," Zuniga says. When the city sprouted in 1975, it had 5,000 residents, compared with its nearly 700,000 today. As impoverished job hunters poured in and found no infrastructure, they simply set up squatter villages. The dominant Institutional Revolutionary Party (PRI)—which monopolized the government until three years ago—hungry for votes, capitalized on the shantytowns by legalizing them where they stood. As billions of dollars were plowed into the beach resorts, nothing went to build infrastructure for the locals. "Everyone comes here desperate to find a job," says Zuniga. Mix that with the greed of local political bosses and the result is "total urban disaster."

Cancún, he says, is the "mirror that reflects the social crisis" not only of Mexico but of the entire global South. While an average city has nine square meters of green space per inhabitant, Cancún has one and one-fifth square meters. In Jamaica, he notes, the ratio of tourist hotel rooms to industry workers is about 1 to 15. In Cancún it's 1 to 40. Local forest reserves have been sold off to private interests.

Shantytowns have been built atop groundwater reserves. And now there are plans to fill in the everglades and replace them with golf courses.

"The original idea was to produce a diamond, an expensive diamond that would attract development," Zuniga says. "Instead, we've seen them degrade and degrade this place, cheapening the tourism and squeezing for profits. Cancún used to sell sun, beach and relaxation. Now it sells sex, discos, alcohol and—yes—the beach. My beauty queen that I loved has been turned into a streetwalker."

That "degrading" Zuniga refers to is very much on the minds of many local Cancún businessmen. They, too, are feeling the effects of globalization—and they don't like it. Three-fourths of Cancún's hotel capacity is owned by foreign interests—Americans, Canadians, Italians and, most notable, Spanish hotel chains. And in this industry, it's the Spanish who are making a move to dominate the local market, wringing it dry for profit, driving down prices, cutting costs and squeezing the competition. The Spanish chains have been flooding the market with "all inclusive" deals that offer tourists airfare, a luxury hotel room and all meals and tips, often for \$50–\$65 a day—half or less what the room alone might fetch on a market peak. This all-inclusive policy has wiped out the income of workers dependent on tips and has led to the closing of a number of restaurants and clubs.

Local leftists had a good laugh recently when newspapers ran a story quoting the usually conservative and antistatist leaders of the Cancún Hotel Association calling on the Mexican government, no less, to intervene in the market and impose price controls on resort hotel rooms—controls that would guarantee a price floor, not a ceiling. "It's the only way we are going to overcome this problem," says association executive Tomás Aunon—the problem being that in spite of 98 percent hotel-occupancy rates this summer, many of the Mexican-owned hotels are teetering on the brink of bankruptcy, and local suppliers say their invoices are regularly going unpaid. Already this year, ten luxury hotels have

been sold off or are currently on the auction block. There's a palpable fear that Cancún may now be embarked on a downward spiral with no bottom in sight, that it might become a globalization-whipped Caribbean version of Flint, Michigan.

Those concerned about Cancún's problems can't expect any help from the government. President Vicente Fox is a big promoter of globalization, while the left-of-center Democratic Revolutionary Party, in opposition, which has criticized Cancún-style development, has been losing strength. Its vote was down to about 17 percent nationally in July's congressional elections, and it did particularly poorly in the state of Quintana Roo, dropping into single digits.

At least one Cancún businessman, 49-year-old Armando Rangel Diaz, is convinced that Cancún faces "catastrophic problems in the near future" if nothing is done. Rangel Diaz, the great-grandson of a former president of Mexico, a former industry adviser to the Mexican Congress and a longtime businessman who today owns fish-packing warehouses, is an unlikely critic

of the economic system. But he's quick to call himself a "victim of globalization." His small fleet of shrimp boats was driven out of business by trade concessions to Asian

corporate fleets, and he says he has painfully watched his adopted city of Cancún succumb to a lethal brew of international capital and local corruption—a formula he says is embodied in the policies of agencies like the WTO.

The crisis, he says, runs much deeper than a few greedy Spanish hotel chains. "Globalization is a process that radically undermines national projects," he says. "International capital, as you can see here in Cancún, wants to offer only enough wages, healthcare and education to guarantee a minimum of stability. It then becomes complicit with corrupt local governments. And neither side asks very much of each other. Instead they fuse into a single mafia that robs the population of its human dignity."

Two years ago, Diaz helped lead a study of the Cancún economy that detailed the radical shortcomings in its model of free-market development. "We have a \$10 billion industry here, and all it does is consistently degrade the work force," he says. "Labor was brought in but never trained or upgraded. We have two miserable libraries, only two athletic fields, only four youth coaches, only six baseball diamonds, no public university, but we have public schools where the principals pocket 'registration fees.' We have half the population without sewers, but we have 7,000 liquor stores, half of them clandestine, 4,000 prostitutes who each pay the police \$10 a month and 400 crackhouses that also produce about \$2 million a month in police protection money. Do you think this is just? Do you think this is fair treatment by a \$10 billion industry?"

The study made hundreds of concrete suggestions for reform and improvement, but he says, "We have been totally, but totally ignored. Not one of our suggestions has been implemented. The globalizers couldn't care less about sustainability or even social order. What's most important to them is competitiveness. And, damn it, if being competitive means they have to pay you \$4 a day—then \$4 a day is all you're going to be paid."

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—Urban planner Pepe Zuniga